

CANADA
Province of Quebec
District of Québec
Division No.: 01-Montréal
Court No.: 500-11-055622-183
Estate No.: 41-2448488

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:

C & E CANADA INC.,
legal person duly incorporated under the laws of
Canada, having its registered office at 1000 de la
Gauchetière, Suite 2100, Montreal QC H3B 4W5

Petitioner / Debtor

-and-

RICHTER ADVISORY GROUP INC.

Proposal Trustee

**FIRST REPORT OF THE TRUSTEE
ON THE STATE OF PETITIONER'S BUSINESS AND FINANCIAL AFFAIRS**

Richter Advisory Group Inc. ("**Richter**"), in its capacity as Trustee, with respect to the Notice of Intention to Make a Proposal ("**NOI**") filed by C & E Canada Inc. (the "**Debtor**" or the "**Company**"), an insolvent person, does hereby report to the Court the following:

INTRODUCTION

1. On November 28, 2018, the Debtor filed a Notice of Intention to make a Proposal (the "**NOI**") in accordance with Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S. C. 1985, c. B.-3, as amended (the "**BIA**"), and Richter was appointed as Proposal Trustee under the NOI. A copy of the Certificate of Filing issued by the Superintendent of Bankruptcy is annexed hereto as **Exhibit "A"**.
2. On November 28, 2018, documents were sent by regular mail to all creditors of the Debtor, as identified by it, which included a copy of the Debtor's Notice of Intention, as annexed hereto as **Exhibit "B"**.

3. On November 28, 2018, the Debtor filed with the Official Receiver a Statement of Projected Cash Flow ("**Projections**") together with his report pursuant to Section 50.4(2)(c) of the Act, covering the period from November 25, 2018, to January 19, 2019, which included the major assumptions used in the preparation of the Projections. Concurrently therewith, the Trustee filed its Report on the reasonableness of the Projections in accordance with Section 50.4(2)(b) of the Act, all of which is annexed hereto as **Exhibit "C"**.
4. In order to monitor the affairs and finances of the Debtor, the Trustee has been provided with access to the books, records and other important documents of the Debtor.

PURPOSE OF THIS REPORT

5. The purpose of this First Report is to provide this Court with information pertaining to:
 - a) A limited summary regarding the background and operations of the Debtor and its creditors;
 - b) The Debtor's proposed post-filing strategy, including information on the liquidation process proposed to be undertaken by the Debtor;
 - c) The key terms of a consulting agreement (the "**Consulting Agreement**") between the Debtor and Gordon Brothers Canada, ULC, an affiliate of Gordon Brothers Retail Partners, LLC (the "**Consultant**"), pursuant to which, subject to Court approval, the Consultant will act as liquidation consultant to assist in liquidating the Debtor's inventory and owned furniture, fixtures and equipment ("**FF&E**") at the Debtor's retail locations in accordance with the sale guidelines ("**Sale Guidelines**") appended to the Liquidation Order (as hereinafter defined);
 - d) The Debtor's statement of projected cash flow for the period from November 25, 2018 to January 19, 2019;
 - e) The Debtor's request for an extension of the time required to file a proposal (the "**Proposal Period**") to January 15, 2019; and
 - f) The Proposal Trustee's recommendations that this Court make orders, as requested by the Debtor:
 - Approving the Consulting Agreement and Sale Guidelines;
 - Authorizing and directing the Debtor, with the assistance of the Consultant, to conduct a liquidation of the Debtor's retail operations, in accordance with the Sale Guidelines, and to take any and all actions, as may be necessary or desirable, to implement the Consulting Agreement and the transaction contemplated therein (the "**Liquidation Order**"); and
 - Approving the extension of the Proposal Period to January 15, 2019 ("**Extension Order**").

TERMS OF REFERENCE

6. Unless otherwise noted, all monetary amounts contained in this First Report herein are expressed in Canadian dollars.
7. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited financial information prepared by the Debtor's representatives, the Debtor's books and records, and discussions with the Debtor's representatives and legal counsel (the "**Information**").
8. Except as otherwise described in this First Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook (the "**CPA Handbook**") and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
9. Future oriented financial information relied upon in this First Report is based on the Debtor's representatives' assumptions regarding future events; actual results achieved may vary from the Information presented even if the hypothetical assumptions occur and these variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether projections will be achieved.

GENERAL BACKGROUND INFORMATION OF THE DEBTOR

10. Crabtree & Evelyn is an international retailer of body, fragrance and home care products with stores globally. The Debtor is a wholly owned subsidiary of Crabtree & Evelyn Holdings Limited which is an investment holding company located in England.
11. At the time of the filing, the Debtor had approximately 123 full-time and part-time employees, virtually all of whom are involved in the retail operations. Managerial and administrative services are provided by related entities located in the United States and the United Kingdom.
12. At the time of filing, the Debtor operated 19 retail stores in Canada including Ontario (11), British Columbia (6), Quebec (1) and Alberta (1). The Debtor does not have a distribution center in Canada, with all product being supplied by a related entity in the United States. In addition, the Debtor sold its inventory through various specialty retailers throughout Canada.
13. The NOI was filed in a context where:
 - a) The Debtor has been experiencing significant losses over the last few years which it attributes to:

- Changing consumer demand for new product items;
 - The rise of e-commerce; and
 - Long-term declines in traditional retail traffic and productivity.
- b) The Debtor does not have its own third-party lending facilities and instead has relied upon financial support from related entities. Harvey Supply Chain International LLC (“**Harvey**”) has been the primary supplier of inventory to the Debtor. These related entities have advised the Debtor that they will no longer continue to support the Debtor in view of the significant balances owing by the Debtor. Harvey has recently decided to shift from an internal manufacturing and distribution center to third parties and can no longer subsidize Canadian production and distribution.
14. The Debtor’s assets consist primarily of inventory with a book value of approximately \$1.3 million, all of which is located in the retail locations and wholesale accounts receivable with a book value of approximately \$300,000.
15. The table below summarizes the historical financial results of the Debtor for the nine (9) months ended December 31, 2016, the fiscal year ended December 31, 2017 and for the ten (10) months ended October 31, 2018.

Profit & Loss Overview				
(\$000's)	Unaudited		Audited	
	10 Mos. Ended Oct/18	Year Ended Dec/17	9 Mos. Ended Dec/16	
Sales	\$ 7 552	\$ 10 632	\$ 8 632	
Gross Profit	4 089	4 807	5 410	
	<i>54%</i>	<i>45%</i>	<i>63%</i>	
Expenses	(7 423)	(9 730)	(6 623)	
Operating Loss	(3 334)	(4 923)	(1 213)	
Other Rev. / (Exp.)	(1 295)	105	(195)	
Net Loss	\$ (4 629)	\$ (4 818)	\$ (1 408)	

THE DEBTOR’S CREDITORS

16. As noted above, the Debtor does not have its own third-party lending facilities and reports that it does not have any secured creditors.
17. The Debtor’s books and records reveal the following accrued and unpaid obligations to unsecured creditors approximating \$15.2 million summarized as follows:
- a) Related entities: \$14.8 million for the supply of inventory, advance of funds and support services;

- b) Trade creditors: \$0.4 million including unpaid rent and utilities;
- c) Employees: Accrued vacation pay of approximately \$24,000 which is expected to be paid in the normal course. Payroll is paid on a biweekly basis and is projected to continue to be paid through the liquidation period.

OBJECTIVES OF THE DEBTOR'S NOI PROCEEDINGS

- 18. As noted above, as a result of a number of factors, the Debtor has suffered significant losses in the last few years and has only been able to continue to operate with the significant financial support of various related entities.
- 19. In the circumstances, the Debtor has determined that it is in the best interests of all stakeholders for the Debtor to commence an orderly liquidation of its inventory and other assets to maximize the value of its assets which will ultimately be distributed to its creditors.

