

**CITATION:** *Re Hudson's Bay Company*, 2025 ONSC 1736  
**COURT FILE NO.:** CV-25-00738613-00CL  
**DATE:** 20250318

**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  
**HUDSON'S BAY COMPANY** ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC  
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC  
BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, HBC  
CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP  
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.,  
Applicants

**BEFORE:** Peter J. Osborne J.

**COUNSEL:** *Ashley Taylor, Elizabeth Pillon, Maria Konyukhova, Britnney Ketwaroo, Philip Yang and Nick Avis*, for the Applicants  
*Davis Bish*, for Cadillac Fairview  
*Evan Cobb*, for Bank of America  
*Linc Rogers and Caitlin McIntyre* for Restore Capital LLC  
*Chad Kopach*, for EY in the Receivership of Woodbine Mall Holdings Inc.  
*Lou Brzezinski, Alexandra Teodorescu and Nadav Amar*, for TK Elevator (Canada) Ltd.  
*Haddon Murray*, for Cominar Real Estate Investment Trust & Chanel ULC  
*Andrew Winton and Annecy Pang*, for KingSett Capital Inc.  
*Sean Zweig, Michael Shakra and Thomas Gray*, for the Court-appointed Monitor  
*Trevor Courtis and Heather Meredith*, for Bank of Montreal and Desjardins Financial Security Life Assurance Company  
*Gilles Benchaya and Mandy Wu*, for Restore Capital LLC and Bank of America  
*James D. Bunting*, for Ivanhoe Cambridge Inc.  
*Robert J. Chadwick, Joseph Pasquariello and Andrew Harmes*, for RioCan Real Estate Investment Trust  
*Tushara Weerasooriya, Jeffrey Levine and Guneev Bhinder*, for B.H. Multi Com Corporation, B.H. Multi Color Corporation & Richline Group Canada Inc.  
*Gregg Galardi*, US Counsel for File Agent (Restore Capital LLC) as DIP Lender  
*Isaac Belland*, for LVMH Moet Hennessy Louis Vuitton SA  
*Jake Harris*, for the DIP Lenders  
*Matthew Cressatti*, for the Trustees of the Congregation of Knox's Church, Toronto  
*D.J. Miller and Andrew Nesbitt*, for Oxford Properties Group, OMERS Realty Management Corporation, Yorkdale Shopping Centre Holdings Inc., Scarborough Town Centre Holdings Inc., Montez Hillcrest Inc., Hillcrest Holdings Inc.,

Kingsway Garden Holdings Inc. Oxford Properties Retail Holdings Inc., Oxford Properties Retail Holdings II Inc., OMERS Realty Corporation, Oxford Properties Retail Limited Partnership, CPPIB Upper Canada Mall Inc., CPP Investment Board Read Estate Holdings Inc.

*Calvin Horsten*, for Toronto-Dominion Bank

*George Benchetrit*, for Nike Retail Services Inc. and PVH Canada Inc.

*Linda Galessiere*, for Ivanhoe Cambridge II Inc./Jones Lang LaSalle Incorporation, Morguard Investments Limited and Salthill Property Managements Inc.

*Steven Weitz and Dilina Lallani*, for Ferragamo Canada Inc.

*David Ullman and Brendan Jones*, for Bentall Green Oak, Primaris REIT, Quadreal Property Group

*David Preger and Stephen Posen*, for 100 Metropolitan Portfolio, Mantella & Sons

*Shayne Kukulowicz and Monique Sassi*, for the Proposed Liquidator

*Andrew J. Hatnay, Robert Drake and Abir Shamim*, for certain HBC Employees and Retirees

*Ken Rosenberg, Max Starnino, Emily Lawrence and Evan Snyder*, for The Financial Services Regulatory Authority of Ontario

*Sam Rogers*, for Investment Management Corporation of Ontario

*Kelly Smith Wayland*, for the Department of Justice (Canada)

*Jodi Nesbitt*, for UNIFOR Local 240

**HEARD:** March 17, 2025

### **ENDORSEMENT**

#### **OSBORNE J.**

1. Yesterday, March 17, 2025, at the comeback hearing in this matter that was directed in my Order of March 10, 2025, two motions were before the Court:
  - a. a motion of the Applicants for four Orders:
    - i. an Amended and Restated Initial Order (“ARIO”):
      1. extending the stay of proceedings to and including May, 15, 2025;
      2. continuing the stay of proceedings of rights of third-party tenants of commercial shopping centres or other properties where premises operated by Hudson’s Bay are located;
      3. continuing to stay the payment of rent from Hudson’s Bay to the HB-RioCan Joint Venture Entities (collectively, the “HB-JV Entities”) as described in the Notice of Motion;
      4. approving a Key Employee Retention Plan (“KERP”) and related charge;

