



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00748871-00CL

DATE: November 14, 2025

NO. ON LIST: 3

TITLE OF PROCEEDING:

6045073 CANADA INC. v. CADILLAC FAIRVIEW CORPORATION LIMITED et al

BEFORE: Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF Justice J. Dietrich:

Introduction

- [1] 6045073 Canada Inc. (formerly Claire’s Stores Canada Corp.) (the “**Applicant**”) seeks three orders.

- [2] No opposition to the relief requested was raised. Defined terms used but not otherwise defined herein have the meaning provided to them in the factum of the Applicant filed for use on this motion.
- [3] First, a “Claims Procedure Order,” is sought approving the proposed claims process in respect of claims against the Applicant (including intercompany claims) and claims against the Applicant’s current and former directors and officers (the “**Claims Process**”).
- [4] Second, an “Expansion of Monitor’s Powers Order,” is sought authorizing the KSV Restructuring Inc. in its capacity as court-appointed Monitor to exercise expanded powers in respect of the Applicant.
- [5] Third, a “Stay Extension and Ancillary Relief Order,” is sought: (i) extending the Stay of Proceedings to May 14, 2016; (ii) approving the Funds Transfer; (iii) approving the Monitor’s Reports and the activities and conduct of the Monitor as described therein; (iv) approving the fees and disbursements of the Monitor and its counsel since the Filing Date; and (v) declaring that the Applicant meets the criteria prescribed by s. 3.2 of the WEPP Regulation.

Background

- [6] On August 6, 2025 (the “**Filing Date**”), the Court granted the Initial Order in this proceeding. Certain related parties also commenced Chapter 11 Proceedings - but the Applicant is not a party to the Chapter 11 Proceedings.
- [7] At the Comeback Hearing, among other things, a Liquidation Sale Approval Order was made. Following that, a number of stores were removed from the liquidation sale and on August 18, 2025, Claire’s Holdings and certain other subsidiaries of Claire’s Holdings, including the Applicant (in such capacity, the “**Canadian Vendor**” and together with Claire’s Holdings, the “**Vendors**”) and AWS Claire’s LLC (the “**Purchaser**”), entered into an asset purchase agreement (as amended, the “**Purchase Agreement**”), as modified by a Canada Letter Agreement among the Canadian Vendor, Claire’s Holdings and the Purchaser, pursuant to which an affiliate of the Canadian Purchaser agreed to purchase, among other things, up to 77 of the Applicant’s retail stores in Canada, with the remaining stores being Liquidating Stores.
- [8] On September 16, 2025, the Court granted the Approval and Vesting Order, which, among other things, approved the Purchase Agreement. The Transaction closed on September 18, 2025. On September 29, 2025, the Canadian Purchaser confirmed that it would be assuming 73 out of the 77 leases.
- [9] Since the granting of the Approval and Vesting Order, the Applicant has been working to, among other things: (i) conclude the Liquidation Sale; (ii) disclaim various contracts,

including leases in respect of the Liquidating Stores and the four non-Liquidating Stores not being assumed by the Purchaser; and (iii) maintain operations at the non-Liquidating Stores, pending the closing of the Transaction.

- [10] On November 6, 2025, the Applicant transferred substantially all funds held in the Applicant's bank accounts into the Monitor's trust account (the "**Funds Transfer**").
- [11] The Applicant presently has approximately \$4.7 million on hand (which include proceeds from the Transaction, held in trust by the Monitor), and expects to be able to make a distribution to the Applicant's creditors.
- [12] Accordingly, the Applicant and the Monitor have developed the proposed Claims Process in order to govern the identification and quantification of the "Claims". Claims includes, Pre-Filing Claims, Restructuring Period Claims, Employee Claims, Intercompany Claims, Pre-Filing D&O Claims and Restructuring Period D&O Claims.
- [13] A broad notice of the proposed Claims Process is proposed with a Claims Bar Date of February 18, 2026 for most claims with a Restructuring Claims Bar Date of 30 day after the Monitor sends out the applicable package to the Claimant. The proposed Claims Process includes a streamlined negative notice process, which is designed to assist Employees (and potentially other Persons) in quantifying their claims.
- [14] The Claims Process also includes a dispute resolution process and includes that disputes may be referred by the Monitor to the Claims Officer or to the Court for adjudication. The proposed Claims Procedure Order would appoint Mr. Eric Morgan as the Claims Officer. Mr. Morgan is a founding partner at Kushneryk Morgan LLP.

Issues

- [15] The issues before the Court today whether:
 - a. the Claims Process should be approved;
 - b. the Monitor should be granted expanded powers;
 - c. the activities and conduct of the Monitor should be approved;
 - d. the fees and disbursements of the Monitor and its counsel should be approved;
 - e. the Applicant meets the criteria prescribed by s. 3.2 of the WEPP Regulation and a declaration should be made under s. 5(5) of the WEPPA (as defined below); and
 - f. the Stay of Proceedings should be extended.

