

C A N A D A

**SUPERIOR COURT**  
(Commercial Division)

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N° : 500-11-058602-208

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

**MAGASIN LAURA (P.V.) INC. /  
LAURA'S SHOPPE (P.V.) INC.**

*Applicant*

- and-

**KPMG INC.**

*Monitor*

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**EIGHTH REPORT OF THE MONITOR  
IN CONNECTION WITH LAURA'S SHOPPE (P.V.) INC.'S  
APPLICATION FOR AN ORDER SANCTIONING THE  
APPLICANT'S PLAN OF COMPROMISE AND ARRANGEMENT**  
*(Companies' Creditors Arrangement Act, R.S.C. 1985, C. C-36, As Amended)*

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JULY 12, 2021

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## A. INTRODUCTION

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1. On July 27, 2020, Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc. ("**Laura**" or the "**Company**") filed an application for the issuance of (I) a first-day initial order and (II) an amended and restated initial order (the "**Initial CCAA Application**") before the Quebec Superior Court, Commercial Division (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
2. On July 27, 2020, KPMG Inc., in its then capacity as proposed monitor, provided the Court with a pre-filing report dated July 27, 2020 in connection with the Company's Initial CCAA Application.
3. On July 31, 2020, the Court granted the Initial CCAA Application, in part, and rendered an initial first day order which provided for, among other things, the appointment of KPMG Inc. as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**"), a stay of proceedings until August 10, 2020 (the "**Stay Period**") as well as various priority charges against Laura's assets (the "**First Day Initial Order**").
4. On August 6, 2020, the Monitor provided the Court with its first report as monitor in connection with the Initial CCAA Application.
5. On August 10, 2020, the Court granted the remainder of the relief sought by the Company in the Initial CCAA Application, and rendered an amended and restated initial order (the "**ARIO**") which provided for, among other things, the extension of the Stay Period until September 25, 2020, as well as increases of the amount of the priority charges (i.e. the "Administration Charge" and the "Directors' Charge") previously granted as part of the First Day Initial Order.
6. On August 21, 2020, the Company filed an *Application for a Claims Procedure Order* (the "**Claims Procedure Application**") seeking the establishment of a claims bar date (the "**Claims Bar Date**") for the filing of proofs of claims by the Company's creditors and approving the form, manner of notice, filing procedure and determination process in respect of such proofs of claims (the "**Claims Procedure**").
7. On August 26, 2020, the Monitor provided the Court with its second report as Monitor in connection with the Claims Procedure Application.
8. On August 28, 2020, the Court granted the Claims Procedure Application and rendered an order (the "**Claims Procedure Order**") authorizing the proposed Claims Procedure set out thereunder. In addition, pursuant to the Claims Procedure Order, the Stay Period was extended until October 30, 2020.
9. On September 23, 2020, the Monitor filed an application (the "**Receivership Application**") seeking its appointment as a receiver pursuant to section 243 of the *Bankruptcy and Insolvency Act* without security, over a pool of funds of the Company (i.e. 100\$), solely for the purpose of allowing the Company's former employees to receive some recovery pursuant the *Wage Earner Protection Program Act* .

10. On September 25, 2020, the Court granted the Receivership Application and rendered an order appointing KPMG Inc. as receiver over a pool of funds of the Company (i.e. 100\$).
11. On October 20, 2020, the Company filed an *Application for an extension of the stay of proceedings and for other relief* seeking the extension of the Stay Period until January 29, 2021 (the “**Second Stay Extension Application**”).
12. On October 22, 2020, the Monitor provided the Court with its third report as Monitor in connection with the Second Stay Extension Application.
13. On October 23, 2020, the Court granted the Second Stay Extension Application and rendered an order extending the Stay Period up to January 29, 2021.
14. On January 22, 2021, the Company filed an *Application for an extension of the stay of proceedings* seeking the extension of the Stay Period until March 31<sup>st</sup>, 2021 (the “**Third Stay Extension Application**”).
15. On January 25, 2021, the Monitor provided the Court with its fourth report as Monitor dated January 22, 2021, in connection with the Third Stay Extension Application.
16. On January 29, 2021, at the request of certain landlords, Laura agreed to reduce the extension of the Stay Period sought from the Court to February 24, 2021. On the same date, the Court granted an order extending the Stay Period to February 24, 2021.
17. On February 19, 2021, the Company filed an *Application for an extension of the stay of proceedings* (the “**Fourth Stay Extension Application**”) seeking the extension of the Stay Period until April 30, 2021.
18. On February 22, 2021, the Monitor provided the Court with its fifth report as Monitor dated February 22, 2021, in connection with the Fourth Stay Extension Application.
19. On February 24, 2021, the Court granted the Fourth Stay Extension Application and rendered an order extending the Stay Period to April 30, 2021.
20. On March 29, 2021, the Company filed an *Application for an order authorizing the filing of a plan of compromise and arrangement, the calling of a creditors’ meeting and extending the stay of proceedings* (the “**Plan Filing Application**”) seeking the Court’s authorization for the filing of a plan of compromise and arrangement (the “**Plan**”) and the calling of a creditors’ meeting (the “**Creditors’ Meeting**”) for the purpose of allowing the Company’s creditors affected by the Plan to consider and, if deemed appropriate, vote in favour of the Plan and to extend the Stay Period to May 31, 2021.
21. On March 30, 2021, the Monitor provided the Court with its sixth report as Monitor (the “**Sixth Report**”) dated March 30, 2021, in connection with the Plan Filing Application.
22. On April 1, 2021, the Court granted the Plan Filing Application (the “**Plan Filing Order**”) and the Stay Period was extended to May 31, 2021.

23. On May 14, 2021 the Company filed an *Application for an order extending the date of the creditors' meeting and extending the stay of proceedings* (the "**Meeting Extension Application**").
24. On May 20, 2021, the Monitor provided the Court with its seventh report as Monitor (the "**Seventh Report**") dated May 20, 2021, in connection with the Meeting Extension Application.
25. On May 21, 2021, the Court granted the Meeting Extension Application (the "**Meeting Extension Order**") and the delay for holding the Creditors' Meeting was extended to a date on or before July 23, 2021 and the Stay Period was extended to July 30, 2021.
26. On July 6, 2021, in accordance with section 9.3 of the Plan, the Company amended the Plan in order to incorporate therein minor changes as well as clarifications, specifically in the definition of "Employee Claims" found in section 1.1, in section 2.4 and in section 9.7 of the Plan (as amended, the "**Amended Plan**"). A copy of the Amended Plan was served to all parties on the Service List.
27. On July 7, 2021, in accordance with the Plan Filing Order and the Meeting Extension Order, the Company held the Creditors Meeting by videoconference to allow its creditors to consider and vote on the Amended Plan. The Amended Plan was ultimately approved by:
  - (a) 98.39% of the Affected Creditors present at the Creditors' Meeting (in person and by proxy); and by
  - (b) 99.998% in value of the Proofs of Claims of all Affected Creditors present at the Creditors' Meeting (in person and by proxy).
28. On July 8, 2021, the Company filed an *Application for an order sanctioning the Applicant's plan of compromise and arrangement* (the "**Sanction Application**").
29. This report (the "**Eighth Report**" or "**Report**") is filed in connection with the Sanction Application, and is intended to provide the following information to this Court:
  - a) The Monitor's activities since the Seventh Report (section **C**);
  - b) The Company's restructuring efforts since the Seventh Report (section **D**);
  - c) Update on the Claims Procedure (section **E**);
  - d) Laura's actual receipts and disbursements for the 8-week period ended July 3, 2021, as compared to the corresponding period reflected in the cash flow projections for Laura (the "**Sixth Cash Flow Forecast**"), previously filed as part of the Seventh Report (section **F**);
  - e) The Creditors' Meeting and results of the vote (section **G**); and
  - f) The Monitor's recommendations (section **H**);
30. The Eighth Report should be read in conjunction with all of its previous reports filed with the Court as part of the CCAA Proceedings, which include additional information which may not have been duplicated herein.

## B. RESTRICTIONS AND SCOPE LIMITATIONS

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31. In preparing this Report as well as its previous reports filed with the Court as part of the CCAA Proceedings, the Monitor has been provided with and has relied upon audited and unaudited financial information, books and records prepared by certain senior management of the Company ("**Senior Management**"), and discussions with Senior Management (collectively, the "**Information**"). Except as further described in this Report of the Monitor:
- a) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
  - b) If some of the information referred to in this Report of the Monitor consists of financial forecasts and projections, an examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.
32. Future oriented financial information referred to in this Report was prepared based on Senior Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections. Even if the assumptions materialize, the variations could be significant.
33. The information contained in this Report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Company.
34. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars, which is the Company's common Reporting currency.
35. This Report does not consider all future impacts of the COVID-19 pandemic on the Company's projections and future-oriented financial information and action plans either taken or considered by Laura as a result of the evolving circumstances caused by the COVID-19 pandemic. Any reference made to the impact of the pandemic on Laura in this Report of the Monitor is based entirely on preliminary discussions and is not to be interpreted as an exhaustive and/or accurate assessment of the full impact of the COVID-19 pandemic. The full potential impact of the COVID-19 pandemic on the Company's customers, suppliers, commercial counterparts (both direct and indirect to Laura's operations) and other stakeholders is unknown, cannot be quantified at this time and is continuing to evolve.

### C. MONITOR'S ACTIVITIES SINCE THE SEVENTH REPORT

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36. Since the issuance of the Seventh Report, the Monitor has, *inter alia*:

- a) Posted on the Monitor's Website the Seventh Report;
  - b) Posted on the Monitor's Website on June 21, 2021, mailed to the Affected Creditors on June 22, 2021 (as defined in the Plan), the following documents, in accordance with the Plan Filing Order:
    - i. the Notice to the Creditors of the Meeting of Creditors and the Sanction Hearing;
    - ii. a Letter to the Creditors from the Company;
    - iii. the Plan;
    - iv. the Proxy and Voting Form, including instructions on how to complete same;
    - v. the Registration Form;
    - vi. the draft Resolution providing for the approval of the Plan;
    - vii. the Monitor's Report on the State of the Debtor's Affairs and the Plan of Compromise and Arrangement (both French and English versions). A copy of both the English and French version of the Monitor's Report on the State of the Debtor's Affairs and the Plan of Compromise and Arrangement are attached hereto as Appendix A;
- (Collectively the above "**Meeting Material**")
- viii. the Plan Filing Order; and
  - ix. the Meeting Extension Application and the Meeting Extension Order.
- c) Transmitted a copy of the Meeting Materials to the parties on the Service List on June 22, 2021 (the Plan Filing Order and the Meeting Extension Order had already been distributed to the parties on the Service List);
  - d) Transmitted a copy of the Amended Plan to the parties on the Service List on July 6, 2021 and posted a copy of same on its website on July 11, 2021;
  - e) Assisted the Company with its communications with suppliers, lenders and other parties;
  - f) Responded to telephone calls, emails and inquiries and addressed concerns from creditors and other stakeholders regarding the effect of the CCAA Proceedings and completing the Proxy and Voting Form and the Registration Form;
  - g) Had numerous exchanges with the Bank of Montreal ("**BMO**");
  - h) Provided assistance to the Company in its reporting to BMO in accordance with the forbearance agreement entered into between the Company and BMO (as amended from time to time, the "**Forbearance Agreement**"), including by:

- i. Reviewing weekly updates of the Company's cash flow forecast provided to BMO; and
- ii. Preparing weekly variance analyses on the Company's cash flow forecast provided to BMO.
- i) Provided the claim package documents and support to the Company's employees who resigned or were terminated for the filing of their claims and registering to the Wage Earner Protection Program ("**WEPP**");
- j) Reviewed of late filed proofs of claims, as more detailed in section **E** hereafter; and
- k) Chaired the Creditors' Meeting on July 7, 2021, as more detailed in section **G** hereafter.

## **D. UPDATE ON THE COMPANY'S RESTRUCTURING EFFORTS**

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37. Since the Seventh Report, the Company has:

- a) Reopened all of the 63 stores located in Ontario and 2 stores located in Nova Scotia that were closed due to government shutdowns at the date of the Seventh Report. All Laura's stores are now open;
- b) Continued to carry on discussions and negotiations with its landlords. As previously discussed as part of the previous reports of the Monitor, although new agreements had previously been reached with most of the Company's landlords, the lower than anticipated level of sales in October 2020, and to a greater extent from November 2020 to June 2021 due to the second and third wave shutdowns in Manitoba, Ontario and Québec, resulted in a need to revisit certain of these arrangements. As at the date of this Report, the Monitor understands that acceptable arrangements have been agreed with most of the landlords in respect of the aforesaid periods; and
- c) Continued its discussions with suppliers with regards to the ongoing sourcing and supply of merchandise. The Monitor notes that since the Sixth Report (March 30, 2021), the Company has not submitted to the Monitor any request to approve the payments of any pre-filing claims to Key Suppliers and Key Service Providers (as defined in the First Day Initial Order), as permitted by the Court as part of the First Day Initial Order and the Amended and Restated Initial Order. As at the date of this Sixth Report, the total amount of pre-filing claims paid by the Company to Key Suppliers and Key Service Providers since the issuance of the First Day Initial Order is approximately \$2M.



