



**Fourth Report to Court of  
KSV Restructuring Inc.  
as CCAA Monitor of  
Hakim Optical Laboratory Limited,  
Lawrence Ophthalmic Lab Inc. and  
Hakim Optical Worldwide Lenses Inc.**

October 29, 2025

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COURT FILE NUMBER: CV-25-00743383-00CL

**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.**

**FOURTH REPORT OF KSV RESTRUCTURING INC.  
AS MONITOR**

**October 29, 2025**

## **1.0 Introduction**

1. On April 16 and 22, 2025, Hakim Optical Laboratory Limited ("**Hakim Optical**") and Lawrence Ophthalmic Lab Inc. ("**Labs**"), respectively, filed Notices of Intention to Make a Proposal ("**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (collectively, the "**NOI Proceedings**"). KSV Restructuring Inc. ("**KSV**") was appointed the proposal trustee (the "**Proposal Trustee**") in connection with the NOI Proceedings.
2. Pursuant to an order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on May 15, 2025 (the "**Filing Date**"), Hakim Optical, Labs and Hakim Optical Worldwide Lenses Inc. ("**HOWL**", and collectively, the "**Applicants**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV was appointed monitor (the "**Monitor**").
3. Pursuant to the terms of the Initial Order, among other things, the Court:
  - a) granted a stay of proceedings until June 30, 2025 (the "**Stay Period**");
  - b) continued the NOI Proceedings under the CCAA and ordered that the provisions of Part III of the BIA have no further application to Hakim Optical and Labs;
  - c) approved an interim financing facility of up to \$2.8 million (the "**DIP Facility**") pursuant to a binding commitment letter dated May 8, 2025 (the "**DIP Term Sheet**") between 1001112855 Ontario Inc. ("**855 Ontario**" and, in such capacity, the "**DIP Lender**") and Hakim Optical and Labs; and

- d) granted the following charges in the following order of priority:
  - i. a charge in favour of the Monitor, Chaitons LLP ("**Chaitons**"), the Monitor's legal counsel, and Bennett Jones LLP ("**Bennett Jones**"), the Applicants' legal counsel, in the amount of \$250,000 to secure their fees and disbursements in these proceedings; and
  - ii. a charge in favor of 855 Ontario to secure advances made under the DIP Facility of up to \$2.8 million (the "**DIP Lender's Charge**").
- 4. The Initial Order dispensed with the statutory requirement to bring a comeback motion within 10 days of issuance of the Initial Order.
- 5. On May 15, 2025, the Court also issued orders, among other things, terminating the NOI Proceedings and discharging KSV in its capacity as the Proposal Trustee.
- 6. On June 27, 2025, the Court issued an amended and restated initial order (the "**ARIO**"), among other things:
  - a) extending the Stay Period until July 14, 2025;
  - b) expanding certain relief granted under the Initial Order; and
  - c) approving the Monitor's pre-filing report dated May 9, 2025 (the "**Pre-Filing Report**"), the Monitor's first report dated June 24, 2025 (the "**First Report**") and the Monitor's activities described therein.

A copy of the ARIO is attached as **Appendix "A"**.

- 7. On July 14, 2025, the Court issued an order extending the stay of proceedings to August 8, 2025.
- 8. On August 8, 2025, the Court issued an order:
  - a) extending the Stay Period until August 29, 2025; and
  - b) authorizing an increase in the Applicants' permitted borrowings under the DIP Facility from \$2.8 million to \$4.2 million in accordance with the first amending agreement between the Applicants and 855 Ontario dated August 5, 2025 (the "**DIP Amendment**"), and increasing the amount of the DIP Lender's Charge as security for the additional borrowings under the DIP Amendment.
- 9. On August 28, 2025, the Court issued an order (the "**SISP Approval Order**"), among other things:
  - a) approving a sale and investment solicitation process (the "**SISP**")
  - b) authorizing the Applicants to accept and execute the asset purchase agreement (the "**Stalking Horse APA**" or the "**Stalking Horse Bid**") between the Applicants, Chiaro Ottico Ltd. (the "**Stalking Horse Bidder**"), an affiliate of 855 Ontario, and Evelyn Aimis Holding Inc. ("**Evelyn Aimis**"), the non-applicant parent company of Hakim Optical, solely for the purpose of acting as a stalking horse offer in the SISP;

- c) sealing an unredacted copy of the Stalking Horse APA;
  - d) extending the Stay Period until November 7, 2025;
  - e) approving the third report of the Monitor dated August 25, 2025 (the “**Third Report**”) and the Monitor’s activities described therein; and
  - f) approving the fees and disbursements of the Monitor and Chaitons from the commencement of these proceedings up to and including July 31, 2025.
10. The principal purpose of the CCAA proceedings is to provide the Applicants with the continued stability to operate while the SISP is conducted to complete a going-concern transaction. The Stalking Horse APA acted as a “stalking horse bid” to provide a higher degree of certainty of a going-concern transaction being completed.
  11. The affidavit of Douglas Robertson, Senior Controller of the Applicants, sworn May 8, 2025 in support of the CCAA application (the “**Robertson Affidavit**”), provides, among other things, background information concerning the Applicants and their business, as well as the reasons for the commencement of the NOI Proceedings and the CCAA proceedings.
  12. Materials filed in the NOI and CCAA proceedings are available on the Monitor’s case website at [www.ksvadvisory.com/experience/case/hakim](http://www.ksvadvisory.com/experience/case/hakim).
  13. This report (the “**Report**”) is being filed by KSV in its capacity as Monitor of the Applicants. This Report should be read in conjunction with the affidavit of Mr. Robertson sworn October 28, 2025 (the “**October 28 Robertson Affidavit**”).

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information regarding this proceeding;
  - b) summarize the results of the SISP and the first amendment to the Stalking Horse APA dated October 27, 2025 among the Applicants, the Stalking Horse Bidder and Evelyn Aimis (the “**Stalking Horse Amendment Agreement**”);
  - c) discuss the Applicants’ request for an extension of the stay of proceedings from November 7, 2025 to November 28, 2025;
  - d) summarize the Applicants’ cash flow forecast for the period October 27, 2025 to November 28, 2025 (the “**Updated Cash Flow Forecast**”);
  - e) provide the Court with an update on the activities of the Applicants and the Monitor since the date of the Third Report; and

- f) recommend that the Court issue an Order:
  - i. extending the stay of proceedings to November 28, 2025;
  - ii. approving the Stalking Horse Amending Agreement; and
  - iii. approving this Report and the Monitor's activities, as described in this Report.

