

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.)**

(the "Applicant")

**MOTION RECORD
(returnable September 12, 2017)**

(Re Distribution, Stay Extension, Discharge & Termination of CCAA)

September 5, 2017

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Jane O. Dietrich LSUC# 49302U
Tel: 416.860.5223
Fax: 416.640.3144
jdietrich@casselsbrock.com

Monique Sassi LSUC# 63638L
Tel: 416.860.6886
Fax: 416.640.3005
msassi@casselsbrock.com

Lawyers for Richter Advisory Group Inc.

TO:

THE ATTACHED SERVICE LIST

EMAIL SERVICE LIST

SERVICE LIST
(as of September 5, 2017)

GENERAL

TO: FASKEN MARTINEAU DuMOULIN LLP

Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON M5H 2T6

Stuart Brotman

Tel: 416.865.5419
Fax: 416.364.7813
Email: sbrotman@fasken.com

Natasha De Cicco

Tel: 416.868.7856
Fax: 416.364.7813
Email: ndecicco@fasken.com

Dylan Chochla

Tel: 416.868.3425
Fax: 416.364.7813
E-mail: dchochla@fasken.com

Lawyers for the Applicant

AND TO: LAX O'SULLIVAN LISUS GOTTLIEB LLP

145 King Street West
Suite 2750
Toronto, ON M5H 1J8

Mathew Gottlieb

Tel: 416 644 5353
Email: mgottlieb@counsel-toronto.com

Andrew Winton

Tel: 416.598.1744
Email: awinton@counsel-toronto.com

Lawyers for the Board of Directors of the Applicant

AND TO: CASSELS BROCK & BLACKWELL LLP

Scotia Plaza
40 King Street West, Suite 2100
Toronto, ON M5H 3C2

Jane Dietrich

Tel: 416.860.5223
Fax: 416-640-3144
Email: jdietrich@casselsbrock.com

Monique Sassi

Tel: 416.860.6886
Fax: 416 640-3005
E-mail: msassi@casselsbrock.com

*Lawyers for Richter Advisory Group Inc., in its capacity as Court-Appointed
Monitor of the Applicant*

AND TO: RICHTER ADVISORY GROUP INC.

1981, McGill College
Montreal, QUE H3A 0G6

Gilles Benchaya

Tel: 514.934.3496
Email : gbenchaya@richterconsulting.com

Adam Sherman

Tel: 416.488.2345
E-mail: asherman@richter.ca

Court-Appointed Monitor

AND TO: NORTON ROSE FULBRIGHT CANADA LLP

Royal Bank Plaza, South Tower
200 Bay Street, Suite 3800
P.O. Box 84
Toronto, ON M5J 2Z4

Evan Cobb

Tel: 416.216.1929
Fax: 416.216.3930
Email: evan.cobb@nortonrosefulbright.com

Lawyers for the Canadian Imperial Bank of Commerce

AND TO: DAVIES WARD PHILLIPS & VINEBERG LLP

155 Wellington Street West, 40th Floor
Toronto, ON M5V 3J7

Robin B. Schwill

Tel: 416.863.5502
Email : rschwill@dwpv.com

Natalie Renner

Tel: 416.367.7489
Email: nrenner@dwpv.com

Lawyers for GSO Capital Partners, LP (the Proposed DIP Lender and Stalking Horse Bidder)

AND TO: OSLER, HOSKIN & HARCOURT LLP

1000 rue De La Gauchetière Ouest
Bureau 2100
Montréal, QC H3B 4W5

Sandra Abitan

Tel: 514.904.5648
Email: sabitan@osler.com

Lawyers for a joint venture composed of Gordon Brothers Canada ULC and Merchant Retail Solutions ULC

AND TO: TORYS LLP

79 Wellington Street West
30th Floor, Box 270, TD South Tower
Toronto, ON
M5K 1N2

David Bish

Tel: 416 865-7353
Email: dbish@torys.com

Lily Coodin

Tel: 416 865-7541
Email: lcoodin@torys.com

Lawyers for the Cadillac Fairview Corporation Limited and its affiliates

AND TO: GOWLING WLG (CANADA) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, ON
M5X 1G5

Frank Lamie
Tel: 416 862-3609
Fax: 416 862-7661
Email: frank.lamie@gowlingwlg.com

Stephen Pike
Tel: 416 814-5646
Fax: 416 862-7661
Email: stephen.pike@gowlingwlg.com

Lawyers for Jaytex of Canada Ltd.

AND TO: BRANNAN MEIKLEJOHN BARRISTERS
Rosedale Square
1055 Yonge Street Suite 200
Toronto, ON
M4W 2L2

Gordon A. Meiklejohn
Tel: 416 926 3797 Ext: 225
Fax: 416-926-3712
Email: gam@bmbarristers.com

Lawyers for Tradex Global Inc.

AND TO: BORDEN LADNER GERVAIS
1000 De La Gauchetière St W
Suite 900
Montréal, QC
H3B 5H4

Eugénie Lefebvre
Tel: 514-954-2502
Fax: 514-954-1905
Email: ELefebvre@blg.com

Lawyers for Bell Canada

AND TO: TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON
M5C 2W7

S. Fay Sulley
Tel: 416-777-5419
Fax: 888-587-5769
Email: fsulley@torkinmanes.com

Lawyers for Marine Promenade Properties Inc.

OTHER PPSA REGISTRANTS

AND TO: XEROX CANADA LTD.
2901-155 Wellington St. W
Toronto, ON
M5V 3H1

Heather McGregor
Tel: 416.997.6686
Email: heather.mcgregor@xerox.com

AND TO: CANADIAN DEALER LEASE SERVICES INC.
Canadian Dealer Lease Services Inc.
250 Yonge Street
Suite 2601, Box 50
Toronto, ON
M5B 2L7

AND TO: BANK OF NOVA SCOTIA-DLAC
Bank of Nova Scotia-DLAC
Scotia Plaza, 44 King Street West
Toronto, ON
M5H 1H1

LANDLORDS

AND TO: MCLEAN & KERR LLP
130 Adelaide Street West, Suite 2800
Toronto, ON
M5H 3P5

Linda Galessiere
Tel: 416.369.6609
Email: lgalessiere@mcleankerr.com

Walter Stevenson
Tel: 416.369.6602
E-mail: wstevenson@mcleankerr.com

Scott Campbell
Tel: 416.369.6615
Email: scampbell@mcleankerr.com

*Lawyers for 20 VIC Management Inc. (on behalf of various landlords),
Morguard Investments Limited (on behalf of various landlords), Ivanhoe
Cambridge Inc. (on behalf of various landlords), Triovest Realty Advisors
Inc. (on behalf of various landlords), Brookfield Properties (PI) Inc. (on
behalf of various landlords), Smart Real Estate Investment Trust (on behalf
of various landlords), Crombie REIT (on behalf of various landlords),
Crombie Developments Ltd., Stockyards (Prince Albert) Limited
Partnership,
by its general partner, Stockyards (Prince Albert) GP Ltd. (the "Landlord")*

AND TO: MINDEN GROSS LLP
145 King Street West
Suite 2100
Toronto, ON
M5H 4G2

Adam Perzow
Tel: 416.369.4132
Fax: 416.864.9223
Email: APerzow@mindengross.com

Lawyers for RioCan Real Estate Investment Trust and First Gulf Income

AND TO: OXFORD PROPERTIES GROUP

Royal Bank Plaza, North Tower
200 Bay Street, Suite 900
Toronto, ON
M5J 2J2

Karen Tsang, Director, Legal – Real Estate Management

Tel: 416.865.8447

Fax: 416.868.3751

Email: ktsang@oxfordproperties.com

**AND TO: CREIT MGMT. L.P. IN TRUST FOR CANADIAN PROPERTY HOLDINGS
(NOVA SCOTIA) INC.**

1801 Hollis St., Suite 2210,
Halifax, NS
B3J 3N4

Tel: 514.344.1300

Email: bhobson@creit.ca

AND TO: WESTFIELD UNIVERSITY PARK

c/o Ax Property Mgmt LP
13245 140 Avenue, Unit 101
Edmonton, AB
T6V 0E4

Tel: 780.476.0642

Email: edmonton@artisreit.com

Candice Watts

Email: cwatts@artisreit.com

AND TO: DAoust VUKOVICH LLP
Barristers & Solicitors
3000 – 20 Queen Street West
Toronto, ON
M5H 3R3

Gasper Galati
Tel: 416 598-7050
Fax: 416 597-8897
Email: ggalati@dv-law.com

Wolfgang Kaufmann
Tel: 416 597-3952
Fax: 416 597-8897
Email: wolfgang@dv-law.com

Daniel Waldman
Tel: 416 597-9306
Fax: 416 597-8897
Email: dwaldman@dv-law.com

Lawyers for Kanata Entertainment Holdings Inc.

AND TO: MONTEX (CORNER BROOK) INC
c/o Westcliff Management Ltd.
600 De Maisonneuve Blvd., Suite 2600
Montreal, QC
H3A 3J2

Tel: 709.634.3874
Email: lgreene@cornerbrookmall.com

AND TO: 73420 MANITOBA LTD.
c/o Shindico Realty Inc.
1355 Taylor Avenue, Unit 200
Winnipeg, MB
R3M 3Y9

Justin Zarnowski
Tel: 204 928-8212
Email: jzarnowski@shindico.com

Bob Peters
Email: bpeters@shindico.com

AND TO: WESTGATE SHOPPING CENTRE

c/o Ronmor Developers Inc.
5920 1A St. S.W., Unit 250
Calgary, AB
T2H 0G3

Tel: 403.253.8180
Email: accounting@ronmor.ca

AND TO: GUTMAN INVESTMENTS LTD

c/o Henry M. Gutman
509-70 Avenue S.W.
Calgary, AB
T2V OP5

Email: raucan@aol.com

AND TO: ROY RAUSER, REAL ESTATE

515 W. Pender St., Suite 236
Vancouver, BC
V6B 6H5

Tel: 604.687.8989
Email: raucan@aol.com

AND TO: OXFORD PRO. RETAIL HOLD. INC

Re: Southcentre Mall
100 Anderson Rd. S.E., Unit 142
Calgary, AB
T2J 3V1

Tel: 403.225.9100
Email: info@southcentremall.com

AND TO: ORLANDO CORPORATION

Re: Heartland T.C.
6205B Airport Rd, 5th Flr
Mississauga, ON
L4V 1E3

Joy Okpara

Fax: 905.677.2824
Email: okparaj@orlandocorp.com

AND TO: PRIMARIS MANAGEMENT INC.

1 Adelaide Street East
Suite 900, P.O. Box 194
Toronto, ON
M5C 2V9

Mordecai Bobrowsky

Tel: 416 642-7851
Email: mbobrowsky@primarisreit.com

AND TO: PRIMARIS MANAGEMENT INC.

ITF Stone Road
435 Stone Rd, Suite 204
Guelph, ON
N1G 2X6

Tel: 519.821.5780
Email: GTurner@primarisreit.com

AND TO: GORDON ROAD PROPERTY HOLDINGS INC.

2965 Gordon Rd.
Regina, SK
S4S 6H7

Tel: 306.584.1910
Email: southlandmall@onereit.ca

AND TO: GUILDFORD TOWN CENTRE LP

10355 152nd St, Suite 2695,
Surrey, BC
V3R 7C1

Tel: 604.587.4245
Email: sales@guildfordtowncentre.com

AND TO: PRIMARIS MANAGEMENT INC.

ITF Dufferin Mall
900 Dufferin St., Unit 217
Toronto, ON
M6H 4B1

Email: KBinio@primarisreit.com

AND TO: PRIMARIS MANAGEMENT INC.
Re: Tiptop Cataraqui Town Centre
945 Gardiners Road,
Kingston, ON
K7M 7H4

Tel: 613.389.7950
Email: cfobert@primarisreit.com

AND TO: PRIMARIS MANAGEMENT INC.
Re: St. Albert Centre
300-375 St. Albert Rd.,
St. Albert, AB
T8N 3K8

Tel: 403.225.5368
Email: SDalrymple@primarisreit.com

AND TO: RPS ITF-TRINITY COMMON
499 Main Street South, Suite 56
Brampton, ON
L6Y 1N7

Tel: 905.459.1337 ext. 236
Email: accounting@ronmor.ca

AND TO: CHARTER ACQUISITION CORP
Cornwall Square
1 Waster Street East
Cornwall, ON
K6H 6M2

Tel: 613.938.2118
Email: ejodoin@epicrealtypartners.com

AND TO: PRIMARIS MANAGEMENT INC.
ITF Park Place Mall
501-1st Ave. S, Unit 131,
Lethbridge, AB
T1J 4L9

Tel: 403.320.0008
Email: GBates@primarisreit.com

AND TO: BLANEY MCMURTRY LLP

2 Queen Street East
Suite 1500
Toronto, ON
M5C 3G5

John C. Wolf

Tel: 416-593-2994
Fax: 416-596-2044
Email: jwolf@blaney.com

Lawyers to the Bentall Kennedy Landlords (Hillside Centre, Eglinton Square, White Oaks Mall)

AND TO: OXFORD IN TRUST FOR SQUARE ONE

c/o Omers Realty Management Corporation
Re: Square One Shopping Centre
100 City Centre Dr.,
Mississauga, ON
L5B 2C9

Tel: 905.270.7771
Email: sales.sq1@oxfordproperties.com

**AND TO: 2467847 ONTARIO INC.
o/a WINDSOR CROSSING PREMIUM OUTLETS**

170 Industrial Parkway North
Aurora, ON
L4G 4C3

Tel: 905.503.6633
Email: accounting@royalcourtyards.com
kerry@royalcourtyards.com

AND TO: ORANGEVILLE MALL PROPERTY HOLDINGS INC.

1 Yorkgate Blvd, Suite 210,
Toronto, ON
M3N 3A1

Tel: 416.739.6968 ext. 23
Email: TFoulds@onereit.ca

AND TO: OXFORD GROUP DIV. OF ORMC
109th St. & Prince Elizabeth Avenue,
Edmonton, AB
T5G 3A6

Email: kingswayadmin@oxfordproperties.com

AND TO: GANDER SHOPPING CENTRE LTD.
1 Westmount Square, Suite 1900
Westmount, QC
H3Z 2P9

Tel: 514.938.2266
Fax: 514.938.2457
Email: Frances@econo-malls.com

AND TO: SHERWOOD PARK MALL LTD.
2020 Sherwood Drive, Suite 103
Sherwood Park, AB
T8A 3H9

Email: spmadmin@primarisreit.com

AND TO: SCARBOROUGH T.C. M.A.
300 Borough Drive, Suite 26,
Scarborough, ON
M1P 4P5

Tel: 416.296.5490
Email: mkehr@oxfordproperties.com

AND TO: YORKDALE S.C. HOLDINGS INC.
1 Yorkdale Road, Suite 500
Toronto, ON
M6A 3A1

Tel: 416.256.5066
Email: Yorkdale_Sales@oxfordproperties.com

AND TO: AVISON YOUNG ITF
2055190 Ontario Inc.
2325 Preston Ave., Unit 68,
Saskatoon, SK
S7J 2G2

Tel: 306.343.3838
Email: cwong@strathallen.com

AND TO: WEST EDMONTON MALL PROPERTY INC.
#3000, 8882 170 Street NW
Edmonton, Alberta
T5T 4M2

John Colbert
Tel: 780 444-8138
Email: john.colbert@wem.ca

Theresa Paquette
Tel: 780 444-5245
Email: theresa.paquette@wem.ca

Dean Shaben
Tel: 780 444-8126
Email: dean.shaben@wem.ca

AND TO: VILLAGE SHOPPING CENTRE (NL) INC.
c/o Administration Office
Box 92,430 Topsail Road
St. John's, NL
A1E 4N1

Tel: 514.457.7007
Email: Joanne.Blyde@plaza.ca

AND TO: KILDONAN PLACE S.C. LTD.
Attention: Mall Administration Office
1555 Regent Ave. West
Winnipeg, MB
R2C 4J2

Tel: 204.661.6116
Email: BFrolick@primarisreit.com

AND TO: PRIMARIS MANAGEMENT INC.

Sunridge Mall, Suite 118a,
2525 - 36th Street NE,
Calgary, AB
T1Y 5T4

Tel: 403.293.8215
Email: skremidas@primarisreit.com
SAdmin@primarisreit.com

AND TO: PRIMARIS MANAGEMENT INC.

ITF Orchard Park
2271 Harvey Ave., Unit 0180,
Kelowna, BC
V1Y 6H2

Tel: 250.860.3742
Email: orchardparksales@primarisreit.com

AND TO: PRIMARIS MANAGEMENT INC.

Place D'Orleans
110 Place D'Orleans Dr., Box 130,
Orleans, ON
K1C 2L9

Attention: General Manager
Tel: 613.824.9468
Email: EDeacon@primarisreit.com

AND TO: SHAPE PROPERTY MANAGEMENT CORP.

As agent for Lougheed TC
#106-9855 Austin Ave.
Burnaby, BC
V3J 1N4

Tel: 604.681.2338
Email: hill@Shapepm.com

AND TO: HILLCREST MALL MANAGEMENT INC.

Attention: Emily Skinner
9350 Yonge St, Suite 205,
Richmond Hill, ON
L4C 5G2

Attention: General Manager

Tel: 905.883.1403
E-mail: missa@oxfordproperties.com

AND TO: PRIMARIS MANAGEMENT INC.

1381 Regent Street,
Fredericton, NB
E3C 1A2

Tel: 506.452.1005
Email: EMcKay@primarisreit.com

AND TO: 511398 NEW BRUNSWICK INC.

File #938 Exploits Valley Mall Inc.
1 Westmount Square, Suite 1900,
Westmount, QC
H3Z 2P9

Tel: 514.938.2266
Fax: 514.938.2457
Email: Frances@econo-malls.com

AND TO: PURPLE KNIGHTS DEVELOPMENT (2000)

c/o First Gulf Corporation
3751 Victoria Park Ave.,
Westmount, QC
H3Z 2P9

Attention: Vice President Retail

Tel: 416.491.7778
Email: mgrant@firstgulf.com

AND TO: AVISON YOUNG
c/o of 2058790 Ontario Limited
Administration Office
500 Rexdale Blvd.
Etobicoke, ON
M9W 6K5

Attention: General Manager
Tel: 416.674.6240 Ext. 307
Email: karen.a@woodbinemail.com

AND TO: CANADIAN PROPERTY HOLDINGS (WHEELER) INC.
c/o Creit Management Limited
1801 Hollis Street, Suite 2210,
Halifax, NS
B3J 3N4

Tel: 902.453.2665
Email: bhobson@creit.ca

AND TO: CANADIAN PROPERTY HOLDINGS (ONTARIO) INC.
c/o Creit Management L.P.
175 Bloor St. East,
North Tower, Ste. N500,
Toronto, ON
M4W 3R8

Attention: CFO
Tel: 416.628.7868
Fax: 416.628.7777
Email: amuere@creit.ca

**AND TO: KENNEDY COMMONS INC.
151516 CANADA INC.**
c/o First Gulf Corporation
3751 Victoria Park Ave.,
Toronto, ON
M1W 3Z4

Attention: Vice President Retail
Tel: 416.491.7778
Email: mgrant@firstgulf.com

AND TO: DAOUST VUKOVICH LLP
Barristers & Solicitors
3000 – 20 Queen Street West
Toronto, ON
M5H 3R3

Gasper Galati
Tel: 416 598-7050
Fax: 416 597-8897
Email: ggalati@dv-law.com

Wolfgang Kaufmann
Tel: 416 597-3952
Fax: 416 597-8897
Email: wolfgang@dv-law.com

Daniel Waldman
Tel: 416 597-9306
Fax: 416 597-8897
Email: dwaldman@dv-law.com

Lawyers for Hullmark (Avenue Eglinton) Ltd.

AND TO: LONDON CROSSROADS CENTRE HOLDINGS INC.
By mail:
PO BOX 982
Barrie, ON
L4M 5E1

By courier:
158 Dunlop Street East, Suite 201,
Barrie, ON
L4M 1B1

Tel: 705.737.1057 ext. 101
Fax: 705.737.0484
Email: ashleyvarcoe@rogers.com

AND TO: FIRST MILTON SHOPPING CENTRES LIMITED
3751 Victoria Park Ave,
Toronto, ON
M1W 3Z4

Tel: 905.363.3064
Email: mgrant@firstgulf.com

AND TO: CONTROLEX CORPORATION
223 Colonnade Road S., Suite 100,
Ottawa, ON
K2E 7K3

Tel: 613.723.7490 ext. 102
Email: COconnor@controlex.ca

AND TO: OPGI MGMNT LP O/A OXF. ITF
Upper Canada Mall
17600 Yonge St, Box 256
Newmarket, ON
L3Y 4Z1

Tel: 905.895.1961
Email: kcook@oxfordproperties.com

AND TO: LYNDEN PARK MALL LIMITED
Lynden Park Mall
84 Lynden Road
Brantford, ON
N3R 6B8

Email: lwhite@centrecorp.com

AND TO: ANTHEM CRESTPOINT NORTH
Town S.C C/P Anthem Prop.
255,9450-137 Avenue Nw
Edmonton, AB
T5E 6C2

Tel: 780.475.1673
Email: CCastonguay@AnthemProperties.com

AND TO: GWL REALTY ADVISO. INC. ITF
13575 Commerce Parkway, Suite 150,
Richmond, BC
V6V 2L1

Email: rachel.oommen@gwlra.com
santosh.nahal@gwlra.com
beth.breasail@gwlra.com

AND TO: MARINE PROMENADE PROPERTIES INC.

1067 West Cordova Street, Suite 501,
Vancouver, BC
V6C 1C7

Tel: 604.893.1725
Fax: 604.893.1708
Email: xinna@westbankcorp.com

Trevor Shumka

Email: trevor@westbankcorp.com

AND TO: MARINE PROMENADE PROPERTIES INC.

1067 West Cordova Street, Suite 501,
Vancouver, BC
V6C 1C7

Tel: 604.893.1725
Fax: 604.893.1708
Email: eimon@westbankcorp.com

AND TO: PRIMARIS MANAGEMENT INC.

Re: Carry Drive Plaza
3292 Dumore Rd, SE, Unit 160,
Medicine Hat, AB
T1B 2R4

Email: dhenly@primarisreit.com

AND TO: PLAZA MASTER G.P LIMITED

Bedford Commons Plaza
98 Main Street,
Fredericton, NB
E3A 9N6

Tel: 504.451.1826
Email: margie.loisel@plaza.ca

AND TO: NORTHLAND VILLAGE MALL HOLDINGS INC.

c/o Primaris Management Inc.
Northland Village,
5111 Nothland Drive NW, Suite 440,
Calgary, AB
T2L 2J8

Attention: General Manager

Tel: 403.974.0050
Email: cseymour@primarisreit.com

AND TO: KCAP KINGSTON INC.

45 St. Clair Avenue W., Suite 1001,
Toronto, ON
M4V 1K9

Tel: 416.306.2287 ext. 227
Email: lclosenberg@k-cap.com

AND TO: ALGOMA CENTRAL PROPERTIES INC.

Station Tower
421 Bay St., Suite 608,
Sault Ste. Marie, ON
P6A 1X3

Attention: Vice President, Real Estate

Tel: 705.946.7245
Email: joann.king@algonet.com

AND TO: LETHBRIDGE COLLEGE CENTRE LTD.

c/o Ronmor Developers Inc.
5920-1A Street S. W., Suite 250,
Calgary, AB
T2H 0G3

Tel: 403.692.4644
403.253.8180
Fax: 403.255.2516
Email: accounting@ronmor.ca

AND TO: FIRST GULF
Milton West Development
3751 Victoria Park Ave,
Toronto, ON
M1W 3Z4

Tel: 905.363.3064
Email: mgrant@firstgulf.com

AND TO: EAST POINT INC.
479 Rothesay Avenue,
P.O. Box 1289,
Saint John, NB
E2L 4G7

Robert Crowley, VP Finance
Tel: 506.634.3402
Fax: 506.634.2236
Email: rcrowley@northrupgroup.ca

AND TO: COX & PALMER
Brunswick Square, Suite 1500
1 Germain Street
Saint John, NB
E2L 4V1

Mailing address:
PO Box 1324 Stn Main
Saint John, NB
E2L 4H8

Josh McElman
Tel: 506 633 2708
Fax: 506 632 8809
Email: jmcelman@coxandpalmer.com

Lawyers for East Point Inc.

AND TO: PRIMARIS MANAGEMENT INC.

Re: Medicine Hat Mall
3292 Dunmore Rd. S.E, Unit 160,
Medicine Hat, AB
T1B 2R4

Tel: 403.526.48888
Email: dhenly@primarisreit.com

AND TO: GEORGETOWN MARKET PLACE CORP.

c/o High Peak Realties Inc
#1201-21 St. Clair Ave East,
Toronto, ON
M4T 1L9

Tel: 647.722.6472
Email: kori@georgetownmarketplace.com

**AND TO: GEORGETOWN MARKET PLACE CORP.
2042170 ONTARIO INC.**

c/o McCOR Management
21 St. Clair Avenue East, Suite 1201,
Toronto, ON
M4T 1L9

Greg Fera
Email: gfera@mccor.ca

AND TO: OPGI MGMT LTD PARTNERSHIP

Attention: Loas Mcelwain
Suite 1700, Oxford Tower,
Edmonton, AB
T5J 2Z2

Tel: 780.426.8463
Email: edmontoncitycentre@oxfordproperties.com

AND TO: COMINAR REAL ESTATE INVESTMENT TRUST

1250 South Service Road,
Mississauga, ON
L5E 1V4

Tel: 905.278.3494
Email: sales@dixieoutletmall.com

AND TO: 2526497 ONTARIO LTD.

10 Beauvista Court,
Woodbridge, ON
L4H 3G6

Anthony Colalillo

Tel: 416.577.0800

Email: acolalillo@rogers.com

AND TO: WESTDALE CONSTRUCTION CO. LIMITED

Management Office
489 Albert Street North
Regina, SK
S4R 3C4

Attention: Shopping Centre Manager

Email: CeceliaL@westdaleproperties.com

AND TO: HIGH PEAK LEASEHOLD LD.

Re: Promotional Fund
800 Grand Lake Road,
Sydney, NS
B1P 6S9

AND TO: PLAZA MASTER LIMITED PARTNERSHIP

106 Ave Gun
Pointe-Claire QC
H9R 3X3

Linda Sénat

Tel: 514-457-7007 x 2233

Email: linda.senat@plaza.ca

AND TO: JETBRO INVESTMENTS LTD.

53 Tycos Drive,
Toronto, ON
M6B 1W3

AND TO: CENTRECORP MGMT SERVICES

LYNDEN PARK MALL MGMT OFF
84 LYNDEN ROAD
Brantford, ON
N3R 6B8

AND TO: RANCHO REALTY (1975) LTD.
5528-1 Street S.E., Suite 1,
Calgary, AB
T2H 2W9

Tel: 403.253.7642

AND TO: 552861 ALBERTA LTD.,
#822-470 Granville Street
Vancouver, BC
V6C 1V5

Tel: 604.688.8103 ext. 1

Fax: 604.688.6302

AND TO: 552861 ALBERTA LTD.,
#1011-470 Granville Street
Vancouver, BC
V6C 1V5

AND TO: THE EGLINTON TOWN CENTRE INC.
12045 McCowan Road,
Stouffville, ON
L4A 8A2

Joseph Lebovic, President

Tel: 905.640.7361

Fax: 905.640.7369

Lloyd Cherniak

Email: lcherniak@lebovic.ca

AND TO: WEST EDMONTON MALL PROMO.
8882-170 Street, Suite 3000,
Edmonton, AB
T5T 4M2

AND TO: SHAPE PROPERTY MGMNT CORP
901-64th.Avenue N.E.
Calgary, AB
T2E 7P4

Tel: 403.274.7024

Email: haynes@Shapepm.com

AND TO: HOOPP REALTY INC.
c/o 1 Queen Street East, Suite 300, Box 88
Toronto, ON
M5C 2W5

Tel: 416.681.9320
Fax: 416.955.0569

AND TO: BOCA LP
c/o Maurizio Puzo
44 Apex Road,
Toronto, ON
M6A 2V2

Tel: 416.780.9922

AND TO: YORKDALE MERCHANTS ASSCN
1 Yorkdale Road, Suite 500
Toronto, ON
M6A 3A1

AND TO: YORKDALE SHOPPING CENTRE HOLDINGS INC.
c/o OMERS Realty Management Corporation
Oxford Realty Group,
130 Adelaide Street West, 11th Floor,
Toronto, ON
M5H 2P5

AND TO: KINGSWAY GARDEN MALL
320 Kingsway Garden
Prince Elizabeth A. & 109 Street,
Edmonton, AB
T5G 3A6

AND TO: Steiner Properties Ltd.
470 Granville St
Vancouver, BC
V6C 1V5

Chelsea Harding, Asset Manager
Tel: 604-688-8103
Email: charding@steinerproperties.ca

OTHER POTENTIALLY INTERESTED PARTIES:

AND TO: WERKER LAW
393 University Avenue, Suite 200
Toronto, ON M5G 1E6

Ian Werker
Tel: 416.593.7552
Fax: 416.593.0668
Email: ian@werkerlaw.com

Lawyer to David McGregor

AND TO: WOOLGAR VAN WIECHEN COSGRIFFE DUCOFFE LLP
70 The Esplanade, Suite 401
Toronto, ON
M5E 1R2

Christopher J. Cosgriffe
Tel: 416.867.1666
Fax: 416.867.1434
E-mail: ccosgriffe@woolvan.com

Ryan R. Watkins
Email: rwatkins@woolvan.com

Lawyers to 9148655 Canada Inc.

AND TO: BOURGON LAW PROFESSIONAL CORPORATION
St. Lawrence Professional Centre
614 Second Street East, Suite 1
Cornwall, ON
K6H 1Z8

Andre B. Bourgon
Tel: 613.933.0059
Fax: 613.933.1159
Email: andre.bourgon@bellnet.ca

Lawyers to Marianne Gardner

AND TO: ABG-JONES, LLC
1411 Broadway, 4th Floor
New York, NY
10018

Noah P. Rosen
Tel: 646.694.9682
Fax: 212.760.2419
Email: nrosen@abg-nyc.com

AND TO: Borden Ladner Gervais LLP
1000 De La Gauchetière Street West
Suite 900
Montréal, QC
H3B 5H4

Isabelle Desharnais
Tel: 514.954.3176
Fax: 514.954.1905
Email: IDesharnais@blg.com

Lawyers for Société Internationale de promotion et de création S.A.S.