## **E. CLAIMS PROCEDURE UPDATE**

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38. Pursuant to the Claims Procedure Order, the Claims Bar Date means for all Creditors (other than Landlords with a Renegotiated Lease Claim or a Disclaimed Lease Claim), October 5, 2020 at 5:00 p.m. (Montreal time). For Landlords with a Renegotiated Lease Claim or a Disclaimed Lease Claim, the Claims Bar Date was ordered to be the later of (i) October 5, 2020 at 5:00 p.m. (Montreal time), and (ii) twenty (20) days after: (a) the date of an agreement between the Applicant and the Landlord in respect of a Renegotiated Lease Claim, or (b) the effective date of a notice of disclaimer from the Applicant giving rise to the Disclaimed Lease Claim
39. Pursuant to the Order extending the Stay of Proceedings and granting Other Relief rendered by the Court on October 23, 2020, the Court authorized the Monitor to accept and consider any proofs of claims filed by employees and creditors (who did not received timely notice of claims procedure) of the Applicant after the Claims Bar Date but before any meeting of creditors is convened to vote on the Applicant's Plan, if the Monitor determines it fair and appropriate to do so.
40. At the date of the Creditors' Meeting, the Claims filed by Affected Creditors amounted to \$46,965,760.75 and were filed by 434 Affected Creditors.
41. At the date of the Seventh Report, the Monitor had accepted Claims for an amount totalling approximately \$45,5 million and had estimated that the total value of claims that could be filed before the Creditors' Meeting could amount to approximately \$53,3 million. However, some landlords and employees did not file any Claim.
42. At the date of this Report, all notices of revision or disallowance previously sent by the Monitor have seen the 15 days period to dispute the Monitor's decision expire and no motion to appeal any notice of disallowance issued by the Monitor has been filed.
43. On July 9, 2021 at 2:45 pm, one of the Company's landlords with whom a renegotiated lease was executed on June 18, 2021 filed a Claim in the total amount of \$120,997.50, both for arrears and amounts owing on the basis of the renegotiated lease. Pursuant to the Claims Procedure Order, the applicable Claims Bar Date for this Claim was July 8, 2021, being twenty (20) days after the date of an agreement between the Company and the landlord in respect of a "Renegotiated Lease Claim". After review of this Claim and discussion with the Company, the Monitor is of the view that it should be admitted, namely given the fact that: (a) it was filed less than 24 hours after the applicable Claims Bar Date and (b) the impact of admitting this Claim on the distributions which other Affected Creditors will receive under the Amended Plan will be minimal.

## **F. CASH FLOW RESULTS RELATIVE TO THE SIXTH CASH FLOW FORECAST**

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44. A table that summarizes the cash receipts and disbursements for the 8-week period from May 9, 2021 to July 3, 2021, as compared to the Sixth Cash Flow Forecast, is filed under seal of confidentiality with this Report as Appendix B;

45. As at July 3, 2021, the Company's closing net bank indebtedness was approximately \$3,424,000 which represents a favorable variance of \$13,041,000 compared to the Sixth Cash Flow Forecast.
46. Between May 9, 2021, and July 3, 2021, the Company had a positive net cash flow of \$9,982,000, which represents a favorable variance of \$13,041,000 compared to the Sixth Cash Flow Forecast, resulting mostly from:
- a) Higher receipts from sales (+\$382,000) and government wage and rent subsidies (+\$724,000) than forecasted;
  - b) Favorable timing differences due to lower than forecasted payments, in particular, for merchandise (-\$3,502,000), rents (-\$3,929,000), general and administration expenses (-\$1,211,000) and capital expenditures (-\$716,000). However, most part of these favorable variances should reverse in subsequent periods; and
  - c) Lower payments for payroll and deductions at source (-\$1,815,000) due to longer store closures in Ontario and Nova Scotia.
47. The Monitor understands that Laura has paid and continues to pay in the normal course of business for goods and services received subsequent to the date of the First Day Initial Order, including payroll, government remittances and new purchases, with the exception of certain rent obligations during closed periods, which have now been resolved by agreement with the relevant landlords.

## **G. CREDITORS' MEETING AND RESULT OF THE VOTE**

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48. As previously mentioned in section C of this Report, the Monitor complied with its obligations to notify the Affected Creditors of the Creditors' Meeting in accordance with the Plan Filing Order and the Meeting Extension Order.

### Amendments to the Plan

49. As previously discussed, on July 6, 2021, in accordance with section 9.3 of the Plan, the Company amended the Plan in order to incorporate therein minor changes as well as clarifications, specifically in the definition of "Employee Claims" found in section 1.1, in section 2.4 and in section 9.7 of the Plan.
50. On the same day, a copy of the Amended Plan was served to all parties on the Service List.

### Creditors' Meeting

51. On July 7, 2021, at 2:00 p.m. the Creditors' Meeting was held by videoconference in accordance with the notices and the terms of the Plan Filing Order and the Meeting Extension Order and was chaired by a representative of the Monitor. Affected Creditors were also able to attend by telephone.

52. A total of 6 attendees representing 56 Affected Creditors were present at the Creditors' Meeting. In addition, representatives and legal advisors of the Bank of Montréal, of the Company and of the Monitor were also present.
53. A copy of the minutes of the Creditors' Meeting, which includes the attendance register and the results of voting is attached hereto as Appendix C.
54. During the Creditors' Meeting, Affected Creditors voted by videoconference and by proxy overwhelmingly in favour of the Amended Plan. The following table summarizes the results of the vote.

<b>Voting Results</b>				
<b>Vote</b>	<b>Number of</b>	<b>%</b>	<b>In Value (\$)</b>	<b>%</b>
In favour	61	98,387%	29 886 813	99,998%
Against	1	1,613%	608	0,002%
<b>Total</b>	<b>62</b>	<b>100,000%</b>	<b>29 887 420</b>	<b>100,000%</b>

55. As noted in the table above, 61 Affected Creditors for a value of \$29,886,813 voted in favor of the Amended Plan, representing 98.387 % in number and 99.998%% in value of Voting Claims voted in person or by proxy at the Creditors' Meeting, representing well in excess of the Requisite Majorities required by the CCAA.

## **H. THE MONITOR'S RECOMMENDATIONS**

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56. As previously discussed in its Sixth Report, the Monitor is of the view that the Amended Plan is fair and reasonable under the circumstances, considering the limited value of the Company's assets in a liquidation scenario and the potential benefits that the Company's continued operations would offer to its landlords, suppliers, employees and lenders.
57. As mentioned in the Sixth Report, the estimated net realization in the context of a forced liquidation or bankruptcy is estimated to be nil and, in addition, would be negatively affected by certain factors, including:
- The risk that the landlords do not allow a liquidation to take place on the existing store premises, or that the store premises are all or in part closed for weeks or even months due to governmental shutdown orders in connection with the Covid-19 pandemic;
  - The stigma of a liquidation which would negatively impact the pricing of inventory;
  - The inability of a receiver or trustee to make inventory purchases to improve the mix available in stores;
  - The loss of store personnel; and
  - The additional professional fees incurred as a result of a liquidation.
58. Consequently, the expected recovery by the Affected Creditors in the context of the Amended Plan is more advantageous than their expected recovery in a forced liquidation or bankruptcy scenario.

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

*Eighth Report of the Monitor*

59. The Monitor is of the view that the granting of the Sanction Order is therefore appropriate in the circumstances, particularly given the overwhelming support of the Amended Plan by the Affected Creditors and the very desirable outcome that a major Canadian retailer will successfully emerge from these CCAA proceedings in a timely basis operating virtually all of its pre-pandemic stores for the benefit of its many stakeholders..
60. In addition, since the beginning of the CCAA Proceedings, the Company and its representatives have acted, and continue to act, in good faith and with due diligence and at all time the Company's representatives have cooperated with the Monitor;
61. For the reasons stated herein, the Monitor is supportive of the Company's Sanction Application.

This 12<sup>th</sup> day of July 2021.

**KPMG INC.**

in its capacity as the Monitor of  
Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc.



Per: Dev A. Coossa, CIRP, LIT  
Partner



Maxime Codere, CPA, CA, CIRP, LIT  
Partner

**APPENDIX A – ENGLISH AND FRENCH VERSION OF THE  
MONITOR'S REPORT ON THE STATE OF THE  
DEBTOR'S AFFAIRS AND THE PLAN OF  
COMPROMISE AND ARRANGEMENT**

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C A N A D A

**SUPERIOR COURT**  
(Commercial Division)

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N° : 500-11-058602-208

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

**MAGASIN LAURA (P.V.) INC. /  
LAURA'S SHOPPE (P.V.) INC.**

*Debtor*

- and-

**KPMG INC.**

*Monitor*

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**REPORT OF THE MONITOR ON THE STATE OF THE  
DEBTOR'S AFFAIRS AND THE PLAN OF COMPROMISE AND  
ARRANGEMENT**

*(Companies' Creditors Arrangement Act, R.S.C. 1985, C. C-36, As Amended)*

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JUNE 21, 2021

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## **APPENDICES**

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None

## **A. INTRODUCTION**

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1. This report (the "**Report**") of KPMG Inc. (the "**Monitor**") on the State of the Debtor's Affairs and the Plan of Compromise and Arrangement (the "**Plan**") is being presented to provide information on Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc. ("**Laura**" or the "**Company**") and to assist the Affected Creditors (as defined in the Plan) of the Company in their review and assessment of the Plan which has been filed by the Company pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**").
2. The Plan is submitted to the Affected Creditors of Laura for their consideration and approval at a meeting of creditors to be held by videoconference on July 7, 2021.
3. This Report is intended to provide the Affected Creditors with the following information:
  - a) Background of the proceedings commenced by the Company under the CCAA (the "**CCAA Proceedings**") (section **B**);
  - b) The restriction and scope limitations and disclaimer for the Report (section **C**);
  - c) The Company's background and events leading to the financial difficulties (section **D**);
  - d) Restructuring Efforts (section **E**);
  - e) Cash Flow Forecast (section **F**)
  - f) Update on the Claims Procedure (section **G**);
  - g) Overview of the Plan (section **H**);
  - h) Estimated Net Realization in a forced liquidation scenario (section **I**)
  - i) The Monitor's observation on the Plan (section **J**);
  - j) Overview Creditors' Meeting (section **K**); and
  - k) The Monitor's recommendations (section **L**);

## **B. BACKGROUND OF THE CCAA PROCEDURES**

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4. On July 31, 2020, the Quebec Superior Court, Commercial Division (the "**Court**") rendered an initial first day order (the "**First Day Initial Order**") which provided for, among other things, a stay of proceedings until August 10, 2020 (the "**Stay Period**").
5. On August 10, 2020, the Court rendered an amended and restated initial order (the "**Amended and Restated Initial Order**") which provided for, among other things, the extension of the Stay Period up to September 25, 2020.



6. On August 28, 2020, the Court rendered an order (the “**Claims Procedure Order**”) authorizing the establishment of a claims bar date on October 5, 2020 (the “**Claims Bar Date**”) for the filing of proofs of claims by the Company's creditors and approving the form, manner of notice, filing procedure and determination process in respect of such proofs of claims (the “**Claims Procedure**”). In addition, pursuant to the Claims Procedure Order, the Stay Period was extended up to October 30, 2020.
7. On September 25, 2020, the Court rendered an order appointing a receiver solely for the purpose of allowing its former employees to receive some recovery pursuant the *Wage Earner Protection Program Act* (the “**WEPPA**”).
8. On October 23, 2020, the Court rendered an order extending the stay of proceedings and granting other relief. The Stay Period was extended up to January 29, 2021.
9. On January 29, 2021, the Court rendered an order extending the stay of proceedings extending the Stay Period up to February 24, 2021.
10. On February 24, 2021, the Court rendered an order extending the stay of proceedings extending the Stay Period up to April 30, 2021.
11. On April 1, 2021, the Court rendered an order authorizing the filing of the Plan, the calling of a creditors' meeting and extending the stay of proceedings (the “**Creditors' Meeting Order**”). The Stay Period was extended up to May 31, 2021.
12. On May 21, 2021, the Court rendered an order extending the date of the creditors' meeting and the stay of proceedings. The delay for holding a creditors' meeting was extended to a date on or before July 23, 2021 and the Stay Period was extended to July 30, 2021.

