

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

JUSTICE *CONWAY*

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WEDNESDAY, THE 10TH

DAY OF APRIL, 2019



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
1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.)

ORDER

THIS MOTION, made by **RICHTER ADVISORY GROUP INC.** ("**Richter**") in its capacity as court-appointed monitor ("**Monitor**") of 1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.), ("**GFI**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated April 2, 2019, the seventh report to the Court of the Monitor dated April 2, 2010 (the "**Seventh Report**"), and upon hearing the submissions of counsel for the Monitor, the Purchaser (as defined below) and no one else appearing, although duly served, as evidenced by the Affidavit of Service of Monique Sassi sworn April 2, 2019, and filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged so that this motion is properly returnable today and any further service thereof is hereby dispensed with.

APPROVAL OF ACTIVITIES

2. **THIS COURT ORDERS** that the Seventh Report and the actions, conduct and activities of the Monitor described therein be and are hereby approved; 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.

TRANSITION TO BANKRUPTCY

3. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered for and on behalf of GFI to file an assignment in bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act* (the "**Bankruptcy Assignment**") and take any reasonable steps reasonably incidental thereto including the payment of retainer funds to the trustee in bankruptcy named in the bankruptcy assignment.

4. **THIS COURT ORDERS** that the Monitor is hereby authorized for and behalf of GFI to name Richter as trustee in bankruptcy of the bankruptcy estate (respectively, the "**Trustee**").

5. **THIS COURT ORDERS** that following the making of the Bankruptcy Assignment, the Monitor is hereby authorized and directed to pay to the Trustee from amounts it has available in its accounts (the "**Escrowed Funds**") the amount of \$30,000 (plus H.S.T.) ("**Third Party Funds**") to the bankruptcy estate of GFI, to provide funding for the respective professional costs incurred by the Trustee for the bankruptcy estate, and the Trustee is hereby directed to remit any remaining amounts of such Third Party Funds to Grafton Apparel Ltd. (formerly GSO GF Acquisition B.C. Ltd.) (the "**Purchaser**") in accordance with the order of the honourable Justice Conway dated September 12, 2017 (the "**September 2017 Order**");

6. **THIS COURT ORDERS** that the provisions of the September 2017 Order made in these proceedings are hereby confirmed and the Monitor on behalf of GFI is authorized :

- a) after payment of the amounts set out in paragraph 5 above and the fees and expenses as approved in all previous orders of the Court, including the estimated costs to complete the administration of the CCAA proceedings, to remit the balance of the Escrowed Funds to the Purchaser in accordance with the September 2017 Order.
- b) following the making of the Bankruptcy Assignment and the payments set out in paragraphs 5 and 6(a) hereof, to file the Monitor's Discharge Certificate (as defined in the September 2017 Order) and the CCAA proceedings shall be terminated in accordance with the September 2017 Order.

7. **THIS COURT ORDERS** that at the CCAA Termination Time the Monitor is authorized and directed to transfer the remaining amount of the Director's Escrow to the Purchaser.

GENERAL

7. **THIS COURT ORDERS** that any and all administrative matters relating to the CCAA Proceeding, which arise following the termination of the CCAA Proceeding may be brought before the Court for determination, advice and direction.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States of America or elsewhere to give effect to this Order and to assist the Monitor and its 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to the Order or to assist the Monitor and its agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

APR 10 2019

PER / PAR: *um*

Conroy

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Court File No. CV-17-11677-00CL

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PROCEEDING COMMENCED AT
TORONTO

ORDER

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