

**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 HAKIM OPTICAL LABORATORY LIMITED,
LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL
WORLDWIDE LENSES INC.**

Applicants

**FACTUM OF THE APPLICANTS
(Stay Extension Order)**

July 10, 2025

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FACTUM OF THE APPLICANTS

PART I: OVERVIEW

1. Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (also known as Hakim Optical Lenses Worldwide Inc. and Hakim Optical Worldwide Lenese Inc. [sic]) (collectively, the "**Applicants**" or the "**Company**") bring the within motion for an order (the "**Stay Extension Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), granting, among other things, an extension of the Stay of Proceedings (as defined below) to and including August 8, 2025 (the "**Stay Period**").

PART II: FACTS

2. The facts underlying this motion are more fully set out in the Affidavit of Douglas Robertson sworn July 8, 2025 (the "**Robertson Affidavit**"), and the Supplement to the First Report of KSV Restructuring Inc. ("**KSV**") dated July 8, 2025, in its capacity as the monitor in these CCAA proceedings (in such capacity, the "**Monitor**").¹ All capitalized terms used but not defined herein have the meanings ascribed to them in the Robertson Affidavit.

3. On May 15, 2025, the Applicants obtained relief to take up and continue the NOI Proceedings under the CCAA pursuant to an initial order (the "**Initial Order**").² The Initial Order,

¹ Affidavit of Douglas Robertson sworn July 8, 2025 [Robertson Affidavit], Applicants' Motion Record dated July 8, 2025 [Motion Record] at Tab 2; Supplement to the First Report dated July 8, 2025 [Supplemental Report].

² Robertson Affidavit, *ibid* at para 10, Motion Record at Tab 2.

among other things, granted an initial stay of proceedings (the "**Stay of Proceedings**") in favour of the Applicants and the Monitor, until and including June 30, 2025.³

4. On June 27, 2025, the Applicants sought and obtained an amended and restated Initial Order pursuant to the CCAA (the "**ARIO**"), which, *inter alia*:

- (a) granted an extension of the Stay of Proceedings to and including July 14, 2025; and
- (b) approved the Pre-Filing Report of KSV in its capacity as the proposed monitor of the Applicants dated May 9, 2025, the First Report of the Monitor dated June 24, 2025 (the "**First Report**") and the activities of KSV described therein.⁴

A. Stay Extension

5. The extension of the Stay of Proceedings granted under the ARIO will expire on July 14, 2025. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the Stay of Proceedings to and including August 8, 2025.⁵

6. Since the commencement of the CCAA proceedings, the Applicants, an affiliate of the DIP Lender (the "**Stalking Horse Bidder**") and the Monitor have continued discussions to advance and finalize the terms of a stalking horse asset purchase agreement (the "**Stalking Horse Agreement**"), which, when completed, is intended to serve as the "stalking horse bid" in the Applicants' anticipated sale and investment solicitation process (the "**SISP**").⁶

³ Robertson Affidavit, *ibid* at paras 9-10, Motion Record at Tab 2.

⁴ Robertson Affidavit, *ibid* at para 11, Motion Record at Tab 2.

⁵ Robertson Affidavit, *ibid* at para 13, Motion Record at Tab 2.

⁶ Robertson Affidavit, *ibid* at para 14, Motion Record at Tab 2.

7. On July 3, 2025, representatives of the Applicants, the Monitor and the Stalking Horse Bidder, and their respective legal counsel, attended an in-person meeting to further discussions regarding the proposed terms of the Stalking Horse Agreement (the "**July Meeting**").⁷

8. At the July Meeting, the Stalking Horse Bidder advised that its team would be unable to execute the Stalking Horse Agreement until later in July due to scheduling and travel conflicts involving its principals.⁸ Notwithstanding the revised timeline put forward, the Applicants believe that the discussions were productive and remain actively engaged in finalizing the Stalking Horse Agreement in the near term.⁹ Once the Stalking Horse Agreement is finalized and executed, the Applicants intend to bring a motion seeking its approval, together with the approval of the SISP.¹⁰

9. The Applicants continue to maintain that implementing the SISP, with the Stalking Horse Agreement serving as the stalking horse bid, is in the best interest of the Company and its stakeholders.¹¹ The Stalking Horse Agreement will provide certainty of a going-concern outcome for the Company, while also affording the Monitor the flexibility and time needed to canvass the market for superior offers.¹²

10. Principally, the proposed extension of the Stay of Proceedings is intended to permit the Applicants, in consultation with the Monitor, to continue advancing discussions concerning the Stalking Horse Agreement.¹³ The updated cash flow forecast included in the Supplemental Report

⁷ Robertson Affidavit, *ibid* at para 15, Motion Record at Tab 2.

⁸ Robertson Affidavit, *ibid* at para 16, Motion Record at Tab 2.

⁹ Robertson Affidavit, *ibid* at para 15, Motion Record at Tab 2.