AND TO: S.I.P.C.
4 Ter, avenue Hoche
75008 Paris, France

Email: tmulliez@daniel-hechter.fr

AND TO: DOMINIC BELLISSIMO FASHIONS INC.
84 Wingold Avenue
Toronto, ON
M6B 1P5

AND TO: CANADA REVENUE AGENCY

c/o Department of Justice
The Exchange Tower
130 King Street West
Suite 3400, P.O. Box 36
Toronto, ON
M5X 1K6

Diane Winters

Tel: 416.973.3172
Fax: 416.973.0810
Email: diane.winters@justice.gc.ca

Counsel to Canada Revenue Agency

AND TO: CANADA POST CORPORATION

2701 Riverside Drive Suite B0260
Ottawa, ON
K1A 0B1

Julie Lahaie

Tel: 1-800-267-7651
Email: julie.lahaie@canadapost.postescanada.ca

OTHER

AND TO:	AMEX BANK OF CANADA Andrea L. Martin Email: andrea.l.martin@aexp.com
AND TO:	GLOBAL PAYMENTS DIRECT, INC. Taline Tchilinkerian Email: Taline.Tchilinkerian@globalpay.com
AND TO:	HEWLETT-PACKARD FINANCIAL SERVICED CANADA COMPANY Kathryn Giordano Email: kathryn.a.giordano@hpe.com
AND TO:	AGINCOURT MAZDA

	Susan Su Email: s_su@agincourtmazda.com
AND TO:	TELUS/SKY WIRELESS COMMUNICATIONS Jason Hyde Email: Jason.Hyde@telus.com
AND TO:	Rahib Ghosh Rajib.Ghosh@graftonapparel.com
AND TO:	Mark Sun Mark.Sun@graftonapparel.com
AND TO:	David Wilchuck <u>David.Wilchuck@graftonapparel.com</u>
AND TO:	Nasser Rifai <u>Nasser.Rifai@graftonapparel.com</u>
AND TO:	Casey Mendes Casey.Mendes@graftonapparel.com

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.)**

(the "Applicant")

**NOTICE OF MOTION
(returnable September 12, 2017)**

(Re Distribution, Stay Extension, Discharge & Termination of CCAA)

Richer Advisory Group Inc. ("**Richter**") in its capacity as the monitor of the Applicant (the "**Monitor**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), will make a motion to a judge of the Commercial List on Tuesday, September 12, 2017 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario by way of Court Call.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) an Order substantially in the form attached hereto as Schedule "A", *inter alia*:
- (i) abridging the time for service of the Notice of Motion and the Motion Record herein, if necessary, and validating service thereof;

- (ii) approving the fifth report of the Monitor dated July 13, 2017 (the “**Fifth Report**”) and the sixth report of the Monitor dated September 5, 2017 (the “**Sixth Report**”) (and the activities, actions, and conduct of the Monitor set out herein);
 - (iii) approving the fees and disbursements of the Monitor for the period from May 21, 2017 to August 19, 2017 as set out in the affidavit of Andrew Adessky sworn September 5, 2017 and those of the Monitor’s counsel, Cassels Brock & Blackwell LLP (“**Cassels**”) for the period from May 23, 2017 to August 24, 2017, as set out in the affidavit of Jane Dietrich sworn September 1, 2017 plus an amount of up to \$100,000 plus taxes for the Monitor and Cassels to complete the administration of these CCAA proceedings;
 - (iv) authorizing, from time to time, the Monitor, Cassels and Fasken Martineau DuMoulin LLP, legal counsel for the Company to transfer any unused professional fee retainers to the Monitor on behalf of the Company;
 - (v) authorizing the Monitor on behalf of the Company to pay amounts remaining, if any, on hand from time to time to the Purchaser or as the Purchaser may direct in writing;
 - (vi) terminating the CCAA Proceedings and discharging the Monitor from all liabilities and actions (save for gross negligence and wilful misconduct) upon the Monitor filing a certificate (the “**Monitor’s Discharge Certificate**”), confirming the Remaining Activities, as defined in the Sixth Report have been completed; and
- (b) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

I. BACKGROUND

- (c) On January 25, 2017, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order, as amended and restated on January 30, 2017 (the “**Amended and Restated Initial Order**”) which granted the Company protection under the CCAA and appointed Richter as Monitor of the Company;
- (d) on January 30, 2017, the Court approved a sale and investment solicitation process (“**SISP**”) to be carried out by the Company with the Monitor’s assistance and authorized the Company to enter into an asset purchase agreement (the “**Sale Agreement**”), between the Company and 1104307 B.C. Ltd. (now GSO GF Acquisition B.C. Ltd. and referred to herein as the “**Purchaser**”) to serve as the stalking horse bid under the proposed SISP;
- (e) since the SISP did not result in any superior offers, on May 2, 2017, the Court granted an order approving the Sale Agreement, and, vesting, upon the closing of the transaction, all of the rights, title and interest in and to the Purchased Assets (as set out and described in the Sale Agreement) including all accounts receivable and cash on hand, in the Purchaser;
- (f) the sale transaction closed on June 28, 2017 and the Monitor’s Certificate was delivered to the Purchaser on the same date and filed with the Court;
- (g) the Amended and Restated Initial Order provided the Company with, *inter alia*, a stay of proceedings which has been extended most recently by Order dated June 6, 2017 and which currently expires on September 15, 2017 (the “**Stay Period**”);
- (h) the Amended and Restated Initial Order also provided for a sum of \$772,597 (the “**Directors’ Escrow**”) to be paid by the Company to the Monitor to hold, in trust, for the Company’s indemnification obligations with respect to post-filing statutory liabilities of its directors and officers (the “**Directors**”) and which has by court order, subsequently been reduced to \$50,000;

- (i) on July 18, 2017 the Court issued an order for among other things, the expansion of the powers of the Monitor, in order for the Monitor to take the necessary steps to facilitate or assist the Company in dealing with its wind-down, these CCAA proceedings or other activities;

II. DISTRIBUTION TO GSO

- (j) the Monitor continues to correspond with the Canada Revenue Agency and the Company's tax advisors regarding input tax credits (the "ITCs") claimed by the Company on pre-filing liabilities owing;
- (k) the Monitor is seeking Court approval for the distribution of any net amounts in its hands from time to time to be remitted to the Purchaser (the "Payments") including any refunds with respect to the ITCs which were Purchased Assets under the Sale Agreement;

III. EXTENSION OF STAY & TERMINATION OF CCAA PROCEEDINGS

- (l) following the proposed Payments, the Company will have no further assets to administer, except the remaining amount of the Directors' Escrow and Director's counsel and the Purchaser have agreed that the remaining amount of the Directors Escrow will be transferred to the Purchaser upon the filing of the Monitor's Discharge Certificate unless prior to such time an order of Court directing otherwise has been obtained;
- (m) as described in the Sixth Report the Monitor is not aware of any outstanding amounts that would be secured by the KERP Charge, the Term Lender's DIP Charge and the ABL Lenders DIP Charge (each as defined in the Amended and Restated Initial Order);
- (n) the Company is in the final stages of winding down its remaining activities and completing the steps and actions necessary to conclude these CCAA proceedings;
- (o) an extension of the Stay Period until the filing of the Monitor's Discharge Certificate will provide the Company and the Monitor with the opportunity

to effectuate the Payments, complete the remaining matters in the CCAA proceedings;

- (p) the Monitor has acted, and continues to act, in good faith and with due diligence in pursuing the orderly conclusion of these proceedings;
- (q) the Company will have sufficient liquidity to fund its post-filing obligations and the costs of its CCAA proceedings during the proposed stay extension;
- (r) the Monitor is not aware of any stakeholders that would suffer any material prejudice if the Stay Period is extended as requested;

IV. OTHER GROUNDS

- (s) those grounds set out in the Sixth Report, and the Appendices thereto, filed;
- (t) the provisions of the CCAA and the inherent and equitable jurisdiction of this Court;
- (u) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (v) such further other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (w) The Fifth Report, the Sixth Report, and the Appendices thereto; and
- (x) such other material as counsel may advise and this Honourable Court may permit.

September 5, 2017

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Jane O. Dietrich LSUC# 49302U
Tel: 416.860.5223
Fax: 416.640.3144
jdietrich@casselsbrock.com

Monique Sassi LSUC# 63638L
Tel: 416.860.6886
Fax: 416.640.3005
msassi@casselsbrock.com

Lawyers for Richter Advisory Group Inc.

TO:

THE ATTACHED SERVICE LIST

TAB A

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and validated so that the Motion is properly returnable today.
2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 25, 2017 as amended and restated (the "**Amended and Restated Initial Order**").

DISTRIBUTIONS

3. **THIS COURT ORDERS** that, the Monitor be and is hereby authorized and directed to remit to the Purchaser or as otherwise directed by the Purchaser in writing, without further Order of the Court, all such net amounts as the Applicant may have available (including amounts held in trust by the Monitor for the Applicant) as the Monitor may approve from time to time until the CCAA Termination Time (as defined below) (the "**Payments**").
4. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the Applicant;

the Payments shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct

pursuant to any applicable federal or provincial legislation and shall, be free of all claims, liens, security interests, charges or encumbrances granted by or relating to the Applicant.

APPROVAL OF MONITOR'S SIXTH REPORT

5. **THIS COURT ORDERS** that the Fifth Report and the Sixth Report, and the activities of the Monitor referred to therein, be and are hereby approved.

APPROVAL OF FEES AND DISBURSEMENTS

6. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and of its counsel, Cassels Brock and Blackwell LLP ("**Cassels**"), as set out in the Sixth Report and in the Appendices thereto, be and are hereby approved.

7. **THIS COURT ORDERS** that the anticipated further fees and disbursements of the Monitor and of Cassels, estimated not to exceed \$100,000 (plus H.S.T.), to complete their remaining duties and the administration of these CCAA proceedings, all as set out in the Sixth Report and in the Appendices thereto, be and are hereby approved, and that the Monitor and Cassels shall not be required to pass their accounts in respect of any further activities in connection with the administration of these CCAA proceedings provided the fees and disbursements of the Monitor and Cassels do not exceed the amount of \$100,000 (plus H.S.T.).

RELEASE OF FUNDS TO THE MONITOR

8. **THIS COURT ORDERS** that the Monitor, Cassels and the Applicant's counsel, Fasken Martineau DuMoulin LLP, be and are hereby authorized from time to time to apply any funds held by them as professional fee retainers, on account of their respective current or future outstanding fees and disbursements, provided, however, that any unused balance of the professional fee retainers shall be transferred to the Monitor on behalf of the Applicant to be transferred in accordance with this Order.

TERMINATION OF CHARGES

9. **THIS COURT ORDERS** that the Term Lenders' DIP Charge, the ABL Lender's Charge and the KERP Charge (each as defined in the Amended and Restated Initial Order) shall be and are hereby terminated, released and discharged.

TERMINATION OF CCAA PROCEEDINGS

10. THIS COURT ORDERS that upon the filing of a certificate of the Monitor substantially in the form attached hereto as Schedule "A" (the "**Monitor's Discharge Certificate**") certifying that the Remaining Activities (as defined in the Sixth Report) have been completed that the CCAA proceedings shall be terminated effective as of the date and time set out in the Monitor's Discharge Certificate without any further act or formality (the "**CCAA Termination Time**").

11. **THIS COURT ORDERS** that the Administration Charge and the Directors' Charge shall be and are hereby terminated, released and discharged at the CCAA Termination Time.

DISCHARGE OF THE MONITOR

12. **THIS COURT ORDERS AND DECLARES** that effective at the CCAA Termination Time, the Monitor shall be and is hereby discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time.

13. **THIS COURT ORDERS AND DECLARES** that, in addition to the protections in favour of the Monitor as set out in the CCAA, the Amended and Restated Initial Order, any other Order of this Court in the CCAA proceedings or otherwise, all of which are expressly continued and confirmed, the Monitor shall not be liable for any act or omission on the part of the Monitor, including with respect to any reliance thereof, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of the Monitor's duties in the CCAA proceedings or with respect to any other duties or obligations of the Monitor under the CCAA or otherwise, save and except for any claim or liability arising out of any gross negligence

or wilful misconduct on the part of the Monitor. Subject to the foregoing, and in addition to the protections in favour of the Monitor as set out in the CCAA, the Amended and Restated Initial Order, any other Order of this Court in the CCAA proceedings or otherwise, any claims against the Monitor in connection with the performance of its duties as Monitor be and are hereby released, stayed, extinguished and forever barred and the Monitor shall have no liability in respect thereof.

14. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the termination of the CCAA proceedings, and the discharge of the Monitor, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, any of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Amended and Restated Initial Order, any other Order of this Court in the CCAA proceedings or otherwise, all of which are expressly continued and confirmed.

15. **THIS COURT ORDERS** that no action or other proceeding may be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor in these CCAA proceedings except with prior leave of this Court and on prior written notice to the Monitor.

STAY EXTENSION

16. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Amended and Restated Initial Order) be and is hereby extended until and including the CCAA Termination Time.

GENERAL

17. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions to give effect to the Payments and other matters proposed herein.

18. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist the Applicant, the Monitor 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to the Monitor and its respective agents in carrying out the terms of this Order.

20. **THIS COURT ORDERS** that the Monitor 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

SCHEDULE "A"

Court File No. CV-17-11677-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
)
)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.)**

(the "Applicant")

MONITOR'S DISCHARGE CERTIFICATE

RECITALS

- A. Richter Advisory Group Inc. was appointed as the monitor (the "**Monitor**") of the Applicant in the within CCAA proceedings pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 25, 2017 as amended and restated on January 30, 2017 (the "**Amended and Restated Initial Order**");
- B. Pursuant to an Order of the Court dated September 12, 2017 (the "**CCAA Termination Order**"), the Monitor shall be discharged and the CCAA proceedings shall be terminated upon the filing of this Monitor's Discharge Certificate with the Court;
- C. Unless otherwise indicated herein, capitalized terms used in this Monitor's Discharge Certificate shall have the meanings ascribed thereto in the CCAA Termination Order.

THE MONITOR CERTIFIES the following:

1. The Remaining Activities have been completed and that all matters to be attended to in connection with the CCAA proceedings have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario at _____ [TIME] on this ____ day of _____, 20____.

RICHTER ADVISORY GROUP INC., solely in its capacity as Court-appointed Monitor of **1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.** and not in its personal capacity

By: _____
Name:
Title:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.)

Court File No. CV-17-11677-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

Cassels Brock & Blackwell LLP

2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Jane O. Dietrich LSUC# 49302U

Tel: 416.860.5223

Fax: 416.640.3144

jdietrich@casselsbrock.com

Monique Sassi LSUC# 63638L

Tel: 416.860.6886

Fax: 416.640.3005

msassi@casselsbrock.com

Lawyers for Richter Advisory Group Inc.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1735825 Ontario Inc. (formerly known as Grafton-Fraser
Inc.)

Court File No. CV-17-11677-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

Cassels Brock & Blackwell LLP

2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C

Jane O. Dietrich LSUC 23
Fax: 416.640.3144
jdietrich@casselsbrock.com

Monique Sassi LSUC# 63638L
Tel: 416.860.6886
Fax: 416.640.3005
msassi@casselsbrock.com

Lawyers for Richter Advisory Group Inc.

TAB 2

1735825 ONTARIO INC. (FORMERLY KNOWN AS GRAFTON-FRASER INC.)

**SIXTH REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS MONITOR OF
1735825 ONTARIO INC.**

September 5, 2017

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1735825 ONTARIO INC. (FORMERLY KNOWN AS GRAFTON-FRASER INC.)**

**SIXTH REPORT OF RICHTER ADVISORY GROUP INC.
In its capacity as Monitor of the Company**

September 5, 2017

Introduction

1. On January 25, 2017 (the "**Filing Date**"), the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an order, as amended and restated at a subsequent Court attendance on January 30, 2017 (the "**Amended and Restated Initial Order**"), granting 1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.) (the "**Company**") protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Richter Advisory Group Inc. ("**Richter**") was appointed as monitor (the "**Monitor**"). The proceedings commenced by the Company under the CCAA are herein referred to as the "**CCAA Proceedings**". A copy of the Amended and Restated Initial Order is attached hereto as **Appendix "A"**.
2. Following the completion of a sale of substantially all of the assets of the Company, the CCAA Proceedings are now substantially complete, with certain remaining matters to be completed as described herein. As the Stay Period (defined below) expires on September 15, 2017, the Monitor is seeking an extension of the Stay Period from the Court until the CCAA Proceedings are terminated upon the Monitor filing a certificate with the Court, certifying that the administration of the CCAA Proceedings is complete.

Background

3. The Amended and Restated Initial Order provided the Company with, *inter alia*, a stay of proceedings until February 23, 2017 (the “**Stay Period**”). The Amended and Restated Initial Order also granted the Company the authority to enter into amended and restated forbearance agreements with its two primary secured creditors, being Canadian Imperial Bank of Commerce (“**CIBC**”) as agent and lender, as well as GSO Capital Partners LP (“**GSO**”) as agent for the GSO Lenders (as defined in the Amended and Restated Initial Order), pursuant to which CIBC and GSO agreed, among other things, to continue to forbear from exercising their rights and remedies under their respective loan documents. Among other terms, the amended and restated forbearance agreement with CIBC allowed the Company to continue to borrow under its revolving facility with CIBC (the “**CIBC Facility**”), subject to the terms and conditions contained in that forbearance agreement.
4. The Amended and Restated Initial Order also provided for the sum of \$772,597 (the “**Directors’ Escrow**”) to be paid by the Company to the Monitor to hold, in trust, for the Company’s indemnification obligations with respect to post-filing statutory liabilities of its directors and officers (the “**Directors**”).
5. As the Company required financing to pursue its restructuring plan incremental to that provided for under the CIBC Facility, the Amended and Restated Initial Order also granted the Company the authority to enter into an agreement with GSO (and certain related entities) for a new non-revolving credit facility in the maximum amount of \$5.5 million (the “**DIP Credit Facility**”) to provide additional funding for the Company’s operations during the CCAA Proceedings.
6. Contemporaneous with the Company’s service of its application for the Amended and Restated Initial Order, the Company served a motion, returnable January 30, 2017, for orders approving, among other things, (i) the proposed sale and investment solicitation process (“**SISP**”) to be carried out by the Company with the Monitor’s assistance, (ii) the execution of an asset purchase agreement dated January 24, 2017, as amended (the “**Sale Agreement**”), between the Company and 1104307 B.C. Ltd. (now GSO GF Acquisition B.C. Ltd., a party related to GSO, and referred to herein as the “**Purchaser**”) to serve as the stalking horse bid under the proposed SISP, and (iii) a liquidation consulting agreement (the “**Liquidation Consulting Agreement**”) dated January 24, 2017, including the sale guidelines (the “**Sale Guidelines**”) in connection with same, between the Company and a contractual joint venture composed of Gordon Brothers Canada ULC and Merchant Retail Solutions

ULC (together, the “**Consultant**”), pursuant to which the Consultant was to provide guidance to the Company on the liquidation of inventory and owned furniture, fixtures and equipment at certain underperforming stores.

7. On January 30, 2017, the Court issued an order which, among other things, authorized the Company to enter into the Sale Agreement, approved the SISP, authorized the Company to enter into the Liquidation Consulting Agreement, and approved the Sale Guidelines.
8. Since the SISP did not result in any superior offers, on May 2, 2017, the Court granted an order (the “**Approval and Vesting Order**”) approving the Sale Agreement, and vesting, upon the closing of the transaction (the “**Transaction**”), all of the rights, title and interest in and to the Purchased Assets (as set out and described in the Sale Agreement), in the Purchaser, free and clear of and from all Claims (as defined in the Approval and Vesting Order, except for those permitted encumbrances, easements and restrictive covenants listed on Schedule “C” to the Approval and Vesting Order). Copies of the Approval and Vesting Order and the reasons of Justice Pattillo are attached hereto as **Appendices “B”** and **“C”**, respectively.
9. The terms of the Sale Agreement required the Company to use commercially reasonable efforts to obtain consents to the assignment of contracts (the “**Assumed Contracts**”) and leases (the “**Assumed Real Property Leases**”) contemplated in the Sale Agreement to the Purchaser. In the event that such consents could not be obtained, the Company was required to take steps to obtain an order assigning the Company’s rights and obligations under such agreements to the Purchaser, pursuant to section 11.3 of the CCAA. Since the Company was unable to obtain the required consents for one Assumed Real Property Lease and one Assumed Contract, the Court issued an order (the “**Assignment Order**”) on June 6, 2017 which among other things, assigned the rights and obligations under those contracts to the Purchaser and vested the Company’s rights, title and interest therein, in the Purchaser as Purchased Assets under the Sale Agreement, provided that upon the closing of the Transaction, the cure costs shall be paid by the Purchaser. A copy of the Assignment Order is attached hereto as **Appendix “D”**.
10. On June 6, 2017, the Court also issued an order (the “**Distribution and Stay Extension Order**”) which, among other things, (i) extended the Stay Period to September 15, 2017, (ii) authorized and directed the Company to make a distribution to GSO in partial satisfaction of the amounts owing under the DIP Credit Facility, (iii) approved a reduction in the Directors’ Escrow of \$172,597 upon delivery of

the Monitor's Certificate (as defined in the Approval and Vesting Order) to the Purchaser, and authorized and directed the Monitor to release \$600,000 from the Directors' Escrow to the Purchaser, or as the Purchaser may otherwise direct in writing with the consent of the Monitor and CIBC, (iv) approved the Monitor's fourth report to the Court dated June 1, 2017 and the activities, actions and conduct of the Monitor set out therein; and (v) approved the fees and expenses of the Monitor and those of its counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), for the periods from April 2, 2017 to May 20, 2017 and from April 1, 2017 to May 22, 2017, respectively. A copy of the Distribution and Stay Extension Order is attached hereto as **Appendix "E"**.

11. The key elements of the Transaction, which was in large part a credit bid, have been outlined in the previously filed reports of the Monitor (the "**Reports**") and, therefore, have not been repeated herein (capitalized terms not otherwise defined herein shall have the meanings ascribed in the Sale Agreement).
12. The Transaction was completed on June 28, 2017 (the "**Closing Date**") and the Monitor's Certificate was delivered to the Purchaser on the same date and filed with the Court.
13. On the Closing Date, (i) the Monitor understands that GSO, as lender, assigned to the Purchaser certain (but not all) amounts owing to GSO by the Company (the "**Assigned Debt**") together with any security granted by the Company in favour of GSO in respect of such obligations (the "**Assigned Security**"), (ii) all of the amounts owing by the Company (as well as the Company's wholly-owned subsidiary, 2473304 Ontario Inc.) to CIBC were released, and (iii) the Purchaser released the Company from all of its obligations pursuant to the Assigned Debt and Assigned Security.
14. Pursuant to the Approval and Vesting Order, the Company filed articles of reorganization on June 28, 2017 changing its name from Grafton-Fraser Inc. to 1735825 Ontario Inc.
15. On July 18, 2017 the Court issued an order granting among other things, the expansion of the powers of the Monitor, as set out in the Amended and Restated Initial Order (or any other Order of this Court made in the Company's CCAA Proceedings), including, *inter alia*, the authorization to take any and all actions and steps and execute any and all documents on behalf of the Company, as appropriate, in order to (i) exercise the Company's rights or perform the Company's obligations under the Sale Agreement and any ancillary agreements in connection therewith, and (ii) perform such functions and

duties as the Monitor considers necessary or desirable in order to facilitate or assist the Company in dealing with its wind-down, the CCAA Proceedings or other activities.

Purpose of this Report

16. The purpose of this, the Monitor's sixth report (the "**Sixth Report**"), is to provide information to this Honourable Court regarding the following:
- (i) the activities of the Monitor since July 13, 2017, the date of the Monitor's fifth report (the "**Fifth Report**");
 - (ii) the Directors' Escrow and the Escrow Funds (as defined below);
 - (iii) the motion by the Monitor seeking an order, among other things:
 - a) approving the Fifth Report and this Sixth Report, and the activities, actions, and conduct of the Monitor set out therein;
 - b) approving the Monitor's fees and disbursements for the period from May 21, 2017 to August 19, 2017 as set out in the Affidavit of Andrew Adessky sworn September 5, 2017 (the "**Adessky Affidavit**") and those of the Monitor's counsel, Cassels for the period from May 23, 2017 to August 24, 2017, as set out in the Affidavit of Jane Dietrich sworn September 1, 2017 (the "**Dietrich Affidavit**") plus the amount of approximately \$100,000 (excluding HST) for the Monitor and Cassels in aggregate to complete the administration of the CCAA Proceedings;
 - c) authorizing the Monitor, Cassels, and Fasken Martineau DuMoulin LLP (legal counsel for the Company) to pay any unused professional fee retainers to the Monitor on behalf of the Company;
 - d) authorizing the Monitor on behalf of the Company to pay amounts remaining on hand from time to time, if any, to the Purchaser or as the Purchaser may direct in writing, pursuant to the terms of the Sale Agreement; and
 - e) terminating the CCAA Proceedings and discharging Richter from all liabilities and actions in its capacity as Monitor (save for gross negligence and wilful misconduct) subject to the Monitor filing a certificate (the "**Monitor's Discharge Certificate**"), confirming the Remaining Matters (as defined later in this Sixth Report) have been completed.

Terms of Reference

17. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.
18. In preparing this report and conducting its analyses, the Monitor has obtained and relied upon certain unaudited, draft, and/or internal financial information of the Company, the Company's books and records and discussions with various parties, including the Company's former employees and certain of its former directors (collectively, the "Information"). Except as otherwise described in this report, the Monitor 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 Canada Handbook and, as such, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

The Monitor's Activities

19. The activities of the Monitor from the commencement of the CCAA Proceedings to July 13, 2017 are detailed in the Reports. Subsequent to the filing of the Fifth Report, the Monitor's activities have included:
 - (i) maintaining a website at <https://richter.ca/en/folder/insolvency-cases/g/graffon-fraser-inc>, where all materials filed with the Court and all orders made by the Court in connection with the CCAA Proceedings are available in electronic format;
 - (ii) completing certain post-closing deliveries and the execution of ancillary documents in connection with the Transaction;
 - (iii) corresponding with certain Transferred Employees (as defined in the Sale Agreement) who, have been permitted by the Purchaser, for administrative purposes, to assist the Monitor in carrying out its duties regarding the CCAA Proceedings;
 - (iv) corresponding with Canada Revenue Agency ("CRA") and the Company's tax advisors regarding input tax credits (the "ITCs") claimed by the Company on pre-filing liabilities owing

- as at the Filing Date, which ITCs were disallowed by CRA, including the filing of a notice of objection in connection with CRA's treatment of such ITCs (the "**CRA Objection**");
- (v) monitoring the Company's sales tax liability position and the payment of post-filing sales tax liability, and filing certain post-filing sales tax returns;
 - (vi) continuing to hold the Directors' Escrow, now reduced to \$50,000 (as described later in this Sixth Report);
 - (vii) acting as escrow agent for the Escrow Funds (as defined below);
 - (viii) holding the Wind-Down Amount (as provided for and defined in the Sale Agreement) in the original amount of \$200,000, which amount was established to fund the reasonable costs, fees and disbursements necessary for winding down and completing the CCAA Proceedings;
 - (ix) responding to calls and enquiries from creditors, former employees and other stakeholders regarding the Transaction and the CCAA Proceedings; and
 - (x) preparing this Sixth Report.

The Escrow Funds

20. Pursuant to the Sale Agreement, the Purchaser was required to pay certain amounts upon closing of the Transaction, including but not limited to certain of the cure costs, transfer taxes owing to certain provincial taxing authorities, and the Wind-Down Amount.
21. In order to facilitate the funding and payment of these closing amounts, certain funds (the "**Escrow Funds**") were sent to the Monitor in escrow to be paid out pursuant to directions ("**Directions**") executed by the Purchaser (which Directions were consented to by both the Monitor and CIBC).
22. On or immediately following the Closing Date, in accordance with the Directions, the Monitor issued the majority of the payments. As at the date of this Sixth Report, all amounts payable pursuant to the Directions have been paid, and \$86,115.44 of the Escrow Funds is being held by the Monitor.
23. As contemplated by the Directions, the above-noted surplus Escrow Funds will be transferred to the Purchaser.

The Directors' Escrow

24. Pursuant the Amended and Restated Initial Order, the Directors' Escrow may be released only with the consent of the Monitor and the beneficiaries of the Directors' Charge (as defined in the Amended and Restated Initial Order, and which consent may be communicated by counsel to the Directors (the **"Directors' Counsel"**)).
25. In accordance with the Amended and Restated Initial Order, upon the consent of the Directors' Counsel, on July 31, 2017, \$93,892.53 of funds from the Directors' Escrow was released, reducing the Directors' Escrow to \$50,000.
26. In addition, on August 30, 2017, Directors' Counsel consented to the payment of stay bonuses, in the amount of approximately \$2,100, owing by the Company to certain employees from the remaining amount of the Directors' Escrow. The Monitor anticipates making these payments shortly.
27. In light of the status of the CCAA Proceedings, the Monitor is seeking an order directing that, unless otherwise agreed in writing by the Purchaser and Directors' Counsel (or absent an agreement or further order of the Court), the remaining amount of the Directors' Escrow be paid to the Purchaser upon the termination of the CCAA Proceedings. The Monitor has been advised that both the Purchaser and Directors' Counsel support the requested relief.

Tax Refunds

28. On March 24, 2017 CRA issued a notice of reassessment disallowing certain ITCs claimed by the Company on pre-filing liabilities owing as at the Filing Date. On June 22, 2017 the Company filed the CRA Objection in response to the CRA's notice of reassessment.
29. The Monitor continues to correspond with the CRA in connection with the ITC tax refund (the **"ITC Tax Refund"**).
30. Any refunds of income taxes paid by the Company were Purchased Assets under the Sale Agreement. As a result, the Monitor is of the view that it is appropriate that it pay any amounts in its hands from time to time to the Purchaser in accordance with the Sale Agreement.

Termination of the CCAA Proceedings

31. The CCAA Proceedings have facilitated an orderly sale of the Company's assets through the completion of the Transaction. Other than the professional fees which remain to be paid in the ordinary course as at the date of this Sixth Report, the Monitor is not aware of any other unpaid post-filing obligations of the Company.
32. As noted above, the Monitor continues to correspond with CRA regarding the ITC Tax Refund and other tax matters.
33. As a result, the Monitor on behalf of the Company is requesting that the Stay Period be extended until the CCAA Proceedings are terminated, to provide the parties with sufficient time to finalize the outstanding tax and administrative matters. In the Monitor's view, it would be beneficial for the CCAA Proceedings not to be terminated until the remaining tax-related activities and administrative matters, including the making of the various payments set out herein (collectively, the "**Remaining Matters**"), have been completed.
34. The Amended and Restated Initial Order granted separate court-ordered Charges over the Company's Property, namely the Administration Charge, the KERP Charge, the Directors' Charge, the Term Lenders' DIP Charge and the ABL Lender's DIP Charge (each as defined in the Amended and Restated Initial Order).
35. The Monitor has been advised by the Company that all amounts owing that were secured by the KERP Charge have been paid in full. As a result, the Monitor is of the view that the KERP Charge can now be terminated.
36. Further, as described above, amounts owing by the Company under the Term Lenders' DIP Charge and the ABL Lender's DIP Charge were released upon closing of the Transaction. As a result, the Monitor is of the view that it is appropriate that the Term Lenders' DIP Charge and the ABL Lender's DIP Charge be terminated as well.
37. Prior to filing of the Monitor's Discharge Certificate, the Monitor will ensure that all amounts that would have been secured by the Administration Charge have been paid. Consequently, the Monitor is of the view that the Administration Charge may be discharged upon termination of the CCAA Proceedings.

38. Similarly, as the Directors' Escrow stands as collateral to indemnify the Directors in the same way as the Directors' Charge, the Monitor is of the view that the Directors' Charge should be treated in the same way as the Directors' Escrow and, subject to further order of the Court, the Directors' Charge is proposed to be terminated upon the filing of the Monitor's Discharge Certificate. The Monitor understands that the Directors' Counsel supports the proposed treatment of the Directors' Charge.
39. In the Monitor's view, it is appropriate that the CCAA Proceedings be terminated and the Monitor be discharged of its duties and obligations in these proceedings upon the filing of the Monitor's Discharge Certificate with the Court certifying that the Remaining Matters have been completed, for the following reasons:
- (a) all of the Company's assets have been sold pursuant to the Sale Agreement;
 - (b) the Company's operations have ceased upon closing of the Transaction;
 - (c) as such, there is no prospect that the Company will file a plan of compromise or arrangement;
and
 - (d) the only outstanding matters in the CCAA Proceedings are certain sundry administrative issues (as set out herein).

Request for Approval of the Monitor's Activities and the Fees/Expenses of the Monitor and its Counsel

40. The Monitor has reported on the status of the CCAA Proceedings and its actions and activities in connection thereto, from time to time, in the Reports to this Honourable Court during the CCAA Proceedings.
41. On April 20, 2017, the Court issued an order which approved, *inter alia*, the fees and disbursements of the Monitor and its counsel, Cassels, for the periods from January 25, 2017 to April 1, 2017 and January 20, 2017 to March 31, 2017 respectively, in connection with the performance of their duties in these CCAA Proceedings.
42. The Distribution and Stay Extension Order approved, *inter alia*, the fees and disbursements of the Monitor and its counsel, Cassels, for the periods from April 2, 2017 to May 20, 2017 and April 1, 2017 to May 22, 2017, respectively, in connection with the performance of their duties in these CCAA Proceedings.

43. The Monitor and Cassels have maintained detailed records of their professional time and costs. The Monitor is seeking approval of its fees and disbursements for the period from May 21, 2017 to August 19, 2017 and those of Cassels for the period from May 23, 2017 to August 24, 2017 (the “**Periods**”) in connection with the performance of their duties in these CCAA Proceedings.
44. Pursuant to paragraphs 31, 32 and 33 of the Amended and Restated Initial Order, any expenditure or liability properly made or incurred by the Monitor, including the fees and disbursements of the Monitor and the fees and disbursements of its legal counsel, were authorized to be paid on a periodic basis subject to any final assessment or taxation as may be ordered by the Court. In addition, an Administration Charge, in the amount of \$500,000, was granted as security for the professional fees and disbursements of the Monitor, the Monitor’s counsel, the Company’s counsel, and counsel for the Directors in respect of these CCAA Proceedings.
45. The total fees of the Monitor during the Periods amount to \$308,769.55, together with expenses and disbursements in the amount of \$122,407.11 (both excluding HST) (collectively, the “**Monitor’s Fees and Disbursements**”). The time spent by the Monitor’s personnel during the Periods is more particularly described in the Adessky Affidavit attached as **Appendix “F”** to this report. The Adessky Affidavit includes a summary of the personnel, hours, and hourly rates charged by the Monitor in respect of the within proceedings for the Periods. The Adessky Affidavit also provides a breakdown of the disbursements which include certain of the Cassels’ Fees and Disbursements, as detailed in the Dietrich Affidavit.
46. The total fees for services provided by Cassels during the Periods amount to \$126,077.86, including expenses, disbursements and HST (collectively, the “**Cassels’ Fees and Disbursements**”). The time spent by Cassels personnel during the Periods is more particularly described in the Dietrich Affidavit attached as **Appendix “G”** to this report. Included in the Dietrich Affidavit is a summary of the personnel, hours, and hourly rates charged by Cassels in respect of the within proceedings for the Periods.
47. The Monitor respectfully submits that the Monitor’s Fees and Disbursements and the Cassels’ Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Amended and Restated Initial Order. Accordingly, the Monitor now seeks the approval of the Monitor’s Fees and Disbursements and the Cassels’ Fees and Disbursements

48. As at the date of this Sixth Report, the Monitor estimates that, barring unforeseen circumstances, the fees and disbursements of the Monitor for the period from August 20, 2017 and Cassels for the period from August 26, 2017 up to and including the effective date of the Monitor's discharge will not be more than \$100,000 (excluding HST) in aggregate for the Monitor and Cassels (the "**Remaining Fees Estimate**"). Any monies remaining after payment of the fees and disbursements of the Monitor and its counsel will be transferred to the Purchaser pursuant to the terms of the Sale Agreement.
49. The Monitor respectfully submits that the Monitor's Fees and Disbursements and the Cassels' Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Initial Order. Accordingly, the Monitor now seeks the approval of the Monitor's Fees and Disbursements and Cassels' Fees and Disbursements as well as the Remaining Fees Estimate.

