

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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 6045073 CANADA INC.

APPLICANT

**FACTUM OF THE APPLICANT
(Claims Procedure, Expansion of Monitor's Powers, and Other Relief)**

November 12, 2025

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PART I - NATURE OF THE MOTION

1. On August 6, 2025 (the “**Filing Date**”), 6045073 Canada Inc. (formerly Claire’s Stores Canada Corp.) (the “**Applicant**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**,” and the within proceedings the “**CCAA Proceedings**”), pursuant to an initial order of this Court (the “**Initial Order**”). The Applicant was the sole Canadian operating subsidiary of Claire’s Stores, Inc. (“**Claire’s Stores**”), which is the US operating subsidiary of Claire’s Holdings LLC (“**Claire’s Holdings**,” and together with Claire’s Stores and its affiliates, including the Applicant, the “**Company**”). The Company sold fashionable jewelry and accessories and offers ear-piercing services for tweens, teen and young girls across North America and in Europe.

2. Pursuant to the terms of the Initial Order, the Applicant was authorized to pursue all avenues of refinancing, restructuring, sale, or reorganization of its business or assets, including by way of a going-concern transaction. At the Comeback Hearing held on August 15, 2025 (the “**Comeback Hearing**”), the Court further granted the Liquidation Sale Approval Order, which, among other things, approved a liquidation sale process in respect of the Applicant’s merchandise, inventory, and owned furnishings, trade fixtures, and equipment (the “**Liquidation Sale**”) at participating stores (the “**Liquidating Stores**”). Under the terms of the agreements governing the conduct of the Liquidation Sale, the Applicant retained the right to add or remove any of its retail stores from the list of Liquidating Stores, including in connection with a potential going-concern transaction.

3. The Company and the Applicant’s efforts to achieve a going-concern transaction were successful, and on August 18, 2025, the Company and the Applicant entered into an asset purchase agreement with a buyer group headed by Ames Watson LLC, whereby an affiliate of the Purchaser

called Claire's Essentials Canada Corp. (the "**Canadian Purchaser**") agreed to purchase all of the Applicant's right, title and interest in and to the applicable Acquired Assets (as defined therein) and assume, among other things, up to 77 of Applicant's retail stores (the "**Transaction**"). On September 16, 2025, the Court granted the Approval and Vesting Order, which, among other things, approved the Transaction.

4. The Transaction closed on September 18, 2025, and the Liquidation Sale concluded on September 28, 2025. At the present time, all of the Applicant's retail stores have been assigned and transferred to the Canadian Purchaser, or shut down, and all of the Applicant's employees in Canada have either accepted new employment with the Canadian Purchaser or have been terminated. The Applicant's business is therefore largely complete and is ready to be wound-down.

5. In order to facilitate an orderly wind-down, the Applicant seeks the following orders:

- (a) a "**Claims Procedure Order**," which will, among other things, approve 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**");
- (b) an "**Expansion of Monitor's Powers Order**," which will, among other things, authorize the Monitor (as defined below) to exercise expanded powers in respect of the Applicant; and
- (c) a "**Stay Extension and Ancillary Relief Order**," which will, among other things:
 - (i) extend the Stay of Proceedings (as defined below) to May 14, 2016; (ii) approve the Funds Transfer (as defined below); (iii) approve the Monitor's Reports (as defined below) and the activities and conduct of the Monitor as described in the

Monitor's Reports; (iv) approve the fees and disbursements of the Monitor and its counsel since this Filing Date; and (v) declare that the Applicant meets the criteria prescribed by s. 3.2 of the WEPP Regulation (as defined below).

6. The requested relief is necessary and appropriate in the circumstances and should be approved by the Court. The Claims Procedure Order is required to solicit and determine Claims against the Applicant and the Applicants' directors and officers, with a view to ultimately making a distribution to the Applicant's creditors. The Expansion of Monitor's Powers Order and the Stay Extension and Ancillary Relief Order are necessary for the wind-down of the Applicant's business to proceed in an orderly and responsible manner.

PART II - SUMMARY OF FACTS

7. The facts are more fully set out in the Affidavit of Suzanne Stoddard.¹

A. Update on the CCAA Proceedings and Chapter 11 Cases

8. On August 6, 2025 (the "**Filing Date**"), the Court granted the Initial Order, which, among other things: (i) appointed KSV Restructuring Inc. as monitor in the CCAA Proceedings (the "**Monitor**"); (ii) granted an initial stay of proceedings (the "**Stay of Proceedings**"); (iii) authorized the Applicant to pay certain pre-filing amounts; and (iv) granted certain priority charges over the Applicant's Property.

