

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

*(Bankruptcy and Insolvency Act, R.S.C.
1985, c. B-3)*

NO.: 500-11-059566-212
ESTATE NO.: 41-2716886

IN THE MATTER OF THE PROPOSAL OF:

CHANGE DE SCANDINAVIE CANADA
DETAIL INC./CHANGE OF SCANDINAVIA
CANADA RETAIL INC.;

Debtor

-and-

RICHTER ADVISORY GROUP INC., in its
capacity as proposal trustee;

Trustee/Petitioner

MOTION FOR APPROVAL OF A PROPOSAL
(Section 58 of the *Bankruptcy and Insolvency Act, Canada*)

TO ONE OF THE HONOURABLE JUSTICES OF THE COMMERCIAL DIVISION OF THE SUPERIOR COURT FOR THE DISTRICT OF MONTREAL SITTING AS THE "COURT", AS DEFINED AND DESIGNATED UNDER THE *BANKRUPTCY AND INSOLVENCY ACT, CANADA*, OR TO THE REGISTRAR OR DEPUTY REGISTRAR THEREOF, THE PETITIONER RESPECTFULLY SUBMITS:

1. On March 2, 2021, Change of Scandinavia Canada Retail Inc. (the "**Debtor**") filed a Notice of Intention to Make a Proposal (the "**NOI**") under the relevant provisions of the *Bankruptcy and Insolvency Act, Canada* (the "**BIA**") naming Richter Advisory Group Inc. (the "**Trustee**") as trustee thereto, the whole as appears of record herein.
2. By judgments rendered by this Honourable Court, the delay under the NOI for the Debtor to make a proposal was extended until June 28, 2021, the whole as appears of record herein.
3. The Debtor operates a chain of retail stores and an e-commerce platform in Canada under the name "CHANGE Lingerie", a Denmark-based, world renowned, lingerie brand with over 200 stores worldwide.
4. The Debtor predominantly sells unique women's lingerie and swimwear, together with an offering of nightwear, sportswear, loungewear, hosiery, and accessories,

all designed in Scandinavia and bearing the brands “Change”, “Charade” and “The Intimate”.

5. The Debtor’s retail operation consists of 25 retail stores in shopping malls and shopping areas throughout Canada with 10 in Québec, 9 in Ontario and 6 in British Columbia under the name “CHANGE Lingerie” (collectively, the “**Stores**”).
6. As appears from the Trustee’s Report (the “**Trustee’s Report**”), a copy of which is produced herewith along with its exhibits as **Exhibit P-1**, the Debtor’s business operations have been seriously impacted by the unprecedented economic crisis caused by the COVID-19 pandemic (the “**Pandemic**”).
7. In particular, the government mandated closures of the Stores, social distancing measures, prohibitions on social events, lockdowns, restricted travel, and a general decrease in consumers’ spending activity have all impacted the retail lingerie and swimwear business, including the Debtor’s.
8. Despite the Pandemic, the Debtor has continued operating and entered into a formal restructuring process.
9. As part of its restructuring efforts, on June 22, 2021, the Debtor filed a Proposal (the “**Proposal**”) pursuant to the relevant provisions of the *BIA*, the whole as more fully appears from a copy of the Proposal produced herewith as **Exhibit P-2**.
10. The Trustee scheduled a meeting of the Debtors’ creditors for July 13, 2021, taking place by videoconference, giving notice to each of the Debtor’s creditors concerned by the Proposal, to the Debtor and to all other required persons, the whole in accordance and with Section 51(1) *BIA* (the “**Notice of Meeting**”), a copy of which Notice of Meeting is attached as exhibit “D” to the Trustee’s Report.
11. The Debtors’ creditors entitled to vote on the Proposal at the meeting of the Debtors’ creditors held on July 13, 2021, voted to approve the Proposal by majorities overwhelmingly greater than the statutory majorities required under the relevant provisions of the *BIA*.
12. In particular, the Proposal was accepted by 100% in number and 100% in value of all of the creditors entitled to vote and voting at such meeting, the whole as appears from the minutes of the meeting of creditors prepared by the Trustee, a copy of which is produced herewith as **Exhibit P-3**.
13. The Proposal complies with all of the requirements set forth in the relevant provisions of the *BIA* and the terms of the Proposal are reasonable and are calculated to benefit the general body of the Debtor’s creditors. In particular, the Proposal, *inter alia*, provides for:
 - (a) payment by the Debtors of a dividend totalling \$100,000 (the “**Dividend**”), distributed in accordance with the terms of the Proposal;