Monitor's Conclusions and Recommendations

50. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court issue an order granting the relief sought by the Monitor, as outlined in paragraph 16(iii) of this Sixth Report.

All of which is respectfully submitted this 5th day of September, 2017.

Richter Advisory Group Inc.
in its capacity as Monitor of
1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.)

Per:



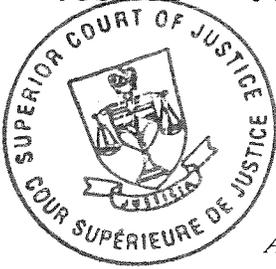
Gilles Benchaya, CPA, CA, CIRP, LIT

APPENDIX A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
JUSTICE WILTON-SIEGEL)
)

MONDAY, THE 30th
DAY OF JANUARY, 2017 *[Signature]*



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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON-FRASER INC.**

(the "Applicant")

**ORDER
(Amending and Restating Initial Order)**

1. THIS COURT ORDERS that the Initial Order of the Honourable Justice Hainey dated January 25, 2017 be and is hereby amended and restated by the Amended and Restated Initial Order in the form attached hereto as Schedule "A".

[Signature]

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

JAN 30 2017

PER / PAR: *[Signature]*

PER / PAR:

JAN 30 2017
ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

SCHEDULE "A"

Court File No. CV-17-11677-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEDNESDAY, THE 25th
JUSTICE) DAY OF JANUARY, 2017
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON-FRASER INC.

(the "Applicant")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Mark Sun sworn January 25, 2017 and the Exhibits thereto (the "**Sun Affidavit**"), the report of Richter Advisory Group Inc. ("**Richter**") as the proposed monitor dated January 25, 2017 (the "**Pre-Filing Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, counsel for Richter, in its capacity as the proposed monitor (the "**Monitor**") of the Applicant in these CCAA proceedings, counsel for the directors of the Applicant, counsel for Canadian Imperial Bank of Commerce ("**CIBC**"), counsel for GSO Capital Partners LP ("**GSO**") and such other parties as were present,

no one else appearing although duly served as appears from the affidavit of service of Irene Artuso sworn January 25, 2017, filed, and on reading the consent of Richter to act as the Monitor.

SERVICE

2. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

3. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

4. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. THIS COURT ORDERS that the Applicant shall be entitled to continue to utilize the central cash management system currently in place, in accordance with the DIP Agreement and the ABL DIP Forbearance Agreement (each as hereinafter defined), as described in the Sun

Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. THIS COURT ORDERS that, subject to the terms of the DIP Agreement and the Forbearance Agreements (as hereinafter defined) that require the Applicant to comply with the Approved Cash Flow (as defined in the DIP Agreement and in the Forbearance Agreements) the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements including any and all cheques for such employee obligations which have been issued, but not cleared prior to the date of this Order;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges; and
- (c) amounts owing to vendors determined by the Applicant to be necessary in order to ensure an uninterrupted supply of goods and/or services to the Applicant that are material to the continued operation of the Business, provided that such payments shall not exceed an aggregate amount of \$1 million and are approved in advance by the Monitor or by further Order of the Court.

8. THIS COURT ORDERS that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Agreement and the Forbearance Agreements that require the Applicant to comply with the Approved Cash Flow, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall, subject to the Approved Cash Flow, include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied (including royalties under license agreements relating to the sale of branded inventory) to the Applicant following the date of this Order.

9. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

10. THIS COURT ORDERS that the Applicant is hereby authorized to transfer to an account of the Monitor, on a weekly basis, in advance, such amount as the Applicant determines, in consultation with the Monitor, is appropriate and required to remit or pay projected Sales Taxes relating to the sale of goods and services by the Applicant in such week in accordance with applicable law, and the Monitor is hereby authorized to hold such funds and transfer such funds to the Applicant for remittance or payment by the Applicant of such Sales Taxes as required pursuant to applicable law. In the event the Monitor determines, in its discretion, to return any portion of such funds to the Applicant as a result of the Applicant having transferred more than is appropriate or required to pay or remit Sales Taxes as aforesaid, the funds so returned shall form part of the Property.

11. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. THIS COURT ORDERS that, except as specifically permitted (i) herein or (ii) in the DIP Agreement and the Forbearance Agreements, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

13. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) subject to obtaining the prior written consent of the Term DIP Lenders pursuant to the DIP Agreement and Term DIP Forbearance Agreement (each as defined below) and the ABL Agent and ABL Lender pursuant to the ABL Forbearance Agreement (as defined below), unless otherwise permitted by the provisions of the DIP Agreement and Term DIP Forbearance Agreement or by further Order of the Court:
 - (i) permanently or temporarily cease, downsize or shut down any of its business or operations, provided that, with respect to any leased premises, the Applicant may permanently but not temporarily cease, downsize or shut down unless provided for in the applicable lease; and
 - (ii) dispose of redundant or non-material assets not exceeding \$15,000 in any one transaction or \$75,000 in the aggregate;
- (b) subject to such applicable covenants as may be contained in the DIP Agreement, the Term DIP Credit Documents (as defined below), or the Forbearance Agreements, as applicable:
 - (i) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
 - (ii) pursue all avenues of refinancing of its Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**").

14. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled

to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, 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 Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

15. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

16. THIS COURT ORDERS that, subject to paragraph 17(v) hereof, until and including February 23, 2017, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) subject to paragraphs 44, 53 and 54 hereof, prevent the Lenders (as hereinafter defined) from exercising any rights or remedies in accordance with the DIP Agreement or their respective Forbearance Agreements.

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, intellectual property licenses, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, domain names, trademarks and trade names, provided in each case that the normal prices or charges for all such goods or services received after the date

of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of the Applicant for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$800,000 as security for the indemnity

provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 58 and 60 herein.

24. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

25. THIS COURT ORDERS and directs the Applicant to deposit with the Monitor, in trust, the sum of \$772,597 (the "**Directors' Escrow**"), which funds shall be held by the Monitor in trust and stand as collateral for the indemnity contemplated in paragraph 22 hereof and subject to the Directors' Charge, to be released only with the consent of the Monitor and the beneficiaries of the Directors' Charge (which consent may be communicated by counsel to the directors) or upon further Order of the Court made on notice to the Monitor and counsel to the directors; provided the indemnification obligations in respect of which the Directors' Escrow stands as collateral shall be limited to those relating to statutory obligations and liabilities of the directors and officers of the Applicant. Notwithstanding the provisions of paragraph 58 hereof, the Directors' Charge shall rank in priority to all other Charges and Encumbrances over the Directors' Escrow.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination to the Lenders and their respective counsel of financial and other information as agreed to between the Applicant and each Lender which may be used in these proceedings including reporting on a basis to be agreed with each Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the Lenders, which information shall be reviewed with the Monitor and delivered to the Lenders as required pursuant to the DIP Agreement and the Forbearance Agreements;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the

Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and similar legislation in other provinces and territories, and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the Lenders with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

31. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the Applicant, and counsel to the directors of the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or after the date of this Order, by the Applicant as part of the costs of these proceedings, subject to any assessment by the Court. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the Applicant, and counsel to the directors of the Applicant on a weekly basis or on such other basis agreed by the Applicant and the applicable payee and, in addition, the Applicant is hereby authorized, *nunc pro tunc*, to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, and counsel to the directors of the Applicant retainers in the amounts of \$100,000, \$50,000, \$100,000 and \$25,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

33. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Applicant's counsel, and counsel for the directors of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 58 and 60 hereof.

KEY EMPLOYEE RETENTION PAYMENTS

35. THIS COURT ORDERS that the key employee retention payments ("**KERPs**") offered by the Applicant to certain of its remaining employees and executive officers, as set out and described in the Sun Affidavit, be and are hereby approved, and the Applicant be and is hereby authorized and empowered to make the KERPs in accordance with the terms set out in the Sun Affidavit.

36. THIS COURT ORDERS that the employees of the Applicant who are the beneficiary of the KERPs shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$190,000, as security for the Applicant’s obligations in respect of the KERPs. The KERP Charge shall have the priority set out in paragraphs 58 and 60 hereof.

SECOND LEASE CONSULTING AGREEMENT

37. THIS COURT ORDERS that the execution, delivery, entry into, compliance with, and performance by the Applicant of the Second Lease Consulting Agreement (as defined in the Sun Affidavit) be and is hereby authorized and approved.

DIP FINANCING & FORBEARANCE AGREEMENTS

A) DIP AGREEMENT

38. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from the lenders that are parties to the DIP Agreement (as defined below) (in such capacity, collectively referred to herein as the “**Term DIP Lenders**”) in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$5.5 million unless permitted by further Order of this Court.

39. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the DIP facility term sheet between the Applicant, the Term DIP Lenders, GSO, as administrative agent for itself and for the Term DIP Lenders (in such capacity, the “**Term DIP Agent**”) and Wilmington Trust, National Association, as servicing agent (the “**Term DIP Servicing Agent**”), dated as of January 24, 2017 (the “**DIP Agreement**”), filed.

40. THIS COURT ORDERS THAT that the execution, delivery, entry into, compliance with, and performance by the Applicant of the DIP Agreement is hereby ratified and approved and the Applicant is hereby directed to comply with and perform the provisions of the DIP Agreement.

41. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver the DIP Security, the Servicing Agent Fee Agreement (each as defined in the

DIP Agreement) and such other documents (collectively, the "**Term DIP Credit Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the Term DIP Agent and the Term DIP Lenders pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Term DIP Agent, the Term DIP Lenders and the Term DIP Servicing Agent under and pursuant to the DIP Agreement and the Term DIP Credit Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

42. THIS COURT that, as security for all of the obligations of the Applicant under or in connection with the DIP Facility (as defined in the DIP Agreement), the DIP Agreement and the other Term DIP Credit Documents from and after the date of this Order, the Term DIP Agent on behalf of and for the benefit of itself, the Term DIP Lenders and the Term DIP Servicing Agent, shall be entitled to the benefit of and is hereby granted a charge (the "**Term Lenders' DIP Charge**") on the Property (excluding the ABL Priority Collateral to the extent of the ABL Obligations (each as defined in the Intercreditor Agreement (as hereinafter defined)), which Term Lenders' DIP Charge shall not secure an obligation that exists before this Order is made. The Term Lenders' DIP Charge shall have the priority set out in paragraphs 58 and 60 hereof.

43. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the Term DIP Agent on behalf of and for the benefit of itself, the Term DIP Lenders and the Term DIP Servicing Agent, may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Term Lenders' DIP Charge or any of the Term DIP Credit Documents.

44. THIS COURT ORDERS that, notwithstanding any other provision of this Order, upon the occurrence of an event of default under the DIP Agreement, the Term DIP Credit Documents or the Term Lenders' DIP Charge, or following the Maturity Date (as defined in the DIP Agreement), the Term DIP Lenders may:

- (a) immediately cease making advances to the Applicant, provided that, if there are funds available under the DIP Agreement, the Term DIP Lenders shall, to the extent of the funds available only, fund the payment by the Applicant of 50% of the Priority Payables (as defined in the DIP Agreement, but, for greater certainty, excluding HST and all Sales Taxes) for a period of not less than five (5) business days following

written notice to the Applicant, the Monitor and the ABL Lender (as defined below) of the event of default or the Maturity Date; and

- (b) set off and/or consolidate any amounts owing by the Term DIP Lenders to the Applicant against the obligations of the Applicant to the Term DIP Lenders under the DIP Agreement, the Term DIP Credit Documents or the Term Lenders' DIP Charge, and make demand, accelerate payment and give other notices; and
- (c) upon not less than five (5) business days' written notice to the Applicant, the Monitor and the ABL Lender, subject to the terms of the Intercreditor Agreement and paragraphs 44(a) and 55 of this Order, exercise any and all of their rights and remedies against the Applicant or the Property (other than the ABL Priority Collateral to the extent of the ABL Obligations) under or pursuant to the DIP Agreement, the Term DIP Credit Documents, the Term Lenders' DIP Charge, or the *Personal Property Security Act* (Ontario) or similar legislation of any other applicable jurisdiction, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver in respect of the Property (other than the ABL Priority Collateral to the extent of the ABL Obligations), or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant and the foregoing rights and remedies of the Term DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property (other than the ABL Priority Collateral to the extent of the ABL Obligations).

45. THIS COURT ORDERS AND DECLARES that the Term DIP Agent, the Term DIP Servicing Agent and the Term DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the DIP Agreement or the Term DIP Credit Documents.

46. THIS COURT ORDERS AND DECLARES that the payments made by the Applicant pursuant to this Order, the DIP Agreement, the Term DIP Credit Documents, and the granting of the Term Lender's DIP Charge, do not and will not constitute preferences, fraudulent

conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

B) FORBEARANCE AGREEMENTS

47. THIS COURT ORDERS that the execution, delivery, entry into, compliance with, and performance by the Applicant of the following amended and restated forbearance agreements (together, the “**Forbearance Agreements**”) is hereby ratified and approved:

- (a) the Forbearance Agreement dated as of January 24, 2017 (the “**ABL DIP Forbearance Agreement**”) among the Applicant and 2473304 Ontario Inc. (“**247**”), as borrowers, and CIBC, as lender and as agent (in that capacity, the “**ABL Lender**”); and
- (b) the Forbearance Agreement dated as of January 24, 2017 (the “**Term Forbearance Agreement**”) among the Applicant, as borrower, 247, as guarantor, and the lenders that are parties to the Existing Credit Agreement (as defined in the Term Forbearance Agreement), as lenders (in such capacity, collectively referred to herein as the “**GSO Lenders**”), and GSO, as administrative agent for itself and the GSO Lenders (GSO and the GSO Lenders being collectively referred to as the “**Term Lenders**”, and together with the ABL Lender, the Term DIP Lenders and the Term DIP Agent, the “**Lenders**”);

and the Applicant is hereby directed to comply with and perform the provisions of (i) the ABL DIP Forbearance Agreement and the credit agreement dated as of February 12, 2016 by and among, the Applicant and 247, as borrowers, and the ABL Lender, as amended, including by the ABL DIP Forbearance Agreement (the “**ABL Credit Agreement**”), and (ii) the Term Forbearance Agreement and the Existing Credit Agreement, as amended, including by the Term Forbearance Agreement.

48. THIS COURT ORDERS that the Applicant’s compliance with and performance of the Blocked Account Agreements (as defined in the ABL Credit Agreement) from and after the date of this Initial Order, as required pursuant to Section 4.1.8 of the ABL DIP Forbearance Agreement, is hereby authorized and approved and the Applicant is hereby directed to comply

with the provisions of the Blocked Account Agreements in accordance with the terms of the ABL DIP Forbearance Agreement.

49. THIS COURT ORDERS that the Applicant shall be entitled, subject to the terms of the ABL Credit Agreement and the ABL DIP Forbearance Agreement, to continue to obtain and borrow, repay and re-borrow additional monies under the credit facility (the “**ABL Facility**”) from the ABL Lender pursuant to the ABL Credit Agreement and the ABL DIP Forbearance Agreement, in order to finance the Applicant’s working capital requirements, provided that borrowings by the Applicant under the ABL Facility shall not exceed the amounts contemplated in the ABL DIP Forbearance Agreement. For greater certainty, the ABL Lender shall be entitled to apply receipts and deposits made to the Applicant’s bank accounts, whether directly or pursuant to the Blocked Account Agreements, against the indebtedness of the Applicant to the ABL Lender in accordance with the ABL Credit Agreement, the ABL DIP Forbearance Agreement and the Blocked Account Agreements, whether such indebtedness arose before or after the date of this Initial Order.

50. THIS COURT ORDERS that subject to the provisions of the Forbearance Agreements, the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Lenders under and pursuant to the ABL Credit Agreement, the Existing Credit Agreement, the Forbearance Agreements and the Term DIP Credit Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

51. THIS COURT ORDERS that in addition to the existing liens, charges, mortgages and encumbrances in favour of the ABL Lender, as security for all of the obligations of the Applicant to the ABL Lender relating to advances made to the Applicant under the ABL Facility from and after the date of this Order, the ABL Lender shall be entitled to the benefit of and is hereby granted a charge (the “**ABL Lender’s DIP Charge**”) on the Property (excluding the Term Priority Collateral to the extent of the Term Obligations (each as defined in the Intercreditor Agreement (as hereinafter defined))). The ABL Lender’s DIP Charge shall have the priority set out in paragraphs 58 and 60 hereof.

52. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the ABL Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the ABL Lender's DIP Charge.

53. THIS COURT ORDERS that, upon the earlier of the occurrence of a Terminating Event or the last day of the Forbearance Period (in each case as defined in the ABL DIP Forbearance Agreement), the ABL Lender may,

- (a) immediately cease making advances to the Applicant, provided that, if there are funds available under the ABL Facility, the ABL Lender shall, to the extent of the funds available only, fund the payment by the Applicant of 50% of the Specified Priority Payables (as defined in the ABL DIP Forbearance Agreement, but, for greater certainty, excluding HST and Sales Taxes) for a period of not less than five (5) business days following written notice to the Applicant, the Monitor and the Term DIP Lenders of the Terminating Event or the Termination Date;
- (b) set off and/or consolidate any amounts owing by the ABL Lender to the Applicant against the obligations of the Applicant to the ABL Lender under the ABL Credit Agreement, the Blocked Account Agreements, the ABL DIP Forbearance Agreement or any other Loan Document (as defined in the ABL Credit Agreement) and make demand, accelerate payment and give other notices; and
- (c) upon not less than five (5) business days' written notice to the Applicant, the Monitor, the Term Lenders and the Term DIP Agent on behalf of the Term DIP Lenders, subject to the terms of the Intercreditor Agreement and paragraphs 53(a) and 55 of this Order, exercise any and all of its rights and remedies against the Applicant or the Property (other than the Term Priority Collateral to the extent of the Term Obligations) under or pursuant to the ABL Credit Agreement, the ABL DIP Forbearance Agreement, the Blocked Account Agreements or the other Loan Documents, the ABL Lender's DIP Charge, or the *Personal Property Security Act* (Ontario) or similar legislation in any other applicable jurisdiction, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver in respect of the Property (other than the Term Priority Collateral to the extent of the Term Obligations), or for a bankruptcy order against the

Applicant and for the appointment of a trustee in bankruptcy of the Applicant and the foregoing rights and remedies of the ABL Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property (other than the Term Priority Collateral to the extent of the Term Obligations).

54. THIS COURT ORDERS that, upon the occurrence of a Terminating Event (as defined in the Term Forbearance Agreement), the Term Lenders may,

- (a) immediately set off and/or consolidate any amounts owing by the Term Lenders to the Applicant against the obligations of the Applicant to the Term Lenders under the Existing Credit Agreement, the Term Forbearance Agreement or any security agreements, mortgages, deeds of trust, hypothecs or other collateral documents executed and delivered by the Applicant in favour of the Term Lender (the “**Term Security Documents**”), and make demand, accelerate payment and give other notices; and
- (b) upon not less than five (5) business days’ written notice to the Applicant, the Monitor, the ABL Lender and the Term DIP Agent on behalf of the Term DIP Lenders, subject to the terms of the Intercreditor Agreement and paragraphs and 55 of this Order, exercise any and all of its rights and remedies against the Applicant or the Property (other than the ABL Priority Collateral to the extent of the ABL Obligations) under or pursuant to the Existing Credit Agreement, the Term Forbearance Agreement, or the Term Security Documents, or the *Personal Property Security Act* (Ontario) or similar legislation of any other applicable jurisdiction, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver in respect of the Property (other than the ABL Priority Collateral to the extent of the ABL Obligations), or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant and the foregoing rights and remedies of the Term Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property (other than the ABL Priority Collateral to the extent of the ABL Obligations).

55. THIS COURT ORDERS that nothing in this Order shall amend, override or relieve the Lenders of any of the provisions of the intercreditor agreement among them dated as of February 12, 2016 (the “**Intercreditor Agreement**”) and when determining

- (a) the priorities of the claims of the ABL Lender, the Term Lenders and the Term DIP Lenders,
- (b) the priorities of the Term Lenders’ DIP Charge, the ABL Lender’s DIP Charge and the Liens granted to the Term Secured Parties and the ABL Secured Parties (each as defined in the Intercreditor Agreement), and
- (c) the enforcement rights of the Term DIP Lenders, the ABL Secured Parties and the Term Secured Parties,

the ABL Lender’s DIP Charge and the Term Lenders’ DIP Charge, and the obligations secured by those charges, shall be treated in a manner consistent with Liens granted to, and obligations owing to, the ABL Secured Parties and the Term Secured Parties, respectively for the purposes of the Intercreditor Agreement.

56. THIS COURT ORDERS AND DECLARES that each of the ABL Lender and the Term Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA, with respect to any obligations outstanding as of the date of this Order or arising hereafter under (i) the ABL Credit Agreement or the ABL DIP Forbearance Agreement, and (ii) the Existing Credit Agreement or the Term Forbearance Agreement, respectively.

57. THIS COURT ORDERS AND DECLARES that the payments made by the Applicant pursuant to this Order, the ABL Credit Agreement, the ABL DIP Forbearance Agreement, the Blocked Account Agreements or the Term Forbearance Agreement, and the granting of the ABL Lender’s DIP Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

58. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge, the Term Lenders' DIP Charge, the ABL Lender's DIP Charge and the KERP Charge and the Liens granted to the Term Secured Parties and the ABL Secured Parties over the Property so charged by them, as among them, shall be as follows:

(a) With respect to the ABL Priority Collateral:

First – Administration Charge;

Second – ABL Lender's DIP Charge;

Third – Liens granted to the ABL Secured Parties;

Fourth – Term Lenders' DIP Charge;

Fifth – Liens granted to the Term Secured Parties;

Sixth – KERP Charge; and

Seventh – Directors' Charge.

(b) With respect to the Term Priority Collateral:

First – Administration Charge;

Second – Term Lenders' DIP Charge;

Third – Liens granted to the Term Secured Parties;

Fourth – ABL Lender's DIP Charge;

Fifth – Liens granted to the ABL Secured Parties;

Sixth – KERP Charge; and

Seventh – Directors' Charge.

59. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the Term Lenders' DIP Charge, the ABL Lender's DIP Charge or the KERP Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

60. THIS COURT ORDERS that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property so charged by them and, subject to the provisions of the Intercreditor Agreement, such Charges shall rank (except as expressly provided herein) in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, other than (subject to further Order of the Court) validly perfected and enforceable security interests, if any, in favour of Xerox Canada Ltd. (File No. 675686367), and Canadian Dealer Lease Services Inc. and Bank of Nova Scotia-DLAC (File No. 719663706), in each case under the *Personal Property Security Registry* (Ontario)).

61. THIS COURT ORDERS that except as otherwise expressly provided for herein or in the Intercreditor Agreement, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor, the Lenders, and the beneficiaries of the Directors' Charge, the Administration Charge and the KERP Charge, or further Order of this Court.

62. THIS COURT ORDERS that the Charges, the DIP Agreement, the Term DIP Credit Documents and the Forbearance Agreements shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Term DIP Lenders or the ABL Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar

provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement, the Term DIP Credit Documents or the Forbearance Agreements shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party; and
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Agreement, the Term DIP Credit Documents or the Forbearance Agreements or the creation of the Charges or the execution, delivery or performance of such documents.

63. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

64. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition; English) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

65. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall

constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.richter.ca/en/folder/insolvency-cases/g/grafton-fraser-inc>

66. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant, the Monitor, the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

67. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

68. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

69. 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 Applicant, the Monitor 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

70. THIS COURT ORDERS that each of the Applicant and the Monitor 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

71. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided, however, that the Term DIP Lenders and the ABL Lender shall be entitled to rely on this Order as issued for all advances made and payments received under the DIP Agreement, the ABL Credit Agreement or the ABL DIP Forbearance Agreement up to and including the date this order may be varied or amended.

72. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

Court File No.: CV-17-11677-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRAFTON-FRASER INC.

(the "Applicant")

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceedings commenced in Toronto

**ORDER
(Amending and Restating Initial Order)
(Returnable January 30, 2017)**

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street – Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman (LSUC#43430D)
Tel: 416 865 5419
Fax: 416 364 7813
sbrotman@fasken.com

Dylan Chochla (LSUC#62137I)
Tel: 416 868 3425
Fax: 416 364 7813
dchochla@fasken.com

Lawyers for the Applicant, Grafton-Fraser Inc.

APPENDIX B

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Court File No. CV-11677-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE
JUSTICE PATTILLO

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THURSDAY, THE 2ND
DAY OF MAY, 2017

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER of a Plan of Compromise or Arrangement of Grafton-Fraser Inc.

Applicant

APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicant for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale between the Applicant and GSO GF Acquisition B.C. Ltd. (formerly 1104307 B.C. Ltd.) (the "Purchaser") dated January 24, 2017, as amended by amending agreements on February 16, 2017, March 3, 2017 and March 14, 2017 (as so amended, or as may be further amended in accordance with the provisions of this Order, collectively, the "Sale Agreement") and appended to the Affidavit of Mark Sun dated April 12, 2017 (the "Affidavit"), and vesting in the Purchaser the Applicant's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit and the Third Report of Richter Advisory Group Inc., in its capacity as the court appointed monitor of the Applicant (the "Monitor"), dated

April 17, 2017 (the "Report") and on hearing the submissions of counsel for the Applicant, the Monitor, the Purchaser, Canadian Imperial Bank of Commerce, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Irene Artuso sworn April 13, 2017 filed:

1. THIS COURT ORDERS AND DECLARES that any capitalized term used and not defined herein shall have the meaning given to it in the Sale Agreement.
2. THIS COURT ORDERS AND DECLARES that the time for service of notice of this motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant may deem necessary. The Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
4. THIS COURT ORDERS AND DECLARES that
 - (a) with respect to the Purchased Assets, other than the Assumed Real Property Leases, upon the delivery of the Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, and
 - (b) with respect to the Assumed Real Property Leases, upon the assignment of the Assumed Real Property Leases to the Purchaser pursuant to a Third Party Consent or CCAA Assignment Order, all of the Applicant's right, title and interest in and to such Assumed Real Property Lease shall be assigned absolutely to the Purchaser,

in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey in these proceedings dated January 25, 2017, as amended and restated by the Order of the Honourable Justice Wilton-Siegel in these proceedings dated January 30, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) subject to paragraph 5, those Claims listed on Schedule B hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule C) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, other than any registrations made at the applicable land registry of the Assumed Real Property Leases forming part of the Purchased Assets and any memorials of lease, summaries of lease, notices of lease, assignments of lease and any amendments or other registrations pertaining to the Assumed Real Property Leases forming part of the Purchased Assets, provided however that, except as may otherwise be agreed to by the applicable landlord to such Assumed Real Property Lease (a "Landlord") and the Purchaser, nothing herein shall affect the rights and remedies of such Landlord against the Purchaser that may exist or arise under or in respect of any Lease that is ultimately assigned to the Purchaser in connection with the Transaction.

5. THIS COURT ORDERS AND DECLARES that the Encumbrances in favour of the ABL Agent that are listed on Schedule B or that are subject of the registrations listed on Schedule B shall be expunged and discharged against the Purchased Assets immediately upon the ABL Agent confirming to the Monitor in writing that (a) all conditions to the effectiveness of the New Revolving Facility have been

satisfied; and (b) the Purchaser has satisfied the obligations assumed by it pursuant to Section 2.3(i) of the Sale Agreement.

6. THIS COURT ORDERS AND DECLARES that notwithstanding anything contained in this Order, nothing shall derogate from the obligations of the Purchaser to assume and be responsible for and honour, perform, discharge and pay as and when due the Assumed Liabilities, as set out in the Sale Agreement.

7. THIS COURT ORDERS AND DECLARES THAT (a) nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of an Assumed Real Property Lease; and (b) none of the Assumed Real Property Leases shall be transferred, conveyed, assigned or vested in the Purchaser by operation of this Order.

8. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

9. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees, including personal information of those employees listed on Schedule "4.1" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

10. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS that, in accordance with the terms of the Sale Agreement, and upon the filing of the Monitor's Certificate, the Applicant be and is hereby authorized and directed to execute and file such documents as are required to change the name of the Applicant from "Grafton-Fraser Inc." to "1735825 Ontario Inc.", including, without limitation, filing articles of reorganization substantially in the form attached hereto as Schedule D with the director appointed under the *Business Corporations Act* (Ontario) pursuant to section 186 thereof.

12. THIS COURT ORDERS the Monitor to send a copy of this Order, together with a copy of the articles of reorganization of the Applicant, when filed, to all parties that have filed a registration under the *Personal Property Security Act* (Ontario), or similar provincial legislation, against the Applicant.

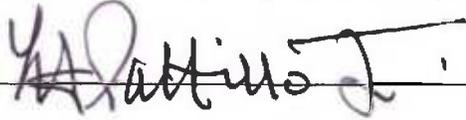
13. THIS COURT ORDERS that, upon the filing of the Monitor's Certificate, the title of these proceedings be and is hereby changed to:

"IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER of a Plan of Compromise or Arrangement of 1735825 Ontario Inc. (formerly known as Grafton-Fraser Inc.)"

14. 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 Applicant and its 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 Applicant, as may be necessary or desirable to give effect to this Order or to assist the Applicant and its agents in carrying out the terms of this Order.



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

MAY 10 2017

PER / PAR:



Schedule A – Form of Monitor's Certificate

Court File No. CV-11677-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER of a Plan of Compromise or Arrangement of Grafton-Fraser Inc.

Applicant

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") dated January 25, 2017, as amended and restated by the Order of the Honourable Justice Wilton-Siegel in these proceedings dated January 30, 2017, the Applicant was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* and Richter Advisory Group Inc. was appointed as the monitor (the "Monitor") of the Applicant.

B. Pursuant to an Order of the Court dated May 2, 2017, the Court approved the agreement of purchase and sale made as of January 24, 2017, as amended by amending agreements on February 16, 2017, March 3, 2017 and March 14, 2017 (as amended, the "Sale Agreement") between the Applicant and GSO GF Acquisition B.C. Ltd. (formerly 1104307 B.C. Ltd.) (the "Purchaser") and provided for the vesting in the Purchaser of the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate

confirming (i) that the conditions to Closing as set out in sections 6.4 and 6.5 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (ii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 6.4 and 6.5 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity
as court-appointed monitor of Grafton-
Fraser Inc. and not in its personal capacity**

Per:

Name:

Title:

Schedule B – Encumbrances

PPSA British Columbia

<u>Registration Number</u>	<u>Secured Party</u>	<u>Registration Date/ Registration Period</u>	<u>Collateral</u>
1. 673469D	GSO Capital Partners, LP, as Administrative Agent	Registration Date: May 15, 2007 Registration Period: 8 years Expiry Date: May 15, 2023	All of the Applicant's present and after-acquired personal property of the Applicant and, without limitation, all fixtures, crops, and licenses.
2. 006240J	Canadian Imperial Bank of Commerce, as Agent	Registration Date: December 11, 2015 Registration Period: 7 years Expiry Date: December 11, 2022	All of the Applicant's present and after-acquired personal property including without limitation fixtures (and terms used herein that are defined in the Personal Property Security Act of British Columbia or the regulations made thereunder have those defined meanings).

PPSA Alberta

<u>Registration Number</u>	<u>Secured Party</u>	<u>Registration Date/ Registration Period</u>	<u>Collateral</u>
1. 15121123969	Canadian Imperial Bank of Commerce, as Agent	Registration Date: December 11, 2015 Registration Period: 7 years Expiry Date: December 11, 2022	All present and after- acquired personal property of the Applicant.
2. 07051518194	GSO Capital Partners, LP, as Administrative Agent	Registration Date: May 15, 2007 Registration Period: 16 years Expiry Date: May 15, 2023	All present and after- acquired personal property of the Applicant. Proceeds: Goods, inventory, chattel paper, documents of title, instruments, money, intangibles, accounts and investment property (all as defined in the Personal Property Security Act (Alberta)) and insurance proceeds.

<u>Registration Number</u>	<u>Secured Party</u>	<u>Registration Date/ Registration Period</u>	<u>Collateral</u>
3. 07051518228	GSO Capital Partners, LP, as Administrative Agent	Registration Date: May 15, 2007 Registration Period: Infinity	Land charge.

PPSA Manitoba

<u>Registration Number</u>	<u>Secured Party</u>	<u>Registration Date/ Registration Period</u>	<u>Collateral</u>
1. 201523726507	Canadian Imperial Bank of Commerce, as Agent	Registration Date: December 11, 2015 Registration Period: 7 years Expiry Date: December 11, 2022	The security interest is taken in all of the Applicant's present and after-acquired personal property.
2. 200708558108	GSO Capital Partners, LP, as Administrative Agent	Registration Date: May 7, 2007 Registration Period: 16 years Expiry Date: May 15, 2023	The security interest is taken in all of the Applicant's present and after-acquired personal property.