9. Also on August 6, 2025, Claire's Holdings and certain of its U.S. affiliates (the "**Chapter 11 Debtors**") commenced voluntary proceedings (the "**Chapter 11 Proceedings**") under Chapter 11 of Title 11 of the United States Code before the United States Bankruptcy Court for the District

¹ Affidavit of Suzanne Stoddard, sworn November 7, 2025 [**Fourth Stoddard Affidavit**]. Capitalized terms not otherwise defined have the same meaning as in the Fourth Stoddard Affidavit. Dollar amounts are given in Canadian dollars unless otherwise specified.

of Delaware. The Chapter 11 Proceedings were commenced to facilitate a going-concern sale, an orderly liquidation or a combination of both regarding the Chapter 11 Debtors. The Applicant is not a party to the Chapter 11 Proceedings; it commenced these CCAA proceedings concurrently to address its own financial and operational challenges.²

10. At the Comeback Hearing, the Court granted an Amended and Restated Initial Order, which, among other things: (i) extended the Stay of Proceedings; and (ii) increased the maximum amounts secured by the charges. The Court also granted the Liquidation Sale Approval Order, which, among other things: (i) approved the Consulting Agreement between the Applicant and a contractual joint venture comprised of Hilco Merchant Retail Solutions, ULC, Gordon Brothers Canada ULC and SB360 Capital Partners, LLC (the “**Consultant**”), pursuant to which the Consultant would serve as exclusive consultant for the purpose of conducting the Liquidation Sale; (ii) approved the proposed sale guidelines (the “**Sale Guidelines**”) for the orderly realization of the Merchandise and FF&E at the Liquidating Stores; and (iii) authorized the Applicant, with the assistance of the Consultant, to undertake the Liquidation Sale in accordance with the terms of the Liquidation Sale Approval Order, the Consulting Agreement and the Sale Guidelines.³

11. At the time the Liquidation Sale Approval Order was granted, the Applicant intended to conduct the Liquidation Sale at all or substantially all of the Applicant’s retail stores, but retained the right, under the terms of the Consulting Agreement, to remove stores from the list of Liquidating Stores. On August 16, 2025, in connection with its pursuit of the Transaction, the

² Fourth Stoddard Affidavit at para. 7.

³ Fourth Stoddard Affidavit at para. 9.

Applicant exercised this right by removing all but 30 of the Applicant's retail stores from the list of Liquidating Stores.⁴

12. 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.⁵

13. On September 16, 2025, the Court granted the Approval and Vesting Order, which, among other things, approved the Purchase Agreement. On September 29, 2025, the Canadian Purchaser confirmed that it would be assuming 73 out of the 77 leases.⁶

14. Since the granting of the Approval and Vesting Order, the Applicant, in close consultation and with the assistance of the Monitor and Alvarez & Marsal Canada ULC (as Restructuring Advisor), has been working in good faith and with due diligence 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.⁷

⁴ Fourth Stoddard Affidavit at paras. 10-11.

⁵ Fourth Stoddard Affidavit at paras. 12, 16.

⁶ Fourth Stoddard Affidavit at para. 12.

⁷ Fourth Stoddard Affidavit at paras. 15-16.

15. The Transaction ultimately closed on September 18, 2025.

16. 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**"). The Funds Transfer was undertaken in light of the impending establishment of a liquidating trust in respect of the estates of the Chapter 11 Debtors (as defined below) and termination of Claire's Stores management in the U.S., and in anticipation of the Monitor's expanded powers in the CCAA Proceedings (as discussed below).⁸

B. The Claims Process

(a) The Claims

17. 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.⁹ Accordingly, the Applicant and the Monitor have developed the proposed Claims Process in order to govern the identification and quantification of the "**Claims**," which will consist of:¹⁰

- (a) Claims against the Applicant, including: (i) Claims in existence at the Filing Date ("**Pre-Filing Claims**"); (ii) Claims arising out of the restructuring, disclaimer, or breach by the Applicant of any agreement on or after the Filing Date

⁸ Fourth Stoddard Affidavit at para. 18.

⁹ Third Report of the Monitor dated November 12, 2025, at para. 3.1 [Third Report].

¹⁰ See Fourth Stoddard Affidavit at paras. 19-20 for a detailed summary of the Claims.

(“**Restructuring Period Claims**”); (iii) Claims by Employees; and (iv) Intercompany Claims.¹¹

- (b) Claims against the current and former directors and officers of the Applicant (the “**D&O Claims**”), including both D&O Claims arising in whole or in part on facts that existed prior to the Filing Date (“**Pre-Filing D&O Claims**”), and D&O Claims arising after the Filing Date (“**Restructuring Period D&O Claims**”).