## 1.2 Scope and Terms of Reference

1. In preparing this Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records, and discussions with the Applicants' management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information set out herein should perform its own diligence.
3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved.

## 1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

## 2.0 Background

### 2.1 Corporate

1. The Robertson Affidavit and the Pre-Filing Report provide detailed background information with respect to the Applicants' business, operations and financial situation. Accordingly, that information is only summarized in this Report.
2. Hakim Optical was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") by articles of incorporation dated March 6, 2015. Through predecessor related entities, the business of Hakim Optical has been operating since 1967. It is also extra provincially registered in Manitoba, Alberta and British Columbia.
3. Labs was incorporated under the CBCA pursuant to articles of continuation dated March 17, 2015.

4. HOWL was incorporated on March 6, 1992 pursuant to the *Ontario Business Corporations Act*.
5. The Applicants' registered head office is located at 3430 Lawrence Avenue East, Scarborough, Ontario.
6. Sir Karim Hakimi is the founder, sole shareholder and sole director of the Applicants and Evelyn Aimis, which owns certain real properties that are leased to Hakim Optical (where rent has historically been accrued but not paid). Sir Hakimi founded the Applicants' business 58 years ago when he opened the first optical laboratory in downtown Toronto and first retail store in Mississauga, Ontario and began building the brand that grew into a nationally recognized affordable high-quality eyewear company.
7. A copy of the organizational chart of Hakim Optical, Labs, Evelyn Aimis and certain related parties is provided in **Appendix "B"**.

## 2.2 Business of the Applicants

1. Hakim Optical is a Canadian retail optical chain that offers designer and "Hakim" branded frames, as well as contact lenses and safety glasses. Hakim Optical currently operates from 70 retail locations (including 9 locations owned by Evelyn Aimis), as well as certain office and warehouse facilities.
2. At the start of the CCAA proceedings, Hakim Optical employed approximately 267 individuals, as summarized in the table below<sup>1</sup>.

Province	Number of Stores	Number of Employees
Ontario	65	247
Alberta	1	6
Manitoba	4	14
<b>Total</b>	<b>70</b>	<b>267</b>

3. Hakim Optical is known for its distinctive orange signage and its "your eyes can have it all at Hakim Optical" advertising jingle.
4. Labs operates two laboratories in the Greater Toronto Area located at 1880 The Queensway, Etobicoke, Ontario and 1325 The Queensway, Toronto, Ontario. Labs manufactures all Hakim Optical branded lenses which are then sold to Hakim Optical, its only customer, at cost, or an estimate of cost. Labs employs approximately 10 individuals. The Applicants' cash management is integrated such that Hakim Optical pays all costs incurred by Labs and certain of Evelyn Aimis' operating costs (primarily insurance and property taxes for the locations where Hakim Optical operates).
5. The Monitor has been advised by the Applicants that HOWL has no active business operations or assets. HOWL is a party to certain utility contracts and leases (the "**HOWL Agreements**") where Hakim Optical operates. Notwithstanding that HOWL is a party to the HOWL Agreements, Hakim Optical is the entity that has historically made payments in respect of the HOWL Agreements.

<sup>1</sup> Optometrists based out of the retail locations are independent contractors operating on a rent-free basis pursuant to a verbal arrangement with Hakim Optical.

6. The Applicants' employees are not unionized. All employees with more than two years of employment are automatically enrolled in the Applicants' defined contribution registered pension plan.

## 2.3 Secured Creditors

1. 855 Ontario, an arm's length third party, is the Applicants' principal secured creditor. The details of 855 Ontario's security are set out in the Third Report. As of October 24, 2025, 855 Ontario advised it was owed an aggregate of approximately \$22 million by the Applicants, including \$3.1 million advanced under the DIP Facility. Interest, fees and costs continue to accrue.
2. Chaitons has provided the Monitor with an opinion confirming the validity and enforceability of 855's security, subject to standard assumptions and qualifications.<sup>2</sup>
3. The Applicants also entered into agreements with two equipment lenders who each have security interests registered against their respective machines and/or vehicles pursuant to the applicable provincial personal property legislation.

## 3.0 SISP Results

1. As discussed in the Third Report, the Applicants identified the principals of 855 Ontario as an interested party, as well as a source of financing. 855 Ontario is an affiliate of the Stalking Horse Bidder.
2. The purpose of the SISP was to solicit interest from parties potentially interested in pursuing a transaction (each, a "**Potential Bidder**") to determine whether any offers could be obtained that would exceed the recoveries available to creditors under the Stalking Horse APA.
3. The SISP was carried out by the Monitor and subject to the following milestones:

Milestone	Deadline
Motion to approve the SISP	August 28, 2025
Deadline to publish notice of the SISP	September 3, 2025
Qualified Bid Deadline	October 3, 2025
Auction (if necessary)	October 8, 2025
Sale approval motion <sup>3</sup>	October 15/22, 2025
Closing of the Successful Bid(s) <sup>4</sup>	October 31/November 7, 2025

4. The SISP and the Stalking Horse APA were summarized in Section 4 of the Third Report and are therefore not repeated herein.
5. As of the Qualified Bid Deadline, no Qualified Bids (as defined in the Third Report) were received. Accordingly, the Monitor determined the Stalking Horse Bidder to be the Successful Bidder (as defined in the Third Report) in the SISP.

<sup>2</sup> A copy of the opinion letter can be provided to the Court upon request.

<sup>3</sup> Subject to Court availability, if the Stalking Horse Bidder is the Successful Bidder, then by no later than October 15, 2025. Otherwise, no later than October 22, 2025.

<sup>4</sup> Subject to Court availability for the sale approval motion, if the Stalking Horse is the Successful Bidder, then October 31, 2025. Otherwise, November 7, 2025.