LIQUIDATOR SELECTION PROCESS

- 20. It is the Debtor's (and the Proposal Trustee's) belief that realizations from retail operations will be maximized through the appointment of an experienced liquidator to assist the Debtor with the orderly liquidation of its retail inventory.
- 21. In connection with the above, the Proposal Trustee notes that prior to the filing of the Debtor's NOI, the Debtor (through the Proposal Trustee) was in contact with the Consultant – a specialist in evaluating, assessing and monetizing retail assets – to assist the Debtor in a strategy to maximize recoveries from its retail assets.
- 22. Given the Debtor's precarious financial position and taking into consideration that the Debtor is entering its peak selling season, the Debtor (and the Proposal Trustee) believe that, in order to take advantage of the holiday selling season, it is appropriate (subject to approval of the Court) to enter into the Consulting Agreement.

THE CONSULTING AGREEMENT

- 23. Effective November 26, 2018, the Debtor and the Consultant entered into the Consulting Agreement, a copy of which is attached hereto as **Exhibit "D"**. The key elements of the Consulting Agreement, are as follows:
 - a) the Consultant will assist the Debtor in conducting a store closing or similar-themed liquidation sale of all merchandise and other owned assets in the retail locations;

- b) the liquidation sale will commence on or about November 30, 2018 (the “**Sale Commencement Date**”) and will conclude no later than December 31, 2018, or such other dates as agreed to by the Debtor and the Consultant with the approval of the Proposal Trustee (the “**Liquidation Period**”);
 - c) the Sale Guidelines in regards to the conduct of the liquidation sale are attached to the proposed order approving, among other things, the Consulting Agreement (the “**Liquidation Process Order**”). The Sales Guidelines provide that, subject to certain exceptions, the liquidation sale is to be conducted in accordance with the terms of the applicable leases for each of the Debtor’s retail locations. Given the narrow scope of the liquidation sale, the Sale Guidelines do not provide for any augmentation of the Debtor’s merchandise. In the Proposal Trustee’s view, the Sale Guidelines are in a form consistent with recent Canadian retail liquidations;
 - d) the Debtor is responsible for all reasonable costs and expenses in connection with the liquidation sale, certain of which are subject to an agreed upon budget with the Consultant;
 - e) in consideration of its services, the Consultant will earn a fee of two percent (2.0%) of the net proceeds from the sale of merchandise;
 - f) the Consultant will also assist the Debtor in selling any owned FF&E. The Consultant will earn a fee of twenty percent (20%) of the gross proceeds from the sale of the Debtor’s FF&E; and
 - g) the Consulting Agreement is subject to approval of the Court.
24. At the conclusion of the Liquidation Period, each of the closing stores will be surrendered to the landlord. The Debtor will work with the Consultant to coordinate the disclaimer of leases so that such disclaimers become effective on the conclusion of the liquidation sale for each closing store.
25. The Proposal Trustee is supportive of the engagement of the Consultant and the execution and implementation of the Consulting Agreement for the following reasons:
- a) the only reasonable alternative to the liquidation sale is a liquidation of the Debtor’s assets through receivership and / or bankruptcy proceedings that may result in lower recoveries;
 - b) the Consultant has extensive experience in retail liquidations and inventory disposition in the Canadian marketplace;
 - c) the Debtor’s limited liquidity coupled with the need to commence liquidation sales immediately to take advantage of the holiday selling season eliminates the Debtor’s ability to canvass other potential experienced retail liquidators with the opportunity;
 - d) the fee payable to the Consultant is, in the Proposal Trustee’s experience, comparable to other retail liquidations;

- e) the Consultant has experience working with Canadian landlords of retail tenants in insolvency proceedings and understands their requirements and concerns; and
- f) the Debtor's largest unsecured creditors (which are related parties) support the liquidation sale, the retention of the Consultant and the Consulting Agreement.

THE DEBTOR'S CASH FLOW FORECAST

26. The Debtor, with the assistance of the Proposal Trustee, has prepared a consolidated forecast of their receipts and disbursements for the period from November 25, 2018 to January 19, 2019 (the "Cash Flow Forecast"). A copy of the Cash Flow Forecast is attached hereto as **Exhibit "E"** and is summarized below:

C&E Canada Inc.	
Cash Flow Forecast for Period from November 25, 2018 - January 19, 2019 (\$000's)	
(\$000's)	Total
Receipts	\$ 2,463
Disbursements	
Payroll	520
Rent	278
Liquidation fees & expenses	107
General expenses and other	391
Merchant credit card fees	61
GST/HST paid into escrow	239
	1,596
Other disbursements	
Restructuring Professional Fees	408
Net Cash Flow	\$ 459
Opening Cash	\$ 269
Net Cash Flow	459
Ending Cash	\$ 728

27. The Cash Flow Forecast estimates that during the period of the projection, the Debtor will have sufficient liquidity to operate and meet its post-filing obligations.

REQUEST TO EXTEND THE PROPOSAL PERIOD TO JANUARY 15, 2019

28. The Debtor is requesting the extension of the Proposal Period to January 15, 2019 (the "Extension").

29. The Proposal Trustee supports the Debtor's request for the Extension for the following reasons:
- a) The liquidation sale will take approximately thirty (30) days to complete and thereafter, the Debtor will require time to determine whether the Debtor will be able to formulate a proposal to its creditors. The Consulting Agreement contemplates the liquidation sale commencing on or about November 30, 2018 and concluding no later than December 31, 2018 or such other dates agreed to by the Debtor and the Consultant (with the approval of the Proposal Trustee);
 - b) the Debtor is acting in good faith and with due diligence in taking steps to monetize their assets for the benefit of their stakeholders; and
 - c) it is the Proposal Trustee's view that the Extension will not prejudice or adversely affect any group of creditors.
30. While it is too early to determine whether a viable proposal will be presented by the Debtor to its creditors, in the Proposal Trustee's view, the Debtor's request for the Extension is appropriate in the circumstances.

CONCLUSION AND RECOMMENDATION

31. Based on all of the forgoing, the Proposal Trustee respectfully recommends that this Honourable Court issue the Liquidation Order and the Extension Order granting the relief summarized in paragraph 5(f) of this First Report.

Respectfully submitted at Montreal, this 28th day of November 2018.

Richter Advisory Group Inc.
Licensed Insolvency Trustee



Andrew Adessky, CPA, CA, CIRP, LIT

Exhibit A



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Québec
Division No. 01 - Montreal
Court No. 500-11-055622-183
Estate No. 41-2448488

In the Matter of the Notice of Intention to make a
proposal of:

C & E Canada Inc.
Insolvent Person

**RICHTER ADVISORY GROUP INC / RICHTER GROUPE
CONSEI**
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 28, 2018, 09:42

E-File/Dépôt Electronique

Official Receiver

Sun Life Building, 1155 Metcalfe Street, Suite 950, Montréal, Québec, Canada, H3B2V6, (877)376-9902

Canada

Exhibit B

RICHTER

CANADA
Province of Québec
District of: Québec
Division No.: 01-Montreal
Court No.: 500-11-055622-183
Estate No.: 41-2448488

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

Notice to Creditors of Intention to Make a Proposal (Subsection 50.4(6))

In the matter of the Notice of Intention to make a Proposal of C & E Canada Inc. of the City of Montreal in the Province of Quebec

Notice is hereby given that, on November 28, 2018, the above-mentioned Debtor filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, as per a copy attached hereto.