18. The Claims Process does not apply to the “**Excluded Claims**,” namely: (i) any Claim by a beneficiary of a charge granted in the CCAA Proceedings, in respect of obligations secured by such charges; (ii) any Claim asserted by the Consultant; (iii) any Claim enumerated in ss. 5.1(2) and 19(2) of the CCAA; (iv) any claim by the Applicant against any Directors or Officers; and (v) any Excluded Claim arising through subrogation.¹²

19. The Claims Process will be carried out by the Monitor, in consultation with the Applicant’s counsel and the Restructuring Advisor, who have significant knowledge regarding the Applicant’s business, creditor pool and books and records.¹³

(b) General Claims Process

20. Notice of the Claims Process will be provided to potential Claimants in the following ways:

¹¹ “**Intercompany Claims**” refers to any Claim that may be asserted against the Applicant by or on behalf of Claire’s Holdings and/or any of its affiliated companies, partnerships or other corporate entities other than the Applicant.

¹² Fourth Stoddard Affidavit at para. 21.

¹³ Third Report at para. 3.2.

- (a) **General Claims Packages:** The Monitor will send a General Claims Package¹⁴ to:
- (i) each Person that appears on the Service List, with the exception of Persons that will likely to assert only Excluded Claims; (ii) any Person who has requested a Proof of Claim that is not captured in a Statement of Negative Notice Claim (as defined below); and (iii) any Person known to the Applicant or Monitor as having a potential Claim that is not captured in a Statement of Negative Notice Claim.¹⁵
- (b) **Publication:** The Monitor will cause a Notice to Claimants to be published in the *Globe and Mail* (National Edition).¹⁶
- (c) **Monitor's Website:** The Monitor will post the Notice to Claimants, the General Claims Package and a blank form of Notice of Dispute of Negative Notice Claim on the Monitor's Website as soon as practicable but no later than 5:00 p.m. on the 30th day following the issuance of the Claims Procedure Order.¹⁷
- (d) **Subsequent Notices:** Should the Monitor subsequently become aware of a circumstance giving rise to a potential Restructuring Period Claim or Restructuring Period D&O Claim, the Monitor will send the Claimant a General Claims Package, or a Negative Notice Claims Package, as appropriate.¹⁸

¹⁴ The General Claims Package will contain a Proof of Claim form, a Proof of Claim Instruction Letter, a D&O Proof of Claim form, a D&O Claim Instruction Letter, and such other materials as the Monitor may consider appropriate: Fourth Stoddard Affidavit, at para. 23.

¹⁵ Fourth Stoddard Affidavit at para. 23.

¹⁶ Fourth Stoddard Affidavit at para. 24.

¹⁷ Fourth Stoddard Affidavit at para. 24.

¹⁸ Fourth Stoddard Affidavit at para. 26.

21. Any Claimant that intends to assert a Pre-Filing Claim (including an Intercompany Claim in existence prior to the Filing Date) or a Pre-Filing D&O Claim that is not captured in a Statement of Negative Notice Claim, must file a Proof of Claim or Proof of D&O Claim with the Monitor on or before 5:00 p.m. on February 18, 2026 (the “**Claims Bar Date**”). Any Claimant that intends to assert a Restructuring Period Claim (including an Intercompany Claim arising out of the restructuring, disclaimer, or breach by the Applicant of any agreement in the restructuring period) or a Restructuring Period D&O Claim that is not captured in a Statement of Negative Notice Claim must file a Proof of Claim or a D&O Proof of Claim with the Monitor on or before the later of: (i) 30 days after the Monitor sends the applicable package to the Claimant; or (ii) the Claims Bar Date (the “**Restructuring Claims Bar Date**,” and together with the Claim’s Bar Date, the “**Bar Dates**”).¹⁹

22. Any potential Claimant (other than Negative Notice Claimants) that does not file by the applicable Bar Date will: (i) be forever barred from asserting such Claim; (ii) not be permitted to vote at any Meeting on account of such Claim; (iii) not be entitled to receive further notice with respect to the Claims Process or Claim; and (iv) not be permitted to participate in any distribution on account of such Claim.²⁰

(c) Negative Notice Claims Process

23. The proposed Claims Process includes a streamlined negative notice process, which is designed to assist Employees (and potentially other Persons) in quantifying their claims.

¹⁹ Fourth Stoddard Affidavit at paras. 25-26, 33-34.

²⁰ Fourth Stoddard Affidavit at para. 35(b).

