

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)
(Sitting as a court designated pursuant to the
Bankruptcy and Insolvency Act (the "BIA"),
R.S.C. 1985, c. B-3)

No.:500-11-052108-178

41-2219519

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

FREEMARK APPAREL BRANDS USA INC.

Debtor/Petitioner

- and -

RICHTER ADVISORY GROUP INC.

Proposed Trustee

**MOTION TO ALLOW FOR A JOINT ADMINISTRATION OF VARIOUS NOTICES OF
INTENTION TO MAKE A PROPOSAL
(Section 183 of the *Bankruptcy and Insolvency Act* (the "BIA"))**

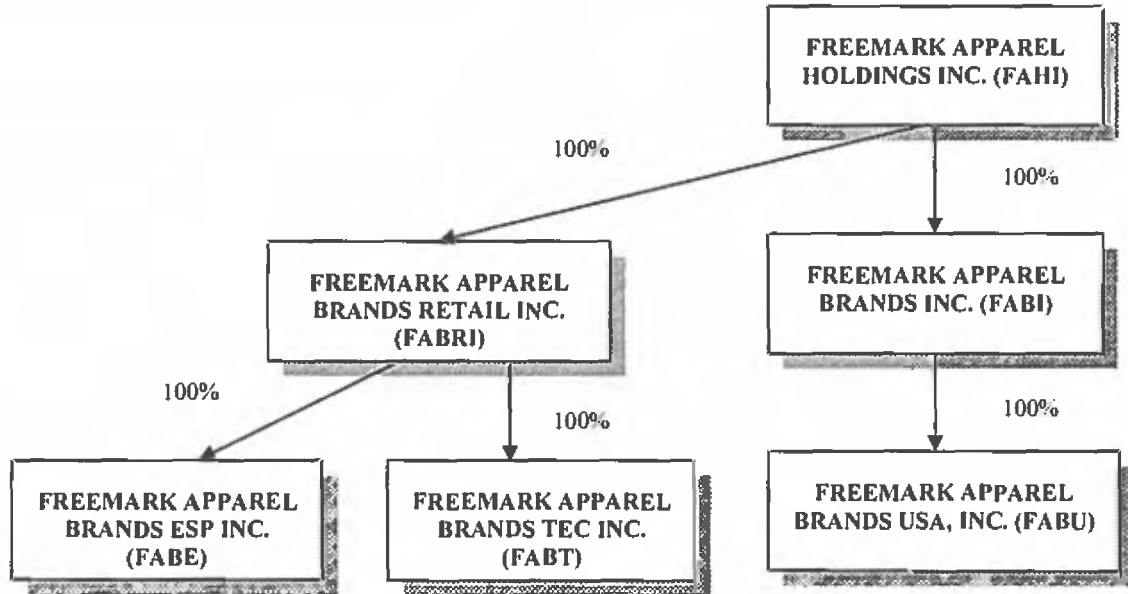
**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT OR THE
REGISTRAR, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL
DISTRICT OF MONTRÉAL, THE DEBTOR RESPECTFULLY SUBMITS THE
FOLLOWING:**

I. INTRODUCTION

1. By the present motion, Freemark Apparel Brands USA Inc. ("FABU") seeks an order of this Court allowing the joint administration of the present matter with the following three files: (i) In the matter of the notice of intention to make a proposal of Freemark Apparel Brands TEC Inc. ("FABT") (no. 500-11-052109-176 / 41-2219518), (ii) In the matter the notice of intention to make a proposal of Freemark Apparel Brands Inc. ("FABI") (500-11-052107-170 / 41-2219514) and (iii) In the matter of the notice of intention to make a proposal of Freemark Apparel Brands ESP Inc. ("FABE") (500-11-052106-172 / 41-2219516).
2. Concurrently with the presentation of the present motion, FABE, FABI and FABU will present a similar motion.

II. FACTUAL & PROCEDURAL BACKGROUND

3. FAFE with FABT are owned by Freemark Apparel Brands Retail Inc. (“FABRI”). FABRI is own by Freemark Apparel Holdings Inc. (“FAHI”) which also own FABI which own FABU. FABI, FAHI, FAFE, FABRI, FABT and FABU are collectively hereinafter defined as the “FAB Group”.
4. The FAB Group organizational chart can be represented as follows:



5. The FAB Group is a premier retailer of branded apparel, operating since 2004 (the “**Business**”).
6. FAFE and FABT operate 58 retail locations throughout Canada under the following brands: Bench, Scotch & Soda, Esprit & Thread+Copper. FABT operates the Bench, Scotch & Soda and Thread+Copper’s stores while FAFE operates the Esprit’s stores.
7. FABI operates the wholesale business of the FAB Group in Canada. FABI has long-standing relationships with The Bay, Simons, Winners, Saks Off 5th and many other retailers.
8. FABU operates the wholesale business of the FAB Group in the United States.
9. The FAB Group currently employs approximately 650 employees.
10. The FAB Group has licensed agreements for the following world class brands: Bench., Scotch & Soda / Amsterdam Couture, Esprit and Garcia.
11. On February 17, 2017, FABT filed a notice of intention to make a proposal as well as FABU, FAFE and FABI.

