ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000042-0000 **DATE: August 13, 2026**
NO. ON LIST: 5

TITLE OF PROCEEDING: TOYS "R" US LTD. et al.

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Applicant(s):

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

Name of Person Appearing	Name of Party	Contact Info
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Victoria Shnaider	10163686 Canada Ltd.	admin@kidsvip.ca

ENDORSEMENT OF JUSTICE J. DIETRICH:

[1] Toys "R" Us (Canada) Ltd. / Toys "R" Us (Canada) Ltee (the "**Applicant**") seeks an Order (the "Termination Order"), among other things:

a. approving the Fourth Report of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as the Court-appointed monitor of the Applicant, dated August 5, 2026

(the "**Fourth Report**"), together with the actions, conduct and activities of the Monitor described therein;

b. approving the fees and disbursements of the Monitor and its legal counsel as described in the Fourth Report and the fee affidavits attached thereto, including the Fee Accrual;

c. authorizing the Monitor to pay any balance remaining in the Fee Accrual after payment of all fees and disbursements to the Trustee in bankruptcy to be appointed;

d. terminating these CCAA proceedings upon the Monitor serving a certificate (the "**Termination Certificate**");

e. extending the Stay Period, as defined below, until service of the Termination Certificate (the "**CCAA Termination Time**");

f. terminating, releasing and discharging the Administration Charge, the Directors' Charge and the DIP Lender's Charge, each as defined in the ARIO, effective at the CCAA Termination Time;

g. discharging A&M from its duties, obligations and responsibilities as Monitor and granting certain releases in favour, the Monitor and its counsel and the Applicant's counsel effective at the CCAA Termination Time;

h. authorizing the Applicant to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") from and after the CCAA Termination Time, and empowering the Monitor to file the assignment in bankruptcy for and on behalf of the Applicant and to take all steps ancillary or incidental thereto; and

i. authorizing The Fuller Landau Group Inc. or another trustee in-bankruptcy determined by the Applicant and the Monitor to act as trustee in bankruptcy in respect of the Applicant (in such capacity, the "**Trustee**"), and authorizing the Monitor to fund a reasonable retainer to the Trustee from the Fee Accrual in respect of its anticipated fees and disbursements as Trustee.

[2] Defined terms used but not defined herein have the meaning given to them in the factum of the Applicant filed for use on this motion.

[3] The Applicant was granted protection under the CCAA on February 3, 2026. A number of orders and endorsements have been made in this proceeding since then. Background contained in those earlier endorsements is not repeated here.

[4] A sale and investment solicitation process ("**SISP**") was approved on April 1, 2026. On June 22, 2026, I granted three approval and vesting orders approving transactions which resulted from the SISP. On June 22, 2026 and July 8, 2026, I also granted orders authorizing distributions of the proceeds of the approved transactions.

[5] The transactions have now closed, and the proceeds have been distributed in accordance with those previous orders. As such, the purpose of the CCAA proceedings has run its course, subject to completion of certain remaining matters that include: reconciling the Applicant's accounts, paying professional fees and other administration costs, completing remaining tax, employee and administrative matters and preparing for the Applicant's assignment into bankruptcy.

[6] In the circumstances, I am satisfied that it is appropriate the CCAA proceedings be terminated and the Monitor discharged pending the filing the Termination Certificate.

[7] The form of termination sought is consistent with numerous other CCAA termination orders which have been granted by this Court (see Orders referenced at footnotes 11-16 of the Applicant's factum).

[8] In this respect, I note that Victoria Shnaider on behalf of 10163585 Canada Ltd. o/a Kids VIP has filed an aide memoire and made submissions opposing the relief sought today to the extent that the relief prejudices Kids VIP's unsecured claim against the Applicant, complaint against the Monitor with the Office of the Superintendent of Bankruptcy or any rights Kids VIP may have. Kids VIP also requests certain confirmations in respect of it's unsecured claim.

[9] As a preliminary matter, I permitted Ms. Shnaider to be heard on behalf of Kids VIP today even though no motion by Kids VIP to appear other than through counsel was brought.

[10] As well, Kids VIP did not provide any evidence, but made submissions that it is owed approximately $166,000 on an unsecured basis. Unfortunately, Kids VIP is one of many unsecured creditors that are not receiving recovery in the course of this CCAA proceeding. There was no claims process within the CCAA proceeding, and nothing in the CCAA proceeding has barred or compromised Kids VIP claim, however, the reality is that there are not sufficient proceeds from the sale transactions to make distributions to unsecured creditors. The Applicant's requested relief before me today contemplates a future bankruptcy. When that occurs, a statutory claims process will be commenced through the then appointed trustee in bankruptcy. However, that has not yet occurred.