24. Under this process, the Monitor will send a Statement of Negative Notice Claim to Employees that are known to have Claims against the Applicant, specifying the amount and characterization of the Claims (the “**Known Employee Claims**”).²¹ In addition, that Monitor may determine to send Statements of Negative Notice Claim to other Persons, again specifying the amount (if any) of the Claimant’s Negative Notice Claim, as valued by the Monitor (each person receiving a Statement of Negative Notice Claim, a “**Negative Notice Claimant**”).²²

25. Each Negative Notice Claim Package, in addition to containing a Statement of Negative Notice Claim, will contain a Notice of Dispute of Negative Notice Claim form. Should an Employee or Negative Notice Claimant fail to submit a Notice of Dispute of Negative Notice Claim by the applicable Bar Date, the amount set out in the Statement of Negative Notice will be final and binding, and the Negative Notice Claimant will be deemed to have accepted the amount and Characterization of its Claim as set out in the Statement of Negative Notice Claim.²³

(d) Adjudication and Resolution of Claims

26. The Monitor, in consultation with the applicable Directors and Officers named in respect of a D&O Claim and/or their counsel, will accept, revise, or reject each Claim set out in each Proof of Claim or D&O Proof of Claim for voting and/or distribution purposes.

27. The Monitor will notify Claimants regarding whether it agrees or disagrees with the amount and Characterization of a Claim, or intends to revise or reject a claim for voting and/or distribution

²¹ Employees who were not offered continuing employment with the Canadian Purchaser and who were therefore terminated by the Applicant were paid their outstanding wages and vacation pay based on the Applicant’s records, but not any severance and termination pay: Third Report, at para. 3.3.1.

²² Fourth Stoddard Affidavit at paras. 29, 31.

²³ Fourth Stoddard Affidavit at paras. 30, 32, 36(a).

purposes. Claimants who wish to dispute a Notice of Revision or Disallowance must deliver a Notice of Dispute of Revision or Disallowance within 30 days, following which the parties will seek to resolve such dispute. Similarly, should the Monitor disagree with a Claim as set out in a Notice of Dispute of Negative Notice Claim, the parties will seek to resolve such dispute. Should a dispute not be settled in a satisfactory manner or within a satisfactory period of time, the dispute may be referred by the Monitor to the Claims Officer or to the Court for adjudication.²⁴

28. The proposed Claims Procedure Order would appoint Mr. Eric Morgan as the Claims Officer. Mr. Morgan is a founding partner at Kushneryk Morgan LLP and has significant experience as an arbitrator and mediator in commercial disputes.²⁵

PART III - THE ISSUES AND THE LAW

29. This Factum addresses the following issues:

- (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

²⁴ For a detailed summary of the adjudication of Claims, see Fourth Stoddard Affidavit at paras. 38-40.

²⁵ For a detailed summary of the proposed Claims Officer and his role, see Fourth Stoddard Affidavit at paras. 41-42.

(f) the Stay of Proceedings should be extended.

A. The Claims Process should be Approved

(a) The Court has Jurisdiction to Approve the Claims Process

30. Section 11 of the CCAA gives the Court the power to make any order it considers appropriate in the circumstances, which includes the jurisdiction to approve a process for filing and determining claims against a debtor company. Further, the Court’s power under s. 12 of the CCAA to “fix deadlines for the purposes of voting and for the purposes of distributions under a compromise or arrangement” has been held to be sufficient authority for a CCAA Court to grant claims process orders and claims bar orders.²⁶

31. In accordance with this authority, the Court routinely approves claims processes, including claims bar dates, in CCAA restructurings.²⁷ A claims process order has been held to be “an essential component of any plan,”²⁸ which assists a debtor in determining the universe of claims against it, and provides certainty needed to make informed choices about restructuring options.²⁹

32. This jurisdiction 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.³⁰ In particular, courts have found that negative notice procedures are appropriate where

²⁶ *Toys “R” Us (Canada) Ltd. (Re)*, [2018 ONSC 609](#) at para. 8 [*Toys “R” Us*]; *Timminco Ltd. (Re)*, [2014 ONSC 3393](#) at para. 40 [*Timminco*].

²⁷ *Toys “R” Us* at para. 8; see also *U.S. Steel Canada Inc. (Re)*, [2017 ONSC 1967](#) [*U.S. Steel*] at paras. 5-6.

²⁸ *Laurentian University of Sudbury (Re)*, [2021 ONSC 3885](#) at para. 31 [*Laurentian*].

²⁹ *Timminco* at para. 43.

