



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00748871-00CL

DATE: September 14, 2026

NO. ON LIST: 2

**TITLE OF PROCEEDING: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 6045073 CANADA INC.**

BEFORE: JUSTICE PETER CAVANAGH

PARTICIPANT INFORMATION

For Applicant(s):

Name of Person Appearing	Name of Party	Contact Info
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For Respondent(s):

Name of Person Appearing	Name of Party	Contact Info

For Other:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE PETER CAVANAGH:

[1] AlixPartners Restructuring Inc. ("AlixPartners"), in its capacity as monitor (in such capacity, the "Monitor") of 6045073 Canada Inc. (formerly Claire's Stores Canada Corp.) (the "Applicant"), moves for the following two orders:

- a. a meeting order (the "Meeting Order"), among other things:

- i. accepting the filing of the Plan;
 - ii. authorizing the establishment of a single class of creditors, being the Unsecured Creditors' Class, for the purpose of considering and voting on a resolution to approve the Plan;
 - iii. authorizing the Applicant and the Monitor to call, hold and conduct a meeting of Affected Creditors, entirely by virtual means, on November 17, 2026, at 10:00 a.m. (Toronto time) (the "Creditors' Meeting") to consider and vote on a resolution to approve the Plan;
 - iv. setting the date for the hearing of a motion seeking sanction of the Plan should it be approved by the Required Majority at the Creditors' Meeting; and
 - v. approving the Settlement and Support Agreement (as defined below); and
- b. a stay extension and ancillary relief order (the "Stay Extension and Ancillary Relief Order"), among other things:
- i. extending the stay period to and including March 12, 2027 (the "Stay Period");
 - ii. approving the Fifth Report, including the Monitor's conduct and activities described therein; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval; and
 - iii. approving the fees and disbursements of the Monitor and its counsel for the period from May 1, 2026, to July 31, 2026 (the "Relevant Period"), as described in the Fifth Report and the fee affidavits appended thereto.

[2] Defined terms have the meanings set out in the motion materials.

[3] On August 6, 2025, the Applicant was granted protection under the *Companies' Creditors Arrangement Act* (the "CCAA"), pursuant to an Initial Order (the "Initial Order") of the Ontario Superior Court of Justice (Commercial List) (the "Court"). The Initial Order, among other things, appointed KSV Restructuring Inc. as Monitor in the CCAA proceedings.

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

[5] In addition to granting the ARIO, on August 15, 2025, the Court also granted the Liquidation Sale Approval Order, which, among other things, authorized the Applicant to undertake a liquidation sale in accordance with the terms of the Liquidation Sale Approval Order, the Consulting Agreement and the Sale Guidelines.

[6] On September 16, 2025, this Court granted an Approval and Vesting Order, which, among other things, (a) approved the asset purchase agreement among Claire's Holdings LLC, the Applicant and AWS Claire's LLC ("AWS", being the purchaser) dated August 18, 2025, the side letter among Claire's Holdings LLC, the Applicant and AWS dated September 10, 2025 (both, as amended, the "Purchase Agreement" and "Canada Letter Agreement", respectively) and the transactions contemplated therein (the "Sale Transaction"); (b) transferred to and vested in Claire's Essentials Canada Corp., an affiliate of AWS (the "Canadian Purchaser"), all of the Applicant's right, title and interest in and to the applicable Acquired Assets (as defined in the Purchase Agreement and Canada Letter Agreement); and (c) assigned up to 77 of the Applicant's retail store leases in Canada (the "Eligible Canadian Leases") to the Canadian Purchaser pursuant to section 11.3 of the CCAA.

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

[8] On November 14, 2025, this Court granted three Orders:

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

[9] On May 13, 2026, this Court granted the Stay Extension and Ancillary Relief Order (the "Second Stay Extension and Ancillary Relief Order"), which, among other things, extended the stay of proceedings until September 14, 2026.

[10] On October 29, 2025, the United States Bankruptcy Court for the District of Delaware entered an order confirming the Chapter 11 Plan, which, among other things, established a liquidating trust in respect of the Chapter 11 Debtors' estates (the "Claire's Liquidating Trust"). META Advisors, LLC was appointed as the trustee for the Claire's Liquidating Trust (the "Liquidating Trustee").

[11] The Monitor has been dealing with the Liquidating Trustee regarding the four Proofs of Claim (collectively, the "Claire's US Claim") submitted in the Claims Process on behalf of certain Chapter 11 Debtors in the aggregate amount of approximately \$72.59 million.

[12] Over the course of April through August 2026, the Monitor, with the assistance of its counsel, Goodmans LLP ("Goodmans"), and the Applicant's counsel, engaged in a number of discussions and settlement negotiations with the Liquidating Trustee and its counsel in respect of the Claire's US Claim, including exchanging information in respect of the various heads of claim asserted in the Claire's US Claim.

