

HBC Employee and Retiree Committee

We are a committee of 17 former and current employees and retirees of the Hudson's Bay Company ("Hudson's Bay"). We formed our committee to help protect employees and retirees because of HBC's insolvency filing in the Ontario Superior Court of Justice on March 7, 2025 and the significant losses to employees and retirees by HBC. HBC is currently liquidating and closing all its stores, and has put all its assets up for sale.

We have no affiliation with Hudson's Bay and are entirely independent of Hudson's Bay.

April 25, 2025

To: Employees and Retirees of the Hudson's Bay

As you probably know, on March 7, 2025, Hudson's Bay was insolvent (essentially it is bankrupt) and applied to Ontario Superior Court of Justice for protection from its creditors. The company is liquidating all of its assets and is closing down.

Hudson's Bay has been firing employees without severance pay, has stopped paying commission pay, stopped pension contributions for terminated employees, and terminated our important health and other benefits that we all earned and that we rely on for our livelihoods and retirements.

Hudson's Bay recently announced that it will be liquidating its remaining six store locations that were left of the first round of 87 store liquidations and that they will be terminated more employees in April.

Once all Hudson's Bay stores are liquidated, all the employees will be terminated.

Hudson's Bay owes us severance pay, pension contributions, and amounts for all the terminated benefits. We will be collectively owed well over \$100 million by Hudson's Bay.

We are extremely disappointed and angered by Hudson's Bay's actions. We gave years of our dedicated service to HBC. The company's senior management has shown little interest in protecting its loyal Canadian employees, while it has dissipated the company's assets in Canada to support its parent company's U.S. business ventures and left us in a mess.

Koskie Minsky LLP is the best law firm to help the employees and retirees

When Hudson's Bay's insolvency proceeding started on March 7, 2025, we, along with hundreds of our colleagues, started to retain the law firm of Koskie Minsky LLP ("KM") to advocate for us and protect us.

We now have a group of approximately 440 employees and retirees across Canada signed

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up with KM and our numbers are growing daily.

The Hudson's Bay court proceedings are hostile and fast moving. Landlords, lenders and suppliers are all very upset with Hudson's Bay. They are demanding repayment of their loans, rents and unpaid bills and are jockeying to get into the best legal positions to be re-paid from Hudson's Bay. They are each represented by major law firms.

Hudson's Bay is also very aggressive.

KM has already appeared in Court as our advocate six times. Without the strong advocacy for us by KM, we are at significant risk of our rights being ignored and losing amounts that are owing to us. We have been directly involved with KM's work so far and they have already helped the Hudson's Bay employees and retirees tremendously.

The Committee members, and all the employees who have retained KM strongly believe that KM is the best law firm to help employees and retirees in Hudson's Bay court proceedings,

KM has helped thousands of employees and retirees across Canada to recover amounts owing to them in major cases such as *Eaton's*, *Nortel*, *Stelco*, and recently *Sears Canada*, as well as many other smaller cases. Among their many cases, they have appeared before the Supreme Court of Canada twice and obtained court rulings in insolvency proceedings that help employees and retirees.

We are issuing a plea to other Hudson's Bay employees and retirees across Canada to join our cause so we can band together to protect all Hudson's Bay employees and retirees in these terrible times caused to us by HBC. As part of this effort, we want to keep KM as our lawyers!

HBC wants to displace Koskie Minsky LLP and impose its own choice of lawyer on us – we say no

At the end of March 2025, after five court hearings, KM informed the Court that it would be bringing forward an application to the Court for it to be appointed by the Court as the "representative counsel" for all HBC employees and retirees across Canada. The purpose of a representative counsel is so that all Hudson's Bay employees and retirees will be properly represented before the Court.

We were shocked to learn that soon after KM's announcement, Hudson's Bay brought its own application before the Ontario Superior Court of Justice on April 24, 2025 to appoint another law firm that HBC management had chosen on its own and which has had no involvement with the proceeding in Court and has no clients to become the employees and retirees' lawyers.

While Hudson's Bay has caused lots of injury to the employees and retirees by firing us and

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not paying severance and cutting off our benefits, Hudson's Bay now wants to select the lawyer **that HBC wants** to represent the employees against Hudson's Bay and to displace KM. HBC did not care to consult us.

This move by HBC is a brazen attempt to force their choice of lawyers on us whom we do not want, and to displace KM who we do want. Hudson's Bay's action is totally inappropriate and bad for the employees and retirees.

On Friday April 24, 2024, in Court, we opposed Hudson's Bay's application to install its choice of lawyers to impose on us. We requested the Court to order a proper process, and the Court agreed. The Court dismissed the company's application and appointed retired judge the Honourable Herman J. Wilton-Siegel as an "independent third party" to do an assessment and make a recommendation to the Court as to which law firm should be appointed to represent us. KM is being considered by Mr. Wilton-Siegel, but another firm (with no prior involvement in the case and with no clients) wants to be appointed instead.

Our Committee is strongly unified in our support of KM being appointed as representative counsel to the HBC employees and retirees.

We need you to do two things:

- If you have not already done so, contact KM and send them a no-cost retainer form to join our group, or
- Tell your co-workers, former Hudson's Bay employees and retirees to send KM a no-cost retainer form.

To retain KM, please email hbcemployees@kmlaw.ca or [complete an online retainer here](#).

We need to demonstrate to the Court that former Hudson's Bay employees want to keep the best and most experienced lawyers with KM – who are OUR choice – to represent us. There is strength in numbers!

KM Information Session on Monday April 28, 2025 at 12:00 pm

We will be holding a call for former Hudson's Bay employees and retirees on Monday April 28, 2025 where the KM legal team will bring us up to date on these proceedings. The link will be sent out by KM. We hope to see you there!

Yours very truly,

HBC Employee and Retiree Committee

Steven Karo, Simon Lysnes, and Evan Marshall and the rest of the Committee