³⁰ *Toys “R” Us*, at para. 14; *1057863 B.C. Ltd. (Re)*, [2024 BCSC 1111](#) at para. 37; *Quest University Canada (Re)*, [2020 BCSC 1845](#) at para. 26.

employee claims are at issue, as such streamlined processes are well suited to protecting their unique interests.³¹

(b) The Proposed Claims Process is Reasonable and Appropriate

33. Claims procedure orders should be both flexible and expeditious, in order to achieve the broad remedial objectives of the CCAA and ensure that stakeholders are treated as advantageously and fairly as the circumstances permit in a restructuring process.³² Courts have held that such claims processes should be drafted carefully to ensure that it is fair and reasonable to all stakeholders, including those who will be directly affected by the acceptance of other claims.³³ As a result, the Court has the authority to approve a bespoke claims process where “the situation calls for it.”³⁴

34. The proposed Claims Process satisfies all of these requirements and should be approved:

- (a) **Timely Notice:** As set out above, the proposed Claims Process provides that the Monitor will send potential Claimants, and any Person who has requested a Proof of Claim in respect of a potential Claim not captured in a Statement of Negative Notice Claim, a General Claims Package or a Negative Notice Claims Package (as applicable) on the 30th day following the Claims Procedure Order (or as soon as practicable thereafter).³⁵ Further, in order to ensure that all Persons receive notice, the proposed Claims Process requires the Monitor to publish a Notice to Claimants in the *Globe and Mail* (National Edition) and to post a Notice to Claimants (as well

³¹ *Mountain Equipment Co-Operative (Re)*, [2020 BCSC 2037](#) at paras. 12(c), 38, 60; see also *U.S. Steel*, at para. 6.

³² *ScoZinc Ltd. (Re)*, [2009 NSSC 136](#) at para. 23; *Laurentian* at para. 30.

³³ *Laurentian* at para. 32.

³⁴ *Laurentian* at para. 41.

³⁵ Fourth Stoddard Affidavit at para. 43.

as other relevant documents) on the Monitor's website.³⁶ Finally, the proposed Claims Process protects the holders of Restructuring Period Claims or Restructuring Period D&O Claims by requiring the Monitor to send a General Claims Package or a Negative Notice Claims Package, as appropriate, to such persons upon becoming aware of circumstances potentially giving rise to such a Claim.³⁷

- (b) **Streamlined Process:** The proposed Claims Process has been designed to make the process as user-friendly as possible, in order to allow potential Claimants to assert their Claims and have them resolved in a fair and efficient manner.³⁸ In particular, the Negative Notice Claims Process has been streamlined and simplified to assist Employees in quantifying their claims, which will includes Claims by Employees for termination and severance pay under the *Employment Standards Act*³⁹ and similar employment standards legislation.⁴⁰ 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.

³⁶ Fourth Stoddard Affidavit at para. 24.

³⁷ Fourth Stoddard Affidavit at para. 26.

³⁸ Fourth Stoddard Affidavit at para. 22.

³⁹ 2000, S.O. 2000, c. 41.

⁴⁰ Fourth Stoddard Affidavit at paras. 28-29.

- (c) **Fair and Reasonable Bar Dates:** The Bar Dates are reasonable in the circumstances, and were chosen by the Applicant and the Monitor in order to provide Claimants and potential Claimants with enough time to evaluate and submit any relevant documents in respect of any Claims.⁴¹ In its Third Report, the Monitor notes that (i) the timelines set out in the Claims Procedure Order are consistent with those typically approved in CCAA processes, and (ii) the Claims Bar Date is sufficient for Claimants to file a Proof of Claim with the Monitor.⁴² Further, should the Monitor later become aware of a circumstance giving rise to a Restructuring Period Claim or Restructuring Period D&O Claim, the Bar Date will be effectively extended by allowing such a Claim to be filed 30 days after such Claimant receives the applicable notice (if such date is later than the Claims Bar Date).⁴³ Finally, the Claims Procedure Order authorizes the Monitor to use its reasonable discretion in determining whether to accept a claim after the applicable Bar Date.⁴⁴
- (d) **Adjudication of Claims:** The proposed Claims Process provides for a fair and reasonable adjudication process, in which any disputes may be referred to the Claims Officer or to the Court. The proposed Claims Procedure Order would appoint Mr. Eric Morgan as the Claims Officer and would also allow the Monitor to bring a motion to the Court to appoint any other person to act as a Claims Officer. Mr. Morgan is an experienced commercial litigator who has been appointed by courts, arbitral institutions and parties as an arbitrator in over a dozen domestic and

⁴¹ Fourth Stoddard Affidavit at para. 35.

⁴² Third Report at paras. 3.6.1(b), (d).

⁴³ Fourth Stoddard Affidavit at para. 26.