5. sealing the unredacted KERP with individual employee information;
  6. approving the Debtor-In-Possession (“DIP”) Facility and related charge;
  7. approving the engagement letter of Reflect Advisors, LLC and adding that party to the Administration Charge; and
  8. continuing and increasing the existing Charges previously ordered;
- ii. a Liquidation Sale Approval Order approving the agreement between Hudson’s Bay and the Liquidation Consultant to provide for the Liquidation Sale of the Company’s inventory, fixtures and equipment; approving the Sale Guidelines; and authorizing the Company to undertake the Liquidation Sale;
  - iii. a Lease Monetization Order approving the Lease Monetization Process and authorizing the Applicants to undertake the monetization of their leases; and
  - iv. a Sales and Investment Solicitation Process (“SISP”) Order approving the proposed SISP and authorizing the Applicants to commence that Process immediately; and
- b. a motion of RioCan Real Estate Investment Trust (“RioCan”) for an order requiring the Applicants to pay to the HB-JV Entities all rent and other obligations owing under the terms of the joint venture leases; and an order declaring that any DIP financing commitment not require or permit the withholding of such rents.
2. The Applicants advised the Court of events that had taken place since the initial hearing in this Application on March 10, 2025. Those are set out in the First Report of the Court-appointed Monitor and in the motion record of the Applicants.
  3. Regrettably, the position of the Applicants is such that contrary to their earlier stated objectives and best efforts, they had been unable to raise sufficient funds by way of a DIP facility to provide the required liquidity to enable a going concern outcome at the present time.
  4. The Company submitted that, as a result, it was seeking the relief summarized above, which would authorize an immediate liquidation of all inventory at all stores and distribution centres, but do so concurrently with a SISP such that the market could be canvassed in an expedited but fair manner to explore whether there is sufficient interest from any party in purchasing and/or financing some or all of the business of Hudson’s Bay.
  5. The objective is to canvass the marketplace for any type of transaction that would maximize the chances of a successful outcome for stakeholders.
  6. Extensive submissions were made at the hearing yesterday by the Applicants and multiple other parties and stakeholders. Numerous objections to various components of the relief

sought by the Applicants as summarized above were made by various stakeholders, including but not limited to RioCan, numerous landlords and other creditors.

7. Counsel for certain employees advised the Court of various issues that were being considered on behalf of the employees and which may well be the subject of future motions.
8. At the conclusion of the hearing yesterday, it was clear to me that there were many issues about which there was vigorous disagreement. However, two additional things were also clear to me.
9. First, given the speed with which events were occurring and matters were developing, numerous parties had not had time to fully digest the relevant events, the complex and voluminous motion materials before the Court, and their position with respect to all of the issues.
10. Second, and notwithstanding the different positions of the parties, there was a preparedness to engage in good faith discussions to see if at least some of the issues could not be narrowed or resolved. It was evident from the submissions made that some of the Orders sought were opposed entirely, and others were not opposed but certain parties had issues relating to particular terms of the draft Orders.
11. Accordingly, and given the importance of the issues and the number of stakeholders affected, I reserved my decision on the motions (subject to two exceptions described below), and directed the principal stakeholders with the key objections to engage immediately in good faith discussions with the Company, and with the active facilitation of the Court-appointed Monitor, to see if the parties could resolve some of the issues at least on an interim basis.
12. I directed that the Court-appointed Monitor advise me, no later than this afternoon, as to whether or not progress had been made. If the parties were unable to resolve the issues, I would render my decision on the basis of the record before the Court.
13. The two exceptions referred to above were these:
  - a. first, I extended the stay of proceedings pending further order of the Court, effective immediately; and
  - b. second, I directed that the confidential KERP be sealed on a temporary basis pending further order of the Court given that it contained personal information of employees. I was satisfied that the test for a sealing order set out by the Supreme Court of Canada in *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41 and refined in *Sherman Estate v. Donovan*, 2021 SCC 25, was satisfied.
14. Earlier this afternoon, the Court-appointed Monitor advised the Court that significant progress with respect to the resolution of various issues was being made, and that discussions were continuing. The Monitor requested that I grant an extension of time to allow those discussions to continue to see if issues could not be resolved.

15. In the circumstances, I am prepared to do that, albeit for a very brief period of time.
16. Accordingly, the hearing of these motions shall resume tomorrow, March 19, 2025, at 2:00 PM at the Courthouse, at which time I will receive an update on status and make further directions and orders as are appropriate at that time.
17. The continuation of the stay of proceedings and the balance of the relief sought on the motions summarized above will be addressed at that time.
18. I am conscious of the number of parties involved. Those parties unable to attend in person at the Courthouse tomorrow may attend remotely via Zoom link (the same zoom link used for the hearing yesterday).
19. I direct the Monitor to make this Endorsement available to all parties and stakeholders immediately.

A handwritten signature in green ink, appearing to read "Osborne J.", with a stylized flourish at the end.

Justice Peter Osborne