

CANADA
Province of Quebec
District of Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE PROPOSAL OF:

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

a legal person having its registered office at
9961 Saint-Vital Boulevard, Montreal, Quebec,
H1H 4S5

Debtor

-and-

RICHTER ADVISORY GROUP INC.

Trustee

REPORT OF THE TRUSTEE ON THE PROPOSAL
(Sections 59(1) and 58(d) of the *Bankruptcy and Insolvency Act*)

Richter Advisory Group Inc., the trustee acting in the proposal (hereinafter the "**Proposal**") of Change de Scandinavie Canada Detail Inc./Change of Scandinavia Canada Retail Inc. (the "**Debtor**" or the "**Company**"), hereby reports to the Court as follows:

1. On March 2, 2021, the Debtor filed a Notice of Intention to Make a Proposal ("**NOI**") under the *Bankruptcy and Insolvency Act*, Canada (the "**BIA**") naming Richter Advisory Group Inc. as trustee (the "**Trustee**").
2. On March 3, 2021, the Company filed a motion entitled *Motion for approval of interim financing, administrative charge and other relief* (the "**First Motion**").
3. On March 5, 2021, the Trustee sent a copy of the statutory documents under the NOI to all known creditors of the Company, as identified by them, the whole as appears in the documents filed in the court records.
4. On March 10, 2021, the Court issued an order approving the First Motion.

5. On March 24, 2021, the Debtor filed a motion to extend the delay to make a proposal (the “**First Extension Motion**”) until May 14, 2021. On March 31, 2021, the Court issued an order granting the First Extension Motion, which was supported by the Trustee.
6. On May 7, 2021, the Debtor filed a second motion to extend the delay to make a proposal (the “**Second Extension Motion**”) until June 28, 2021. On May 13, 2021, the Court issued an order granting the Second Extension Motion, which was supported by the Trustee.
7. On June 22, 2021, the Debtor filed a Proposal to their creditors, a copy of which is attached and marked as **Exhibit “A”**, and the Trustee filed a copy of the Proposal with the official receiver the same day.
8. On June 22, 2021, the Trustee filed with the official receiver a statement of projected cash flows along with the Trustee’s report on cash flow statement and the report on cash flow statement by the person making the Proposal, a copy of which is attached as **Exhibit “B”**.
9. On June 23, 2021, the Trustee prepared for the benefit of the creditors a report on the financial situation of the Debtor and on the Proposal (“**Report on the Proposal**”), a copy of which is attached as **Exhibit “C”**.
10. On June 25, 2021, the Trustee gave notice to the Debtor, to the official receiver and to every known creditor affected by the Proposal of the calling of a meeting of creditors to be held on July 13, 2021 by videoconference to consider the Proposal and of the notice of hearing of application for court approval of the Proposal to be held on July 20, 2021.
11. The notice included the Statement of Affairs of the Debtor, a list of the creditors affected by the Proposal who have claims of \$250 or more and showing the amounts of their claims, a copy of the Proposal, a copy of the Report on the Proposal, a form of proof of claim and proxy in blank and a voting letter. Copy of the notice is attached herewith and marked as **Exhibit “D”**.
12. Prior to the meeting of creditors, the Trustee made a detailed and careful inquiry into the liabilities of the Debtor, the Debtor’s assets and their value, the Debtor’s conduct and the causes of the Debtor’s insolvency.
13. The meeting of creditors was held by videoconference on July 13, 2021 and was presided over by Olivier Benchaya, CPA, CA, CIRP, LIT. During the meeting, the Proposal was accepted by the required majority of creditors, as it appears in the minutes of the meeting of creditors, as shown in **Exhibit “E”** to this report.
14. In fact, all the creditors who exercised their right to vote voted in favor of the Proposal (**100% in number and 100% in value**).
15. According to the terms of the Proposal, the Debtor shall pay to the Trustee the Proposal amount of \$100,000 no later than 60 days following the approval of the Proposal by the Court for distribution to the creditors.
16. On July 14, 2021, the Debtor filed a motion for approval of a Proposal that will be presented to the Court on July 20, 2021.

17. Furthermore, the Trustee is of the opinion that:

- a) The conduct of the Debtor is not reprehensible;
- b) No facts mentioned in Section 173 of the Act are susceptible to be proven against the Debtor;
- c) The Proposal is more advantageous than a bankruptcy. In its Report on the Proposal, the Trustee estimated that there will be no recovery whatsoever to ordinary creditors in the context of a bankruptcy. In addition, in a liquidation scenario, the Debtor's stores would likely close, landlords would lose a tenant and many jobs would be lost.

18. Accordingly, the Trustee recommends the approval of the Proposal.

19. On this day, the Trustee sent a copy of this report to the official receiver.

Dated at Montreal, this 14th day of July 2021.

Richter Advisory Group Inc.
Licensed Insolvency Trustee



Olivier Benchaya, CPA, CA, CIRP, LIT

EXHIBIT A

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

S U P E R I O R C O U R T
(Commercial Division)

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.

Trustee

PROPOSAL

(under the *Bankruptcy and Insolvency Act*, Canada)

CHANGE DE SCANDINAVIE CANADA DETAIL INC./CHANGE OF SCANDINAVIA
CANADA RETAIL INC. (the “Debtor”), hereby submits the following Proposal to the
Creditors under the *BIA*:

1. Definitions and Interpretation

1.1 In addition to the words and terms otherwise defined herein, whenever
used herein:

1.1.1 “Approval” means:

- (a) acceptance of the Proposal by all Creditors entitled to vote
thereon in accordance with the relevant provisions of the
BIA; and
- (b) approval of the Proposal by the Court by judgment rendered
by such Court which has become executory as a result of
the delay for appeal having expired without there having
been an appeal lodged therefrom or, if an appeal is lodged
therefrom, such judgment of the Court having been
confirmed or such appeal withdrawn (the “**Court Approval**”);

- 1.1.2 “Approval Motion”** has the meaning set forth in **Section 14.1** hereof;
- 1.1.3 “BIA”** means the *Bankruptcy and Insolvency Act*, Canada, RSC 1985, c.B-3, as amended;
- 1.1.4 “Change Denmark Claims”** means all amounts owing by the Debtor to any member of the Change Group as at (but not after) the Proposal Date, whether such indebtedness, but for its exclusion from the definitions of Ordinary Claims and Secured Claims hereunder, would otherwise constitute an Ordinary Claim or a Secured Claim;
- 1.1.5 “Change Group”** means Change of Scandinavia A/S (a Danish limited company) and Change of Scandinavia Holdings A/S (a Danish limited company);
- 1.1.6 “Committee”** has the meaning set forth in **Section 9** hereof;
- 1.1.7 “Court”** means the Commercial Division of the Quebec Superior court for the District of Montreal, sitting as the “court” as envisaged and defined in Section 2(1) *BIA* and includes any Justice thereof or, if applicable, the Registrar or any Deputy Registrar thereof;
- 1.1.8 “Creditors”** mean, as a single class of creditors, all the creditors of the Debtor affected by the Proposal, namely the Crown, the Preferred Creditors, the Employee Creditors, and the Ordinary Creditors (including the Landlords) and **“Creditor”** means any of them. All other creditors of the Debtor (including, without limitation, all Secured Creditors to the extent of their Secured Claims) shall not be, in any manner whatsoever, affected or bound by the Proposal;
- 1.1.9 “Crown”** means Her Majesty in Right of Canada or in right of any Province of Canada;
- 1.1.10 “Crown Claims”** mean all Proven claims of the Crown set forth and described in Section 60(1.1) *BIA*, against the Debtor and which were outstanding on the Proposal Date, and **“Crown Claim”** means any of them;
- 1.1.11 “Debtor”** means **CHANGE DE SCANDINAVIE CANADA DETAIL INC./CHANGE OF SCANDINAVIA CANADA RETAIL INC.;**
- 1.1.12 “Directors”** means all of the past and present directors or *de facto* directors of the Debtor and **“Director”** means any of them;

1.1.13 “Employee Claims” means:

- (a) all Proven amounts which the Debtor’s present or former employees would have been entitled to receive under Section 136(1)(d) *BIA* if the Debtor had become bankrupt on the Proposal Date as well as wages, salaries, commissions or compensation for services rendered from and after the Proposal Date up to and including the date of Approval of this Proposal, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen in and about the Debtor’s business during the same period, all as envisaged by Section 60(1.3) *BIA*; and
- (b) to the extent that the Debtor participated in a “prescribed pension plan” as envisaged by Section 60(1.5) *BIA*, all Proven amounts envisaged by Section 60(1.5)(a) *BIA* owing by the Debtor and which may be unpaid on the Proposal Date and which are required to be paid from and after the Proposal Date up to and including the Approval,

and **“Employee Claim”** means any of them;

1.1.14 “Employee Creditors” mean any or all of the Debtor’s past and present employees having Employee Claims and **“Employee Creditor”** means any of them;

1.1.15 “Landlord” means each particular landlord under each particular Lease and **“Landlords”** means all of them;

1.1.16 “Landlord Claim” means the Proven claim of any Landlord under a particular Lease and **“Landlord Claims”** means all of them. All Landlord Claims shall be deemed to be Ordinary Claims under the Proposal;

1.1.17 “Lease” means each lease (or similar contract or agreement):

- (a) for occupancy of retail store premises under which the Debtor is the lessee/tenant; and
- (b) for occupancy of premises situated at 9961 Saint-Vital Blvd., Montreal, under which the Debtor is the lessee/tenant,

and **“Leases”** means all of them;

1.1.18 “Official Receiver” means the “official receiver” as defined in Section 2 *BIA*;

1.1.19 “Ordinary Claims” mean all Proven claims against the Debtor

other than Crown Claims, Employee Claims, Preferred Claims, Secured Claims and Change Denmark Claims, of any nature or source whatsoever, resulting from and/or arising out of any transaction entered into by the Debtor prior to or after the Proposal Date (to the extent only that any claims arising after the Proposal Date are Restructuring Claims) or any event which occurred prior to or after the Proposal Date, whether due or not due as of the Proposal Date and includes all such claims which are contingent and unliquidated (once becoming absolute or liquidated) but expressly excludes all Subsequent Claims and “**Ordinary Claim**” means any of them. In addition to and notwithstanding the foregoing, “Ordinary Claims” include, under all circumstances:

- (a) all Landlord Claims;
- (b) all claims resulting from or arising out of any breaches of any obligations contracted by the Debtor prior to the Proposal Date where such breaches occurred (i) at any time prior to the Proposal Date, or (ii) at any time between the Proposal Date and the date hereof;
- (c) any proof of claim which may be filed by a Secured Creditor in excess of the Value of such Secured Creditor’s security as envisaged by **Section 5.2.3** hereof; and
- (d) all Restructuring Claims.

1.1.20 “Ordinary Creditors” mean all persons having Ordinary Claims and “**Ordinary Creditor**” means any of them;

1.1.21 “Preferred Claims” mean all Proven claims against the Debtor, other than Employee Claims, as set forth and described in Sections 136(1)(a) through 136(1)(c) *BIA* and Sections 136(1)(d.01), (d.02), (d.1), (e) and (g) through (j) *BIA*, being such claims directed by the *BIA* to be paid in priority to all other claims in the distribution of the property of a bankrupt, but only to the extent applicable to the Proposal and “**Preferred Claim**” means any of them;

1.1.22 “Preferred Creditors” mean all persons having Preferred Claims and “**Preferred Creditor**” means any of them;

1.1.23 “Proposal” means the present proposal and any and all future amendments hereto, which amendments may be made:

- (a) at any time prior to a vote by the Creditors hereon; or
- (b) by the Court at the time of Approval;

1.1.24 “Proposal Date” means **March 2, 2021**, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under Section 50.4(1) *BIA*;

1.1.25 “Proposal Expenses” mean all proper fees, expenses, liabilities and obligations of the Trustee as well as all legal fees, accounting fees and consulting fees for, in respect of and/or incidental to all proceedings and matters pertaining to the Debtor’s Notice of Intention to Make a Proposal and the Proposal and includes, without limitation, all advice to the Debtor in connection therewith;

1.1.26 “Proven” means with reference to any Crown Claims, Employee Claims, Preferred Claims and Ordinary Claims (including, without limitation and Landlord Claims), all such claims that have been the object of a proof of claim in accordance with Section 124 *BIA*, filed with the Trustee in due time and allowed by the Trustee. With respect to all such claims:

- (a) contingent and unliquidated claims and claims payable at a future time shall be governed by Sections 212(2) and 121(3) *BIA*;
- (b) every provision of the *BIA* dealing with the right to vote a claim shall apply to the Proposal; and
- (c) Proven Ordinary Claims under successive performance contracts which have not been repudiated or terminated by the Debtor shall be limited to amounts owing by the Debtor thereunder accruing only up to (but not after) the Proposal Date;

1.1.27 “Related Persons” mean any persons who/which are related to any other persons as defined and described in Section 4 *BIA* and **“Related Person”** means any of them;

1.1.28 “Restructuring Claims” means any right of any person against the Debtor in connection with any indebtedness, liability or obligation, of any nature, source or kind whatsoever, owed to such person arising out of the restructuring of the Debtor, the disclaimer or the termination of any contract (other than Leases), employment agreement, collective agreement or any other agreement, whether written or oral, after the Proposal Date including, without limitation, the right of any person who receives any notice of repudiation or termination from the Debtor. Without limiting the generality of the foregoing, the Restructuring Claims shall include all claims of any employee of the Debtor whose employment has been terminated after the Proposal Date and the claim of any taxation authority related, directly or indirectly, to the Approval of the Proposal;

1.1.29 “Secured Claims” mean the claims (other than Change Denmark Claims) of all Secured Creditors against the Debtor, to the extent of the Value of the security held by each Secured Creditor;

1.1.30 “Secured Creditors” mean all persons falling within the definition of “secured creditor” as set forth in Section 2(1) *B/A* in respect of the Debtor and **“Secured Creditor”** means any of them;

1.1.31 “Subsequent Claims” means all claims (other than Restructuring Claims) arising in respect of property supplied, services rendered or other consideration given to the Debtor subsequent to the Proposal Date, including, without limitation, all salaries, remuneration and other compensation of the Debtor’s employees for current services;

1.1.32 “Trustee” means Richter Advisory Group Inc., the trustee under the Debtor’s Notice of Intention to Make a Proposal and the trustee named herein; and

1.1.33 “Value” means, with respect to any claim filed by a Secured Creditor, the value of such Secured Creditor’s security as assessed by the Secured Creditor and accepted by the Trustee or as determined by the Court.

1.2 The paragraph headings herein contained are for ease of reference only, shall not form part of the Proposal and shall not be utilized, in any manner whatsoever, in the interpretation of the Proposal.

1.3 Whenever the context so provides, all references to the masculine shall include the feminine and *vice versa* and all references to the singular shall include the plural and *vice versa*.

1.4 In the event that there is a French version of the Proposal and there are any inconsistencies or discrepancies between the English language version of the Proposal and any French language version of the Proposal, the English language version of the Proposal shall govern and prevail under all circumstances.

2. Employee Claims

2.1 Subject to **Sections 2.2** and **2.3** hereof, all Employee Claims will be paid in full, immediately after Approval.

2.2 With respect to all of the Employee Creditors who are currently employed by the Debtor, all of their Employee Claims have been or shall have been fully paid by the Debtor to such Employees, in the normal course of the Debtor’s business.

2.3 With respect to the Employee Creditors who are not currently employed by the Debtor (being, for greater certainty, all of the Employee Creditors other than those referred to in **Section 2.2** hereof), all Employee Claims will be paid in full on the latest of the following dates, namely:

2.3.1 5 days after acceptance of a valid proof of claim from such Employee Creditor or the Court's definitively determining such proof of claim to be valid;

2.3.2 the date of Approval; and

2.3.3 the date of receipt of the relevant certificates required under the relevant provisions of the *Employment Insurance Act*, Canada.

2.4 The Debtor undertakes to request all relevant certificates required in virtue of the relevant provisions of the *Employment Insurance Act*, Canada upon acceptance of each Employee Claim.

3. Crown Claims

3.1 All Crown Claims, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid in full, within 6 months after Approval or as may otherwise be arranged with the Crown.

4. Proposal Expenses

4.1 All Proposal Expenses, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid by the Debtor in priority to all Preferred Claims and Ordinary Claims.

5. Secured Claims

5.1 All Secured Claims shall be paid in accordance with existing agreements or as may be otherwise arranged with each of the Secured Creditors.

5.2 For greater certainty:

5.2.1 the Proposal is not addressed to Secured Creditors to the extent of their Secured Claims;

5.2.2 all Secured Creditors and their Secured Claims shall not be, in any manner whatsoever, affected or bound by the Proposal to the extent of their Secured Claims; and

5.2.3 if a Secured Creditor chooses to file a proof of claim and values its security in order to be considered as an Ordinary Creditor, then the Proven claim of such Secured Creditor in excess of the Value of its security shall be included in the class of Ordinary Creditors under

the Proposal unless the Secured Creditor and the Debtor have agreed otherwise in writing.

6. Subsequent Claims

6.1 All Subsequent Claims have been or shall be paid in full by the Debtor in the ordinary course of the Debtor's business.

7. Preferred Claims and Ordinary Claims

7.1 In addition to paying all Employee Claims, all Crown Claims, all Proposal Expenses and all Subsequent Claims, the amount of \$100,000 shall be paid to the Trustee by the Debtor no later than 60 days immediately following Approval (or such later date permitted under **Section 9.2** hereof), for distribution to all Preferred Creditors and Ordinary Creditors as herein set forth (the "**Dividend**"), without any interest thereon whatsoever, in full and final settlement, release and discharge of all Preferred Claims and all Ordinary Claims.

7.2 The Dividend shall be paid to the Trustee on or before the date set forth in **Section 7.1** hereof and shall thereafter be distributed by the Trustee as follows:

7.2.1 First, to the Preferred Creditors, according to the amount of their respective Preferred Claims; and

7.2.2 Second, after full payment of all Preferred Claims, to all of the Ordinary Creditors on a *pro rata* basis, according to the amounts of their respective Proven Ordinary Claims.

7.3 The Debtor shall be entitled, at any time whatsoever, to prepay the Dividend, without any indemnity or penalty whatsoever.

7.4 The Dividend, without any interest whatsoever thereon, once paid to the Trustee in accordance with provisions of this Proposal, shall constitute full and final settlement of and shall operate as a complete release and discharge of all Preferred Claims and Ordinary Claims.

8. Claims Against Directors

8.1 In accordance with Section 50(13) *BIA*, Approval of the Proposal shall be deemed, for all purposes whatsoever, to constitute the complete release and discharge of all claims, of any nature or source whatsoever, of all Creditors and any other persons against all of the Directors which arose before the Proposal Date and which relate to obligations of the Debtor where such Directors are by law liable in their capacity as directors for payment of such obligations, all to the fullest extent permitted under the

relevant provisions of the *BIA*.

- 8.2** Nothing in the Proposal shall be deemed, in any manner whatsoever, to constitute any acknowledgment of any liability or obligations of any of the Directors.