### **C. RESTRICTIONS AND SCOPE LIMITATIONS**

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13. In preparing this Report, the Monitor has been provided with and has relied upon audited and unaudited financial information, books and records prepared by certain senior management of the Company (“**Senior Management**”), and discussions with Senior Management (collectively, the “**Information**”). Except as further described in this Report:
  - a) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

- b) If some of the information referred to in this Report consists of financial forecasts and projections, an examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.
14. Future oriented financial information referred to in this Report was prepared based on Senior Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections. Even if the assumptions materialize, the variations could be significant.
15. The information contained in this Report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Company.
16. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars, which is the Company's common Reporting currency.
17. Furthermore, this Report does not consider all future impacts of the COVID-19 pandemic (the "**Pandemic**") on the Company's projections and future-oriented financial information and action plans either taken or considered by Laura as a result of the evolving circumstances caused by the Pandemic. Any reference made to the impact of the Pandemic on Laura in this Report is based entirely on preliminary discussions and is not to be interpreted as an exhaustive and/or accurate assessment of the full impact of the Pandemic. The full potential impact of the Pandemic on the Company's customers, suppliers, commercial counterparts (both direct and indirect to Laura's operations) and other stakeholders is unknown, cannot be quantified at this time and is continuing to evolve.

## **D. COMPANY'S BACKGROUND AND THE EVENTS LEADING TO THE COMMENCEMENT OF THE CCAA PROCEEDINGS**

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### ***Corporate Structure***

18. Laura was incorporated pursuant to the *Québec Business Corporations Act*.
19. Laura is a privately owned company, whose shares are owned directly and indirectly by the family of the Company's founder, Laura Wolstein, including by her grandson Mr. Kalman Fisher and his wife Mrs. Melanie Fisher. Laura's sole director is Mr. Kalman Fisher, who is also the president of the Company.

### ***Operations & Employees***

20. Laura is a women's clothing retailer which was operating 140 stores at the initiation of the present CCAA Proceedings. Since that time, Laura has disclaimed one lease and is therefore currently operating 139 stores, in addition to 2 e-commerce sites: [www.laura.ca](http://www.laura.ca) and [www.melanielyne.com](http://www.melanielyne.com). Laura's stores are predominantly in shopping malls, under the banners "*Laura*" and "*Melanie Lyne*", and all located in Canada.
21. Prior to the Pandemic, the Company employed approximately 1,918 people across Canada (including 1626 people at the store-level and 292 people at the Company's head office). At the date of this Report, the Company has 1,266 employees at the store-level and has 280 employees at its head office for a total of 1,546 employees.

### ***Events Leading to the Commencement of the CCAA Proceedings***

22. Prior to the onset of the Pandemic, Laura was successfully operating in a rapidly changing retail landscape.
23. While the Company recorded net profits during the last two (2) completed fiscal years ended February 1, 2020, and February 2, 2019, the Company was blindsided by the unprecedented and unforeseeable Pandemic.
24. In early March 2020, retail operations began to slow down, as news reports emerged that the pandemic had made its way to Canada. In mid-March 2020, Laura's brick and mortar business came to a grinding halt as it made the decision, with the view to protecting the health of its communities, to close its stores a full week before government orders were put in place mandating retail store closures to contain the spread of COVID-19 virus.
25. Although Laura was able to operate its online business during this time, Laura's online sales were insufficient to offset the lost revenue resulting from store closures.
26. Starting in May 2020, Laura gradually began reopening some of its stores, as permitted by government decrees, with the vast majority of re-openings only taking place in mid-June.
27. Nevertheless, the Pandemic caused a sharp decrease in sales, including for the period following the reopening of its stores. From March to mid-July 2020, sales decreased by 70% compared to the previous year.
28. By late July 2020, Laura was incurring substantial losses from operations, to the point where the Company was expecting to run out of liquidity, which eventually prompted the Company to seek creditor protection under the CCAA.

## **E. THE COMPANY'S RESTRUCTURING EFFORTS**

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29. In fact, between the first days of the Pandemic in March 2020, and the commencement of the CCAA Proceedings on late July 2020, the Company, in an effort to minimize its losses:

- a) Temporarily laid off all its retail employees and almost half of its head office employees. Most of its employees were hired back as the stores progressively began to re-open;
- b) Renegotiated certain arrangements with trade creditors in order to ensure that the Company would not encounter disruptions to its supply chain, which would have been very detrimental to its ongoing operations, and at same time, obtained concessions with extended payment terms and forgiveness of accounts payables and cancellation of orders for goods that would be harder to sell in the post Pandemic era;
- c) Halted payment of rents for the months of April to July 2020, and resumed payments after the commencement of the CCAA Proceedings;
- d) Continued to operate its business in the normal course while implementing various measures to reduce costs and improve sales; and
- e) Sought and obtained additional financing pursuant to the Business Credit Availability Program in the form of a loan of \$6.25 million;

30. On July 27, 2020, the Company filed an initial application under the CCAA, which was granted by the Court on July 31, 2020.

31. Since the commencement of the CCAA Proceedings, the Company has implemented numerous initiatives to reduce its expenses and restructure its operations, including the following:

- a) The Company's shareholders made a first cash injection of \$750,000;
- b) The Company conducted extensive discussions and negotiations with its landlords with regards to its lease agreements, with the objective of agreeing to new viable lease terms that would enable Laura to carry on its business in the current challenging environment;
- c) The Company issued two (2) Notices to Disclaim with respect to its lease agreements (one of which was subsequently withdrawn);
- d) The Company reduced its salary expense and, at the date of this report, has approximately 375 (-19%) less employees than before the Pandemic;
- e) The Company negotiated, extended and amended on a number of occasions its forbearance agreement (the "**Forbearance Agreement**") with its operating lender BMO and at the same time, negotiated and obtained a BCAP Loan of \$2.75 million in order to have sufficient liquidity to continue to carry out its business. In addition, in order to meet its obligations under the Forbearance Agreement, the Company's shareholders provided BMO with additional guarantees and an additional cash injection of \$1 million;

- f) The Company obtained funding from the Canada Emergency Wage Subsidy program and the Canada Emergency Rent Subsidy program; and
- g) During the second shutdown in Manitoba, Ontario, Québec, Newfoundland and Nova Scotia between November 2020 and June 2021, the Company renegotiated its lease terms with regards to the stores that were closed in those provinces as a result of government decrees.

## **F. CASH FLOW FORECAST**

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32. We refer the reader to the previous seven reports of the Monitor for details relating to the actual receipts and disbursements since the First Day Initial Order, including the Seventh Report of the Monitor which provides further details relating to the Company's cash flow forecast for the period of May 9, to August 7, 2021 (the "**Cash Flow Forecast**") and which provide the Monitor's assessment on the reasonableness of such Cash Flow Forecast.
33. As at June 12, 2021, the Company's closing net bank indebtedness was approximately \$9.3 million which represents a favorable variance of \$8.4 million compared to the Cash Flow. However, most of the favorable variance is due to timing of payments and will reverse in subsequent periods.
34. The Monitor understands that since the First Day Order, Laura has paid and continues to pay in the normal course of business for goods and services received subsequent to the date of the First Day Initial Order, including payroll, government remittances and new purchases, with the exception of some fixed rent and/or percentage rent subject to certain revenue-level guarantees in connection with the January to June 2021 period. The Monitor understands that acceptable arrangements have been agreed with most of the landlords in respect of the aforesaid periods.

## **G. CLAIMS PROCEDURE UPDATE**

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### Claims

35. The following section provides a summary of the claims process conducted by the Monitor as required by the Claims Procedure Order. The Claims Bar Date pursuant to the Claims Procedure Order was October 5, 2020 for all claims other than the Renegotiated Lease Claims and the Disclaimed Lease Claims. All terms not otherwise defined in this section have the definition ascribed to them in the Claims Procedure Order.
36. Pursuant to paragraph 3 of the Claims Procedure Order, the Monitor:
- a) On September 4, 2020, published the Newspaper Notice (as defined in the Claims Procedure Order) in the newspapers La Presse (in French) and The Globe and Mail (in English);
  - b) Before September 4, 2020, posted on the Monitor's websites home.kpmg/ca/laura and home.kpmg/ca/laura-fr (the "**Website**") the:

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- i. Creditors' list;
  - ii. Creditors' instructions to file a proof of claim and proof of claim form; and
  - iii. Claims Procedure Order; and
- c) Sent a copy of the creditors' instructions and proof of claim forms (with minor modifications) to each known creditor.
37. The Monitor and its counsel, in consultation with the Company and its legal advisors, have continued to review proofs of claims or amended proofs of claims received, especially for Renegotiated Lease Claims (as defined in the Claims Procedure Order) and notices of revision or disallowance were sent by the Monitor, mostly for mistakes in the calculation of the amounts claimed for Renegotiated Lease Claims. For the most part, the notices of revision or disallowance were discussed and agreed with the creditors before being sent.
38. The following table illustrates the summary of Claims received and accepted by the Monitor as at June 15, 2021.

Laura Shoppe (P.V.) Inc. Summary of Claims Received As at June 15, 2021	Total Received		Accepted by the Monitor	
	Number of Claims	Claims (CADs) (000's)	Number of Claims	Claims (CADs) (000's)
	Unsecured Claims received before the Claim Bar Date	333	25,368	322
Unsecured Claims received after the Claim Bar Date	156	1,279	156	1,281
6(5) Claims	285	95	285	95
Restructuring Claims :				
Renegotiated Leases Claims	79	24,591	78	20,471
Disclaimed Leases Claims	2	3,547	2	661
<b>Total</b>	<b>855</b>	<b>54,879</b>	<b>843</b>	<b>45,927</b>

39. As of June 15, 2021, the Monitor had received and reviewed:
- a) 855 claims for an aggregate amount of \$54.88 million and has accepted 843 claims for an aggregate amount of \$45.92 million;
  - b) From the 855 claims received, 156 claims for an aggregate amount of \$1.28 million were filed after the Claims Bar Date, all of which were accepted by the Monitor, in accordance with orders rendered by the Court. It is to be noted that the vast majority of them were submitted by former employees who were terminated or had resigned just before or after the Claims Bar Date; and
  - c) From the 855 claims received, 285 claims for an aggregate amount of \$95,000 were filed pursuant to section 6(5) of the CCAA. It is to be noted that these claims are unaffected by the Plan.
40. The following table illustrates the summary of accepted claims by the Monitor and the estimated outstanding claims that the Monitor may potentially receive from former employees and landlords for Renegotiated Lease Claims that have not yet filed their Claims as at June 15, 2021.

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<b>Laura Shoppe (P.V.) Inc.</b>		
<b>Summary of Accepted Claims Received and Outstanding</b>		
<b>As at June 15, 2021</b>		
	<b>Number of Claims</b>	<b>Claims (CAD\$) (000's)</b>
Total Claims Accepted by the Monitor as at June 15, 2021	843	45,927
Total Estimated Restructuring Claims to be received before the Creditor Meeting:		
Renegotiated Leases Claims	38	7,825
Employees Claims	31	53
<b>Sub-total</b>	<b>912</b>	<b>53,805</b>
Total 6(5) claims unaffected by the plan	(316)	(112)
<b>Total</b>	<b>596</b>	<b>53,693</b>

41. As appears from the above, the Monitor has estimated that as at June 15, 2021, approximately 69 additional claims for an aggregate amount of approximately \$7.9 million could potentially be filed by former employees and landlords for Renegotiated Lease Claims. **Accordingly, it is important to note that the quantum of the claims totaling \$53.69 million only constitutes an estimate, which may vary depending on whether or not these creditors proceed with the filing of a claim with the Monitor in accordance with the Claims Procedure Order.**

42. The following table illustrates the summary of notices of revision or disallowance issued by the Monitor as at June 15, 2021.

<b>Laura Shoppe (P.V.) Inc.</b>			
<b>Summary of Notices of Revision or Disallowance</b>			
<b>As at June 15, 2021</b>			
	<b>Number of Notices of Revision or Disallowance</b>	<b>Amount per Claims received (CAD\$) (000's)</b>	<b>Amount accepted by the Monitor (CAD\$) (000's)</b>
Claims for which the Monitor has issued partial Notices of Revision or Disallowance	24	18,792	12,351
Claims for which the Monitor has issued full Notices of Revision or Disallowance	13	2,761	-
<b>Total</b>	<b>37</b>	<b>21,553</b>	<b>12,351</b>

43. As at June 15, 2021, the Monitor had issued 37 notices of revision or disallowance. In all these cases, the 15 days period to dispute the Monitor's decision has expired, and no notice of appeal of such notices of revision or disallowance has been filed.