[13] Those negotiations ultimately led to the Monitor and the Claire's Liquidating Trust entering into the Settlement and Support Agreement dated September 3, 2026 (the "Settlement and Support Agreement"), providing, *inter alia*, for the full and final settlement of the Claire's US Claim for approximately \$32.15 million (the "Claire's US Allowed Claim") and the Claire's Liquidating Trust's agreement to support the proposed Plan, which incorporates the Intercompany Distribution Threshold Amount. The proposed Plan reflects the prior agreement of Claire's US that will result in the Claire's Liquidating Trust not participating in or receiving any distribution of the first US\$1 million (or \$1,374,600) of aggregate distributions to the Applicant's unsecured creditors.

[14] A summary of the 548 claims filed in the Claims Process, all of which are unsecured and total more than \$76 million, is set out in the Fifth Report.

[15] The proposed Meeting Order authorizes the Applicant and the Monitor to call, hold and conduct the Creditors' Meeting, entirely by virtual means, on November 17, 2026, for Affected Creditors to consider and vote on the Plan.

[16] The proposed Meeting Order provides for comprehensive notification of the Creditor's Meeting to Affected Creditors, including: (a) sending the Meeting Materials to each Affected Creditor; (b) posting the

Meeting Materials on the Monitor's Website; (c) sending a copy of the Meeting Materials to the Service List; and (d) publishing the Notice of Creditors' Meeting in *The Globe and Mail (National Edition)*.

[17] The proposed Meeting Order also provides for the procedures that will govern the conduct and voting procedure at the Creditors' Meeting, and the requirements for approval of the Plan, including that the Plan must receive an affirmative vote by the Required Majority at the Creditors' Meeting.

[18] The Plan establishes voting and distribution mechanisms in respect of claims that have been accepted (or deemed to have been accepted) pursuant to the Claims Procedure Order. If the Plan is approved by the Required Majority at the Creditors' Meeting and subsequently sanctioned by the Court and implemented, it will result in a release and discharge of all Affected Claims and effect a global resolution of these CCAA proceedings.

[19] The threshold to approve the filing of a plan and call a meeting of creditors is low. While the feasibility of the plan is a relevant and significant factor to be considered in determining whether to order a meeting of creditors, a court should not impose a heavy burden on a debtor (or in this case, the Monitor) to establish the likelihood of ultimate success of a plan from the outset. Courts are not required to address the fairness and reasonableness of the Plan at this stage. Unless it is obvious that a plan cannot be approved by the affected creditors, a debtor company should be authorized to present its plan to its creditors at a meeting and issues of fairness are to be considered at the sanction hearing, if the plan is approved by the required majorities of creditors at the meetings. See *Laurentian University of Sudbury*, 2022 ONSC 4433, at paras. 23-24.

[20] I am satisfied that the Monitor satisfies the threshold for the filing of the Plan and its presentation to Affected Creditors.

[21] The proposed Plan contemplates that a single class (the Unsecured Creditors' Class) will consider and vote on the Plan and then receive cash distributions as such under the Plan in respect of their Proven Claims. There are no known secured creditors of the Applicant. The fact that all the Affected Creditors hold unsecured claims against the Applicant is the principal factor that creates the commonality of interest required to classify them together into a single class. Outside the CCAA, each of these unsecured creditors would have similar remedies against the Applicant. This Court has stated that absent a valid reason to have separate classes of creditors, it is reasonable, logical, rational and practical for all unsecured claims to be placed into the same class.

[22] I am satisfied that the Affected Creditors have a clear commonality of interest and, as a result, having a single class of creditors (i.e., the Unsecured Creditors' Class) for voting purposes is appropriate in the circumstances.

[23] CCAA courts have the jurisdiction to approve settlement agreements that are entered into during the course of CCAA proceedings. This authority is derived from the general discretion granted to the courts by section 11 of the CCAA.

[24] In determining whether to approve a proposed settlement agreement, CCAA courts have considered the following factors: (a) whether the settlement is fair and reasonable in the circumstances; (b) whether the settlement will benefit the debtor and its stakeholders generally; and (c) whether the settlement is consistent with the purpose and spirit of the CCAA. See *Labourers' Pension Fund of Central and Eastern Canada v. Sino-Forest Corporation*, 2013 ONSC 1078, at para. 49.

[25] I am satisfied that the Settlement and Support Agreement is fair and reasonable, will benefit the Applicant's stakeholders and is consistent with the purpose and spirit of the CCAA.

[26] I am satisfied that the proposed extension of the Stay Period should be granted in the circumstances.

[27] The other requested relief is proper and not opposed. It should be granted.

[28] Orders to issue in forms of Orders signed by me today.


