

**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.**

**FACTUM OF THE MONITOR
(Re: Stay Extension and Ancillary Relief)
(Returnable May 13, 2026)**

May 11, 2026

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PART I. INTRODUCTION¹

1. This factum is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as monitor (in such capacity, the “**Monitor**”) of 6045073 Canada Inc. (formerly Claire’s Stores Canada Corp.) (the “**Applicant**”), in support of the Monitor’s motion for an order (the “**Stay Extension and Ancillary Relief Order**”), among other things:

- (a) extending the stay period to and including September 14, 2026 (the “**Stay Period**”);
- (b) approving the Fourth Report, including the Monitor’s conduct and activities described therein; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval; and
- (c) approving the fees and disbursements of the Monitor and its counsel for the period from November 1, 2025, to April 30, 2026 (the “**Relevant Period**”), as described in the Fourth Report and the fee affidavits appended thereto.

2. These CCAA proceedings are at an advanced stage. The Court-approved transaction for the Applicant’s business has closed and the Monitor is administering the Claims Process (as defined below), which has resulted in 550 Claims with an aggregate face value of approximately \$76 million being asserted, inclusive of Negative Notice Claims. The Monitor’s review of Claims is substantially complete: of the 550 Claims, 530 have been provisionally accepted, 4 have been disallowed and only 16 remain under review.²

¹ Capitalized terms used and not otherwise defined have the meaning ascribed to them in the Fourth Report of the Monitor dated May 8, 2026 (the “**Fourth Report**”).

² Fourth Report at para. 3.0.5 [CC p. [E618](#)].

3. An extension of the Stay Period is necessary to permit the Monitor to: (a) continue to advance and finalize the Claims Process; and (b) with the assistance of the Monitor’s counsel and the Applicant’s advisors, prepare a proposed plan of compromise and arrangement (the “**Plan**”) and associated Meeting Order materials to advance distributions to creditors.

4. For these and the other reasons set out herein and in the Fourth Report, the Monitor respectfully requests that the Court grant the relief sought pursuant to the proposed Stay Extension and Ancillary Relief Order.

PART II. FACTS

A. Background

5. On August 6, 2025, the Applicant (then known as Claire’s Stores Canada Corp.) was granted protection under the CCAA pursuant to an Initial Order (the “**Initial Order**”) of the Court. The Initial Order, among other things, (a) appointed KSV as Monitor in the CCAA proceedings; (b) granted a stay of proceedings against the Applicant until August 15, 2025; and (c) granted certain priority charges (the “**Charges**”).³

6. On August 15, 2025, this Court granted the Amended and Restated Initial Order (the “**ARIO**”), which, among other things, (a) extended the stay of proceedings until November 14, 2025; and (b) increased the maximum amount secured by the Charges.⁴

7. In addition to granting the ARIO, on August 15, 2025, the Court also granted the Liquidation Sale Approval Order, which, among other things, (a) approved a consulting agreement between the Applicant and a contractual joint venture comprised of Hilco Merchant Retail

³ Fourth Report at para. 1.0.1 [CC p. [E611](#)]; *Claire’s Stores Canada Corp.* (6 August 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL ([Initial Order](#)).

⁴ Fourth Report at para. 1.0.4 [CC p. [E611](#)]; *Claire’s Stores Canada Corp.* (15 August 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL ([Amended and Restated Initial Order](#)) [*Claire’s ARIO*].

Solutions, ULC, Gordon Brothers Canada ULC, and SB360 Capital Partners, LLC (collectively, the “**Consultant**”) dated as of August 12, 2025 (the “**Consulting Agreement**”); (b) approved the proposed sale guidelines (the “**Sale Guidelines**”) for an orderly liquidation of the Applicant’s merchandise and inventory and owned furnishings, trade fixtures, and equipment at certain specified stores (“**Liquidating Stores**”); and (c) authorized the Applicant, with the assistance of the Consultant, to undertake a liquidation sale in accordance with the terms of the Liquidation Sale Approval Order, the Consulting Agreement and the Sale Guidelines.⁵