9. Committee

- 9.1** A committee (the “**Committee**”) of up to 5 individuals shall be appointed by the Ordinary Creditors at the meeting of the Creditors called to consider the Proposal. Such Committee shall be thereafter deemed to have been formed and constituted for the purposes hereafter set forth.
- 9.2** The powers of the Committee shall be limited to the power to authorize the deferment of payment of the Dividend under the terms of **Section 7.1** hereof.
- 9.3** All decisions of the Committee shall be made by simple majority vote of its members.

10. Preferences, Transfers at Under Value, etc.

- 10.1** All of the provisions of and all rights, remedies and recourses under and/or pursuant to:

10.1.1 Sections 95 through 101 *BIA*;

10.1.2 Articles 1631 through 1636 of the *Civil Code of Québec*; and

10.1.3 all other provisions of law, rights, remedies and recourses similar to the provisions of law, rights, remedies and recourses set forth in **Sections 10.1.1** and/or **10.1.2** hereof in any province of Canada or any other jurisdiction other than the Province of Quebec,

shall not, in any manner whatsoever, apply to this Proposal, such that, without limiting the generality of the foregoing:

10.1.4 all of such provisions, rights, remedies and recourses and any claims based thereon shall be completely unavailable to the Trustee or any Creditors against the Debtor, any of the Debtor's property, any other Creditor or any other persons whatsoever; and

10.1.5 the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced to such provisions, rights, remedies and recourses and any claims based thereon against the Debtor, any or all of the Debtor's property, any other Creditor or any other persons whatsoever,

arising from and/or as a result of any matter whatsoever which occurred at any time prior to the Proposal Date.

11. Powers of the Trustee

11.1 Subject to the rights of the Secured Creditors, the Trustee shall have the following rights, powers and authority, namely:

11.1.1 until (but not after) payment in full of the Dividend, to receive, if and to the extent requested by the Trustee, periodic reports from the Debtor on their businesses, operations and activities;

11.1.2 until (but not after) payment in full of the Dividend, to have full access to the Debtor's premises as well as the Debtor's books, records and documents in order to obtain such information on the Debtor's activities as the Trustee may consider appropriate, in its sole discretion; and

11.1.3 to examine, accept or contest any security or alleged security of any Secured Creditor or the evaluation thereof.

11.2 The rights, powers and authority set forth in **Section 11.1** hereof are in addition to and not in lieu of all of the Trustee's rights, powers and authorities under the *BIA* and any other applicable laws.

12. Trustee

12.1 The Trustee shall be the trustee under the Proposal. The Dividend and all other monies payable to the Creditors affected by the Proposal shall be paid over to the Trustee, which Trustee shall make all payments provided for hereunder, all in accordance with the provisions of the Proposal.

13. Change Denmark Claims

13.1 Conditional upon approval, each member of the Change Group hereby:

13.1.1 subordinates and postpones all of the Change Denmark Claims to and in favour of full payment of the Dividend, such that the Change Group shall not be entitled to receive any payment from the Debtor of the principal of or interest on the Change Denmark Claims unless and until the Dividend has been fully paid to the Trustee as set forth in the Proposal; and

13.1.2 agrees that the Change Denmark Claims will not constitute an Ordinary Claim or a Secured Claim under the Proposal and will not be compromised, settled or discharged by the Proposal.

- 13.2** The provisions of **Section 13.1** hereof are subject to the suspensive condition of Approval, such that the failure of Approval shall automatically render the provisions of **Section 13.1** hereof null, void and inoperative for all purposes.

14. Notice of Presentation of Approval Motion

- 14.1** Each of:

14.1.1 the Creditors; and

14.1.2 the Official Receiver,

is hereby given notice that, after acceptance of this Proposal by the Creditors entitled to vote thereon in accordance with the relevant provisions of the Proposal and of the *BIA*, the Trustee and/or the Debtor will present an application to the Court for Court Approval (the “**Approval Motion**”).

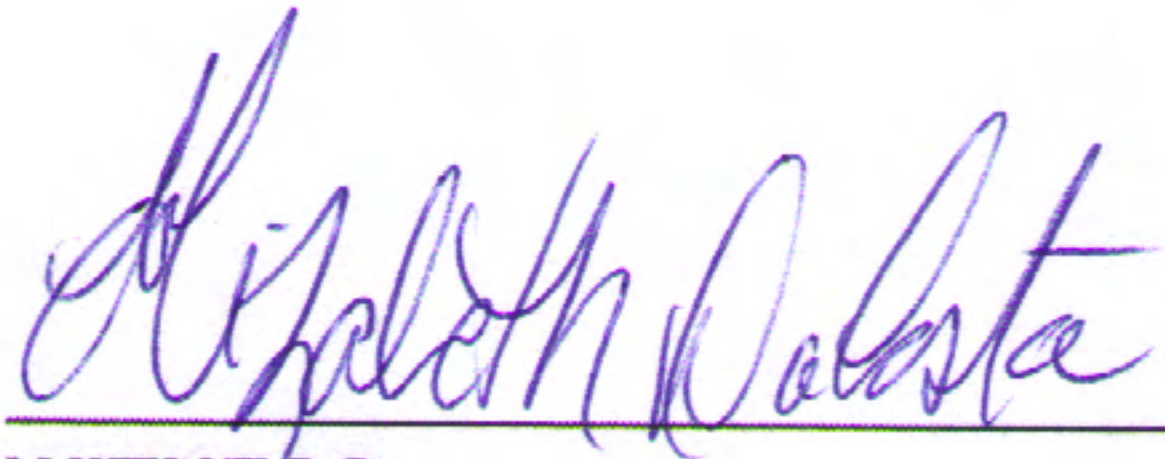
- 14.2** The Approval Motion will be presented before the Court (namely the Commercial Division of the Quebec Superior Court for the District of Montreal) in Room 16.10 of the Palais de Justice, 1 Notre-Dame Street, East, City of Montreal, Province of Quebec **during the virtual call of the roll on July 20, 2021 at 8:45 a.m.** or so soon thereafter as counsel may be heard. Instructions as to how to access the virtual call of the roll are included in the notice of presentation attached hereto as **Annex A** forming part hereof.
- 14.3** The forwarding of this Proposal to the Creditors and to the Official Receiver shall avail, for all purposes, as valid and proper signification, notification and service of the Approval Motion on all of the Creditors, and on the Official Receiver and shall constitute the notice of the hearing of the Approval Motion pursuant to Section 58(b) *BIA*.

[Signature page to follow]

Montreal, Province of Quebec, Canada
this 22nd day of June, 2021

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

Per:



WITNESS

Ari Zucker, President

Each member of the Change Group hereby agrees to be bound by the provisions of
Section 13 of the Proposal.

CHANGE OF SCANDINAVIA A/S

Per:

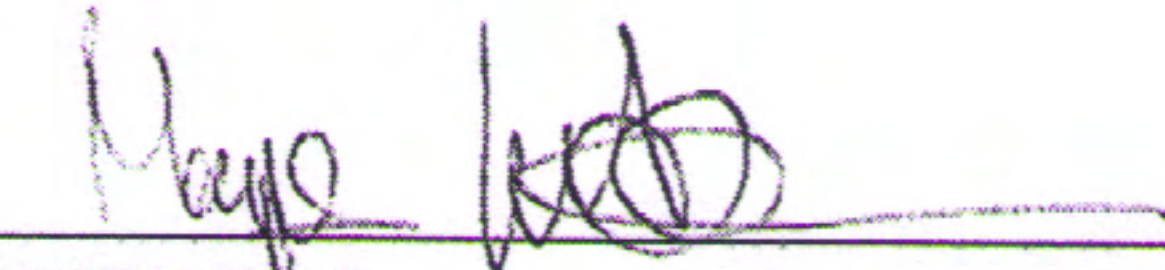


WITNESS

Claus Walther Jensen, Chief Executive
Officer

**CHANGE OF SCANDINAVIA HOLDINGS
A/S**

Per:



WITNESS

Claus Walther Jensen, Chief Executive
Officer

ANNEX A

NOTICE OF PRESENTATION

1. PRESENTATION OF THE PROCEDURE

TAKE NOTICE that the *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:

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).

by telephone:

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

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.**

1. PRÉSENTATION DE LA PROCÉDURE

PRENEZ AVIS que la *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:

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. 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.

4. OBLIGATIONS

4.1 Duty of cooperation

TAKE NOTICE that you are duty-bound to co-operate 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).

DO GOVERN YOURSELF ACCORDINGLY.

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 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).

VEUILLEZ AGIR EN CONSÉQUENCE.

MONTREAL, June 22, 2021



KUGLER KANDESTIN LLP

Attorneys for the Debtor/Petitioner
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EXHIBIT B

District of: Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

Statement of Projected Cash Flows for:
Change of Scandinavia Canada Retail Inc.

Projected Weekly Cash Flow	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Total
Week ending	27-Jun-21	4-Jul-21	11-Jul-21	18-Jul-21	25-Jul-21	1-Aug-21	6-Week
\$000's	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)
Collections							
Retail & E-Comm	\$ 158	\$ 158	\$ 220	\$ 244	\$ 244	\$ 244	\$ 1,269
Subsidies Receipts	-	-	-	59	-	-	59
	158	158	220	303	244	244	1,327
Disbursements							
Purchases	(100)	(154)	-	-	-	(92)	(346)
Payroll	(132)	-	(132)	-	(136)	-	(400)
Operational Expenses	(10)	(8)	(8)	(41)	(8)	(8)	(85)
Rent	-	(124)	-	-	-	(147)	(271)
Freight & Duty	-	(66)	-	-	-	(51)	(117)
Sales Taxes	(60)	-	-	-	(60)	-	(120)
Financial Charges	(2)	-	-	(1)	(2)	(2)	(8)
Capital Repayment	(15)	-	-	(11)	(17)	(15)	(57)
Professional Fees	(57)	-	-	-	(57)	-	(115)
	(376)	(353)	(140)	(53)	(281)	(315)	(1,518)
Net Cash Flow	(218)	(195)	80	250	(37)	(71)	(191)
Opening Cash	1,220	1,002	807	887	1,137	1,100	1,220
Ending Cash	\$ 1,002	\$ 807	\$ 887	\$ 1,137	\$ 1,100	\$ 1,029	\$ 1,029



Ari Zucker

June 22, 2021

Date



Olivier Benchaya, CPA, CA, CIRP, LIT

June 22, 2021

Date

District of: Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

FORM 29
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc. "**Debtor**"
Of the City of Montreal
In the Province of Québec

The attached statement of projected cash flow of the Debtor, as of the 22nd day of June 2021, consisting of the period from June 21, 2021 to August 1, 2021, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montréal, in the Province of Quebec, this 22nd day of June 2021.

Richter Advisory Group Inc.
Licensed Insolvency Trustee
Per:



Olivier Benchaya, CPA, CA, CIRP, LIT
1981 McGill College, 11th Floor
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

District of: Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

FORM 29 – ATTACHMENT
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc. "**Debtor**"
Of the City of Montreal
In the Province of Québec

Purpose:

The Debtor filed a Notice of Intention to Make a Proposal on March 2, 2021. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of the Debtor (the "Company"), for the period June 21, 2021 to August 1, 2021, relating to the filing of a proposal.

This Statement of Projected Cash Flow has been prepared by management on June 22, 2021, based on available financial information at that date in accordance with Section 50(6) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period June 21, 2021 to August 1, 2021, considering the economic conditions that are considered the most probable by management. As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

(a) Projected Cash Receipts

The projected cash receipts are estimated by management, based upon historical and recent sales trends adjusted to reflect management's restructuring plan.

(b) Projected Cash Disbursements

The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity, best estimates of the Company and management's restructuring plan;

Professional fees are based on management's estimate and relate to the filing of the Notice of Intention to Make a Proposal and the restructuring;

The current government remittances for source deductions and sales taxes are included in the disbursement assumptions.

The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Montréal in the Province of Quebec, this 22nd day of June 2021.

Richter Advisory Group Inc.

Licensed Insolvency Trustee

Per:



Olivier Benchaya, CPA, CA, CIRP, LIT
1981 McGill College, 11th Floor
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

District of: Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2) (c) of the Act)

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc. "**Debtor**"
Of the City of Montreal
In the Province of Québec

The management of the Debtor has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 22nd day of June 2021, consisting of the period from June 21, 2021 to August 1, 2021.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montreal in the Province of Quebec, this 22nd day of June 2021.



Debtor

Ari Zucker
President

Name and title of signing officer

District of: Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

- FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2) (c) of the Act)

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc. "**Debtor**"
Of the City of Montreal
In the Province of Québec

Purpose:

The Debtor filed a Notice of Intention to Make a Proposal on March 2, 2021. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of the Debtor (the "Company"), for the period June 21, 2021 to August 1, 2021, relating to the filing of a proposal.

This Statement of Projected Cash Flow has been prepared by management on June 22, 2021, based on available financial information at that date in accordance with Section 50(6) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period June 21, 2021 to August 1, 2021, considering the economic conditions that are considered the most probable by management. As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

(a) Projected Cash Receipts

The projected cash receipts are estimated by management, based upon historical and recent sales trends adjusted to reflect management's restructuring plan.

(b) Projected Cash Disbursements

The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity, best estimates of the Company and management's restructuring plan;

Professional fees are based on management's estimate and relate to the filing of the Notice of Intention to Make a Proposal and the restructuring;

The current government remittances for source deductions and sales taxes are included in the disbursement assumptions.

The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at the City of Montreal, in the Province of Quebec, this 22nd day of June 2021.



Debtor

Ari Zucker
President

Name and title of signing officer

EXHIBIT C

CANADA
Province of Quebec
District of Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE PROPOSAL OF:

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

a legal person having its registered office at
9961 Saint-Vital Boulevard, Montreal, Quebec,
H1H 4S5

Debtor

-and-

RICHTER ADVISORY GROUP INC.

Trustee

REPORT OF THE TRUSTEE
ON THE FINANCIAL SITUATION OF THE DEBTOR AND ON THE PROPOSAL
(Sections 50(5) and 50(10)(b) of the *Bankruptcy and Insolvency Act*)

1. The purpose of the Meeting of Creditors is to consider the proposal filed on June 22, 2021 (hereinafter the “**Proposal**”) by Change de Scandinavie Canada Detail Inc./Change of Scandinavia Canada Retail Inc. (the “**Debtor**” or the “**Company**”).
2. All the capitalized terms that are not otherwise defined herein shall have the meaning ascribed thereto in the Proposal.
3. Pursuant to Sections 50(5) and 50(10)(b) of the *Bankruptcy and Insolvency Act* (the “**Act**”), and in order to assist the Ordinary Creditors in considering the Proposal, the Trustee is hereby submitting its report on the financial situation of the Debtor and on the Proposal.
4. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

INTRODUCTION

5. On March 2, 2021, the Debtor filed a Notice of Intention to Make a Proposal ("**NOI**") under the *Bankruptcy and Insolvency Act*, Canada (the "**BIA**") naming Richter Advisory Group Inc. as trustee (the "**Trustee**").
6. On March 3, 2021, the Company filed a motion entitled *Motion for approval of interim financing, administrative charge and other relief* (the "**First Motion**").
7. On March 5, 2021, the Trustee sent a copy of the statutory documents under the NOI to all known creditors of the Company, as identified by them, the whole as appears in the documents filed in the court records.
8. On March 10, 2021, the Court issued an order approving the First Motion.
9. On March 24, 2021, the Debtor filed a motion to extend the delay to make a proposal (the "**First Extension Motion**") until May 14, 2021. On March 31, 2021, the Court issued an order granting the First Extension Motion, which was supported by the Trustee ("**Second Report**").
10. On May 7, 2021, the Debtor filed a second motion to extend the delay to make a proposal (the "**Second Extension Motion**") until June 28, 2021. On May 13, 2021, the Court issued an order granting the Second Extension Motion, which was supported by the Trustee ("**Third Report**").
11. On June 22, 2021 the Debtor filed a Proposal to their creditors. The Proposal will be submitted for creditors' approval on July 13, 2021.
12. This report summarizes the relevant information and key elements that may assist the Ordinary Creditors in evaluating the Debtor's affairs and the Proposal, presented as follows:
 - a) Overview of the Debtor
 - b) Causes of Insolvency
 - c) The Company's Activities since the Filing of the NOI
 - d) Financial Information
 - e) Proposal
 - f) Estimated Distribution to Ordinary Creditors
 - g) Trustee's Conclusion and Recommendation
13. All prior reports of the Trustee have been filed in the court record and can be found on the Trustee's website at: <https://www.richter.ca/insolvencycase/change-of-scandinavia-canada-retail-inc/>

OVERVIEW OF THE DEBTOR

14. At the time of the NOI filing, the Debtor, a privately held retailer, was operating 26 stores across Canada under the name “*CHANGE Lingerie*”, a Denmark-based, international lingerie brand with over 200 stores worldwide. The Company also sells merchandise online.
15. The Company’s head office and warehouse are located in Montreal, in the Province of Quebec.
16. The Debtor’s stores were located in shopping malls and shopping areas throughout Canada with 10 in Québec, 9 in Ontario and 7 in British Columbia (“**B.C.**”) (each a “**Store**” and collectively, the “**Stores**”).
17. The Debtor’s parent company and principal shareholder, CHANGE of Scandinavia Holding A/S, and the supplier of the Products, CHANGE of Scandinavia A/S, are both based in Denmark (collectively “**Change Group**”).
18. The Company leases all of its premises from third party landlords (each a “**Lease**” and collectively, the “**Leases**”).
19. At the time of the NOI filing, the Company employed approximately 80 employees in its retail operations and a further 15 employees at its head office and warehousing facilities.

CAUSES OF INSOLVENCY

20. The worldwide COVID-19 pandemic (the “**Pandemic**”) and government-imposed closure of all non-essential services in March 2020 caused a significant decline in the Debtor’s sales.
21. In addition to such store closures, since reopening, the Company has noted greatly reduced foot traffic in their stores and a shift in spending activities by consumers, away from purchasing fashion and lingerie items.
22. In particular, as a result of the government-imposed lockdowns, social distancing requirements, business shutdowns, travel restrictions and the general decrease of consumers’ spending, the retail lingerie and swimwear business has been greatly impacted as a whole, including the Debtor’s.
23. Although the Debtor has an e-commerce platform, insufficient sales were generated online to offset the decline of in-store sales given the particular fit and feel of lingerie and swimwear items which traditionally require an in-store experience.
24. The Pandemic has had a severe effect on the Debtor’s 2020 sales, particularly sales related to Black Friday (*‘vendredi fou’*), Valentine’s Day, spring break, the winter holiday season and Boxing Day which were all well below historical results.
25. As a result of the Pandemic, the forced store closures in Quebec and Ontario, as well as the declining sales, the Company did not meet its rent obligations for most of their Stores for the months of December 2020, January and February 2021 which put the Debtor in an even more precarious position.