Notice is further given that in accordance with Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against the Debtor are hereby stayed. Accordingly, no creditor has any remedy against the Debtor or its assets, nor shall it commence or continue any action, execution, or other proceedings for the recovery of a claim.

A list of the creditors with claims amounting to \$250 or more and the amounts of their claims as known or shown by the Debtor's books is annexed hereto. The enclosure thereof does not constitute the acceptance of any claim or claims.

Upon the filing of the contemplated Proposal, a **further** notice shall be mailed to you providing you with the following:

- a) A copy of the Proposal;
- b) The date, time and place of a Meeting of Creditors to be held to consider the Proposal;
- c) A condensed statement of the assets and liabilities of the Debtor;
- d) The following prescribed forms, to be completed:
 - Proof of Claim;
 - Proxy;
 - Voting Letter on the Proposal.

Should the Debtor fail to file a Proposal within the prescribed delays, an automatic bankruptcy will ensue and the Trustee will forthwith convene a meeting of creditors.

Dated at Montréal, Province of Québec, November 28, 2018.

Richter Advisory Group Inc.
Licensed Insolvency Trustee
Trustee acting *in re* the proposal of
C & E Canada Inc.



Andrew Adessky, CPA, CA, CIRP, LIT

T. 514.934.3400 / 1.888.805.1793
F. 514.934.8603
claims@richter.ca

Richter Groupe Consell Inc.
Richter Advisory Group Inc.
1981 McGill College
Montréal, QC H3A 0G6 Montréal, Toronto

(français - recto)

District of:
Division No. -
Court No.
Estate No.

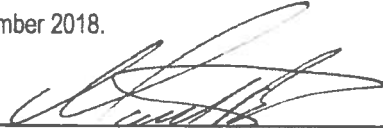
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of
C & E Canada Inc.
of the City of Montreal
in the Province of Quebec

Take notice that:

1. I, C & E Canada Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Richter Advisory Group Inc/Richter Groupe Conseil inc of 1981 avenue McGill College, 11e étage, Montréal, QC, H3A 0G6, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Montréal in the Province of Quebec, this 28th day of November 2018.



C & E Canada Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of
 C & E Canada Inc.
 of the City of Montreal
 in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1929087 ONTARIO LTD	14-3650 LANGSTAFF ROAD, SUITE 250 WOODBRIDGE ON L4L 9A8		123,000.00
ACKLANDS-GRAINGER INC	PO BOX 2970 WINNIPEG MB R3C 4B5		608.20
ALEXANDER ARONSON FINNING (USD)	50 WASHINGTON STREET WESTBOROUGH MA 01581 USA		15,612.00
BELL CANADA	P.O. BOX 3650 STATION DON MILLS TORONTO ON M3C 3X9		2,944.20
BENTALL KENNEDY (CANADA) LTD PRTR	WHITE OAKS MALL HOLDINGS LTD PO BOX 49001 FOUR BENTALL CENTRE VACOUVER BC V7X 1B1		7,379.14
BRANDWISE INC. (USD)	12596 WEST BAYAUD AVENUE SUITE 100 LAKEWOOD CO 80228 USA		1,301.00
BUSINESS DEPOSITS PLUS (USD)	25366 NETWORK PLACE CHICAGO IL 60673-1253 USA		409.17
COMMAND SERVICES (LONDON) LTD	100 PICADILLY STREET LONDON ON N6A 1R8		542.35
CRABTREE & EVELYN US	102 PEAKE BROOK RD WOODSTOCK CT 06281 USA		3,089,000.00
CS HUDSON, INC (USD)	700 VETERANS MEMORIAL HWY, SUITE 215 HAUPPAUGE NY 11788 USA		931.86
DAVID YOUNGSON & ASSOCIATES	200-12 CRANFIELD TORONTO ON M4B 3G8		8,000.00
EMPLOYEES			23,682.09
FALLS MANAGEMENT GROUPLP	100-6380 FALLSVIEW BLVD GALLERIA SHOPS DINING NIAGARA FALLS ON L2G 7Y6		8,686.52
GRAND TOY LIMITED	P.O. BOX 5500 DON MILLS ON M3C 3L5		1,361.26

M.B.

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of
 C & E Canada Inc.
 of the City of Montreal
 in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
GRANITE COMMUNICATIONS	C/O T9906 PO BOX 9906 POSTAL STATION A TORONTO ON M5W 2J2		780.46
GREAT WEST LIFE ASSURANCE COMPANY	P.O. BOX 1053 WINNIPEG MB R3C 2X4		2,252.09
HARVEY GLOBAL SUPPLY CHAIN	102 PEAKE BROOK RD WOODSTOCK CT 06281 USA		11,675,000.00
HILLSIDE CENTRE HOLDINGS	21-1644 HILLSIDE AVE VICTORIA BC V8T 2C5		3,585.46
MAPLE LEAF SELF STRGE-MLSS-RICHMOND	3240 NO.4 ROAD RICHMOND BC V6X 2L7		575.40
MARINO LOCATIONS LIMITED	208 EVANS AVENUE TORONTO ON M8Z 1J7		2,260.00
MINISTER OF REVENUE OF QUEBEC	3 COMPLEXE DESJARDINS CP 3000 SUCCURSALE DESJARDINS MONTREAL QC H5B 1A4		4,738.15
MINISTRY OF FINANCE	STN PROV GOVT PO BOX 9445 VICTORIA BC V8W 9V5		17,022.64
MIRABEL OUTLET CENTRE GEN PRTRNSHP	C/O SIMON PROPERTY GROUP-PREM OUTLE 105 EISENHOWER PARKWAY 1ST FLOOR ROSELAND NJ 07068 USA		8,760.84
NEWMARKET HYDRO LIMITED	590 STEVEN COURT NEWMARKET ON L3Y 6Z2		359.67
OAKRIDGE CNTR VANCOUVER HLDNGS INC.	319-650 WEST 41ST STREET NORTH OFFICE TOWER VANCOUVER BC V5Z 2M9		21,601.42
OPGI MANAGEMENT LP O/A OXFORD ITF	SQUARE ONE 100 CITY CENTRE DRIVE MISSISSAUGA ON L5B 2C9		20,305.84
OSHAWA CENTRE HOLDINGS INC	300-95 WELLINGTON STREET WEST TORONTO ON M5J 2R2		8,775.24

M.B.

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of
 C & E Canada Inc.
 of the City of Montreal
 in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PENSIONFUND REALTY LIMITED BRITISH COLUMBIA	2201-2929 BARNET HIGHWAY COQUITLAM CENTRE COQUITLAM BC V3B 5R5		4,021.96
PENSIONFUND REALTY LIMITED ONTARIO	C/O MORGUARD INVESTMENTS LIMITED 504A-131 BLOOR STREET WEST TORONTO ON M5S 3L7		10,397.45
PLAYNETWORK (USD)	PO BOX 21550 NEW YORK NY 10087-1550 USA		993.94
R.A. CONSTRUCTION SERVICES, INC.	16 INDUSTRIAL PKWY SOUTH AURORA ON L4G 0R4		44,459.85
RMI ITF COOKSTOWN MALL	315-700 LAWRENCE AVENUE WEST TORONTO ON M6A 3B4		11,256.01
RMHTF TANGER OUTLET-OTTAWA	400-8555 CAMPEAU DRIVE MANAGEMENT OTTAWA ON K2T 0K5		36,140.92
ROGERS WIRELESS	P.O. BOX 9100 DON MILLS ON M3C 3P9		566.67
SHAW CABLE	PO BOX 2468 STN M CALGARY AB T2P 4Y2		255.16
SP MGMT LP ITF SCOTIA PLAZA	600-30 ADELAIDE STREET EAST TORONTO ON M5C 3H1		9,880.92
SPENCER TECHNOLOGIES INC. (USD)	PO BOX 83258 WOBURN MA 18133258 USA		727.71
TBC NOMINEE INC.	ADMINISTRATION OFFICE 2-1150 DOUGLAS ST VICTORIA BC V8W 3M9		5,259.87
TEMPLETON DOC LIMITED PARTNERSHIP	C/O V8201 STATION TERMINAL VANCOUVER BC V6B 6N3		11,333.31
UPPER CANADA MALL LIMITED	OPGI MANAGEMENT LP O/A OXFORD ITF 17600 YONGE STREET BOX 256 NEWMARKET ON L3Y 4Z1		10,210.16