6. The Monitor (through its counsel) provided an update on October 20, 2025 to the service list confirming that the Stalking Horse Bid was selected as the Successful Bid and that the Monitor, together with the Applicants, is working with the Stalking Horse Bidder to seek Court approval for the Stalking Horse Bid as the Successful Bid. A copy of the notice to the Service List is provided as **Appendix “C”**.
7. At present:
  - a) the Stalking Horse Bidder and the Applicants, with the assistance of the Monitor, are revising certain non-monetary provisions of the Stalking Horse APA and preparing the draft Orders to be sought for Court approval of a transaction;
  - b) at the request of the Stalking Horse Bidder, the Monitor is confirming with the Applicants’ employees the amounts of their vacation pay accruals in accordance with the claims process contemplated in the Stalking Horse APA; and
  - c) the Applicants are reviewing responses from their landlords regarding estoppel letters requested by the Stalking Horse Bidder, and are following up with the remaining landlords that have not yet responded.
8. The Applicants expect to schedule a hearing for approval of the Stalking Horse APA (the **“Transaction Approval Motion”**) prior to the end of the proposed stay extension date.
9. The Monitor will include a detailed summary of the activities carried out in the SISP in a report to be filed in connection with the Transaction Approval Motion.

### 3.1 The Stalking Horse Amendment Agreement

1. The Stalking Horse APA provides for an Outside Date of October 31, 2025. As further set out above and in the October 28 Robertson Affidavit, as closing a transaction in respect of the Stalking Horse APA (the **“Transaction”**) will not occur by this date, the Stalking Horse Amending Agreement, among other things, extends: i) the Outside Date to November 28, 2025; and ii) certain milestones contained in the SISP to align with the revised Transaction timeline. Other than these limited amendments, the terms of the Stalking Horse APA are unchanged. A copy of the Stalking Horse Amending Agreement is attached as Exhibit “H” to the October 28 Robertson Affidavit.
2. The Monitor supports the request for approval of the Stalking Horse Amending Agreement as the changes are solely with respect to the revised Transaction timeline.

## 4.0 Cash Flow Forecast

### 4.1 Cash Flow Comparison

1. A comparison of the Applicants' actual cash flow from August 18 to October 26, 2025 (the "**Actual Period**") to the cash flow forecast provided in the Third Report is provided below.

(unaudited; \$000's) <sup>5</sup>	Actual	Projected	Variance
<b>Receipts</b>			
Deposits from stores	4,426	3,867	560
Deposits from insurance companies	1,119	967	152
HST refunds	711	719	(8)
	<b>6,257</b>	<b>5,552</b>	<b>704</b>
<b>Disbursements</b>			
Utilities	239	300	61
Payroll and vacation pay	3,100	3,051	(49)
Benefits	103	104	1
Rent	1,433	1,424	(9)
Lab supplies	787	700	(87)
Insurance	80	87	6
Moneris fees	49	40	(9)
Other suppliers	420	475	55
Professional fees	528	600	72
Repairs and maintenance	129	170	41
Advertising and frame purchases	83	89	6
	<b>6,952</b>	<b>7,040</b>	<b>87</b>
<b>Net Cash Flow</b>	<b>(696)</b>	<b>(1,487)</b>	<b>791</b>
Opening cash balance	349	349	0
Net cash flow	(696)	(1,487)	791
Advances under the DIP Facility	1,300	1,750	450
Closing cash balance	<b>953</b>	<b>612</b>	<b>341</b>

2. As set out above, during the Actual Period, the Applicants' cash receipts exceeded the projected amounts based on stronger than expected summer sales and sales of new inventory purchases that were not included in the projection. The disbursement variances are primarily due to timing differences other than certain lab supply purchases which were not included in the projection and professional fees, which have been lower than projected.
3. As of October 26, 2025, the Applicants had drawn \$3.1 million under the DIP Facility.

<sup>5</sup> Due to rounding, numbers may not precisely add to the total amounts.

## 4.2 Updated Cash Flow Forecast

1. The Applicants, with the assistance of the Monitor, prepared the Updated Cash Flow Forecast which, as noted above, is for the period October 27 to November 28, 2025, 2025 (the “**Projection Period**”). The Updated Cash Flow Forecast and the Applicants’ statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendix “D”**.
2. Based on the Monitor’s review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable. The Monitor’s report on the Updated Cash Flow Forecast is attached hereto as **Appendix “E”**.
3. The Updated Cash Flow Forecast is prepared on the basis that a transaction can be completed by November 28, 2025, if not sooner.

## 5.0 The Applicants’ Activities

1. The Applicants’ activities since the Third Report have included, among other things:
  - carrying on business in the ordinary course;
  - placing advertisements and preparing marketing campaigns for the Applicants’ business;
  - dealing extensively with suppliers to secure the ongoing supply of goods and services;
  - corresponding with the Monitor, Bennett Jones and 855 Ontario with respect to advances under the DIP Facility to fund the Applicants’ normal course operating expenses;
  - preparing weekly reporting to the DIP Lender pursuant to the DIP Term Sheet;
  - facilitating due diligence requests in connection with the SISP;
  - undertaking, at the Stalking Horse Bidder’s request, outreach to landlords through the estoppel letters;
  - assisting the Monitor with carrying out the employee vacation notice process, at the Stalking Horse Bidder’s request;
  - preparing, with the assistance of the Monitor, the Updated Cash Flow Forecast and corresponding with the Monitor regarding same;
  - through Bennett Jones, preparing a closing agenda for the Stalking Horse Transaction, drafting court materials for an approval and vesting order and related relief; and convening a series of closing calls with the Stalking Horse Bidder and its legal advisors;

- engaging extensively with counsel to the Stalking Horse Purchaser on a number of pre-closing work streams, including working with the Stalking Horse Bidder to finalize a transition services agreement (“**TSA**”) and taking steps to prepare the Applicants’ business to transition to new ownership;
- arranging for certain equipment held by a former landlord to be collected and returned to the Applicants’ premises; and
- responding to inquiries from employees, suppliers and former and current landlords.