26. Additionally, given the Debtor's financial situation, the Debtor's principal secured lender, Royal Bank of Canada ("**RBC**"), sent the Debtor demand and default notices together with a notice of intention to enforce security pursuant to s. 244 of the BIA.
27. Following discussions, the Company entered into a forbearance agreement with RBC, which stipulates certain milestones and conditions to be respected during its restructuring.
28. Given the foregoing, the Debtor filed an NOI.

THE COMPANY'S ACTIVITIES SINCE THE FILING OF THE NOI

29. Subsequent to the filing of the NOI, the Company has continued to operate its Stores in the ordinary course to the extent permitted.
30. The Company has also been communicating with its employees, customers and suppliers in order to continue its operations and maintain a continued supply of goods.
31. As part of its restructuring activities, the Company hired a lease consultant (the "**Lease Consultant**") in order to assist management in its negotiations with landlords, with the objective of reaching viable lease arrangements for many of their stores.
32. Since the issuance of the Second Extension Motion, the Debtor, assisted by the Lease Consultant and its advisors, has renegotiated more favorable lease terms for 25 of its 26 Stores and has executed agreements with landlords. The results of these negotiations were essential to the Debtor's ability to make the Proposal and to continue as a going concern.
33. RBC and Change Group supported the Debtor through its restructuring.

FINANCIAL INFORMATION

34. The following financial data is based upon unaudited financial information prepared by the Debtor, the Debtor's books and records, and discussions with the Debtor's representatives. The Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. This information is submitted solely to assist the reader in assessing the financial position of the Debtor. The Trustee makes no representation or warranty as to the accuracy of said financial information.
35. For the year ended June 30, 2020 and for the 7-month period ended January 31, 2021, the Debtor reported losses before income taxes of \$1,122,000 and \$75,000 respectively. Consequently, the Debtor was unable to generate sufficient liquidities to meet its obligations as they became due.
36. As at June 22, 2021, the Company's assets were mainly comprised of:
 - a) Cash balance amounting to approximately \$1.2 million; and

- b) Inventory with a book value of approximately \$2.2 million.
37. The Debtor's financial information included fixed assets with a book value of approximately \$2 million, mostly comprised of leasehold improvements, equipment, furniture and fixtures. The Trustee is of the view that the market value of the fixed assets in a sale process would be significantly lower than its book value.
38. The Debtor operates from leased premises and does not own any real estate.
39. We have summarized the liabilities below which are based on the books and records of the Debtor, the Statement of Affairs as of June 22, 2021 and management's representations:

Change of Scandinavia Canada Retail Inc. Estimated Liabilities as at June 22, 2021 (\$000's)	
Secured Creditors	1,867
Preferred Creditors	-
Subsequent Creditors	-
Related Creditors	1,142
Ordinary Creditors	
Trade Claims	129
Landlord Claims	797
Employees	-
Total Ordinary Creditors	926
Total	3,935

Secured Creditors (\$1.9M)

- At the time of the filing of the Proposal, the Debtor's books and records reflected an amount owing to RBC of approximately \$1.9 million, excluding fees and expenses, in respect of a number of term loans, secured by hypothecs and security interests charging the Debtor's present and future movable and personal property. The secured creditor has registered a first ranking charge on substantially all of the Company's assets (the "**RBC Security**").
- Change Group has security interests and hypothecs registered against the Company's assets ranking after the RBC Security. As at June 22, 2021, the secured amount owed to Change Group is approximately \$7K.
- The Trustee is in the process of obtaining a legal opinion from its independent legal advisors as to the validity of the RBC Security and any other secured charges registered against the Company's assets.

Related Creditors (\$1.1M)

- The unsecured portion of the balance due to Change Group amounts to approximately \$1.1 million pursuant to various advances and merchandise sales.

Ordinary Creditors (\$926K)

With regards to Ordinary Creditors, we note the following:

- Trade claims: the amounts reflected above are based on the books and records of the Debtor;

- Landlord claims: the amounts reflected above are based on the books and records of the Debtor as all Landlord Claims shall be deemed to be Ordinary Claims under the Proposal;
 - Employees: To the knowledge of the Trustee, all obligations incurred by the Debtor with regards to employees' salaries and vacation owing were paid by the Debtor in the normal course of business.
40. Proof of claim forms are being sent to all known creditors. However, at the present date, the Trustee is unable to determine if the Debtor's records are consistent with those of its creditors. Upon reception of the proofs of claims, the Trustee will review them and deal with any discrepancies for purposes of collocation of claims.
41. The Trustee cautions that the above amounts may change as proofs of claims are filed and such changes may be significant.

PROPOSAL

42. The Trustee notes that the following is only a summary of the terms of the Proposal. Creditors are advised to read the Proposal for complete details of the terms of the Proposal.
43. In addition to paying all Employee Claims, all Crown Claims, all Proposal Expenses and all Subsequent Claims, the terms of the Proposal provide for a payment of \$100,000 that will be remitted to the Trustee by the Debtor within 60 days following the approval of the Proposal by the Court, for distribution to all Preferred Creditors and Ordinary Creditors (the "**Dividend**").
44. The Dividend represents an amount that will provide for a recovery to Ordinary Creditors while allowing the Debtor's business to continue operating and its continued occupancy in leased premises pursuant to newly negotiated lease agreements.
45. For further clarity, according to the terms of the Proposal:
- a) All Secured Claims shall be paid in accordance with the existing agreements or as may be otherwise arranged with each of the Secured Creditors;
 - b) All Subsequent Claims have been or shall be paid in full by the Debtor in the ordinary course of the Debtor's business;
 - c) All Crown Claims, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid in full, within 6 months after Approval or as may otherwise be arranged with the Crown;
 - d) All Employee Claims will be paid in full, if any, immediately after Approval; and
 - e) All Proposal Expenses, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid by the Debtor in priority to all Preferred Claims and Ordinary Claims.

46. The Dividend shall be distributed by the Trustee as follows:
- a) First, to the Preferred Creditors, according to the amount of their respective Preferred Claims (if any);
 - b) Second, after full payment of all Preferred Claims, to the Ordinary Creditors on a pro rata basis, calculated on the basis of their respective Proven Ordinary Claims;
 - c) The levy payable to the Superintendent of Bankruptcy under the BIA will be deducted and paid from all amounts payable under the Proposal.
47. Conditional upon approval of the Proposal, for the benefit of the ordinary creditors, the Change Group waives and renounces to any dividend that could have otherwise been payable to them under the Proposal. Change Group agrees that its claim will not constitute an Ordinary Claim or a Secured Claim under the Proposal and will not be compromised, settled, or discharged by the Proposal.
48. The Dividend, without any interest whatsoever thereon, once paid to the Trustee in accordance with the provisions of the Proposal, shall constitute full and final settlement and shall operate as a complete release and discharge of all Preferred Claims and Ordinary Claims.

ESTIMATED DISTRIBUTION TO ORDINARY CREDITORS

49. In the event that the creditors reject the Proposal, the Debtor will automatically be bankrupt. The following information serves to advise the creditors of the Trustee's estimate as to the distribution to creditors under the Proposal in comparison to the estimated distribution under a bankruptcy scenario.

Proposal

50. Based on the Claims reflected in the Debtor's Statement of Affairs, the amount of the Proposal (\$100,000) would be distributed as follows:

Change of Scandinavia Canada Retail Inc. Proposal Summary in \$000's	# of Creditors	Estimated Claims	Proposal	
			Estimated Distribution	Recovery %
Secured Creditors (Note 1)	1	1,867	-	0.0%
Preferred Creditors	-	-	-	N/A
Subsequent Creditors	-	-	-	N/A
Related Creditors	1	1,142	-	0.0%
Ordinary Creditors				
Trade Claims	11	129	14	10.8%
Landlord Claims	24	797	86	10.8%
Employees	-	-	-	N/A
Total Ordinary Creditors	35	926	100	10.8%
Total	37	3,935	100	N/A

Note 1:

Secured creditors are not affected or bound by the Proposal. All Secured Claims will be paid in accordance with existing agreements or as may be otherwise arranged with each of the Secured Creditors.

51. It is estimated that the \$100,000 Proposal would represent an approximate recovery of 11% to the Ordinary Creditors, based upon the estimated claims known by the Trustee as of this date. We caution the creditors that the above estimates may vary as proofs of claims are filed and such changes may be significant.

Bankruptcy

52. In a bankruptcy scenario, the net realization in a forced liquidation is estimated as follows:

Change of Scandinavia Canada Retail Inc. Estimated Net Realization in a Forced Liquidation Reported Book Value as at May 31, 2021 (except for Cash) (\$000's)	Book Value	Estimated Net Realization Value
PROJECTED NET REALIZATION		
Net Realization		
Inventory (Note 1)	2,175	1,088 50%
Leasehold Improvements (Note 2)	1,609	80 5%
Cash balance as at June 20, 2021	1,220	1,220 100%
Furniture & Office Equipment (Note 2)	343	34 10%
Prepays (Note 2)	167	25 15%
	5,515	2,448
Estimated Realization Expenses		
Estimated Professional Fees		(250)
Other Contingency (10%)		(245)
		(495)
Projected Net Realization	A	1,953
ESTIMATED FUNDS AVAILABLE FOR ORDINARY CREDITORS		
Priority Claims (Salaries and Vacations)	B	\$ (239)
Secured Creditors		
RBC		(1,860)
Change Group		(7)
	C	(1,867)
Surplus (Deficit)	A+B+C= D	(152)
Estimated Preferred Creditors		
Preferred Rent and Levy	E	TBD
Estimated Funds Av. for Ordinary Creditors	D+E=F	(152)
ESTIMATED RECOVERY FOR ORDINARY CREDITORS		
Estimated Ordinary Claims in a Bankruptcy	G	2,261
Estimated Ordinary Creditors Recovery (%)	F/G=H	Nil

Note 1: The net realization value of the inventory was estimated based on discussions with liquidators/appraisers.

Note 2: The net realization value was estimated based on the Trustee's past experiences in similar liquidations.

53. In the event that the Proposal is rejected by the creditors, the estimated realization prepared by the Trustee indicates that the Ordinary Creditors would not receive any distribution in a forced liquidation scenario.

Forced Liquidation – Risks Factors

54. In the context of a forced liquidation or bankruptcy, in addition to the impact of the Pandemic, below are other factors to be considered by the Ordinary Creditors which may negatively impact the realization values estimated by the Trustee:

- The risk that the landlords do not allow a liquidation to take place in the existing store premises;
- The liquidation of stock over a short period of time, which could negatively impact the pricing of the inventory;
- The loss or shortage of store personnel; and
- The potential additional professional fees incurred as a result of a liquidation.

55. In arriving at its recommendation, the Trustee takes into consideration the fact that the foregoing risk factors could further serve to reduce the quantum of the dividend payable to creditors in a bankruptcy scenario.

Other Considerations

56. Conditional upon the approval of the Proposal, sections 95 to 101 of the BIA will not be applicable to the Proposal, and neither the Trustee nor the Debtor's creditors will have any right or recourse whatsoever under these sections. The remedies pursuant to these provisions relate to the recovery of certain amounts under reviewable transactions, preferential treatments, and asset disposals.
57. By approving the Proposal, the Debtor's creditors will release definitively the directors from any director liabilities in accordance with paragraph 50(13) of the BIA.

TRUSTEE'S CONCLUSION AND RECOMMENDATION

58. The Proposal presented and funded by the Debtor will provide an average estimated dividend to the Ordinary Creditors of approximately 11%. Alternatively, in the context of a bankruptcy, it is estimated that there will be no recovery whatsoever to Ordinary Creditors.
59. It is the Trustee's view that the Proposal will not materially prejudice or adversely affect any creditors. On the contrary, should the Proposal sought herein not be approved, the Ordinary Creditors will be prejudiced in that a liquidation scenario will ensue, the Stores would likely close, rent would not be paid, landlords would lose a tenant and many jobs would be lost.
60. Accordingly, the Trustee recommends that Ordinary Creditors vote in favor of the Proposal.

Respectfully submitted at Montreal, this 23rd day of June 2021.

Richter Advisory Group Inc.
Licensed Insolvency Trustee



Olivier Benchaya, CPA, CA, CIRP, LIT

EXHIBIT D

CANADA
Province of Québec
District of: Québec
Division No. 01-Montréal
Court No. 500-11-059566-212
Estate No. 41-2716886

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

**Affidavit of Mailing
Notice of Proposal to Creditors and
Notice of Hearing of Application for Court Approval of Proposal**

**In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.
of the City of Montréal
in the Province of Québec**

I, the undersigned, of the Trustee's office of Richter Advisory Group Inc., 1981 McGill College, Montréal, QC H3A 0G6, a licensed trustee, hereby make oath (or solemnly affirm) and say:

1. That on June 25, 2021 I did cause to be sent by prepaid ordinary mail to all the known creditors of the Debtor and the officer of the insolvent person, whose names and addresses appear on the paper writing marked "**Creditor Mailing List**" annexed hereto, and to all parties whose names and addresses appear on the paper writing marked "**Supplementary Mailing List**", a copy of the following documents:

- Notice of Proposal to the Creditors;
- Summary of the Statement of Affairs;
- List of creditors;
- Proof of Claim and Proxy Form;
- Voting Letter;
- Registration Form to the Creditors' Meeting;
- Proposal;
- Trustee's Report on the Proposal.

true copies of which are attached to this affidavit.

2. That at that same date, I did cause to be sent by email to all parties whose names and e-mail addresses appear on the paper writing marked "**Supplementary Mailing List by E-Mail**" a copy of the Form 01.1 and a copy of the above-mentioned documents, true copies of which are attached to this affidavit; and

3. That at that same date, I did cause to be e-filed with the Office of the Superintendent of Bankruptcy a copy of *Notice of Proposal to the Creditors*, copy of which e-filing confirmation is attached to this affidavit.

Dated at Montréal in the Province of Québec, this 25th day of June 2021

Richter Advisory Group Inc.
Trustee acting *in re* the Proposal of
Change of Scandinavia Canada Retail Inc.

Ken C. Le

Ken C. Le

SWORN (or SOLEMNLY DECLARED) before
me in the City of Montréal in the Province of
Quebec, this 25th day of June 2021



205380

Commissioner of Oaths

Creditor Mailing List

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.
of the City of Montréal
in the Province of Québec

Creditor Type	Name	Attention	Address
Director	Ari Zucker		6722 ch Wallenberg Cote-Saint-Luc QC H4W 3K8
Official Receiver	Bureau du Surintendant des faillites	Magali Roux/Kamel Rezig	Édifce Sun Life 1000 - 1155 Metcalfe Montréal QC H3B 2V6 Fax: (514) 283-9795 kamel.rezig@ic.gc.ca
Court	Cour Supérieure - Montréal	Ministre des Finances	Palais de justice de Montréal, 1, rue Notre-Dame E., bur. 1.140 Montréal QC H2Y 1B6
Secured	CHANGE OF SCANDINAVIA A/S		FARUM GYDEVEJ 73 FARUM 3520 Denmark info@change.com
	ROYAL BANK OF CANADA	SARAH COUTURE	AILE OUEST 1 PLACE VILLE MARIE, 9IEME ETAGE MONTREAL QC H3C 3A9 Fax: (514) 874-7374 sarah.couture@rbc.com
Unsecured	9088-4495 QC INC -NETCAN.COM		5 MERCIER MONTREAL QC H9A1H4 lisa@netcan.com
	BELL CANADA		CP 8712, SUCC A MONTREAL QC H3C 3P6
	CANADA POST		PAYMENT PROCESSING 2701 RIVERSIDE DR OTTAWA ON K1A 1L7
	CANPAR TRANSPORT L.P.		201 WESTCREEK BLVD. BRAMPTON ON L6T 0G8 bBharj@canpar.com
	CARREFOUR RICHELIEU REALTIES		7077 BOUL. NEWMAN LASALLE QC H8N 1X1 cburdet@carrefourangrignon.com
	CF/REALTY HOLDINGS INC.		7 MAGINN MEWS, TORONTO ON M3C 0G8 Fax: (416) 447-5931 ilene.klein@cadillacfairview.com
	CHANGE OF SCANDINAVIA A/S		FARUM GYDEVEJ 73 FARUM 3520 Denmark info@change.com
	COMINAR REAL ESTATE INVESTMENT TRUST		41-2305 ROCKLAND1 MOUNT-ROYAL QC H3P 3E9 debbie.ruel@cominar.com
	COMINAR REIT		ADMINISTRATION OFFICE 100 BRIEN BOULEVARD REPENTIGNY QC J6A 5N4 chantal.rivest@cominar.com

Creditor Mailing List

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.
of the City of Montréal
in the Province of Québec

Creditor Type	Name	Attention	Address
Unsecured	DENLAND INTERIORS LIMITED		203-10 ALCORN AVE TORONTO ON M4V 3A9 Fax: (416) 519-2269 Raph@pearlgroup.ca
	FPI COMINAR		CENTRE LES RIVIÈRES 4225 BOULEVARD DES FORGES TROIS-RIVIERES QC G8Y 1W2 Fax: (819) 696-7177 sylvie.perron@cominar.com
	GUILDFORD TOWN CENTRE L.P.		ADMINISTRATION OFFICE IVANHOE CAMBRIDGE INC. 2695 10355 - 152 STREET SURREY BC V3R 7C1 susan.saatchi@ivanhoecambridge.com
	HYDRO QUEBEC		A/S SERV.DE REC./DOSSIERS D'INSOLVABILITE 140 BOUL. CREMAZIE OUEST MONTREAL QC H2P 1C3
	IMPRIMERIE J.F. LITHO		8645 RUE CHAMP D'EAU ST-LEONARD QC H1P 3B8 admin@jflitho.com
	IVANHOE CAMBRIDGE II INC		604-4720 KINGSWAY BURNABY BC V5H 4N2 charles.fleck@ivanhoecambridge.com
	IVANHOE CAMBRIDGE INC		OFFICE GALLERIA 120-419 KING STREET WEST OSHAWA ON L1J 2K5 Fax: (905) 433-1513 chris.keillor@ivanhoecambridge.com
	IVANHOE CAMBRIDGE INC.		NIVEAU 5, ADMINISTRATION. 1500 AV MCGILL COLLEGE, MONTREAL QC H3A 3J5 Linda.Zhou@ivanhoecambridge.com
	LE CARREFOUR LAVAL (2013) INC.		3003 LE CARREFOUR BLVD. LAVAL QC H7T 1C7 Fax: (450) 687-9827 sebastien.perron@cadillacfairview.com
	LES GALERIES D'ANJOU LEASEHOLDS INC.		167-7999, BOUL. DES GALERIES-D'ANJOU MONTREAL QC H1M 1W9 Tina.DaCosta@cadillacfairview.com
	LES IMMEUBLES DU CARREFOUR RICHELIEU (ST-JEAN) LTÉE		600 RUE PIERRE CAISSE ST-JEAN QC J3A 1M1 Brolland@carrefourrichelieu.com
	MINISTER OF FINANCE, BC		STN.PROV.GOV'T PO BOX 9445 VICTORIA BC V8W 9V5
	Ministry of Finance at the Province of British Columbia	Jon Rielly	1802 Douglas St, 6th Floor VICTORIA BC V8T 4K6 RMO.SeniorTeam@gov.bc.ca
	MLW VENTURES LTD		434 WEST 20TH AVENUE VANCOUVER BC V5Y 2C8 Fax: (604) 872-8086 mlw.ventures@gmail.com