[11] Until a bankruptcy occurs, however, there is no claims process. Kids VIP asks this court to direct the Monitor or the Applicant to provide information to Kids VIP about their claim, however, that is not appropriate relief before me, nor is it information which can be provided that at this time.

[12] Kids VIP also asks that no relief being granted today prejudice Kids VIP. In large part that is the case, based on the nature of the relief sought. However, I am not prepared to grant any specific carve out.

[13] Most relevant in this regard is the release sought by Monitor. The proposed Termination Order provides that, effective at the CCAA Termination Time, A&M, in its personal and corporate capacity and in its capacity as Monitor, Stikeman and Aird & Berlis LLP, together with each of their respective affiliates, current and former officers and directors, partners, employees, representatives and agents, as applicable (collectively, the "**Released Parties**"), shall be released from any and all claims that relate to or arise out of any act, omission, transaction, dealing or other occurrence in connection with these CCAA proceedings or acting in their respective capacities in these CCAA proceedings whether occurring before, at or following the CCAA Termination Time provided that the release does not include any claim or liability determined to be the result of gross negligence or willful misconduct.

[14] Releases of court-officers upon discharge are common. The rational was set out by Pepall J (as she then was) in *Ed Mirvish Enterprises Ltd. v. Stinson Hospitality Inc.* (2009), [2009] OJ No 4265, 2009 CarswellOnt 6167 [Ed Mirvish] at para 8 -14 (ONSC). The comments made by the Court in that case were in the context of a receivership, but are equally applicable in considering the discharge of a Monitor in a CCAA proceeding. The Monitor is an officer of this court appointed by the Initial Order, that order, and subsequent amendments to it, provided that the Monitor shall incur no liability as a result of the Monitor's appointment save and except for any gross negligence or willful misconduct. The proposed release in the draft Order is consistent with the prior orders in this proceeding. If the Monitor is required to expend costs defending such claims, those costs are secured by the current Administration Charge and are therefore born by all creditors. The Applicant, in connection with the requested termination of the CCAA proceeding seeks a discharge of the Administration Charge (and the other charges noted above). The release provides certainty to the Monitor that it no longer needs to rely on the Administration Charge. It is for the benefit of all creditors that this happen so the bankruptcy can proceed without the Court Ordered charges still in place. The requested release does not include claims of gross negligence or willful misconduct. That is the appropriate balance as consistently held by this Court.

[15] I note in this case, I have before me no evidence of any misconduct by the Monitor. Kids VIP has provided no affidavit or any other evidence. At best, Ms. Shnaider's submissions are the representatives of the Monitor did not tell her about a claims process that doesn't exist. That does not amount to a claim against the Monitor. I was also advised during today's hearing by the Monitor's Counsel that the OSB complaint filed by Ms. Shnaider has been closed. I recognize that Kids VIP does not have counsel, however, that is not a reason to expose the Monitor, who is an officer of this Court, to any uncertainty in its ongoing liability. Accordingly, I grant the releases and the discharges of the Charges as requested by the Applicant without the carve out requested by Kids VIP.

[16] The Applicants also seek approval of the fees and disbursements of the Monitor and its legal counsel, including the Fee Accrual as set out in the Fourth Report. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Applicants' assets and liabilities, as well as the complexity of the Applicants' business and the proceeding. In considering these guiding principles, the fees of the Monitor and its counsel are appropriate and are approved.

[17] As well, the Applicant seeks approval of the Fourth Report and the activities set out therein. There are good policy and practical reasons to grant the approval of a monitor's reported activities see *Target Canada Co (Re)*, 2015 ONSC 1487, at paras 2, 22-23. The evidence is that the Monitor has carried out its duties in a reasonable and efficient manner, consistent with its powers as set out in the CCAA and in the interests of the Applicant's stakeholders generally. The draft order provides that only the Monitor may rely on such approval.

[18] Finally, the Applicant seeks an extension of the Stay Period until the CCAA Termination Time. A limited extension advances the objectives of the CCAA by preserving the status quo while the Applicant and the Monitor complete the Remaining Matters and bring these CCAA Proceedings to an orderly conclusion. Pursuant to subsections 11.02(2) and 11.02(3) of the CCAA, the Court may grant an extension of a stay of proceedings where: (a) circumstances exist that make the order appropriate; and (b) the debtor company satisfies the Court that it has acted, and is acting, in good faith and with due diligence. I am satisfied that the requested extension of the Stay Period is appropriate as the Monitor is of the view that sufficient funds have been reserved to complete the remaining administration and supports the requested extension of the Stay Period.

[19] Order to go in the form signed by me this day with immediate effect.



Justice J. Dietrich

Date: August 13, 2026.