⁴⁴ Fourth Stoddard Affidavit at para. 37.

international arbitrations, in addition to appointments as a mediator. He is named to the Arbitration Place NextGen Roster and the VanIAC Expedited Roster. 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.⁴⁵

- (e) **Support of the Monitor:** The Applicant designed the proposed Claims Process in consultation with the Monitor, and the Monitor supports the proposed Claims Process as reasonable and appropriate in the circumstances. In the Monitor's view, the proposed notices, dispute resolution provisions, and timelines are consistent with those typically approved in a CCAA claims process, and collectively establish a fair, reasonable, and efficient claims process. Further, the Monitor has reviewed the resume of Mr. Eric Morgan, and is comfortable with his appointment as Claims Officer.⁴⁶

35. The proposed Claims Process is intended to determine the nature, quantum, and validity of Claims against the Applicant and its current and former D&Os in order to ultimately make a distribution to the Applicant's creditors and to facilitate an orderly and efficient wind-down of the Applicant's business following a successful going concern Transaction. The Claims Procedure Order should be approved by the Court, as it is fair, reasonable, and substantially in the same form as other claim procedure orders granted in similar proceedings.

⁴⁵ Fourth Stoddard Affidavit at paras. 41-42. Any determination made by the Claims Officer may be appealed to the Court by the Monitor, the Claimant, the Applicant, and/or the applicable Directors and Officers in respect of any D&O Claims, within 10 days of such party being deemed to have received notice of the Claims Officer's determination of the Characterization and/or nature of the Disputed Claim.

⁴⁶ See Third Report at para. 3.6.1 for a detailed summary of the Monitor's reasons for supporting the Claims Process.

B. The Monitor Should be Granted Expanded Powers

36. As set out above, the Transaction has now closed, and the Liquidation Sale has ended. All of the Applicant's former leases have been assigned or transferred to the Canadian Purchaser, or disclaimed, and substantially all of the Applicant's former employees have either accepted new employment with the Canadian Purchaser, voluntarily resigned or have been terminated following the conclusion of the Liquidation Sale. The Applicant's business is therefore ready to be wound-down.⁴⁷

37. The Applicant therefore 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 Monitor's expanded powers will 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*,⁴⁸ such as the Applicant, and, without limiting the generality of the foregoing, to exercise additional, specifically enumerated powers, including to take any and all actions and steps in the name of and on behalf of the Applicant to facilitate the administration of the Applicant's property, affairs and estate.⁴⁹

38. Granting these expanded powers to the Monitor is necessary and appropriate in the circumstances and should be approved. The expansion of the Monitor's powers is an efficient arrangement which will avoid unnecessary expenditures and facilitate the completion of remaining matters in an orderly and efficient manner. The Monitor, by virtue of its involvement since the outset of the CCAA Proceedings, has a high degree of familiarity with the Applicant and its current

⁴⁷ Fourth Stoddard Affidavit at para. 45.

⁴⁸ RSC 1985, c C-44.

⁴⁹ See Fourth Stoddard Affidavit at para. 47 for a detailed summary of the Monitor's expanded powers.

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. In contrast, if the expanded powers are not granted, the wind down of the Applicant's business in an orderly and responsible manner will be substantially more challenging, as the Applicant no longer has any employees and its remaining directors and officers resigned or were removed on November 7, 2025.⁵⁰ The expansion of the Monitor's powers is supported by the Monitor.⁵¹

39. The expanded powers sought by the Monitor are authorized by the CCAA, which provides the Court with broad discretion in respect of the Monitor's functions. Section 23(1)(k) provides that the Monitor can "carry out any other functions in relation to the [debtor] company that the court may direct," while s. 11 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. Courts have expanded monitors' powers where the expanded powers are necessary to conduct an orderly winddown and administer CCAA proceedings, including the ability to cause any remaining debtors to perform functions that the Monitor considers necessary to the winding-down of the remaining debtors.⁵²

⁵⁰ Fourth Stoddard Affidavit at paras. 49-50.

⁵¹ Third Report at para. 6.5.

⁵² *Atlas Global Brands et. al. (Re)*, (October 28, 2024), Ont S.C.J. [Commercial List], Court File No. CV-24-00722386-00CL ([Endorsement of Justice Steele](#)) at paras. 37-39; *DCL Corporation (Re)*, [2023 ONSC 4475](#) at para. 7 [*DCL Corporation*]; *PricewaterhouseCoopers Inc. v. Canada Fluorspar (NL) Inc.*, [2023 NLSC 88](#) at paras. 84-85.

C. The Reports and Activities of the Monitor Should be Approved

40. 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**”).

41. Requests to approve a monitor’s report and activities are not unusual, and there are good policy and practical reasons for the court to do so, including: (i) allowing the monitor to move forward with the next steps; (ii) allowing the monitor to bring its activities before the Court; (iii) enabling the Court to satisfy itself that a monitor’s activities have been conducted in a prudent and diligent manner; (iv) providing protection for a monitor not otherwise provided by the CCAA; and (v) protecting creditors from delay that may be caused by re-litigation of steps.⁵³

42. The Applicant submits that the Reports, and the activities and conduct described within, should be approved. The activities set out in the Reports have been carried out in accordance with the orders of the Court, and the Monitor has acted reasonably and in good faith throughout.