- (b) the subordination and postponement of the therein defined “Change Denmark Claims” until full payment of the Dividends; and
 - (c) the renunciation by the therein defined “Change Group” to prove the whole or any part of their claims as an ordinary claim or as a secured claim under the Proposal.
14. There are no reasons, under any of the relevant provisions of the *BIA*, for this Honourable Court to refuse or delay approval of the Proposal.
 15. The Proposal sent by the Trustee to the Debtor and to the Debtor’s creditors contained provisions providing a notice of the hearing of the present Motion (the “**Notice of Hearing**”), in form and substance required under the *BIA*, the *Bankruptcy and Insolvency General Rules* and the Commercial Division of the Superior Court of Montreal’s *Note de fonctionnement* of November 2, 2020. The Notice of Hearing is produced herewith as **Exhibit P-4**.
 16. Accordingly, the notice of the hearing of the present Motion was sent, together with and forming part of the Proposal, to the Debtor and to all of the Debtor’s creditors more than 15 days prior to the date of hearing of the present Motion.
 17. The Trustee’s Report has been communicated to the Official Receiver and filed with this Honourable Court (**Exhibit P-1**).
 18. Accordingly, it is in the interest of the Debtors and its creditors that the Proposal be approved by this Honourable Court.
 19. Produced as **Exhibit P-5** is a draft order approving the Proposal.
 20. The present Motion is well founded in fact and in law.

WHEREFORE TRUSTEE/PETITIONER PRAYS FOR JUDGMENT OF THIS HONOURABLE COURT:

- A. **GRANTING** the present Motion;
- B. **APPROVING** the Proposal dated June 22, 2021, of Change de Scandinavie Canada Detail Inc./Change of Scandinavia Canada Retail Inc. (produced as **Exhibit P-2** herein) for all purposes as envisaged and required by the relevant provisions of the *Bankruptcy and Insolvency Act, Canada*; and
- C. **ISSUING** an order substantially in the form of the draft order produced herewith as **Exhibit P-5**.

THE WHOLE WITHOUT COSTS, save in the event of contestation.

Montreal, July 14, 2021

Kugler Kandestin LLP

KUGLER KANDESTIN LLP

Attorneys for Petitioner

Me Jeremy Cuttler / Me Gerald F. Kandestin

1 Place Ville Marie, Suite 1170

Montréal, Québec, H3B 2A7

Tel.: 514 878-2861 / Fax: 514 875-8424

jcuttler@kklex.com / gkandestin@kklex.com

AFFIDAVIT

I, the undersigned, Olivier Benchaya, CPA, CA, CIRP, LIT, having an office at 1981 McGill College Ave, Montreal, Quebec, H3A 0G6, suite 1100, solemnly affirm the following:

1. I am a partner with the firm of Richter Advisory Group Inc., the proposal trustee in the proposal of Change de Scandinavie Canada Detail Inc./Change of Scandinavia Canada Retail Inc.;
2. All of the facts alleged in the *Motion for Approval of a Proposal* (the "**Motion**") of which I have personal knowledge are true; and
3. Where I have obtained facts alleged in the Motion from others, I believe them to be true.

And I have signed, in Montreal, Quebec



Olivier Benchaya

Solemnly affirmed before me by way of remote swearing in, Montréal, Québec this 14th day of July 2021.



Commissioner for Oaths for Québec

Name: Vicky Coupal

Commission Number: 205380

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LIST OF EXHIBITS

- EXHIBIT P-1 Trustee`s Report;
- EXHIBIT P-2 Proposal;
- EXHIBIT P-3 Minutes of the Meeting of Creditors of July 13, 2021;
- EXHIBIT P-4 Notice of Hearing; and
- EXHIBIT P-5 Draft Order Approving the Proposal.

