



Court File No. CV-18-597987-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**THE HONOURABLE
JUSTICE MCEWEN**

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**THURSDAY THE 14TH
DAY OF JUNE, 2018**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

O R D E R

THIS MOTION, made by Rockport Blocker, LLC ("**Rockport Blocker**"), in its capacity as the foreign representative (the "**Foreign Representative**") of the Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Paul Kosturos sworn June 13, 2018 and the exhibits thereto (the "**Second Kosturos Affidavit**"), the first report of Richter Advisory Group Inc. ("**Richter**") in its capacity as the Court-appointed information officer (the "**Information Officer**") dated June 14, 2018 (the "**First Report**"), and on hearing the submissions of counsel

for the Debtors, counsel for the Information Officer, counsel for Citizens Business Capital, in its capacity as Administrative Agent and Collateral Agent for the lenders under the Senior Secured Super-Priority Debtor-in-Possession Revolving Credit Agreement, counsel for the Senior Secured Noteholders and DIP Note Lenders, counsel for The Cadillac Fairview Corporation Limited, counsel for Cushman & Wakefield Asset Services Inc., Ivanhoe Cambridge Inc., RioCan Real Estate Investment Trust, and upon no one appearing for any other parties although duly served as appears from the Affidavit of Service of Evita Ferreira sworn June 13, 2018, filed,

SERVICE

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

RECOGNITION OF FOREIGN ORDERS

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Second Kosturos Affidavit.

3. **THIS COURT ORDERS** that the following orders of the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) made in the insolvency proceedings of the Debtors under Chapter 11 of Title 11 of the United States Bankruptcy Code are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- a. an order, *inter alia*, (i) approving the bidding procedures, attached as Exhibit 1 to the Bidding Procedures Order, pursuant to which the Debtors will solicit and select the

- highest or otherwise best offer for the sale (the “**Sale**”) of all or substantially all of the Debtors’ assets, (ii) approving the Stalking Horse Protections (as defined in the Bidding Procedures Order) provided by the Debtors to CB Marathon Opco, LLC, an affiliate of Charlesbank Equity Fund IX, Limited Partnership, (iii) scheduling an auction, if necessary, (iv) authorizing and approving the Sale Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 2 thereto, and the Potential Assumption and Assignment Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 3 thereto, (v) approving the amendments to Sections 4.4(i) and 4.6(a) of the Stalking Horse Agreement, substantially in the form attached to the Bidding Procedures Order as Exhibit 4 thereto, to address the unsecured creditors’ committee’s objection to the Stalking Horse Protections (as defined in the Bidding Procedures Order), (vi) authorizing and approving procedures for the assumption and assignment of the Contracts and Leases and the determination of Cure Costs with respect thereto, (vii) scheduling a hearing to approve the Sale, and (viii) granting related relief (the “**Bidding Procedures Order**”);
- b. an order, *inter alia*, (i) authorizing, but not directing, the Debtors to (a) conduct store closing sales (the “**Store Closing Sales**”) at the Debtors’ retail stores in the United States and Canada (collectively, the “**Closing Stores**”) in accordance with the terms of the store closing sale guidelines attached as Exhibit 1 to the Store Closing Sales Order, and (b) pay retention and shrink bonuses to non-insider retail employees at the Closing Stores who remain employed for the duration of the Store Closing Sales, and (ii) granting certain related relief (the “**Store Closing Sales Order**”);

- c. an order, among other things, authorizing, but not directing, the Debtors to retain and pay professionals utilized in the ordinary course of business, including, but not limited to those set forth on Exhibit 1, attached to the Ordinary Course Professionals Order, as of the Filing Date or the applicable date of engagement, in accordance with the procedures proposed therein (the “**Ordinary Course Professionals Order**”);
- d. an order, among other things, authorizing the Debtors to employ and retain Prime Clerk LLC as administrative advisor in the US Proceedings, *nunc pro tunc*, to the Filing Date (the “**Administrative Advisor Order**”);
- e. an order, among other things, (i) authorizing the Debtors to retain Alvarez & Marsal North America, LLC together with employees of its professional service provider affiliates (all of which are wholly-owned by its parent company and employees) and its wholly-owned subsidiaries (collectively, “**A&M and Affiliates**”) pursuant to the terms of that certain letter agreement between A&M and Affiliates and the Debtors, dated March 1, 2018 (replacing the prior engagement letter dated as of October 10, 2017) to provide the Debtors with an interim chief financial officer (“**Interim CFO**”), interim chief operating officer (the “**Interim COO**”) and additional employees of A&M and Affiliates (the “**Additional Personnel**”, and together with the Interim CFO and Interim COO, the “**Engagement Personnel**”), as needed to assist the Interim CFO and Interim COO, (ii) designating Paul Kosturos as Interim CFO and Josh Jacobs as Interim COO to the Debtors effective *nunc pro tunc* as of the Filing Date, and (iii) granting certain related relief (the “**A&M Retention Order**”);