Analysis

- [16] The Court routinely approves claims processes, including claims bar dates, in CCAA restructurings see *Toys “R” Us (Canada) Ltd. (Re)*, 2018 ONSC 609 at para. 8 [*Toys “R” Us*]. This extends to negative notice claims processes, which courts have recognized minimize unnecessary costs by eliminating the need for creditors to file proofs of claim and collect evidence see *Toys “R” Us* at para 14.
- [17] As set out in *Laurentian University of Sudbury (Re)*, 2021 ONSC 3885 at para. 30, a claims process must be carefully drafted so as to ensure that the process by which claims are determined is both fair and reasonable to all stakeholders, including those who will be directly affected by the acceptance of other claims.
- [18] I am satisfied that the proposed Claims Process satisfies these requirements and should be approved. In large part it is consistent with claims processes approved in other CCAA proceedings. The notice provided for under the Claims Process is both timely and wide. The combination of the Negative Notice Claims Process and the general Claims Process, along with the flexible adjudication process, will ensure that the universe of Claims is comprehensively solicited and that the nature, quantum, and validity of Claims are determined as fairly and expeditiously as possible. The Claims Bar Date is sufficiently far in the future to provide adequate opportunity for persons to submit claims. As well, the appointment of a Claims Officer will further increase the efficiency of the Claims Process, while still allowing the parties to appeal any determination of the Claims Officer to the Court.
- [19] As agreed during the hearing, the CRA reserves all rights to argue, if necessary, that the objection and appeal process provided under the *Income Tax Act* (Canada), *Excise Tax Act* (Canada), *Tax Court of Canada Act* (Canada) and any other applicable Act must be followed in the event that a Notice of Assessment is disputed. The Monitor and the Applicant reserve all rights to respond accordingly
- [20] The Applicant also seeks to expand the current powers of the Monitor in order to, among other things, oversee the remaining business and winddown activities of the Applicant. The Applicant no longer has any employees and its remaining directors and officers resigned or were removed on November 7, 2025. The Monitor’s expanded powers would authorize and empower, but not require, the Monitor to exercise any powers which would be properly exercised by a board of directors in respect of a corporation governed by the *Canada Business Corporations Act*. The Monitor, has a high degree of familiarity with the Applicant and its current circumstances, and has the capacity and resources to assist the Applicant in the completion of the well-defined and limited scope of activity which remains to be completed over the coming months.
- [21] Section 23(1)(k) of the CCAA provides that the Monitor can “carry out any other functions in relation to the [debtor] company that the court may direct,” while s. 11 of the

CCAA further authorizes the Court to make any order that is necessary and appropriate in the circumstances. Further, the grant of expanded powers to the Monitor accords with the common practice of CCAA courts in similar circumstances: see for example *DCL Corporation (Re)*, 2023 ONSC 4475 [**DCL Corporation**] at para. 7.

- [22] Approval of the Funds Transfer by the Applicant to the Monitor is also sought. The Funds Transfer occurred immediately prior the removal or resignation of all directors and officers of the Applicant and was appropriate in the circumstances.
- [23] The Monitor seeks the approval of the actions, conduct and activities outlined in the First Report of the Monitor dated August 14, 2025, the Second Report of the Monitor dated September 15, 2025, and the Third Report (collectively, the “**Reports**”). The request is not unusual and there are good policy and practical reasons to grant the approval of a monitor’s reported activities see *Target Canada Co (Re)*, 2015 ONSC 1487, at paras 2, 22-23. The evidence is that the Monitor has carried out its duties in a reasonable and efficient manner, consistent with its powers as set out in the CCAA and in the interests of the Applicants’ stakeholders generally. There are no objections to the approval of the Reports and accordingly they are approved. The draft order provides that only the Monitor may rely on such approval.
- [24] The Applicant also seeks approval of the fees and disbursements of the Monitor and its legal counsel as set out in the Fourth Report and affidavits attached thereto. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Applicant’s assets and liabilities, as well as the complexity of the Applicant’s business and the proceeding. In considering these guiding principles, the fees of the Monitor and its counsel are appropriate and are approved.
- [25] In order to assist eligible terminated employees in accessing WEPP Payments, the Applicant seeks a declaration under s. 5(5) of the WEPPA that the Applicant fulfils the criteria prescribed by s. 3.2 of the WEPP Regulation - that section provides that the Court “may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to winddown its business operations.” The Attorney General of Canada was served with the motion material, has been in discussions with counsel to the Applicant and has advised they do not oppose the WEPPA relief requested.
- [26] As set out above, all of the Applicant’s stores have been assigned and/or transferred to the Canadian Purchaser, or closed, and the following groups of employees were terminated by the Applicant during the CCAA proceedings: (i) employees at the Liquidating Stores or Rejected Stores; (ii) employees at the Assumed Canadian Lease stores assumed through the Canadian Assumed Leases but who were not offered employment with the Canadian

Purchaser; and (iii) employees on long term disability prior to the CCAA proceedings. The result is that at the present time, the Applicant no longer has any employees in Canada.

- [27] As such, I am satisfied that the declaration sought is appropriate. I also note that it is consistent with that granted in other CCAA proceedings where criteria have been satisfied (see *DCL Corporation*, at paras. 13- 14.)
- [28] The Applicant also requests that the Stay of Proceedings be extended to and including May 14, 2026. Pursuant to s. 11.02 of the CCAA, the Court may grant an extension of a stay of proceedings where: (a) circumstances exist that make the order appropriate; and (b) the debtor company satisfies the Court that it has acted, and is acting, in good faith and with due diligence. I am satisfied that the Applicant has acted and continues to act in good faith and with due diligence and the requested extension will allow the proposed Claims Process to move forward. Based on the information contained in the Fourth Report, I am satisfied that no stakeholder will be prejudice by the extension ant that circumstances exist which make approval of the requested extension appropriate.

Disposition

- [29] Orders to go in the form signed by me this day.



Date: November 14, 2025

Justice Jane O. Dietrich