## WEPPA

44. In order to restructure its operations, the Company needed to terminate a portion of its employees whose services were no longer required, due primarily to the decrease in sales caused by the Pandemic. Because the terminated employees were not eligible to receive payments under the WEPPA for the sole reason that the Company was not subject to bankruptcy or receivership proceedings, the Monitor believed that it was just and equitable to appoint the Monitor to act as a receiver pursuant to s. 243 BIA, without security, over a certain limited pool of funds of the Company in order for such terminated employees to have access to such payments. Accordingly, on September 23, 2020, the Monitor filed a motion for a receivership order, which was granted by the Court on September 25, 2020.
45. As of June 17, 2021, the WEPPA has issued payments to 213 former employees who were terminated or who had resigned during the restructuring period, yielding recoveries for such employees totalling \$508,000. These recoveries should be taken into account when assessing the CCAA process and the fairness of the Plan in respect of the employees.

## **H. OVERVIEW OF THE PLAN**

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### **Overview of the Plan**

46. On March 26, 2021, the Company filed the Plan, together with an *Application for an Order Authorizing the Filing of a Plan of Compromise and Arrangement, the Calling of a Creditors' Meeting and Extending the Stay of Proceedings* which application was granted by the Court on April 1, 2021.
47. We have summarized below the significant aspects of the Plan. All terms not otherwise defined in this section have the definition ascribed to them in the Plan.

### **Plan Implementation Date**

48. The Plan provides that it will be implemented subject to the occurrence and/or fulfillment, on or prior to May 31, 2021, or a later date to be agreed upon by the Company and the Monitor, of the Plan Conditions, which conditions namely include:
- a) a favorable vote by the required majority of Affected Creditors accepting the Plan; and
  - b) the issuance of a final order of the Court sanctioning the Plan ("**Sanction Order**").

### **Affected Creditors**

49. There shall only be one class of Affected Creditors for the purpose of voting on, and receiving distributions pursuant to this Plan, being the "Affected Creditors Class".
50. Affected Creditors include all creditors holding any claim against the Company, other than the following claims which shall be unaffected under the Plan:



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- a) Ordinary Course Post-Filing Claims;
- b) Administration Claims;
- c) Gift Card Claims;
- d) BMO Claims;
- e) Crown Priority Claims;
- f) Section 6(5) Claims;
- g) Section 19(2) Claims;
- h) Secured Claims;
- i) Fisher Group Claims; and
- j) Key Supplier Claims.

51. It should be noted that the Monitor has not obtained an independent review regarding the claims and/or security interests of BMO (\$25 million), 3482731 Canada Inc. (\$5 million) or of any other members of the Fisher Group, which are related parties to the Company. Given that such creditors are unaffected creditors under the Plan, they will not receive any share in the Distribution Amount.

Distribution

52. The Company is to remit to the Monitor, by no later than August 31, 2021, the aggregate amount of \$750,000 (the "**Distribution Amount**") and the Monitor shall thereafter distribute the Distribution Amount on a *pro rata* basis to the Affected Creditors according to their respective Proven Claims.

53. The following table illustrates the estimated recovery under the Plan which may be realized by the Affected Creditors based on information available and the Monitor's best estimate of provable claims as at the date of this Report:

<b>Laura Shoppe (P.V.) Inc.</b>	
<b>Estimated Distribution</b>	
(CAD\$ 000's)	
Estimated Affected Claims	53 693 [1]
Aggregate Distribution	750
<b>Estimated Distribution %</b>	<b>1,40%</b>

[1] Represents the Monitor's best estimate of the Affected Claims as of the date of this Report

54. As shown in the table above, the estimated recovery under the Plan is projected to represent **an average of 1.40%** of the total amount of each Proven Claim.

55. **It is important to note that the estimated realization to the Affected Creditors is based on the Monitor's best estimate of the Proven Claims, such that the final distribution under the Plan can vary depending on the final aggregate value of Proven Claims.**

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Release and Discharge

56. Upon the sanction of the Plan, each of the following shall be released and discharged:

- a) the Monitor and its legal counsel in the CCAA proceedings; and
- b) the Company's legal counsel, financial advisors, consultants and agents of the Company (and their respective directors, officers and employees).

57. Upon the Distribution Amount being fully remitted to the Monitor, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Performance**"), and upon the issuance of same, each of the following shall be released and discharged:

- a) the Company; and
- b) the Directors and all present and future officers and employees of the Company.

58. All claims of Affected Creditors shall be transferred to the Distribution Amount and shall be released in full upon the distribution of same to each Affected Creditor, on a pro-rata basis.

## **I. ESTIMATED NET REALIZATION IN A FORCED LIQUIDATION SCENARIO**

59. In order to allow the Affected Creditors and the Court to assess the reasonableness of the Plan, the Monitor has prepared an analysis based on the information provided to it estimating the net realization value of the Company's assets in a forced liquidation scenario. The following table illustrates the estimated recovery for unsecured creditors in the context of a forced liquidation:

<b>Laura Shoppe (P.V.) Inc.</b>			
<b>Estimated Net Realization in a Forced Liquidation</b>			
<b>Reported Book Value as at May 31st, 2021</b>			
<b>(CAD\$ 000's)</b>			
<b>Projected Net Realization Value</b>	<b>Book Value</b>	<b>Estimated Realization Value</b>	
<b>Gross Realization</b>			
Inventory (Net of Provisions)	40 914	29 046	71,0% [1]
Other Short-Term Assets	1 772	643	36,3% [2]
Long-Term Assets	37 020	998	2,7% [3]
<b>Total Projected Gross Realization Value</b>	<b>79 706</b>	<b>30 687</b>	<b>38,5%</b>
Trustee's Fees - Liquidation Administration		(1 000)	[4]
<b>Total Projected Net Realization Value</b>		<b>29 687</b>	
<b>Estimated Funds Available For Unsecured Creditors</b>			
Priority Claims (Salaries and Vacations)		(1 757)	[5]
Secured Creditors		(30 612)	[6]
<b>Estimated Funds Available For Unsecured Creditors</b>		<b>(2 682)</b>	
<b>Estimated Recovery For Unsecured Creditors</b>			
Estimated Unsecured Claims in a Bankruptcy		90 899	[7]
<b>Estimated Unsecured Creditors Recovery (%)</b>		<b>0,00%</b>	

## **MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

### *Report of the Monitor on the State of the Debtor's Affairs and the Plan of Compromise and Arrangement*

- [1] Inventory includes finished goods held in the warehouse (38.456 M\$), fabrics held in the warehouse (1.557 M\$) and in-transit goods (901 k\$). Liquidation values established in concordance with net orderly liquidation factors of Gordon Brother's inventory appraisal dated June 11, 2021. An additional 20% reduction is included in the above calculation based on experiences in realization contexts where the final realization in a forced liquidation is generally lower than the NOLV.
- [2] Other short-term assets are made of prepaids (997 k\$), cash (394 k\$), receivables (78 k\$) and supplies (303 k\$). The related realization value is established according to the nature of the current assets and the experiences in similar realization contexts.
- [3] Long-term assets are mainly made of leasehold improvements (26.065 M\$), furnitures and fixtures (5.704 M\$) and softwares (3.841 M\$). The related realisation value is established according to the nature of the long-term assets and the experiences in similar realization contexts.
- [4] Trustee's administration fee related to the liquidation is established in accordance with the anticipated 17.4 week timeline required for the orderly liquidation as presented in Gordon Brother's inventory appraisal report dated December 14, 2020.
- [5] Priority claims consist of one week of unpaid wages as well as unpaid vacation up to \$2,000 per employees for all active employees and those with a 6 (5) claim in the plan.
- [6] The claims of the secured creditors are based on mortgages shown on RDPRM and are composed of the debt owed to BMO (25.342 M\$), a Fisher Group claim (5.000 M\$) and a capital lease claim (270 k\$).
- [7] Unsecured creditors claims are predominantly composed of suppliers claims received as of the date hereof (7.203 M\$), employee claims (8.025 M\$), unsecured Fisher Group claims (19.507 M\$), landlord's rent arrears (16.613 M\$) as well as terminated lease claims (37.238 M\$). Employees claims are based on unpaid non-priority wages and vacations as well as notices of termination according to the rules in each provinces. The landlord's terminated lease claims are based on claims for a maximum period of 18 months.
60. As shown in the table above, the estimated recovery for unsecured creditors in the context of a forced liquidation **is estimated to be nil**, as the liquidation value of the Company's assets is not expected to be sufficient to cover in full the Company's secured claims (as previously mentioned, the Monitor has not obtained an independent security review with respect to such secured claims).
61. **It is important to note that the estimated net realization value of the Company's assets under a liquidation scenario, the total value of claims against the Company and the potential recovery for unsecured creditors are based on the Monitor's current best estimate. For its analysis, the Monitor has used various assumptions which can vary and could negatively impact the estimated recovery for unsecured creditors.**

## **J. THE MONITOR'S OBSERVATIONS ON THE PLAN**

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62. The Monitor has reviewed the Company's most recent forecast and is of the view that Plan and the Distribution Amount proposed under the Plan is reasonable in the circumstances, particularly in the context of the unprecedented disruptions associated with the Pandemic, including new uncertainties due to virus variants which would further negatively impact the results of the Company.
63. Based on the estimated net realization value of the Company's assets, the expected recovery by the Affected Creditors in the context of the Plan is more advantageous than in a forced liquidation scenario.
64. In addition, the Monitor notes the following with respect to the Plan:

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*Report of the Monitor on the State of the Debtor's Affairs and the Plan of Compromise and Arrangement*

- a) The Distribution Amount takes into account the challenges the Company continues to face resulting from the Pandemic and was arrived at in consultation with its operating lender, BMO, which has agreed, in the Forbearance Agreement, to allow the Company to propose to its creditors a maximum amount of \$750,000; and,
- b) The Plan provides Laura and its many stakeholders including employees, suppliers, customers and landlords with the continued opportunity to work and continue to do business with the Company and generate revenues.

65. In turn, the Monitor also notes that in the context of a forced liquidation, there may be several risk factors which may further negatively impact the net realization value of the Company's assets, including:

- a) The risk that the landlords do not allow a liquidation to take place on the existing store premises, or that the store premises are all or in part closed for weeks or even months due to governmental shutdown orders in connection with the Pandemic;
- b) The stigma of a liquidation which would negatively impact the pricing of inventory;
- c) The inability of a receiver or trustee to make inventory purchases to improve the mix available in stores;
- d) The loss of store personnel; and
- e) The additional professional fees incurred as a result of a liquidation.

66. Accordingly, and based on the foregoing, the Monitor is of the view that the terms and conditions of the Plan are reasonable in the circumstances.

## **K. THE CREDITOR'S MEETING**

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67. Below is a summary of the Creditors' Meeting Order, as amended on May 21, 2021.

- a) The Creditors' Meeting will be held by videoconference on July 7, 2021;
- b) The Monitor (or its nominee) will preside as chair of the Creditors' Meeting;
- c) Any Creditor who wishes to appoint a Proxy shall do so prior to the Creditors' Meeting;
- d) Any Affected Creditors who wish to attend the Creditors' Meeting must complete a registration form;
- e) The Monitor has posted on its website the Meeting Materials; and
- f) The Monitor will publish a Notice to Creditors in the French language newspaper *La Presse* and in the English language newspaper *Globe and Mail* on or about June 29, 2021.

68. In the event of a favorable vote on the Plan by the Affected Creditors, the Company intends to file a motion for the issuance of a Sanction Order.

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

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69. The Monitor will report the results of the Creditors' Meeting to the Court at the time of the hearing for the issuance of a Sanction Order which will take place on **July 14, 2021** at **9:30 am** by videoconference.

**L. THE MONITOR'S RECOMMENDATIONS**

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70. In light of the circumstances discussed above, including the Monitor's current estimated net realization analysis, the Monitor is of the view that the terms of the Plan are fair and reasonable, particularly since the Plan is expected to provide a certain recovery to the Affected Creditors, whereas no such recovery is expected in the context of a forced liquidation.. In addition, the successful implementation of the Plan would allow for the continuation of the Company's operations as a going concern, which, in turn, would allow a continuing source of revenues to the Company's suppliers, landlords, employees and lenders.

71. Accordingly, for the reasons set out in this Report, the Monitor recommends the approval of the Plan.

This 21<sup>st</sup> day of June 2021.

**KPMG INC.**

in its capacity as the Monitor of  
Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc.