PPSA Ontario

<u>Registration File Number</u>	<u>Secured Party</u>	<u>Registration Date/ Registration Period</u>	<u>Collateral</u>
1. 712571193	Canadian Imperial Bank of Commerce, as Agent	Registration Date: December 11, 2015 Registration Period: 7 years Expiry Date: December 11, 2022	Inventory, Equipment, Accounts, Other, Motor Vehicle
2. 635312304	GSO Capital Partners, LP, as Administrative Agent	Registration Date: May 15, 2007 Registration Period: 8 years Expiry Date: May 05, 2013	Inventory, Equipment, Accounts, Other, Motor Vehicle Included

PPSA Nova Scotia

	<u>Registration Number</u>	<u>Secured Party</u>	<u>Registration Date/ Registration Period</u>	<u>Collateral</u>
1.	25531898	GSO Capital Partners, LP, as Administrative Agent	Registration Date: February 8, 2016 Registration Period: 7 years Expiry Date: February 8, 2023	A security interest is taken in all of the Applicant's present and after-acquired personal property
2.	25333881	Canadian Imperial Bank of Commerce, as Agent	Registration Date: December 14, 2015 Registration Period: 7 years Expiry Date: December 14, 2022	A security interest is taken in all of the Applicant's present and after-acquired personal property

1. The following *Bank Act* security:

<u>Type</u>	<u>Registration Name and Address</u>	<u>Date</u>	<u>Expires</u>	<u>Number</u>	<u>Bank</u>
(2)	Grafton-Fraser Inc. 44 Apex Road Toronto ON M6A 2V2	2016/01/25	2021/12/31	01304227	0010 – CANADIAN IMPERIAL BANK OF COMMERCE 00002 – MAIN BRANCH – COMMERCE COURT 199 BAY ST CCW CONCOURSE LEVEL MAIN BRANCH – COMMERCE COURT TORONTO, ON M5L1G9

2. Security interests recorded against all of the Canadian trademarks owned by the Applicant, in favour of:

- GSO Special Situations Fund LP (pursuant to a security agreement placed on file on October 11, 2007);
- GSO CP Holdings LP (pursuant to an amended security agreement placed on file on October 14, 2008); and
- Canadian Imperial Bank of Commerce, as Agent (pursuant to a security agreement placed on file on March 11, 2016).

3. Any claims raised, or which could have been raised, in the action commenced by Tradex Global Inc. against Grafton Fraser Inc. in the Ontario Superior Court of Justice, bearing Court File No. CV-17-568448.

Schedule C – Permitted Encumbrances

PPSA Ontario

	<u>Registration File Number</u>	<u>Secured Party</u>	<u>Registration Date/ Registration Period</u>	<u>Collateral</u>
1.	719663706	Canadian Dealer Lease Service Inc. and Bank of Nova Scotia - DLAC	Registration Date: August 16, 2016 Registration Period: 3 years Expiry Date: August 16, 2019	Inventory, Accounts, Other, Motor Vehicle Included 2016 Maza CX09, JM3TCBDY6G0111704 Amount: \$55,145 Date of Maturity: August 11, 2019
2.	675686367	Xerox Canada Ltd.	Registration Date: January 17, 2012 Registration Period: 6 years Expiry Date: January 17, 2018	Equipment, Other

6. The terms and conditions to which the reorganization is made subject by the Order have been complied with.
Les conditions que l'ordonnance impose à la réorganisation ont été respectées.

These articles are submitted under section 186 of the *Business Corporations Act* and are signed in duplicate.
Les présents statuts sont déposés en vertu de l'article 186 de la Loi sur les sociétés par actions. Ils sont signés en double exemplaire.

GRAFTON-FRASER INC.

Name of Corporation / *Dénomination sociale de la société*

By/
Par :

Vice President and Chief Financial Officer

Signature / *Signature*

Description of Office / *Fonction*

Mark G. Sun

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRAFTON-FRASER INC.

(the "Applicant")

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceedings commenced in Toronto

SALE APPROVAL ORDER

FASKEN MARTINEAU DuMOULIN LLP

333 Bay Street – Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSUC No.: 43430D]

Dylan Chochla [LSUC No.: 62137I]

Tel: 416 366 8381

Fax: 416 364 7813

sbrotman@fasken.com

dchochla@fasken.com

Lawyers for the Applicant, Grafton-Fraser Inc.

APPENDIX C



SUPERIOR COURT OF JUSTICE

Court House
361 University Avenue
TORONTO, ON M5G 1T3
Tel. (416) 327-5284
Fax (416) 327-5417

FACSIMILE

TO	FIRM	FAX NO.	PHONE NO.
Stuart Brotman and Dylan Chochla	Fasken Martineau DuMoulin LLP	(416) 364-7813	(416) 865-5419
Lily Coodin	Torys LLP	(416) 865-7380	(416) 865-7541
Jane Dietrich and Monique Sassi	Cassels Brock & Blackwell LLP	(416) 640-3144	(416) 860-5223
Gordon Meiklejohn	Brannan Meiklejohn Barristers	(416) 926-3712	(416) 926-3797
Natalie Renner	Davies Ward Phillips & Vineberg LLP	(416) 863-0871	(416) 863-0900
Linda Galessiere	McLean & Kerr LLP	(416) 366-8571	(416) 369-6609
Evan Cobb	Norton Rose Fulbright Canada LLP	(416) 216-3930	(416) 216-1929

No of Pages Including Cover Sheet: Eight

Date: May 2, 2017

**RE: GRAFTON-FRASER INC. v. CADILLAC FAIRVIEW CORPORATION
LIMITED, ET AL.
COURT FILE NO.: CV-17-11677-00CL**

Please contact Gladys Gabbidon at (416) 327-5052 if you do not receive all pages.
Thank you.

CITATION: Grafton-Fraser v. Cadillac, 2017 ONSC 2496
DIVISIONAL COURT FILE NO.: CV-17-11677-OOCL
DATE: 20170502

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON-FRASER INC.

BETWEEN:)	
)	
GRAFTON-FRASER INC.	)	<i>Stuart Brotman and Dylan Chochla, for the</i>
	)	<i>Applicant</i>
Applicant)	
)	
- and -)	
)	
)	
CADILLAC FAIRVIEW CORPORATION	)	<i>Lily Coodin, for Cadillac Fairview</i>
LIMITED, ET AL.	)	<i>Corporation Limited</i>
)	
Respondents	)	<i>J. Dietrich and M. Sassi, for the Monitor</i>
)	
	)	<i>Gordon Meiklejohn, for Trade & Global Inc.</i>
)	
	)	<i>N. Renner, for the Purchaser and DIP Lender</i>
)	
	)	<i>Linda Galessiere, for Various Landlords</i>
)	
	)	<i>Evan Cobb, for CIBC</i>
)	
)	
	)	HEARD: April 20, 2017
)	

L. A. PATTILLO J.

Introduction

[1] This is an application by Grafton-Fraser Inc. ("Grafton") for, among other things, an order approving the sale of its assets as set out in an asset purchase agreement dated January 24, 2017 with 1104307 B.C. Ltd. (now GSO GF Acquisition B.C. Ltd.) (the "Purchaser") pursuant to the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") (the "Transaction").

[2] The application is supported by the Third Report of Richter Advisory Group Inc in its capacity as monitor for Grafton (the "Monitor").

[3] The application is either agreed to or unopposed by all of the stakeholders with notice save and except for Tradex Global Inc. ("Tradex") who is an unsecured creditor and who objects to the Transaction as it affects the unsecured creditors.

[4] For the reasons that follow, I approve the Transaction and grant the relief requested by Grafton. Notwithstanding that the Transaction does not treat all of Grafton's unsecured creditors equally, in my view, it meets the principles set out in *Royal Bank of Canada v. Soundair Corp.*, [1991] O.J. No. 1137; 7 C.B.R. (3d) 1 (Ont. C.A.) and s. 36 of the CCAA.

Background

[5] On January 25, 2017, Grafton obtained an order from this court granting it protection pursuant to the CCAA (the "Order"). Among other things, the Order appointed the Monitor and granted Grafton the authority to enter into amended and restated forbearance agreements with its two primary and secured lenders, Canadian Imperial Bank of Commerce ("CIBC") and GSO Capital Partners LP ("GSO") as agent for the GSO Lenders.

[6] Grafton is a leading retailer of men's clothing which, prior to the Order operated 158 stores in Canada under various names including "Tip Top Tailors" and "George Richards Big and Tall".

[7] On January 30, 2017, the court issued a further order approving, among other things, the proposed sale and investment solicitation process for Grafton's business and assets to be carried out with the Monitor's assistance (the "SISP") and authorizing Grafton to enter into the Agreement which was to serve as the minimum bid under the SISP (the "Stalking Horse APA"). The Purchaser is a party related to GSO.

[8] To protect confidential information, the SISP contemplated a two stage bidding process. During the first stage, potential bidders were given certain coded information. Bidders who submitted a qualified bid in the first stage would be invited to participate in the second stage with access to confidential information.

[9] The Monitor, in consultation with Grafton, compiled a list of 174 potential interested parties who were invited to participate in the SISP. Eight potential interested parties responded. Four signed non-disclosure agreements and were provided access to the data room. With the

exception of the stalking horse bid, no other bids were submitted prior to the stage one bid deadline. The Purchaser was therefore the "successful bidder" under the SISP.

[10] The Transaction is a credit-bid transaction. The Purchaser is acquiring, as a going concern, on an "as is, where is" basis substantially all of Grafton's business and assets (the "Purchased Assets"). The Purchaser will acquire 139 retail stores operated by Grafton as well as its head office. Seven days prior to the closing of the Agreement, the Purchaser will offer employment to no fewer than 1,100 Grafton employees on substantially similar terms and conditions to their existing employment with Grafton. The proposed closing date for the Transaction is on or before May 31, 2017.

[11] The consideration for the Transaction includes, among other things:

- a) The assumption by the Purchaser of the principal, plus accrued interest and fees owing by Grafton to its operating lender, CIBC;
- b) The assumption by the Purchaser of Grafton's secured indebtedness under the DIP Facility (as defined in the Agreement);
- c) The release by GSO and certain of its affiliates of certain of the secured indebtedness owing by Grafton under the GSO Facility (as defined in the Agreement); and
- d) The assumption by the Purchaser of certain of Grafton's obligations, including Supplier Liabilities (as defined in the Agreement, which are pre-filing amounts owed by Grafton to certain suppliers of goods/services to the extent agreements with such suppliers have been entered into with the Purchaser, on terms acceptable to CIBC and the Purchaser, establishing, among other things, the terms of continued supply).

[12] The Purchaser has determined that certain suppliers are critical to the ongoing value and operations of the business and has agreed to assume Grafton's indebtedness to these creditors on terms satisfactory to the Purchaser. At full value, these claims total approximately \$5.2 million.

[13] At the date of the Order, Grafton had aggregate known unsecured liabilities of approximately \$8 million together with contingent claims in excess of \$2 million. In addition, Grafton has or will shortly disclaim a number of lease agreements and terminate the employment of a number of employees which it expects will give rise to significant unsecured claims.

Tradex

[14] Tradex and its affiliated companies provided procurement and quality control services for Grafton's overseas purchases for a number of years pursuant to written agreements. The most recent agreements were mutually terminated on May 5, 2016. Tradex's evidence is that there was an oral agreement with Tradex that it would continue to supply services at the previously agreed prices, that it did so and it received payment for its services as late as October 7, 2016. It has since not been paid and alleges that to the date of the Order it is owed US \$856,660.00 and Cdn. \$383,316.00.

[15] In correspondence between counsel, Grafton has denied that any amounts are owing to Tradex and advised that since the termination of the agreements, it has not engaged Tradex or any of its related parties.

[16] Tradex is not among the suppliers and other creditors whose claims the Purchaser has agreed to assume upon closing of the Transaction.

Position of the Parties

[17] Tradex submits that the Transaction, as structured, should not be approved. Rather, in order to ensure that all unsecured creditors are treated equally, the Purchaser must be required to make the \$5.2 million and any other amounts it has committed to pay to Grafton's unsecured creditors, not just to a select group of unsecured creditors, but *pari passu* to all unsecured creditors.

[18] Grafton has agreed, for the purposes of this motion only, and without admitting any liability, to accept that Tradex has an unsecured claim against it. It submits that the Transaction is beneficial to Grafton's stakeholders as it provides for the continuation of a substantial portion of its business and should be approved. Further, there is no requirement under the CCAA that creditors be treated equally.

Analysis

[19] Section 36 of the CCAA provides that the court may authorize the disposition of assets of a debtor company outside the ordinary course of business. The factors to be considered by the court in approving such a disposition were first set out by our Court of Appeal in *Soundair* and are now largely set out in s. 36(3) of the CCAA which provides:

- s.36(3) In deciding whether to grant the authorization, the court is to consider, among other things,
- a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
 - b) whether the monitor approved the process leading to the proposed sale or distribution;
 - c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
 - d) the extent to which the creditors were consulted;
 - e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

Page: 5

- f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

[20] Considering the above factors in respect of the Transaction and the events leading up to it, I find the evidence establishes:

- a) the SISP was reasonable in the circumstances and was approved by the court;
- b) the Monitor approved the SISP and assisted Grafton in carrying out its terms;
- c) the Monitor has confirmed in its Third Report that the Transaction would be substantially more beneficial to Grafton's creditors, as compared to the alternatives, which may result in the liquidation of Grafton's assets;
- d) the Monitor and Grafton's two primary secured creditors, CIBC and GSO, are each supportive of the Transaction;
- e) the Monitor is of the view that the Transaction represents the best opportunity to maximize recoveries for creditors of Grafton and provides the greatest benefit to all stakeholders (including landlords, employees, customers, go-forward suppliers, etc.), as it results in the continuation of Grafton's business;
- f) that further marketing of Grafton's assets would not likely result in greater realizations as the market has been fully canvassed and all likely bidders have already been provided the opportunity to bid on the assets;
- g) the Transaction represents the highest and best offer for the Purchased Assets and the short time-frame to closing will eliminate ongoing costs of the CCAA proceeding; and
- h) Grafton's limited liquidity substantially eliminates the opportunity to further market the Purchased Assets for sale without putting the Transaction at risk and impairing recoveries.

[21] There is no question that certain of Grafton's liabilities, including some of its unsecured creditors will not be paid, as a result of the Transaction as it is structured. In support of its submission that in the absence of all the unsecured creditors being treated equally, the Transaction should not be approved, Tradex relies on the decision of Newbould J. in *Re Nortel Networks Corp.*, 2015 ONSC 2987; 27 C.B.R. (6th) 175 (Ont. S.C.J.) and specifically the statement at para. 209 that "It is a fundamental tenet of insolvency law that all debts shall be paid *pari passu* and all unsecured creditors receive equal treatment."

[22] There can be no issue that Newbould J.'s statement is a correct statement of the law. It was made, however, in the context of the issue of how to determine the allocation of liquidation

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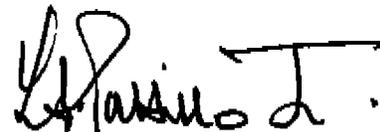
proceeds from *Nortel's* business among its various creditors in multiple jurisdictions. The reasoning in *Nortel* does not apply in this case where the Transaction is a credit bid which gives rise to no proceeds of sale being available for distribution.

[23] I am in agreement with Grafton's submission that, in the context of the sale of a company's business under the CCAA, there is no requirement that creditors be treated equally. That is not to say that their interests are to be ignored. Rather, the effects of the proposed sale on the creditors are one of the factors that must be considered. But they are considered in the larger context of the proposed sale and weighted against the other above noted factors, including the interests of the debtor and the stakeholders generally.

[24] The above principle was applied in *Re Nelson Education Ltd.*, 2015 ONSC 5557, 29 C.B.R. (6th) 140 (Ont. S.C.J.) where Newbould J., in approving a sale of substantially all of Nelson's assets pursuant to a credit bid pursuant to the CCAA, noted at para. 39 that while there were some excluded liabilities and a small amount owing to former employees that would not be paid, the monitor indicated there was no reasonable prospect of any alternative solution that would provide recovery for those creditors.

[25] The Transaction is beneficial to Grafton's stakeholders as it provides for the continuation of a substantial portion of Grafton's business, thereby assuring a customer for go-forward suppliers, a tenant for the landlords of 139 retail stores, employment for a majority of Grafton's employees and an ongoing business for many of its customers. While the Transaction will result in some of the unsecured creditors, including Tradex, not being paid, when weighted against all the other relevant factors, that provision should not prevent approval of the Transaction, particularly when the likely alternative is liquidation which would result in no recovery for the unsecured creditors generally.

[26] For the above reasons, therefore, the Transaction is approved. The relief requested in the Notice of Motion is approved and the draft Approval and Vesting Order at tab 2 of the Motion Record shall issue.



L. A. Pattillo J.

Released: May 2, 2017

CITATION: Grafton-Fraser v. Cadillac, 2017 ONSC 2496
DIVISIONAL COURT FILE NO.: CV-17-11677-OOCL
DATE: 20170502

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON-FRASER INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

GRAFTON-FRASER INC.

Applicant

– and –

**CADILLAC FAIRVIEW CORPORATION LIMITED,
ET AL.**

Respondents

REASONS FOR JUDGMENT

L. A. PATILLO J.

APPENDIX D

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

TUESDAY, THE 6th

JUSTICE *Patillo*

)

DAY OF JUNE, 2017

)



IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER of a Plan of Compromise or Arrangement of Grafton-Fraser Inc.

Applicant

ASSIGNMENT ORDER

THIS MOTION, made by the Applicant for an order assigning the rights and obligations of the Applicant under the Assigned Contracts (as defined below) as contemplated by the agreement of purchase and sale between the Applicant and GSO GF Acquisition B.C. Ltd. (formerly 1104307 B.C. Ltd.) (the "**Purchaser**") dated January 24, 2017, as amended by amending agreements on February 16, 2017, March 3, 2017, March 14, 2017 and June 5, 2017 (as amended, the "**Sale Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Mark Sun sworn May 30, 2017 and the Fourth Report of Richter Advisory Group Inc., in its capacity as the court appointed monitor of the Applicant (the "**Monitor**"), dated June 1, 2017 and on hearing the submissions of counsel for the Applicant, the Monitor, the Purchaser, Canadian Imperial Bank of Commerce, no one appearing for any other person on the service list, although properly

served as appears from the affidavits of Dylan Chochla and Irene Artuso sworn June 1 and June 2, 2017, respectively, filed:

1. THIS COURT ORDERS that any capitalized term used and not defined herein shall have the meaning given to it in the Sale Agreement.

SERVICE

2. THIS COURT ORDERS that the time for service of notice of this motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

ASSIGNMENT OF AGREEMENTS

3. THIS COURT ORDERS that upon delivery of the Monitor's Certificate (the "**Monitor's Certificate**") referred to in the Order of Justice Pattillo dated May 2, 2017 (the "**Approval and Vesting Order**"), all of the rights and obligations of the Applicant under the agreements set out in Schedule "A" hereto, including all associated or related agreements, schedules, appendices, addendum, amendments, supplements, restatements or other modifications (each an "**Assigned Contract**" and collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser pursuant to section 11.3 of *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

4. THIS COURT ORDERS that, with respect to the Assigned Contracts that are real property leases (collectively, the "**Real Property Leases**"), upon delivery of the Monitor's Certificate, the Purchaser shall be entitled to all of the rights and benefits and subject to all of the obligations and restrictions as tenant pursuant to the terms of the Real Property Leases and registrations thereof for the period commencing from and after the delivery of such Monitor's Certificate and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by the Real Property Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Real Property Leases, without any interruption from the Applicant,

the landlords under the Real Property Leases or any person whomsoever claiming through or under any of the Applicant or the landlords under the Real Property Leases.

5. THIS COURT ORDERS that the assignment to the Purchaser of the rights and obligations of the Applicant under the Assigned Contracts pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contracts relating to the assignment thereof, including, without limitation, any provision requiring the consent of any party to the assignment.

6. THIS COURT ORDERS that the Applicant's right, title and interest in and to the Assigned Contracts that are not Real Property Leases shall vest absolutely in the Purchaser as Purchased Assets subject to and in accordance with the provisions of the Sale Agreement and the Approval and Vesting Order.

7. THIS COURT ORDERS that the Applicant's right, title and interest in and to the Real Property Leases shall be assigned absolutely to the Purchaser as Purchased Assets further to the provisions of the Sale Agreement and subject to the Approval and Vesting Order.

8. THIS COURT ORDERS that each counterparty to an Assigned Contract is prohibited from exercising any right or remedy as against the Purchaser by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Applicant, the commencement of these CCAA proceedings or the Applicant having breached a non-monetary obligation under the Assigned Contract, unless, with respect to any of the Real Property Leases, and notwithstanding any other provision of this Order: (i) any such non-monetary breach arises or continues after the Real Property Lease is assigned to the Purchaser; (ii) such non-monetary default is capable of being cured by the Purchaser; and (iii) the Purchaser has failed to remedy the default after having received notice of such default pursuant to the terms of the applicable Real Property Lease. For clarification, no counterparty shall rely on a notice of default sent to the Applicant to terminate the Assigned Contract as against the Purchaser.

9. THIS COURT ORDERS that the Cure Costs of the contracts listed in Schedule "A" hereto shall be in amounts set out in Schedule "A" hereto and that upon Closing, the Purchaser shall pay the Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by no later than the day that is five (5) business days following delivery of the Monitor's Certificate to the Purchaser.

10. THIS COURT ORDERS that, notwithstanding paragraphs 4 and 9 of this Order, the Purchaser shall remain liable for and obtain the benefit of any monetary obligations pursuant to and in accordance with the terms of any of the Real Property Leases even if such monetary obligations or benefits pertain to periods of time on or before the Closing Date and not included in the Cure Costs amount pertaining to such Real Property Lease.

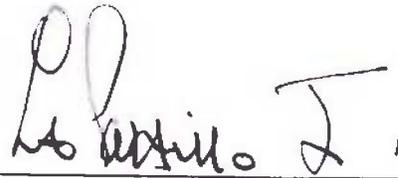
11. THIS COURT DIRECTS the Applicant to send a copy of this Order to all of the counterparties to the Assigned Contracts listed in Schedule "A".

12. THIS COURT ORDERS that notwithstanding anything contained in this Order, nothing shall derogate from the obligation of the Purchaser to assume the Assumed Liabilities and perform its obligations in respect of the Assumed Contracts pursuant to the Sale Agreement.

13. THIS COURT ORDERS that the Monitor is hereby authorized to take such actions as it deems necessary or appropriate in the circumstances to assist the Applicant in the assignment and transfer of the Assigned Contracts.

14. 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 Applicant and its 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 Applicant, as may be necessary or desirable to give effect to this Order or to

assist the Applicant and its agents in carrying out the terms of this Order.



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

JUN 06 2017

PER / PAR: 

SCHEDULE "A"

#	Description of Agreement	Counterparty	Cure Costs (CAD\$)
1.	Vehicle lease agreement and disclosure statement, dated August 11, 2016	Agincourt Mazda	0.00
2.	Lease for store number 16052 at West Landing Centre in Saskatchewan	Westfield University Park Ltd.	1,443.55

Court File No.: CV-17-11677-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN
THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRAFTON-FRASER INC.

(the "Applicant")

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceedings commenced in Toronto

**ORDER
(ASSIGNMENT ORDER)
(Returnable June 6, 2017)**

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street – Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman (LSUC#43430D)

Tel: 416 865 5419

Fax: 416 364 7813

sbrotman@fasken.com

Dylan Chochla (LSUC#621371)

Tel: 416 868 3425

Fax: 416 364 7813

dchochla@fasken.com

Lawyers for the Applicant, Grafton-Fraser Inc.

APPENDIX E

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
JUSTICE *Pattillo*

)
)
)

TUESDAY, THE 6th
DAY OF JUNE, 2017



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON-FRASER INC.

(the "Applicant")

ORDER

(DISTRIBUTION & SECOND STAY EXTENSION)

THIS MOTION made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an Order, *inter alia*,

- (a) approving certain amendments contained in the fourth amending agreement dated June 5, 2017 (the "**Fourth Amending Agreement**") to the asset purchase agreement between the Company and 1104307 B.C. Ltd. (now GSO GF Acquisition B.C. Ltd.) (the "**Purchaser**") dated January 24, 2017, as amended by a first amending agreement dated February 16, 2017, a second amending agreement dated March 3, 2017 and a third amending agreement dated March 14, 2017 (collectively, the "**Purchase Agreement**"), which was approved by order of the Honourable Mr. Justice Pattillo dated May 2, 2017 (the "**Sale Approval and Vesting Order**"), and authorizing the Company to complete the transaction (the "**Transaction**") contemplated by the Purchase Agreement (as amended by the Fourth Amending Agreement, the "**Amended Purchase Agreement**"), as may be

further amended, in accordance with the terms of the Amended Purchase Agreement and the provisions of the Sale Approval and Vesting Order;

- (b) authorizing and directing the Company to make a distribution to GSO Capital Partners LP (“GSO”), in its capacity as administrative agent for itself and the GSO Lenders in partial satisfaction of the Term Obligations under the Term Security Documents;
- (c) extending the Stay Period (as defined in paragraph 15 of the Initial Order of the Honourable Mr. Justice Hainey dated January 25, 2017, as amended and restated by Order dated January 30, 2017 (the “**Amended and Restated Initial Order**”)) to and including September 15, 2017;
- (d) upon delivery of the Monitor’s Certificate (as defined in the Sale Approval and Vesting Order) to the Purchaser, reducing the amount of the Directors’ Escrow (as defined in the Amended and Restated Initial Order) to \$172,597 and authorizing and directing Richter Advisory Group Inc., in its capacity as monitor of the Applicant (the “**Monitor**”) to release \$600,000 to the Purchaser, or as otherwise directed by the Purchaser in writing with the consent of the Monitor and Canadian Imperial Bank of Commerce (“**CIBC**”);
- (e) approving the fourth report of the Monitor and the appendices thereto (the “**Fourth Report**”). and approving the activities of the Monitor as described therein; and
- (f) approving the Monitor’s fees and disbursements and those of the Monitor’s counsel, Cassels Brock & Blackwell LLP (“**Cassels**”) as set out in the affidavit of Adam Sherman dated June 1, 2017 (the “**Sherman Affidavit**”) and the affidavit of Jane Dietrich dated May 31, 2017 (the “**Dietrich Affidavit**”), both as attached to the Fourth Report;

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the Affidavit of Mark Sun sworn May 30, 2017, and the exhibits thereto, the Fourth Report, and the appendices thereto, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for CIBC, counsel for GSO, counsel for the directors of the Applicant, and such other parties as were present, no one else appearing although duly served as appears from the affidavits of service of Dylan Chochla and Irene Artuso sworn June 1 and June 2, 2017, respectively, filed;

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and validated so that the Motion is properly returnable today.
2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order.

AMENDMENT TO PURCHASE AGREEMENT

3. **THIS COURT ORDERS AND DECLARES** that the execution of the Fourth Amending Agreement by the Applicant be and is hereby authorized, approved and ratified, with such minor amendments as the Applicant may deem necessary, and the Applicant be and is hereby authorized to complete the Transaction contemplated thereby in accordance with the terms of the Amended Purchase Agreement and the provisions of the Sale Approval and Vesting Order and this Order, and, for greater certainty, the intellectual property listed on Schedule 2.1(f) of the Amended Purchase Agreement under the subheading "Bellissimo Trademarks" shall constitute Purchased Assets under the Amended Purchase Agreement and the Sale Approval and Vesting Order.

DISTRIBUTION TO GSO

4. **THIS COURT ORDERS** that the Applicant be and is hereby authorized and directed to distribute the amount of \$15,404 to GSO, in its capacity as administrative agent for itself and the GSO Lenders, in partial satisfaction of the Term Obligations under the Term Security Documents (the "**GSO Distribution**").

5. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant;

the GSO Distribution shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation and shall, upon the receipt thereof by GSO, be free of all claims, liens, security interests, charges or encumbrances granted by or relating to the Applicant.

STAY EXTENSION

6. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including September 15, 2017.

RELEASE OF FUNDS TO THE APPLICANT

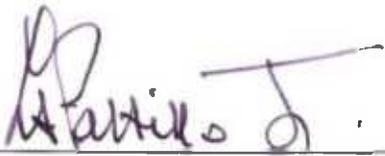
7. **THIS COURT ORDERS** that, upon the delivery of the Monitor's Certificate to the Purchaser, the amount of the Directors' Escrow be and is hereby reduced from \$772,597 to \$172,597, and the Monitor be and is hereby authorized and directed to release to the Purchaser, or as otherwise directed by the Purchaser in writing with the consent of the Monitor and CIBC, an aggregate amount of \$600,000 on account of the reduction in the amount of the Directors' Escrow.

APPROVAL OF MONITOR'S FOURTH REPORT

8. **THIS COURT ORDERS** that the Fourth Report, and the activities of the Monitor referred to therein, be and are hereby approved.

APPROVAL OF FEES AND DISBURSEMENTS

9. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and of its counsel, Cassels, as set out in the Fourth Report, the Sherman Affidavit and the Dietrich Affidavit, be and are hereby approved.



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

JUN 06 2017

PER / PAR: 

Court File No.: CV-17-11677-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN
THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRAFTON-FRASER INC.

(the "Applicant")

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceedings commenced in Toronto

**ORDER
(DISTRIBUTION & STAY EXTENSION)
(Returnable June 6, 2017)**

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street – Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman (LSUC#43430D)
Tel: 416 865 5419
Fax: 416 364 7813
sbrotman@fasken.com

Dylan Chochla (LSUC#62137I)
Tel: 416 868 3425
Fax: 416 364 7813
dchochla@fasken.com

Lawyers for the Applicant, Grafton-Fraser Inc.

APPENDIX F

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON FRASER INC.**

AFFIDAVIT OF ANDREW ADESSKY

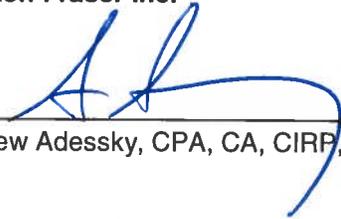
I, Andrew Adessky, of the City of Montreal, in the Province of Quebec, **MAKE OATH AND SAY** that:

1. I am a Partner of Richter Advisory Group Inc. ("**Richter**") and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. On January 25, 2017, the Ontario Superior Court of Justice (Commercial List) issued an order, as amended and restated at a subsequent Court attendance on January 30, 2017 (the "**Amended and Restated Initial Order**"), granting Grafton Fraser Inc. ("**GFI**"), protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended. Richter was appointed as Monitor of GFI (the "**Monitor**").
3. During the period from May 21, 2017 to August 24, 2017 (the "**Period**"), the Monitor has provided services and incurred disbursements, in the amounts of \$308,769.55 and \$122,407.11 respectively (excluding HST), with respect to services provided to GFI. Attached hereto and marked as **Exhibit "A"** to my Affidavit is a summary of all invoices rendered by the Monitor on a periodic basis during the Period (the "**Accounts**").
4. True copies of the Accounts, which include a fair and accurate description of the services provided along with the hours and applicable rates claimed by the Monitor, are attached as **Exhibit "B"** to my Affidavit.

5. The Monitor has previously filed reports with the Court with respect to its conduct and the CCAA proceedings dated January 26, 2017, February 16, 2017, April 17, 2017, June 1, 2017 and July 13, 2017 respectively (the “**Reports**”), in addition to a pre-petition report which was filed by Richter in its capacity as Proposed Monitor. Contemporaneous with the filing of this Affidavit, the Monitor is filing its sixth report to the Court with respect to the CCAA proceedings (the “**Sixth Report**”). Details of the activities undertaken and services provided by the Monitor in connection with the administration of the CCAA proceedings are described in the Reports and the Sixth Report.
6. In the course of performing its duties pursuant to the provisions of the Amended and Restated Initial Order, the Monitor's staff has expended a total of 602.98 hours during the Period. Attached as **Exhibit “C”** to my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the CCAA proceedings and the hours and applicable rates claimed by the Monitor for the Period. The average hourly rate billed by the Monitor during the Period is \$512.07.
7. The total amount of disbursements being claimed for work performed by the Monitor during the Period is \$122,407.11 (excluding HST) which includes the fees of the Monitor's counsel, some of which were approved previously and the majority of which are the subject matter of this approval motion. Attached as **Exhibit “D”** to my Affidavit is a schedule setting out a summary of the Monitor's disbursements during the Period.
8. The total amount of professional fees and disbursements being claimed for work performed by the Monitor during the Period is \$431,176.66 (excluding HST).
9. The Monitor requests that this Honourable Court approve its Accounts for the Period, in the total amount of \$431,176.66 (excluding HST) for services rendered and recorded during the Period.
10. Cassels Brock & Blackwell LLP (“**Cassels**”), as independent counsel to the Monitor, has provided legal services to the Monitor throughout the CCAA proceedings in a manner consistent with the instructions of the Monitor and has prepared an affidavit with respect to the services rendered during the period from May 21, 2017 to August 24, 2017. The Monitor has reviewed the invoices rendered by Cassels during the period from May 21, 2017 to August 24, 2017.
11. To the best of my knowledge, the rates charged by the Monitor and Cassels are comparable to the rates charged for the provision of similar services by other large accounting and legal firms in the Toronto market.
12. I verily believe that the fees and disbursements incurred by the Monitor and Cassels are fair and reasonable in the circumstances.
13. This Affidavit is sworn in connection with a motion for an Order of this Honourable Court to, among other things, approve the fees and disbursements of the Monitor and those of its legal counsel and for no improper purpose.

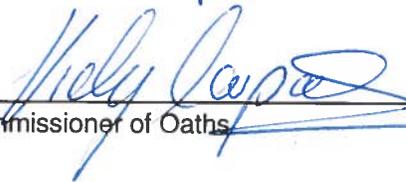
Dated at Montreal, Province of Quebec, this 5th day of September, 2017.

**Richter Advisory Group Inc.
In its capacity as Monitor of
Grafton Fraser Inc.**



Andrew Adessky, CPA, CA, CIRP, LIT

SWORN BEFORE ME at the City of
Montreal, in the Province of Quebec
this 5th day of September 2017.



Commissioner of Oaths



Exhibit "A"

Court File No.: CV-17-11677-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON FRASER INC.