8. Under the terms of the Consulting Agreement, the Applicant retained the right, at its discretion, to amend the list of Liquidating Stores (to either add or remove any one or more of the Applicant’s stores from the liquidation) by providing a notice to the Consultant. On August 16, 2025, the Applicant delivered a notice to the Consultant removing all but 30 of the Applicant’s retail stores from the liquidation to facilitate a potential going-concern transaction for the remaining Canadian stores as part of a wider transaction involving the Company’s North American business, which transaction was subsequently entered into.⁶

9. On September 16, 2025, this Court granted an Approval and Vesting Order, which, among other things, (a) approved the asset purchase agreement among Claire’s Holdings LLC, the Applicant and AWS Claire’s LLC (“**AWS**”, being the purchaser) dated August 18, 2025, and the side letter among Claire’s Holdings LLC, the Applicant and AWS dated September 10, 2025 (both, as amended, the “**Purchase Agreement**” and “**Canada Letter Agreement**”, respectively) and the transactions contemplated therein (the “**Sale Transaction**”); (b) transferred to and vested in Claire’s Essentials Canada Corp., an affiliate of AWS (the “**Canadian Purchaser**”), all of the

⁵ Fourth Report at para. 1.0.5 [CC p. [E612](#)]; *Claire’s Stores Canada Corp.* (15 August 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL ([Liquidation Sale Approval Order](#)).

⁶ Fourth Report at para. 1.0.6 [CC p. [E612](#)].

Applicant's right, title and interest in and to the applicable Acquired Assets (as defined in the Purchase Agreement and Canada Letter Agreement); and (c) assigned up to 77 of the Applicant's retail store leases in Canada (the "**Eligible Canadian Leases**") to the Canadian Purchaser pursuant to section 11.3 of the CCAA.⁷

10. The Sale Transaction closed on September 18, 2025. In connection therewith, 73 of the 77 Eligible Canadian Leases were assigned to the Canadian Purchaser.⁸

11. On November 14, 2025, this Court granted three Orders:

- (a) a Claims Procedure Order (the "**Claims Procedure Order**"), which, among other things, established a claims process (the "**Claims Process**") for the identification and quantification of certain claims against the Applicant and the current and former directors and officers of the Applicant;⁹
- (b) an Expansion of the Monitor's Powers Order (the "**Expansion of the Monitor's Powers Order**"), which, among other things, expanded the powers of the Monitor in relation to the Applicant;¹⁰ and
- (c) a Stay Extension and Ancillary Relief Order (the "**First Stay Extension and Ancillary Relief Order**"), which, among other things, extended the stay of proceedings until May 14, 2026, and ordered that the Applicant meets the relevant

⁷ Fourth Report at para. 1.0.7 [CC p. [E612](#)]; *Claire's Stores Canada Corp.* (16 September 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL ([Approval and Vesting Order](#)).

⁸ Fourth Report at paras. 1.0.8 and 1.0.9 [CC p. [E613](#)].

⁹ Fourth Report at para. 1.0.11 [CC p. [E613](#)]; *6045073 Canada Inc.* (14 November 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL ([Claims Procedure Order](#)).

¹⁰ Fourth Report at para. 1.0.12 [CC p. [E613](#)]; *6045073 Canada Inc.* (14 November 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL ([Expansion of Monitor's Powers Order](#)).

criteria prescribed by the regulations to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47 s. 1, as amended (“**WEPPA**”).¹¹

12. Since this Court granted the foregoing Orders, the Monitor, in consultation with its counsel, has continued to administer the Claims Process. The remaining steps to complete the Claims Process include:

- (a) continuing to perform diligence on the Unresolved Landlord Claims and Intercompany Claim;
- (b) issuing Notices of Revision or Disallowance, if required, in respect of the unresolved Claims; and
- (c) attempting to resolve any disputes on a consensual basis or, as necessary, through adjudication in accordance with the Claims Procedure Order.¹²

B. Extension of the Stay Period

13. The Stay Period currently expires on May 14, 2026.¹³ The Monitor is requesting an extension of the Stay Period to and including September 14, 2026.