Per: Dev A. Coossa, CIRP, LIT  
Partner



Maxime Codere, CPA, CA, CIRP, LIT  
Partner

C A N A D A

PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL

N° : 500-11-058602-208

**DANS L'AFFAIRE DE LA LOI SUR  
LES ARRANGEMENTS AVEC LES  
CRÉANCIERS DES COMPAGNIES  
L.R.C. 1985, CH. C-36, TELLE  
QU'AMENDÉE**

**COUR SUPÉRIEURE**  
(Chambre commerciale)

**MAGASIN LAURA (P.V.) INC. /  
LAURA'S SHOPPE (P.V.) INC.**

*Débitrice*

- et -

**KPMG INC.**

*Contrôleur*

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**RAPPORT DU CONTRÔLEUR SUR L'ÉTAT DES AFFAIRES  
DE LA DÉBITRICE ET LE PLAN DE COMPROMIS ET  
D'ARRANGEMENT**

*(Loi sur les arrangements avec les créanciers des compagnies, L.R.C. 1985, Ch. C-36, telle  
qu'amendée)*

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21 JUIN 2021

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*Veillez noter que le présent rapport (le « **Rapport** ») de KPMG inc. (le « **Contrôleur** ») est une traduction et qu'en cas de contradiction entre son contenu et la version originale anglaise du Rapport, la version originale prévaudra.*

## **A. INTRODUCTION**

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1. Ce Rapport sur l'état des affaires de la Débitrice et le Plan de Compromis et d'Arrangement (le « **Plan** ») est présenté afin fournir des informations sur Magasin Laura (P.V.) inc. / Laura's Shoppe (P.V.) Inc. (« **Laura** » ou la « **Compagnie** ») et pour aider les Créanciers Affectés (*Affected Creditors*, tels que définis dans le Plan) de la Compagnie à examiner et à évaluer le Plan qui a été déposé par la Compagnie conformément à la *Loi sur les arrangements avec les créanciers des compagnies* (la « **LACC** »).
2. Le Plan est soumis aux Créanciers Affectés de Laura pour qu'ils l'examinent et l'approuvent lors d'une assemblée des créanciers qui se tiendra par vidéoconférence le 7 juillet 2021.
3. Ce Rapport vise à fournir aux Créanciers Affectés les informations suivantes :
  - a) Historique des procédures entamées par la Compagnie en vertu de la LACC (les « **Procédures sous la LACC** ») (section **B**);
  - b) Restrictions, limitations de la portée et clause de non-responsabilités du Rapport (section **C**);
  - c) Historique de la Compagnie et événements ayant conduit aux difficultés financières (section **D**);
  - d) Les efforts de restructuration (section **E**);
  - e) Les Projections des Flux de Trésorerie (section **F**);
  - f) Mise à jour de la Procédure de Réclamations (section **G**);
  - g) Aperçu du Plan (section **H**);
  - h) Estimation de la réalisation nette dans un scénario de liquidation forcée (section **I**);
  - i) Observations du Contrôleur sur le Plan (section **J**);
  - j) Aperçu de l'Assemblée des Créanciers (section **K**);
  - k) Les recommandations du Contrôleur (section **L**);

## **B. HISTORIQUE DES PROCÉDURES SOUS LA LACC**

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4. Le 31 juillet 2020, la Cour Supérieure du Québec, Chambre Commerciale (la « **Cour** ») a rendu une ordonnance initiale du premier jour (l'« **Ordonnance initiale du premier jour** ») qui prévoyait, entre autres, une suspension des procédures jusqu'au 10 août 2020 (la « **Période de suspension** »).



5. Le 10 août 2020, la Cour a rendu une ordonnance initiale amendée et reformulée (l'« **Ordonnance Initiale amendée et reformulée** ») qui prévoyait, entre autres, la prolongation de la Période de suspension jusqu'au 25 septembre 2020.
6. Le 28 août 2020, la Cour a rendu une ordonnance (l'« **Ordonnance relative à la procédure de réclamations** ») autorisant l'établissement d'une date limite au 5 octobre 2020 (la « **Date limite pour présenter une réclamation** ») pour déposer une preuve de réclamation par les créanciers de la Compagnie et approuvant la forme, le mode de notification, la procédure de dépôt et le processus de détermination à l'égard de ces preuves de réclamation (la « **Procédure de réclamations** »). En addition, conformément à l'Ordonnance relative à la procédure de réclamations, la Période de suspension a été prolongée jusqu'au 30 octobre 2020.
7. Le 25 septembre 2020, la Cour a rendu une ordonnance de nomination d'un séquestre dans le seul but de permettre à ses anciens employés de recevoir un certain recouvrement en vertu de la *Loi sur le Programme de protection des salariés* (la « **LPPS** »).
8. Le 23 octobre 2020, la Cour a rendu une ordonnance prolongeant la suspension des procédures et accordant d'autres mesures. La Période de suspension fut prolongée jusqu'au 29 janvier 2021.
9. Le 29 janvier 2021, la Cour a rendu une ordonnance prolongeant la suspension des procédures prolongeant la Période de suspension jusqu'au 24 février 2021.
10. Le 24 février 2021, la Cour a rendu une ordonnance prolongeant la suspension des procédures prolongeant la Période de suspension jusqu'au 30 avril 2021.
11. Le 1<sup>er</sup> avril 2021, la Cour a rendu une ordonnance autorisant le dépôt du Plan, la convocation d'une assemblée des créanciers et prolongeant la suspension des procédures (l'« **Ordonnance relative à l'assemblée des créanciers** »). La Période de suspension fut prolongée jusqu'au 31 mai 2021.
12. Le 21 mai 2021, la Cour a rendu une ordonnance repoussant la date de l'assemblée des créanciers et la suspension des procédures. Le délai pour la tenue de l'assemblée des créanciers fut prolongé au 23 juillet 2021 ou à une date antérieure et la Période de suspension fut prolongée au 30 juillet 2021.

## **C. RESTRICTIONS ET LIMITATIONS**

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13. En préparant ce Rapport, le Contrôleur a reçu et s'est appuyé sur des informations financières auditées et non auditées, des livres et des registres préparés par certains cadres supérieurs de la Compagnie (la « **Haute direction** »), et des discussions avec la Haute direction (collectivement, l'« **Information** »). À l'exception de ce qui est décrit plus en détail dans le présent Rapport :
- a) Le Contrôleur a examiné l'Information pour en vérifier le caractère raisonnable, la cohérence interne et l'utilisation dans le contexte dans lequel elle a été fournie. Toutefois, le Contrôleur n'a pas audité ou autrement tenté de vérifier l'exactitude ou l'exhaustivité de l'information d'une manière qui serait entièrement ou partiellement conforme aux Normes canadiennes d'audit (« **NCA** ») en vertu du *Manuel des comptables professionnels agréés du Canada* et, par conséquent, le Contrôleur n'exprime aucune opinion ou autre forme d'assurance prévue par les NCA à l'égard de l'Information;
  - b) Si une partie de l'Information mentionnée dans le présent Rapport consiste en des prévisions et des projections financières, un examen ou une révision des prévisions et des projections financières, comme décrit dans le *Manuel des comptables professionnels agréés du Canada*, n'a pas été effectué.
14. Les informations financières prospectives mentionnées dans le présent Rapport ont été préparées sur la base des estimations et des hypothèses de la Haute direction. Les lecteurs sont avertis qu'étant donné que les projections sont basées sur des hypothèses concernant des événements et des conditions futurs qui ne sont pas vérifiables, les résultats réels varieront par rapport aux projections. Même si les hypothèses se réalisent, les variations pourraient être importantes.
15. Les informations contenues dans ce Rapport ne sont pas destinées à être utilisées par un acheteur ou un investisseur potentiel dans une quelconque transaction avec la Compagnie.
16. Sauf indication contraire, tous les montants monétaires contenus dans le présent Rapport sont exprimés en dollars canadiens, la monnaie commune de déclaration de la Compagnie.
17. De plus, le présent Rapport ne tient pas compte de tous les impacts futurs de la pandémie de COVID-19 (la « **Pandémie** ») sur les projections et les informations financières prospectives de la Compagnie, ni des plans d'action pris ou envisagés par Laura en raison de l'évolution des circonstances causées par la Pandémie. Toute référence faite à l'impact de la Pandémie sur Laura dans ce Rapport est entièrement basée sur des discussions préliminaires et ne doit pas être interprétée comme une évaluation exhaustive et/ou précise de l'impact total de la Pandémie. L'impact potentiel total de la Pandémie sur les clients, les fournisseurs, les homologues commerciaux (directs et indirects des opérations de Laura) et les autres parties prenantes de la Compagnie est inconnu, ne peut être quantifié à l'heure actuelle et continue d'évoluer.

## **D. HISTORIQUE DE LA COMPAGNIE ET ÉVÉNEMENTS AYANT CONDUIT AU COMMENCEMENT DES PROCÉDURES SOUS LA LACC**

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### ***Structure corporative***

18. Laura est constituée en vertu de la *Loi sur les sociétés par actions du Québec*.
19. Laura est une société privée dont les actions sont détenues directement et indirectement par la famille de la fondatrice de la Compagnie, Laura Wolstein, notamment par son petit-fils, M. Kalman Fisher, et son épouse, Mme Melanie Fisher. L'unique administrateur de Laura est M. Kalman Fisher, qui est également le président de la Compagnie.

### ***Opérations et employés***

20. Laura est un détaillant de vêtements pour femmes qui exploitait 140 magasins avant le commencement des Procédures sous la LACC. Depuis ce moment, Laura a résilié un bail et exploite donc maintenant 139 magasins, en plus de deux sites de commerce électronique : [www.laura.ca](http://www.laura.ca) et [www.melanielyne.com](http://www.melanielyne.com). Les magasins de Laura sont principalement situés dans des centres commerciaux, sous les bannières « Laura » et « Melanie Lyne », et sont tous situés au Canada.
21. Avant la Pandémie, la Compagnie employait environ 1 918 personnes au Canada (dont 1 626 personnes dans les magasins et 292 personnes au siège social de la Compagnie). En date du présent Rapport, la Compagnie compte 1 266 employés dans ses magasins et 280 employés à son siège social.

### ***Événements ayant conduit au dépôt de la Procédure sous la LACC***

22. Avant la venue de la Pandémie, Laura opérait avec succès dans un environnement de vente au détail changeant rapidement.
23. Bien que la Compagnie ait enregistré des bénéfices nets au cours des deux (2) derniers exercices fiscaux clos le 1<sup>er</sup> février 2020 et le 2 février 2019, elle a été prise de court par la Pandémie sans précédent et imprévisible.
24. Au début du mois de mars 2020, les activités de vente au détail ont commencé à ralentir, alors que les nouvelles annonçaient que la Pandémie avait fait son chemin jusqu'au Canada. À la mi-mars 2020, les activités commerciales en magasins de Laura ont arrêté subitement alors que Laura prenait la décision, dans le but de protéger la santé de ses communautés, de fermer ses magasins une semaine entière avant la mise en place d'ordonnances gouvernementales rendant obligatoire la fermeture des magasins de détail pour contenir la propagation du virus de la COVID-19.
25. Bien que Laura ait pu exploiter son activité en ligne pendant cette période, les ventes en ligne de la Compagnie étaient insuffisantes pour compenser la perte de revenus résultant de la fermeture des magasins.

26. À partir de mai 2020, Laura a progressivement commencé à rouvrir certains de ses magasins, comme le permettaient les décrets gouvernementaux, la grande majorité des réouvertures n'ayant lieu qu'à la mi-juin.
27. Néanmoins, la Pandémie a provoqué une forte baisse des ventes, y compris pour la période suivant la réouverture de ses magasins. De mars à mi-juillet 2020, les ventes ont diminué de 70% par rapport à l'année précédente.
28. Vers la fin juillet 2020, Laura subissait d'importantes pertes d'exploitation, à tel point que la Compagnie s'attendait à manquer de liquidités, ce qui a mené la Compagnie à se placer sous la protection de la LACC.

## **E. LES EFFORTS DE RESTRUCTURATION DE LA COMPAGNIE**

29. En fait, entre les premiers jours de la Pandémie en mars 2020, et le commencement des Procédures sous la LACC en fin juillet 2020, la Compagnie, dans un effort de minimiser ses pertes, a :
  - a) Licencié temporairement tous ses employés des magasins et près de la moitié de ses employés du siège social. La plupart de ses employés ont été réembauchés lorsque les magasins ont pu progressivement rouvrir;
  - b) Renégocié certains accords avec des créanciers commerciaux afin de s'assurer que la Compagnie ne subira pas d'interruptions dans sa chaîne d'approvisionnement, ce qui aurait été très préjudiciable pour ses opérations en cours, et parallèlement, obtenu des concessions avec des conditions de paiements prolongés et l'annulation de comptes payables et de commandes de marchandises qui auraient été plus difficiles à vendre dans l'ère post-pandémique;
  - c) Arrêté le paiement des loyers pour les mois d'avril à juillet 2020, et repris les paiements après le commencement des Procédures sous la LACC;
  - d) Continué à exploiter ses activités dans le cours normal des affaires tout en mettant en œuvre diverses mesures pour réduire les coûts et améliorer les ventes;
  - e) Recherché et obtenu du financement additionnel en vertu du Programme de crédit aux entreprises sous la forme d'un prêt de 6,25 millions de dollars;
30. Le 27 juillet 2020, la Compagnie a déposé une demande initiale en vertu de la LACC, laquelle fut rendue par la Cour le 31 juillet 2020.