M.B

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of
C & E Canada Inc.
of the City of Montreal
in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
UPS (USD)	28013 NETWORK PLACE CHICAGO IL 60673 USA		19,976.74
VIKING RIDEAU CORPORATION	50 RIDEAU STREET SUITE 300 OTTAWA ON K1N 9J7		18,100.72
WYSE METER SOLUTIONS INC	PO BOX 95530 RPO NEWMARKET CTR NEWMARKET ON L3Y 8J8		367.68
Total			15,233,424.07



C & E Canada Inc.
Insolvent Person

- Proposal Consent -

In the matter of the Notice of Intention to make a Proposal of
C & E Canada Inc.
of the City of Montreal
in the Province of Quebec

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of C & E Canada Inc..

Dated at the City of Montréal in the Province of Quebec, this 28th day of November 2018.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Licensed Insolvency Trustee

Per:



Andrew Adessky, CPA, CA, CIRP, LIT - Licensed Insolvency Trustee

1981 avenue McGill College, 11e étage

Montréal QC H3A 0G6

Phone: (514) 934-3400 Fax: (514) 934-8603



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Québec
Division No. 01 - Montreal
Court No. 500-11-055622-183
Estate No. 41-2448488

In the Matter of the Notice of Intention to make a
proposal of:

C & E Canada Inc.
Insolvent Person

**RICHTER ADVISORY GROUP INC / RICHTER GROUPE
CONSEI**
Licensed Insolvency Trustee

Date of the Notice of Intention: November 28, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 28, 2018, 09:42

E-File/Dépôt Electronique

Official Receiver

Sun Life Building, 1155 Metcalfe Street, Suite 950, Montréal, Québec, Canada, H3B2V6, (877)376-9902

Canada

Exhibit C

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-055622-183
Estate No. 41-2448488

-- 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 Notice of Intention to make a Proposal of
C & E Canada Inc.
of the City of Montreal
in the Province of Quebec

The attached statement of projected cash flow of C & E Canada Inc., as of the 26th day of November 2018, consisting of November 18, 2018 to January 19, 2019, has been prepared by the management of the insolvent person (or the insolvent debtor) 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 or 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 or the insolvent person 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.

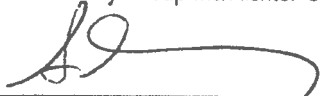
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

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 28th day of November 2018.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Licensed Insolvency Trustee

Per:



Andrew Adessky, CPA, CA, CIRP, LIT - Licensed Insolvency Trustee
1981 avenue McGill College, 11e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-055622-183
Estate No. 41-2448488

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 Notice of Intention to make a Proposal of
C & E Canada Inc.
of the City of Montreal
in the Province of Quebec

Purpose:

C & E Canada Inc. filed a Notice of Intention to Make a Proposal on November 28, 2018. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of C & E Canada Inc. (the "Company"), for the period from November 18, 2018 to January 19, 2019, relating to the filing of a Notice of Intention to Make a Proposal on November 28, 2018.

This Statement of Projected Cash Flow has been prepared by management on November 26, 2018, based on available financial information at that date in accordance with Section 50.4(2) 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 from November 18, 2018 to January 19, 2019, 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 the expected liquidation sales during the period.

(b) Projected Cash Disbursements

The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company;

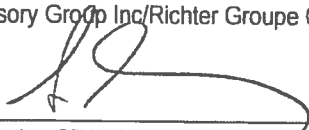
The current government remittances for source deductions and sales taxes are included in the disbursement assumptions.

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 28th day of November 2018.

Richter Advisory Group Inc/Richter Groupe Conseil inc - Licensed Insolvency Trustee

Per:



Andrew Adessky, CPA, CA, CIRP, LIT - Licensed Insolvency Trustee
1981 avenue McGill College, 11e étage
Montréal QC H3A 0G6
Phone: (514) 934-3400 Fax: (514) 934-8603

Exhibit D

GORDON BROTHERS CANADA ULC

VIA EMAIL

Mr. David Stern
C & E Canada Inc.
c/o Crabtree & Evelyn Holdings Ltd.
15 Bonhill Street
London EC2A 4DN
United Kingdom

Re: Letter Agreement Governing Inventory Disposition

Dear David:

This letter shall serve as an agreement (“Consulting Agreement”) between Gordon Brothers Canada ULC, an affiliate of Gordon Brothers Retail Partners, LLC, on the one hand (“Consultant” or a “Party”), and C&E Canada Inc., on the other hand (“Merchant” or a “Party” and together with the Consultant, the “Parties”), under which Consultant shall act as exclusive consultant to Merchant for the purpose of advising with respect to a sale of certain Merchandise (as defined below) at the Merchant’s stores set forth on Exhibit A (each a “Store” and collectively, the “Stores”) through a “Store Closing”, “Everything Must Go”, “Everything on Sale” or similar themed sale as approved in writing by Merchant (the “Sale”). The Merchant may elect to increase or decrease the number of Stores included in the Sale and/or transfer Merchandise to/from the non-closing stores during the Sale, at its discretion. Only Merchant-approved Sale terminology will be utilized at each Store.

The Merchant intends to file a Notice of Intention to Make a Proposal (“NOI”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. (“BIA”) and file an application with the Superior Court of Quebec (Commercial Division) (the “Court”) seeking an order, in form and substance acceptable to the Consultant, approving, among other things, this Agreement and the conduct of the Sale, in accordance with the terms hereof and the Sale Guidelines (the “Order”).

In connection with the NOI, Richter Advisory Group Inc. shall be appointed as the Proposal Trustee of the Merchant (the “Proposal Trustee”).

The Consultant and the Merchant agree and acknowledge that the entering into of this Agreement by the Merchant is subject to the issuance of the Order approving, among other things, this Agreement and the conduct of the Sale and that should the Order not be obtained, this Agreement shall have no force or effect.

A. Merchandise

For purposes hereof, “Merchandise” shall mean all goods, saleable in the ordinary course, located in the Stores on the Sale Commencement Date which Merchant requires to be sold through the Sale. “Merchandise” does not mean and shall not include: (1) goods that belong to sublessees, licensees or concessionaires of Merchant; (2) owned furnishings, trade fixtures, equipment and

improvements to real property that are located in the Stores (collectively, “FF&E”); or (3) damaged or defective merchandise that cannot be sold.