Creditor Mailing List

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.
of the City of Montréal
in the Province of Québec

Creditor Type	Name	Attention	Address
Unsecured	NIKPAUL CANADA INC.		9961 BOUL SAINT-VITAL MONTREAL QC H1H 4S5 jzucker1946@gmail.com
	ONTREA INC. LIMERIDGE		999 UPPER WENTWORTH ST. HAMILTON ON L9A 4X5 liem.vu@cadillacfairview.com
	ONTREA INC. SHERWAY		P.O. BOX 101 SHERWAY GARDENS 25 THE WEST MALL ETOBICOKE ON M9C 1B8 andy.traynor@cadillacfairview.com
	OXFORD ITF LES PROMENADES GATINEAU		ADMINISTRATION OFFICE 1100 MALONEY BLVD. WEST GATINEAU QC J8T 6G3
	PARK ROYAL SHOPPING CENTRE LTD		2002 PARK ROYAL SOUTH WEST VANCOUVER BC V7T 2W4 kdonald@parkroyal.ca
	PENSIONFUND REALTY LIMITED		UNIT.2201,2929 BARNET HWY COQUITLAM BC V3B 5R5 Fax: (604) 464-7216 kparolin@morguard.com
	PROMENADE LIMITED PARTNERSHIP		1 PROMENADE CIRCLE THORNHILL ON L4J 4P8 Fax: (905) 764-1733 cchu@promenade.ca
	RBC LEASING		5575 NORTH SERVICE RD BURLINGTON ON L7L 6M1 creditbail@rbc.com
	REVENU QUEBEC		C.P 3000, SUCC PL-DESJARDINS MONTREAL QC H5B 1A4
	RMI-ITF- OAKVILLE PLACE C/O RIOCAN MANAGEMENT INC		OAKVILLE PLACE 240 LEIGHLAND AVENUE OAKVILLE ON L6H3H6 cking@riocan.com
	RMI-ITF-BURLINGTON MALL C/O RIOCAN MANAGEMENT INC		BURLINGTON MALL 777 GUELPH LINE BURLINGTON ON L7R 3N2 Fax: (416) 866-3020 hmcgaw@riocan.com
	ROSEMERE CENTRE PROPERTIES LTD		A/S INVESTISSEMENTS MORGUARD LIMITEE 401, BOUL ROSEMERE ROSEMERE QC J7A 3T2 bdeslauriers@morguard.com
	THE CADILLAC FAIRVIEW CORPORATION LIMITED		1400 – 6551 NO. 3 RD RICHMOND BC V6Y 2B6 Fax: (604) 273-8947 sheila.luft@cadillacfairview.com
	THE CAMBIE RISE LIMITED PARTNERSHIP		C/O SDM REALTY ADVISORS LIMITED 1850-1040 WEST GEORGIA STREET VANCOUVER BC V6E 4H1 Fax: (604) 688-5669 lydia@sdmrealty.com

Creditor Mailing List

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.
of the City of Montréal
in the Province of Québec

Creditor Type	Name	Attention	Address
Unsecured	VIKING RDEAU CORPORATION		300-50 RIDEAU STREET OTTAWA ON K1N 9J7 brian.ohoski@cadillacfairview.com

Supplementary Mailing List

**Dans l'affaire de la proposition de
Change de Scandinavie Canada Detail inc.
de la ville de Montréal
dans la province de Québec**

CNESST
COMPLEXE DESJARDINS, 5 BASILIAIRE 1
CENTRE, LOCAL A-12, CASE POSTALE 3
SUCC. DESJARDINS
MONTRÉAL QC H5B 1H1

DUN & BRADSTREET DU CANADA LTÉE
305 – 6750 CENTURY AVE.
MISSISSAUGA ON L5N 0B7

EDC-EXPORT DEVELOPMENT CANADA
151 O'CONNOR
OTTAWA ON K1A 1K3

EULER HERMES
1155 RENÉ-LÉVESQUE O.
BUREAU 2810
MONTRÉAL QC H3B 2L2

ÉNERGIR
1717, RUE DU HAVRE
MONTRÉAL QC H2K 2X3

HYDRO-QUÉBEC
BUREAU DU RECOUVREMENT
140, CRÉMAZIE O., 1^{ER} ÉTAGE
MONTRÉAL QC H2P 1C3

HYDRO-QUÉBEC
C.P. 11022, SUCC. CENTRE-VILLE
MONTRÉAL QC H3C 4V6

REVENU QUÉBEC
DIRECTION PRINCIPALE DU RECOUVREMENT DE
LA CAPITALE-ATIONALE
3800 RUE DE MARLY
QUÉBEC QC G1X 4A5

REVENU QUÉBEC
DIRECTION PRINCIPALE DU RECOUVREMENT
DE MONTRÉAL
1600 RENÉ-LÉVESQUE OUEST-3^e ÉTAGE
SECTEUR R23-CPF
MONTRÉAL QC H3H 2V2

AGENCE DU REVENU DU CANADA
CENTRE D'ARRIVAGE REGIONAL EN
INSOLVABILITE
4695, BOUL. SHAWINIGAN-SUD
SHAWINIGAN QC G9P 5H9

CANADA
Province de Québec
District de : Québec
No division : 01-Montréal
No cour : 500-11-059566-212
No dossier : 41-2716886

COUR SUPÉRIEURE
(Chambre commerciale)
Loi sur la faillite et l'insolvabilité

**Avis de la proposition aux créanciers et
Avis d'audition de la demande d'approbation par le tribunal d'une proposition**
(article 51 et alinéa 58(b) de la Loi)

**Dans l'affaire de la proposition de
Change de Scandinavie Canada Detail Inc.
de la ville de Montréal
en la province de Québec**

Avis est donné que Change de Scandinavie Canada Detail Inc. (la « **Débitrice** ») de la ville de Montréal, en la province de Québec, a déposé entre nos mains une proposition en vertu de la *Loi sur la faillite et l'insolvabilité*.

Une copie des documents suivants est affichée sur le site internet de Richter Groupe Conseil Inc. (www.richter.ca), à l'adresse suivante <https://www.richter.ca/fr/insolvencycase/change-de-scandinavie-canada-detail-inc/>

- État succinct des actifs et passifs de la Débitrice;
- Liste des créanciers visés par la proposition et dont les réclamations se chiffrent à 250 \$ ou plus;
- Formulaire de preuve de réclamation, de votation et de procuration;
- Formulaire d'inscription à l'assemblée;
- Proposition; et
- Rapport du syndic sur la situation financière de la Débitrice et sur la proposition.

Une assemblée des créanciers sera tenue le **13 juillet 2021 à 9 heures** (l'« **Assemblée** »). Compte tenu de la situation actuelle liée à la pandémie, l'Assemblée sera tenue par vidéoconférence avec Microsoft Teams.

Nous demandons aux créanciers qui souhaitent assister à l'Assemblée de remplir le formulaire d'inscription ci-joint et de le retourner par courriel à l'adresse suivante: reclamations@richter.ca au plus tard le **12 juillet 2021 à 17 h 00** (heure de Montréal).

Pour les créanciers, ou leurs représentants, qui se seront inscrits, vous recevrez par courriel un lien qui vous permettra d'assister à l'Assemblée. Veuillez noter que seuls ceux qui se seront inscrits pourront assister à l'Assemblée.

Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'Assemblée peuvent, au moyen d'une résolution, accepter la proposition telle que formulée, ou telle que modifiée lors de l'Assemblée. Si la proposition est ainsi acceptée et si elle est approuvée par le tribunal, elle liera tous les créanciers ou la catégorie de créanciers visés.

T. 514.908.3796 / 1.866.585.9751
F. 514.934.8603
reclamations@richter.ca

Richter Groupe Conseil Inc.
1981 McGill College
Montréal, QC H3A 0G6
www.richter.ca

Montréal, Toronto

Avis est donné que, si la proposition est acceptée par les créanciers, une demande sera faite au tribunal, Cour supérieure du Québec – Montréal, en vue de faire approuver la proposition de Change de Scandinavie Canada Detail Inc. Les créanciers souhaitant assister à l'audience, prévue le **20 juillet 2021 à 8 h 45**, ou aussitôt que les avocats pourront être entendus, doivent communiquer avec le syndic afin de confirmer les détails sur la manière de participer à l'audience.

Les preuves de réclamation, les procurations et les formulaires de votation dont l'usage est projeté lors de l'Assemblée doivent nous être remis avant le début de l'Assemblée.

Daté le 25 juin 2021, à Montréal, en la province de Québec.

Richter Groupe Conseil Inc.
Syndic agissant *in re* la proposition de
Change de Scandinavie Canada Détail Inc.



Olivier Benchaya, CPA, CA, CIRP, SAI

T. 514.908.3796 / 1.866.585.9751
F. 514.934.8603
reclamations@richter.ca

Richter Groupe Conseil Inc.
1981 McGill College
Montréal, QC H3A 0G6
www.richter.ca

Montréal, Toronto

RICHTER

CANADA
Province of Quebec
District of: Quebec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

**Notice of Proposal to Creditors and
Notice of Hearing of Application for Court Approval of Proposal**
(Section 51 and Paragraph 58(b) of the Act)

**In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.
of the City of Montréal
in the Province of Québec**

Take notice that Change of Scandinavia Canada Retail Inc. (the “**Debtor**”) of the City of Montréal in the Province of Québec has lodged with us a Proposal under the *Bankruptcy and Insolvency Act*.

A copy of the following documents is posted on Richter Advisory Group Inc.’s website (www.richter.ca), at the following address: <https://www.richter.ca/insolvencycase/change-of-scandinavia-canada-retail-inc/>

- Condensed statement of the Debtor’s assets and liabilities;
- List of the creditors affected by the Proposal and whose claims amount to \$250 or more;
- Proof of claim, voting and proxy forms;
- Registration form to the creditors’ meeting;
- Proposal; and
- Report of the Trustee on the financial situation of the Debtor and on the Proposal.

A meeting of the creditors will be held on **July 13, 2021 at 9:00 AM (“Meeting”)**. Given the current pandemic situation, the Meeting will be held by videoconference with Microsoft Teams.

We ask creditors who wish to attend the Meeting to complete the attached registration form and return it by email to the following email address: claims@richter.ca, **no later than 5:00 p.m. (Montréal time) on July 12, 2021.**

For creditors, or their representatives, who have registered, you will receive a link by email which will allow you to attend the Meeting. Please note that only those who have registered will be able to attend the Meeting.

The creditors or any class of creditors qualified to vote at the Meeting may, by resolution, accept the Proposal either as made or as altered or modified at the Meeting. If so accepted and if approved by the Court, the Proposal is binding on all the creditors or the class of creditors affected.

T. 514.908.3796 / 1.866.585.9751
F. 514.934.8603
claims@richter.ca

Richter Groupe Conseil Inc.
1981 McGill College
Montréal, QC H3A 0G6
www.richter.ca

Montréal, Toronto

Take notice that, if the Proposal is accepted by the creditors, an application will be made to the Court, Superior Court of Québec – Montréal, to approve the Proposal of Change of Scandinavia Canada Retail Inc. Any creditors wishing to attend the hearing scheduled for **July 20, 2021 at 8:45 AM**, or as soon as counsel can be heard, should communicate with the Trustee to confirm the details of how to participate in the hearing.

Proofs of claim, proxies and voting letters intended to be used at the Meeting must be lodged with us prior to the commencement of the Meeting.

Dated at Montréal in the Province of Québec, June 25, 2021.

Richter Advisory Group Inc.
Trustee acting *in re* the Proposal of
Change of Scandinavia Canada Retail Inc.



Olivier Benchaya, CPA, CA, CIRP, LIT

T. 514.908.3796 / 1.866.585.9751
F. 514.934.8603
claims@richter.ca

Richter Groupe Conseil Inc.
1981 McGill College
Montréal, QC H3A 0G6
www.richter.ca

Montréal, Toronto

District de: Québec
 No division: 01 - Montréal
 No cour: 500-11-059566-212
 No dossier: 41-2716886

Traduction

☐ original

☒ modifié

_ FORMULAIRE 78 _

Bilan - proposition déposée par une entité
 (paragraphe 49(2), alinéa 158d) et paragraphes 50(2) et 62(1) de la Loi)

Dans l'affaire de la proposition de
 Change de Scandinavie Canada Detail inc.
 de la ville de Montréal
 dans la province de Québec

Au débiteur :

Vous êtes tenu de remplir avec soin et exactitude le présent formulaire et les annexes applicables indiquant la situation des affaires de Change de Scandinavie Canada Detail Inc à la date du dépôt de votre proposition (ou de votre avis d'intention) le 22 juin 2021. Une fois rempli, ce formulaire et les listes annexées, constituent votre bilan, qui doit être vérifié sous serment ou par une déclaration solennelle.

PASSIF (tel que déclaré et estimé par l'officier)	
1. Créanciers non garantis: voir liste A	2,068,774.05
Équilibre de réclamations garantis: voir liste "B"	0.00
Créanciers non garantis total	2,068,774.05
2. Créanciers garantis: voir liste B	1,866,541.13
3. Créanciers privilégiés: voir liste C	0.00
4. Dettes éventuelles, réclamations de fiducie ou autres (voir liste D) pouvant être réclamées pour une somme de ...	0.00
Total du passif	3,935,315.18
Surplus	NIL

ACTIF (tel que déclaré et estimé par l'officier)	
1. Inventaire	1,087,637.70
2. Aménagements	0.00
3. Comptes à recevoir et autres créances: voir liste E	
Bonnes	0.00
Douteuses	0.00
Mauvaises	0.00
Estimation des créances qui peuvent être réalisées	0.00
4. Lettres de change, billets à ordre, etc., voir liste F	0.00
5. Dépôts en institutions financières	0.00
6. Espèces	1,220,231.76
7. Bétail	0.00
8. Machines, outillage et installation	0.00
9. Immeubles et biens réels: voir liste G	0.00
10. Ameublement	34,313.09
11. REER, FERR, Assurances-vie etc	0.00
12. Valeurs mobilières (actions, obligations, débetures etc.	0.00
13. Droits en vertu de testaments	0.00
14. Véhicules	0.00
15. Autres biens: voir liste H	105,459.30
Si le débiteur est une personne morale, ajoutez :	
Montant du capital souscrit	0.00
Montant du capital payé	0.00
Solde souscrit et impayé	0.00
Estimation du solde qui peut être réalisé	0.00
Total de l'actif	2,447,641.85
Déficit	1,487,673.33

Je, Ari Zucker, de Cote-Saint-Luc en la province de Québec, étant dûment assermenté (ou ayant déclaré solennellement) déclare que le bilan qui suit et les listes annexées sont, à ma connaissance, un relevé complet, véridique et entier de des affaires de Change de Scandinavie Canada Detail Inc en ce 22 juin 2021, et indiquent au complet tous mes biens de quelque nature qu'ils soient, en la possession de Change de Scandinavie Canada Detail Inc et réversibles, tels que définis par la Loi.

ASSERMENTÉ (ou déclaré solennellement)
 devant moi le 22 juin 2021, à Montréal en la province de Québec.

Signé

Vicky Coupal, Commissaire à l'Assermentation Pour
 la province de Québec
 Expire le 18 septembre 2022

Signé

Ari Zucker

District of: Quebec
 Division No. 01 - Montréal
 Court No. 500-11-059566-212
 Estate No. 41-2716886

☐ Original

☒ Amended

-- Form 78 --

Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
 Change of Scandinavia Canada Retail Inc.
 of the City of Montréal
 in the Province of Québec

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of Change of Scandinavia Canada Retail Inc's affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 22nd day of June 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	2,068,774.05	1. Inventory	1,087,637.70
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	2,068,774.05	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B"	1,866,541.13	Good	0.00
3. Preferred creditors as per list "C"	0.00	Doubtful	0.00
4. Contingent, trust claims or other liabilities as per list "D"	0.00	Bad	0.00
estimated to be reclaimable for		Estimated to produce	0.00
Total liabilities	3,935,315.18	4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
Surplus	NIL	5. Deposits in financial institutions	0.00
		6. Cash	1,220,231.76
		7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	34,313.09
		11. RRSPs, RRIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	105,459.30
		If debtor is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	2,447,641.85
		Deficiency	1,487,673.33

I, Ari Zucker, of the City of Cote-Saint-Luc in the Province of Quebec, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of Change of Scandinavia Canada Retail Inc's the affairs on the 22nd day of June 2021 and fully disclose all property of every description that is in its possession or that may devolve on Change of Scandinavia Canada Retail Inc in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the City of Montréal in the Province of Quebec, on this 22nd day of June 2021.



no. 205380

Vicky Coupal, Commissioner of Oaths
 For the Province of Quebec
 Expires September 18, 2022



Ari Zucker

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-059566-212
Estate No. 41-2716886