Montreal, July 14, 2021

Kugler Kandestin LLP

KUGLER KANDESTIN LLP

Attorneys for Petitioner

Me Jeremy Cuttler / Me Gerald F. Kandestin

1 Place Ville Marie, Suite 1170

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NOTICE OF PRESENTATION
COMMERCIAL DIVISION ROOM 16.10
AVIS DE PRÉSENTATION
CHAMBRE COMMERCIALE SALLE 16.10

TO:

GILBERT SÉGUIN GUILBAULT
Attorneys for Royal Bank of Canada
Att: Me Daniel Séguin
dsequin@gsgavocats.ca

CHANGE OF SCANDINAVIA HOLDING A/S
-and-
CHANGE OF SCANDINAVIA A/S
Att: Claus Walther Jensen
cwj@change.com

THE SUPERINTENDENT OF
BANKRUPTCY
Sun Life Building
1155 Metcalfe Street, Suite 950 Montréal,
Québec, H3B 2V6
Fax: 514-283-9795

AND TO/ ET À:

SERVICE LIST (LANDLORDS)

NAME OF LANDLORD	STORE LOCATION	CONTACT PERSON AND COORDINATES FOR NOTIFICATION
CF/Realty Holdings Inc.	Don Mills Mall Province of Ontario	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com

NAME OF LANDLORD	STORE LOCATION	CONTACT PERSON AND COORDINATES FOR NOTIFICATION
Le Carrefour Laval (2013) Inc.	Carrefour Laval Province of Quebec	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Ontrea Inc.	Sherway Gardens Province of Ontario	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
The Cadillac Fairview Corporation Limited	Richmond Centre Province of British Columbia	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Ontrea Inc.	Limeridge Mall Province of Ontario	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Viking Rideau Corporation	Rideau Mall Province of Ontario	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Les Galeries d'Anjou Leaseholds inc.	Galeries d'Anjou Province of Quebec	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Cominar Real estate Investment Trust	Centre Rockland Province of Quebec	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
FPI Cominar	Centre Comm. Les Rivières Province of Quebec	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Cominar REIT	Galeries Rive Nord Province of Quebec	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com

NAME OF LANDLORD	STORE LOCATION	CONTACT PERSON AND COORDINATES FOR NOTIFICATION
Ivanhoe Cambridge II Inc.	Metropolis at Metrotown Province of British Columbia	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Ivanhoe Cambridge Inc.	Place Montreal Trust Province of Quebec	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Ivanhoe Cambridge Inc.	Oshawa Centre Province of Ontario	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
MLW Ventures Ltd.	West Broadway Mall Province of British Columbia	Alex Zbar mlw.ventures@gmail.com
Pensionfund Realty Limited (Morguard)	Coquitlam Centre Province of British Columbia	CAMELINO GALESSIERE LLP Me Linda Galessiere lgalessiere@clegal.ca Me Jessica Wuthmann jwuthmann@clegal.ca
Rosemere Centre Properties Ltd. (Morguard)	Place Rosemere Province of Quebec	CAMELINO GALESSIERE LLP Me Linda Galessiere lgalessiere@clegal.ca Me Jessica Wuthmann jwuthmann@clegal.ca
Oxford ITF Les Promenades Gatineau	Les Promenades Gatineau Province of Quebec	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
Denland Interiors Limited	Queen Street Mall Province of Ontario	Raphael Cataquian Raph@pearlgroup.ca
Park Royal Shopping Centre Ltd.	Park Royal Province of British Columbia	PARK ROYAL SHOPPING CENTRE HOLDINGS LTD. Karen L. Donald, General Manager kdonald@parkroyal.ca
Promenade Limited Partnership	Promenade Province of Ontario	Carol Chu cchu@promenade.ca