D. The Fees of the Monitor and its Counsel Should be Approved

43. The Monitor additionally seeks the approval of the following fees and disbursements: (i) fees and disbursements of the Monitor from or about the Filing Date to the period ending October 31, 2025, totalling \$237,014; and (ii) fees and disbursements of the Monitor’s counsel, Goodmans LLP (“**Goodmans**”), for the same period, totalling \$269,117.⁵⁴

⁵³ *Target Canada Co. (Re)*, [2015 ONSC 7574](#) at para. 23.

⁵⁴ Third Report at para. 9.2-9.3.

44. In considering whether to approve fees and disbursements, the court has regard to the “overriding principle of reasonableness,” and does not engage in a docket-by-docket or line-by-line assessment of the accounts.⁵⁵ The following factors assist a court in assessing the reasonableness of the Monitor’s fees under the CCAA: (i) the nature, extent and value of the assets being handled; (ii) the complications and difficulties encountered; (iii) the degree of assistance provided by the company, its officers or its employees; (iv) the time spent; (v) the Monitor’s knowledge, experience and skill; (vi) the diligence and thoroughness displayed; (vii) the responsibilities assumed; (viii) the results achieved; and (ix) the cost of comparable services when performed in a prudent and economical manner.⁵⁶

45. The fees and disbursements should be approved. The Monitor and its counsel have acted with diligence throughout these CCAA proceedings, and the Applicant supports the approval of their fees and disbursements.⁵⁷ In addition, the Monitor has reviewed the fees and disbursements of Goodmans, which the Monitor confirms are reasonable in the circumstances.⁵⁸

E. The Applicant’s meets the Criteria Prescribed by the WEPP Regulation and a Declaration should be made under s. 5(5) of the WEPPA

46. The *Wage Earner Protection Program Act*⁵⁹ enacts the Wage Earner Protection Program, pursuant to which eligible former employees may be entitled to payments in respect of outstanding

⁵⁵ *Nortel Networks Inc.*, [2022 ONSC 668](#) at para. 10 [*Nortel*].

⁵⁶ *Nortel* at para. 11.

⁵⁷ Fourth Stoddard Affidavit at para. 56.

⁵⁸ Third Report at para. 9.4.

⁵⁹ SC 2005, c 47, s 1 (“WEPPA”).

eligible wages, including termination and severance pay if certain criteria are met (the “**WEPP Payments**”).

47. Section 5(1) of the WEPPA provides that an individual is eligible to receive WEPP Payments if, among other things: (i) the individual’s employment is ended for a reason prescribed by regulation; (ii) the individual is owed eligible wages by a former employer; (iii) the former employer is subject to proceedings under the CCAA; and (iv) a court determines under s. 5(5) of the WEPPA that the criteria prescribed by regulation are met. Section 3.2 of the *Wage Earner Protection Program Regulations*⁶⁰ establishes the criteria which the court must consider under s. 5(5) of the WEPPA. Under s. 3.2, 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.”

48. 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. 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. At the present time, the Applicant no longer has any employees in Canada.⁶¹

⁶⁰ SOR/2008-222 (the “**WEPP Regulation**”).

⁶¹ Fourth Stoddard Affidavit at para. 52.

49. The requested declaration is necessary in order to assist eligible former employees in obtaining timely access to the WEPP Payments and is supported by the Monitor.⁶² Declaratory relief in relation to WEPP Payments is commonly granted in CCAA proceedings.⁶³

F. The Stay of Proceedings Should be Extended

50. Pursuant to section 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. There is no statutory time limit on how long a stay of proceedings can be extended.

51. The Applicant submits that the Stay of Proceedings be extended to and including May 14, 2026, for the following reasons:⁶⁴

- (a) the Applicant has acted and continues to act in good faith and with due diligence;
- (b) the extension of the Stay of Proceedings will allow the proposed Claims Process to occur, and permit the Monitor to focus on conducting the Claims Process, including by reviewing and considering creditor Claims;

⁶² Fourth Stoddard Affidavit at paras. 53-55; Third Report at para. 5.4. If the WEPP relief is granted, the Monitor has indicated that it intends to identify all employees that may be eligible for payments under the WEPPA based on the Applicant's books and records and to assist eligible employees to make submissions to Service Canada at the appropriate time: Third Report, at para. 5.4.

⁶³ See, e.g., *Bed Bath & Beyond Canada Ltd. (Re)*, [2023 ONSC 1230](#) at para. 16; *DCL Corporation*, at paras. 13-14.

⁶⁴ Fourth Stoddard Affidavit at paras. 57-60; Third Report at para. 7.1.