## 6.0 The Monitor’s Activities

1. In addition to the activities discussed above, the Monitor’s activities since the Third Report have included, among other things:
  - corresponding extensively with the Applicants to, among other things, respond to suppliers and landlords, monitor cash flows, report to the DIP Lender and its counsel, and review DIP Facility advance requests;
  - corresponding with Chaitons and Bennett Jones regarding various matters in these proceedings, including advances under the DIP Facility, the Updated Cash Flow Forecast, the SISP and, since the Stalking Horse APA was identified as the Successful Bid, closing the Transaction and dealing with the TSA;
  - carrying out the SISP and corresponding with the Applicants to obtain information in response to inquiries from parties that signed a non-disclosure agreement;
  - corresponding with Chaitons and Bennett Jones regarding certain proposed changes to the NDA from certain Potential Bidders;
  - monitoring the Applicants’ receipts and disbursements on a daily basis;
  - assisting the Applicants to prepare weekly reporting to the DIP Lender pursuant to the DIP Term Sheet;
  - assisting the Applicants to respond to questions from their suppliers and other stakeholders;
  - reviewing the Updated Cash Flow Forecast and corresponding with the Applicants regarding same;
  - drafting this Report and reviewing the Applicants’ motion materials in respect of their motion to extend the Stay Period and ancillary relief; and
  - dealing with all other matters in these proceedings not specifically addressed above.

## 7.0 Stay Extension

1. The stay of proceedings expires on November 7, 2025. The Applicants are requesting an extension of the Stay Period to November 28, 2025 to allow for more time to finalize the Stalking Horse APA, prepare materials to seek its approval by the Court and coordinate transitional issues.
2. The Monitor supports the request for an extension of the Stay Period for the following reasons:
  - a) the Applicants are acting in good faith and with due diligence;
  - b) the Updated Cash Flow Forecast reflects that the Applicants are projected to have sufficient liquidity to pay all post-filing obligations;
  - c) it will provide the Applicants additional time to finalize matters regarding the Transaction which, if approved by this Court, would see the Applicants' business continue as a going-concern;
  - d) 855 Ontario, in its capacities as both the Applicants' senior secured creditor and the DIP Lender, supports the stay extension;
  - e) the Monitor believes that the extension is appropriate and in the best interests of the Applicants' stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
  - f) as of the date of this Report, neither the Applicants nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

## 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief described above in this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
HAKIM OPTICAL LABORATORY LIMITED,  
LAWRENCE OPHTHALMIC LAB INC. AND  
HAKIM OPTICAL WORLDWIDE LENSES INC  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**



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

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

THE HONOURABLE ) FRIDAY, THE 27<sup>TH</sup> DAY  
JUSTICE W.D. BLACK ) OF JUNE, 2025

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

**AMENDED AND RESTATED INITIAL ORDER**  
(Amending Initial Order dated May 15, 2025)

**THIS MOTION**, made by Hakim Optical Laboratory Limited ("**HOLL**"), Lawrence Ophthalmic Lab Inc. (together with HOLL, the "**Transitioned Applicants**") and Hakim Optical Worldwide Lenses Inc. (collectively the "**Applicants**", and each an "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Amended and Restated Initial Order, was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavits of Douglas Robertson sworn May 8, 2025, and the Exhibits thereto (the "**Robertson Affidavit**"), and June 23, 2025, and the Exhibits thereto, the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated May 9, 2025 (the "**Pre-Filing Report**"), and the First Report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), June 24, 2025 (the "**First Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to KSV, and such other counsel that were present and who are identified on the counsel slip, no else appearing although duly served as appears from the affidavits of service of filed, and on reading the consent of KSV to act as the Monitor,

## SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, for the avoidance of doubt, references in this Order to the "date of this Order", the "date hereof", or similar phrases refer to the date the Initial Order of this Court was granted in these proceedings, being May 15, 2025 (the "**Initial Order**").

## CONTINUANCE UNDER THE CCAA

3. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

4. **THIS COURT ORDERS AND DECLARES** that, effective as of the date of the Initial Order, the proceedings commenced by the Transitioned Applicants by the filing of the Notices of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), bearing court/estate file nos. 31-3212487 and 31-3214507 (the "**NOI Proceedings**"), are hereby taken up and continued under the CCAA, and that, as of such date, the provisions of Part III of the BIA shall have no further application to the Transitioned Applicants, provided, however, that (a) any and all steps, agreements, and procedures validly taken, done, or entered into by the Transitioned Applicants or by KSV, in its capacity as proposal trustee in each of the NOI Proceedings (in such capacity, the "**Proposal Trustee**") shall remain valid and binding, and (b) nothing in this Order, shall affect, vary, derogate from, limit, or amend, and, KSV shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee, whether at law, or under the BIA, or otherwise.

5. **THIS COURT ORDERS** that, notwithstanding Section 50.4(8) of the BIA, the Transitioned Applicants (or either of them), shall not be deemed to have made an assignment in bankruptcy by reason only of their failure to file proposals with the Official Receiver.



## PLAN OF ARRANGEMENT

6. **THIS COURT ORDERS** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

## POSSESSION OF PROPERTY AND OPERATIONS

7. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, authorizations, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

8. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Robertson Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**"), and that any present or future bank providing the Cash Management System shall: (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan (if any) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

9. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement (as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order to the extent that such expenses are incurred and payable by the Applicants:

- (a) all outstanding and future wages, salaries, employee and pension benefits (including, without limitation, employee medical, dental, registered retirement savings plan contributions and similar benefit plans or arrangements), vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses;
- (b) all outstanding and future amounts invoiced to any of the Applicants from any independent contractors retained by any of the Applicants, payable prior to, on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing payment arrangements;
- (c) all outstanding or future amounts related to honouring customer obligations, including customer pre-payments, deposits, gift cards, programs and other customer loyalty programs, offers and benefits, in each case incurred in the ordinary course of business and consistent with existing policies and procedures; and
- (d) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

10. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Agreement, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

11. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes and all other amounts related to such deductions or employee wages payable for periods following April 16, 2025 pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