NAME OF LANDLORD	STORE LOCATION	CONTACT PERSON AND COORDINATES FOR NOTIFICATION
RMI-ITF-Burlington Mall C/o RioCan Management Inc.	Burlington Mall Province of Ontario	CAMELINO GALESSIERE LLP Me Linda Galessiere lgalessiere@cglegal.ca Me Jessica Wuthmann jwuthmann@cglegal.ca
RMI-ITF- Oakville Place C/o RioCan Management Inc.	Oakville Place Province of Ontario	CAMELINO GALESSIERE LLP Me Linda Galessiere lgalessiere@cglegal.ca Me Jessica Wuthmann jwuthmann@cglegal.ca
Carrefour Richelieu Realities Ltd.	Carrefour Angrignon Province of Quebec	Nathalie Caron ncaron@westcliff.ca Céline Burdet cburdet@carrefourangrignon.com
Carrefour Richelieu Realities Ltd.	Carrefour Richelieu Province of Quebec	Nathalie Caron ncaron@westcliff.ca Bénoit Rolland Brolland@carrefourrichelieu.com
Ivanhoe Cambridge Inc.	Change Guildford Town Centre Province of British Columbia	GOWLING WLG (CANADA) LLP Me François Viau Francois.Viau@gowlingwlg.com Me Alexandre Forest alexandre.forest@gowlingwlg.com
The Cambie Rise LP	Change Cambie Province of British Columbia	Property Manager: SDM Realty Advisors Lydia Fernandez lydia@sdmrealty.com
Ministry of Finance at the Province of British Columbia		Jon Rielly RMO.SeniorTeam@gov.bc.ca

E-Service list:

OBenchaya@richter.ca; Plfergan@Richter.ca; dseguin@gsgavocats.ca; cwj@change.com;
Francois.Viau@gowlingwlg.com; alexandre.forest@gowlingwlg.com; lgalessiere@cglegal.ca;
jwuthmann@cglegal.ca; mlw.ventures@gmail.com; Raph@pearlgroup.ca;
kdonald@parkroyal.ca; cchu@promenade.ca; ncaron@westcliff.ca;
cburdet@carrefourangrignon.com; Brolland@carrefourrichelieu.com; lydia@sdmrealty.com;
RMO.SeniorTeam@gov.bc.ca; jcuttler@kklex.com; gkandestin@kklex.com;

1. PRESENTATION OF THE PROCEDURE

TAKE NOTICE that the *Motion for Approval of a Proposal* will be presented in the practice division of the Commercial Division of the Superior Court, in room 16.10 of the Montreal courthouse during the **virtual calling of the roll of July 20, 2021, at 8:45 a.m.**, or as soon as counsel can be heard.

2. HOW TO JOIN THE VIRTUAL CALLING OF THE ROLL

The contact information to join the virtual calling of the roll in Room 16.10 is as follows:

a) with the Teams tool: by clicking on the link available on the website <http://www.tribunaux.qc.ca>;

You will then be asked to enter your name and click on "Join Now". In order to facilitate the process and identification of participants, we invite you to enter your name as follows:

- Lawyers: M^e First name, Last name (the name of the represented party);
- Trustees: First name, Last name (trustee);
- The Superintendent: First name, Last name (Superintendent)
- Self-Represented Parties: First Name, Last Name (specify: Plaintiff, Defendant, Petitioner, Respondent, Creditor, Opponent or other);
- For persons attending a public hearing: the mention may be limited to registration: (public).

b) by telephone:

- Canada, Québec (Charges will apply):+ 1 581-319-2194;
- Canada (Toll-Free): (833) 450-1741;
- Conference ID: 820 742 874#

c) by videoconference:

- teams@teams.justice.gouv.qc.ca ;
- VTC Conference ID: 11973653703

d) in person:

if and only if you do not have access to one of the above identified technological means. You may then go to room 16.10 of the Montreal courthouse located at: **1 Notre-Dame Street East, Montreal, Quebec.**

3. FAILURE TO PARTICIPATE IN THE CALLING OF THE ROLL

TAKE NOTICE that if you wish to contest the proceeding you must notify the party which instituted the proceeding in writing at the coordinates indicated in this notice of presentation **at least 48 hours** before the date of presentation of the procedure and participate in the calling of the virtual roll. Otherwise, a judgment may be rendered at the presentation of the proceeding, without further notice or delay.

1. PRÉSENTATION DE LA PROCÉDURE

PRENEZ AVIS que la *Motion for Approval of a Proposal* sera présentée en division de pratique de la Chambre commerciale de la Cour supérieure, en salle 16.10 du palais de justice de Montréal lors de **l'appel du rôle virtuel du 20 juillet 2021, à 8 h 45**, ou aussitôt que conseil pourra être entendu.