31. Depuis le commencement des Procédures sous la LACC, la Compagnie a mis en œuvre de nombreuses initiatives pour réduire ses dépenses et restructurer ses activités, notamment :

- a) Les actionnaires de la Compagnie ont fait une première injection de capital de 750 000 \$;
- b) La Compagnie a mené des discussions et des négociations intensives avec les locateurs de ses magasins relativement à ses baux, dans le but de convenir de nouvelles conditions de bail viables qui permettraient à Laura de poursuivre ses activités dans l'environnement difficile actuel;
- c) La Compagnie a émis deux (2) avis de résiliation relativement à ses baux (dont l'un a été retiré par la suite);
- d) La Compagnie a réduit ses dépenses salariales et, à la date du présent rapport, compte environ 375 (-19 %) employés de moins qu'avant la Pandémie;
- e) La Compagnie a négocié, prolongé et amendé à plusieurs reprises son accord de tolérance (l'« **Entente de tolérance** ») avec son prêteur d'opérations BMO et, en même temps, négocié et obtenu un prêt PCE de 2,75 millions de dollars afin de disposer de liquidités suffisantes pour continuer à exercer ses activités. De plus, afin de respecter ses obligations en vertu de l'Entente de tolérance, les actionnaires de la Compagnie ont fourni à BMO des garanties supplémentaires et fait une injection de capital additionnelle de 1 million de dollars;
- f) La Compagnie a obtenu des fonds du Programme de subventions salariales d'urgence du Canada (SSUC) et du Programme de subventions d'urgence du Canada pour le loyer (SUCL);
- g) Au cours du deuxième ordre de fermeture au Manitoba, en Ontario, au Québec, à Terre-Neuve et en Nouvelle-Écosse entre novembre 2020 et juin 2021, la Compagnie a renégocié les conditions de ses baux en ce qui concerne les magasins qui avaient été fermés dans ces provinces à la suite des ordres des autorités gouvernementales.

## **F. PROJECTIONS DES FLUX DE TRÉSORERIE**

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32. Nous référons le lecteur aux sept rapports précédents du Contrôleur pour les détails relatifs aux recettes et aux débours réels depuis l'Ordonnance initiale du premier jour, incluant le septième Rapport du Contrôleur pour les détails relatifs aux prévisions de flux de trésorerie pour la période du 9 mai au 7 août 2021 (les « **Projections des flux de trésorerie** »), lequel discute du caractère raisonnable des Projections des flux de trésorerie.

33. Au 12 juin 2021, l'endettement bancaire net de clôture de la Compagnie était d'environ 9 300 000 \$, ce qui représente un écart favorable de 8 400 000 \$ par rapport aux Projections des flux de trésorerie. Cependant, la majorité de cette variance favorable s'explique par le calendrier des paiements et sera renversée dans les périodes subséquentes.

34. Le Contrôleur comprend que depuis l'Ordonnance initiale du premier jour, Laura a payé et continue de payer dans le cours normal des affaires pour les biens et services reçus après la date de l'Ordonnance initiale du premier jour, y compris les salaires, les remises gouvernementales et les nouveaux achats, à l'exception de certains loyers fixes et/ou de loyers à pourcentage sujets à certaines garanties de niveau des revenus en rapport avec la période de janvier à juin 2021. Le Contrôleur comprend que des arrangements acceptables ont été convenus avec la plupart des locataires à l'égard des périodes susmentionnées.

## **G. MISE À JOUR DE LA PROCÉDURE DE RÉCLAMATIONS**

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### Réclamations

35. La section suivante fournit un résumé de la procédure de réclamations mené par le Contrôleur comme l'exige l'Ordonnance relative à la procédure de réclamations. La Date limite pour présenter une réclamation était le 5 octobre 2020 pour toutes réclamations autres que des Réclamations pour Baux Renégociés (*Renegotiated Lease Claims*, tels que définis dans le Plan) et les Réclamations pour Baux Résiliés (*Disclaimed Lease Claims*, tels que définis dans le Plan). Tous les termes qui ne sont pas autrement définis dans cette section ont la définition qui leur est attribuée dans l'Ordonnance relative à la procédure de réclamation.

36. Conformément au paragraphe 3 de l'Ordonnance relative à la procédure de réclamation, le Contrôleur :

- a) Le 4 septembre 2020, a publié l'avis dans les journaux (l'« **Avis dans les journaux** ») (*Newspaper Notice*, tel que défini dans l'Ordonnance relative à la procédure de réclamation) dans les journaux La Presse (en français) et The Globe and Mail (en anglais);
- b) Avant le 4 septembre 2020, a publié sur les sites web du Contrôleur [home.kpmg/ca/laura](http://home.kpmg/ca/laura) et [home.kpmg/ca/laura-fr](http://home.kpmg/ca/laura-fr) (le « **Site Web** ») :
  - i. Liste des créanciers;
  - ii. Les instructions aux créanciers pour déposer une preuve de réclamation et le formulaire de preuve de réclamation;
  - iii. L'Ordonnance relative à la procédure de réclamation;
- c) A envoyé une copie des instructions aux créanciers et des formulaires de preuve de réclamation (avec des modifications mineures) à chaque créancier connu.

37. Le Contrôleur et ses avocats, en consultation avec la Compagnie et ses conseillers juridiques, ont continué à examiner les preuves de réclamation ou les preuves de réclamation amendées reçues, en particulier pour les Réclamations pour Baux Renégociés et les avis de révision ou de rejet ont été envoyés par le Contrôleur, principalement pour des erreurs dans le calcul des montants réclamés pour les Réclamations pour Baux Renégociés. Dans la plupart des cas, les avis de révision ou de rejet avaient été discutés et convenus avec les créanciers avant d'être envoyés.

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

Rapport du Contrôleur sur l'état des affaires du débiteur et le plan de compromis et d'arrangement

38. Le tableau suivant illustre le résumé des réclamations reçues et acceptées par le Contrôleur en date du 15 juin 2021.

Laura Shoppe (P.V.) Inc. Sommaire des réclamations reçues Au 15 juin 2021	Total reçues		Acceptées par le Contrôleur	
	Nombre de réclamations	Réclamations (CAD\$) (000's)	Nombre de réclamations	Réclamations (CAD\$) (000's)
Réclamations non garanties reçues avant la Date limite pour présenter une réclamation	333	25 368	322	23 420
Réclamations non garanties reçues après la Date limite pour présenter une réclamation	156	1 279	156	1 281
Réclamations 6(5)	285	95	285	95
Réclamations de restructuration :				
Réclamations de baux renégociés	79	24 591	78	20 471
Réclamations de baux désavoué	2	3 547	2	661
<b>Total</b>	<b>855</b>	<b>54 879</b>	<b>843</b>	<b>45 927</b>

39. Au 15 juin 2021, le Contrôleur a reçu et examiné :

- 855 réclamations pour un montant total de 54,88 millions de dollars et a accepté 843 réclamations pour un montant total de 45,92 millions de dollars;
- Des 855 réclamations reçues, 156 réclamations, avec une valeur totale de 1,28 million de dollars, avaient été déposées après la Date limite pour présenter une réclamation et elles ont toutes été acceptées par le Contrôleur, conformément à des ordonnances de la Cour. Il est à noter que la grande majorité d'entre elles ont été soumises par d'anciens employés qui ont été licenciés ou ont démissionné juste avant ou après la Date limite pour présenter une réclamation;
- Des 855 réclamations reçues, 285 réclamations, avec une valeur totale de 95 000 \$, ont été déposées en vertu de l'article 6(5) de la LACC. Il est à noter que ces réclamations ne sont pas affectées par le Plan.

40. Le tableau suivant illustre le résumé des réclamations acceptées par le Contrôleur et les réclamations estimées en suspens que le Contrôleur s'attend potentiellement à recevoir des anciens employés et des locataires pour les Réclamations pour Baux Renégociés qui n'ont pas encore déposé leurs réclamations en date du 15 juin 2021.

Laura Shoppe (P.V.) Inc. Sommaire des réclamations acceptées reçues et en suspens Au 15 juin 2021	Nombre de réclamations	Réclamations (CAD\$) (000's)
Total des réclamations acceptées par le Contrôleur au 15 juin 2021	843	45 927
Total des réclamations de restructuration estimées à recevoir avant l'Assemblée des Créanciers :		
Réclamations de baux renégociés	38	7 825
Réclamations des employés	31	53
<b>Sous-total</b>	<b>912</b>	<b>53 805</b>
Total des réclamations 6(5) non affectées par le plan	(316)	(112)
<b>Total</b>	<b>596</b>	<b>53 693</b>

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.***Rapport du Contrôleur sur l'état des affaires du débiteur et le plan de compromis et d'arrangement*

41. Tel qu'il appert ci-haut, le Contrôleur a estimé qu'en date du 15 juin 2021, approximativement 69 réclamations additionnelles, pour un montant total approximatif de 7,9 millions de dollars, pourraient potentiellement être déposées par d'anciens employés et par des locateurs pour des Réclamations pour Baux Renégociés. **Par conséquent, il est important de noter que le quantum des réclamations totalisant 53,69 millions de dollars ne constitue qu'une estimation, qui peut varier selon que les créanciers choisissent effectivement de déposer ou non leurs réclamations auprès du Contrôleur conformément à l'Ordonnance relative à la procédure de réclamation.**
42. Le tableau suivant illustre le résumé des avis de révision ou de rejet émis par le Contrôleur en date du 15 juin 2021.

<b>Laura Shoppe (P.V.) Inc.</b>			
<b>Sommaire des Avis de Révision ou de Rejet</b>			
<b>Au 15 juin 2021</b>			
	<b>Nombre d'Avis de Révision ou de Rejet</b>	<b>Montant par réclamation reçues (CAD\$) (000's)</b>	<b>Montant accepté par le Contrôleur (CAD\$) (000's)</b>
Les réclamations pour lesquelles le Contrôleur a émis un Avis partiel de Révision ou de Rejet	24	18 792	12 351
Les réclamations pour lesquelles le Contrôleur a émis un Avis de Révision ou de Rejet complet	13	2 761	-
<b>Total</b>	<b>37</b>	<b>21 553</b>	<b>12 351</b>

43. Au 15 juin 2021, le Contrôleur a émis 37 avis de révision ou de rejet. Dans tous ces cas, la période de 15 jours pour contester la décision du Contrôleur a été écoulee et aucun avis d'appel de tels avis de révision ou de rejet n'a été déposé.



## LPPS

44. Afin de restructurer ses activités, la Compagnie a dû congédier une partie de ses employés dont les services n'étaient plus requis, principalement en raison de la baisse des ventes causée par la Pandémie. Étant donné que les employés licenciés n'étaient pas admissibles à recevoir des paiements en vertu de la LPPS pour la seule raison que la Compagnie n'était pas soumise à des procédures de faillite ou de mise sous séquestre, le Contrôleur a estimé qu'il était juste et équitable de nommer le Contrôleur pour agir en tant que séquestre en vertu de l'article 243 de la LFI, sans garantie, sur un certain bassin limité de fonds de la Compagnie afin que ces employés licenciés aient accès à ces paiements. En conséquence, le 23 septembre 2020, le Contrôleur a déposé une requête pour une ordonnance de séquestre, qui a été accordée par la Cour le 25 septembre 2020.
45. Au 17 juin 2021, la LPPS a émis des paiements à 213 anciens employés qui ont été licenciés ou qui ont démissionné pendant la période de restructuration, ce qui a permis de récupérer 508 000 \$ pour ces employés. Ces recouvrements doivent être pris en compte lors de l'évaluation du processus de la LACC et de l'équité du Plan à l'égard des employés.

## **H. APERÇU DU PLAN**

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### Aperçu du Plan

46. Le 26 mars 2021, la Compagnie a déposé le Plan, ainsi qu'une *Demande d'ordonnance autorisant le dépôt d'un plan de compromis et d'arrangement, la convocation d'une assemblée des créanciers et la prolongation de la suspension des procédures (Application for an Order Authorizing the Filing of a Plan of Compromise and Arrangement, the Calling of a Creditors' Meeting and Extending the Stay of Proceedings)*, laquelle demande a été accordée par la Cour le 1<sup>er</sup> avril 2021.
47. Nous avons résumé ci-dessous les aspects importants du Plan. Tous les termes qui ne sont pas autrement définis dans la présente section ont la définition qui leur est attribuée dans le Plan.