14. The four-month extension of the Stay Period is necessary to: (i) provide the stability and certainty to enable the Monitor to complete the Claims Process, including addressing the Unresolved Landlord Claims and Intercompany Claim and resolving any disputes on a consensual basis or through adjudication in accordance with the Claims Procedure Order; and (ii) allow the

¹¹ Fourth Report at para. 1.0.12 [CC p. [E613](#)]; *6045073 Canada Inc.* (14 November 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL ([Stay Extension and Ancillary Relief Order](#)) [*First Stay Extension and Ancillary Relief Order*].

¹² Fourth Report at para. 3.0.7 [CC p. [E619](#)].

¹³ [First Stay Extension and Ancillary Relief Order](#) at para 3.

Monitor and the Applicant's advisors to prepare a proposed Plan and associated Meeting Order materials for presentation to the Applicant's creditors.¹⁴

C. The Monitor's Reports and Activities

15. The Monitor's activities since the Third Report of the Monitor dated November 12, 2025, include, among other things: (i) administering the Claims Process; (ii) monitoring the Applicant's receipts and disbursements; (iii) administering WEPPA matters, including assisting employees with the filing of WEPPA claims; and (iv) coordinating the mailing of 2025 T4 Slips and 133 RL-1 Forms to former employees of the Applicant.¹⁵

16. The activities described in the Fourth Report were necessary, are consistent with the Monitor's duties and powers, have been undertaken with efficiency and reasonableness, and are in the interest of the Applicant's stakeholders.

D. Fees and Disbursements of the Monitor and its Counsel

17. The fee affidavits appended to the Fourth Report provide a comprehensive listing of the accounts sought to be passed, including each account and summaries identifying the individual professionals who have worked on this matter, their hourly billing rates and total number of hours worked.¹⁶

¹⁴ Fourth Report at para. 6.0.1 [CC p. [E621](#)].

¹⁵ Fourth Report at para. 7.0.1 [CC p. [E621](#)].

¹⁶ Affidavit of Mitch Vininsky sworn May 7, 2026 [CC p. [E648](#)] ("KSV Fee Affidavit"); Affidavit of Christopher Armstrong sworn May 7, 2026 [CC p. [E677](#)] ("Goodmans Fee Affidavit").

18. The fees of the Monitor and its counsel total \$420,801.75 and \$84,764.50 (exclusive of taxes), respectively, for the Relevant Period, and are further detailed and summarized in the Fourth Report and the fee affidavits appended thereto.¹⁷

19. The fees and disbursements charged by the Monitor and its counsel are consistent with professional market rates in Toronto and are reasonable and appropriate in the circumstances having regard to the scope of work undertaken and the results achieved.¹⁸

PART III. ISSUES AND THE LAW

20. The issues on this motion are whether this Court should:

- (a) extend the Stay Period to and including September 14, 2026;
- (b) approve the Fourth Report, and the activities and conduct of the Monitor described therein; and
- (c) approve the fees and disbursements of the Monitor and its counsel for the periods described in the Fourth Report and the fee affidavits appended thereto.

21. The Monitor respectfully submits that the Court should grant the foregoing relief pursuant to the proposed Stay Extension and Ancillary Relief Order.

A. The Extension of the Stay Period Should be Granted

22. The current Stay Period expires on May 14, 2026. Pursuant to subsection 11.02 of the CCAA, the Court may grant an extension of a stay of proceedings where: (a) circumstances exist

¹⁷ Fourth Report at paras. 8.0.2 and 8.0.3 [CC p. [E622](#)]; KSV Fee Affidavit at para. 6 [CC p. [E648](#)]; Goodmans Fee Affidavit at para. 6 [CC p. [E678](#)].

¹⁸ KSV Fee Affidavit at para. 8 [CC p. [E649](#)]; Goodmans Fee Affidavit at para. 8 [CC p. [E679](#)].