12. **THIS COURT ORDERS** that, unless otherwise agreed with any Landlord, until a real property lease (including any sublease and related documentation, each a "**Lease**") to which any of the Applicants is a party is disclaimed in accordance with the CCAA or otherwise consensually terminated, such Applicant shall pay, without duplication, all amounts constituting rent or payable as rent under such Lease (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the applicable

landlord (each, a "**Landlord**") under such Lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicants, the NOI Proceedings, or the making of this Order) or as otherwise may be negotiated between such Applicant and the Landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears) in the amounts set out in the applicable lease or, with the consent of the Monitor, at such other time intervals and dates as may be agreed to between the applicable Applicant and Landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. **THIS COURT ORDERS** that, except as specifically permitted herein, or any other Order of the Court, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

14. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined below), have the right to:

- (a) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (b) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate, provided that, with respect to any real property leased premises, the Applicants may permanently, but not temporarily, shut down, but not downsize, any of its business or operations in a real property leased premises;
- (c) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;

- (d) disclaim in whole or in part, with the prior consent of the Monitor, or further Order of the Court, any of its arrangements or agreements of any nature whatsoever and with whomsoever, whether oral or written, as the applicable Applicant deems appropriate, in accordance with Section 32 of the CCAA, provided that, with respect to any real property leased premises, the debtors may vacate, abandon or quit the whole, but not part of any leased premises; and
- (e) pursue all avenues of refinancing of restructuring, selling or reorganizing its Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

15. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant Landlord with notice of such Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant Landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the Landlord disputes such Applicant's entitlement to remove any such fixture under the provisions of the applicable Lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such Landlord and the applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days notice to such Landlord and any such secured creditors. If any Applicant disclaims a Lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such Lease pending the resolution of any such dispute (other than Rent payable for the notice period provided for in Subsection 32(5) of the CCAA), and the disclaimer of the Lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable Applicant and the Monitor, 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant Landlord shall be entitled to

take possession of any such leased premises without waiver of or prejudice to any claims or rights such Landlord may have against the applicable Applicant in respect of such Lease or leased premises, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

17. **THIS COURT ORDERS** that until and including July 14, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees, directors, officers, advisors and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH RIGHTS**

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, Lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy, and/or exemption in favour of the relevant Applicants shall be or shall be deemed to be negated, suspended, waived and/or terminated as a result of the insolvency of the Applicants or the commencement of the within proceedings.

20. **THIS COURT ORDERS** that any Person who has, or is believed or suspected to have, in their possession or power any of the Property of any of the Applicant, or any book, document or paper of any kind relating in whole or in part to an Applicant, shall promptly, upon the request of the Applicants or the Monitor, be required to produce the book, document or paper for the information of the Applicants, or to deliver to the Applicants, any property of the Applicants in their possession.

21. **THIS COURT ORDERS** that, no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may want to make in seeking leave of the Court or following the granting of such leave.

## **CONTINUATION OF SERVICES**

22. **THIS COURT ORDERS** that during the Stay Period,

- (a) all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply or license of goods, intellectual property and/or services, including without limitation all computer

- software, trademarks, communication and other data services, centralized banking services, cash management services, payment processing services, payroll and benefit services, insurance, freight services, transportation services, customs clearing, storage, warehouse and logistics services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by any of the Applicants or; exercising any other remedy provided under the agreements or arrangements;
- (b) that all Persons who receive or collect proceeds from the sale of the Applicants' inventory for or on behalf of the Applicants, shall promptly remit such proceeds to the Applicants monthly, in accordance with existing arrangements without any additional set-off or deduction whatsoever; and
- (c) that the Applicants shall be entitled to the continued use of their currently occupied premises, telephone numbers, facsimile numbers, email addresses, internet addresses and domain names, provided in each case, that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicants and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

23. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

24. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any



of the former, current, or future directors or officers of the Applicants, with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants, whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

#### **APPOINTMENT OF MONITOR**

25. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, partners, members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) assist the Applicants with the Restructuring;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) monitor the Applicants' receipts and disbursements and the Applicants' compliance with the DIP Budget (as defined in the DIP Agreement), including the management and deployment/use of any funds advanced by the DIP Lender (as defined below);
- (d) assist the Applicants, to the extent required by them, in their dissemination, to the DIP Lender and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (e) advise the Applicants in their preparation of the Applicants' cash flow statements and the dissemination of other financial information;
- (f) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (g) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' Business and financial affairs or to perform its duties arising under this Order;
- (i) assist the Applicants in communications with their stakeholders;
- (j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the

*Canadian Environmental Protection Act, the Ontario Environmental Protection Act, the Ontario Water Resources Act, the Ontario Occupational Health and Safety Act, the British Columbia Environmental Management Act, the British Columbia Riparian Areas Protection Act, the British Columbia Workers Compensation Act, the Alberta Environmental Protection and Enhancement Act, the Alberta Water Act, the Alberta Occupational Health and Safety Act, the Manitoba Environment Act, the Manitoba Contaminated Sites Remediation Act, or the Manitoba Workplace Safety and Health Act, and regulations thereunder (collectively, the "**Environmental Legislation**")*, provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that the Monitor shall provide the DIP Lender and any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicants and counsel to the DIP Lender, 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 date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor,

counsel to the Applicants and counsel to the DIP Lender, on such terms as such parties may agree and are hereby authorized to pay to the Monitor, counsel to the Monitor and counsel to the Applicants, retainers, *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from 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.

### **ADMINISTRATION CHARGE**

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, unless permitted by further Order of this Court and with the prior written consent of the DIP Lender, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

### **DIP FINANCING**

34. **THIS COURT ORDERS** that the Transitioned Applicants are hereby authorized and empowered to execute, obtain financing and borrow under a credit facility from 1001112855 Ontario Inc. (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed \$2,800,000 unless permitted by further Order of this Court.

35. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the Debtor-In-Possession Facility Term Sheet between, among others, the Transitioned Applicants and the DIP Lender, dated as of May 8, 2025 (the "**DIP Agreement**"), filed.