### Date de mise en œuvre du Plan

48. Le Plan prévoit qu'il sera mis en œuvre sous réserve de la survenance et/ou de l'accomplissement, au plus tard le 31 mai 2021, ou à une date ultérieure à convenir entre la Compagnie et le Contrôleur, des conditions du Plan, lesquelles conditions comprennent notamment :
- a) un vote favorable de la majorité requise des Créanciers Affectés acceptant le Plan ;
  - b) la délivrance d'une ordonnance définitive de la Cour homologuant le Plan (l'« **Ordonnance d'homologation** »).

### Créanciers Affectés

49. Il n'y aura qu'une seule catégorie de Créanciers Affectés aux fins du vote et de recevoir des distributions en vertu du présent Plan, soit la classe des Créanciers Affectés (*Affected Creditors Class*).

50. Les Créanciers Affectés comprennent tous les créanciers détenant une créance contre la Compagnie, à l'exception des créances suivantes qui ne seront pas affectées par le Plan :

- a) Réclamations courantes subséquentes au dépôt (*Ordinary Course Post-Filing Claims*);
- b) Réclamations administratives (*Administration Claims*);
- c) Réclamations de carte cadeau (*Gift Card Claims*);
- d) Réclamations de BMO (*BMO Claims*);
- e) Réclamations de la Couronne (*Crown Priority Claims*);
- f) Réclamations en vertu de l'article 6(5) (*Section 6(5) Claims*);
- g) Réclamations en vertu de l'article 19(2) (*Section 19(2) Claims*);
- h) Réclamations garanties (*Secured Claims*);
- i) Réclamations du Groupe Fisher (*Fisher Group Claims*);
- j) Réclamations des fournisseurs clés (*Key Supplier Claims*).

51. Il convient de noter que le Contrôleur n'a pas obtenu un examen indépendant concernant les réclamations et/ou les sûretés de BMO (25 millions de dollars), 3482731 Canada inc. (5 millions de dollars) ou de tout autre membre du Groupe Fisher (*Fisher Group*) qui sont des parties liées à la Compagnie. Étant donné que ces créanciers sont des créanciers non affectés par le Plan, ils ne recevront aucune part du Montant de la Distribution (*Distribution Amount*).

### Distribution

52. La Compagnie doit remettre au Contrôleur, au plus tard le 31 août 2021, le montant total de 750 000 \$ (le « **Montant de Distribution** ») et le Contrôleur doit par la suite distribuer le Montant de Distribution au prorata aux Créanciers Affectés en fonction de leurs Réclamations prouvées (*Proven Claims*) respectives.

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

Rapport du Contrôleur sur l'état des affaires du débiteur et le plan de compromis et d'arrangement

53. Le tableau suivant illustre le recouvrement estimé en vertu du Plan qui peut être réalisé par les Créanciers Affectés en fonction de l'information disponible et la meilleure estimation du Contrôleur des réclamations admissibles à la date du présent Rapport:

<b>Laura's Shoppe (P.V.) inc.</b>	
<b>Distribution estimée</b>	
<b>(CAD\$ 000's)</b>	
Estimation des réclamations affectées ( <b>Note 1</b> )	53 693
Distribution totale	750
<b>Distribution estimée %</b>	<b>1,40%</b>

Note 1 : Représente la meilleure estimation du contrôleur des réclamations affectées à la date du présent Rapport.

54. Comme le montre le tableau ci-dessus, le recouvrement estimé dans le cadre du Plan devrait représenter **en moyenne 1,40 %** du montant total de chaque Réclamation prouvée.

55. **Il est important de noter que la réalisation estimée pour les Créanciers Affectés est basée sur la meilleure estimation du Contrôleur des Réclamations prouvées, faisant en sorte que la distribution finale en vertu du Plan peut varier en fonction de la valeur globale finale des Réclamations prouvées.**

Quittance et libération

56. Au moment de l'homologation du Plan, les intervenants suivants seront quittancés et libérés :

- a) le Contrôleur et ses conseillers juridiques relativement aux Procédures sous la LACC;
- b) les conseillers juridiques et financiers, les consultants et les représentants de la Compagnie (et leurs administrateurs, dirigeants et employés respectifs).

57. Au moment où le Montant de Distribution sera pleinement remis au Contrôleur, le Contrôleur devra émettre et déposer auprès de la Cour un certificat à cet effet (le « **Certificat d'exécution** »), et dès l'émission de celui-ci, chacun des intervenants suivants devra être quittancé et libéré :

- a) la Compagnie;
- b) les Administrateurs (*Directors*) et tout dirigeant et employé, présent et futur, de la Compagnie.

58. Toutes les Réclamations (*Claims*) des Créanciers Affectés devront être transférées au Montant de Distribution et seront quittancées et libérées en totalité lors de la distribution de celui-ci à chaque Créancier Affecté, sur une base proportionnelle.

## I. ESTIMATION DE LA RÉALISATION NETTE DANS UN SCÉNARIO DE LIQUIDATION FORCÉE

59. Afin de permettre aux Créanciers Affectés et à la Cour d'évaluer le caractère raisonnable du Plan, le Contrôleur a préparé une analyse, basée sur l'information fournie, estimant la valeur de réalisation nette des actifs de la Compagnie dans un scénario de liquidation forcée. Le tableau suivant illustre le recouvrement estimé pour les créanciers non garantis dans le cadre d'une liquidation forcée :

<b>Laura's Shoppe (P.V.) inc.</b>			
<b>Valeur estimé de Réalisation en scénario de liquidation forcée</b>			
<b>Valeur reportée en date du 31 mai 2021</b>			
<b>(CAD\$ 000's)</b>			
<b>Valeur de réalisation nette projetée</b>	<b>Valeur au bilan</b>	<b>Valeur de réalisation estimée</b>	
<b>Réalisation brute</b>			
Stocks (net de provision)	40 914	29 046	71,0% [1]
Autres actifs court terme	1 772	643	36,3% [2]
Actifs à long terme	37 020	998	2,7% [3]
<b>Valeur totale de réalisation brute projetée</b>	<b>79 706</b>	<b>30 687</b>	<b>38,5%</b>
Honoraire du Syndic - Administration de la liquidation		(1 000)	[4]
<b>Valeur totale de réalisation nette projetée</b>		<b>29 687</b>	
<b>Estimation des fonds disponibles pour les créanciers non garantis</b>			
Réclamations prioritaires (salaires et vacances)		(1 757)	[5]
Créanciers garantis		(30 612)	[6]
<b>Estimation des fonds disponibles pour les créanciers non garantis</b>		<b>(2 682)</b>	
<b>Estimation du recouvrement pour les créanciers non garantis</b>			
Estimation des créances non garanties dans une faillite		90 899	[7]
<b>Estimation du recouvrement des créanciers non garantis (%)</b>		<b>0,00%</b>	

## MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.

### Rapport du Contrôleur sur l'état des affaires du débiteur et le plan de compromis et d'arrangement

- [1] Les stocks sont composées de produits finis en entrepôt (38,456 M\$), de tissus en entrepôt (1,557 M\$) et de produits finis en transit (901 k\$). Les valeur de liquidations est établie en fonction des multiplicateurs de valeur de réalisation nette en liquidation ordonnée inclus au rapport produit par Gordon Brothers en date du 11 juin 2021. Une réduction additionnelle de 20% est incluse dans le calcul ci-haut sur la base des expériences en contexte de réalisation où la réalisation finale dans une liquidation forcée est généralement inférieure au NOLV.
- [2] Les autres actifs court terme sont composés de frais payés d'avances (997 k\$), d'encaisse (394 k\$), de comptes à recevoir (78 k\$) et fournitures de travail (303 k\$). La valeur de réalisation est établie en fonction de la nature des actifs à court terme et de l'expérience en contexte de réalisation similaire.
- [3] Les actifs long terme sont majoritairement composés d'améliorations locatives (26 065 M\$), de fournitures et étagères (5,704 M\$) et logiciels informatiques (3,841 M\$). La valeur de réalisation est établie en fonction de la nature des actifs à long terme et de l'expérience en contexte de réalisation similaire.
- [4] Frais d'administration du syndic estimés en fonction du délais prévu de 17.4 semaines pour mettre à terme la liquidation ordonnée tel que présenté au rapport d'évaluation d'inventaire produit par Gordon Brothers en date du 14 décembre 2020.
- [5] Les réclamations prioritaires sont composées d'une semaine de salaires impayés ainsi que de vacances impayés jusqu'à concurrence de 2 000 \$ par employés pour l'ensemble des employés actifs et ceux ayant une réclamation dans le plan.
- [6] Les réclamations des créanciers garantis en vertu des hypothèques au RDPRM sont composées de la dette envers la BMO (25,342 M\$), d'une réclamation du Groupe Fisher (5,000 M\$) et d'une réclamation en vertu d'un crédit-bail (270 k\$).
- [7] Les réclamations des créanciers non garanties sont majoritairement composées de réclamations de fournisseurs reçues (7,203 M\$), de réclamations d'employés (8,025M\$), de réclamations non-garantis du Groupe Fisher (19,507 M\$), d'arrérages de loyer des locataires (16,613 M\$) ainsi que des baux renégociés (37,238 M\$). Les réclamations d'employés sont établies en fonction de salaires et vacances impayés non-prioritaires ainsi que de préavis de fin d'emploi selon les règles dans chacune des provinces. Les réclamations des locataires pour les baux renégociés sont établies en fonction des réclamations reçues et d'une estimation additionnelle pour les réclamations qui serait reçues pour l'ensemble des autres baux et ce, pour une période maximale de 18 mois.

60. Comme le montre le tableau ci-dessus, le recouvrement estimé pour les créanciers non garantis dans le contexte d'une liquidation forcée **est estimé être nul**, car la valeur de liquidation des actifs de la Compagnie ne devrait pas être suffisante pour couvrir entièrement les créances garanties de la Compagnie (comme mentionné précédemment, le Contrôleur n'a pas obtenu un examen indépendant des garanties en ce qui concerne ces créances garanties).
61. **Il est important de noter que la valeur de réalisation nette estimée des actifs de la Compagnie dans un scénario de liquidation, la valeur totale des réclamations contre la Compagnie et le potentiel de recouvrement pour les créanciers non garantis sont basés sur la meilleure estimation actuelle du Contrôleur. Pour son analyse, le Contrôleur a utilisé diverses hypothèses qui peuvent varier et pourraient avoir un impact négatif sur le recouvrement estimé pour les créanciers non garantis.**

## **J. LES OBSERVATIONS DU CONTRÔLEUR SUR LE PLAN**

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62. Le Contrôleur a examiné les prévisions les plus récentes de la Compagnie et est d'avis que le Plan et le Montant de Distribution proposé dans le cadre du Plan sont raisonnables dans les circonstances, particulièrement dans le contexte de perturbations sans précédent associées à la Pandémie, y compris les nouvelles incertitudes dues aux variants du virus qui auraient un impact négatif supplémentaire sur les résultats de la Compagnie.
63. Sur la base de la valeur de réalisation nette estimée des actifs de la Compagnie, le recouvrement attendu par les Créanciers Affectés dans le cadre du Plan est plus avantageux que dans un scénario de liquidation forcée.

## **MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

*Rapport du Contrôleur sur l'état des affaires du débiteur et le plan de compromis et d'arrangement*

64. En addition, le Contrôleur note ce qui suit relativement au Plan :

- a) Le Montant de Distribution tient compte des défis auxquels la Compagnie continue de faire face en raison de la Pandémie et a été établi en consultation avec son prêteur d'exploitation, BMO, qui a accepté, dans l'Entente de tolérance, de permettre à la Compagnie de proposer à ses créanciers un montant maximal de 750 000 \$;
- b) Le Plan offre à Laura et à ses nombreuses parties prenantes, notamment les employés, les fournisseurs, les clients et les locateurs, la possibilité de continuer à travailler et à faire des affaires avec la Compagnie et de générer des revenus.

65. En outre, le Contrôleur note aussi que dans le contexte d'une liquidation forcée, il pourrait y avoir de nombreux facteurs de risque affectant négativement la valeur de réalisation des actifs de la Compagnie, notamment :

- a) Le risque que les locateurs n'autorisent pas une liquidation dans les locaux du magasin existant, ou que les locaux du magasin soient fermés en totalité ou en partie pendant des semaines, voire des mois, en raison d'ordres de fermeture gouvernementaux liés à la Pandémie;
- b) Les stigmates d'une liquidation qui aurait un impact négatif sur le prix de stocks;
- c) L'incapacité d'un séquestre ou d'un syndic à effectuer des achats de stocks pour améliorer l'assortiment disponible dans les magasins;
- d) La perte du personnel des magasins;
- e) Les frais professionnels supplémentaires encourus en raison d'une liquidation.

66. En conséquence, et sur la base de ce qui précède, le Contrôleur est d'avis que les termes et conditions du Plan sont raisonnables dans les circonstances.