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.¹⁹

23. The proposed extension of the Stay Period to and including September 14, 2026, is appropriate in the circumstances because:

- (a) as discussed above, it will provide stability and certainty to enable the Monitor to complete the Claims Process and allow the Monitor and the Applicant's advisors to prepare a proposed Plan and associated Meeting Order materials for presentation to creditors;
- (b) the Monitor believes that no stakeholder will be prejudiced by extending the Stay Period. To the contrary, the extension will benefit all stakeholders by enabling the orderly completion of the Claims Process and the preparation of a Plan to facilitate distributions;
- (c) the Updated Cash Flow Forecast appended to the Fourth Report reflects that there is sufficient cash on hand to fund the anticipated costs during the extended Stay Period (largely professional fees at this stage);
- (d) as of the date of the Fourth Report, the Monitor is not aware of any party opposed to an extension of the Stay Period; and

¹⁹ CCAA, [s. 11.02](#).

- (e) the Applicant, under the oversight of the Monitor, continues to act in good faith and with due diligence in progressing the resolution of outstanding matters in these proceedings.²⁰

24. In light of the foregoing, the Monitor, on behalf of the Applicant, respectfully submits that the proposed extension of the Stay Period is necessary and appropriate in the circumstances.

B. The Monitor's Reports and Activities Should be Approved

25. This Court has held that there are good policy and practical reasons for approving a court officer's report and activities, including that Court approval:

- (a) allows the court officer to move forward with the next steps in the proceedings;
- (b) brings the court officer's activities before the court;
- (c) allows an opportunity for the concerns of stakeholders to be addressed, and any problems to be rectified;
- (d) enables the court to satisfy itself that the court officer's activities have been conducted in a prudent and diligent manner;
- (e) provides protection for the court officer not otherwise provided by the applicable legislation; and

²⁰ Fourth Report at para. 6.0.1(f) [CC p. [E621](#)].

- (f) protects creditors from the delay in distribution that would be caused by: (i) re-litigation of steps taken to date; and (ii) potential indemnity claims by the court officer.²¹

26. The Monitor submits that it is appropriate to approve the Fourth Report and the activities and conduct of the Monitor described therein because:

- (a) the activities described in the Fourth Report were necessary and undertaken in good faith pursuant to the Monitor's duties and powers set out in the Orders of this Court granted in these CCAA proceedings, including the Claims Procedure Order and the Expansion of the Monitor's Powers Order;
- (b) the Monitor's activities were undertaken in the best interests of the Applicant's stakeholders; and
- (c) the Fourth Report was served on the service list in these CCAA proceedings and posted on the Monitor's Website for review by stakeholders. As at the writing of this factum, no opposition has been voiced in respect of the approval of the Monitor's report and conduct.

C. The Accounts of the Monitor and its Counsel Should be Approved

27. This Court's jurisdiction to pass the accounts of the Monitor and its counsel is confirmed in the ARIO, which directs that: "the Monitor and its legal counsel shall pass their accounts from

²¹ *Target Canada Co, Re*, [2015 ONSC 7574](#) at paras. [12](#) and [22](#); *Laurentian University of Sudbury*, [2022 ONSC 2927](#) at paras. [13-14](#) [*Laurentian*].

time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.”²²

28. The overarching test on a motion to pass the accounts of a monitor and its counsel is to evaluate them based on the “overriding principle of reasonableness”, with the predominant consideration being the overall value contributed by the monitor and its counsel.²³ This Court has held that it “does not engage in a docket-by-docket or line-by-line assessment of the accounts as minute details of each element of a professional services may not be instructive when looked at in isolation.”²⁴

29. The ARIO also provides that the Monitor and its counsel shall be “paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the Filing Date, by the Applicant as part of the costs of these proceedings.”²⁵ The evidence is that the Monitor and its counsel charged standard hourly rates consistent with relevant market rates.²⁶

30. The following non-exhaustive list of factors assist courts in evaluating the fairness and reasonableness of a court-appointed officer’s fees and those of its counsel:

- (a) the nature, extent and value of the assets being handled;
- (b) the complications and difficulties encountered;

²² [Claire’s ARIO](#) at para. 33.