B. Sale Term

For each Store, the Sale shall commence on the first calendar day after issuance of the Order (the “Sale Commencement Date”) and conclude by no later than December 31, 2018 (the “Sale Termination Date”); provided, however, that the Parties, with the prior approval of the Trustee, may mutually agree in writing to extend, or Merchant, with the prior approval of the Trustee, may in writing elect to terminate the Sale at any Store prior to the Sale Termination Date. The Consultant acknowledges that, pursuant to Section 65.11 of the BIA, it is the intention of the Merchant to give thirty (30) days’ notice of disclaimer of the lease agreement for each Store by no later than thirty (30) days prior to the Sale Termination Date, so that the effective date of the disclaimer of the lease coincides with the Sale Termination Date. If the Consultant recommends the termination of the Sale at any Store prior to the Sale Termination Date, the Consultant shall provide the Merchant with notice of that recommendation no less than thirty-five (35) days prior to the revised Sale Termination Date applicable to such Store in order to allow the Merchant to give notice of disclaimer of the lease thirty (30) days prior to the revised Sale Termination Date applicable to such Store. The period between the Sale Commencement Date and the Sale Termination Date shall be referred to as the “Sale Term.” At the conclusion of the Sale, Consultant shall arrange that the premises for each Store are in “broom swept” and clean condition; provided, however, Merchant shall bear all costs and expenses associated with surrendering the premises to the landlords according to the budget to be established by Merchant and Consultant. At the conclusion of the Sale at each Store, Consultant shall photographically document the condition of each such Store.

C. Project Management

(i) Consultant’s Undertakings

During the Sale Term, Consultant shall (a) provide a qualified supervisor (the “Supervisor”) engaged by Consultant to oversee the management of the Stores; (b) recommend appropriate point-of-sale and external advertising for the Stores, for approval in writing by Merchant; (c) recommend appropriate pricing and discounts of Merchandise and staffing levels for the Stores and appropriate bonus and incentive programs, if any, for the Stores’ employees, for approval in writing by Merchant; (d) oversee display of Merchandise for the Stores; (e) to the extent that information is available, evaluate sales of Merchandise by category, provide sales reporting and monitor expenses; (f) maintain the confidentiality of all proprietary or non-public information regarding Merchant in accordance with the provisions of the confidentiality agreement signed by the Parties; (g) assist Merchant in connection with managing and controlling loss prevention and employee relations matters; (h) advise on the appropriate Sale Termination Date of each Store and inventory consolidation matters; and (i) provide such other related services deemed necessary or appropriate by Merchant and Consultant.

The Parties expressly acknowledge and agree that Merchant shall have no liability to the Supervisor for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from Consultant’s hiring or engagement of the Supervisor, and the Supervisor shall not be considered or deemed to be employees or consultants of Merchant.

In consideration of Consultant's engagement of the Supervisor, the Merchant agrees to pay the Consultant, as a Sale Expense, the Supervisor-related costs, expenses and deferred compensation,

in accordance with and subject to the Budget (collectively, the “Supervisor Costs”). The Merchant shall reimburse the Consultant for all Supervisor Costs weekly, based upon invoices or other documentation reasonably satisfactory to the Merchant.

(ii) Merchant’s Undertakings

All sales of Merchandise during the Sale Term shall be made by Merchant for its own account. Accordingly, during the Sale Term, Merchant shall (a) be the employer of the Stores’ employees, other than the Supervisor; (b) pay all taxes, costs, expenses, accounts payable, and other liabilities relating to the Stores, the Stores’ employees and other representatives of Merchant; (c) prepare and process all tax forms and other documentation; (d) collect all HST/GST and other applicable taxes assessed on the sale of the Merchandise and pay them to the appropriate taxing authorities for the Stores; (e) use reasonable efforts to cause Merchant’s employees to cooperate with Consultant and the Supervisor; (f) execute all agreements determined by the Merchant to be necessary or desirable for the operation of the Stores during the Sale; (g) arrange for the ordinary maintenance of all point-of-sale equipment required for the Stores; and (h) provide throughout the Sale Term central administrative services necessary for the Sale, including (without limitation) customary POS administration, sales audit, cash reconciliation, accounting, and payroll processing, all at Merchant’s cost and expense.

The Parties expressly acknowledge and agree that Consultant shall have no liability to Merchant’s employees for wages, benefits, severance pay, termination pay, vacation pay, pay in lieu of notice of termination or any other liability arising from Merchant’s employment, hiring or retention of its employees, and such employees shall not be considered employees of Consultant.

D. The Sale

The Merchant and the Consultant agree that the procedure for conducting the Sale for each Store shall be in accordance with the sale guidelines set forth at Exhibit C (the “Sale Guidelines”). Consultant does not have, nor shall it have, any right, title or interest in the Merchandise. All sales of Merchandise shall be by cash, gift card, gift certificate, merchandise credit, or credit or debit card and, at Merchant’s discretion, by check or otherwise in accordance with Merchant’s policies, and shall be “final” with no returns accepted or allowed, unless otherwise directed by Merchant.

E. Consultant Fee and Expenses in Connection with the Sale

As used in this Consulting Agreement, the following terms shall have the following meanings:

(i) “Gross Proceeds” shall mean the sum of the gross proceeds of all sales of Merchandise made in the Stores during the Sale Term using the “gross rings” method, net of applicable HST/GST.

(ii) “Net Proceeds” shall mean aggregate Gross Proceeds, less Consultant’s actual expenses incurred pursuant to the Expense Budget.

In consideration of its services hereunder, Consultant shall earn a fee equal to two percent (2%) of the aggregate Net Proceeds.

Merchant shall be responsible for all expenses of the Sale, including (without limitation) all Store level operating expenses, all costs and expenses related to Merchant's other retail store operations, and Consultant's other reasonable, documented out of pocket expenses. To control expenses of the Sale, Merchant has established a budget (the "Expense Budget") for certain delineated expenses, including (without limitation) payment of the costs of supervision (including (without limitation) Supervisor wages, fees, travel, and deferred compensation) and advertising costs. The Expense Budget for the Sale is attached hereto as Exhibit B. The Expense Budget may only be modified by mutual written agreement of Consultant and Merchant, with the consent of the Proposal Trustee, and Merchant may review, verify, and/or audit the expenses at any time. The Merchant and the Consultant shall meet weekly in order to review the proposed "spend" for the following week, which amount shall be subject to the approval of the Merchant. The costs of supervision set forth on Exhibit B include, among other things, industry standard deferred compensation. Notwithstanding anything herein to the contrary, unless otherwise agreed to by Merchant, Merchant shall not be obligated to pay costs of supervision and advertising costs that have not been included, or provided for, in the Expense Budget, as may be amended in accordance with this Consulting Agreement.

All accounting matters (including, without limitation, all fees, expenses, or other amounts reimbursable or payable to Consultant) shall be reconciled on every Wednesday for the prior week and shall be paid within seven (7) days after each such weekly reconciliation. The Parties shall complete a final reconciliation and settlement of all amounts payable to Consultant and contemplated by this Consulting Agreement (including, without limitation, Expense Budget items, and fees earned hereunder) no later than forty five (45) days following the Sale Termination Date for the last Store.

F. Indemnification

(i) Merchant's Indemnification

Merchant shall indemnify, defend, and hold Consultant and its consultants, members, managers, partners, officers, directors, employees, attorneys, advisors, representatives, lenders, potential co-investors, principals, affiliates, and Supervisor (collectively, "Consultant Indemnified Parties") harmless from and against all liabilities, claims, demands, damages, costs and expenses (including reasonable attorneys' fees) arising from or related to: (a) the willful or negligent acts or omissions of Merchant or the Merchant Indemnified Parties (as defined below); (b) the material breach of any provision of this Consulting Agreement by Merchant; (c) any liability or other claims, including, without limitation, product liability claims, asserted by customers, any Store employees (under a collective bargaining agreement or otherwise), or any other person (excluding Consultant Indemnified Parties) against Consultant or a Consultant Indemnified Party, except claims arising from Consultant's negligence, willful misconduct or unlawful behavior; (d) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of Consultant's Indemnified Parties or Merchant's customers by Merchant or Merchant's Indemnified Parties; and (e) Merchant's failure to pay over to the appropriate taxing authority any taxes required to be paid by Merchant during the Sale Term in accordance with applicable law.