- f. an order, among other things, (i) authorizing the retention and employment of HYPERAMS, LLC as the Debtors' liquidation consultant *nunc pro tunc* to May 25, 2018, and (ii) modifying certain reporting requirements under the Local Rules (the "**Consultant Retention Order**");
- g. a final order (i) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay (a) all or a portion of the shipping and warehousing claims and (b) certain import charges; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors' general disbursement account and other transfers, to the extent such cheques and transfers relate to any of the foregoing (the "**Final Shippers and Warehousemen Order**");
- h. a final order (i) authorizing, but not directing, the Rockport Group to pay prepetition obligations of certain (a) critical vendors, up to US\$2,000,000; and (b) foreign vendors up to US\$20 million; and (ii) authorizing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group's general disbursement account and other transfers, to the extent these cheques and transfers relate to any of the foregoing (the "**Final Critical and Foreign Vendors Order**");
- i. a final order (i) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay Covered Taxes and Fees (as defined in the First Day Declaration), whether asserted prior to, on or after the commencement of the Chapter 11 cases; and (ii) authorizing and directing applicable banks and financial institutions to receive,

process, honor and pay any and all cheques drawn on the Rockport Group's general disbursement account and other transfers to the extent these cheques and transfers relate to any of the foregoing (the "**Final Taxes Order**");

- j. a final order (i) authorizing the Rockport Group to continue and renew their (a) Insurance Programs (as defined in the First Day Declaration), including Premium Financing (as defined in the First Day Declaration), and (b) Surety Bond Program (as defined in the First Day Declaration) and honor all obligations under the Insurance and Surety Bond Programs; (ii) modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to permit the Rockport Group's employees to proceed with any claims they may have under the Workers' Compensation Program (as defined in the First Day Declaration); and (iii) authorizing financial institutions to honor and process related cheques and transfers (the "**Final Insurance Order**");
- k. a final order authorizing the Rockport Group to pay pre-Petition wages, compensation, employee benefits and claims of independent contractors (the "**Final Wages Order**");
- l. a final order, with respect to utilities providers, (i) prohibiting the Rockport Group's utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of post-Petition payment to the utilities; and (iii) establishing procedures for resolving any subsequent requests by the utilities for additional adequate assurance of payment (the "**Final Utilities Order**"); and

- m. a final order authorizing, but not directing, the Rockport Group to maintain their existing bank accounts, cash management system and authorizing the continuation of (and administrative expense priority status of) intercompany transactions, subject to certain limitations set out therein (the “**Final Cash Management Order**”, together with the aforementioned orders, the “**Second Day and Other US Orders**”);

provided, however, that in the event of any conflict between the terms of the Second Day and Other US Orders and the Orders of this Court made in these proceedings, the Orders of this Court shall govern with respect to the Property (as defined in the Supplemental Order (Foreign Main Proceeding) of this Court made in these proceedings on May 16, 2018) in Canada. Copies of the Second Day and Other US Orders are attached as Exhibits D to P of the Second Kosturos Affidavit.

GENERAL

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Foreign Representative, the Debtors, the Information Officer and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Debtors, the Information Officer, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Foreign Representative, the Debtors, the Information Officer and their respective agents in carrying out the terms of this Order.

5. **THIS COURT ORDERS** that each of the Foreign Representative, the Debtors and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



A handwritten signature in black ink, appearing to read 'McIntosh', is written above a horizontal line.

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

JUN 14 2018

PER / PAR:



A handwritten signature in blue ink, appearing to read 'Sh', is written next to the 'PER / PAR:' label.

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PROCEEDINGS COMMENCED AT TORONTO

ORDER

(June 14, 2018)

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