²³ *Re Nortel Networks Corporation et al*, [2017 ONSC 673](#) at para. 13 [*Nortel*]. See also [Laurentian](#) at para. 9.

²⁴ [Laurentian](#) at para 9.

²⁵ [Claire’s ARIO](#) at para. 32.

²⁶ KSV Fee Affidavit at para. 8 [CC p. [E649](#)]; Goodmans Fee Affidavit at para. 8 [CC p. [E679](#)].

- (c) the degree of assistance provided by the company, its officers or its employees;
- (d) the time spent;
- (e) the monitor's knowledge, experience and skill;
- (f) the diligence and thoroughness displayed;
- (g) the responsibilities assumed;
- (h) the results achieved; and
- (i) the cost of comparable services when performed in a prudent and economical manner.²⁷

31. Applying the above factors to the present case, the Monitor respectfully submits that the accounts of the Monitor, as well as those of the Monitor's counsel, should be approved for the following reasons. The Monitor and its counsel have been integral in these CCAA proceedings and have at all times demonstrated diligence and acted in good faith. During the Relevant Period, the Monitor's central focus was on implementing, and now administering, the Claims Process for the benefit of the Applicant's stakeholders, in which 550 Claims totalling in excess of \$76 million were asserted, as well as facilitating the WEPPA process and the provision of records of employment and tax slips to former employees. The Monitor, with the assistance of the Applicant's counsel, is also in the process of considering and advancing a Plan and a draft Meeting Order with a view to the Applicant making distributions to its creditors.²⁸ While the Monitor has encountered

²⁷ *Bank of Nova Scotia v Diemer*, [2014 ONSC 365](#) at para. 9; *Nortel* at para. 14; *Laurentian* at para. 10.

²⁸ Fourth Report at para. 7.0.1 [CC p. [E621](#)].

no particular difficulties, the resignation of the Applicant's remaining directors and officers on November 7, 2025, resulted in the Monitor's powers being expanded such that substantially all activities required to be completed by the Applicant to advance these proceedings are being undertaken by the Monitor.

32. The Monitor and its counsel, to the best of their knowledge, charge rates comparable to the rates charged by similar firms in the Toronto market for the provision of similar services. In addition, the Monitor and its counsel have sought to ensure that the work required to be performed was undertaken in the most efficient manner possible, including by utilizing consistent core personnel throughout the mandate and by having work performed by junior and/or lower cost professionals to the extent appropriate.²⁹

33. The fees and disbursements of the Monitor and its counsel are reasonable and appropriate in the circumstances having regard to the scope of activity undertaken by the Monitor in the CCAA proceedings, and have been validly incurred in accordance with the provisions of the ARIO.

PART IV. CONCLUSION

34. For the reasons set out herein and in the Fourth Report, the Monitor respectfully requests that this Court grant the proposed Stay Extension and Ancillary Relief Order.

²⁹ KSV Fee Affidavit at para. 8 and Exhibit "B" [CC p. [E649](#) and [E675](#)]; Goodmans Fee Affidavit at para. 8 and Exhibit "C" [CC p. [E679](#) and [E698](#)].

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 11th day of May, 2026.



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**SCHEDULE A
LIST OF AUTHORITIES**

1. *Target Canada Co, Re*, 2015 ONSC 7574
2. *Laurentian University of Sudbury*, 2022 ONSC 2927
3. *Claire's Stores Canada Corp.* (15 August 2025) Ont. S.C.J. [Commercial List] Court File No. CV-25-00748871-00CL (Amended and Restated Initial Order)
4. *Re Nortel Networks Corporation et al*, 2017 ONSC 673
5. *Bank of Nova Scotia v Diemer*, 2014 ONSC 365

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

Date: May 11, 2026



Signature

SCHEDULE B
STATUTORY REFERENCES

Companies' Creditors Arrangement Act, RSC 1985, c C-36

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. — other than initial application

11.02 (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.

**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.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at Toronto

FACTUM OF THE MONITOR
(Stay Extension and Ancillary Relief)
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