- (c) the Applicant has sufficient cash resources to fund its obligations and costs of the CCAA Proceedings during the proposed extension;⁶⁵ and
- (d) the Monitor believes that no stakeholder will be prejudice by the extension, and neither the Applicant nor the Monitor is aware of any party opposing the extension.

PART IV - NATURE OF THE ORDER SOUGHT

52. The Applicant therefore requests a Claims Procedure Order, an Expansion of Monitor's Powers Order, and a Stay Extension and Ancillary Relief Order, substantially in the form of the draft Orders attached to the Applicant's Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 12th day of November, 2025.



OSLER, HOSKIN & HARCOURT, LLP per Andrew Rintoul
P.O. Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8
Lawyers for the Applicant

TO: THE ATTACHED SERVICE LIST

⁶⁵ See Third Report at para. 4.6.

SCHEDULE “A”: LIST OF AUTHORITIES

1. *1057863 B.C. Ltd. (Re)*, [2024 BCSC 1111](#)
2. *Atlas Global Brands et. al. (Re)*, (October 28, 2024), Ont S.C.J. [Commercial List], Court File No. CV-24-00722386-00CL ([Endorsement of Justice Steele](#))
3. *Bed Bath & Beyond Canada Ltd. (Re)*, [2023 ONSC 1230](#)
4. *DCL Corporation (Re)*, [2023 ONSC 4475](#)
5. *Laurentian University of Sudbury (Re)*, [2021 ONSC 3885](#)
6. *Mountain Equipment Co-Operative (Re)*, [2020 BCSC 2037](#)
7. *Nortel Networks Inc.*, [2022 ONSC 668](#)
8. *PricewaterhouseCoopers Inc. v. Canada Fluorspar (NL) Inc.*, [2023 NLSC 88](#)
9. *Quest University Canada (Re)*, [2020 BCSC 1845](#)
10. *ScoZinc Ltd. (Re)*, [2009 NSSC 136](#)
11. *Target Canada Co. (Re)*, [2015 ONSC 7574](#)
12. *Timminco Ltd. (Re)*, [2014 ONSC 3393](#)
13. *Toys “R” Us (Canada) Ltd. (Re)*, [2018 ONSC 609](#)
14. *U.S. Steel Canada Inc. (Re)*, [2017 ONSC 1967](#)

I certify that I am satisfied as to the authenticity of every authority.

Date November 12, 2025



Signature
Andrew Rintoul

SCHEDULE “B”
TEXT OF STATUTES, REGULATIONS & BY-LAWS

COMPANIES’ CREDITORS ARRANGEMENT ACT

R.S.C., 1985, c. C-36, as amended

General power of court

11 Despite anything in the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

[...]

Stays, etc. — initial application

11.02 (1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 30 days,

(a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act;

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Stays, etc. — other than initial application

(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

11.02 (3) The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

[...]

Fixing deadlines

12 The court may fix deadlines for the purposes of voting and for the purposes of distributions under a compromise or arrangement.

[...]

Duties and Functions

23 (1) The monitor shall

[...]

(k) carry out any other functions in relation to the company that the court may direct.

WAGE EARNER PROTECTION PROGRAM ACT

SC 2005, c 47, s 1, as amended

Conditions of eligibility

5 (1) An individual is eligible to receive a payment if

(a) the individual's employment ended for a reason prescribed by regulation;

(b) one of the following applies:

(i) the former employer is bankrupt,

(ii) the former employer is subject to a receivership,

(iii) the former employer is the subject of a foreign proceeding that is recognized by a court under subsection 270(1) of the Bankruptcy and Insolvency Act and

(A) the court determines under subsection (2) that the foreign proceeding meets the criteria prescribed by regulation, and

(B) a trustee is appointed, or

(iv) the former employer is the subject of proceedings under Division I of Part III of the Bankruptcy and Insolvency Act or under the Companies' Creditors Arrangement Act and a court determines under subsection (5) that the criteria prescribed by regulation are met; and

(c) the individual is owed eligible wages by the former employer.

[...]

(5) On application by any person, a court may, in proceedings under Division I of Part III of the Bankruptcy and Insolvency Act or under the Companies' Creditors Arrangement Act, determine that the former employer meets the criteria prescribed by regulation.

WAGE EARNER PROTECTION PROGRAM REGULATIONS

SOR/2008-222, as amended

Proceedings Under Bankruptcy and Insolvency Act or Companies' Creditors Arrangement Act

3.2 For the purposes of subsection 5(5) of the Act, a 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 wind down its business operations

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
C-36,
AS AMENDED

Court File No: CV-25-00748871-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
6045073 CANADA INC.

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**FACTUM OF THE APPLICANT
(Claims Procedure, Expansion of Monitor's Powers, and Other Relief)**

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