Statement of Fees Summary

Richter Advisory Group Inc.

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT ("CCAA")

Re: Grafton Fraser Inc.
Statement of Fees Summary
For the Period from May 21, 2017 to August 24, 2017

<u>Invoice #</u>	<u>Period</u>	<u>Fees incurred</u>	<u>On Account</u>	<u>Disbursements</u>	<u>Subtotal</u>	<u>HST</u>	<u>Total</u>
20402044	May 15 to May 19, 2017 *	-		\$8,324.50	\$8,324.50	\$1,082.19	\$9,406.69
20401997	May 21 to 27, 2017	41,458.75		13,111.50	54,570.25	7,094.13	61,664.38
20402002	May 28 to June 3, 2017	67,942.05		22,909.45	90,851.50	11,810.70	102,662.20
20402036	June 4 to June 10, 2017	34,106.75		9,210.54	43,317.29	5,631.25	48,948.54
20402041	June 11 to June 17, 2017	35,345.00		8,110.76	43,455.76	5,649.25	49,105.01
20402043	June 18 to June 27, 2017	-	60,000.00 **	24,825.81	84,825.81	11,026.06	95,851.87
20402102	June 17 to July 9, 2017	83,004.50	(60,000.00) **	2,153.58	25,158.08	3,270.55	28,428.63
20402182	July 10 to August 19, 2017	46,912.50		20,941.93	67,854.43	8,821.08	76,675.51
20402190	July 19 to August 24, 2017	-		12,819.04	12,819.04	1,666.48	14,485.52
		\$308,769.55	\$0.00	\$122,407.11	\$431,176.66	\$56,051.69	\$487,228.35

* This invoice was included in the affidavit of J. Dietrich, dated May 31, 2017.

** Estimated time charges

Note: Disbursements primarily comprise fees and disbursements of the Monitor's counsel, Cassels Brock, as outlined in the affidavit of J. Dietrich, sworn September 1, 2017.

Exhibit "B"

Court File No.: CV-17-11677-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON FRASER INC.

Copies of Invoices of the Monitor

RICHTER

June 27, 2017

Via Email

msun@griftonfraser.com

Mr. Mark Sun
Grafton-Fraser Inc.
44 Apex Rd
North York, ON M6A 2V2

Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")

Dear Mr. Sun,

Please find enclosed summary of disbursements for professional services rendered up to and including May 22, 2017.

For your convenience, please find below wire payment instructions

Account number:	345485 Transit # 4160
Bank Address:	Toronto Dominion Bank, ID 004 525 Viger Ouest, Suite 100 Montréal, Québec H2Z 0B2
SWIFT Code:	TDO MC ATT MTL

Yours very truly,

Richter Advisory Group Inc.



Per: Gilles Benchaya
Encl.





Grafton-Fraser Inc.
44 Apex Rd
North York, ON M6A 2V2

Attention: Mr. Mark Sun

Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")

Disbursements (see Cassels invoice attached)	8,324.50
HST #885435842 RT0001	<u>1,082.19</u>
Total	<u>\$9,406.69</u>



Grafton-Fraser Inc.
44 Apex Rd
North York, ON M6A 2V2

Attention: Mr. Mark Sun

Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")
Invoice #20401997

To: Our professional services as Monitor for the period May 21 to 27, 2017.

Time Charges (per attached summary)	\$41,458.75
Disbursements (see Cassels invoice attached)	<u>13,111.50</u>
	54,570.25
HST #885435842 RT0001	<u>7,094.13</u>
Total	<u>\$61,664.38</u>



RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")

Summary of Time Charges

	Hours	Rate	Amount
Gilles Benchaya, Partner	15.30	\$625	\$9,562.50
Adam Sherman, Partner	8.20	625	5,125.00
Warren Levine, VP	24.50	550	13,475.00
Katherine Forbes, VP	16.50	525	8,662.50
Melissa Buck, Senior Associate	1.25	375	468.75
Daniel Dabora, Financial Analyst	12.00	285	3,420.00
Anthony Colonna, Financial Analyst	2.00	285	570.00
Administration & Finance	0.70		175.00
	<u>80.45</u>		<u>\$41,458.75</u>

RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc.

Details of Time Charges
May 21 to 27, 2017

Date	Name	Description	Hours	Rate	Total
05/22/2017	Gilles Benchaya	Work on revised director escrow acct schedule. Call with M. Sun re: PwC meeting, follow-up info required, update on operations.	1.50	\$625.00	\$937.50
05/23/2017	Warren Levine	Conference call with J. Dietrich, A. Sherman, K. Forbes, G. Benchaya to discuss timing of proceedings, cure costs and other.	1.00	550.00	550.00
05/23/2017	Warren Levine	Per PwC email, prepared a reconciliation of amounts in 4-Wall schedule against business plan.	1.00	550.00	550.00
05/23/2017	Anthony Colonna	Performed cash flow monitoring for the week ended May 20.	1.00	285.00	285.00
05/23/2017	Daniel Dabora	Communication with PwC regarding 4Wall EBITDA Analysis and reconciliation to financial model.	2.00	285.00	570.00
05/23/2017	Daniel Dabora	Responding to PwC questions regarding DC Reclass, GP Reconciliation/Calculation, Financial Analysis by Banner.	2.00	285.00	570.00
05/23/2017	Katherine Forbes	Review of correspondence from Cassels re: Director's Escrow. Employee inquiries. Call with Fasken and Cassels re: upcoming motion and status. Call with A. Sherman re: report outline and follow-up.	1.40	525.00	735.00
05/23/2017	Gilles Benchaya	Update on landlord consents. Review June 8th draft motion. Review GFI business update and review cure cost schedule including disc with W. Levine re: follow-up required.	2.00	625.00	1,250.00
05/23/2017	Gilles Benchaya	Discussion motion issues, outstanding items for upcoming court date, various schedules required. prelim work/planning re: schedules required.	2.00	625.00	1,250.00
05/23/2017	Adam Sherman	Review/approve bank reconciliation for April 2017. Emails/discussions with Richter team re report, etc. Emails/conference call with Cassels re various matters.	1.20	625.00	750.00
05/24/2017	Warren Levine	Review of Cure costs schedule. Call with R. Ghosh to discuss.	1.00	550.00	550.00
05/24/2017	Warren Levine	Follow up with Company/PwC re: additional requests for information. Review info provided by M. Sun and provide to PwC.	1.00	550.00	550.00
05/24/2017	Warren Levine	Review weekly BBC and Sales Tax analysis. Respond to R. Ghosh with commentary.	0.50	550.00	275.00
05/24/2017	Warren Levine	Discuss weekly fund request with R Ghosh. Provide commentary via email.	0.50	550.00	275.00
05/24/2017	Warren Levine	Analysis of funds required for Director's charge.	0.50	550.00	275.00
05/24/2017	Warren Levine	Review assignment order. Provide comments thereon.	0.50	550.00	275.00
05/24/2017	Warren Levine	Various questions from PwC (EBITDA bridge, 4-Wall rec, inventory reports, audited F/S). Email and telephone conversations to discuss and follow up with Company on additional info.	1.50	550.00	825.00
05/24/2017	Warren Levine	Review draft Monitoring report. Discuss with A. Colonna. Update descriptions of material variances.	1.00	550.00	550.00
05/24/2017	Anthony Colonna	Performed cash flow monitoring for the week ended May 20.	1.00	285.00	285.00
05/24/2017	Katherine Forbes	Responding to employee inquiries. Correspondence re: motion date and timelines. Call with counsel re: relief and Monitor's report. Drafting Monitor's report. Detailed invoicing and correspondence with C. O'Donnell re: fee affidavit.	2.50	525.00	1,312.50
05/24/2017	Gilles Benchaya	Call with J. Dietrich re: draft assignment order and monitors report. Review 4-wall reconciliation schedule required for PwC and discuss revisions required with W. Levine.	1.60	625.00	1,000.00
05/24/2017	Gilles Benchaya	Discussion with J. Dietrich re: status of assignments and info required by Martin Way landlord. Review opening balance sheet schedule prepared for MW landlord. Review BBC request.	1.00	625.00	625.00
05/24/2017	Adam Sherman	Emails with Cassels re scheduling of Court date, directors' escrow, assignment order, cure costs. Emails/discussions with Richter team re various matters. Call with J. Dietrich re various matters. Email from Davies re status of lease/contract assignments.	1.50	625.00	937.50
05/25/2017	Warren Levine	Call/email correspondence with D. Durant and M. Thomson of PwC. Questions on availability, sales trending and information requests.	1.00	550.00	550.00
05/25/2017	Warren Levine	Final changes to weekly monitoring report. Provide to M. Sun for approval and circulate executed copy to all parties.	1.00	550.00	550.00
05/25/2017	Warren Levine	Discuss with R. Ghosh how to determine which employees were terminated/resigned during CCAA period. Received detailed payroll file and setup D. Dabora on analysis.	1.00	550.00	550.00
05/25/2017	Warren Levine	Follow up with R. Ghosh on rental rev/disbursements. Update in Monitoring report.	0.50	550.00	275.00
05/25/2017	Warren Levine	Review of Gailwood documents.	0.50	550.00	275.00
05/25/2017	Warren Levine	Work on PPA analysis including inventory "bump" calculation.	1.00	550.00	550.00
05/25/2017	Warren Levine	Follow up with Gordon Bros and R. Ghosh on final settlement for consulting agreement.	0.50	550.00	275.00
05/25/2017	Warren Levine	Finalize weekly monitoring, obtain approval signature from Company and circulate to all parties.	1.00	550.00	550.00
05/25/2017	Warren Levine	Questions/discussions with PwC. Review , clean up and provide them with the SG&A model.	1.00	550.00	550.00
05/25/2017	Katherine Forbes	Review of Gailwood correspondence and documents, liquidation sales update, drafting of Monitor's report. Responding to employee and supplier inquiries. Detailed invoicing activities.	3.50	525.00	1,837.50
05/25/2017	Katherine Forbes	Review of correspondence re: status of assumed contracts and supplier liabilities for APA. Correspondence with Richter team re: same.	0.50	525.00	262.50
05/25/2017	Melissa Buck	discussion with warren re: purchase price / assets	0.50	375.00	187.50
05/25/2017	Gilles Benchaya	Review cure cost schedule for property leases. Follow-up on Gailwood status and proposed transaction. Review weekly monitoring and revision re: comparison against revised CF.	3.40	625.00	2,125.00
05/25/2017	Gilles Benchaya	Call with M. Sun re: supplier agreement tracker. Preparation of summary analysis of Supplier agreements and effective trade terms. Call with I, Fortino CIBC re: status of credit agreement discussions, update meeting and supplier agreements.	1.00	625.00	625.00
05/25/2017	Adam Sherman	Email from Fasken re stay extension, Gailwood. Emails/discussions with Richter team re various matters, including Monitor's report. Emails from Cassels. Review monitoring for week ending May 20, 2017.	1.50	625.00	937.50
05/26/2017	Carol O'Donnell	Open new GL accts, prepare reallocations, email K. Forbes updated GL.	0.70	250.00	175.00
05/26/2017	Warren Levine	Updates to Cash flow to reflect expected closing end of June, true-up prior week activity, various other changes as discussed with Company.	2.50	550.00	1,375.00
05/26/2017	Warren Levine	Call to discuss cure costs (Davies, GFI, Cassels).	1.00	550.00	550.00

RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc.

Details of Time Charges
May 21 to 27, 2017

Date	Name	Description	Hours	Rate	Total
05/26/2017	Warren Levine	Preparation of an updated opening balance sheet based on latest cash flow model. Review with G. Benchaya.	1.50	550.00	825.00
05/26/2017	Warren Levine	Call to discuss June 6 motion (Fasken, Cassels, Davies, Richter, NRF).	0.60	550.00	330.00
05/26/2017	Warren Levine	Review of cure costs with R. Ghosh. Receive further detail of amounts payable for royalties to DH.	0.50	550.00	275.00
05/26/2017	Warren Levine	Provide GFI projections by banner to M. Buck. Review schedule prepared by D. Dabora.	0.40	550.00	220.00
05/26/2017	Daniel Dabora	Preparing financial analysis by Banner (TTT, GR, MBT) for the period post closing for the purchase price allocation and communication with M. Buck to provide backup for calculation.	2.00	285.00	570.00
05/26/2017	Daniel Dabora	Updated vacation Pay escrow funds calculation and analysis of potential reserve for non-acceptance of employment.	3.50	285.00	997.50
05/26/2017	Daniel Dabora	Analysis of signed and in-progress vendor trade terms. Analysis of related purchases, pre-filing AP, and amounts to be paid for corresponding vendors.	2.50	285.00	712.50
05/26/2017	Katherine Forbes	Cure costs call with Davies and company. Call with R. Ghosh to discuss process for confirming cure costs, and follow-up email. Correspondence with Richter team re: status of monitor's report and supporting info. Follow-up call with J. Dietrich.	2.80	525.00	1,470.00
05/26/2017	Katherine Forbes	Call with company and purchaser to discuss status for June 6 motion. Review of assignment motion. Review of accounting for escrow funds. Supplier inquiries and follow-up with company on various matters.	2.30	525.00	1,207.50
05/26/2017	Katherine Forbes	Review of correspondence re: schedules to APA, and follow-up re: contacts for service list.	0.50	525.00	262.50
05/26/2017	Melissa Buck	correspond with Daniel re: backup required for PPA.	0.75	375.00	281.25
05/26/2017	Gilles Benchaya	Discussion J. Dietrich re: outstanding issues, including timing and schedules required. Call with Counsels to discuss outstanding matters for motion. Follow-up discussion J. Dietrich re: draft motion.	2.80	625.00	1,750.00
05/26/2017	Adam Sherman	Calls/emails with creditors. Emails/discussions with Richter team re various matters. Emails from/conference call with Cassels re various matters. Email from Fasken re Assignment Order, draft Affidavit, status update on various outstanding matters.	3.00	625.00	1,875.00
05/27/2017	Warren Levine	Various emails regarding June 6 motion. Respond regarding status of covenants and discussions with CIBC.	1.00	550.00	550.00
05/27/2017	Warren Levine	Review of Fourth Amending Agreement to GSO / GFI APA.	0.50	550.00	275.00
05/27/2017	Warren Levine	Review of updated draft affidavit and order.	0.50	550.00	275.00
05/27/2017	Katherine Forbes	Review of draft affidavit and order, and providing comments to Richter team and Cassels team. Updates to monitor's report re: draft materials for June 6 motion.	3.00	525.00	1,575.00
05/27/2017	Adam Sherman	Emails from Cassels re forced assignments/cure costs, 4th amending agreement and other matters re: June 6 motion. Emails with Richter team.	1.00	625.00	625.00
			80.45		\$41,458.75



Grafton-Fraser Inc.
44 Apex Rd
North York, ON M6A 2V2

Attention: Mr. Mark Sun

Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")
Invoice #20402002

To: Our professional services as Monitor for the period May 28 to June 3, 2017.

Time Charges (per attached summary)	\$67,942.05
Disbursements (see Cassels invoice attached)	<u>22,909.45</u>
	90,851.50
HST #885435842 RT0001	<u>11,810.70</u>
Total	<u>\$102,662.20</u>



RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")

Summary of Time Charges

	Hours	Rate	Amount
Gilles Benchaya , Partner	25.00	\$625	\$15,625.00
Adam Sherman , Partner	19.50	625	12,187.50
Warren Levine , VP	39.90	550	21,945.00
Katherine Forbes , VP	26.50	525	13,912.50
Alana Geller , VP	1.50	450	675.00
Melissa Buck , Senior Associate	0.50	375	187.50
Daniel Dabora , Financial Analyst	3.83	285	1,091.55
Anthony Colonna , Financial Analyst	2.00	285	570.00
Administration & Finance	7.20		1748.00
	<u>125.93</u>		<u>\$67,942.05</u>

RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc.

Details of Time Charges
May 28 to June 3, 2017

Date	Name	Description	Hours	Rate	Total
05/28/2017	Warren Levine	Further review of draft legal documents (APA, order, affidavit).	0.50	\$550.00	\$275.00
05/28/2017	Warren Levine	Email correspondence with D. Durant of PwC to set up a time to speak, and addressed misc questions.	0.20	550.00	110.00
05/28/2017	Katherine Forbes	Correspondence with Richter team, Cassels team re: comments on draft order and affidavit for June 6 motion. Correspondence with R. Ghosh re: confirming cure costs. Updating draft monitor's report to reflect draft relief materials.	3.00	525.00	1,575.00
05/28/2017	Katherine Forbes	Correspondence to/from Davies and Fasken re: cure costs.	0.20	525.00	105.00
05/28/2017	Adam Sherman	Email from Cassels re comments on Affidavit, Order, 4th Amending Agreement. Emails with Richter team.	1.00	625.00	625.00
05/29/2017	Ann Stremski	Communication with creditor.	0.20	185.00	37.00
05/29/2017	Warren Levine	Prepare CF variance schedule for Monitor's report, and update wording in report.	1.50	550.00	825.00
05/29/2017	Warren Levine	Update Monitor report with wording changes per discussion with G. Benchaya. Provide update to K. Forbes.	0.50	550.00	275.00
05/29/2017	Warren Levine	Review of weekly GFI business update. Forward copy to PwC.	0.50	550.00	275.00
05/29/2017	Warren Levine	Updates to weekly CF through September. Send copy to M. Sun for his review and comments.	2.50	550.00	1,375.00
05/29/2017	Warren Levine	Discuss with R. Ghosh re: Sunlife refund. Provide update to G. Benchaya and Cassels.	0.50	550.00	275.00
05/29/2017	Warren Levine	Review of latest amendment to APA.	0.50	550.00	275.00
05/29/2017	Warren Levine	Updates to pre filing A/P and new vendor terms. Circulate copy to M. Sun along with tracker.	0.50	550.00	275.00
05/29/2017	Warren Levine	Confirm with C. O'Donnell re: sales tax to be wired back to GFI. Send confirmation to R. Ghosh.	0.30	550.00	165.00
05/29/2017	Warren Levine	Finalize new covenants schedule, review with G. Benchaya and forward to K. Lane at CIBC.	1.00	550.00	550.00
05/29/2017	Daniel Dabora	Vacation Pay Escrow accrual fund and correspondence with G. Benchaya and W. Levine with director's counsel.	0.33	285.00	94.05
05/29/2017	Daniel Dabora	Database for new signed and in progress vendor agreements and assessing new trade support terms.	2.50	285.00	712.50
05/29/2017	Daniel Dabora	Correspondence with J. Dietrich, G. Benchaya, W. Levine regarding timeline of closing events and preparation of schedule.	1.00	285.00	285.00
05/29/2017	Katherine Forbes	Fourth monitor's report, discussions with J. Dietrich re: status of documents for motion, etc. Responding to employee inquiries.	4.00	525.00	2,100.00
05/29/2017	Katherine Forbes	Call re: fourth amendment to APA, correspondence re: cure costs and discussions with R. Ghosh re: same. Detailed invoicing activities.	3.00	525.00	1,575.00
05/29/2017	Gilles Benchaya	Review of proposed covenant analysis extension, analysis of revised employee benefits plan and comparison to prior. Review pre-filing a/p status. Review draft 4th amending APA.	3.00	625.00	1,875.00
05/29/2017	Gilles Benchaya	Discussion with W. Levine re: benefits plan refund. Review revised extended weekly cashflow and discussion with J. Dietrich re: underlying assumptions. Call with A. Winton re: Directors escrow. Call with M. Sun re: inventory writedown.	2.00	625.00	1,250.00
05/29/2017	Adam Sherman	Calls with creditors (UPS SSC, Gunnebo). Emails from Cassels re: various matters. Email from Davies re: revised 4th Amending Agreement. Emails/discussions with Richter team. Review/comment on Monitor's report.	4.00	625.00	2,500.00
05/30/2017	Carol O'Donnell	Prepare fee affidavit.	2.30	250.00	575.00
05/30/2017	Warren Levine	Continue to update Cash flow with scrutiny on closing date and allocation of certain expenses to NewCo vs GFI.	3.00	550.00	1,650.00
05/30/2017	Warren Levine	Calls and email correspondence with R. Ghosh, Cassels, Davies and Fasken to understand logistics of closing so as to properly reflect in Cash Flow expenses to be paid by GFI (vs. Newco).	1.50	550.00	825.00
05/30/2017	Warren Levine	Email correspondence with PwC regarding questions on GFI/business plan model and information requests.	0.50	550.00	275.00
05/30/2017	Warren Levine	Review of sales tax schedule. Discuss with R. Ghosh.	0.50	550.00	275.00
05/30/2017	Warren Levine	Review of final invoice from Gordon Brothers. Discuss with R. Ghosh.	0.50	550.00	275.00
05/30/2017	Warren Levine	Prepare and review analysis (with D. Dabora) of employees terminated/voluntarily left during CCA period.	0.50	550.00	275.00
05/30/2017	Warren Levine	Review latest draft of Monitor's report. Provide commentary to K. Forbes, J. Dietrich.	0.50	550.00	275.00
05/30/2017	Katherine Forbes	Responding to various supplier inquiries. Correspondence with J. Dietrich re: J. Humphrey claim. Updates to monitor's report and circulation to counsel and Richter team. Ensure motion record posted to website.	3.50	525.00	1,837.50
05/30/2017	Katherine Forbes	Detailed invoicing activities for fee affidavit. Review of draft order and affidavit. Correspondence to/from Davies re: fourth amending agreement. Review of materials and correspondence re: Employee Plans. Discussions with R. Ghosh re: cure costs.	3.50	525.00	1,837.50
05/30/2017	Gilles Benchaya	Work on closing timeline and deadlines. Call with HR director re: revised employee plan and analysis on benefits per employee level.	3.00	625.00	1,875.00
05/30/2017	Gilles Benchaya	Call with M. Sun and L. Itkoff re: changes to plan. Review letter of contract performance. Discussion with M. Sun re: Marine Way landlord request. Review revised draft APA and Affidavit. Review Humphrey email.	3.50	625.00	2,187.50
05/30/2017	Adam Sherman	Emails from Davies re: further revisions to 4th Amending Agreement. Emails from Cassels, Faskens, Davies re: various matters. Emails/discussions with Richter team. Calls with J. Dietrich. Email from Davies re: service of June 6 Motion Record.	4.00	625.00	2,500.00
05/31/2017	Carol O'Donnell	Prepare fee affidavit and exhibits.	1.50	250.00	375.00
05/31/2017	Warren Levine	Conference call with PwC (D Durant and M Thomson) to discuss various questions on vendors, trade terms, merchandise programs, BBC availability and other. Provide follow up emails after the call with additional information.	1.00	550.00	550.00
05/31/2017	Warren Levine	Discussion with G. Benchaya, K. Forbes, J. Dietrich re new employee health plan and changes vs. previous plan.	0.50	550.00	275.00
05/31/2017	Warren Levine	Further updates to Cash Flow. Call with R. Ghosh to review and update each of the line items (i.e. Payroll, merchandise payments, etc).	1.00	550.00	550.00
05/31/2017	Warren Levine	Discuss tranfer tax issue with R. Ghosh. Provide update to A. Geller.	1.00	550.00	550.00
05/31/2017	Warren Levine	Further discussions with Davies/Cassels on Cash Flow and logitics of closing to assess with entity (GFI, Newco) will fund costs on and around closing.	1.00	550.00	550.00
05/31/2017	Warren Levine	Final review and changes of GFI monitoring report. Forward to M. Sun for signature.	1.00	550.00	550.00
05/31/2017	Warren Levine	On-going review of Monitor's 4th report. Prepared a redline copy which was circulated to Richter and Cassels.	1.00	550.00	550.00
05/31/2017	Warren Levine	Update analysis of projected availability at close. Perform calculation of impact of potential write down of inventory to projected availability.	1.50	550.00	825.00
05/31/2017	Warren Levine	Email correspondence with K. Forbes. Provide a copy of covenants analysis with updated CF.	0.20	550.00	110.00
05/31/2017	Anthony Colonna	Prepared weekly cash flow monitoring for the week ended May 27.	2.00	285.00	570.00
05/31/2017	Katherine Forbes	Review and editing fourth monitor's report and fee affidavit. Correspondence with Richter team. Call with J. Dietrich re: developments and updates to monitor's report. Correspondence from Davies re: cure costs.	3.00	525.00	1,575.00

RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc.

Details of Time Charges
May 28 to June 3, 2017

Date	Name	Description	Hours	Rate	Total
05/31/2017	Soazig Bourguine	Website posting & email to CCAA of the Motion re: assignment of agreements.	0.30	185.00	55.50
05/31/2017	Gilles Benchaya	Call with W. Levine re: logistical issues re: post closing ank accts. Review updated cashflow including assumptions re: escrow release, post closing costs, availability and inventory reserve.	3.50	625.00	2,187.50
05/31/2017	Adam Sherman	Emails with Cassels/Faskens re: J. Humphrey. Emails with Cassels re: Gailwood, comments on Monitor's report, fee affidavit. Emails/discussions with Richter team. Review/update Monitor's report. Review/comment on fee affidavit.	5.00	625.00	3,125.00
05/31/2017	Melissa Buck	Discussion with W. Levine and A. Geller re: inventory.	0.50	375.00	187.50
06/01/2017	Carol O'Donnell	Update fee affidavit, emails with K. Forbes and A. Sherman. PDF.	2.60	250.00	650.00
06/01/2017	Warren Levine	Receive final executed monitoring report. Circulate to all parties.	0.50	550.00	275.00
06/01/2017	Warren Levine	Call from K. Lane of CIBC to discuss covenants. Explained rationale behind proposed numbers which he understood. Provided an update to G. Benchaya after the call.	0.50	550.00	275.00
06/01/2017	Warren Levine	Discussion with Davies, Cassels, re: projected availability at close. Circulate detailed analysis to GSO for their review and approval.	1.00	550.00	550.00
06/01/2017	Warren Levine	Updates to Cash Flow and variance tables included in Monitors report.	1.20	550.00	660.00
06/01/2017	Warren Levine	Discussion with K. Forbes, J. Dietrich on Monitors report.	0.50	550.00	275.00
06/01/2017	Warren Levine	Update GFI CF for M. Sun signature line and then forward to M. Sun. Once signed copy received, forwarded to K. Forbes/J. Dietrich.	0.50	550.00	275.00
06/01/2017	Warren Levine	Discussion with R. Ghosh on GB Consulting agreement and final settlement. Forwarded to him an executed copy of the contract.	0.50	550.00	275.00
06/01/2017	Warren Levine	GFI Status update call (Davies, NRF, Cassesl, Fasken, Richter).	1.00	550.00	550.00
06/01/2017	Warren Levine	Conference call with Landlord for Marine Way to discuss status of Newco and purchaser and enquire as to what they would need to provide consent.	1.00	550.00	550.00
06/01/2017	Warren Levine	Follow up discussion/email correspondence with counsel re: Marine Way lease and next steps.	0.50	550.00	275.00
06/01/2017	Warren Levine	Email correspondence with PwC re: additional questions on info provided and request for April F/S. Followed up with a quick call.	0.50	550.00	275.00
06/01/2017	Warren Levine	Emails to R. Ghosh/C. Mendes regarding questions on inventory reports provided.	0.30	550.00	165.00
06/01/2017	Warren Levine	Reviewed business plan model and discussion with R. Ghosh to reconcile number of stores that were liquidated through April/17.	0.50	550.00	275.00
06/01/2017	Katherine Forbes	Updating draft monitor's report for comments, circulating to company and purchaser counsel. Further updates for comments from group, and call with J. Dietrich re: same. June 6 motion status update call. Finalizing report for service.	4.50	525.00	2,362.50
06/01/2017	Soazig Bourguine	Fourth report of the Monitor posted on website and efiled with OSB	0.30	185.00	55.50
06/01/2017	Gilles Benchaya	Review of 4th monitors report draft. Update from J. Dietrich re: directors escrow. Review updated cash flow and availability at close. Call with all counsel re: status update and outstanding issues.	3.00	625.00	1,875.00
06/01/2017	Gilles Benchaya	Status call with M. Sun on supplier agreement sign off and revised effective terms. Review Davies comments on Monitors report. Review 4th amendment comments from NRF.	2.00	625.00	1,250.00
06/01/2017	Gilles Benchaya	Review bbc and tie in to CF. Fasken comments on monitors report. Update on Marine way landlord. Discussion W. Levine re: CIBC revised covenants.	1.00	625.00	625.00
06/01/2017	Adam Sherman	Emails with Cassels re: various matters. Emails from Norton Rose, Davies, Cassels and Faskens re: comments on Monitor's report. Emails/discussions with Richter team. Revise, finalize and sign fee affidavit and Monitor's report. Review weekly monitoring.	5.00	625.00	3,125.00
06/02/2017	Warren Levine	Meeting with A. Geller and M. Buck on PPA and Company's request for potential inventory adjustments.	0.70	550.00	385.00
06/02/2017	Warren Levine	Call with M. Sun and A. Geller to discuss PPA and consequences (tax and otherwise) surrounding a potential inventory writedown of inventory.	1.00	550.00	550.00
06/02/2017	Warren Levine	Request updated vendor analysis from Davies and update our summary schedule.	0.50	550.00	275.00
06/02/2017	Warren Levine	Call with Jane to discuss deliverables required from us for June 8th motion.	0.50	550.00	275.00
06/02/2017	Warren Levine	Finalize schedules for June 8th motion and circulate to all parties.	0.80	550.00	440.00
06/02/2017	Warren Levine	Email correspondence with GSO regarding proposed covenants.	0.50	550.00	275.00
06/02/2017	Warren Levine	Calls and email correspondence with M. Thomson and D. Durant of PwC regarding final questions as they wrap up report. Discussed BBC availability and how refelcted in model, addressed inventory question and other.	1.20	550.00	660.00
06/02/2017	Warren Levine	Calls and email correspondence with M. Thomson and D. Durant of PwC regarding final questions as they wrap up report. Discussed BBC availability and how refelcted in model, addressed inventory question and other.	1.50	550.00	825.00
06/02/2017	Warren Levine	Further discussions with G. Benchaya, J. Dietrich on Marine Way LL, flow of funds and mechanics of close.	0.50	550.00	275.00
06/02/2017	Warren Levine	Discussion with C. Mendes on inventory question from PwC, and recent trending vs. business plan.	0.50	550.00	275.00
06/02/2017	Alana Geller	Inventory - discussion with W. Levine and call with M. Sun.	1.50	450.00	675.00
06/02/2017	Katherine Forbes	Call with R. Ghosh and Bell re: master agreements. Update email to J. Dietrich. Review of correspondence to/from Davies re: assignment order update. Comments to J. Dietrich on June 6 motion status update email.	1.80	525.00	945.00
06/02/2017	Gilles Benchaya	Follow-up director escrow release and other o/s issues re: motion. Review revised monitors report. Review comments and proposal re: 4th Amendment to APA. Review bbc request. Update call with counsel. Review of Davies comments.	3.00	625.00	1,875.00
06/02/2017	Gilles Benchaya	Update on supplier liability analysis and prep for CIBC meeting June 6th.	1.00	625.00	625.00
06/02/2017	Adam Sherman	Email from Torkin Manes re: Notice of Appearance. Emails with Richter team. Emails from Cassels/Faskens/Davies re: June 6 motion.	0.50	625.00	312.50
			125.93		\$67,942.05

Date	Disbursemsent	Description	Total
05/06/2017	Professiona Services	06/05/2017: OT Legal: Cassels Brock invoice #2015441	\$22,909.45



Grafton-Fraser Inc.
44 Apex Rd
North York, ON M6A 2V2

Attention: Mr. Mark Sun

Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")
Invoice #20402036

To: Our professional services as Monitor for the period June 4 to June 10, 2017.

Time Charges (per attached summary)	\$34,106.75
Disbursements – Cassels (see invoice attached) & Other	<u>9,210.54</u>
	43,317.29
HST #885435842 RT0001	<u>5,631.25</u>
Total	<u>\$48,984.54</u>



RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")

Summary of Time Charges

	Hours	Rate	Amount
Gilles Benchaya, Partner	16.50	\$625	\$10,312.50
Phil Nadler, Partner	0.50	600	300.00
Warren Levine, VP	32.40	550	17,820.00
Katherine Forbes, VP	6.80	525	3,570.00
Daniel Dabora, Financial Analyst	2.75	285	783.75
Anthony Colonna, Financial Analyst	4.00	285	1,140.00
Administration & Finance	1.00		180.50
	<u>63.95</u>		<u>\$34,106.75</u>

RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc.