36. **THIS COURT ORDERS** that the Transitioned Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the DIP Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Agreement, or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Transitioned Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents (collectively, the "**DIP Obligations**"), as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property as security for the DIP Obligations, which DIP Lender's Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the Definitive Documents. The DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon four (4) business days' prior written notice to the Applicants, the Guarantor (as defined in the DIP Agreement) and the Monitor, and otherwise subject to any Orders entered by this Court, may exercise any and all of its rights and remedies against the Applicants, the Guarantor or the Property under or pursuant to the DIP Agreement and the DIP Lender's Charge, including, without limitation, to cease making advances to the Applicants, and subject to further Order of this Court, set off and/or consolidate any amounts owing by the DIP Lender to any of the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement or the DIP Lender's Charge or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a

- bankruptcy order against any of the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

39. **THIS COURT ORDERS** that unless otherwise agreed to in writing by the DIP Lender, the DIP Lender shall be treated as unaffected in the Plan (if any) filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

40. **THIS COURT ORDERS** that the priorities of the security interests granted by the Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$250,000); and
- (b) Second – DIP Lender's Charge (to the maximum amount of \$2,800,000, plus accrued and unpaid interest, fees and expenses in accordance with the DIP Agreement).

41. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

42. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall be effective as against the Property and shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including deemed or constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

43. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the other beneficiaries of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

44. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which the applicable Applicant(s) is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges or the execution or delivery of any amendment or document pursuant to the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, including with respect to the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

45. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

#### **SERVICE AND NOTICE**

46. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA, and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not be required to make the claims, names and addresses of individuals who are creditors publicly available, unless otherwise ordered by this Court.

47. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in these proceedings, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure, and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/experience/case/hakim>.

48. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol or the CCAA and the regulations thereunder is not practicable, the Applicants and the Monitor, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery or electronic message to the Applicants' creditors or other interested parties at their respective addresses



(including e-mail addresses) as last shown in the books and records of the Applicants and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. (Toronto Time) (or on the next business day following the date of forwarding thereof, if sent on a non-business day); (b) the next business day following the date of forwarding thereof, if sent by courier, personal delivery or electronic message sent after 5:00 p.m. (Toronto Time); or (c) on the third (3rd) business day following the date of forwarding thereof, if sent by ordinary mail.

49. **THIS COURT ORDERS** that the Applicants and the Monitor and each of their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

#### **APPROVAL OF THE MONITOR'S REPORTS AND ACTIVITIES**

50. **THIS COURT ORDERS** that the Pre-Filing Report, the First Report, and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and solely with respect to its own personal liability, shall be entitled to rely upon or make any use of such approval.

#### **GENERAL**

51. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

52. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

53. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

54. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

55. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 40 and 42 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

56. **THIS COURT ORDERS** that the Initial Order of this Court dated May 15, 2025, is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order, without the need for entry or filing.

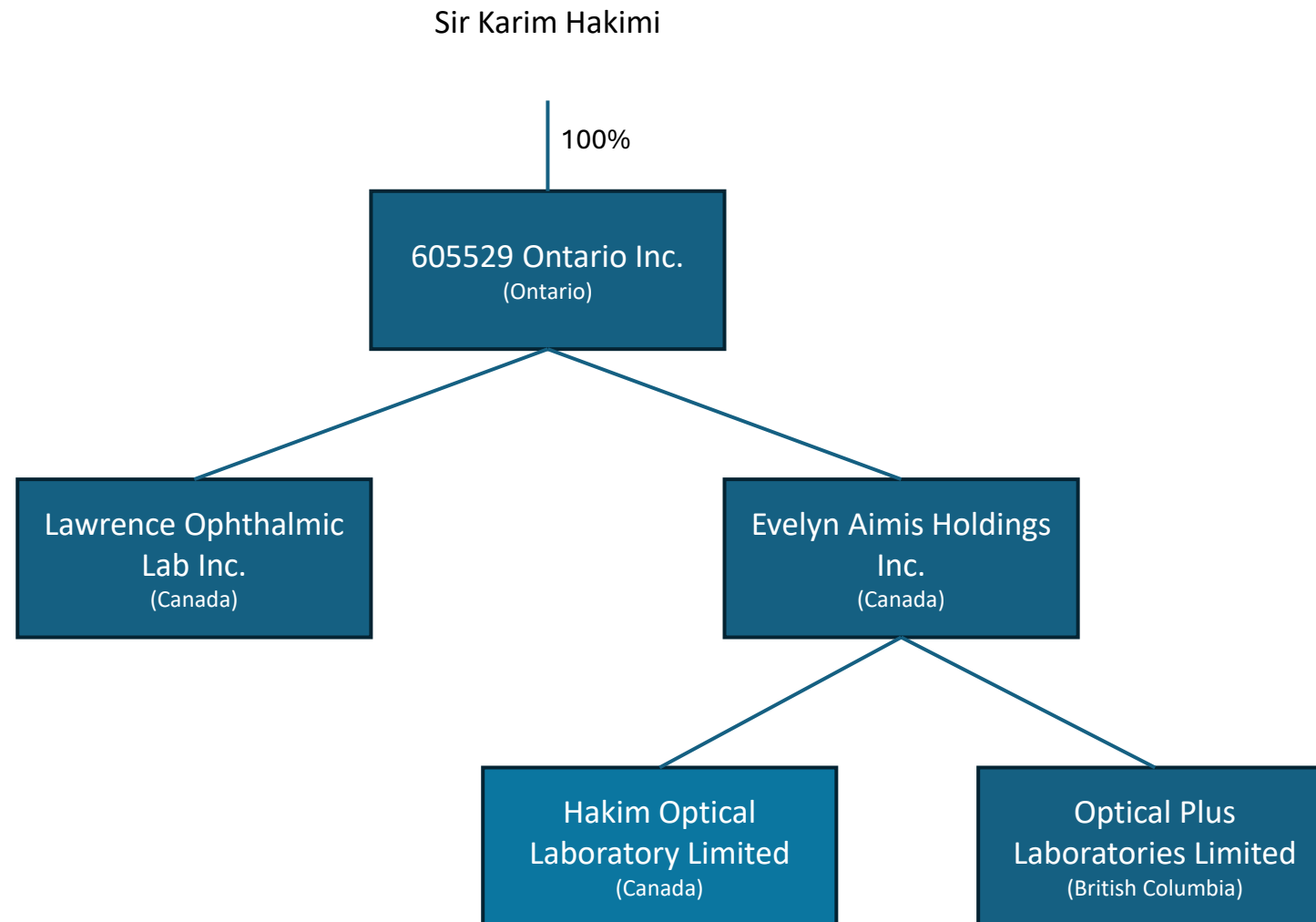


IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.

