



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000042-0000

DATE: July 08, 2026.

NO. ON LIST: 1

TITLE OF PROCEEDING: TOYS "R" US (CANADA) LTD et al. v. LEGO CANADA INC et al.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TOYS "R" US (CANADA) LTD. / TOYS "R" US (CANADA) LTEE (the "Applicant")

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Ian Aversa	Lawyers for the Applicant, Toys "R" Us (Canada) Ltd. / Toys "R"	iaversa@airdberlis.com
Matilda Lici	Us (Canada) Ltee	mlici@airdberlis.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Graham Phoenix	Lawyer for 2625229 Ontario Inc. and 1001485743 Ontario Inc.	gphoenix@ln.law
Mitch Grossell	Lawyers for Allied World Specialty Insurance	mgrossell@tgf.ca
James Hardy		jhardy@tgf.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Josh Nevsky	The Monitor, Alvarez & Marsal Canada Inc.	jnevsky@alvarezandmarsal.com

Lee Nicholson	Lawyers for the Monitor, Alvarez & Marsal Canada Inc.	leenicholson@stikeman.com
Chloe Duggal		cduggal@stikeman.com
Harvey Chaiton	Lawyer for msi Spergel, court appointed receiver of Everest toys	Harvey@chaitons.com
Annecy Pang	Lawyer for Concord Kingsway Project GP Ltd.	apang@lolg.ca
Richard Pierson	Creditor	rpierson@famoustoys.ca

ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] Toys R Us previously requested authority to distribute certain amounts to 1001 Ontario as secured creditor over Toys R Us' intellectual property. Allied World objected to the distribution claiming that 1001 Ontario, as a related party, may be subject to certain transfer at undervalue litigation (the "**TUV Litigation**"). At the time of the previous hearing, as set out in my endorsement of June 22, 2026, I scheduled today's conference to address this opposed distribution.
- [2] As I noted in my endorsement of June 22, 2026, it was expected by the time of this case conference the involvement of 1001 Ontario would be clear and distribution would revisited based on that information. Allied World and 1001 Ontario have filed aide memoires.
- [3] Allied World does not take issue with 1001 Ontario's security. Rather, it asks the Court to exercise its broad discretion under the CCAA to defer the distribution to 1001 Ontario pending a case-managed, expedited determination of the TUV Litigation.
- [4] No specifics regarding 1001 Ontario's involvement in the potential TUV Litigation are provided by Allied World. The Monitor's Report on Related Party Transactions does not identify any transactions with 1001 Ontario as a party. At best, 1001 Ontario's argument appears to be that there may be TUV Litigation in the future against various parties related to Putman Investments and Mr. Putman. Further, because 1001 Ontario is also related to Putman Investments and Mr. Putman it may be that 1001 Ontario could potentially also be involved in that litigation as a related party 'privy' who obtained a benefit from the impugned transactions. Specifically, 1001 Ontario is a newly formed entity that purchased the IP security and it is not clear where 1001 Ontario obtained the funds to do so. If 1001 Ontario obtained the funds the reviewable transactions it may, it is alleged, be a privy. Allied World claims this lack of information specificity is as a result of information asymmetries, however, something more than speculation is necessary for the Court to decline to authorize a distribution to a secured creditor.
- [5] 1001 Ontario also takes the position that any potential TUV Litigation against it is less than the amount of a 1 year term note that it will receive as part of the distribution. Therefore, despite the distribution, there will be assets (the 1-year term note) in 1001 Ontario for a period of time to satisfy a judgment. Based on the discussion at the case conference today about those values, I am satisfied that the future assets in 1001 Ontario mitigate against a delayed distribution.
- [6] Allied World is essentially seeking security before judgment for which a claim has not been commenced or specifically articulated. Security before judgment is an extraordinary remedy: *Wiseau Studio, LLC v.*

Harper, 2021 ONCA 31 at para 24. I am not persuaded this is an appropriate case to grant such extraordinary relief.

- [7] Accordingly, the distribution sought to 1001 Ontario is approved and the distribution Order in the form signed by me this day is granted with immediate effect.



Date: Jul 08, 2026

Justice J. Dietrich