Details of Time Charges
June 4 to 10, 2017

Date	Name	Description	Hours	Rate	Total
02/08/2017	Carol O'Donnell	Communications with bank regarding new bank account.	0.10	250.00	25.00
04/24/2017	Katherine Forbes	Correspondence with counsel to Bell Canada and follow-up with counsels to Company/Purchaser re: consents sent to Bell Canada. Correspondence with CIBC, R. Ghosh re: Oberfeld payment timing. Correspondence with C. Smith/Company re: employee inquiry.	0.80	525.00	420.00
05/31/2017	Daniel Dabora	Communication with PwC regarding business plan update and questions surrounding financial analysis	0.50	285.00	142.50
05/31/2017	Daniel Dabora	Update supplier terms to the signed/unsigned vendor agreements database.	1.00	285.00	285.00
05/31/2017	Daniel Dabora	Assess the vacation escrow for SK store employees who left the company since Jan/17.	0.50	285.00	142.50
05/31/2017	Daniel Dabora	Communication with Counsel regarding closing transaction (transition of bank accounts, trailing expenses and cashflow, donation of inventory).	0.75	285.00	213.75
06/05/2017	Warren Levine	Meeting with CIBC (J. Arnone, K. Lane, I. Fortino) at Grafton offices.	2.50	550.00	1,375.00
06/05/2017	Warren Levine	Pre-meeting with M. Sun, C. Mendes, Lance, G. Benchaya.	1.00	550.00	550.00
06/05/2017	Warren Levine	Meet with R. Ghosh to discuss various issues including mechanics of closing, PPA, transfer taxes and other.	1.00	550.00	550.00
06/05/2017	Warren Levine	Review of daily sales, proposed disbursement funding for the week.	1.00	550.00	550.00
06/05/2017	Warren Levine	Updated supplier analysis. Review with G. Benchaya.	0.50	550.00	275.00
06/05/2017	Warren Levine	Review of updated draft legal documents (APA) and various email correspondence with lawyers.	0.50	550.00	275.00
06/05/2017	Katherine Forbes	Status update call re: June motion. Call with R. Ghosh and Bell re: cure costs.	0.50	525.00	262.50
06/05/2017	Gilles Benchaya	Review updated covenants to June 30th. Review business update presentation with M. Sun and L. Itkoff. Discussion next steps. Meeting with CIBC and Company to discuss current status, closing funding requirements, transition etc.	5.50	625.00	3,437.50
06/05/2017	Gilles Benchaya	Call with all counsel re: June 6 motion update o/s items.	1.00	625.00	625.00
06/06/2017	Warren Levine	Review of weekly GFI report from C. Mendes. Forward copy to PwC.	0.70	550.00	385.00
06/06/2017	Warren Levine	Call with R. Ghosh to review weekly BBC and sales tax calculation.	1.00	550.00	550.00
06/06/2017	Warren Levine	Follow up with Counsel re: court filing process. Provide update to L. Itkoff, M. Sun.	0.50	550.00	275.00
06/06/2017	Warren Levine	Discussions with Company re: status of vendor negotiations. Update summary schedule with D. Dabora. Follow up with Davies (A. Susac) regarding this schedule.	1.50	550.00	825.00
06/06/2017	Warren Levine	Review weekly Cash Flow, BBC and sales tax prepared by R. Ghosh. Respond to him with my comments.	1.00	550.00	550.00
06/06/2017	Warren Levine	Updates to Cash Flow model incorporating last week reported results and updates to cure costs and other.	1.50	550.00	825.00
06/06/2017	Katherine Forbes	Attendance at court for assignment order and approval order. Responding to employees inquiries and claims for termination pay. Calls with Essex Hydro and Primaris.	2.50	525.00	1,312.50
06/06/2017	Gilles Benchaya	GFI business update review. GFI sales tax update with Rajib. Follow-up on status of Oberfeld payment with M. Sun and J. Dietrich.	3.00	625.00	1,875.00
06/07/2017	Pascale Lareau	Bank reconciliation.	0.20	185.00	37.00
06/07/2017	Pascale Lareau	Bank reconciliation.	0.20	185.00	37.00
06/07/2017	Carol O'Donnell	Update deposit, scan and save.	0.20	250.00	50.00
06/07/2017	Warren Levine	Work with A. Colonna on weekly monitoring to incorporate updated CF and covenants. Review draft report and update wording and notes.	1.50	550.00	825.00
06/07/2017	Warren Levine	Discussion with M. Sun, R. Ghosh on flow of funds and options for Newco.	0.60	550.00	330.00
06/07/2017	Warren Levine	Call to discuss flow of funds with Davies and Cassels.	1.00	550.00	550.00
06/07/2017	Warren Levine	Review of Oberfeld fee and conditions required for payment. Calls with Counsel and Company.	0.50	550.00	275.00
06/07/2017	Warren Levine	Discussion with J. Dietrich and G. Benchaya regarding KERP payment. Follow up with Company to advise.	0.50	550.00	275.00
06/07/2017	Warren Levine	Various calls/email correspondence regarding Final Liquidator settlement.	0.60	550.00	330.00
06/07/2017	Warren Levine	Review and discuss weekly funding request with R. Ghosh.	0.50	550.00	275.00
06/07/2017	Warren Levine	Continuing to update cash flow model incorporating changes to vendor terms, updated inventory position and closing costs.	1.00	550.00	550.00
06/07/2017	Warren Levine	Various email correspondence with counsel regarding closing documents/process.	0.50	550.00	275.00
06/07/2017	Anthony Colonna	Performed Cash flow monitoring for week ended June 2, 2017. Needed to update forecasted cash flow.	4.00	285.00	1,140.00
06/07/2017	Katherine Forbes	Call with purchaser's counsel re: closing flow of funds.	0.50	525.00	262.50
06/07/2017	Cindy Michaud	Post 3 documents on website and email CCAA.	0.30	105.00	31.50
06/07/2017	Gilles Benchaya	Review GB final settlement reconciliation. Discuss status of KERP payment with W. Levine, including review of KERP agreement. Review final Oberfeld success fee calculation.	1.50	625.00	937.50
06/08/2017	Warren Levine	Finalize weekly monitoring report, obtain approval from M. Sun and G. Benchaya and circulate to all parties.	1.00	550.00	550.00
06/08/2017	Warren Levine	Review of GFI tax returns and prepared an estimate of tax loss carry forward position.	1.50	550.00	825.00
06/08/2017	Warren Levine	Email/telephone correspondence with counsel, Gordon Brothers, R. Ghosh re final liquidator settlement.	1.00	550.00	550.00
06/08/2017	Warren Levine	Review updated pre-filing liabilities tracker and vendor terms. Prepare an updated summary.	1.00	550.00	550.00
06/08/2017	Warren Levine	Analysis of SK employees and any related severance obligations.	1.00	550.00	550.00
06/08/2017	Warren Levine	Updates to Monitoring and Cash Flow model for new NOLV rates per May appraisal.	0.50	550.00	275.00
06/08/2017	Warren Levine	Further discussions with M. Sun, R. Ghosh re closing costs and related mechanics of payments/payroll on and around close.	1.00	550.00	550.00
06/08/2017	Katherine Forbes	Discussions with R. Ghosh re: cure costs and vendor deposits. Review of correspondence to/from Davies.	1.00	525.00	525.00
06/08/2017	Gilles Benchaya	Review weekly monitoring. Review 2017 tax return. Call with Italo and Kyle CIBC to discuss availability calculations in Report and subsequent review of model for impact on availability of revised NOLV rates. Review pre-filing liabilities tracker.	3.50	625.00	2,187.50
06/09/2017	Warren Levine	Discussion with G. Benchaya and P. Nadler re tax losses.	0.50	550.00	275.00
06/09/2017	Warren Levine	Per request from Kyle at CIBC, re: analyzed calculation of month end advance rates. Prepared various schedules (as discussed reviewed with G Benchaya) and circulated them to CIBC.	3.50	550.00	1,925.00
06/09/2017	Warren Levine	Follow up call with K Lane of CIBC to review schedules provided.	0.50	550.00	275.00
06/09/2017	Warren Levine	Correspondence with counsel and R. Ghosh re FF&E payment to GSO.	0.50	550.00	275.00
06/09/2017	Warren Levine	Discussion with G. Benchaya and C. Mendes re: FCCR calculation.	0.50	550.00	275.00
06/09/2017	Warren Levine	Review of draft liquidator settlement agreement and comments from counsel.	0.50	550.00	275.00
06/09/2017	Katherine Forbes	Review of post-closing cash flow and professionals' retainers. Addressing employee and other supplier inquiries, including correspondence with S. Mack, Davies, and calls with R. Ghosh. Review of correspondence to/from purchaser.	1.50	525.00	787.50
06/09/2017	Gilles Benchaya	Meet with P. Nadler re: tax losses, impact of transaction on losses and forgiveness issues. Further work on availability based on PwC findings.	2.00	625.00	1,250.00
06/09/2017	Phil Nadler	Discussion with G. Benchaya and W. Levine re: transaction.	0.50	600.00	300.00
			63.95		\$34,106.75



Grafton-Fraser Inc.
44 Apex Rd
North York, ON M6A 2V2

Attention: Mr. Mark Sun

Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")
Invoice #20402041

To: Our professional services as Monitor for the period June 11 to June 17, 2017.

Time Charges (per attached summary)	\$35,345.00
Disbursements (see Cassels invoice attached)	<u>8,110.76</u>
	43,455.76
HST #885435842 RT0001	<u>5,649.25</u>
Total	<u>\$49,105.01</u>



RICHTER ADVISORY GROUP INC.
Re: Grafton-Fraser Inc. (together with its affiliates, the "Company")

Summary of Time Charges

	Hours	Rate	Amount
Gilles Benchaya, Partner	12.50	\$625	\$7,812.50
Adam Sherman, Partner	0.70	625	437.50
Alon Wexler, Partner	7.50	550	4,125.00
Warren Levine, VP	35.50	550	19,525.00
Katherine Forbes, VP	3.80	525	1,995.00
Alana Geller, VP	0.25	450	92.50
Melissa Buck, Senior Associate	1.25	375	468.75
David Stein, Financial Analyst	0.75	275	206.25
Anthony Colonna, Financial Analyst	2.00	285	570.00
Administration & Finance	0.50		92.50
	64.75		\$35,345.00

RICHTER ADVISORY GROUP INC.

Re: Grafton-Fraser Inc.

Details of Time Charges

June 11 to 17, 2017

Date	Name	Description	Hours	Rate	Total
06/12/2017	Warren Levine	Call with Davies, GFI, Richter, CIBC re: banking transition for Newco.	1.00	\$550.00	\$550.00
06/12/2017	Warren Levine	Call with G. Benchaya, M. Sun to discuss FCCR and TTM EBITDA.	0.50	550.00	275.00
06/12/2017	Warren Levine	Review of draft Credit Agreement to better understand definition of EBITDA and covenants to be tested.	0.50	550.00	275.00
06/12/2017	Warren Levine	Pre-call with R. Ghosh, G. Benchaya followed up be call with CIBC (Kyle, Italo) to discuss covenants for Newco.	0.30	550.00	165.00
06/12/2017	Warren Levine	Further work on PPA schedules (inventory bump and lease rights).	1.00	550.00	550.00
06/12/2017	Warren Levine	Analysis of historical rent using current rent concessions.	1.00	550.00	550.00
06/12/2017	Warren Levine	On-going discussions with R. Ghosh on mechanics of payments around the closing date.	0.50	550.00	275.00
06/12/2017	Warren Levine	Set up FCCR template and populate with historical info and forecast from Business Plan.	1.20	550.00	660.00
06/12/2017	Warren Levine	Review of GFI business update and comparison against Business Plan.	1.00	550.00	550.00
06/12/2017	Katherine Forbes	Call with CIBC and Purchaser's counsel re: closing mechanics and flow of funds.	0.50	525.00	262.50
06/12/2017	Gilles Benchaya	Prep of TTM EBITDA schedule and call with CIBC to discuss fixed charge ratio and normalized TTM EBITDA.	3.00	625.00	1,875.00
06/12/2017	Gilles Benchaya	Review FCCR with Casey and discussion Casey/Rajib/Marc re: FCCR.			
06/12/2017	Gilles Benchaya	Review business update. Call with Counsel re: Banking transition and pre-call with Rajib re: flow of funds and wires required.	2.00	625.00	1,250.00
06/13/2017	Warren Levine	Review borrowing request and communicate back with R. Ghosh.	0.50	550.00	275.00
06/13/2017	Warren Levine	Correspondence with M. Sun and G. Benchaya re KERP and 2016 bonuses.	0.50	550.00	825.00
06/13/2017	Warren Levine	Discussions and email correspondence with counsel and Gordon Brothers re: final settlement agreement.	1.50	550.00	1,100.00
06/13/2017	Warren Levine	Discussions with C. Mendes, G. Benchaya, M. Sun re: FCCR and normalized EBITDA. Work on analysis.	2.00	550.00	440.00
06/13/2017	Warren Levine	Review latest draft of cure costs. Call R. Ghosh to discuss.	0.80	550.00	660.00
06/13/2017	Warren Levine	Call with M Sun, G Benchaya re assumed contracts. Follow up with call to Davies to discuss need for 3 of the potential assumed contracts.	1.20	550.00	825.00
06/13/2017	Warren Levine	Review of weekly cash flow, BBC and sales tax calculation provided by R. Ghosh.	1.50	550.00	275.00
06/13/2017	Katherine Forbes	Call with M. Sassi, correspondence with W. Levine. Correspondence with R. Ghosh re: communications to vendors on closing. Review of vendor inquiries re: transaction.	1.30	525.00	682.50
06/13/2017	Gilles Benchaya	Review updated pre-filing liabilities tracker. Schedule of pre-filing cures with and excluding consent. Call with Rajib re: cures, update call with J. Dietrich re: cures not requiring consent and call with M. Sun re: treatment of same.	2.00	625.00	1,250.00
06/13/2017	Gilles Benchaya	Review employee bonuses including forbearance clause re: eligibility of same.	1.00	625.00	625.00
06/14/2017	Warren Levine	Analysis of proforma rent for 2016 incorporating leases concessions, for use in TTM EBITDA for covenants.	1.50	550.00	825.00
06/14/2017	Warren Levine	Further discussions with G. Benchaya, M. Sun, Cassels, Davies re: assumed contracts not requiring consent.	1.00	550.00	550.00
06/14/2017	Warren Levine	Final liquidator settlement. Obtain and circulate executed copies.	0.50	550.00	275.00
06/14/2017	Warren Levine	Review of prior week BBC and sales tax calculation. Discussion with R. Ghosh on certain identified issues.	1.00	550.00	550.00
06/14/2017	Warren Levine	Continued work on PPA and opening balance sheet. Correspondence with Valuations group.	1.50	550.00	825.00
06/14/2017	Warren Levine	Discussion with M. Sun and C. Mendes re: EBITDA covenants and FCCR.	0.50	550.00	275.00
06/14/2017	Warren Levine	Review of updated APA and Trademark documents. Provide comments thereon.	1.00	550.00	550.00
06/14/2017	Warren Levine	Review of weekly borrowing request. Provide comments to R. Ghosh.	0.50	550.00	275.00
06/14/2017	Katherine Forbes	Correspondence to purchaser's counsel re: vendor communications and requests for information. Assisting in drafting notice of sale closing, as requested by R. Ghosh. Review of counsel's mark-up to trademark assignment agreement.	1.50	525.00	787.50
06/14/2017	Melissa Buck	Planning. Discussion with A. Wexler and A. Geller. Royalty Source.	0.50	375.00	187.50
06/14/2017	Alana Geller	Discussion with M. Buck.	0.25	450.00	112.50
06/14/2017	Gilles Benchaya	Call with J. Dietrich and Robin and M. Sun re: cure costs on certain contracts. Review of status of PPA. Amended PPA and US trademark issue. Review executed final settlement agreement GB.	2.00	625.00	1,250.00
06/15/2017	Warren Levine	Correspondence with Davies and R. Ghosh re pro forma financials required for insurer.	0.50	550.00	275.00
06/15/2017	Warren Levine	Gather additional information on proposed 2016 bonus payouts from Company. Follow up discussions with Cassels, G. Benchaya before responding to GFI with our comments.	1.00	550.00	550.00
06/15/2017	Warren Levine	Review of tax consulting invoice. Discuss with G. Benchaya, R. Ghosh.	0.50	550.00	275.00
06/15/2017	Warren Levine	Call M. Sun to discuss requirements for 2016 bonus payout. Review subsequent approvals from GSO and CIBC.	0.50	550.00	275.00
06/15/2017	Warren Levine	Review and updates to weekly monitoring report. Obtain M. Sun approval and circulate to all parties.	2.00	550.00	1,100.00
06/15/2017	Warren Levine	Various email correspondence with Fasken/Cassels/Davies re: closing documents, process, escrow, etc.	1.00	550.00	550.00
06/15/2017	Warren Levine	Discussion with R. Ghosh, M. Sun regarding timing and mechanics of payments on or around close (including payroll).	0.80	550.00	440.00
06/15/2017	Warren Levine	Follow up emails/calls re: FF&E payment to GSO.	0.40	550.00	220.00
06/15/2017	Warren Levine	Coordinate payment of sales taxes back to GFI.	0.30	550.00	165.00
06/15/2017	Warren Levine	Preparation of an additional monitoring schedule of reported BBC against Business Plan BBC. Circulate schedule to K. Lane of CIBC.	1.00	550.00	550.00
06/15/2017	Anthony Colonna	Performed cash flow monitoring for the week ending June 10, 2017.	2.00	285.00	570.00
06/15/2017	Katherine Forbes	Review of correspondence from Monitor's counsel re: closing, and draft escrow agreement, etc.	0.30	525.00	157.50
06/15/2017	Melissa Buck	Set up D. Stein on PPA. Discuss with A. Wexler.	0.75	375.00	281.25
06/15/2017	David Stein	Call to set up file, initial review.	0.75	275.00	206.25
06/15/2017	Gilles Benchaya	Review BBC request and Transfer tax requirements. Review GFI weekly monitoring and GFI availability vs. business plan.	2.50	625.00	1,562.50
06/15/2017	Adam Sherman	Review weekly reporting. Discussion with Richter team re: various matters. Email from Cassels re: escrow agreement.	0.50	625.00	312.50
06/16/2017	Ann Stremski	Communication with creditors; add creditor to list; sent Notice.	0.50	185.00	92.50
06/16/2017	Warren Levine	Request from D. Durant of PwC. Reply email with requested support.	0.50	550.00	275.00
06/16/2017	Warren Levine	Call with M. Sassi to follow up on FF&E payment to GSO and escrow agreement concerns.	0.50	550.00	275.00
06/16/2017	Warren Levine	Various calls with R. Ghosh to discuss upcoming payments and tasks to be done prior to close.	1.00	550.00	550.00
06/16/2017	Warren Levine	Work on inventory bump up schedule and follow up on FF&E impairment reversal.	1.50	550.00	825.00
06/16/2017	Warren Levine	Update cash flow model with prior week reported results, updated cure costs.	1.00	550.00	550.00
06/16/2017	Warren Levine	Correspondence with counsel on closing docs, cure costs.	0.50	550.00	275.00
06/16/2017	Katherine Forbes	Review of correspondence from Davies to utilities providers re: anticipated closing date.	0.20	525.00	105.00
06/16/2017	Adam Sherman	Review and approve May 2017 bank reconciliation.	0.20	625.00	125.00
17/06/2017	Alon Wexler	Modeling and planning.	7.50	550.00	4,125.00
			\$64.75		\$35,345.00



Grafton-Fraser Inc.
44 Apex Rd
North York, ON M6A 2V2

Attention: Mr. Mark Sun

Re: Grafton-Fraser Inc. (together with its affiliates, the "Company") Invoice #20402043

To: Our professional services as Monitor for the period June 18 to June 27, 2017.

Estimated Time Charges (June 18 – 27, 2017)	\$60,000.00
Disbursements (see Cassels invoice attached)	<u>24,815.82</u>
	84,815.82
HST #885435842 RT0001	11,026.06
Non-Taxable Disbursements (see Cassels invoice attached)	<u>9.99</u>
Total	<u>\$95,851.87</u>



1735825 Ontario Inc.
44 Apex Rd
North York, ON M6A 2V2

Re: 1735825 Ontario Inc. (together with its affiliates, the "Company")
Invoice #20402102

To: Our professional services as Monitor for the period June 17 to July 9, 2017.

Time Charges (per attached summary)	\$83,004.50
Disbursements (see Cassels invoice attached)	<u>2,153.58</u>
	85,158.08
Less: Previously billed estimated time charges	<u>(60,000.00)</u>
	25,158.08
HST #885435842 RT0001	<u>3,270.55</u>
Total	<u>\$28,428.63</u>



RICHTER ADVISORY GROUP INC.
Re: 1735825 Ontario Inc. (together with its affiliates, the "Company")

Summary of Time Charges

	Hours	Rate	Amount
Gilles Benchaya, Partner	24.5	\$625	\$15,312.50
Adam Sherman, Partner	3.5	625	2,187.50
Phil Nadler, Partner	0.3	600	180.00
Warren Levine, VP	82.5	550	45,375.00
Katherine Forbes, VP	22.4	525	11,760.00
Anthony Colonna, Financial Analyst	2.0	285	570.00
Daniel Dabora, Financial Analyst	3.0	285	855.00
Administration & Finance	32.1		6,764.50
	170.3		\$83,004.50

RICHTER ADVISORY GROUP INC.
Re: 1735825 Ontario Inc.

Details of Time Charges
June 17 to July 9, 2017

Date	Name	Description	Hours	Rate	Total
06/19/2017	Warren Levine	Review of escrow and Direction agreements. Call with M. Sassi to discuss comments.	0.7	\$550.00	\$385.00
06/19/2017	Warren Levine	Calls with R. Ghosh and J. Li of Davies to discuss request from Insurance Company for Financials.	0.3	550.00	165.00
06/19/2017	Warren Levine	Preparation of Financial Statement package for Insurance Company, along with subsequent revisions based on discussion with R. Ghosh.	1.5	550.00	825.00
06/19/2017	Warren Levine	Call with Fasken, Cassels, Davies to discuss GFI/GSO closing.	0.7	550.00	385.00
06/19/2017	Warren Levine	Review of GFI weekly business update. Forward copy to PWC.	1.0	550.00	550.00
06/19/2017	Warren Levine	Review of fixed asset impairment analysis and prelim calculation of Transfer taxes. Call with R. Ghosh to discuss.	2.0	550.00	1,100.00
06/19/2017	Katherine Forbes	Correspondence re: closing. Utilities inquiries re: closing.	0.8	525.00	420.00
06/19/2017	Soazig Bourguine	Service Lists efiled with CCAA and posted on website.	0.3	185.00	55.50
06/19/2017	Gilles Benchaya	Review draft escrow agreements. Update on GFI sales tax assessment objection. Review opening AP listing. Update call with all counsel on closing agenda and flow of funds.	3.5	625.00	2,187.50
06/19/2017	Adam Sherman	Emails from Cassels re: escrow agreements, closing agenda, etc.	0.5	625.00	312.50
06/20/2017	Warren Levine	Initial discussion with A. Wexler and followed by meeting with G. Benchaya and A. Wexler to discuss PPA and deliverables.	0.9	550.00	495.00
06/20/2017	Warren Levine	Analysis of comparative public Companies for valuation purposes. Discuss with G. Benchaya and A. Dabora.	1.0	550.00	550.00
06/20/2017	Warren Levine	Review of flow of funds spreadsheet and discussion with M. Sassi.	1.5	550.00	825.00
06/20/2017	Warren Levine	Discussion with C. O'Donnell re: bank account to be used for escrow funds. Obtain wiring information and provide to Cassels/Davies.	1.0	550.00	550.00
06/20/2017	Warren Levine	Review with R. Ghosh and make final changes to proforma financials for insurance.	1.0	550.00	550.00
06/20/2017	Warren Levine	Review of 5th amendment to APA. Provide missing information and commentary to Cassels.	1.5	550.00	825.00
06/20/2017	Warren Levine	Review latest draft of Escrow and Direction documents. Provide comments by email.	1.0	550.00	550.00
06/20/2017	Warren Levine	Prepare monthly divisional P&Ls for A. Wexler.	0.7	550.00	385.00
06/20/2017	Katherine Forbes	Review of fifth amendment to APA and correspondence with counsel. Review of draft escrow agreement and direction mark-ups. Call with vendor re: unpaid invoices and CCAA proceeding generally.	1.0	525.00	525.00
06/20/2017	Gilles Benchaya	Review updated closing agenda and ancillary closing documents. Review draft purchase price allocation including lease rights, inventory setup, goodwill, etc.	3.0	625.00	1,875.00
06/20/2017	Gilles Benchaya	Review escrow fund calculation for payroll, cure costs etc. Review weekly business update report.	1.0	625.00	625.00
06/20/2017	Adam Sherman	Emails from Cassels re: 5th Amendment Agreement and escrow agreements. Emails/discussions with Richter team.	0.5	625.00	312.50
06/21/2017	Carol O'Donnell	Update bank account, discussions and review with W. Levine regarding closing. Email to W. Levine.	1.1	250.00	275.00
06/21/2017	Warren Levine	Review of Company updated cash flow, BBC and o/s cheques.	1.0	550.00	550.00
06/21/2017	Warren Levine	Further review of fixed asset impairment schedule. Call with M. Sun, R. Ghosh to discuss and conclude if an adjustment will be made on opening B/S. Email to Richter team re: no impairment reversal conclusion.	1.0	550.00	550.00
06/21/2017	Warren Levine	Transfer tax work including reviewing emails from Fasken, discussions with R. Ghosh and analysis of preliminary calculation.	1.0	550.00	550.00
06/21/2017	Warren Levine	Meet with M. Gilbert to discuss provincial transfer taxes.	0.5	550.00	275.00
06/21/2017	Warren Levine	Update analysis of GFI monthly P&L by banner. Incorporate DC allocation and agree with Company business plan.	1.0	550.00	550.00
06/21/2017	Warren Levine	Request from K. Lane of CIBC for extended weekly CF based on Company business plan. Preparation of said request and emailed it to CIBC.	1.5	550.00	825.00
06/21/2017	Warren Levine	Review latest draft flow of funds schedule. Discussion with M. Sassi including \$USD payments, lease cures, missing wire info, M&K payments.	1.0	550.00	550.00
06/21/2017	Warren Levine	Call with R. Ghosh to discuss sales tax calculation. Per discussion, modifications were made and then review of adjusted schedule.	0.7	550.00	385.00
06/21/2017	Warren Levine	Reconciliation of sales tax escrow account with R. Ghosh.	0.5	550.00	275.00
06/21/2017	Warren Levine	Call with counsel to discuss flow of funds.	0.5	550.00	275.00
06/21/2017	Warren Levine	Call with counsel to discuss flow of funds.	0.3	550.00	165.00
06/21/2017	Warren Levine	Prepare F2019 monthly F/S for M. Sun (for future CIBC covenants purposes).	1.0	550.00	550.00
06/21/2017	Anthony Colonna	Performed weekly cash flow monitoring for the week ended June 17, 2017.	2.0	285.00	570.00
06/21/2017	Katherine Forbes	Review of HST draft appeal, correspondence with R. Ghosh. Review of flow of funds, correspondence with W. Levine. Correspondence with S. Mack re: employee claims.	1.1	525.00	577.50
06/21/2017	Martin Gilbert	Received/reviewed e-mail from W. Levine/N. De Cicco. Discussed Manitoba, Saskatchewan and BC PST rules with W. Levine. Gave instructions to Ano re: same.	0.8	475.00	356.25
06/21/2017	Anh Hoang Ho Quan	Meeting.	0.3	175.00	43.75
06/21/2017	Gilles Benchaya	Review extended weekly cash flow requested By CIBC. Review draft flow of funds documents and excel spreadsheet detailing amounts due on closing.	2.5	625.00	1,562.50
06/21/2017	Gilles Benchaya	Discussion with W. Levine re: transfer taxes owing, including comments from tax department on due date and assets subject to taxes. Flow of funds update call with Company, counsel, Davies.	2.0	625.00	1,250.00
06/22/2017	Carol O'Donnell	Verify bank for wire transfer, enter wire, scan and save.	0.3	250.00	75.00
06/22/2017	Warren Levine	Review and update draft weekly monitoring schedule. Send to G. Benchaya and M. Sun for review and approval.	1.0	550.00	550.00
06/22/2017	Warren Levine	Follow up with R. Ghosh, J. Beberus re: GSO wire information.	0.3	550.00	165.00
06/22/2017	Warren Levine	Review lease rights calculation with D. Stein.	0.5	550.00	275.00
06/22/2017	Warren Levine	Discussion with M. Sassi re: time requirement for asset allocation for APA purposes.	0.5	550.00	275.00
06/22/2017	Warren Levine	Review initial estimate for store payroll amount to be prefunded. Call with R. Ghosh to discuss.	1.0	550.00	550.00
06/22/2017	Warren Levine	Preparation of monthly 3 year DC cost allocation to more accurately allocate costs between banners (previously fully allocated to TTT).	1.5	550.00	825.00
06/22/2017	Warren Levine	Review of latest draft escrow, direction documents. Call with M. Sassi to discuss comments and rationale for PWC need to review flow of funds.	1.0	550.00	550.00
06/22/2017	Warren Levine	Discussions with R. Ghosh re: flow of funds, mechanics of close, professional fees, CIBC funding, other.	0.7	550.00	385.00
06/22/2017	Warren Levine	Meet with C. O'Donnell to discuss cheques/wires to be made for next week.	0.5	550.00	275.00
06/22/2017	Daniel Dabora	(1) Analysis of GFI results by Banner F2017-F2020 with adjustments for: (a) store closures (b) warehousing and distribution costs, (2) F2021 analysis of EBITDA impact of expiring rent concessions.	3.0	285.00	855.00
06/22/2017	Katherine Forbes	Call re: HST appeal. Correspondence with counsel re: closing matters.	0.7	525.00	367.50
06/22/2017	Anh Hoang Ho Quan	GST analysis.	2.0	175.00	350.00
06/22/2017	Gilles Benchaya	Review latest update document on flow of funds. Review KPMG package on notice of objection re: GFI ITC refusal. Follow-up call with Rajib re: objection notice. Review weekly monitoring and BC.	3.0	625.00	1,875.00

RICHTER ADVISORY GROUP INC.

Re: 1735825 Ontario Inc.