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

<p><b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE</b> <b>(COMMERCIAL LIST)</b></p> <p>Proceeding commenced in Toronto</p>	
<p><b>AMENDED AND RESTATED INITIAL ORDER</b></p>	
<p><b>BENNETT JONES LLP</b> One First Canadian Place Suite 3400, P.O. Box 130 Toronto, Ontario M5X 1A4</p> <p><b>Sean Zweig</b> (LSO# 573071) Tel: (416) 777-6254 Email: zweigs@bennettjones.com</p> <p><b>Jesse Mighton</b> (LSO# 62291J) Tel: (416) 777-6255 Email: mightonj@bennettjones.com</p> <p><b>Jamie Ernst</b> (LSO# 88724A) Tel: (416) 777-6124 Email: ernstj@bennettjones.com</p> <p><b>Linda Fraser-Richardson</b> (LSO# 89718B) Tel: (416) 777-7869 Email: fraserrichardsonl@bennettjones.com</p> <p><i>Lawyers for the Applicants</i></p>	

## **Appendix “B”**



## Appendix “C”

**From:** David Im <DIm@chaitons.com>  
**Sent:** Monday, October 20, 2025 4:53 PM  
**To:** Jamie Ernst; mfleming@ln.law; shamraz@ln.law; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; edward.park@justice.gc.ca; fozia.chaudary@justice.gc.ca; Christopher.VanBerkum@justice.gc.ca; steven.groeneveld@ontario.ca; insolvency.unit@ontario.ca; nadia.cerullo@ontario.ca; albert.hirya@gov.bc.ca; jsg.servicehmk@gov.ab.ca; tra.revenue@gov.ab.ca; mbtax@gov.mb.ca; shelley.haner@gov.mb.ca; Info.northerncapitalgroup@bellnet.ca; morsal2357@gmail.com; darbackrozen@gmail.com; mvujcuf@gmail.com; vicky.waldrum@cushwake.com; csherman@cassels.com; yong.kwon@vcataxconsultants.ca; marco@firstavenue.ca; sleroux@prpgrp.com; jules@prpgrp.com; ppham@rogers.com; jmohomed@ggfilaw.com; maureen\_cayer@zoranproperties.com; michaelv@valentegroup.com; lgalessiere@cglegal.ca; arto.svajdian@gmail.com; haroutioun.kazandjian@gmail.com; slauersen@westdellcorp.com; cpereira@tonygraham.com; linda@dgfgroup.ca; jjeyaratnam@byldlaw.com; aturner@kiplingrealty.com; dquattrin@kiplingrealty.com; melanie@tanurb.com; dpeat@dv-law.com; tishd@americananiagara.com; pathaghgoo@hotmail.com; sheldon.disenhouse@dentons.com; sruse@herefordshirecapital.com; ndegasperis@nadg.com; paldrich@llf.ca; mbox@pallettvalo.com; bnnholdings@hotmail.com; whent@shaw.ca; midland1375@rogers.com; henry@henrygoldberg.ca; beverly.relph@avisonyoung.com; jormston@ormstonbarristers.com; inquire@shindico.com; avieseetner@rogers.com; kevin.vonbargen@kvb-law.com; management@stratfordmall.ca; christina.kobi@mcmillan.ca; rkitchen@firstgulf.com; jlemi@firstgulf.com; aandlinvestments@thehi-risegroup.com; catherineip@rogers.com; accountsreceivable@valiantgroup.ca; melissa@valiantgroup.ca; nrobinson@primerealestategroup.ca; felian@consumercentres.com; jimkafenzakis@hotmail.com; evertes2017@gmail.com; caldaronip@orlandocorp.com; johnh@luxormanagement.ca; chevpayables@gauthierautogroup.com; amelfi@grllp.com; ctassopoulos@grllp.com; nnguyen@briarlane.ca; jnguyen@briarlane.ca; tgillies@bell.net; accounting@linmac.ca; maintenance@linmac.ca; wjaskiewicz@weirfoulds.com; nradevski@riocan.com; tostevens@riocan.com; dchapman@skylinegrp.ca; mtooke@kaolawyers.com; dbailey@millerthomson.com; bhosking@millerthomson.com; garrettr@solowaywright.com; steve.cai@avisonyoung.com; mazevedo.pm2024@gmail.com; albadran@forumlaw.ca; mikhael@forumlaw.ca; DTanzola@calgarycoop.com; carbert@carbertwaite.com; thompson@carbertwaite.com; khaas@bellnet.ca; sposen@dickinson-wright.com; dpreger@dickinson-wright.com; bmcra du@dickinson-wright.com; sbharat@sterlingkaramar.com; 861Lansdowne@gmail.com; david.stark@aquilini.com; azeemh@shaw.ca; info@valueindustries.com; rcaldwell@anthemproperties.com; alev-farrell@byldlaw.com; rgao@byldlaw.com; ian.nurse@cadillacfairview.com; jrosenthal@smartcentres.com; lrichardson@salthillcapital.com; lorelie.lontoc@cushwake.com; dbish@torys.com; katherine.vicedo@bgo.com; kyle.waterman@bgo.com; dcandaele@primarisreit.com; rod.fortune@leons.ca; jbunting@tyrllp.com; suzan.elkhatib@aquilini.com; pkolida@fieldlaw.com; paul@starkmanlawyers.com; alisa.mirkovic@monkhouselaw.com; jason@leelegal.ca; david.t.gray@efleets.com; client.service@meridianonecap.ca; nrenner@dwvpv.com; egreenstone@dwvpv.com; scott@sgallagherlaw.com; jon.pinkus@stlawyers.ca; chris.justice@stlawyers.ca; jeremy.herman@stlawyers.ca; rkornblum@kornblumlaw.ca; humera@rodneyemploymentlaw.com; rmacklin@whlawyers.ca;

**To:** iftikharmaha@hotmail.com; info@shape.ca; rmcglashan@reevesricharz.com;  
 zweigs@bennettjones.com; Jesse Mighton; Linda Fraser-Richardson  
**Cc:** George Benchetrit; Amy Casella; Karen Jones; Mitch Vininsky; Jordan Wong; Nathalie El-Zakhem  
**Subject:** In the Matter of a Plan of Compromise or Arrangement of Hakim Optical Laboratory Limited et al. | CV-25-00743383-00CL

## TO: The Service List

We represent the Monitor in this proceeding and are updating the Service List with respect to the SISP. All capitalized terms not defined in this message have the meanings defined in the Order of the Ontario Superior Court of Justice (Commercial List) dated August 28, 2025 in this proceeding (the “**SISP Approval Order**”).