2. COMMENT JOINDRE L'APPEL DU RÔLE DE PRATIQUE VIRTUEL

Les coordonnées pour vous joindre à l'appel du rôle virtuel de la salle 16.10 sont les suivantes:

a) par l'outil Teams: en cliquant sur le lien disponible sur le site <http://www.tribunaux.qc.ca>;

Vous devrez alors inscrire votre nom et cliquer sur « Rejoindre maintenant ». Afin de faciliter le déroulement et l'identification des participants, nous vous invitons à inscrire votre nom de la façon suivante:

- Les avocats: Me Prénom, Nom (le nom de la partie représentée);
- Les syndics: Prénom, Nom (syndic);
- Le surintendant: Prénom, Nom (surintendant);
- Les parties non représentées par avocat: Prénom, Nom (précisez: demandeur, défendeur, requérant, intimé, créancier, opposant ou autre);
- Pour les personnes qui assistent à une audience publique: la mention peut se limiter à inscrire: (public).

b) par téléphone:

- Canada, Québec (Numéro payant): + 1 581-319-2194;
- Canada (Numéro gratuit): (833) 450-1741;
- ID de conférence: 820 742 874#.

c) par vidéoconférence:

- teams@teams.justice.gouv.qc.ca ;
- ID de la conférence VTC: 11973653703.

d) en personne:

si et seulement si vous n'avez pas accès à l'un des moyens technologiques ci-dessus identifiés. Vous pouvez alors vous rendre à la salle 16.10 du palais de justice de Montréal situé au: **1, rue Notre-Dame Est, Montréal, Québec.**

3. DÉFAUT DE PARTICIPER À L'APPEL DU RÔLE

PRENEZ AVIS que si vous désirez contester la procédure vous devez en aviser par écrit l'instituteur de la procédure aux coordonnées indiquées dans cet avis de présentation **au moins 48 heures** avant la date de présentation de la procédure et participer à l'appel du rôle virtuel. À défaut, un jugement pourrait être rendu lors de la présentation de la procédure, sans autre avis ni délai.

4. OBLIGATIONS

- 4.1 Duty of cooperation
TAKE NOTICE that you are duty-bound to cooperate and, in particular, to keep one another informed at all times of the facts and particulars conducive to a fair debate and to make sure that relevant evidence is preserved. (*Code of Civil Procedure*, art. 20).
- 4.2 Dispute prevention and resolution processes
TAKE NOTICE that before referring your dispute to the courts, you must consider private dispute prevention and resolution processes which are negotiation between the parties, and mediation and arbitration, in which the parties call on a third person to assist them (*Code of Civil Procedure*, art. 2).

4. OBLIGATIONS

- 4.1 La collaboration
PRENEZ AVIS que vous avez l'obligation de coopérer avec l'autre partie, notamment en vous informant mutuellement, en tout temps, des faits et des éléments susceptibles de favoriser un débat loyal et en vous assurant de préserver les éléments de preuve pertinents (*Code de procédure civile*, art. 20).
- 4.2 Mode de prévention et de règlement des différends
PRENEZ AVIS que vous devez, avant de vous adresser au Tribunal, considérer le recours aux modes privés de prévention et de règlement de votre différend qui sont, entre autres, la négociation, la médiation ou l'arbitrage, pour lesquels les parties font appel à l'assistance d'un tiers (*Code de procédure civile*, art. 2).

DO GOVERN YOURSELF ACCORDINGLY.**VEUILLEZ AGIR EN CONSÉQUENCE.**

Montreal, July 14, 2021

*Kugler Kandestin LLP***KUGLER KANDESTIN LLP**

Attorneys for Petitioner

Me Jeremy Cuttler / Me Gerald F. Kandestin

1 Place Ville Marie, Suite 1170

Montréal, Québec, H3B 2A7

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Trustee/Petitioner

**MOTION FOR APPROVAL OF A PROPOSAL,
AFFIDAVIT, LIST OF EXHIBITS AND NOTICE OF
PRESENTATION**
(Section 58 of the *Bankruptcy and Insolvency Act*,
Canada)

ORIGINAL

Me Jeremy Cuttler / Me Gerald F. Kandestin

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