Details of Time Charges

June 17 to July 9, 2017

Date	Name	Description	Hours	Rate	Total
06/22/2017	Adam Sherman	Call with creditor re: update. Emails/discussions with Richter team. Review monitoring for week ending 6/17/2017.	1.0	625.00	625.00
06/23/2017	Carol O'Donnell	Review of wires and cheques to be prepared. Verify back up. Prepare cheques and wires. Telephone conv. with bank to verify wire details.	4.5	250.00	1,125.00
06/23/2017	Ann Stremski	Prepare cheques.	2.0	185.00	370.00
06/23/2017	Warren Levine	Call with M. Sun to discuss EBITDA analysis.	0.5	550.00	275.00
06/23/2017	Warren Levine	Follow up with counsel, R. Ghosh re: missing wire info on flow of funds.	0.5	550.00	275.00
06/23/2017	Warren Levine	Discussion with counsel on M&K lease cure payments.	0.5	550.00	275.00
06/23/2017	Warren Levine	Discussion with A. Wexler re: divisional EBITDA and allocation of corporate costs.	0.5	550.00	275.00
06/23/2017	Warren Levine	Coordinate the signing of various documents and send copies to M. Sassi in escrow.	0.5	550.00	275.00
06/23/2017	Warren Levine	Discussions with R. Ghosh, M. Sassi re: priority payables. Review of latest prepaid store payroll schedule prepared by R. Ghosh.	1.0	550.00	550.00
06/23/2017	Warren Levine	Review of transfer tax information prepared by Ano Huang and subsequent call with R. Ghosh to review.	1.5	550.00	825.00
06/23/2017	Warren Levine	Email correspondence from Davies/Cassels/Fasken re: flow of funds and related issues.	1.0	550.00	550.00
06/23/2017	Warren Levine	Provide A. Susac with a breakdown of transfer taxes by province along with due dates.	0.5	550.00	275.00
06/23/2017	Warren Levine	Review of email from Davies along with all backup provided for M&K lease payments. Provide to Carol to start prepping cheques.	1.0	550.00	550.00
06/23/2017	Warren Levine	Receipt of latest drafts of Escrow Agreement, Direction. Discuss with M. Sassi.	0.5	550.00	275.00
06/23/2017	Warren Levine	Review of additional backup provided for prefilling liabilities. Provide copies to C. O'Donnell, K. Forbes.	0.5	550.00	275.00
06/23/2017	Warren Levine	Finalize calculation of estimated June sales tax liability with R. Ghosh. Obtain copy of wire confirmation.	0.5	550.00	275.00
06/23/2017	Warren Levine	Discussion with M. Sassi re: employees that have not yet accepted employment with NewCo. Sent follow up request to R. Ghosh for info.	0.5	550.00	275.00
06/23/2017	Warren Levine	Review latest draft of flow of funds incorporating priority payables.	0.5	550.00	275.00
06/23/2017	Warren Levine	Email correspondence with N. De Cicco re inclusion of cure amounts in Approved Cash Flow, questions on Transfer taxes and Flow of funds and suggested wording changes for escrow agreement.	1.0	550.00	550.00
06/23/2017	Catherine Dickner	Coordinated with Anh re: PST issues.	0.3	475.00	142.50
06/23/2017	Katherine Forbes	Call with W. Levine re: cheques pursuant to purchaser's direction. Review of correspondence to/from purchaser's counsel re: closing. Utility provider inquiries re: change of ownership.	0.8	525.00	420.00
06/23/2017	Anh Hoang Ho Quan	PST analysis.	3.0	175.00	525.00
06/23/2017	Gilles Benchaya	Review monitors certificate and closing package, direction documents from Purchaser on escrowed funds. Review updated Purchase price allocation for closing.	2.0	625.00	1,250.00
06/24/2017	Warren Levine	Review of updates store payroll prefunding amount prepared by R. Ghosh.	0.5	550.00	275.00
06/25/2017	Warren Levine	Email correspondence with M. Sassi, J. Dietrich re: including prefunded store payroll as a priority payable on flow of funds.	1.0	550.00	550.00
06/26/2017	Warren Levine	Call with Davies, Cassels, GFI to discuss flow of funds and closing agenda.	1.0	550.00	550.00
06/26/2017	Warren Levine	Review of updated estimated gross payroll schedule, and provide R. Ghosh with my comments.	0.5	550.00	275.00
06/26/2017	Warren Levine	After discussion with M. Sassi for guidance, emailed Davies/Fasken re inclusion of \$710k of prefunded store payroll to flow of funds/escrow.	0.5	550.00	275.00
06/26/2017	Warren Levine	Per discussion with R. Ghosh, follow up on professional fee invoices and ensure that payments were made by GFI.	0.5	550.00	275.00
06/26/2017	Warren Levine	Participate on GFI closing call with Davies/Fasken/Cassels.	0.5	550.00	275.00
06/26/2017	Warren Levine	Further email correspondence re: M&K cheques to be prepared, with support provided.	0.5	550.00	275.00
06/26/2017	Warren Levine	Review and approval of draft additional language to Escrow agreement as proposed by M. Sassi, including completing certain missing information.	0.5	550.00	275.00
06/26/2017	Warren Levine	Review of updated closing agenda and discuss with M. Sassi.	0.4	550.00	220.00
06/26/2017	Warren Levine	Discussions with K. Forbes to coordinate signature of M&K cheques and time spent compiling appropriate support.	0.5	550.00	275.00
06/26/2017	Warren Levine	Review of Company's borrowing request to provided support. Call with R. Ghosh to review and approve.	0.5	550.00	275.00
06/26/2017	Warren Levine	Request and discussion with R. Ghosh regarding required backup for payments to be made.	0.2	550.00	110.00
06/26/2017	Warren Levine	Discussions with R. Ghosh, Cassels, Fasken, Davies re: any other priority payables for employees that have not accepted employment.	0.5	550.00	275.00
06/26/2017	Katherine Forbes	Review of and compiling supporting documentation for cheques being sent pursuant to purchaser's direction.	2.5	525.00	1,312.50
06/26/2017	Gilles Benchaya	Update call with all parties on closing agenda. Follow-up call with GFI counsel re: director resignations. Review and execute final contract disclaimers.	2.5	625.00	1,562.50
06/27/2017	Warren Levine	Call with R. Ghosh and KPMG to discuss Transfer taxes.	0.5	550.00	275.00
06/27/2017	Warren Levine	Review prior week BBC and call with M. Sun, R. Ghosh to discuss.	0.7	550.00	385.00
06/27/2017	Warren Levine	10:00am pre-closing call with all lawyers. Review status of docs and any items still needing resolution.	1.0	550.00	550.00
06/27/2017	Warren Levine	2:30pm call with Fasken/Cassels/Richter to discuss need for GFI signatory in short terms and transition services.	0.5	550.00	275.00
06/27/2017	Warren Levine	3:30pm follow up pre-closing call with counsel. Discussed remaining items, TSA agreement, other.	0.5	550.00	275.00
06/27/2017	Warren Levine	Review of latest Transfer tax information (schedule from Rajib, email from Fasken and KPMG). Discuss further with M. Gilbert).	0.8	550.00	440.00
06/27/2017	Warren Levine	Discussion with M. Sassi re: appropriate contact person for MB and SK transfer tax payments. Further email correspondence with broader group.	0.5	550.00	275.00
06/27/2017	Warren Levine	4:30pm call with R. Ghosh and KPMG to discuss Transfer taxes.	0.5	550.00	275.00
06/27/2017	Warren Levine	Coordinate cheques for McLean & Kerr. Discussions with K. Forbes, M. Sassi. Follow up with Company to confirm payee information.	1.0	550.00	550.00
06/27/2017	Warren Levine	Review of draft Company press release. Discuss with J. Dietrich, G. Benchaya, M. Sun.	0.5	550.00	275.00
06/27/2017	Warren Levine	Compile backup for escrow cheques. Discuss with A. Stremski, K. Forbes, R. Ghosh.	1.0	550.00	550.00
06/27/2017	Katherine Forbes	Facilitating signature and release of payments pursuant to the APA. Correspondence with Richter team, counsel, and the Company re: same.	1.5	525.00	787.50
06/27/2017	Katherine Forbes	Review disclaimer notices package and related correspondence. Payments pursuant to purchaser's direction.	1.5	525.00	787.50
06/27/2017	Martin Gilbert	Reviewed findings with Ano. Discussed BC, Sask and Manitoba PST with W. Levine.	0.5	475.00	237.50
06/27/2017	Gilles Benchaya	Update call with all parties on status of closing. Review escrow docs. Call KPMG re: transfer taxes and notice of objection assessment. Call with JD and SB re: GFI status and potential director resignations.	3.5	625.00	2,187.50
06/27/2017	Adam Sherman	Review, approve and sign cheques re: lease/contract cure costs, including emails/discussions with Richter team re: same.	0.5	625.00	312.50

RICHTER ADVISORY GROUP INC.

Re: 1735825 Ontario Inc.

Details of Time Charges

June 17 to July 9, 2017

Date	Name	Description	Hours	Rate	Total
06/28/2017	Ann Stremski	Communication with W. Levine; prepare wire; void cheques; communication with CIBC re: US drafts; prepare US draft requests; administration of scanned documents.	1.8	185.00	333.00
06/28/2017	Warren Levine	Calls with M. Sassi to discuss any further requirements for closing, weekly monitoring.	0.5	550.00	275.00
06/28/2017	Warren Levine	Coordinate payment of contract and rent cure amounts. Follow up with Company to obtain backup.	1.5	550.00	825.00
06/28/2017	Warren Levine	Review of revised TSA document. Provide comments to Cassels.	0.5	550.00	275.00
06/28/2017	Warren Levine	Calls with R. Ghosh re: final closing items and logistics. Discussed prior week BBC and that weekly monitoring no longer required.	0.5	550.00	275.00
06/28/2017	Warren Levine	Closing call with Davies/Fasken/Cassels. Confirm nothing further required, and delivery of monitor certificate.	0.5	550.00	275.00
06/28/2017	Warren Levine	Review and filing of all executed closing documents.	0.5	550.00	275.00
06/28/2017	Warren Levine	Email correspondence regarding court date, and other next steps.	0.5	550.00	275.00
06/28/2017	Katherine Forbes	Carrying out the purchaser's direction for payments in connection with closing.	2.5	525.00	1,312.50
06/28/2017	Gilles Benchaya	Review monitors certificate, flow of funds, revisions to escrow agreements, and current availability.	1.5	625.00	937.50
06/29/2017	Ann Stremski	Communications with Warren Levine and Andrew Adessky; prepare more wires and submit all for approvals; prepare reallocations and additional entries.	4.3	185.00	795.50
06/29/2017	Warren Levine	Call with M. Sassi to discuss flow of funds and progress of cheque issuances.	0.5	550.00	275.00
06/29/2017	Warren Levine	Meet with A. Stremski to review cheques/wires to be made, status of \$US drafts.	0.5	550.00	275.00
06/29/2017	Warren Levine	Discussion with R. Ghosh on Transfer taxes.	0.5	550.00	275.00
06/29/2017	Warren Levine	Obtain and review additional backup documentation to amounts payable per Flow of Funds.	0.5	550.00	275.00
06/29/2017	Warren Levine	Compile backup for Cheque signers/wire approvers.	0.5	550.00	275.00
06/29/2017	Warren Levine	Various correspondence with M. Sassi to discuss Flow of Funds, status of payments, clarifications.	0.5	550.00	275.00
06/29/2017	Warren Levine	Discussions and email correspondence with A. Stremski/lawyers re: delays/issues in sending out payment to Wilmington Trust.	0.5	550.00	275.00
06/29/2017	Warren Levine	Correspondence with K. Forbes on cheques/wires to be sent out and approved. In addition discussed minor discrepancy from cheque request to backup.	0.5	550.00	275.00
06/29/2017	Warren Levine	Call with J. Dietrich/M. Sassi re: requirement for backup documentation in view of Direction document.	0.2	550.00	110.00
06/29/2017	Warren Levine	Preparation of a summary schedule of all cheques/wires with cheques numbers, wire confirmations and comments.	0.5	550.00	275.00
06/29/2017	Warren Levine	Review and reconciliation of ledger balances for Escrow account. Discuss with A. Stremski.	0.5	550.00	275.00
06/29/2017	Katherine Forbes	Correspondence re: payments sent pursuant to transaction closing.	0.2	525.00	105.00
06/29/2017	Katherine Forbes	Correspondence re: payments sent pursuant to transaction closing, and verification of figures and support.	1.8	525.00	945.00
06/29/2017	Adam Sherman	Review, approve and sign cheques re: lease/contract cure costs, including discussions with Richter team.	1.0	625.00	625.00
06/30/2017	Ann Stremski	Communications with CIBC, A. Adessky and A. Sherman regarding US wire and US drafts; administration on CIBC online banking; prepare entries for wires and drafts.	4.3	185.00	795.50
06/30/2017	Warren Levine	Email correspondence re court date and materials.	0.5	550.00	275.00
06/30/2017	Warren Levine	Various discussions and email correspondence with M. Sassi re: status of payments made from Flow of Funds.	0.7	550.00	385.00
06/30/2017	Warren Levine	Correspondence with K. Forbes re: backup for payments, status of cheques.	0.5	550.00	275.00
06/30/2017	Warren Levine	Email to Davies/Fasken/Cassels re: payment of all wires and cheques.	0.3	550.00	165.00
06/30/2017	Warren Levine	Update reconciliation analysis of all Funds in escrow against payments made to date. Review with A. Stremski.	0.8	550.00	440.00
06/30/2017	Warren Levine	Calls/email correspondence with R. Ghosh re: payments made, backup, copies of cheques and wire confirmations.	0.5	550.00	275.00
06/30/2017	Warren Levine	Follow up with A. Stremski, Davies, CIBC re: \$25K USD payment.	0.5	550.00	275.00
06/30/2017	Katherine Forbes	Correspondence re: payments sent pursuant to transaction closing.	0.2	525.00	105.00
06/30/2017	Phil Nadler	Alon re: tax issues.	0.3	600.00	180.00
07/02/2017	Warren Levine	Email correspondence with Davies/BLG re: Bell Canada payment.	0.2	550.00	110.00
07/03/2017	Warren Levine	Email correspondence with R. Ghosh re: payment backups, status of wires.	0.3	550.00	165.00
07/04/2017	Carol O'Donnell	Scanning and saving of cheques issued.	0.5	250.00	125.00
07/04/2017	Warren Levine	Follow up with A. Stremski on remaining wires. Send update to Davies/Fasken/Cassels.	0.5	550.00	275.00
07/04/2017	Warren Levine	Email correspondence with M. Sassi re: outstanding items to follow up on.	0.3	550.00	165.00
07/04/2017	Warren Levine	Email correspondence with Davies re: Wilmington wire and beneficiary information.	0.3	550.00	165.00
07/04/2017	Katherine Forbes	Call with counsel re: Purchaser's motion and monitor's report.	0.3	525.00	157.50
07/05/2017	Carol O'Donnell	Verify POC, scan and save. Scan and save voided cheques.	0.2	250.00	50.00
07/05/2017	Ann Stremski	Communications with Warren Levine and Andrew Adessky; prepare wire transfers; forward transactions and wire confirmations to W. Levine; administration of file.	5.8	185.00	1,073.00
07/05/2017	Warren Levine	Complete Inventory Bump up analysis needed for PPA schedule on APA.	1.5	550.00	825.00
07/05/2017	Warren Levine	Calls with R. Ghosh, M. Sun, A. Stremski re payroll to be funded today.	0.5	550.00	275.00
07/05/2017	Warren Levine	Reconciling funds held in escrow and providing A. Stremski with G/L entries.	1.0	550.00	550.00
07/05/2017	Warren Levine	Discussion with M. Sassi re payroll funding and severance obligations.	0.5	550.00	275.00
07/05/2017	Warren Levine	Follow up on \$25K wire to Wilmington trust. Provide confirmation and copy of wire to Davies/Fasken/Cassels.	0.5	550.00	275.00
07/05/2017	Katherine Forbes	Corresponding with the Company re: inquiries from utility providers. Responding to employee claim for termination pay.	0.5	525.00	262.50
07/06/2017	Warren Levine	Follow up with R. Ghosh on potential severance claim.	0.5	550.00	275.00
07/06/2017	Warren Levine	Review of BC sales tax audit.	0.5	550.00	275.00
07/06/2017	Warren Levine	Review of draft GFI order for expansion of Monitor's powers.	0.5	550.00	275.00
07/06/2017	Warren Levine	Continued work on PPA schedule required for APA.	1.0	550.00	550.00
07/06/2017	Warren Levine	Update Flow of funds reconciliation schedule with confirmed amounts paid.	0.5	550.00	275.00
07/06/2017	Katherine Forbes	Correspondence with Company and Richter team re: Amex calls to employees. Correspondence with counsel re: Purchaser's motion.	0.5	525.00	262.50
07/07/2017	Pascale Lareau	Bank reconciliation.	0.2	185.00	37.00
07/07/2017	Warren Levine	Discussion with M. Sassi, R. Ghosh re: any SK employee terminations and related severance liability.	0.5	550.00	275.00
07/07/2017	Warren Levine	Calls with R. Ghosh to discuss status of escrow payments, est June sales taxes, Transfer taxes and other.	0.5	550.00	275.00
07/07/2017	Warren Levine	Discussion with M. Sassi on terminated employee severance and PPA requirement for APA.	0.5	550.00	275.00
07/07/2017	Warren Levine	Compile backup of cheques and wires for R. Ghosh.	0.5	550.00	275.00
07/07/2017	Warren Levine	Perform updated reconciliation analysis of escrow funds and circulate schedule to R. Ghosh.	0.5	550.00	275.00
07/08/2017	Katherine Forbes	Drafting of Monitor's report and review of draft order.	1.5	525.00	787.50
07/09/2017	Katherine Forbes	Drafting and review of Monitor's report. Correspondence with Richter team.	5.0	525.00	2,625.00
			170.30		\$83,004.50



1735825 Ontario Inc.
44 Apex Rd
North York, ON M6A 2V2

Re: 1735825 Ontario Inc. (together with its affiliates, the "Company")
Invoice #20402182

To: Our professional services as Monitor for the period July 10 to August 19, 2017.

Time Charges (per attached summary)	\$46,912.50
Cassels (see invoice attached)	20,013.88
Disbursements	<u>928.05</u>
	67,854.43
HST #885435842 RT0001	<u>8,821.08</u>
Total	<u>\$76,675.51</u>



RICHTER ADVISORY GROUP INC.
Re: 1735825 Ontario Inc. (together with its affiliates, the "Company")

Summary of Time Charges

	Hours	Rate	Amount
Gilles Benchaya , Partner	1.5	625	\$ 937.50
Adam Sherman , Partner	11.6	625	7,250.00
Andrew Adessky , Partner	2.6	595	1,547.00
Warren Levine , Principal	45.9	550	25,245.00
Katherine Forbes , VP	9.9	525	5,197.50
Audrey Mercier , VP	1.0	375	375.00
Caleigh Smith , Associate	1.5	350	525.00
Daniel Korsunsky , Associate	3.3	350	1,155.00
Administration & Finance	20.3		4,680.50
	97.6		\$ 46,912.50

RICHTER ADVISORY GROUP INC.
Re: 1735825 Ontario Inc.

Details of Time Charges
July 10 to August 19, 2017

Date	Name	Description	Hours	Rate	Total
01/31/2017	Caleigh Smith	Review of CCAA communications	1.00	\$350.00	\$350.00
02/24/2017	Katherine Forbes	Correspondence with company and various creditors, including Canada Post, Stingray, and V. Fraas. Update to s	1.10	525.00	577.50
03/10/2017	Audrey Mercier	PPA - Accounting	0.25	375.00	93.75
05/29/2017	Carol O'Donnell	Prepare wire transfer, scan and save.	0.50	250.00	125.00
06/20/2017	Audrey Mercier	PPA - intangibles	0.75	375.00	281.25
06/29/2017	Pascale Lareau	Working on wire trsf with Ann	0.40	185.00	74.00
06/29/2017	Andrew Adessky	wire approvals	0.30	595.00	178.50
06/29/2017	Daniel Korsunsky	Cheque approval and sending. Support/backup for cheques and wires.	3.00	350.00	1,050.00
06/30/2017	Andrew Adessky	banking	0.30	595.00	178.50
07/04/2017	Andrew Adessky	update from GB re remaining matters	0.20	595.00	119.00
07/06/2017	Daniel Korsunsky	American Express call.	0.30	350.00	105.00
07/10/2017	Warren Levine	Review of draft order for expansion of Monitor's powers.	0.50	550.00	275.00
07/10/2017	Warren Levine	Review of pre-filing severance claim. Discuss with R. Ghosh and M. Sassi.	0.50	550.00	275.00
07/10/2017	Warren Levine	Discussions with R. Ghosh regarding any severance claims. Receipt and review of analysis of offers not accepte	1.00	550.00	550.00
07/10/2017	Warren Levine	Update reported cash flow activity through close and prepare a variance for Monitor's report.	1.00	550.00	550.00
07/10/2017	Katherine Forbes	Correspondence with C. Smith, Company re: CIT inquiries.	0.20	525.00	105.00
07/10/2017	Adam Sherman	Review, revise and update Monitor's report. Calls/emails with Cassels re draft notice of motion. Emails/discussior	4.00	625.00	2,500.00
07/10/2017	Caleigh Smith	Response to creditor inquiries	0.50	350.00	175.00
07/11/2017	Carol O'Donnell	Email K. Forbes GL.	0.10	250.00	25.00
07/11/2017	Warren Levine	Confirmation of funds held in sales tax escrow account. Provide info to A. Sherman and K. Forbes.	0.50	550.00	275.00
07/11/2017	Warren Levine	Review of BC Sales tax audit. Discuss with R. Ghosh regarding amounts and payment to be made.	1.00	550.00	550.00
07/11/2017	Warren Levine	Follow up work on Opening Balance Sheet requirement for APA.	1.00	550.00	550.00
07/11/2017	Warren Levine	Update Flow of Funds spreadsheet.	0.50	550.00	275.00
07/11/2017	Katherine Forbes	Incorporating comments from Richter team and discussion with A. Sherman re: Monitor's report. Circulating draft	1.50	525.00	787.50
07/11/2017	Adam Sherman	Review, revise and update Monitor's report. Emails/discussions with Richter team. Calls/emails with Cassels re M	4.00	625.00	2,500.00
07/12/2017	Warren Levine	Review Monitor's 5th Report. Provide comments to K. Forbes, A. Sherman and Cassels.	1.00	550.00	550.00
07/12/2017	Warren Levine	Follow up with R. Ghosh on June sales taxes and transfer taxes. Review of revised estimate for sales taxes.	1.00	550.00	550.00
07/12/2017	Warren Levine	Review final PPA schedule to APA. Discussions with R. Ghosh, M. Sun and M. Sassi as to requirement to inform	1.00	550.00	550.00
07/12/2017	Katherine Forbes	Telephone call with CIT. Correspondence with Purchaser and Richter team. Telephone call with former employee	0.80	525.00	420.00
07/12/2017	Katherine Forbes	Review of comments to Fifth Monitor's Report and updating draft. Correspondence with counsel and discussion w	1.00	525.00	525.00
07/12/2017	Adam Sherman	Calls with Cassels re Monitor's report. Email from Cassels providing comments on Monitor's report, including em	1.50	625.00	937.50
07/13/2017	Warren Levine	Call with R. Ghosh on BC sales tax audit. Confirm that payment will be made from sales tax escrow.	0.50	550.00	275.00
07/13/2017	Warren Levine	Review of Monitor's 5th report. Provide comments thereon.	1.00	550.00	550.00
07/13/2017	Warren Levine	Calls with M. Sassi on transfer taxes, severance, and other.	0.50	550.00	275.00
07/13/2017	Warren Levine	Telephone conversation with R. Ghosh regarding further payments to be made and logistics of paying sales tax a	0.50	550.00	275.00
07/13/2017	Katherine Forbes	Correspondence with Richter team re: posting documents to Monitor's website, attendance at court.	0.30	525.00	157.50
07/13/2017	Adam Sherman	Emails/calls with Cassels re Monitor's report. Review Faskens/Davies comments on Monitor's report. Emails/dis	1.50	625.00	937.50
07/14/2017	Warren Levine	Review of Final PPA as received from C. Mendes.	0.50	550.00	275.00
07/14/2017	Warren Levine	Update flow of funds spreasheet. Discuss future payments to be made with A. Stremski.	0.50	550.00	275.00
07/14/2017	Warren Levine	Follow up with R. Ghosh on sales and transfer taxes.	0.50	550.00	275.00
07/14/2017	Adam Sherman	Emails with UPS-SCS re update on transaction.	0.20	625.00	125.00
07/17/2017	Warren Levine	Discussions with R Ghosh, C O'Donnell re payment of June sales taxes. Review of MB, QC, HST, BC amounts.	1.50	550.00	825.00
07/17/2017	Warren Levine	Detailed review of updated transfer tax analysis prepared by R Ghosh. Forward to M Sassi and telephone conver	1.00	550.00	550.00
07/18/2017	Carol O'Donnell	Comm. with CIBC to make arrangements to make payment of HST. Review emails regarding payments of PST's	1.90	250.00	475.00
07/18/2017	Warren Levine	Receipt of 2016 rent adjustment from a RioCan store. Discuss with R Ghosh, M Sassi, K Forbes.	1.00	550.00	550.00
07/18/2017	Warren Levine	Review of final motions approved in court. Communicate result to R Ghosh.	0.50	550.00	275.00
07/18/2017	Warren Levine	Review of draft consent for adjustment to transfer tax payments.	0.50	550.00	275.00
07/18/2017	Warren Levine	Correspondence with Fasken tax advisors and R Ghosh on transfer taxes.	0.50	550.00	275.00
07/18/2017	Warren Levine	Review of SK employee claim. Discussions with R Ghosh, K Forbes, M Sassi.	1.00	550.00	550.00
07/18/2017	Cindy Michaud	Post Order and Endorsement on website and email to CCAA	0.30	105.00	31.50
07/18/2017	Adam Sherman	Email from Davies attached order issued earlier on same date. Emails with Richter team.	0.20	625.00	125.00
07/19/2017	Carol O'Donnell	conference call with W. Levine, Faskens and company regarding sales taxes. Prepare cheques, prepare wire tra	2.50	250.00	625.00
07/19/2017	Warren Levine	Call with R Ghosh, C O'Donnell and Fasken tax to discuss June sales tax and transfer taxes.	1.00	550.00	550.00
07/19/2017	Warren Levine	Email correspondence calls with M Sassi and R Ghosh regarding potential SK severance. Review of claim filed b	0.60	550.00	330.00
07/19/2017	Warren Levine	Review of email from M Sassi re employee slip and fall claim. Follow up with R Ghosh re copy of insurance policy	0.50	550.00	275.00
07/19/2017	Warren Levine	Follow up with C O'Donnell re sales tax payments made and forward copies of confirmations to R Ghosh.	0.50	550.00	275.00
07/19/2017	Warren Levine	Review of updated consent and flow of funds. Discuss with M Sassi.	0.50	550.00	275.00
07/19/2017	Warren Levine	Correspondence with Cassels/Fasken re filing of annual returns, and requirements by province.	0.50	550.00	275.00
07/19/2017	Warren Levine	Payment of SK sales taxes and filing of return.	0.50	550.00	275.00
07/19/2017	Warren Levine	Provide executed consent form for revised direction/flow of funds.	0.50	550.00	275.00
07/19/2017	Katherine Forbes	Correspondence to/from counsel re: employee claims. Email to company re: utilities inquiries.	0.50	525.00	262.50
07/20/2017	Carol O'Donnell	Prepare wire transfers to Manitoba and Saskatchewan Finance tax and email tax forms for transfer taxes. Prepar	1.90	250.00	475.00
07/20/2017	Ann Stremski	Verification of wires	0.20	185.00	37.00
07/20/2017	Warren Levine	Review status of all sales tax/transfer tax payments with Carol. Provide signed sales tax returns.	1.00	550.00	550.00
07/20/2017	Warren Levine	Discuss with M Sassi, G Benchaya, R Ghosh re business license applications. After direction from Cassels, provi	1.00	550.00	550.00
07/20/2017	Warren Levine	Update SK employee analysis with D Dabora. Discuss with M Sassi, R Ghosh.	1.00	550.00	550.00
07/20/2017	Warren Levine	Correspondence with Cassels/Fasken re requirement for annual returns by province.	0.50	550.00	275.00
07/20/2017	Warren Levine	Payment of MB sales tax. Communicate with R Ghosh and provide backup of payment.	0.50	550.00	275.00
07/20/2017	Katherine Forbes	Review of correspondence to/from Monitor's counsel.	0.20	525.00	105.00
07/21/2017	Carol O'Donnell	Telephone call with CRA and Rajib. Email Rajib wire confirmations. email Rajib Wire confirmations. Email to Man	1.60	250.00	400.00
07/24/2017	Carol O'Donnell	Prepare cheque, scan and save.	0.20	250.00	50.00
07/24/2017	Warren Levine	Follow up calls/email correspondence with R. Ghosh, J. Dietrich, M. Sassi re D&O insurance policy tail.	0.70	550.00	385.00
07/24/2017	Warren Levine	Discussion with C. O'Donnell re status of tax payments and CRA remittance slip.	0.30	550.00	165.00
07/24/2017	Warren Levine	Discussion/email correspondence with counsel re Bellissimo trademark.	0.50	550.00	275.00
07/24/2017	Warren Levine	Updated analysis of potential SK employee claims. Discuss with R. Ghosh, M. Sassi.	1.00	550.00	550.00
07/24/2017	Katherine Forbes	City of Lethbridge inquiry.	0.30	525.00	157.50
07/25/2017	Pascale Lareau	Call Revenu Canada and the bank for HST payment information	1.50	185.00	277.50

RICHTER ADVISORY GROUP INC.
Re: 1735825 Ontario Inc.

Details of Time Charges
July 10 to August 19, 2017

Date	Name	Description	Hours	Rate	Total
07/25/2017	Carol O'Donnell	Prepare cheque, email with Rajib. Discussions with W. Levine regarding payment of HST.	1.40	250.00	350.00
07/25/2017	Ann Stremski	Prepare entries and cheque; administration of scans and courier requests	1.30	185.00	240.50
07/25/2017	Warren Levine	Review and execution of BC sales tax return.	1.00	550.00	550.00
07/25/2017	Warren Levine	Additional correspondence re Bellissimo trademark with Fasken/Cassels.	0.50	550.00	275.00
07/25/2017	Warren Levine	Discussions with C. O'Donnell, R. Ghosh re payment of GST to CRA.	1.00	550.00	550.00
07/25/2017	Warren Levine	Additional conversations re D&O insurance (M. Sassi, J. Dietrich, R. Ghosh)	0.50	550.00	275.00
07/25/2017	Warren Levine	Call with S. Mack re SK employees and subsequent follow up.	0.30	550.00	165.00
07/25/2017	Andrew Adessky	disc PL re sales tax payments; call to M Sassi	0.40	595.00	238.00
07/25/2017	Adam Sherman	Review/approve June 2017 bank reconciliation.	0.20	625.00	125.00
07/26/2017	Carol O'Donnell	Misc. administration regarding payments of sales taxes, discussions with W. Levine and Rajib.	0.70	250.00	175.00
07/26/2017	Ann Stremski	Administration of file re sending payments	0.30	185.00	55.50
07/26/2017	Warren Levine	Updated SK employee analysis with estimated severance calculation based on discussion with S. Mack (HR Dire	1.00	550.00	550.00
07/26/2017	Warren Levine	Continued discussions with M. Sassi re D&O insurance and approvals required for payment.	0.50	550.00	275.00
07/26/2017	Warren Levine	Provide R. Ghosh with copies of payments made from escrow account.	0.50	550.00	275.00
07/26/2017	Andrew Adessky	disc WL re bank accounts, sales tax payment	0.30	595.00	178.50
07/27/2017	Carol O'Donnell	Prepare wire transfer to GFI, email conf to GFI. Discussions with EW. Levine.	1.20	250.00	300.00
07/27/2017	Ann Stremski	Miscellaneous administration of documents	0.30	185.00	55.50
07/27/2017	Warren Levine	Review of IBM contract and check to see if it was an assumed contract in APA.	0.50	550.00	275.00
07/27/2017	Warren Levine	Follow up discussion with S. Mack on SK employees.	0.50	550.00	275.00
07/27/2017	Warren Levine	Forward final SK employee analysis to M. Sassi and have follow up discussion.	0.50	550.00	275.00
07/27/2017	Warren Levine	Correspondence with R. Ghosh. Provide him with confirmation of sales tax payments.	0.50	550.00	275.00
07/27/2017	Warren Levine	Coordinate payment of GST/HST with R. Ghosh/C. O'Donnell.	0.50	550.00	275.00
07/27/2017	Warren Levine	Discussion with R. Ghosh on payment of post-transaction professional fee invoices.	0.50	550.00	275.00
07/27/2017	Warren Levine	Provide Carol with reconciling G/L entries for escrow funds.	0.50	550.00	275.00
07/27/2017	Katherine Forbes	Correspondence with C. Mendes re: creditor inquiry. Review of invoices claimed.	0.30	525.00	157.50
07/28/2017	Carol O'Donnell	Prepare wire transfer, enter and scan. Discussions with Warren Levine.	1.10	250.00	275.00
07/28/2017	Ann Stremski	Prepare entries; communication with W. Levine	0.50	185.00	92.50
07/28/2017	Warren Levine	Finalize discussion/approval of D&O tail insurance. Prepare payment from escrow funds.	0.50	550.00	275.00
07/28/2017	Warren Levine	Confirm reduction in directors escrow funds with M. Sassi and have funds paid from escrow account.	0.50	550.00	275.00
07/28/2017	Warren Levine	Discussion with R. Ghosh on payments made and review reconciliation of escrow account.	0.50	550.00	275.00
07/28/2017	Warren Levine	Review revised escrow agreement (GSO/GFI) and provide comments.	0.50	550.00	275.00
07/28/2017	Warren Levine	Discussion with R. Ghosh, A. Adessky re closure of GFI/JNY bank accounts.	0.50	550.00	275.00
07/30/2017	Warren Levine	Email correspondence from Cassels re Director's escrow, D&O insurance, revised escrow agreement.	0.50	550.00	275.00
07/31/2017	Carol O'Donnell	Prepare wire transfer to GSO, scan and save. Emails with Rajib regarding payments for sales taxes.	0.80	250.00	200.00
07/31/2017	Warren Levine	Provide consent to Carol to release funds. Email correspondence with M Sassi.	0.50	550.00	275.00
07/31/2017	Warren Levine	Email correspondence with A. Adessky re bank account closure.	0.50	550.00	275.00
08/01/2017	Carol O'Donnell	Respond to email from Rajib.	0.10	250.00	25.00
08/02/2017	Warren Levine	Provide M. Sassi with an executed copy of revised escrow agreement.	0.50	550.00	275.00
08/02/2017	Katherine Forbes	Review of email from former employee, and correspondence to Company for supporting documentation.	0.30	525.00	157.50
08/03/2017	Katherine Forbes	Correspondence with counsel and the Company re: stay bonuses unpaid.	0.50	525.00	262.50
08/04/2017	Warren Levine	Email correspondence with R. Ghosh/A Adessky re closure of bank accounts.	0.50	550.00	275.00
08/04/2017	Katherine Forbes	Responding to creditor and former employee inquiries. Correspondence with counsel and Company re: stay bonu	1.00	525.00	525.00
08/04/2017	Andrew Adessky	emails w WL re bank account closures,tc w R Ghosh re same, fu w CO;	0.30	595.00	178.50
08/08/2017	Carol O'Donnell	Prepare letter to close company's bank account.	0.50	250.00	125.00
08/08/2017	Katherine Forbes	Correspondence with C. O'Donnell re: banking.	0.20	525.00	105.00
08/09/2017	Carol O'Donnell	Email to G. Benchaya regarding letter to banks.	0.10	250.00	25.00
08/09/2017	Warren Levine	Email correspondence with M. Sassi, J. Dietrich re release of signed letter held in escrow.	0.50	550.00	275.00
08/09/2017	Katherine Forbes	Correspondence with counsel and the company re: employee stay bonuses.	0.40	525.00	210.00
08/10/2017	Soazig Bourguine	Review TD letter	0.20	185.00	37.00
08/11/2017	Soazig Bourguine	Letter to TD, BMO, RBC & Scotia (closing bank accounts)	0.50	185.00	92.50
08/11/2017	Andrew Adessky	email from R Ghosh and response;fu w Carol re closing bank accounts	0.30	595.00	178.50
08/14/2017	Warren Levine	Review Provincial sales tax registrationcancellations. Obtain signature from G. Benchaya and forward to M. Sass	0.50	550.00	275.00
08/14/2017	Warren Levine	Review of correspondence re Google contract.	0.50	550.00	275.00
08/15/2017	Pascale Lareau	Bank reconciliation	0.20	185.00	37.00
08/17/2017	Katherine Forbes	Correspondence re: September 12 Motion, employee stay bonuses.	0.60	525.00	315.00
08/17/2017	Andrew Adessky	discussions GB re next report to court	0.50	595.00	297.50
08/18/2017	Warren Levine	Provide executed copy of acknowledgement of Google contract to Cassels.	0.50	550.00	275.00
08/18/2017	Katherine Forbes	Phone call with M. Sassi re: employee stay bonuses. Review of acknowledgment re: Google AdWords.	0.70	525.00	367.50
08/18/2017	Gilles Benchaya	Preliminary prep for 6th report including review of prior reports and Monitor activities.	1.50	625.00	937.50
			97.60		\$46,912.50



1735825 Ontario Inc.
44 Apex Rd
North York, ON M6A 2V2

Attention: Mr. Mark Sun

Re: 1735825 Ontario Inc. (together with its affiliates, the "Company")

Disbursements (see Cassels invoice attached)	\$12,819.04
HST #885435842 RT0001	<u>1,666.48</u>
Total	<u>\$14,485.52</u>

Exhibit "C"

Court File No.: CV-17-11677-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON FRASER INC.