FORM 78 -- Continued

List "A"
Unsecured Creditors

Change of Scandinavia Canada Retail Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	9088-4495 QC INC -NETCAN.COM	5 MERCIER MONTREAL QC H9A1H4	4,528.26	0.00	4,528.26
2	BELL CANADA	CP 8712, SUCC A MONTREAL QC H3C 3P6	410.33	0.00	410.33
3	CANADA POST	PAYMENT PROCESSING 2701 RIVERSIDE DR OTTAWA ON K1A 1L7	14,698.64	0.00	14,698.64
4	CANPAR TRANSPORT L.P.	201 WESTCREEK BLVD. BRAMPTON ON L6T 0G8	7,993.33	0.00	7,993.33
5	CARREFOUR RICHELIEU REALTIES	7077 BOUL. NEWMAN LASALLE QC H8N 1X1	53,604.66	0.00	53,604.66
6	CF/REALTY HOLDINGS INC.	7 MAGINN MEWS, TORONTO ON M3C 0G8	18,910.27	0.00	18,910.27
7	CHANGE OF SCANDINAVIA A/S	FARUM GYDEVEJ 73 FARUM 3520 Denmark	1,142,469.98	0.00	1,142,469.98
8	COMINAR REAL ESTATE INVESTMENT TRUST	41-2305 ROCKLAND1 MOUNT-ROYAL QC H3P 3E9	44,476.67	0.00	44,476.67
9	COMINAR REIT	ADMINISTRATION OFFICE 100 BRIEN BOULEVARD REPENTIGNY QC J6A 5N4	14,824.80	0.00	14,824.80
10	DENLAND INTERIORS LIMITED	203-10 ALCORN AVE TORONTO ON M4V 3A9	53,998.66	0.00	53,998.66
11	FPI COMINAR	CENTRE LES RIVIÈRES 4225 BOULEVARD DES FORGES TROIS-RIVIERES QC G8Y 1W2	20,752.69	0.00	20,752.69
12	GUILDFORD TOWN CENTRE L.P.	ADMINISTRATION OFFICE IVANHOE CAMBRIDGE INC. 2695 10355 - 152 STREET SURREY BC V3R 7C1	44,410.98	0.00	44,410.98
13	HYDRO QUEBEC	A/S SERV.DE REC./DOSSIERS D'INSOLVABILITE 140 BOUL. CREMAZIE OUEST MONTREAL QC H2P 1C3	963.05	0.00	963.05
14	IMPRIMERIE J.F. LITHO	8645 RUE CHAMP D'EAU ST-LEONARD QC H1P 3B8	5,621.78	0.00	5,621.78
15	IVANHOE CAMBRIDGE II INC	604-4720 KINGSWAY BURNABY BC V5H 4N2	72,100.46	0.00	72,100.46
16	IVANHOE CAMBRIDGE INC	OFFICE GALLERIA 120-419 KING STREET WEST OSHAWA ON L1J 2K5	42,212.77	0.00	42,212.77
17	IVANHOE CAMBRIDGE INC.	NIVEAU 5, ADMINISTRATION. 1500 AV MCGILL COLLEGE, MONTREAL QC H3A 3J5	9,290.81	0.00	9,290.81
18	LE CARREFOUR LAVAL (2013) INC.	3003 LE CARREFOUR BLVD. LAVAL QC H7T 1C7	28,740.22	0.00	28,740.22
19	LES GALERIES D'ANJOU LEASEHOLDS INC.	167-7999, BOUL. DES GALERIES-D'ANJOU MONTREAL QC H1M 1W9	39,083.30	0.00	39,083.30
20	LES IMMEUBLES DU CARREFOUR RICHELIEU (ST-JEAN) LTÉE	600 RUE PIERRE CAISSE ST-JEAN QC J3A 1M1	9,997.73	0.00	9,997.73
21	MINISTER OF FINANCE, BC	STN.PROV.GOV'T PO BOX 9445 VICTORIA BC V8W 9V5	12,083.40	0.00	12,083.40

22-Jun-2021

Date



Ari Zucker

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-059566-212
Estate No. 41-2716886

FORM 78 -- Continued

List "A"
Unsecured Creditors

Change of Scandinavia Canada Retail Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	Ministry of Finance at the Province of British Columbia Attn: Jon Rielly	1802 Douglas St, 6th Floor VICTORIA BC V8T 4K6	0.00	0.00	0.00
23	MLW VENTURES LTD	434 WEST 20TH AVENUE VANCOUVER BC V5Y 2C8	9,947.52	0.00	9,947.52
24	NIKPAUL CANADA INC.	9961 BOUL SAINT-VITAL MONTREAL QC H1H 4S5	3,035.26	0.00	3,035.26
25	ONTREA INC. LIMERIDGE	999 UPPER WENTWORTH ST. HAMILTON ON L9A 4X5	30,697.22	0.00	30,697.22
26	ONTREA INC. SHERWAY	P.O. BOX 101 SHERWAY GARDENS 25 THE WEST MALL ETOBICOKE ON M9C 1B8	70,061.17	0.00	70,061.17
27	OXFORD ITF LES PROMENADES GATINEAU	ADMINISTRATION OFFICE 1100 MALONEY BLVD. WEST GATINEAU QC J8T 6G3	47,543.86	0.00	47,543.86
28	PARK ROYAL SHOPPING CENTRE LTD	2002 PARK ROYAL SOUTH WEST VANCOUVER BC V7T 2W4	25,368.03	0.00	25,368.03
29	PENSIONFUND REALTY LIMITED	UNIT.2201,2929 BARNET HWY COQUITLAM BC V3B 5R5	73,289.07	0.00	73,289.07
30	PROMENADE LIMITED PARTNERSHIP	1 PROMENADE CIRCLE THORNHILL ON L4J 4P8	6,703.30	0.00	6,703.30
31	RBC LEASING	5575 NORTH SERVICE RD BURLINGTON ON L7L 6M1	0.00	0.00	0.00
32	REVENU QUEBEC	C.P 3000, SUCC PL-DESJARDINS MONTREAL QC H5B 1A4	15,705.98	0.00	15,705.98
33	RMI-ITF- OAKVILLE PLACE C/O RIOCAN MANAGEMENT INC	OAKVILLE PLACE 240 LEIGHLAND AVENUE OAKVILLE ON L6H3H6	17,632.78	0.00	17,632.78
34	RMI-ITF-BURLINGTON MALL C/O RIOCAN MANAGEMENT INC	BURLINGTON MALL 777 GUELPH LINE BURLINGTON ON L7R 3N2	28,377.70	0.00	28,377.70
35	ROSEMERE CENTRE PROPERTIES LTD	A/S INVESTISSEMENTS MORGUARD LIMITEE 401, BOUL ROSEMERE ROSEMERE QC J7A 3T2	25,830.48	0.00	25,830.48
36	THE CADILLAC FAIRVIEW CORPORATION LIMITED	1400 - 6551 NO. 3 RD RICHMOND BC V6Y 2B6	20,078.14	0.00	20,078.14
37	THE CAMBIE RISE LIMITED PARTNERSHIP	C/O SDM REALTY ADVISORS LIMITED 1850-1040 WEST GEORGIA STREET VANCOUVER BC V6E 4H1	11,680.14	0.00	11,680.14
38	VIKING RDEAU CORPORATION	300-50 RIDEAU STREET OTTAWA ON K1N 9J7	41,650.61	0.00	41,650.61
Total:			2,068,774.05	0.00	2,068,774.05

22-Jun-2021

Date

Ari Zucker

District of: Quebec
 Division No. 01 - Montréal
 Court No. 500-11-059566-212
 Estate No. 41-2716886

FORM 78 -- Continued

List "B"
 Secured Creditors

Change of Scandinavia Canada Retail Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	CHANGE OF SCANDINAVIA A/S	FARUM GYDEVEJ 73 FARUM 3520 Denmark	6,824.25	Business Assets - Stock In Trade - Inventory Cash on Hand - Cash Furniture - Office Furniture and Equipment Other - Leasehold Improvements Other - Prepaids		6,824.25 0.00 0.00 0.00 0.00	581,100.72	
2	ROYAL BANK OF CANADA Attn: SARAH COUTURE	AILE OUEST 1 PLACE VILLE MARIE, 9IEME ETAGE MONTREAL QC H3C 3A9	1,859,716.88	Cash on Hand - Cash Business Assets - Stock In Trade - Inventory Other - Leasehold Improvements Furniture - Office Furniture and Equipment Other - Prepaids		1,220,231.76 499,712.73 80,459.30 34,313.09 25,000.00		
Total:			1,866,541.13			1,866,541.13	581,100.72	0.00

22-Jun-2021

Date



Ari Zucker

CETTE FEUILLE DE RENSEIGNEMENTS EST FOURNIE AFIN DE VOUS AIDER À REMPLIR LE FORMULAIRE DE PREUVE DE RÉCLAMATION

- ☐ La preuve de réclamation doit être signée par l'individu qui la remplit.
- ☐ La signature du réclamant doit être attestée.
- ☐ Indiquer l'adresse complète (incluant le code postal) où tout avis et correspondance doivent être expédiés.
- ☐ Le montant sur le relevé de compte doit correspondre au montant réclamé sur la preuve de réclamation.

PARAGRAPHE 1 DE LA PREUVE DE RÉCLAMATION

- ☐ Si la personne qui complète la preuve de réclamation n'est pas le créancier lui-même, elle doit préciser son poste ou sa fonction.
- ☐ Le créancier doit déclarer la raison sociale complète de la compagnie ou du réclamant.

PARAGRAPHE 3 DE LA PREUVE DE RÉCLAMATION

- ☐ Un relevé de compte détaillé doit accompagner la preuve de réclamation et doit refléter les date, numéro de facture et montant de chaque facture ou charge, ainsi que les date, numéro et montant de tout crédit ou paiement. Un relevé de compte sera considéré comme incomplet si ce dernier commence avec un solde d'ouverture. Le créancier doit également indiquer ses adresse postale, numéro de téléphone, numéro de télécopieur et adresse électronique.

PARAGRAPHE 4 DE LA PREUVE DE RÉCLAMATION

- ☐ Un créancier non garanti (sous-paragraphe A) doit cocher ce qui s'applique en indiquant s'il revendique ou non un droit à un rang prioritaire en vertu de l'article 136 de la Loi sur la faillite et l'insolvabilité.
- ☐ Un créancier à titre de locateur suite à la résiliation d'un bail doit compléter le sous-paragraphe B et joindre tous les détails et les calculs.
- ☐ Un créancier garanti doit compléter le sous-paragraphe C et joindre les documents de garantie.
- ☐ Un agriculteur, un pêcheur ou un aquiculteur doit compléter le sous-paragraphe D.
- ☐ Un salarié doit compléter le sous-paragraphe E, le cas échéant.
- ☐ La partie F doit être complétée relativement à un régime de pension.
- ☐ Un créancier ayant une réclamation contre les administrateurs, lorsqu'une proposition le prévoit, doit compléter le sous-paragraphe G et y joindre tous les détails et les calculs.
- ☐ Un client d'un courtier en valeurs mobilières failli doit compléter le sous-paragraphe H.

PARAGRAPHE 5 DE LA PREUVE DE RÉCLAMATION

- ☐ Le réclamant doit indiquer **s'il est** ou **n'est pas lié** au débiteur, au sens de la définition de la Loi sur la faillite et l'insolvabilité, en ayant ce qui n'est pas applicable.

PARAGRAPHE 6 DE LA PREUVE DE RÉCLAMATION

- ☐ Le réclamant doit fournir une liste détaillée de tous les paiements reçus et/ou crédits accordés, soit :
 - a) au cours des **trois mois** précédant l'ouverture de la faillite, dans le cas où le réclamant et le débiteur **ne sont pas liés**;
 - b) au cours des **douze mois** précédant l'ouverture de la faillite, dans le cas où le réclamant et le débiteur **sont liés**.

PROCURATION

- a) un créancier peut voter en personne ou par procuration;
- b) une débitrice ne peut être nommée à titre de fondée de pouvoir pour voter à toute assemblée des créanciers;
- c) le syndic peut être désigné à titre de fondé de pouvoir pour le bénéfice de tout créancier;
- d) afin qu'une personne dûment autorisée ait le droit de voter, elle doit elle-même être créancière ou détentrice d'une procuration dûment exécutée. Le nom du créancier doit apparaître sur la procuration.

T. 514.908.3796/1.866.585.9751

F. 514.934.8603

reclamations@richter.ca

Richter Groupe Conseil Inc.
Richter Advisory Group Inc.
1981 McGill College
Montréal (QC) H3A 0G6

Montréal, Toronto

PREUVE DE RÉCLAMATION

(articles 50.1, 81.5 et 81.6, paragraphes 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2) et 128(1) et alinéas 51(1)e) et 66.14b) de la Loi)

Expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :

Dans l'affaire de la proposition de **Change de Scandinavie Canada Detail Inc.** de la ville de Montréal, province de Québec, et de la réclamation de

_____, créancier.

Je soussigné, _____ (nom du créancier ou du représentant du créancier), de
_____ (ville et province), certifie ce qui suit :

1. Je suis le créancier du débiteur susnommé (ou je suis _____ (préciser le poste ou la fonction) de _____ (nom du créancier ou de son représentant)).

2. Je suis au courant de toutes les circonstances entourant la réclamation visée par le présent formulaire.

3. Le débiteur était, à la date de la l'avis d'intention de faire une proposition, soit le **2 mars 2021**, endetté envers le créancier et l'est toujours, pour la somme de _____ \$, comme l'indique l'état de compte (ou l'affidavit) ci-annexé et désigné comme l'annexe A, après déduction du montant de toute créance compensatoire à laquelle le débiteur a droit. (L'état de compte ou l'affidavit annexé doit faire mention des pièces justificatives ou de toute autre preuve à l'appui de la réclamation.)

4. (Cochez la catégorie qui s'applique et remplissez les parties requises.)

☐ A. RÉCLAMATION NON-GARANTIE AU MONTANT DE _____ \$
(Autre qu'une réclamation d'un client visée par l'article 262 de la Loi)

En ce qui concerne cette créance, je ne détiens aucun avoir du débiteur à titre de garantie et :
(Cochez ce qui s'applique.)

☐ pour le montant de _____ \$, je ne revendique aucun droit à un rang prioritaire.
(« Créancier chirographaire »)

☐ pour le montant de _____ \$, je revendique le droit à un rang prioritaire en vertu de l'article 136 de la Loi.
(« Créancier privilégié »)

(Indiquez sur une feuille annexée les renseignements à l'appui de la réclamation prioritaire.)

☐ B. RÉCLAMATION DU LOCATEUR SUITE À LA RÉSILIATION D'UN BAIL, AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 65.2(4) de la Loi, dont les détails sont mentionnés ci-après.
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

☐ C. RÉCLAMATION GARANTIE AU MONTANT DE _____ \$

En ce qui concerne la créance susmentionnée, je détiens des avoirs du débiteur à titre de garantie, dont la valeur estimative s'élève à _____ \$ et dont les détails sont mentionnés ci-après :

(Donnez des renseignements complets au sujet de la garantie, y compris la date à laquelle elle a été donnée et la valeur que vous lui attribuez, et annexe une copie des documents relatifs à la garantie.)

☐ D. RÉCLAMATION D'UN AGRICULTEUR, D'UN PÊCHEUR OU D'UN AQUICULTEUR AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 81.2 (1) pour la somme impayée de _____ \$
(Veuillez joindre une copie de l'acte de vente et des reçus de livraison.)

FORMULAIRE 31 (suite)

- ☐ E. RÉCLAMATION D'UN SALARIÉ AU MONTANT DE _____ \$
- ☐ J'ai une réclamation en vertu du paragraphe 81.3(8) de la Loi au montant de _____ \$
- ☐ J'ai une réclamation en vertu du paragraphe 81.4(8) de la Loi au montant de _____ \$
- ☐ F. RÉCLAMATION D'UN EMPLOYÉ RELATIVE AU RÉGIME DE PENSION AU MONTANT DE _____ \$
- ☐ J'ai une réclamation en vertu du paragraphe 81.5 de la Loi au montant de _____ \$
- ☐ J'ai une réclamation en vertu du paragraphe 81.6 de la Loi au montant de _____ \$
- ☐ G. RÉCLAMATION CONTRE LES ADMINISTRATEURS AU MONTANT DE _____ \$
(A remplir lorsque la proposition vise une transaction quant à une réclamation contre les administrateurs.)
J'ai une réclamation en vertu du paragraphe 50(13) de la Loi, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)
- ☐ H. RÉCLAMATION D'UN CLIENT D'UN COURTIER EN VALEURS MOBILIÈRES FAILLI AU MONTANT DE _____ \$
J'ai une réclamation en tant que client en conformité avec l'article 262 de la Loi pour des capitaux nets, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

5. Au meilleur de ma connaissance, je suis lié (ou le créancier susnommé est lié) (ou je ne suis pas lié ou le créancier susnommé n'est pas lié) au débiteur selon l'article 4 de la Loi, et j'ai (ou le créancier susnommé a) (ou je n'ai pas ou le créancier susnommé n'a pas) un lien de dépendance avec le débiteur.

6. Les montants suivants constituent les paiements que j'ai reçus du débiteur, les crédits que j'ai attribués à celui-ci et les opérations sous-évaluées selon le paragraphe 2(1) de la Loi auxquelles j'ai contribué ou été partie intéressée au cours des trois mois (ou, si le créancier et le débiteur sont des « personnes liées » au sens du paragraphe 4 de la Loi ou ont un lien de dépendance, au cours des 12 mois) précédant immédiatement l'ouverture de la faillite, telle que définie au paragraphe 2(1) de la Loi. (Donnez les détails des paiements, des crédits et des opérations sous-évaluées.)

Daté le _____, à _____.

Signature du créancier

Signature du témoin

Numéro de téléphone : _____

Numéro de télécopieur : _____

Adresse électronique : _____

REMARQUE : Si un affidavit est joint au présent formulaire, il doit avoir été fait devant une personne autorisée à recevoir des affidavits.

AVERTISSEMENTS : Le syndic peut, en vertu du paragraphe 128(3) de la Loi, racheter une garantie sur paiement au créancier garanti de la créance ou de la valeur de la garantie telle qu'elle a été fixée par le créancier garanti dans la preuve de garantie.

Le paragraphe 201(1) de la Loi prévoit l'imposition de peines sévères en cas de présentation de réclamations, de preuves, de déclarations ou d'états de compte qui sont faux.

FORMULAIRE DE PROCURATION

(paragraphe 102(2) et alinéas 51(1)e) et 66.15(3)b) de la Loi)

Dans l'affaire de la proposition de **Change de Scandinavie Canada Detail Inc.**

Je, _____, de _____
(nom du créancier) (nom du village ou de la ville)

créancier dans l'affaire susmentionnée, nomme _____ de _____,

mon fondé de pouvoir à tous égards dans l'affaire susmentionnée, sauf la réception de dividendes, celui-ci _____

(étant ou n'étant pas) habilité à nommer un autre fondé de pouvoir à sa place.

Daté le _____, à _____.

Signature du créancier

Par : _____

Nom et titre du signataire autorisé

Signature du témoin

RICHTER

THIS INFORMATION SHEET IS SUPPLIED IN ORDER TO ASSIST YOU IN COMPLETING THE PROOF OF CLAIM FORM

- ☐ The proof of claim must be signed by the individual completing the form.
- ☐ The signature of the claimant must be witnessed.
- ☐ Give the complete address (including postal code) where all notices and correspondence are to be forwarded.
- ☐ The amount on the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 1 OF THE PROOF OF CLAIM

- ☐ If the individual completing the proof of claim is not the creditor himself, he must state his position or title.
- ☐ The creditor must state the full and complete legal name of the Company or the claimant.

PARAGRAPH 3 OF THE PROOF OF CLAIM

- ☐ A detailed statement of account must be attached to the proof of claim and must show the date, the invoice number and the dollar amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. In addition, a creditor must indicate his/her address, phone number, fax number and E-mail address.

PARAGRAPH 4 OF THE PROOF OF CLAIM

- ☐ An unsecured creditor (subparagraph (A)) must check and state whether or not a priority rank is claimed under Section 136 of the Bankruptcy and Insolvency Act.
- ☐ A claim of landlord (subparagraph (B)) for disclaim of lease must be completed with full particulars and calculations.
- ☐ A secured creditor must complete subparagraph (C) and attach a copy of the security documents.
- ☐ A farmer, fisherman or aquaculturist must complete subparagraph (D).
- ☐ A wage earner must complete subparagraph (E), if applicable.
- ☐ Section F must be completed with regard to a pension plan.
- ☐ A claim against director(s) (subparagraph (G)), in a proposal which compromises a creditor's claim, must contain full particulars and calculations.
- ☐ A customer of a bankrupt securities firm must complete subparagraph (H).