The SISP has been conducted in accordance with the terms of the SISP Approval Order. We hereby confirm that the Stalking Horse Bid has been selected as the Successful Bid.

The Monitor, together with the Applicants, is working with the Stalking Horse Bidder in furtherance of seeking court approval for the Stalking Horse Purchase Agreement as the Successful Bid and expect to serve court material to approve that transaction and related relief, including an extension of the stay of proceedings, shortly.



**David Im | Lawyer**  
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## Appendix “D”

**Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc.**  
**Projected Statement of Cash Flows**  
**For the period ending November 28, 2025**  
(\$000s; unaudited)

		For the weeks ending					Total
		02-Nov-25	07-Nov-25	14-Nov-25	21-Nov-25	28-Nov-25	
Receipts	1,2						
Deposits from stores		420	420	420	420	420	2,100
Deposits from insurance companies		100	100	100	100	100	500
HST refunds		-	-	170	-	-	170
<b>Total Receipts</b>		<b>520</b>	<b>520</b>	<b>690</b>	<b>520</b>	<b>520</b>	<b>2,770</b>
Disbursements							
Utilities		40	40	40	40	40	200
Payroll	3	-	600	-	617	-	1,217
Benefits		-	52	-	-	-	52
Rent	4	712	-	-	-	-	712
Lab supplies	5	120	70	120	50	120	480
Insurance		3	-	40	-	3	47
Moneris fees	6	20	-	-	-	-	20
Other suppliers	6	40	40	40	40	40	200
Professional fees	7	-	300	-	-	-	300
Repairs and maintenance	8	25	25	25	95	25	195
Advertising		-	20	-	-	-	20
Other	9	-	-	-	-	30	30
<b>Total Disbursements</b>		<b>960</b>	<b>1,147</b>	<b>265</b>	<b>842</b>	<b>258</b>	<b>3,473</b>
Opening cash balance		953	513	86	511	589	953
Net cash flow		(440)	(627)	425	(322)	262	(703)
Advances under the DIP Facility	10	-	200	-	400	-	600
<b>Closing cash balance</b>		<b>513</b>	<b>86</b>	<b>511</b>	<b>589</b>	<b>851</b>	<b>851</b>
DIP balance, beginning		3,100	3,100	3,300	3,300	3,700	3,100
DIP advances	10	-	200	-	400	-	600
<b>DIP balance, ending</b>		<b>3,100</b>	<b>3,300</b>	<b>3,300</b>	<b>3,700</b>	<b>3,700</b>	<b>3,700</b>

Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc.

Notes to Projected Statement of Cash Flow

For the period ending November 28, 2025

(Unaudited; \$CAD, 000's)

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**Purpose and General Assumptions**

1. The cash flow projection has been prepared on the assumption that Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (collectively, the "**Companies**") continue to be afforded protection under the *Companies' Creditors Arrangement Act* (the "**CCA**") up to and including November 28, 2025.

The cash flow projection has been prepared based on hypothetical and most probable assumptions developed and prepared by the Companies.

**Hypothetical Assumptions**

2. Excludes any proceeds from a transaction for the sale of the Companies' business and assets and any post-closing expenses.

**Probable Assumptions**

3. The Companies pay payroll bi-weekly. Includes a \$17,000 monthly pension obligation.
4. Represents rent for the leased locations that are occupied. Excludes any rent in respect of properties that are owned by Evelyn Aimis Holding Inc. ("**Evelyn Aimis**"), a related party, which will continue to accrue.
5. Represents payments made by Hakim Optical Laboratory Limited on behalf of Lawrence Ophthalmic Lab Inc. in respect of the purchase of frames and lenses.
6. Other suppliers include waste management, office supplies, other vendors to the retail locations and property tax on leased locations owned by Evelyn Aimis. Moneris represents merchant fees.
7. Represents an estimate of the fees of the Companies' counsel, the Monitor and the Monitor's counsel.
8. Estimated. Includes \$70,000 during the week ended November 21, 2025 for a planned roof repair.
9. Represents payment of cure costs on closing of a transaction.
10. Represents funding to be provided under the debtor in possession ("**DIP**") loan facility. Assumes that any DIP lender fees are capitalized to the loan rather than paid in cash and reduce the

COURT FILE NO.: BK-25-00743383-00CL

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

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)

The management of Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (the "**Applicants**") has developed the assumptions and prepared the attached statement of projected cash flow as of the 27<sup>th</sup> day of October, 2025 for the period October 27, 2025 to November 28, 2025 (the "**Cash Flow**"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in the notes to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual events will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in the Cash Flow using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 29<sup>th</sup> day of October, 2025.

Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc.



---

Doug Robertson

## Appendix “E”

COURT FILE NO.: BK-25-00743383-00CL

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.

**MONITOR'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (collectively the "**Applicants**") as of the 27<sup>th</sup> day of October, 2025, consisting of a weekly projected cash flow statement for the period October 27, 2025 to November 28, 2025 (the "**Cash Flow**") has been prepared by management of the Applicants for the purpose described in the notes, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by management. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in in the notes and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 27<sup>th</sup> day of October, 2025.

A handwritten signature in blue ink that reads "KSV Restructuring Inc.".

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS CCAA MONITOR OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND  
HAKIM OPTICAL WORLDWIDE LENSES INC.  
AND NOT IN ANY OTHER CAPACITY**

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.

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Action commenced at TORONTO

**FOURTH REPORT OF KSV RESTRUCTURING INC.  
AS MONITOR  
OCTOBER 29, 2025**

**CHAITONS LLP**  
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**George Benchetrit**  
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**Lawyers for the Monitor**