(ii) Consultant's Indemnification

Consultant shall indemnify, defend and hold Merchant and its consultants, members, managers, partners, officers, directors, employees, attorneys, advisors, representatives, lenders, potential co-investors, principals, and affiliates (other than the Consultant or the Consultant Indemnified Parties) (collectively, "Merchant Indemnified Parties") harmless from and against all

liabilities, claims, demands, damages, costs and expenses (including reasonable attorneys' fees) arising from or related to (a) the willful or negligent acts or omissions of Consultant or the Consultant Indemnified Parties; (b) the breach of any provision of, or the failure to perform any obligation under, this Consulting Agreement by Consultant; (c) any liability or other claims made by Consultant's Indemnified Parties or any other person (excluding Merchant Indemnified Parties) against a Merchant Indemnified Party arising out of or related to Consultant's services hereunder, except claims arising from Merchant's negligence, willful misconduct, or unlawful behavior; (d) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of Merchant Indemnified Parties, or Merchant's customers by Consultant or any of the Consultant Indemnified Parties and (e) any claims made by any party engaged by Consultant as an employee, agent, representative or independent contractor arising out of such engagement.

G. Insurance

(i) Merchant's Insurance Obligations

Merchant shall maintain throughout the Sale Term, liability insurance policies (including, without limitation, products liability (to the extent currently provided), comprehensive public liability insurance and auto liability insurance) covering injuries to persons and property in or in connection with the Stores, and shall cause Consultant to be named an additional insured with respect to all such policies. At Consultant's request, Merchant shall provide Consultant with a certificate or certificates evidencing the insurance coverage required hereunder and that Consultant is an additional insured thereunder. In addition, Merchant shall maintain throughout the Sale Term, in such amounts as it currently has in effect, workers compensation insurance in compliance with all statutory requirements.

(ii) Consultant's Insurance Obligations

As an expense of the Sale, Consultant shall maintain throughout the Sale Term, liability insurance policies (including, without limitation, products liability/completed operations, contractual liability, comprehensive public liability and auto liability insurance) on an occurrence basis in an amount of at least Two Million dollars (\$2,000,000) and an aggregate basis of at least five million dollars (\$5,000,000) covering injuries to persons and property in or in connection with Consultant's provision of services at the Stores. Consultant shall name Merchant as an additional insured and loss payee under such policy, and upon execution of this Consulting Agreement provide Merchant with a certificate or certificates evidencing the insurance coverage required hereunder. In addition, Consultant shall maintain throughout the Sale Term, workers compensation insurance compliance with all statutory requirements. Further, should Consultant employ or engage third parties to perform any of Consultant's undertakings with regard to this Consulting Agreement, Consultant will ensure that such third parties are covered by Consultant's insurance or maintain all of the same insurance as Consultant is required to maintain pursuant to this paragraph and name Merchant as an additional insured and loss payee under the policy for each such insurance.

H. Representations, Warranties, Covenants and Agreements

(i) Merchant warrants, represents, covenants and agrees that (a) Merchant is a company duly organized, validly existing and in good standing under the laws of its province of organization, with full power and authority to execute and deliver this Consulting Agreement and to perform its obligations hereunder, and maintains its principal executive office at the address set forth herein, (b)

subject to the issuance of the Order, the execution, delivery and performance of this Consulting Agreement has been duly authorized by all necessary actions of Merchant and this Consulting Agreement constitutes a valid and binding obligation of Merchant enforceable against Merchant in accordance with its terms and conditions, and the consent of no other entity or person is required for Merchant to fully perform all of its obligations herein, (c) all ticketing of Merchandise at the Stores has been and will be done in accordance with Merchant's customary ticketing practices, and (d) the Stores will be operated in the ordinary course of business in all respects, except as determined by Merchant in writing.

(ii) Each party comprising the Consultant warrants, represents, covenants and agrees that (a) Consultant is a company duly organized, validly existing and in good standing under the laws of its province of organization, with full power and authority to execute and deliver this Consulting Agreement and to perform the Consultant's obligations hereunder, and maintains its principal executive office at the addresses set forth herein, (b) the execution, delivery and performance of this Consulting Agreement has been duly authorized by all necessary actions of Consultant and this Consulting Agreement constitutes a valid and binding obligation of Consultant enforceable against Consultant in accordance with its terms and conditions, and the consent of no other entity or person is required for Consultant to fully perform all of its obligations herein, (c) Consultant shall comply with and act in accordance with any and all applicable federal, provincial and local laws, rules, and regulations, and other legal obligations of all governmental authorities, (d) Consultant will not take any disciplinary action against any employee of Merchant; and (e) Consultant is not a non-resident of Canada pursuant to the *Income Tax Act* and shall provide the Merchant with its relevant sales tax numbers prior to the Sale.

I. Furniture, Fixtures and Equipment

Consultant shall advise in connection with the sale of the FF&E in the Stores from the Stores themselves. Merchant shall be responsible for all reasonable costs and expenses incurred by Consultant in connection with such advice, which costs and expenses shall be incurred pursuant to a budget or budgets to be established from time to time by mutual agreement of the Parties, with the consent of the Proposal Trustee. All sales of FF&E during the Sale Term shall be made by Merchant for its account, at prices, payable in cash, and upon such other terms determined by Merchant. Any unsold FF&E shall be disposed of as Merchant may, in its discretion, determine.

In consideration for providing the services set forth in this section I, Consultant shall be entitled to a fee equal to twenty percent (20%) of the Gross Proceeds of the sale of the FF&E.

During each weekly reconciliation described in section E above, Consultant's FF&E fee shall be calculated, and Consultant's calculated FF&E fee and all reasonable, documented out of pocket costs and expenses then incurred pursuant to this Section I shall be paid within seven (7) days after each such weekly reconciliation.

J. Termination

The following shall constitute "Termination Events" hereunder:

- (a) Merchant's or Consultant's failure to perform any of their respective material obligations hereunder, which failure shall continue uncured seven (7) days after receipt of written notice thereof to the defaulting Party;

- (b) any representation or warranty made by Merchant or Consultant is untrue in any material respect as of the date made or at any time and throughout the Sale Term; or
- (c) the Sale is terminated or materially interrupted or impaired for any reason other than an event of default by Consultant or Merchant.

If a Termination Event occurs, the non-defaulting Party (in the case of an event of default) or either Party (if the Sale is otherwise terminated or materially interrupted or impaired) may, in its discretion, elect to terminate the term of this Consulting Agreement by providing seven (7) business days' written notice thereof to the other Party and, in the case of an event of default, in addition to terminating the term of this Consulting Agreement, pursue any and all rights and remedies and damages resulting from such default. If the term of this Consulting Agreement is terminated, Merchant shall be obligated to pay Consultant all amounts due under this Consulting Agreement through and including the termination date.

K. Notices

All notices, certificates, approvals, and payments provided for herein shall be sent by fax or by recognized overnight delivery service as follows: (a) To Merchant: at the address listed above and by e-mail to Katie Power (kpower@crabtree-evelyn.co.uk), with a copy to Osler, Hoskin and Harcourt LLP, Attn: Sandra Abitan (sabitana@osler.com); (b) To the Trustee: Richter Advisory Group Inc., Attn: Gilles Benchaya (gbenchaya@richterconsulting.com) and Andrew Adessky (aadessky@richter.ca) (c) To Consultant: c/o Gordon Brothers Retail Partners, LLC, 800 Boylston Street, 27th Floor, Boston, MA 02199, fax: 617-531-7906, Attn: Mackenzie Shea; or (d) such other address as may be designated in writing by Merchant, Consultant or other applicable person.