PARAGRAPH 5 OF THE PROOF OF CLAIM

- ☐ The claimant must indicate whether he/she **is** or **is not related** to the debtor, as defined in the Bankruptcy and Insolvency Act, by striking out that which is not applicable.

PARAGRAPH 6 OF THE PROOF OF CLAIM

- ☐ The claimant must attach a detailed list of all payments received and/or credits granted, as follows:
 - a) within the **three months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **not related**;
 - b) within the **twelve months** preceding the initial bankruptcy event, in the case where the claimant and the debtor are **related**.

PROXY

- a) A creditor may vote either in person or by proxy;
- b) A debtor may not be appointed as proxy to vote at any meeting of the creditors;
- c) The Trustee may be appointed as a proxy for any creditor;
- d) In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

T. 514.908.3796/1.866.585.9751

F. 514.934.8603

claims@richter.ca

Richter Advisory Group Inc.
Richter Groupe Conseil Inc.
1981 McGill College
Montréal (QC) H3A 0G6

Montréal, Toronto

RICHTER

PROOF OF CLAIM

(Section 50.1, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

In the Matter of the Proposal of **Change of Scandinavia Canada Retail Inc.** of the City of Montréal, Province of Quebec, and the claim of

_____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor).
2. That I have knowledge of all of the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the of the Notice of Intention to make a Proposal, namely **March 2, 2021**, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A" after deducting any counterclaims to which the debtor is entitled. (*The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.*)

4. Check and complete appropriate category

- ☐ A. UNSECURED CLAIM OF \$ _____

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

- ☐ Regarding the amount of \$ _____, I do not claim a right to a priority.
("Ordinary Creditor")

- ☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
("Preferred Creditor")

(Set out on an attached sheet details to support priority claim)

- ☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based)

- ☐ C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

- ☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts).

T. 514.908.3796 / 1.866.585.9751

F. 514.934.8603

claims@richter.ca

Richter Advisory Group Inc.

Richter Groupe Conseil Inc.

1981 McGill College

Montréal (QC) H3A 0G6

Montréal, Toronto

- ☐ E. CLAIM BY WAGE EARNER OF \$ _____
☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____
- ☐ F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
☐ That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____
- ☐ G. CLAIM AGAINST DIRECTOR \$ _____
(To be completed when a proposal provides for the compromise of claims against directors.)
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)
- ☐ H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____
 That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (*or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length*, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (*provide details of payments, credits and transfers at undervalue*)

Dated at _____, this _____ day of _____

Signature of creditor

Telephone number: _____ Fax number: _____

E-mail address: _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

PROXY

(Subsection 102(2) and paragraphs 51(1)e) and 66.15(3)b) of the Act)

In the Matter of the Proposal of **Change of Scandinavia Canada Retail Inc.**

I, _____, of _____
(name of creditor) (name of town or city)

a creditor in the above matter, hereby appoint _____ of _____,
to be my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without) power to
appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____

Signature of creditor

Per: _____
Name and Title of Signing Officer

Signature of witness

RICHTER

CANADA

Province de Québec

District de : Québec

No division : 01-Montréal

No cour : 500-11-059566-212

No dossier : 41-2716886

COUR SUPÉRIEURE

(Chambre commerciale)

Loi sur la faillite et l'insolvabilité

FORMULAIRE DE VOTATION (proposition déposée en vertu de la section I) (alinéa 51(1)f) de la Loi)

Dans l'affaire de la Proposition de
Change de Scandinavie Canada Detail Inc.

Je, _____, créancier
(ou Je, _____, représentant de _____ créancier)
de _____ (nom de la ville), créancier dans l'affaire susmentionnée à l'égard de
somme de _____ la \$, demande au syndic agissant relativement à la proposition de **Change
Scandinavie Canada Detail Inc.**, de consigner mon vote _____ (en faveur de ou de
contre) l'acceptation de la proposition faite le 22 juin 2021.

Daté le ____ jour de _____ 2021, à _____.

Nom du créancier (personne physique)
(Veuillez écrire en lettres moulées)

Signature du créancier (personne physique)

Signature du témoin

– OU –

Nom du créancier (personne morale)
(Veuillez écrire en lettres moulées)

Signature du créancier (personne morale)

Signature du témoin

Nom et titre du signataire autorisé
(Veuillez écrire en lettres moulées)

RICHTER

CANADA
Province of Québec
District of: Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

VOTING LETTER (Division 1 Proposal) (Paragraph 51(1)f) of the Act)

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.

I, _____, creditor
(or I, _____, representative of _____, creditor)
of _____ (name of city), a creditor in the above matter for the sum of
\$_____, hereby request the trustee acting with respect to the Proposal of **Change of Scandinavia
Canada Retail Inc.** to record my vote _____ (for or against) the acceptance of the Proposal as made on
June 22, 2021.

Dated at _____, this _____ day of _____ 2021.

Name of Individual Creditor (Please print)

Signature of Individual Creditor

Signature of Witness

– OR –

Name of Corporate Creditor (Please print)

Signature of Corporate Creditor

Signature of Witness

Name and Title of Signing Officer (Please print)

**FORMULAIRE D'INSCRIPTION
À L'ASSEMBLÉE DES CRÉANCIERS**

*Dans l'affaire de la Proposition de
Change de Scandinavie Canada Detail Inc.*

Nom du créancier : _____

Nom du représentant du créancier : _____

Adresse courriel : _____

Numéro de téléphone : _____

Signature : _____

Veillez noter que pour participer à l'assemblée des créanciers, vous devez transmettre ce formulaire au syndic par courriel à l'adresse suivante : reclamations@richter.ca au plus tard à 17 h 00 (heure de Montréal) le **12 juillet 2021**, afin que les instructions pour assister à l'assemblée vous soient transmises.

REGISTRATION FORM TO THE CREDITORS' MEETING

*In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.*

Name of the creditor: _____

Name of the creditor's representative: _____

Email address: _____

Phone number: _____

Signature: _____

Please note that to attend the creditors' meeting, you must send this form to the Trustee by email to the following address: claims@richter.ca, no later than 5:00 p.m. (Montréal time) on **July 12, 2021**, following which you will be sent the details of how to attend the meeting.

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

S U P E R I O R C O U R T
(Commercial Division)

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.

Trustee

PROPOSAL

(under the *Bankruptcy and Insolvency Act*, Canada)

CHANGE DE SCANDINAVIE CANADA DETAIL INC./CHANGE OF SCANDINAVIA
CANADA RETAIL INC. (the “Debtor”), hereby submits the following Proposal to the
Creditors under the *BIA*:

1. Definitions and Interpretation

1.1 In addition to the words and terms otherwise defined herein, whenever
used herein:

1.1.1 “Approval” means:

- (a) acceptance of the Proposal by all Creditors entitled to vote
thereon in accordance with the relevant provisions of the
BIA; and
- (b) approval of the Proposal by the Court by judgment rendered
by such Court which has become executory as a result of
the delay for appeal having expired without there having
been an appeal lodged therefrom or, if an appeal is lodged
therefrom, such judgment of the Court having been
confirmed or such appeal withdrawn (the “**Court Approval**”);

- 1.1.2 “Approval Motion”** has the meaning set forth in **Section 14.1** hereof;
- 1.1.3 “BIA”** means the *Bankruptcy and Insolvency Act*, Canada, RSC 1985, c.B-3, as amended;
- 1.1.4 “Change Denmark Claims”** means all amounts owing by the Debtor to any member of the Change Group as at (but not after) the Proposal Date, whether such indebtedness, but for its exclusion from the definitions of Ordinary Claims and Secured Claims hereunder, would otherwise constitute an Ordinary Claim or a Secured Claim;
- 1.1.5 “Change Group”** means Change of Scandinavia A/S (a Danish limited company) and Change of Scandinavia Holdings A/S (a Danish limited company);
- 1.1.6 “Committee”** has the meaning set forth in **Section 9** hereof;
- 1.1.7 “Court”** means the Commercial Division of the Quebec Superior court for the District of Montreal, sitting as the “court” as envisaged and defined in Section 2(1) *BIA* and includes any Justice thereof or, if applicable, the Registrar or any Deputy Registrar thereof;
- 1.1.8 “Creditors”** mean, as a single class of creditors, all the creditors of the Debtor affected by the Proposal, namely the Crown, the Preferred Creditors, the Employee Creditors, and the Ordinary Creditors (including the Landlords) and **“Creditor”** means any of them. All other creditors of the Debtor (including, without limitation, all Secured Creditors to the extent of their Secured Claims) shall not be, in any manner whatsoever, affected or bound by the Proposal;
- 1.1.9 “Crown”** means Her Majesty in Right of Canada or in right of any Province of Canada;
- 1.1.10 “Crown Claims”** mean all Proven claims of the Crown set forth and described in Section 60(1.1) *BIA*, against the Debtor and which were outstanding on the Proposal Date, and **“Crown Claim”** means any of them;
- 1.1.11 “Debtor”** means **CHANGE DE SCANDINAVIE CANADA DETAIL INC./CHANGE OF SCANDINAVIA CANADA RETAIL INC.;**
- 1.1.12 “Directors”** means all of the past and present directors or *de facto* directors of the Debtor and **“Director”** means any of them;

1.1.13 “Employee Claims” means:

- (a) all Proven amounts which the Debtor’s present or former employees would have been entitled to receive under Section 136(1)(d) *BIA* if the Debtor had become bankrupt on the Proposal Date as well as wages, salaries, commissions or compensation for services rendered from and after the Proposal Date up to and including the date of Approval of this Proposal, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen in and about the Debtor’s business during the same period, all as envisaged by Section 60(1.3) *BIA*; and
- (b) to the extent that the Debtor participated in a “prescribed pension plan” as envisaged by Section 60(1.5) *BIA*, all Proven amounts envisaged by Section 60(1.5)(a) *BIA* owing by the Debtor and which may be unpaid on the Proposal Date and which are required to be paid from and after the Proposal Date up to and including the Approval,

and **“Employee Claim”** means any of them;

1.1.14 “Employee Creditors” mean any or all of the Debtor’s past and present employees having Employee Claims and **“Employee Creditor”** means any of them;

1.1.15 “Landlord” means each particular landlord under each particular Lease and **“Landlords”** means all of them;

1.1.16 “Landlord Claim” means the Proven claim of any Landlord under a particular Lease and **“Landlord Claims”** means all of them. All Landlord Claims shall be deemed to be Ordinary Claims under the Proposal;

1.1.17 “Lease” means each lease (or similar contract or agreement):

- (a) for occupancy of retail store premises under which the Debtor is the lessee/tenant; and
- (b) for occupancy of premises situated at 9961 Saint-Vital Blvd., Montreal, under which the Debtor is the lessee/tenant,

and **“Leases”** means all of them;

1.1.18 “Official Receiver” means the “official receiver” as defined in Section 2 *BIA*;

1.1.19 “Ordinary Claims” mean all Proven claims against the Debtor

other than Crown Claims, Employee Claims, Preferred Claims, Secured Claims and Change Denmark Claims, of any nature or source whatsoever, resulting from and/or arising out of any transaction entered into by the Debtor prior to or after the Proposal Date (to the extent only that any claims arising after the Proposal Date are Restructuring Claims) or any event which occurred prior to or after the Proposal Date, whether due or not due as of the Proposal Date and includes all such claims which are contingent and unliquidated (once becoming absolute or liquidated) but expressly excludes all Subsequent Claims and “**Ordinary Claim**” means any of them. In addition to and notwithstanding the foregoing, “Ordinary Claims” include, under all circumstances:

- (a) all Landlord Claims;
- (b) all claims resulting from or arising out of any breaches of any obligations contracted by the Debtor prior to the Proposal Date where such breaches occurred (i) at any time prior to the Proposal Date, or (ii) at any time between the Proposal Date and the date hereof;
- (c) any proof of claim which may be filed by a Secured Creditor in excess of the Value of such Secured Creditor’s security as envisaged by **Section 5.2.3** hereof; and
- (d) all Restructuring Claims.

1.1.20 “Ordinary Creditors” mean all persons having Ordinary Claims and “**Ordinary Creditor**” means any of them;

1.1.21 “Preferred Claims” mean all Proven claims against the Debtor, other than Employee Claims, as set forth and described in Sections 136(1)(a) through 136(1)(c) *BIA* and Sections 136(1)(d.01), (d.02), (d.1), (e) and (g) through (j) *BIA*, being such claims directed by the *BIA* to be paid in priority to all other claims in the distribution of the property of a bankrupt, but only to the extent applicable to the Proposal and “**Preferred Claim**” means any of them;

1.1.22 “Preferred Creditors” mean all persons having Preferred Claims and “**Preferred Creditor**” means any of them;

1.1.23 “Proposal” means the present proposal and any and all future amendments hereto, which amendments may be made:

- (a) at any time prior to a vote by the Creditors hereon; or
- (b) by the Court at the time of Approval;

1.1.24 “Proposal Date” means **March 2, 2021**, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under Section 50.4(1) *BIA*;

1.1.25 “Proposal Expenses” mean all proper fees, expenses, liabilities and obligations of the Trustee as well as all legal fees, accounting fees and consulting fees for, in respect of and/or incidental to all proceedings and matters pertaining to the Debtor’s Notice of Intention to Make a Proposal and the Proposal and includes, without limitation, all advice to the Debtor in connection therewith;

1.1.26 “Proven” means with reference to any Crown Claims, Employee Claims, Preferred Claims and Ordinary Claims (including, without limitation and Landlord Claims), all such claims that have been the object of a proof of claim in accordance with Section 124 *BIA*, filed with the Trustee in due time and allowed by the Trustee. With respect to all such claims:

- (a) contingent and unliquidated claims and claims payable at a future time shall be governed by Sections 212(2) and 121(3) *BIA*;
- (b) every provision of the *BIA* dealing with the right to vote a claim shall apply to the Proposal; and
- (c) Proven Ordinary Claims under successive performance contracts which have not been repudiated or terminated by the Debtor shall be limited to amounts owing by the Debtor thereunder accruing only up to (but not after) the Proposal Date;

1.1.27 “Related Persons” mean any persons who/which are related to any other persons as defined and described in Section 4 *BIA* and **“Related Person”** means any of them;

1.1.28 “Restructuring Claims” means any right of any person against the Debtor in connection with any indebtedness, liability or obligation, of any nature, source or kind whatsoever, owed to such person arising out of the restructuring of the Debtor, the disclaimer or the termination of any contract (other than Leases), employment agreement, collective agreement or any other agreement, whether written or oral, after the Proposal Date including, without limitation, the right of any person who receives any notice of repudiation or termination from the Debtor. Without limiting the generality of the foregoing, the Restructuring Claims shall include all claims of any employee of the Debtor whose employment has been terminated after the Proposal Date and the claim of any taxation authority related, directly or indirectly, to the Approval of the Proposal;

1.1.29 “Secured Claims” mean the claims (other than Change Denmark Claims) of all Secured Creditors against the Debtor, to the extent of the Value of the security held by each Secured Creditor;

1.1.30 “Secured Creditors” mean all persons falling within the definition of “secured creditor” as set forth in Section 2(1) *B/A* in respect of the Debtor and **“Secured Creditor”** means any of them;

1.1.31 “Subsequent Claims” means all claims (other than Restructuring Claims) arising in respect of property supplied, services rendered or other consideration given to the Debtor subsequent to the Proposal Date, including, without limitation, all salaries, remuneration and other compensation of the Debtor’s employees for current services;

1.1.32 “Trustee” means Richter Advisory Group Inc., the trustee under the Debtor’s Notice of Intention to Make a Proposal and the trustee named herein; and

1.1.33 “Value” means, with respect to any claim filed by a Secured Creditor, the value of such Secured Creditor’s security as assessed by the Secured Creditor and accepted by the Trustee or as determined by the Court.

1.2 The paragraph headings herein contained are for ease of reference only, shall not form part of the Proposal and shall not be utilized, in any manner whatsoever, in the interpretation of the Proposal.

1.3 Whenever the context so provides, all references to the masculine shall include the feminine and *vice versa* and all references to the singular shall include the plural and *vice versa*.

1.4 In the event that there is a French version of the Proposal and there are any inconsistencies or discrepancies between the English language version of the Proposal and any French language version of the Proposal, the English language version of the Proposal shall govern and prevail under all circumstances.

2. Employee Claims

2.1 Subject to **Sections 2.2** and **2.3** hereof, all Employee Claims will be paid in full, immediately after Approval.

2.2 With respect to all of the Employee Creditors who are currently employed by the Debtor, all of their Employee Claims have been or shall have been fully paid by the Debtor to such Employees, in the normal course of the Debtor’s business.

2.3 With respect to the Employee Creditors who are not currently employed by the Debtor (being, for greater certainty, all of the Employee Creditors other than those referred to in **Section 2.2** hereof), all Employee Claims will be paid in full on the latest of the following dates, namely:

2.3.1 5 days after acceptance of a valid proof of claim from such Employee Creditor or the Court's definitively determining such proof of claim to be valid;

2.3.2 the date of Approval; and

2.3.3 the date of receipt of the relevant certificates required under the relevant provisions of the *Employment Insurance Act*, Canada.

2.4 The Debtor undertakes to request all relevant certificates required in virtue of the relevant provisions of the *Employment Insurance Act*, Canada upon acceptance of each Employee Claim.

3. Crown Claims

3.1 All Crown Claims, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid in full, within 6 months after Approval or as may otherwise be arranged with the Crown.

4. Proposal Expenses

4.1 All Proposal Expenses, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid by the Debtor in priority to all Preferred Claims and Ordinary Claims.

5. Secured Claims

5.1 All Secured Claims shall be paid in accordance with existing agreements or as may be otherwise arranged with each of the Secured Creditors.

5.2 For greater certainty:

5.2.1 the Proposal is not addressed to Secured Creditors to the extent of their Secured Claims;

5.2.2 all Secured Creditors and their Secured Claims shall not be, in any manner whatsoever, affected or bound by the Proposal to the extent of their Secured Claims; and

5.2.3 if a Secured Creditor chooses to file a proof of claim and values its security in order to be considered as an Ordinary Creditor, then the Proven claim of such Secured Creditor in excess of the Value of its security shall be included in the class of Ordinary Creditors under

the Proposal unless the Secured Creditor and the Debtor have agreed otherwise in writing.

6. Subsequent Claims

6.1 All Subsequent Claims have been or shall be paid in full by the Debtor in the ordinary course of the Debtor's business.

7. Preferred Claims and Ordinary Claims

7.1 In addition to paying all Employee Claims, all Crown Claims, all Proposal Expenses and all Subsequent Claims, the amount of \$100,000 shall be paid to the Trustee by the Debtor no later than 60 days immediately following Approval (or such later date permitted under **Section 9.2** hereof), for distribution to all Preferred Creditors and Ordinary Creditors as herein set forth (the "**Dividend**"), without any interest thereon whatsoever, in full and final settlement, release and discharge of all Preferred Claims and all Ordinary Claims.