12. This Court allowed Richter Advisory Group Inc. to act as Trustee to the Notice of intention to make a proposal of FABE, FABT, FABI and FABU

III. JOINT ADMINISTRATION

13. The FAB Group runs the Business as a single group. For instance, FABE, FABT, FABU and FABI:
 - (i) have the same management team;
 - (ii) use the same credit facility arrangements; and
 - (iii) have the same first ranking secured creditor namely, HSBC Bank Canada (“HSBC”).
14. FABE, FABT, FABU and FABI are all co-guarantors of the obligations of each other towards HSBC.
15. There is some commonality of creditors and the administration of the four (4) estates will be facilitated with a single administration and there will be no prejudice to the creditors.
16. It will be more efficient and less costly to have a single administration.
17. Any proceedings which is common to the four (4) files, being files 500-11-052109-176 (41-2219518), 500-11-052107-170 (41-2219514), 500-11-052108-178 (41-2219519) and 500-11-052106-172 (41-2219516) (collectively, the “Matters”), should be filed before the Superior Court of Quebec, district of Montreal, in the matter of the notice of intention to make a proposal of FABI (500-11-052107-170).
18. Given the complexity of the Business, the common financial arrangements and the need to proceed expeditiously with its restructuring on a cost-effective basis, FABT is seeking an order allowing the joint administration of the Matters.
19. The FAB Group reserves the right, if it is fair and reasonable to do so, to file a single proposal for the Matters or separate proposals.
20. Given that a cash-flow needs to be filed in the Matters at the latest on February 27, 2017 and that it would be more appropriate for the reasons explained above to file a common cash-flow for all Matters, it is urgent that this motion be granted and that any order to be rendered shall be executory notwithstanding appeal.
21. HSBC, the sole first ranking secured creditor, does not object to the present motion.
22. The present motion is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Motion to Allow for a Joint Administration of Various Notices of Intention to Make a Proposal* (the “**Motion**”);

DECLARE that the Motion did not need to be served upon any party and that service is sufficient;

DECLARE that the order to be rendered on the present Motion does not need to be served upon any party;

ORDER the joint administration of the following four (4) matters: files 500-11-052109-176 (41-2219518), 500-11-052107-170 (41-2219514), 500-11-052108-178 (41-2219519) and 500-11-052106-172 (41-2219516) (collectively, the “**Matters**”)

DECLARE that any document, motion, petition or material which is common to the Matters can be filed solely before the Superior Court of Quebec, district of Montreal, in the matter of the notice of intention to make a proposal of Freemark Apparel Brands Inc. (file number 500-11-052107-170);


ALLOW Richter Advisory Group Inc., Freemark Apparel Brands ESP Inc., Freemark Apparel Brands TEC Inc., Freemark Apparel Brands Inc. and Freemark Apparel Brands USA, Inc. to file common cash-flows for all the Matters;

ALLOW the filing of a joint proposal for all Matters, or separate proposal for one or more of the following entities: Freemark Apparel Brands ESP Inc., Freemark Apparel Brands TEC Inc., Freemark Apparel Brands Inc. and Freemark Apparel Brands USA, Inc.;

ORDER the provisional execution of the judgment to be rendered on the Motion notwithstanding appeal.

THE WHOLE, without costs,

MONTRÉAL, February 21, 2017



DAVIES WARD PHILLIPS & VINEBERG LLP
Attorneys for the Debtor
Freemark Apparel Brands USA Inc.

NOTICE OF PRESENTATION

DISTRIBUTION LIST:

HSBC Bank Canada
c/o Me Marc-André Morin
FASKEN MARTINEAU DUMOULIN
800 Place Victoria
C.P. 242, Tour de la Bourse
Bureau 3700
Montréal (Qc) H4Z 1E9
mamorin@fasken.com

TAKE NOTICE that the *Motion to Allow for a Joint Administration of Various Notices of Intention to Make a Proposal* will be presented for hearing and allowance at 8:45 am on February 23, 2017 in room 16.10 in the Montréal Courthouse, located at 1 Notre-Dame Street East, in the City of Montréal, Province of Québec, or so soon thereafter as Counsel may be heard.

DO GOVERN YOURSELF ACCORDINGLY.

MONTREAL, February 21, 2017

Davies Ward Phillips & Vineberg LLP

DAVIES WARD PHILLIPS & VINEBERG LLP

Attorneys for the Debtor

Freemark Apparel Brands USA Inc.

No. 500-11-052108-178
SUPERIOR COURT
Commercial Division
District of Montréal

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

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Debtor/Petitioner

- and -

RICHTER ADVISORY GROUP INC.

Proposed Trustee

**MOTION TO ALLOW FOR A JOINT
ADMINISTRATION OF VARIOUS NOTICES OF
INTENTION TO MAKE A PROPOSAL,
AFFIDAVIT AND NOTICE OF PRESENTATION**

ORIGINAL



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