L. Independent Consultant

Consultant's relationship to Merchant is that of an independent contractor without the capacity to bind Merchant in any respect. No employer/employee, principal/agent, joint venture or other such relationship is created by this Consulting Agreement. Merchant shall have no control over the hours that Consultant or its employees or assistants or the Supervisor work or the means or manner in which the services that will be provided are performed and Consultant is not authorized to enter into any contracts or agreements on behalf of Merchant or to otherwise create any obligations of Merchant to third parties, unless authorized in writing to do so by Merchant.

M. Non-Assignment

Neither this Consulting Agreement nor any of the rights hereunder may be transferred or assigned by either Party without the prior written consent of the other Party. No modification, amendment or waiver of any of the provisions contained in this Consulting Agreement, or any future representation, promise or condition in connection with the subject matter of this Consulting Agreement, shall be binding upon any Party to this Consulting Agreement unless made in writing and signed by a duly authorized representative or agent of such Party. This Consulting Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors and permitted assigns.

N. Severability

If any term or provision of this Consulting Agreement, as applied to either Party or any circumstance, for any reason shall be declared by a court of competent jurisdiction to be invalid, illegal, unenforceable, inoperative or otherwise ineffective, that provision shall be limited or eliminated to the minimum extent necessary so that this Consulting Agreement shall otherwise remain in full force and effect and enforceable. If the surviving portions of the Consulting Agreement fail to retain the essential understanding of the Parties, the Consulting Agreement may be terminated by mutual consent of the Parties.

O. Governing Law and Jury Waiver

This Consulting Agreement, and its validity, construction and effect, shall be governed by and enforced in accordance with the internal laws of the Province of Quebec (without reference to the conflicts of laws provisions therein). Merchant and Consultant waive their respective rights to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either Consultant against Merchant or Merchant against Consultant on any matter whatsoever arising out of, or in any way connected with, this Consulting Agreement, the relationship between Merchant and Consultant, any claim of injury or damage or the enforcement of any remedy under any law, statute or regulation, emergency or otherwise, now or hereafter in effect.

P. Entire Agreement

This Consulting Agreement, together with all additional schedules and exhibits attached hereto, constitutes a single, integrated written contract expressing the entire agreement of the Parties concerning the subject matter hereof. No covenants, agreements, representations or warranties of any kind whatsoever have been made by any Party except as specifically set forth in this Consulting Agreement. All prior agreements, discussions and negotiations are entirely superseded by this Consulting Agreement.

Q. Execution

This Consulting Agreement may be executed simultaneously in counterparts (including by means of electronic mail, facsimile or portable document format (pdf) signature pages), any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same instrument. This Consulting Agreement, and any amendments hereto, to the extent signed and delivered by means of electronic mail, a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original thereof and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

R. Court Approval

The Merchant shall seek Court approval of this Consulting Agreement pursuant to the Order. The Parties expressly acknowledge and agree that the entering into of this Consulting Agreement by the Merchant is subject to the issuance of the Order approving, among other things, this Consulting Agreement and the conduct of the Sale and the Sale Guidelines and that should the Order or Court approval of this Consulting Agreement and the Sale Guidelines not be obtained, this Consulting Agreement shall have no force or effect.

S. Language

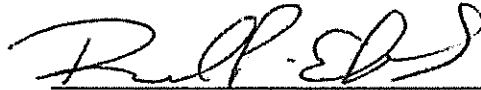
The Parties do hereby agree that this Agreement and related documents be drawn up in the English language only. Les Parties aux présentes ont convenu que cette convention et les documents s'y rattachant soient rédigés en langue anglaise seulement.

[Signatures on next page.]

If this Consulting Agreement is acceptable to you, kindly execute a copy in the space provided, and return a countersigned version to the undersigned. Thank you again for this opportunity -- we look forward to working with you.

Very truly yours,

Gordon Brothers Canada ULC



By: *Richard Edwards*
Its: *CO- President- Reth. 1*

**AGREED AND ACCEPTED as of the 26th day
of November, 2018:**

C&E CANADA INC.

By: David Stern
Title: Authorized signatory

If this Consulting Agreement is acceptable to you, kindly execute a copy in the space provided, and return a countersigned version to the undersigned. Thank you again for this opportunity -- we look forward to working with you.

Very truly yours,

Gordon Brothers Canada ULC

By:

Its:

**AGREED AND ACCEPTED as of the 26th day
of November, 2018:**

C&E CANADA INC.



By: **David Stern**

Title: **Authorized signatory**

Exhibit A
Stores

Crabtree & Evelyn (Canada)

Store List

Store No.	Banner	Store	Address	Address 2	City	State	Zip Code	Square Ft
1	Full Line	Oakridge Centre	650 West 41st Avenue	Unit 439	Vancouver	BC	V5Z 2M9	999
4	Full Line	Richmond Centre	6551 No. 3 Road	Unit 1916	Richmond	BC	V6Y 2B6	527
6	Full Line	Victoria Bay Centre	640 Fort Street		Victoria	BC	V8W 3V2	887
8	Outlet	McArthurGlen Designer Outlets	7899 Templeton Station Rd	Unit 1103	Richmond	BC	V7B 0B7	998
9	Full Line	Coquitlam Centre	2929 Barnet Highway	Unit #2512	Coquitlam	BC	V3B 5R5	744
10	Full Line	Market Mall	3625 Shaganappi Trail NW	Unit M011	Calgary	AB	T3A 0E2	909
47	Outlet	Premium Outlets Montreal	19001 Chemin Notre Dame	#639	Mirabel	QC	J7J 0A1	766
79	Full Line	Upper Canada Mall	17600 Yonge Street	# 96	Newmarket	ON	L3Y 4Z1	762
80	Outlet	Cookstown Tanger Outlets	3311 County Rd 89	Space C12	Cookstown	ON	L0L 1L0	1 683
81	Outlet	Tanger Outlets Ottawa	8555 Campeau Drive	Space #927	Ottawa	ON	K2T 1B7	1 333
84	Full Line	Niagara Fallsview Casino Resort	6380 Fallsview Boulevard	Unit #236	Niagara Falls	ON	L2G 7X5	902
85	Full Line	Square One Shopping Centre	100 City Centre Drive	Space 2-921	Mississauga	ON	L5B 4M2	804
86	Full Line	White Oaks Mall	1105 Wellington Road	Unit #189	London	ON	N6E 1V4	700
87	Full Line	Oshawa Centre	50 Rideau Street	Unit 0355B	Ottawa	ON	L1J 2K5	645
88	Full Line	Rideau Centre	419 King Street West	Unit 4001B	Oshawa	ON	K1N 9J7	821
89	Full Line	Scotia Plaza	40 King Street West	Unit 114	Toronto	ON	M5H 3Y2	555
102	Full Line	The Holt Renfrew Centre	50 Bloor Street West	Unit C06	Toronto	ON	M4W 3L8	1 415
105	Full Line	Hillside Centre	1644 Hillside Avenue	Unit 124 A	Victoria	BC	V8T 2C5	753
106	Outlet	Toronto Premium Outlets	13850 Steeles Avenue W	Unit #1002	Halton Hills	ON	L7G 0J1	860

19

Exhibit B
Expense Budget

Crabtree & Evelyn (Canada)
Expense Budget
Exhibit B

Start Date	11/30/2018
End Date	12/30/2018
# of Stores	19
# of Weeks	4.4

Total Dollars

Advertising Budget

Signs and Banners	6,291
Sign walkers/Media/Digital	0
Total Advertising	6,291

Supervision	41,037
--------------------	---------------

Miscellaneous	10,000
----------------------	---------------

Total Expense Budget	57,327
-----------------------------	---------------

Notes:

- 1) This expense budget is based upon the above Sale Term. Any changes to the Sale Term may result in adjustments to the expense budget, which will be agreed upon by Merchant and GBRP.
- 2) Supervision assumes that we will leverage the company's DMs to supervise the store closing project. This expense is not included in this budget.
- 3) Legal expenses are included in the miscellaneous line. Any legal expenses associated with landlord and side letters shall be in addition to and not part of miscellaneous above.
- 4) Budget is in Cdn \$

Exhibit C
Sale Guidelines

EXHIBIT C

SALE GUIDELINES

The following procedures shall apply to the Sale to be conducted at the Stores of C&E Canada Inc., (the "Merchant"). All terms not herein defined shall have the meaning set forth in the Consulting Agreement by and between Gordon Brothers Canada ULC, an affiliate of Gordon Brothers Retail Partners, LLC (the "Consultant") and the Merchant dated as of November 26, 2018 (the "Consulting Agreement").