Time Summary

Richter Advisory Group Inc.

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT ("CCAA")

Re: Grafton Fraser Inc.
Time Summary
For the Period from May 21 to August 19, 2017

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Adam Sherman, Partner	43.50	\$ 625.00	\$ 27,187.50
Alana Geller, Vice-president	1.75	450.00	787.50
Alon Wexler, Partner	7.50	550.00	4,125.00
Andrew Adessky, Partner	2.60	595.00	1,547.00
Anthony Colonna, Financial Analyst	12.00	285.00	3,420.00
Audrey Mercier, Vice-president	1.00	375.00	375.00
Caleigh Smith, Associate	1.50	350.00	525.00
Daniel Dabora, Financial Analyst	21.58	285.00	6,150.30
Daniel Korsunsky, Associate	3.30	350.00	1,155.00
David Stein, Financial Analyst	0.75	275.00	206.25
Gilles Benchaya, Partner	95.30	625.00	59,562.50
Katherine Forbes, Vice-president	85.90	525.00	45,097.50
Melissa Buck, Senior Associate	3.00	375.00	1,125.00
Phil Nadler, Partner	0.80	600.00	480.00
Warren Levine, Vice-president	260.70	550.00	143,385.00
Accounting and Finance	61.80		13,641.00
Grand Total	<u>602.98</u>		<u>\$ 308,769.55</u>
Average Hourly Amount			<u><u>\$ 512.07</u></u>

Exhibit "D"

Court File No.: CV-17-11677-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON FRASER INC.

Disbursement Summary

Richter Advisory Group Inc.

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT ("CCAA")

Re: Grafton Fraser Inc.

Disbursement Summary
For the Period from May 21 to August 24, 2017

Airfare	\$	1,430.98
Parking		68.68
Postage/Courier		928.05
Professional Services - Legal		119,903.27
Taxi		76.13
	\$	<u>122,407.11</u>

APPENDIX G

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRAFTON-FRASER INC.**

(the "Applicant")

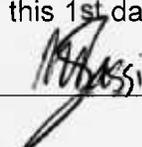
**AFFIDAVIT OF JANE DIETRICH
Sworn September 1, 2017**

I, Jane Dietrich, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Partner in the law firm Cassels Brock & Blackwell LLP ("**Cassels Brock**"), counsel for Richter Advisory Group Inc. ("**Richter**"), in its capacity as the Court-appointed monitor (the "**Monitor**") of the Applicant pursuant to the initial order of Justice Hainey dated January 25, 2017 as amended and restated by order dated January 30, 2017 and as such have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. The Applicant's motion returnable September 12, 2017, seeks approval of certain of the Monitor's and its counsel's fees and disbursements.
3. Between May 23, 2017 and August 24, 2017, Cassels Brock incurred fees and disbursements of \$126,077.86 acting as Counsel to the Monitor including applicable Ontario Harmonized Sales Tax. Particulars of the work performed are contained in Cassels Brock's invoices (the "**Invoices**"), copies of which are attached as Exhibit "**A**" to my Affidavit.

4. Attached hereto and marked as Exhibit "B" is a summary of the lawyers or paraprofessionals whose services are reflected on the Invoices, including, year of call (if applicable) hourly rate, and a summary of the total fees and hours billed.
5. Attached hereto and marked as Exhibit "C" is a summary of each invoice together with a calculation of the average hourly billing rates for the lawyers and paraprofessionals whose services are reflected thereon. The average hourly billed rate for this period of the engagement is \$477.67.
6. To the best of my knowledge, the rates charged by Cassels Brock are comparable to the rates charged for the provision of similar services by other legal firms in the Toronto market.
7. This affidavit is sworn in support of a motion approving the accounts of Cassels Brock, counsel to the Monitor, and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario,)
this 1st day of September, 2017)



)
)
Commissioner for Taking Affidavits, etc.



Jane Dietrich

This is Exhibit "A" referred to in the Affidavit of
Jane Dietrich sworn before me in the City of Toronto, in
the Province of Ontario this 1st day of September, 2017

A handwritten signature in black ink, appearing to be 'W. J. [unclear]', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: GILLES BENCHAYA
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
CANADA

Date: 05/29/17
Our File #: 047265-00008
Invoice #: 2015160
HST/GST #: R121379572

Re: Grafton-Fraser Inc.

TO PROFESSIONAL SERVICES RENDERED up to and including 05/29/17

Date		Description	Hours
05/23/17	MS	Call with Monitor to discuss upcoming motion and various schedules needed for report; call with counsel to GSO regarding closing and timelines;	2.10
05/23/17	JDI	Review of email updates regarding lease issues; discussion with Andrew Winton (regarding Director's Escrow); review of lease agreements; email to Richter regarding upcoming motion issues; discussion with Richter regarding outstanding issues for next motion; discussion with Natalie Renner and Monique Sassi; exchange of messages with Stuart Brotman; discussion with Stuart Brotman regarding timing; review of emails regarding lease assignments;	3.90
05/24/17	MS	Call with Monitor to discuss report; review of draft assignment order and discussion with Jane Dietrich regarding same; providing comments on assignment order; correspondence regarding closing and court time for June 8, 2017 and closing;	2.50

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
05/24/17	JDI	Review of additional emails regarding lease assignments; discussion with Gilles Benchaya regarding status and timing; discussion with Evan Cobb regarding upcoming motion and timing; discussion with Adam Sherman and Katherine Forbes regarding draft report and status; discussion with Monique Sassi regarding assignment order; review and exchange of emails regarding cure costs; review and exchange of emails regarding additional lease assignment issues;	3.20
05/25/17	SWA	Draft fee affidavit;	0.60
05/25/17	MS	Correspondence regarding scheduling call to discuss closing matters;	0.30
05/25/17	JDI	Review of additional emails regarding lease / contract consents; email exchange with Natasha De Cicco regarding certain closing documents; exchange of email regarding outstanding issues; discussion regarding information requests;	1.90
05/26/17	MS	Call with counsel regarding outstanding items for June 6th motion; call with Monitor to discuss Report and outstanding items; call with counsel to the company regarding assignment order comments; correspondence regarding draft motion materials for June 6 motion;	1.70
05/26/17	JDI	Review of additional emails regarding contract assignments; participate in call regarding cure costs; discussion regarding outstanding issues with Gilles Benchaya; review of emails and further discussion with Gilles Benchaya; participate in call with Faskens, Davies, Norton Rose & Richter regarding status and upcoming motion; follow up call with Richter; follow up discussion with Robin Schwill; discussion with Gilles Benchaya; exchange of email regarding draft motion material;	4.40
05/27/17	MS	Review draft order and affidavit regarding motion on June 6 and correspondence regarding same;	1.60

Date		Description	Hours
05/27/17	JDI	Exchange of email regarding additional documents;	0.60
05/28/17	JDI	Review of affidavit, draft order and draft APA amendment and provide comments; discussion with Monique Sassi regarding coordinating comments; discussion with Natasha De Cicco; review and exchange of email regarding contract assignments, cure costs and status of material;	2.10

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Jane Dietrich	16.10	595.00	9,579.50
Monique Sassi	8.20	415.00	3,403.00
Stephanie Waugh	0.60	200.00	120.00
Our Fee			13,102.50
HST on Fees			1,703.33
Total Fees and Tax			14,805.83

Taxable Disbursements

Copies	9.00	
Total Taxable Disbursements		9.00
HST on Disbursements	1.17	
Total Tax on Disbursements		1.17
Total Disbursements and Tax		10.17
Total Fees, Disbursements & Tax		\$ 14,816.00

This is our account herein
Cassels Brock & Blackwell LLP



Jane Dietrich
E&OE



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: GILLES BENCHAYA
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
CANADA

Date: 06/05/17
Our File #: 047265-00008
Invoice #: 2015441
HST/GST #: R121379572

Re: **Grafton-Fraser Inc.**

TO PROFESSIONAL SERVICES RENDERED up to and including 06/05/17

Date		Description	Hours
05/28/17	MS	Review of affidavit, order and fourth amending agreement and circulation of comments regarding same;	1.50
05/29/17	MS	Review of service list additions to include contact counter parties; review of draft affidavit and order and call the counsel to the company to discuss changes to the motion materials; call with GSO, Monitor and company re: fourth amendment; call with company counsel regarding change to order and FFE proceeds;	3.20

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
05/29/17	JDI	Review of emails and respond; review of ABL Forbearance, Term Forbearance and DIP Agreement and consider necessary modifications; email regarding same; discussion with Katherine Forbes regarding outstanding issues; discussion with Stuart Brotman regarding 4th amending agreement; discussion with Gilles Benchaya regarding outstanding issues; review of revised motion material and provide additional comments on same; review of emails regarding cure costs and assignment issues; discussion with Natasha De Cicco regarding status and open issues; discussion with Davies, Faskens and Richters regarding 4th amending agreement; discussion with Gilles Benchaya and Warren Levine regarding outstanding matters; review of email and comments on various documents for motion preparation;	7.20
05/29/17	SWA	Receive email from Monique Sassi; update service list;	0.70
05/30/17	JDI	Review of emails and respond; review of draft letter from GSO regarding opening balance sheet; review of revised draft APA amending agreement and provide comments; various discussions regarding open documentation and next steps; review of issues related to employee plans and discussions regarding same; email exchange with Director's counsel; review of revised affidavit and order and provide additional comments; discussion regarding contract assignment issues; discussion with Richter regarding open issues;	5.70
05/30/17	MS	Review of motion materials for service and closing documents; correspondence regarding service list and amendments to same; call with Monitor and company counsel regarding motion materials and changes to Sun Affidavit; review and comments on CBB fee affidavit;	3.80

Date		Description	Hours
05/31/17	JDI	Review and comment on draft report; discussion with Warren Levine regarding cash flow related issues; discussion with Davies regarding cash flow related issues; draft and send email response to former employee; discussion with Natasha De Cicco regarding outstanding issues; review of contract assignment emails and respond; email exchange with Katherine Forbes; finalize and swear fee affidavit; review of forbearance agreement amendments and email Natasha De Cicco comments on same;	6.40
06/01/17	BGO	Prepare for and effect service of Fourth Report of the Monitor;	1.60
06/01/17	SWA	Review of service list; prepare service materials for service of Fourth Report;	1.20
06/01/17	JDI	Work to finalize fourth report; various telephone discussions regarding open issues including certain closing related issues; arrange for service of fourth report; exchange of email regarding contract assignment issues; discussion with counsel to CIBC, GSO and the Company regarding outstanding issues and status; review and exchange of emails regarding contract assignments;	5.70
06/02/17	JDI	Review and respond to emails regarding outstanding contract / lease assignments and participate in calls regarding same; review of amendment agreements; review and respond to emails; discussion with Robin Schwill; discussion with Natasha De Cicco; discussion with Warren Levine; review of comments on draft assignment order from Linda Galessiere; exchange of email regarding amendments and outstanding issues;	3.40
06/02/17	MS	Correspondence regarding closing and motion on June 6th;	0.60
06/03/17	JDI	Exchange of email regarding Forbearance amendments; exchange of email regarding director's escrow; review of amendments to order;	0.60



Date	JDI	Description	Hours
06/04/17	JDI	Review of email regarding draft order amendments and status of contract assignments;	0.20

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Benjamin Goodis	1.60	370.00	592.00
Jane Dietrich	29.20	595.00	17,374.00
Monique Sassi	9.10	415.00	3,776.50
Stephanie Waugh	1.90	200.00	380.00
Our Fee			22,122.50
HST on Fees			<u>2,875.93</u>
Total Fees and Tax			<u>24,998.43</u>

Taxable Disbursements

Copies	637.50
Binding, Tabs, Disks, etc	76.65
Telephone	5.82
Courier Delivery Charges	66.98
Total Taxable Disbursements	<u>786.95</u>
HST on Disbursements	<u>102.30</u>
Total Tax on Disbursements	102.30
Total Disbursements and Tax	<u>889.25</u>
Total Fees, Disbursements & Tax	<u>\$ 25,887.68</u>

This is our account herein
Cassels Brock & Blackwell LLP



Jane Dietrich
E&OE



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: GILLES BENCHAYA
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
CANADA

Date: 06/12/17
Our File #: 047265-00008
Invoice #: 2016168
HST/GST #: R121379572

Re: Grafton-Fraser Inc.

TO PROFESSIONAL SERVICES RENDERED up to and including 06/12/17

Date		Description	Hours
06/05/17	MS	Call with core parties regarding outstanding items for motion on June 6; call with Monitor regarding hearing; review of final drafts of Fourth Amending Agreement;	1.20
06/05/17	JDI	Review of updated forbearance agreements; discussion with Gilles Benchaya regarding outstanding matters; review of emails regarding finalising forbearance agreements and amendment to sale agreement; various telephone discussions regarding outstanding assignment of contract matters; discussion regarding cure costs; participate in discussion with Faskens, Davies, Norton Rose and Richter regarding status of matters for motion; review of amendments to draft order and consider changes; review of email and respond;	3.50
06/06/17	MS	Preparation for court motion regarding assignment order and distribution and stay extension order; attend motion;	3.10
06/06/17	JDI	Preparation for and attendance at Court regarding assignment and extension motion;	1.70

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
06/07/17	JDI	Participate on call with Davies and Richter regarding funds flow on closing; respond to emails from Gilles Benchaya; discussion with Gilles Benchaya;	1.20
06/08/17	JDI	Discussions with Robin Schwill; discussion with Gilles Benchaya; review of emails;	0.60
06/09/17	MS	Review of closing documents and correspondence regarding same; correspondence regarding distribution; review of assignment order;	1.60
06/09/17	JDI	Email exchange with Natasha De Cicco; discussion with Monique Sassi regarding closing issues; discussion with Gilles Benchaya regarding status;	1.50

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Jane Dietrich	8.50	595.00	5,057.50
Monique Sassi	5.90	415.00	2,448.50
Our Fee			7,506.00
HST on Fees			975.78
Total Fees and Tax			8,481.78

Taxable Disbursements

Delivery	128.75	
Total Taxable Disbursements		128.75
HST on Disbursements	16.74	
Total Tax on Disbursements		16.74
Total Disbursements and Tax		145.49
Total Fees, Disbursements & Tax		\$ 8,627.27

This is our account herein
Cassels Brock & Blackwell LLP



Jane Dietrich
E&OE



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: GILLES BENCHAYA
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
CANADA

Date: 06/19/17
Our File #: 047265-00008
Invoice #: 2017023
HST/GST #: R121379572

Re: **Grafton-Fraser Inc.**

TO PROFESSIONAL SERVICES RENDERED up to and including 06/18/17

Date		Description	Hours
06/12/17	JDI	Review of emails and various documentation;	0.90
06/13/17	MS	Review of closing documents and providing comments to Davies regarding same; call with Davies regarding assumed contracts; review of assumed contracts schedule and list provided from Davies regarding cure costs; call with Monitor regarding escrow amounts and correspondence regarding same;	2.40
06/13/17	JDI	Discussion with Monique Sassi regarding closing documents and comment on same; discussion with Angela Susac regarding status; discussion with Robin Schwill; voicemail to Stuart Brotman; discussion with Gilles Benchaya and Warren Levine;	1.60
06/14/17	JDI	Discussion with Gilles Benchaya and exchange of email regarding assumed contract issues; review of various closing documents and comment on same;	1.10
06/14/17	MS	Review of closing documents and correspondence regarding same including IP assignment agreement and trademark assignment;	1.00

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30% per annum until paid.

Date		Description	Hours
06/15/17	JDI	Discussion with Warren Levine regarding bonus payments; discussion regarding Escrow Agreement with Monique Sassi;	0.50
06/15/17	MS	Review of closing documents and providing comments regarding same; call with Monitor regarding transfer taxes; correspondence with company counsel regarding closing;	4.70
06/16/17	MS	Review of escrow closing documents and providing comments regarding same; call with Monitor regarding Transfer taxes and release of funds to GSO under Term agreement; correspondence regarding closing;	3.10

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Jane Dietrich	4.10	595.00	2,439.50
Monique Sassi	11.20	415.00	<u>4,648.00</u>
Our Fee			7,087.50
HST on Fees			<u>921.38</u>
Total Fees and Tax			<u>8,008.88</u>

Taxable Disbursements

Telephone	3.81
Agency Fees and Disbursements	<u>1,019.45</u>
Total Taxable Disbursements	1,023.26
HST on Disbursements	<u>133.02</u>
Total Tax on Disbursements	133.02
Total Disbursements and Tax	<u>1,156.28</u>
Total Fees, Disbursements & Tax	<u>\$ 9,165.16</u>

This is our account herein
Cassels Brock & Blackwell LLP



Jane Dietrich
E&OE



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: PAUL VAN EYK
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
CANADA

Date: 07/18/17
Our File #: 047265-00008
Invoice #: 2019365
HST/GST #: R121379572

Re: Grafton-Fraser Inc.

TO PROFESSIONAL SERVICES RENDERED up to and including 06/28/17

Date		Description	Hours
06/19/17	MS	Call with Company counsel regarding closing; call with Davies, Faskens and CBB regarding closing; review of closing documents and closing checklist; correspondence with Monitor regarding same;	2.50
06/19/17	JDI	Review of certain closing documents; discussion with Monique Sassi and Natasha De Cicco regarding closing issues; participate in call regarding closing issues;	1.50
06/20/17	SWA	Review of email; update service list;	0.10
06/20/17	MS	Review of closing documents and providing comments regarding same; calls with Monitor regarding closing mechanisms;	4.10
06/21/17	JDI	Discussion with Monique Sassi regarding status;	1.00
06/21/17	MS	Review of closing documents and providing comments regarding same; calls with Monitor regarding flow of funds and closing items; call regarding flow of funds;	6.00
06/22/17	MS	Call with Monitor regarding invoices and closing; call with Davies regarding escrow funds and closing matters; review of closing documents and correspondence regarding same;	6.70
06/22/17	JDI	Review of emails;	0.30

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
06/23/17	MS	Call with Monitor and counsel to CIBC regarding closing and cash flow; review of closing documents; preparation and assistance with closing;	5.30
06/23/17	JDI	Discussion with Monique Sassi regarding closing issues; discussion with Natasha De Cicco; discussion with Robin Schwill regarding closing issues; exchange of email;	2.20
06/26/17	JDI	Review of issues for closing and discussion with Monique Sassi; participate in pre-closing call; exchange of voicemail with Gilles Benchaya; voicemail to Stuart Brotman;	2.30
06/26/17	MS	Calls, correspondence, review of documents and providing comments re: closing sale transaction.	7.70
06/27/17	MS	Attending calls, reviewing documents and correspondence in connection with closing;	7.60
06/27/17	JDI	Participate in various discussions regarding closing issues; discussion with Faskens regarding possible board resignations;	3.30
06/28/17	JDI	Review of emails and outstanding issues; discussions with Monique Sassi; oversee closing issues; email exchange regarding motion to expand monitor's powers;	1.70
06/28/17	MS	Calls, correspondence and review of documents regarding closing of sale transaction; ordering and review of PPSA searches re: post-closing notices; drafting order regarding expansion of Monitor powers; booking court time regarding motion to expand Monitor powers;	6.90

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Jane Dietrich	12.30	595.00	7,318.50
Monique Sassi	46.80	415.00	19,422.00
Stephanie Waugh	0.10	200.00	20.00
Our Fee			26,760.50
HST on Fees			3,478.87
Total Fees and Tax			30,239.37

Taxable Disbursements

Copies	182.00
Binding, Tabs, Disks, etc	5.32
Telephone	21.57
Total Taxable Disbursements	208.89
HST on Disbursements	27.16
Total Tax on Disbursements	27.16
Total Taxable Disbursements and Tax	236.05

Non-Taxable Disbursements

Other	9.99
Sub-total	9.99
Total Disbursements and Tax	246.04
Total Fees, Disbursements & Tax	\$ 30,485.41
Less Funds Received	\$ 28,051.87
Total Amount Owing	\$ 2,433.54

This is our account herein
Cassels Brock & Blackwell LLP



Jane Dietrich
E&OE



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: GILLES BENCHAYA
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
CANADA

Date: 07/21/17
Our File #: 047265-00008
Invoice #: 2019828
HST/GST #: R121379572

Re: Grafton-Fraser Inc.

TO PROFESSIONAL SERVICES RENDERED up to and including 07/19/17

Date		Description	Hours
06/24/17	MS	Correspondence regarding changes to escrow agreement and other closing documents;	0.60
06/25/17	MS	Review of priority payables amounts and correspondence regarding payroll; review of comments on closing documents;	1.40
06/25/17	JDI	Review and exchange of email regarding payroll and closing issues;	0.40
06/28/17	KW	Attend to matters relating to performing PPSA searches against Grafton-Fraser Inc. in all Canadian jurisdictions; obtain and finalize all of the PPSA, PPR, PPRS and RDPRM (Quebec) searches against the corporation; report;	1.10
06/29/17	MS	Correspondence and calls regarding post closing matters including notices to be sent to PPSA registrants and payment of certain cure amounts;	2.10
06/29/17	JDI	Exchange of email regarding post-closing issues; discussion with Faskens; discussion with Robin Schwill regarding upcoming motion; discussion with Adam Sherman;	0.80
06/30/17	MS	Preparation of draft order for expansion of Monitor's powers; call with Monitor regarding same;	1.50

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
06/30/17	JDI	Discussion with Katherine Forbes regarding status and draft report; review of draft order and provide Monique Sassi with comments;	0.40
07/04/17	MS	Call with Monitor regarding report; correspondence regarding post-closing matters;	0.60
07/04/17	JDI	Discussion with Richter and M. Sassi regarding report and upcoming motion;	0.20
07/04/17	MS	Call with Monitor regarding report; drafting revisions to report;	2.60
07/05/17	MS	Call with Monitor regarding flow of funds and correspondence regarding same;	0.30
07/05/17	MS	Review and revisions to Monitor's report.	2.60
07/06/17	JDI	Discussion with Robin Schwill; exchange of emails regarding 9:30 scheduling;	0.40
07/06/17	MS	Call with counsel to GSO regarding expansion of Monitor's powers; correspondence regarding draft report; call with counsel to GFI regarding lifting of stay regarding Gocky Claim; circulation of draft order;	0.90
07/06/17	MS	Call with Monitor regarding report and revisions to report to reflect same; call with counsel to GSO re: motion to expand Monitor powers; revision to draft report;	1.70
07/07/17	MS	Call with Monitor regarding closing items; correspondence regarding report and employee termination;	0.80
07/07/17	JDI	Discussion with Andrew Winton; preparation for and attendance at court regarding 9:30 appointment;	1.80
07/07/17	MS	Call and correspondence with Monitor regarding report; sending comments to GSO counsel regarding notice of motion; revisions to the report;	1.00
07/09/17	JDI	Review of email from Katherine Forbes and respond;	0.20

Date		Description	Hours
07/10/17	JDI	Discussion with Adam Sherman regarding draft report; review of amended orders and notice of motion;	0.30
07/10/17	MS	Calls and correspondence regarding employees and rejection of employment contracts; correspondence regarding revisions to draft order; call with monitor regarding purchase price allocation; review of assignment agreement;	1.70
07/10/17	MS	Correspondence and revisions to draft motion materials for expansion of Monitor's powers; including NOM, report and order; compilation of Monitor's report;	1.50
07/11/17	MS	Review and comment on monitor's report; call with Monitor regarding purchase price allocation; correspondence regarding "Terminated" employees;	3.50
07/11/17	JDI	Discussion with Adam Sherman;	0.20
07/11/17	MS	Final revisions to Monitor's report and materials;	0.80
07/12/17	MS	Review and comment on Monitor's Report; preparation for service: call with Monitor regarding purchase price allocation and follow up regarding same;	6.50
07/12/17	JDI	Review of comments on draft report and provide revisions to Monique Sassi; discussion with Adam Sherman; provide further comments to Monique Sassi; review of emails regarding orders etc.;	1.20
07/13/17	MS	Finalization of report including incorporating comments and service regarding same; correspondence regarding purchase price allocation; correspondence regarding name changes;	3.80
07/13/17	JDI	Exchange email regarding service and finalizing report with M. Sassi;	0.30
07/14/17	MS	Correspondence regarding filing of reports; correspondence regarding name changes and business registrations;	0.70

Date		Description	Hours
07/17/17	JDI	Discussion with Monique Sassi regarding motion and tax payments;	0.10
07/17/17	MS	Preparation for court hearing; call with Monitor regarding transfer taxes;	0.70
07/18/17	JDI	Discussion with Monique Sassi regarding preparation for court;	0.20
07/18/17	MS	Correspondence regarding the flow of funds and consent to amendment; providing comments on documents regarding same;	0.40

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Jane Dietrich	6.50	595.00	3,867.50
Kellye Walker	1.10	255.00	280.50
Monique Sassi	35.70	415.00	14,815.50
Our Fee			18,963.50
HST on Fees			2,465.26
Total Fees and Tax			21,428.76

Taxable Disbursements

Copies	470.00	
Delivery	109.72	
Binding, Tabs, Disks, etc	10.80	
Corporate Search	243.75	
Agency Fees and Disbursements	70.00	
Courier Delivery Charges	108.68	
Total Taxable Disbursements		1,012.95
HST on Disbursements	131.68	
Total Tax on Disbursements		131.68
Total Taxable Disbursements and Tax		1,144.63

Non-Taxable Disbursements

Delivery	37.43	
Sub-total		37.43
Total Disbursements and Tax		1,182.06
Total Fees, Disbursements & Tax		\$ 22,610.82

This is our account herein
Cassels Brock & Blackwell LLP



Jane Dietrich
E&OE



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: GILLES BENCHAYA
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
CANADA

Date: 08/29/17
Our File #: 047265-00008
Invoice #: 2022269
HST/GST #: R121379572

Re: Grafton-Fraser Inc.

TO PROFESSIONAL SERVICES RENDERED up to and including 08/25/17

Date		Description	Hours
07/19/17	MS	Calls and correspondence regarding post closing matters including, directors resignations, employee queries, flow of funds, transfer taxes;	2.00
07/19/17	JDI	Review of emails and respond to same; discussion with M. Sassi regarding registrations and outstanding issues; discussion with M. Sassi regarding open issues; exchange of email regarding outstanding issues;	1.30
07/20/17	MS	Correspondence regarding post closing matters such as trademarks assignment agreements, business license transfers; call with Fasken regarding additional trademark question; call with Monitor regarding transfer taxes;	1.20
07/20/17	JDI	Review of emails regarding trademarks; review of emails regarding corporate registration issues;	0.50
07/21/17	JDI	Review of emails and discussion with M. Sassi;	0.30
07/21/17	MS	Correspondence regarding post closing matters such as trademark transfer and D&O insurance;	0.70
07/24/17	JDI	Further discussion regarding D&O insurance issues; discussion with M. Sassi regarding status and directors' insurance issues; review of email;	0.90
07/24/17	MS	Correspondence regarding closing matters;	0.60

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
07/25/17	JDI	Review and exchange of email; discussion with M. Sassi;	0.90
07/25/17	MS	Correspondence with Monitor regarding Directors and Officer's liability insurance and payment of sales taxes as well as termination of SK employees;	0.90
07/26/17	MS	Calls and correspondence with Monitor, Purchaser and Director's counsel regarding directors escrow numbers and funds as well as SK employees;	1.00
07/27/17	JDI	Discussion with M. Sassi;	0.10
07/27/17	MS	Calls with Monitor and review of spreadsheet regarding SK employees and correspondence regarding same;	1.40
07/28/17	MS	Call with Monitor regarding Director's Escrow and correspondence regarding same;	0.60
07/28/17	JDI	Review of email from A. Susac;	0.10
07/30/17	MS	Correspondence regarding release of funds from Director's escrow;	0.20
07/31/17	MS	Correspondence regarding directors escrow funds; review of amendment agreement regarding post closing escrow funds and circulation to Richter for signature;	1.10
08/02/17	MS	Correspondence regarding post-closing matters including registrations and escrow funds;	0.40
08/02/17	MEB	Attending to matters relating to cancellation of extra-provincial registrations;	0.30
08/03/17	MS	Correspondence regarding post closing matters and employee stay bonuses;	0.30
08/09/17	MS	Correspondence regarding post closing matters;	0.20
08/14/17	MS	Addressing post closing matters;	0.50
08/16/17	MS	Attending to post closing matters;	0.50
08/17/17	JJB	Emails and call with M. Sassi regarding various questions/issues;	0.30

Date		Description	Hours
08/17/17	MS	Correspondence regarding court time for motion to terminate CCAA proceedings; review of materials for employment matter and assigned contract;	2.50
08/18/17	MS	Drafting report; call with Monitor regarding employee stay bonuses; correspondence regarding court time;	1.10
08/20/17	MS	Drafting materials for motion to terminate CCAA Proceedings;	1.10
08/20/17	JDI	Review of email regarding director escrow;	0.10
08/21/17	MS	Drafting court materials for motion to terminate CCAA proceedings;	3.10
08/21/17	JDI	Review of email from R. Schwill;	0.10
08/23/17	MS	Drafting materials for motion to terminate the CCAA proceedings;	1.30
08/23/17	JDI	Review and review draft court report; email exchange with M. Sassi;	1.30
08/24/17	JDI	Discussion with G. Benchaya regarding status;	0.50

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Jane Dietrich	6.10	595.00	3,629.50
Joseph J. Bellissimo	0.30	735.00	220.50
Megan Braun	0.30	380.00	114.00
Monique Sassi	20.70	415.00	8,590.50
Our Fee			12,554.50
HST on Fees			1,632.09
Total Fees and Tax			<u>14,186.59</u>

Taxable Disbursements

Delivery	17.82
Telephone	11.16
Agency Fees and Disbursements	255.00
Courier Delivery Charges	(19.44)
Total Taxable Disbursements	264.54
HST on Disbursements	34.39
Total Tax on Disbursements	34.39
Total Disbursements and Tax	<u>298.93</u>
Total Fees, Disbursements & Tax	<u>\$ 14,485.52</u>

This is our account herein
Cassels Brock & Blackwell LLP



Jane Dietrich
E&OE

This is Exhibit "B" referred to in the Affidavit of
Jane Dietrich sworn before me in the City of Toronto, in
the Province of Ontario this 1st day of September, 2017



Commissioner for Taking Affidavits (or as may be)

EXHIBIT "B"

Summary of Lawyers/Paraprofessionals Services

Year of Call	Lawyer/ Paraprofessional	Rate (\$)	Fees Billed (\$)	Hours Worked
2016	Benjamin Goodis	370.00	592.00	1.60
2004	Jane Dietrich	595.00	49,266.00	82.8
2002	Joseph J. Bellissimo	735.00	220.50	0.30
N/A	Megan Braun	380.00	114.00	0.30
2013	Monique Sassi	415.00	57,104.00	137.6
N/A	Kellye Walker	255.00	280.50	1.10
N/A	Stephanie Waugh	200.00	520.00	2.6

This is Exhibit "C" referred to in the Affidavit of
Jane Dietrich sworn before me in the City of Toronto, in the
Province of Ontario this 1st day of September, 2017



Commissioner for Taking Affidavits (or as may be)

Exhibit "C"
Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period May 23, 2017 to August 24, 2017

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
2015160 (May 23, 2017 – May 28, 2017)	13,102.50	9.00	1,704.50	14,816.00	24.9	526.20
2015441 (May 28, 2017 – June 4, 2017)	22,122.50	786.95	2,978.23	25,887.68	41.8	529.25
2016168 (June 5, 2017 – June 9, 2017)	7,506.00	128.75	992.52	8,627.27	14.4	521.25
2017023 (June 12, 2017 – June 16, 2017)	7,087.50	1,023.26	1,054.40	9,165.16	15.3	463.24
2019365 (June 19, 2017 – June 28, 2017)	26,760.50	218.88	3506.03	30,485.41	59.2	452.04
2019828 (June 24, 2017 – July 18, 2017)	18,963.50	1,050.38	2,596.94	22,610.82	43.3	437.96

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
2022269 (July 19, 2017 – August 24, 2017)	12,554.50	264.54	1,666.48	14,485.52	27.4	458.19
Total	108,097.00	3,481.76	14,499.10	126,077.86	226.3	

Court File No. CV-17-11452-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF GRAFTON-FRASER INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF JANE DIETRICH
(SWORN SEPTEMBER 1, 2017)**

Cassels Brock & Blackwell LLP

2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Jane O. Dietrich LSUC# 49302U

Tel: 416.860.5223

Fax: 416.640.3144

jdietrich@casselsbrock.com

Monique Sassi LSUC# 63638L

Tel: 416.860.6886

Fax: 416.640.3005

msassi@casselsbrock.com

Lawyers for Richter Advisory Group Inc.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1735825 Ontario Inc. (formerly known as Grafton-Fraser
Inc.)

Court File No. CV-17-11677-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

Cassels Brock & Blackwell LLP

2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C

Jane O. Dietrich LSUC 23
Fax: 416.640.3144
jdietrich@casselsbrock.com

Monique Sassi LSUC# 63638L
Tel: 416.860.6886
Fax: 416.640.3005
msassi@casselsbrock.com

Lawyers for Richter Advisory Group Inc.