¹⁰ Robertson Affidavit, *ibid*, Motion Record at Tab 2.

¹¹ Robertson Affidavit, *ibid* at para 16, Motion Record at Tab 2.

¹² Robertson Affidavit, *ibid*, Motion Record at Tab 2.

¹³ Robertson Affidavit, *ibid* at para 18, Motion Record at Tab 2.

demonstrates that the Applicants will have sufficient liquidity throughout the proposed Stay Period.¹⁴

PART III: ISSUE

11. The sole issue to be determined on this motion is whether the Stay of Proceedings should be extended to and including August 8, 2025.

PART IV: RELIEF REQUESTED

A. The Stay Proceedings Should be Extended

12. Subsection 11.02(2) of the CCAA expressly authorizes this Court to grant an extension of the Stay of Proceedings for "any period the court considers necessary."¹⁵ To grant such an extension, the Court must be satisfied that circumstances exist that make the order appropriate, and that the Applicants have acted and are acting in good faith and with due diligence.¹⁶

13. The jurisdiction of courts to stay proceedings under section 11.02 "should be construed broadly to accomplish the legislative purposes of the CCAA".¹⁷ These purposes include, among others, enabling the continuation of the debtors' business and facilitating a value maximizing restructuring.¹⁸ Accordingly, a stay of proceedings will be appropriate where it maintains the *status quo* and provides an applicant with breathing room while it seeks to restore solvency and attempt to arrange an acceptable restructuring plan in order to maximize recoveries for stakeholders.¹⁹

¹⁴ Robertson Affidavit, *ibid* at paras 20-21, Motion Record at Tab 2. Supplemental Report, *supra* s 2.2 at para 3.

¹⁵ *Companies' Creditors Arrangement Act*, [R.S.C. 1985, c. C-36](#), as amended ss 11.02(2) [CCAA]. *Nordstrom Canada Retail, Inc.*, [2023 ONSC 1631](#) at [para 7](#) [*Nordstrom*].

¹⁶ *CCAA*, *ibid* ss [11.02\(2\)-\(3\)](#); *Nordstrom*, *ibid*.

¹⁷ *Canwest Global Communications Corp.*, [2011 ONSC 2215](#) at [paras 24-25](#).

¹⁸ *Century Services Inc. v Canada (Attorney General)*, [2010 SCC 60](#) at [para 15](#) [*Century Services*]; *Target Canada Co.*, [2015 ONSC 303](#) at [para 8](#) [*Target*]; *Re Timminco Limited*, [2012 ONSC 2515](#) at [para 15](#) [*Timminco*].

¹⁹ *Century Services*, *ibid* at [para 14](#); *Target*, *ibid*; *Timminco*, *ibid*.

14. The Applicants submit that the proposed extension of the Stay of Proceedings is appropriate in the circumstances given that:

- (a) the Applicants have acted, and continue to act, in good faith and with due diligence;
- (b) the proposed Stay Period, will afford the Applicants, in consultation with the Monitor, additional time to finalize the terms of the Stalking Horse Agreement and SISP;
- (c) the updated cash flow forecast included in the Supplemental Report demonstrates that the Applicants will be able to fund their obligations and the costs of these CCAA proceedings throughout the proposed Stay Period;
- (d) the proposed Stay Period provides the continued breathing space and stability required to operate the Applicants' business in the ordinary course and thereby preserve value for the benefit of stakeholders;
- (e) the Applicants are not aware of any creditor that is expected to suffer material prejudice as a result of the proposed extension of the Stay of Proceedings; and
- (f) the Monitor and DIP Lender are supportive of the proposed extension of the Stay of Proceedings and believe that it is reasonable and appropriate in the circumstances.²⁰

²⁰ Robertson Affidavit, *supra* at paras 17-22, Motion Record at Tab 2. Supplemental Report, *supra* s 3.0.

PART V: RELIEF REQUESTED

15. The Applicants submit that the relief sought on the within motion is appropriate in the circumstances and respectfully request that the proposed form of the Stay Extension Order be granted.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 10TH DAY OF JULY, 2025

Bennett Jones LLP

BENNETT JONES LLP

SCHEDULE A – LIST OF AUTHORITIES

Cases Cited

1. *Canwest Global Communications Corp*, [2011 ONSC 2215](#).
2. *Century Services Inc. v Canada (Attorney General)*, [2010 SCC 60](#).
3. *Nordstrom Canada Retail, Inc.*, [2023 ONSC 1631](#).
4. *Re Timminco Limited*, [2012 ONSC 2515](#).
5. *Target Canada Co*, [2015 ONSC 303](#).

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

Dated: July 10, 2025

Linda Fraser-Richardson
Signature

SCHEDULE B – STATUTES RELIED ON

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36

Section 11.02

Stays, etc. – initial application

(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 10 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

(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.

Restriction

(4) Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.

Court File No. CV-25-00743383-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced in Toronto

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(Returnable July 14, 2025)

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