1. Except as otherwise expressly set out herein, and subject to: (i) the Order dated November ●, 2018 approving the Consulting Agreement (the "Approval Order") or any further Order of the Superior Court of Quebec (the "Court"); or (ii) any subsequent written agreement between the Merchant and the applicable landlord(s) (individually, a "Landlord" and, collectively, the "Landlords") and approved by the Consultant, or (iii) as otherwise set forth herein, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements to which the affected Landlords are privy for each of the affected Stores (individually, a "Lease" and, collectively, the "Leases"). However, nothing contained herein shall be construed to create or impose upon the Merchant or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that each of the Stores remains open during its normal hours of operation provided for in its respective Lease until the respective Sale Termination Date for such Store. The Sale at the Stores shall end by no later than December 31, 2018 . Rent payable under the respective Leases shall be paid in accordance with the terms of the Approval Order. The Merchant shall not purchase any additional inventory for Sale at the Stores as and from November 28, 2018.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise ordered by the Court.
4. All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Stores as an "everything on sale", an "everything must go", a "store closing" or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a "bankruptcy", a "going out of business" or a "liquidation" sale it being understood that the French equivalent of "clearance" is "liquidation" and is permitted to be used). Forthwith upon request from a Landlord, the Landlord's counsel, the Merchant or the Proposal Trustee, the Consultant shall provide the proposed signage packages along with the proposed dimensions and number of signs (as approved by the Merchant pursuant to the Consulting Agreement) by e-mail or facsimile to the applicable Landlords or to their counsel of record. Where the provisions of the Lease conflict with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow or handwritten signage (unless otherwise contained in the sign package, including "you pay" or "topper" signs). In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores or enclosed mall Stores with a separate entrance from the exterior of the enclosed mall, provided, however, that where such

banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that the banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the service list in the NOI proceedings (the "Service List"). Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the façade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant. If a Landlord is concerned with "store closing" signs being placed in the front window of a Store or with the number or size of the signs in the front window, the Consultant and the Landlord will discuss the Landlord's concerns and work to resolve the dispute.

5. The Consultant shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre or mall premises.
6. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the applicable Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these guidelines, shall not constitute an alteration to a Store.
7. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final".
8. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on any Landlord's property, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease, or agreed to by the Landlord.
9. At the conclusion of the Sale in each Store, the Consultant shall arrange that the premises for each Store are in "broom-swept" and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than FF&E which for clarity is owned by the Merchant) may be removed without the applicable Landlord's written consent unless otherwise provided by the applicable Lease. Any fixtures or personal property left in a Store after the Sale Termination Date in respect of which the applicable Lease has been disclaimed by the Merchant shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord.
10. Subject to the terms of paragraph 9 above, the Consultant may sell FF&E which is located in the Stores during the Sale. The Merchant and the Consultant may advertise the sale of FF&E consistent with these guidelines on the understanding that any applicable Landlord may require that such signs be placed in discreet locations acceptable to the applicable

Landlord, acting reasonably. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove the FF&E either through the back shipping areas designated by the applicable Landlord, or through other areas after regular store business hours, or through the front door of the Store during store business hours if the FF&E can fit in a shopping bag, with applicable Landlord's supervision as required by the applicable Landlord. The Consultant shall repair any damage to the Stores resulting from the removal of any FF&E by Consultant or by third party purchasers of FF&E from Consultant.

11. The Merchant hereby provides notice to the Landlords of the Merchant and the Consultant's intention to sell and remove FF&E from the Stores. The Consultant will arrange with each Landlord represented by counsel on the Service List and with any other applicable Landlord that so requests, a walk through with the Consultant to identify the FF&E subject to the sale. The relevant Landlord shall be entitled to have a representative present in the Store to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed between the Merchant, the Consultant and such Landlord, or by further Order of the Court upon application by the Merchant on at least two (2) days' notice to such Landlord. If the Merchant has disclaimed or resiliated the Lease governing such Store in accordance with the BIA, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the BIA), and the disclaimer or resiliation of the Lease shall be without prejudice to the Merchant's or Consultant's claim to the FF&E in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to the BIA to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the disclaimer or resiliation, the applicable Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Merchant and the Consultant 24 hours' prior written notice; and (b) at the effective time of the disclaimer or resiliation, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against the Merchant in respect of such Lease or Store, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.
13. The Consultant and its agents and representatives shall have the same access rights to the Stores as the Merchant under the terms of the applicable Lease, and the applicable Landlords shall have the rights of access to the Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).
14. The Merchant and the Consultant shall not conduct any auctions of Merchandise or FF&E at any of the Stores.
15. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for Consultant shall be Mackenzie Shea who may be reached by phone at 1-617-422-6519 or email at mshea@gordonbrothers.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Merchant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties,

during which time the Consultant shall cease all activity in dispute other than activity expressly permitted herein, pending the determination of the matter by the Court; provided, however, that if a banner has been hung in accordance with these Sale Guidelines and is thereafter the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of the dispute.

16. Nothing herein is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or to grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
17. These Sale Guidelines may be amended by written agreement between the Merchant, the Consultant and any applicable Landlord (provided that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving the amended Sale Guidelines).

Exhibit E

C&E Canada Inc.

Cash Flow Forecast for Period from November 25, 2018 - January 19, 2019

(\$000's)

(\$000's)	Week Ending								Total
	Dec 01	Dec 08	Dec 15	Dec 22	Dec 29	Jan 05	Jan 12	Jan 19	
Receipts	\$ 320	\$ 440	\$ 550	\$ 619	\$ 437	\$ 88	\$ 10	\$ -	\$ 2,463
Disbursements									
Payroll	130	-	130	-	130	-	130	-	520
Rent	54	174	-	-	-	50	-	-	278
Liquidation fees & expenses	-	-	30	29	29	19	0	-	107
General expenses and other	83	72	72	72	72	10	10	-	391
Merchant credit card fees	-	30	-	-	-	31	-	-	61
GST/HST paid into escrow	107	5	19	44	46	18	-	-	239
	374	281	250	144	277	129	140	-	1,596
Other disbursements									
Restructuring Professional Fees	121	98	52	40	35	29	17	17	408
Net Cash Flow	\$ (175)	\$ 61	\$ 248	\$ 434	\$ 125	\$ (70)	\$ (148)	\$ (17)	\$ 459
Opening Cash	\$ 269	\$ 94	\$ 156	\$ 404	\$ 838	\$ 963	\$ 893	\$ 745	\$ 269
Net Cash Flow	(175)	61	248	434	125	(70)	(148)	(17)	459
Ending Cash	\$ 94	\$ 156	\$ 404	\$ 838	\$ 963	\$ 893	\$ 745	\$ 728	\$ 728


Maral Bal, Duly Authorized