7.2 The Dividend shall be paid to the Trustee on or before the date set forth in **Section 7.1** hereof and shall thereafter be distributed by the Trustee as follows:

7.2.1 First, to the Preferred Creditors, according to the amount of their respective Preferred Claims; and

7.2.2 Second, after full payment of all Preferred Claims, to all of the Ordinary Creditors on a *pro rata* basis, according to the amounts of their respective Proven Ordinary Claims.

7.3 The Debtor shall be entitled, at any time whatsoever, to prepay the Dividend, without any indemnity or penalty whatsoever.

7.4 The Dividend, without any interest whatsoever thereon, once paid to the Trustee in accordance with provisions of this Proposal, shall constitute full and final settlement of and shall operate as a complete release and discharge of all Preferred Claims and Ordinary Claims.

8. Claims Against Directors

8.1 In accordance with Section 50(13) *BIA*, Approval of the Proposal shall be deemed, for all purposes whatsoever, to constitute the complete release and discharge of all claims, of any nature or source whatsoever, of all Creditors and any other persons against all of the Directors which arose before the Proposal Date and which relate to obligations of the Debtor where such Directors are by law liable in their capacity as directors for payment of such obligations, all to the fullest extent permitted under the

relevant provisions of the *BIA*.

- 8.2** Nothing in the Proposal shall be deemed, in any manner whatsoever, to constitute any acknowledgment of any liability or obligations of any of the Directors.

9. Committee

- 9.1** A committee (the “**Committee**”) of up to 5 individuals shall be appointed by the Ordinary Creditors at the meeting of the Creditors called to consider the Proposal. Such Committee shall be thereafter deemed to have been formed and constituted for the purposes hereafter set forth.
- 9.2** The powers of the Committee shall be limited to the power to authorize the deferment of payment of the Dividend under the terms of **Section 7.1** hereof.
- 9.3** All decisions of the Committee shall be made by simple majority vote of its members.

10. Preferences, Transfers at Under Value, etc.

- 10.1** All of the provisions of and all rights, remedies and recourses under and/or pursuant to:

10.1.1 Sections 95 through 101 *BIA*;

10.1.2 Articles 1631 through 1636 of the *Civil Code of Québec*; and

10.1.3 all other provisions of law, rights, remedies and recourses similar to the provisions of law, rights, remedies and recourses set forth in **Sections 10.1.1** and/or **10.1.2** hereof in any province of Canada or any other jurisdiction other than the Province of Quebec,

shall not, in any manner whatsoever, apply to this Proposal, such that, without limiting the generality of the foregoing:

10.1.4 all of such provisions, rights, remedies and recourses and any claims based thereon shall be completely unavailable to the Trustee or any Creditors against the Debtor, any of the Debtor's property, any other Creditor or any other persons whatsoever; and

10.1.5 the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced to such provisions, rights, remedies and recourses and any claims based thereon against the Debtor, any or all of the Debtor's property, any other Creditor or any other persons whatsoever,

arising from and/or as a result of any matter whatsoever which occurred at any time prior to the Proposal Date.

11. Powers of the Trustee

11.1 Subject to the rights of the Secured Creditors, the Trustee shall have the following rights, powers and authority, namely:

11.1.1 until (but not after) payment in full of the Dividend, to receive, if and to the extent requested by the Trustee, periodic reports from the Debtor on their businesses, operations and activities;

11.1.2 until (but not after) payment in full of the Dividend, to have full access to the Debtor's premises as well as the Debtor's books, records and documents in order to obtain such information on the Debtor's activities as the Trustee may consider appropriate, in its sole discretion; and

11.1.3 to examine, accept or contest any security or alleged security of any Secured Creditor or the evaluation thereof.

11.2 The rights, powers and authority set forth in **Section 11.1** hereof are in addition to and not in lieu of all of the Trustee's rights, powers and authorities under the *BIA* and any other applicable laws.

12. Trustee

12.1 The Trustee shall be the trustee under the Proposal. The Dividend and all other monies payable to the Creditors affected by the Proposal shall be paid over to the Trustee, which Trustee shall make all payments provided for hereunder, all in accordance with the provisions of the Proposal.

13. Change Denmark Claims

13.1 Conditional upon approval, each member of the Change Group hereby:

13.1.1 subordinates and postpones all of the Change Denmark Claims to and in favour of full payment of the Dividend, such that the Change Group shall not be entitled to receive any payment from the Debtor of the principal of or interest on the Change Denmark Claims unless and until the Dividend has been fully paid to the Trustee as set forth in the Proposal; and

13.1.2 agrees that the Change Denmark Claims will not constitute an Ordinary Claim or a Secured Claim under the Proposal and will not be compromised, settled or discharged by the Proposal.

- 13.2** The provisions of **Section 13.1** hereof are subject to the suspensive condition of Approval, such that the failure of Approval shall automatically render the provisions of **Section 13.1** hereof null, void and inoperative for all purposes.

14. Notice of Presentation of Approval Motion

- 14.1** Each of:

14.1.1 the Creditors; and

14.1.2 the Official Receiver,

is hereby given notice that, after acceptance of this Proposal by the Creditors entitled to vote thereon in accordance with the relevant provisions of the Proposal and of the *BIA*, the Trustee and/or the Debtor will present an application to the Court for Court Approval (the “**Approval Motion**”).

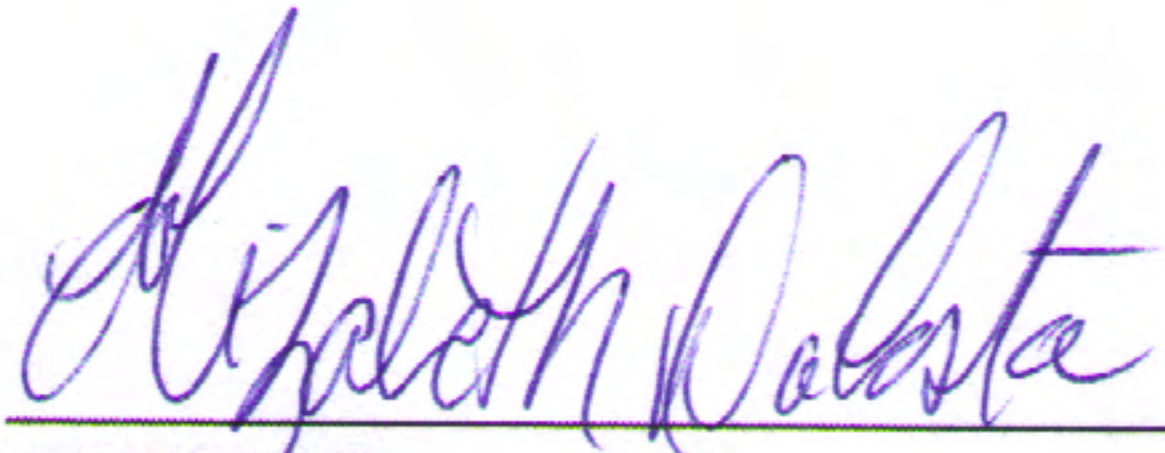
- 14.2** The Approval Motion will be presented before the Court (namely the Commercial Division of the Quebec Superior Court for the District of Montreal) in Room 16.10 of the Palais de Justice, 1 Notre-Dame Street, East, City of Montreal, Province of Quebec **during the virtual call of the roll on July 20, 2021 at 8:45 a.m.** or so soon thereafter as counsel may be heard. Instructions as to how to access the virtual call of the roll are included in the notice of presentation attached hereto as **Annex A** forming part hereof.
- 14.3** The forwarding of this Proposal to the Creditors and to the Official Receiver shall avail, for all purposes, as valid and proper signification, notification and service of the Approval Motion on all of the Creditors, and on the Official Receiver and shall constitute the notice of the hearing of the Approval Motion pursuant to Section 58(b) *BIA*.

[Signature page to follow]

Montreal, Province of Quebec, Canada
this 22nd day of June, 2021

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

Per:



WITNESS

Ari Zucker, President

Each member of the Change Group hereby agrees to be bound by the provisions of
Section 13 of the Proposal.

CHANGE OF SCANDINAVIA A/S

Per:

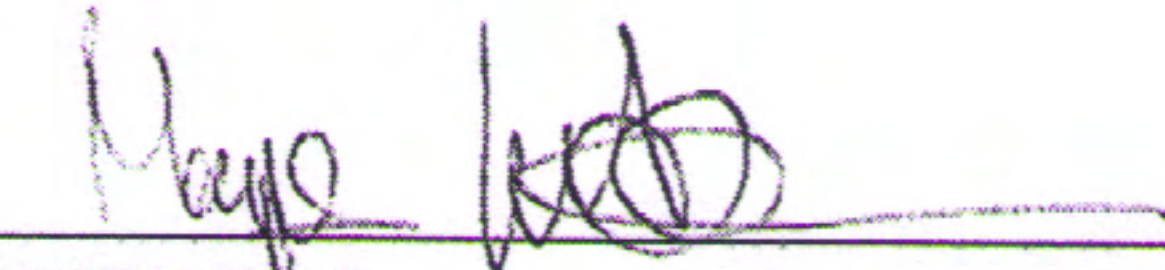


WITNESS

Claus Walther Jensen, Chief Executive
Officer

**CHANGE OF SCANDINAVIA HOLDINGS
A/S**

Per:



WITNESS

Claus Walther Jensen, Chief Executive
Officer

ANNEX A

NOTICE OF PRESENTATION

1. PRESENTATION OF THE PROCEDURE

TAKE NOTICE that the *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:

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).

by telephone:

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

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.**

1. PRÉSENTATION DE LA PROCÉDURE

PRENEZ AVIS que la *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:

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. 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.

4. OBLIGATIONS

4.1 Duty of cooperation

TAKE NOTICE that you are duty-bound to co-operate 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).

DO GOVERN YOURSELF ACCORDINGLY.

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 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).

VEUILLEZ AGIR EN CONSÉQUENCE.

MONTREAL, June 22, 2021



KUGLER KANDESTIN LLP

Attorneys for the Debtor/Petitioner
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CANADA
Province of Quebec
District of Québec
Division No.: 01-Montréal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE PROPOSAL OF:

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

a legal person having its registered office at
9961 Saint-Vital Boulevard, Montreal, Quebec,
H1H 4S5

Debtor

-and-

RICHTER ADVISORY GROUP INC.

Trustee

REPORT OF THE TRUSTEE
ON THE FINANCIAL SITUATION OF THE DEBTOR AND ON THE PROPOSAL
(Sections 50(5) and 50(10)(b) of the *Bankruptcy and Insolvency Act*)

1. The purpose of the Meeting of Creditors is to consider the proposal filed on June 22, 2021 (hereinafter the “**Proposal**”) by Change de Scandinavie Canada Detail Inc./Change of Scandinavia Canada Retail Inc. (the “**Debtor**” or the “**Company**”).
2. All the capitalized terms that are not otherwise defined herein shall have the meaning ascribed thereto in the Proposal.
3. Pursuant to Sections 50(5) and 50(10)(b) of the *Bankruptcy and Insolvency Act* (the “**Act**”), and in order to assist the Ordinary Creditors in considering the Proposal, the Trustee is hereby submitting its report on the financial situation of the Debtor and on the Proposal.
4. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

INTRODUCTION

5. On March 2, 2021, the Debtor filed a Notice of Intention to Make a Proposal ("**NOI**") under the *Bankruptcy and Insolvency Act*, Canada (the "**BIA**") naming Richter Advisory Group Inc. as trustee (the "**Trustee**").
6. On March 3, 2021, the Company filed a motion entitled *Motion for approval of interim financing, administrative charge and other relief* (the "**First Motion**").
7. On March 5, 2021, the Trustee sent a copy of the statutory documents under the NOI to all known creditors of the Company, as identified by them, the whole as appears in the documents filed in the court records.
8. On March 10, 2021, the Court issued an order approving the First Motion.
9. On March 24, 2021, the Debtor filed a motion to extend the delay to make a proposal (the "**First Extension Motion**") until May 14, 2021. On March 31, 2021, the Court issued an order granting the First Extension Motion, which was supported by the Trustee ("**Second Report**").
10. On May 7, 2021, the Debtor filed a second motion to extend the delay to make a proposal (the "**Second Extension Motion**") until June 28, 2021. On May 13, 2021, the Court issued an order granting the Second Extension Motion, which was supported by the Trustee ("**Third Report**").
11. On June 22, 2021 the Debtor filed a Proposal to their creditors. The Proposal will be submitted for creditors' approval on July 13, 2021.
12. This report summarizes the relevant information and key elements that may assist the Ordinary Creditors in evaluating the Debtor's affairs and the Proposal, presented as follows:
 - a) Overview of the Debtor
 - b) Causes of Insolvency
 - c) The Company's Activities since the Filing of the NOI
 - d) Financial Information
 - e) Proposal
 - f) Estimated Distribution to Ordinary Creditors
 - g) Trustee's Conclusion and Recommendation
13. All prior reports of the Trustee have been filed in the court record and can be found on the Trustee's website at: <https://www.richter.ca/insolvencycase/change-of-scandinavia-canada-retail-inc/>

OVERVIEW OF THE DEBTOR

14. At the time of the NOI filing, the Debtor, a privately held retailer, was operating 26 stores across Canada under the name “*CHANGE Lingerie*”, a Denmark-based, international lingerie brand with over 200 stores worldwide. The Company also sells merchandise online.
15. The Company’s head office and warehouse are located in Montreal, in the Province of Quebec.
16. The Debtor’s stores were located in shopping malls and shopping areas throughout Canada with 10 in Québec, 9 in Ontario and 7 in British Columbia (“**B.C.**”) (each a “**Store**” and collectively, the “**Stores**”).
17. The Debtor’s parent company and principal shareholder, CHANGE of Scandinavia Holding A/S, and the supplier of the Products, CHANGE of Scandinavia A/S, are both based in Denmark (collectively “**Change Group**”).
18. The Company leases all of its premises from third party landlords (each a “**Lease**” and collectively, the “**Leases**”).
19. At the time of the NOI filing, the Company employed approximately 80 employees in its retail operations and a further 15 employees at its head office and warehousing facilities.

CAUSES OF INSOLVENCY

20. The worldwide COVID-19 pandemic (the “**Pandemic**”) and government-imposed closure of all non-essential services in March 2020 caused a significant decline in the Debtor’s sales.
21. In addition to such store closures, since reopening, the Company has noted greatly reduced foot traffic in their stores and a shift in spending activities by consumers, away from purchasing fashion and lingerie items.
22. In particular, as a result of the government-imposed lockdowns, social distancing requirements, business shutdowns, travel restrictions and the general decrease of consumers’ spending, the retail lingerie and swimwear business has been greatly impacted as a whole, including the Debtor’s.
23. Although the Debtor has an e-commerce platform, insufficient sales were generated online to offset the decline of in-store sales given the particular fit and feel of lingerie and swimwear items which traditionally require an in-store experience.
24. The Pandemic has had a severe effect on the Debtor’s 2020 sales, particularly sales related to Black Friday (*‘vendredi fou’*), Valentine’s Day, spring break, the winter holiday season and Boxing Day which were all well below historical results.
25. As a result of the Pandemic, the forced store closures in Quebec and Ontario, as well as the declining sales, the Company did not meet its rent obligations for most of their Stores for the months of December 2020, January and February 2021 which put the Debtor in an even more precarious position.

26. Additionally, given the Debtor's financial situation, the Debtor's principal secured lender, Royal Bank of Canada ("**RBC**"), sent the Debtor demand and default notices together with a notice of intention to enforce security pursuant to s. 244 of the BIA.
27. Following discussions, the Company entered into a forbearance agreement with RBC, which stipulates certain milestones and conditions to be respected during its restructuring.
28. Given the foregoing, the Debtor filed an NOI.

THE COMPANY'S ACTIVITIES SINCE THE FILING OF THE NOI

29. Subsequent to the filing of the NOI, the Company has continued to operate its Stores in the ordinary course to the extent permitted.
30. The Company has also been communicating with its employees, customers and suppliers in order to continue its operations and maintain a continued supply of goods.
31. As part of its restructuring activities, the Company hired a lease consultant (the "**Lease Consultant**") in order to assist management in its negotiations with landlords, with the objective of reaching viable lease arrangements for many of their stores.
32. Since the issuance of the Second Extension Motion, the Debtor, assisted by the Lease Consultant and its advisors, has renegotiated more favorable lease terms for 25 of its 26 Stores and has executed agreements with landlords. The results of these negotiations were essential to the Debtor's ability to make the Proposal and to continue as a going concern.
33. RBC and Change Group supported the Debtor through its restructuring.

FINANCIAL INFORMATION

34. The following financial data is based upon unaudited financial information prepared by the Debtor, the Debtor's books and records, and discussions with the Debtor's representatives. The Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. This information is submitted solely to assist the reader in assessing the financial position of the Debtor. The Trustee makes no representation or warranty as to the accuracy of said financial information.
35. For the year ended June 30, 2020 and for the 7-month period ended January 31, 2021, the Debtor reported losses before income taxes of \$1,122,000 and \$75,000 respectively. Consequently, the Debtor was unable to generate sufficient liquidities to meet its obligations as they became due.
36. As at June 22, 2021, the Company's assets were mainly comprised of:
 - a) Cash balance amounting to approximately \$1.2 million; and

- b) Inventory with a book value of approximately \$2.2 million.
37. The Debtor's financial information included fixed assets with a book value of approximately \$2 million, mostly comprised of leasehold improvements, equipment, furniture and fixtures. The Trustee is of the view that the market value of the fixed assets in a sale process would be significantly lower than its book value.
38. The Debtor operates from leased premises and does not own any real estate.
39. We have summarized the liabilities below which are based on the books and records of the Debtor, the Statement of Affairs as of June 22, 2021 and management's representations:

Change of Scandinavia Canada Retail Inc. Estimated Liabilities as at June 22, 2021 (\$000's)	
Secured Creditors	1,867
Preferred Creditors	-
Subsequent Creditors	-
Related Creditors	1,142
Ordinary Creditors	
Trade Claims	129
Landlord Claims	797
Employees	-
Total Ordinary Creditors	926
Total	3,935

Secured Creditors (\$1.9M)

- At the time of the filing of the Proposal, the Debtor's books and records reflected an amount owing to RBC of approximately \$1.9 million, excluding fees and expenses, in respect of a number of term loans, secured by hypothecs and security interests charging the Debtor's present and future movable and personal property. The secured creditor has registered a first ranking charge on substantially all of the Company's assets (the "**RBC Security**").
- Change Group has security interests and hypothecs registered against the Company's assets ranking after the RBC Security. As at June 22, 2021, the secured amount owed to Change Group is approximately \$7K.
- The Trustee is in the process of obtaining a legal opinion from its independent legal advisors as to the validity of the RBC Security and any other secured charges registered against the Company's assets.

Related Creditors (\$1.1M)

- The unsecured portion of the balance due to Change Group amounts to approximately \$1.1 million pursuant to various advances and merchandise sales.

Ordinary Creditors (\$926K)

With regards to Ordinary Creditors, we note the following:

- Trade claims: the amounts reflected above are based on the books and records of the Debtor;

- Landlord claims: the amounts reflected above are based on the books and records of the Debtor as all Landlord Claims shall be deemed to be Ordinary Claims under the Proposal;
 - Employees: To the knowledge of the Trustee, all obligations incurred by the Debtor with regards to employees' salaries and vacation owing were paid by the Debtor in the normal course of business.
40. Proof of claim forms are being sent to all known creditors. However, at the present date, the Trustee is unable to determine if the Debtor's records are consistent with those of its creditors. Upon reception of the proofs of claims, the Trustee will review them and deal with any discrepancies for purposes of collocation of claims.
41. The Trustee cautions that the above amounts may change as proofs of claims are filed and such changes may be significant.

PROPOSAL

42. The Trustee notes that the following is only a summary of the terms of the Proposal. Creditors are advised to read the Proposal for complete details of the terms of the Proposal.
43. In addition to paying all Employee Claims, all Crown Claims, all Proposal Expenses and all Subsequent Claims, the terms of the Proposal provide for a payment of \$100,000 that will be remitted to the Trustee by the Debtor within 60 days following the approval of the Proposal by the Court, for distribution to all Preferred Creditors and Ordinary Creditors (the "**Dividend**").
44. The Dividend represents an amount that will provide for a recovery to Ordinary Creditors while allowing the Debtor's business to continue operating and its continued occupancy in leased premises pursuant to newly negotiated lease agreements.
45. For further clarity, according to the terms of the Proposal:
- a) All Secured Claims shall be paid in accordance with the existing agreements or as may be otherwise arranged with each of the Secured Creditors;
 - b) All Subsequent Claims have been or shall be paid in full by the Debtor in the ordinary course of the Debtor's business;
 - c) All Crown Claims, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid in full, within 6 months after Approval or as may otherwise be arranged with the Crown;
 - d) All Employee Claims will be paid in full, if any, immediately after Approval; and
 - e) All Proposal Expenses, to the extent not already paid by the Debtor in the ordinary course of the Debtor's business, shall be paid by the Debtor in priority to all Preferred Claims and Ordinary Claims.

46. The Dividend shall be distributed by the Trustee as follows:
- a) First, to the Preferred Creditors, according to the amount of their respective Preferred Claims (if any);
 - b) Second, after full payment of all Preferred Claims, to the Ordinary Creditors on a pro rata basis, calculated on the basis of their respective Proven Ordinary Claims;
 - c) The levy payable to the Superintendent of Bankruptcy under the BIA will be deducted and paid from all amounts payable under the Proposal.
47. Conditional upon approval of the Proposal, for the benefit of the ordinary creditors, the Change Group waives and renounces to any dividend that could have otherwise been payable to them under the Proposal. Change Group agrees that its claim will not constitute an Ordinary Claim or a Secured Claim under the Proposal and will not be compromised, settled, or discharged by the Proposal.
48. The Dividend, without any interest whatsoever thereon, once paid to the Trustee in accordance with the provisions of the Proposal, shall constitute full and final settlement and shall operate as a complete release and discharge of all Preferred Claims and Ordinary Claims.

ESTIMATED DISTRIBUTION TO ORDINARY CREDITORS

49. In the event that the creditors reject the Proposal, the Debtor will automatically be bankrupt. The following information serves to advise the creditors of the Trustee's estimate as to the distribution to creditors under the Proposal in comparison to the estimated distribution under a bankruptcy scenario.

Proposal

50. Based on the Claims reflected in the Debtor's Statement of Affairs, the amount of the Proposal (\$100,000) would be distributed as follows:

Change of Scandinavia Canada Retail Inc. Proposal Summary in \$000's	# of Creditors	Estimated Claims	Proposal	
			Estimated Distribution	Recovery %
Secured Creditors (Note 1)	1	1,867	-	0.0%
Preferred Creditors	-	-	-	N/A
Subsequent Creditors	-	-	-	N/A
Related Creditors	1	1,142	-	0.0%
Ordinary Creditors				
Trade Claims	11	129	14	10.8%
Landlord Claims	24	797	86	10.8%
Employees	-	-	-	N/A
Total Ordinary Creditors	35	926	100	10.8%
Total	37	3,935	100	N/A

Note 1:

Secured creditors are not affected or bound by the Proposal. All Secured Claims will be paid in accordance with existing agreements or as may be otherwise arranged with each of the Secured Creditors.

51. It is estimated that the \$100,000 Proposal would represent an approximate recovery of 11% to the Ordinary Creditors, based upon the estimated claims known by the Trustee as of this date. We caution the creditors that the above estimates may vary as proofs of claims are filed and such changes may be significant.

Bankruptcy

52. In a bankruptcy scenario, the net realization in a forced liquidation is estimated as follows:

Change of Scandinavia Canada Retail Inc. Estimated Net Realization in a Forced Liquidation Reported Book Value as at May 31, 2021 (except for Cash) (\$000's)	Book Value	Estimated Net Realization Value
PROJECTED NET REALIZATION		
Net Realization		
Inventory (Note 1)	2,175	1,088 50%
Leasehold Improvements (Note 2)	1,609	80 5%
Cash balance as at June 20, 2021	1,220	1,220 100%
Furniture & Office Equipment (Note 2)	343	34 10%
Prepays (Note 2)	167	25 15%
	5,515	2,448
Estimated Realization Expenses		
Estimated Professional Fees		(250)
Other Contingency (10%)		(245)
		(495)
Projected Net Realization	A	1,953
ESTIMATED FUNDS AVAILABLE FOR ORDINARY CREDITORS		
Priority Claims (Salaries and Vacations)	B	\$ (239)
Secured Creditors		
RBC		(1,860)
Change Group		(7)
	C	(1,867)
Surplus (Deficit)	A+B+C= D	(152)
Estimated Preferred Creditors		
Preferred Rent and Levy	E	TBD
Estimated Funds Av. for Ordinary Creditors	D+E=F	(152)
ESTIMATED RECOVERY FOR ORDINARY CREDITORS		
Estimated Ordinary Claims in a Bankruptcy	G	2,261
Estimated Ordinary Creditors Recovery (%)	F/G=H	Nil

Note 1: The net realization value of the inventory was estimated based on discussions with liquidators/appraisers.

Note 2: The net realization value was estimated based on the Trustee's past experiences in similar liquidations.

53. In the event that the Proposal is rejected by the creditors, the estimated realization prepared by the Trustee indicates that the Ordinary Creditors would not receive any distribution in a forced liquidation scenario.

Forced Liquidation – Risks Factors

54. In the context of a forced liquidation or bankruptcy, in addition to the impact of the Pandemic, below are other factors to be considered by the Ordinary Creditors which may negatively impact the realization values estimated by the Trustee:

- The risk that the landlords do not allow a liquidation to take place in the existing store premises;
- The liquidation of stock over a short period of time, which could negatively impact the pricing of the inventory;
- The loss or shortage of store personnel; and
- The potential additional professional fees incurred as a result of a liquidation.

55. In arriving at its recommendation, the Trustee takes into consideration the fact that the foregoing risk factors could further serve to reduce the quantum of the dividend payable to creditors in a bankruptcy scenario.

Other Considerations

56. Conditional upon the approval of the Proposal, sections 95 to 101 of the BIA will not be applicable to the Proposal, and neither the Trustee nor the Debtor's creditors will have any right or recourse whatsoever under these sections. The remedies pursuant to these provisions relate to the recovery of certain amounts under reviewable transactions, preferential treatments, and asset disposals.
57. By approving the Proposal, the Debtor's creditors will release definitively the directors from any director liabilities in accordance with paragraph 50(13) of the BIA.

TRUSTEE'S CONCLUSION AND RECOMMENDATION

58. The Proposal presented and funded by the Debtor will provide an average estimated dividend to the Ordinary Creditors of approximately 11%. Alternatively, in the context of a bankruptcy, it is estimated that there will be no recovery whatsoever to Ordinary Creditors.
59. It is the Trustee's view that the Proposal will not materially prejudice or adversely affect any creditors. On the contrary, should the Proposal sought herein not be approved, the Ordinary Creditors will be prejudiced in that a liquidation scenario will ensue, the Stores would likely close, rent would not be paid, landlords would lose a tenant and many jobs would be lost.
60. Accordingly, the Trustee recommends that Ordinary Creditors vote in favor of the Proposal.

Respectfully submitted at Montreal, this 23rd day of June 2021.

Richter Advisory Group Inc.
Licensed Insolvency Trustee



Olivier Benchaya, CPA, CA, CIRP, LIT

District de: Québec
No division: 01 - Montréal
No cour: 500-11-059566-212
No dossier: 41-2716886

FORMULAIRE 01.1

Identification générale de l'expéditeur pour copies de tous formulaires prescrits
envoyés au(x) créancier(s) par voie électronique

Dans l'affaire de la proposition de
Change de Scandinavie Canada Detail inc.
de la ville de Montréal
dans la province de Québec

Daté le 25 juin 2021, à Montréal en la province de Québec.

Personne responsable (expéditeur) : Olivier Benchaya, CPA, CA, CIRP, LIT
(Syndic)

Dénomination sociale: Richter Advisory Group Inc/Richter Groupe Conseil inc

Adresse : 1981 avenue McGill College, 11th floor
Montréal QC H3A 0G6

Téléphone : (514) 934-3400

Télécopieur : (514) 934-8603

Courriel : reclamations@richter.ca

AVIS

Veuillez prendre note que la personne susmentionnée est tenue de conserver la copie originale signée du
présent document dans les dossiers officiels de la présente procédure.

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-059566-212
Estate No. 41-2716886

FORM 01.1

General Sender Identification for: Copies of all Prescribed Forms
Sent to Creditor(s) Electronically

In the Matter of the Proposal of
Change of Scandinavia Canada Retail Inc.
of the City of Montréal
in the Province of Québec

Dated at the City of Montréal in the Province of Quebec, this 25th day of June 2021.

Responsible Individual (Sender): Olivier Benchaya, CPA, CA, CIRP, LIT
(Trustee)

Corporate Name : Richter Advisory Group Inc/Richter Groupe Conseil inc

Address: 1981 avenue McGill College, 11th floor
Montréal QC H3A 0G6

Telephone: (514) 934-3400

Fax: (514) 934-8603

E-mail: reclamations@richter.ca

NOTICE

Please be advised that the above-noted individual is required to retain the signed original
of the document as part of the official records of this proceeding.

**Dans l'affaire de la proposition de
Change de Scandinavie Canada Detail inc.
*List of Supplementary Mailings by E-mail***

Attention
Groupe Insolvabilité – Affaires
Insolvency Team
Juan Manuel Diz Grana
Monique Bélanger
Insolvabilité
Département de la perception

Anne Marie Fitzpatrick

Groupe Insolvabilité – Affaires
Insolvency Team
Juan Manuel Diz Grana
Monique Bélanger
Insolvabilité
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Bell Canada F-88
 Bell Mobility
 Commission des normes du travail
 Commission des normes du travail
 Gaz Métropolitain
 Vidéotron
 Registre des entreprises
 Richter (internal information)
 Telus Mobilité
 Insolvency Insider
 Ville de Montréal
 Ministère de la justice du Canada
 Ministère de la justice du Canada
 Euler Hermes Canada

Kugler Kandestin
Kugler Kandestin
Gilbert Séguin Guilbault
Gilbert, Séguin Guilbault, Société nominale
RBC LEASING
Richter Advisory Group Inc.
Richter Advisory Group Inc.
Richter Advisory Group Inc.
Change of Scandanavia Holding A/S
Change of Scandanavia Canada Retail Inc.

Me Gerald F. Kandestin
Me Jeremy Cuttler
Me Daniel Séguin
Alexandre Benoit
Daneil Conde
Olivier Benchaya
Patrick Ifergan
Baldeep Dhillon
Claus Walther Jensen
Ari Zucker

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CARREFOUR RICHELIEU REALTIES
CARREFOUR RICHELIEU REALTIES
CF/REALTY HOLDINGS INC.
CHANGE OF SCANDINAVIA A/S
COMINAR REAL ESTATE INVESTMENT TRUST
COMINAR REIT
DENLAND INTERIORS LIMITED
FPI COMINAR
GUILDFORD TOWN CENTRE L.P.
IMPRIMERIE J.F. LITHO
IVANHOE CAMBRIDGE II INC
IVANHOE CAMBRIDGE INC
IVANHOE CAMBRIDGE INC.
LE CARREFOUR LAVAL (2013) INC.
LES GALERIES D'ANJOU LEASEHOLDS INC.
LES IMMEUBLES DU CARREFOUR RICHELIEU (ST-JEAN) LTÉE
Ministry of Finance at the Province of British Columbia
MLW VENTURES LTD
NIKPAUL CANADA INC.
ONTREA INC. LIMERIDGE
ONTREA INC. SHERWAY
PARK ROYAL SHOPPING CENTRE LTD
PENSIONFUND REALTY LIMITED
PROMENADE LIMITED PARTNERSHIP
RBC LEASING
RMI-ITF- OAKVILLE PLACE C/O RIOCAN MANAGEMENT INC
RMI-ITF-BURLINGTON MALL C/O RIOCAN MANAGEMENT INC
ROSEMERE CENTRE PROPERTIES LTD
ROYAL BANK OF CANADA
THE CADILLAC FAIRVIEW CORPORATION LIMITED
THE CAMBIE RISE LIMITED PARTNERSHIP
VIKING RDEAU CORPORATION

Céline Burdet
Benoit Rolland

Jon Rielly

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brian.ohoski@cadillacfairview.com;

CF/REALTY HOLDINGS INC. ONTREA INC. SHERWAY LE CARREFOUR LAVAL (2013) INC. THE CADILLAC FAIRVIEW CORPORATION LIMITED ONTREA INC. LIMERIDGE VIKING RDEAU CORPORATION LES GALERIES D'ANJOU LEASEHOLDS INC. COMINAR REAL ESTATE INVESTMENT TRUST FPI COMINAR COMINAR REIT IVANHOE CAMBRIDGE II INC IVANHOE CAMBRIDGE INC	Me Francois Viau Me Alexandre Forest	Francois.Viau@gowlingwlg.com ; alexandre.forest@gowlingwlg.com ;
PENSIONFUND REALTY LIMITED RMI-ITF- OAKVILLE PLACE C/O RIOCAN MANAGEMENT INC RMI-ITF-BURLINGTON MALL C/O RIOCAN MANAGEMENT INC ROSEMERE CENTRE PROPERTIES LTD	Me Linda Galessiere Me Jessica Wuthmann	lgalessiere@cglegal.ca ; jwuthmann@cglegal.ca ;



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Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 41-2716886
- **Estate Name:** Change of Scandinavia Canada Retail Inc.

Document(s) submitted

The following document(s) have been successfully submitted

- Notice of Proposal to Creditors

Reference

- The Reference Number for this transaction is: **18655074**.
- Submitted by Ken Le.
- 2021-06-25 13:36 EDT

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

Date modified: 2021-05-28

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

Court No. 500-11-059566-212
Estate No. 41-2716886

In the Matter of the Proposal of

Change of Scandinavia Canada Retail Inc.

Debtor

- and -

Richter Advisory Group Inc.

Trustee

Affidavit of Mailing

**Notice of Proposal to Creditors and
Notice of Hearing of Application for
Court Approval of Proposal**

Richter Advisory Group Inc. - Trustee
Olivier Benchaya, CPA, CA, CIRP, LIT
1981 McGill College, 11th Floor
Montréal, QC H3A 0G6
Téléphone : 514.908.3796
Télécopieur : 514.934.8603

EXHIBIT E

CANADA
Province of Québec
District of: QC
Division No.: 01- Montreal
Court No.: 500-11-059566-212
Estate No.: 41-2716886

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency

MINUTES OF THE FIRST MEETING OF CREDITORS

In the Matter of the Proposal of : Change of Scandinavia Canada Retail Inc.	
Location of the meeting: Videoconference (due to the ongoing Covid pandemic) with Microsoft Teams	Chair of the meeting: Olivier Benchaya, CPA, CA, CIRP, LIT
	Date and Time of the meeting: July 13, 2021 9:00 AM

I. ATTENDANCE

As per attached attendance sheet.

II. QUORUM

The Trustee examined the proofs of claim and confirms to the attendees that there is Quorum.

- ☒ confirms that the meeting is validly constituted and can proceed.
- ☐ declares that after 30 minutes, quorum has not been met for ___ time and communicate his instructions to the attendees (see VIII).

III. TRUSTEE'S REPORT AND QUESTION PERIOD

The Trustee informs the attendees that the purpose of this meeting is to vote on the proposal.

Prior to the meeting, the Trustee had mailed the Notice of Proposal to Creditors to all known creditors of the debtor. The mailing included the Proposal, the trustee's report on the state of affairs and finances of the debtor and on the Proposal, a proof of claim and proxy form and a votation form.

Patrick Ifergan, from Richter, then presented an overview of the Trustee's Report and the Proposal.

IV. QUESTION PERIOD

No questions asked.

V. VOTE ON THE PROPOSAL

The president informs the creditors that the Trustee has received votation forms prior to the meeting and asks the creditors present at this meeting that have not yet voted to send their votes immediately to Patrick Ifergan (Pifergan@richter.ca). A pause of 5 min is taken to receive the votes and compile the final tally.

Me. Kandestin (from Kugler Kandestin LLP., the Debtor's legal counsel) mentions to the creditors that the claims are being admitted for voting purposes but have not yet been reviewed for distribution purposes. Mr. Benchaya reiterates this point and informs the attendees that the claims will be reviewed by the Trustee prior to the distribution.

Mr. Clément Noah, representative of Revenue Quebec, asks the Trustee if he has received his request addressed to the Company regarding the filing of a sales tax report. Mr. Ifergan responded in the affirmative. Mr. Noah asks when he can expect to receive this report, to which Mr. Ifergan answers that he did not have the chance to speak to the Company in this regard but that the Trustee will help ensure that the filing is done as soon as possible .

Mr. Noah then advised the Trustee that Revenue Quebec withdraws their negative vote and will now abstain from voting on the proposal. This was also confirmed by email which was sent to Patrick Ifergan after the Creditor's meeting.

Below is a summary of the votes:

Compilation of the creditors votation				
	<i>In value</i>		<i>In number</i>	
	<u>\$</u>	<u>%</u>	<u>#</u>	<u>%</u>
In favour	\$ 906,842.10	100%	26	100%
Against	\$ 0	0%	0	0%

The president informs the creditors that the proposal has been accepted by the required majority.

VI. APPOINTMENT OF THE COMMITTEE

The Proposal provides for the possibility of appointing a committee of up to 5 individuals should the Trustee require the Creditors' input. The president confirms the appointment of Mr. Alexandre Forest, representing several landlords.

VII. ADJOURNMENT OF MEETING

Mr. Noah requests that the Minutes of this meeting and the voting results be sent to him, to which the president agreed.

☒ There being no further items to discuss, the meeting was ended at 9:18 A.M.



President

- Appendices** :
- ☒ Proof of calling for meeting
 - ☒ Attendance sheet
 - ☒ Trustee's report to the first meeting of creditors