## **K. L'ASSEMBLÉE DES CRÉANCIERS**

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67. Ci-dessous se trouve un résumé de l'Ordonnance relative à l'assemblée des créanciers, telle qu'amendée le 21 mai 2021 :

- a) L'Assemblée des créanciers sera tenue le 7 juillet 2021 par vidéoconférence;
- b) Le Contrôleur (ou son représentant) présidera l'Assemblée des créanciers;
- c) Tout Créancier qui souhaite nommer un Mandataire (*Proxy*) doit le faire avant l'Assemblée des créanciers;
- d) Tout Créancier Affecté qui souhaite assister à l'Assemblée des créanciers doit remplir un formulaire d'inscription;
- e) Le Contrôleur a publié sur son Site Web le Matériel de l'assemblée (*Meeting Materials*);

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

*Rapport du Contrôleur sur l'état des affaires du débiteur et le plan de compromis et d'arrangement*

- f) Le Contrôleur va publier l'Avis aux créanciers (*Notice to Creditors*) dans le journal de langue française *La Presse* et dans un journal de langue anglaise le *Globe and Mail* le ou vers le 29 juin 2021.
68. Dans l'éventualité d'un vote favorable au Plan par les Créanciers Affectés, la Compagnie a l'intention de déposer une requête pour l'émission d'une Ordonnance d'homologation.
69. Le Contrôleur rapportera les résultats de l'Assemblée des créanciers à la Cour au moment de l'audience pour l'émission d'une Ordonnance d'homologation, laquelle sera tenue le **14 juillet 2021** à **9h30** par vidéoconférence.

## **L. LES RECOMMANDATIONS DU CONTRÔLEUR**


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70. Devant les circonstances discutées ci-haut, incluant l'analyse du Contrôleur quant à la valeur de réalisation nette projetée, le Contrôleur est d'avis que les modalités du Plan sont justes et raisonnables, surtout dû au fait que le Plan devrait fournir un certain niveau de recouvrement pour les Créanciers Affectés, alors qu'aucun recouvrement n'est prévu dans le contexte d'une liquidation forcée. En outre, la mise en œuvre du Plan avec succès permettrait la continuation des opérations de la Compagnie, laquelle, à son tour, permettrait de maintenir une source de revenus pour les fournisseurs, les locateurs, les employés et les prêteurs de la Compagnie.
71. Conséquemment, pour les raisons énoncées dans ce Rapport, le Contrôleur recommande l'approbation du Plan.

Ce 21<sup>e</sup> jour de juin 2021.

**KPMG INC.**

En sa capacité de Contrôleur de  
Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc.

  
Par: Dev A. Coossa, CIRP, LIT  
Associé



Maxime Codere, CPA, CA, CIRP, LIT  
Associé

**APPENDIX B – ACTUAL CASH FLOW VS SIXTH CASH FLOW  
FORECAST (UNDER SEAL)**

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## **APPENDIX C – MINUTES OF THE CREDITORS' MEETING**

C A N A D A

**SUPERIOR COURT**  
(Commercial Division)

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N° : 500-11-058602-208

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

**MAGASIN LAURA (P.V.) INC. /  
LAURA'S SHOPPE (P.V.) INC.**

*Applicant*

- and-

**KPMG INC.**

*Monitor*

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## **MINUTES OF THE CREDITORS' MEETING**

*Held on July 7, 2021 at 2:00 p.m.*

*By Videoconference*

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JULY 7, 2021

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**APPENDICES**

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- Appendix A – List of attendance at Laura’s Shoppe (P.V.) Inc. meeting of creditors
- Appendix B – Detailed Results of the Votes

## **A. ATTENDANCE**

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1. The list of attendance at Laura's Shoppe (P.V.) Inc. ("**Laura**" or the "**Company**") meeting of creditors (the "**Meeting**") is attached hereto as Appendix **A**.

## **B. QUORUM AND CALL TO ORDER**

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2. Dev A. Coossa, Partner at KPMG Inc., the Court-appointed Monitor (the "**Monitor**"), acted as Chairman (the "**Chairman**") of the Meeting and called the Meeting to order.
3. The Chairman is joined by:
  - a) Mr Maxime Codere, Partner at KPMG Inc.;
  - b) Mr. Imran Fazal of KPMG inc.;
  - c) Mr. Guy Martel, Partner at Stileman Elliott LLP, legal counsel of the Monitor;
  - d) Mr. Danny Duy Vu, Partner at Stikeman Elliott LLP, legal counsel of the Monitor;
  - e) Mr. Mark Meland, Partner at Fishman Flanz Meland Paquin LLP, legal counsel and representative of Laura; and
  - f) Mrs. Tina Silverstein, Partner at Fishman Flanz Meland Paquin LLP, legal counsel and representative of Laura.
4. Mr. Imran Fazal is appointed Secretary and Scrutineer for the Meeting.
5. The quorum required at this Meeting is one Creditor with a Voting Claim being present at this meeting in person or by proxy. The Chairman confirms having been advised by the Scrutineer that the quorum has been met and the Meeting to be validly constituted at 2.00 p.m.

## **C. INTRODUCTION**

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6. The Plan of compromise and arrangement that is considered at the Meeting was filed on March 26, 2021 and amended on July 6, 2021, which incorporates minor changes and clarifications by the Debtor in the definition of "Employee Claim" in section 1, in section 2.4 and section 9.7 of said plan (collectively the "**Plan**"). All capitalized terms not otherwise defined herein shall have the definition ascribed to them in the Plan.

## **D. NOTICE OF MEETING**

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7. Orders have been issued by the Honourable Justice Paquette and Honourable Justice Corriveau of the Quebec Superior Court, (Commercial division) on April 1<sup>st</sup>, 2021 and on May 21, 2021, providing for, *inter alia*, the procedure to be followed with respect to the Meeting (collectively the "**Meeting Orders**").

8. The Chairman confirms that, in accordance with the Meeting Orders, on June 22, 2021, the Monitor sent a the Notice of Creditors' Meeting / the Plan / a Proxy and Voting form / the Resolution / the Report of the Monitor on Laura's affairs and the Plan / the Registration form and the Meeting Orders (collectively the "**Meeting Materials**") to all Affected Creditors, by regular mail to the address mentioned in their proof of claim filed with the Monitor and by e-mail to the Service List.
9. In addition, in accordance with the Meeting Orders, the Chairman confirms that the Monitor posted electronic copies of the Meeting Materials on the Monitor's websites and confirms that the Monitor published the Notice of Meeting in The Globe and Mail and La Presse on June 28, 2021.

## **E. CCAA PROCEEDINGS, MONITOR'S REPORT AND PERIOD OF QUESTIONS**

### CCAA Proceedings and Monitor's Reports

10. The Chairman refers to the pre-filing report of the Monitor dated July 27, 2020, the subsequent Monitor's reports filed in the CCAA Proceedings, and other documentation filed in the CCAA Proceedings for details on the background of Laura' business and the events leading to the commencement of the CCAA Proceedings, as well as the actions of Laura throughout the CCAA Proceedings.
11. The Chairman reminds that on June 21, 2021, the Monitor filed a report which was part of the Meeting Materials providing its views on the Plan. In particular, this Monitor's report indicates that based on the analysis described in the Monitor's report, that the amount offered to the Affected Creditors by Laura in the Plan (\$750,000) is higher than the amounts which such Affected Creditors could expect to receive in the context of a bankruptcy liquidation.
12. The Chairman informs that based on the proof of claims received to date, the current estimated dividend which Affected Creditors are expected to receive under the Plan represents approximately 1,6% of their Affected Claims and that in a bankruptcy liquidation, such dividend is expected to be nil given the estimated value of Laura's assets relative to the value of its secured debts.
13. The Chairman reiterates the Monitor's recommendation that all Affected Creditors vote in favour of the Plan and that the Plan be accepted.

### Period of question

14. A period of questions followed, and one question was asked and addressed by the Monitor.

## F. VOTING

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15. The Chairman informs that the Plan and the *Companies' Creditors Arrangement Act* require that the resolution to approve the Plan be approved by a majority in number of Affected Creditors representing at least two thirds in value of the Voting Claims of Affected Creditors who are entitled to vote at this meeting in accordance with the Meeting Orders and who are present and voting in person or by proxy on the resolution to approve the Plan at this meeting.

16. The Chairman read out the proposed resolution, which is the following:

### **BE IT RESOLVED THAT:**

1. *the Plan of Compromise and Arrangement dated March 26, 2021 (as amended on July 6, 2021), filed by the Applicant under the Companies' Creditors Arrangement Act, RSC 1985, c C-36, as may be further amended, restated or supplemented from time to time in accordance with its terms (the "Plan"), which Plan has been presented to this Meeting, be and is hereby accepted, approved and authorized;*
2. *any director or officer of the Applicant be and is hereby authorized, empowered and instructed, acting for, and in the name of and on behalf of the Applicant, to execute and deliver, or cause to be executed and delivered, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such directors or officers of such documents, agreements or instruments or the doing of any such act or thing.*
3. *notwithstanding that this Resolution has been passed and the Plan has been approved by the Affected Creditors and the Court, the directors of the Applicant be and are hereby authorized and empowered to amend the Plan or not proceed to implement the Plan subject to and in accordance with the terms thereof.*

17. The Chairman presents the voting results as of before the Meeting.

18. The Chairman asks the Affected Creditors present whether they have duly registered their vote and whether they would like to submit their vote during the Meeting. One Creditor submitted a vote in favour of the Plan (which vote was rejected by the Monitor after the Meeting because the right of the creditor to vote was subrogated by Employment and Social Development Canada pursuant to the terms of *Wage Earner Protection Program Act*).

*A pause of 5 minutes is taken in order to receive and calculate votes*

19. The results of the vote are as follows (Detailed results of the votes attached hereto as Appendix B:

<b>Voting Results</b>				
<b>Vote</b>	<b>Number of</b>	<b>%</b>	<b>In Value (\$)</b>	<b>%</b>
In favour	61	98,387%	29 886 813	99,998%
Against	1	1,613%	608	0,002%
<b>Total</b>	<b>62</b>	<b>100,000%</b>	<b>29 887 420</b>	<b>100,000%</b>

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

*Minutes of the Creditors' Meeting*

20. The Chairman informs that the votes in favour exceed significantly the requisite majorities required by the CCAA and confirms that **BE IT RESOLVED THAT** the Plan of Laura presented to the Affected Creditors at the Meeting is hereby **authorized**.


**G. END OF THE MEETING**

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21. The Chairman confirms that there are no further items on the agenda and that the Meeting is adjourned at 2:25 p.m.

**KPMG INC.**

in its capacity as the Monitor of  
Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc.

  
Per: Dev A. Coossa, CIRP, LIT

Acting as Chairman of the Meeting of Creditors

**APPENDIX A – LIST OF ATTENDANCE AT LAURA'S SHOPPE  
(P.V.) INC. MEETING OF CREDITORS**

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Court No.: 500-11-058602-208  
Estate No.: 0000500-2020-QC

Date: July 7, 2021 at 14:00 p.m.

**Registre des présences à la première assemblée des créanciers / Attendance register at the First Meeting of Creditors**

Dans l'affaire du plan d'arrangement ou de compromis de / In the Matter of a Plan of Compromise or Arrangement of

**Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc.**

<b>Créanciers Visés / Affected Creditors</b>			
<b>Nom de l'individu Individual's Name</b>	<b>Nom de la compagnie Company's Name</b>	<b>Nom du créancier représenté Name of Creditor represented</b>	<b>Numéro de téléphone Telephone Number</b>
Colleen Margery Gallant		Employée	613-461-0014
Rozalina Raynova-Lilova		Employée	416-545-0059
Me Alexandre Forest	Gowling WLG	Cominar Cadillac Fairview Ivanhoe Cambridge Oxford Properties Smart Centre/Calloway REIT And other landlords	514-392-9424
Michael Lopes	Agence du Revenu du Canada	Agence du Revenu du Canada	438-341-5068
Mathieu Gravel	Projexia Inc.	Projexia Inc.	514-743-1717
Me Jessica Wuthmann	Camelino Galessiere LLP	Morguard and RioCan locations And other landlords	416-306-3836

<b>Autres participants / Other participants</b>			
<b>Nom de l'individu Individual's Name</b>	<b>Nom de la compagnie Company's Name</b>	<b>Nom du parti représenté Name of party represented</b>	<b>Numéro de téléphone Telephone Number</b>
Me Roger Simard	Dentons Canada LLP	Banque de Montréal	514-878-5834
Me Charlotte Dion	Dentons Canada LLP	Banque de Montréal	514-878-8816
Jean Gagné	Banque de Montréal	Banque de Montréal	514-877-8698
Me Mark Meland et Me Tina Sylverstein	Fishman Flanz Meland Paquin LLP	Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc.	514-932-4100
Me Guy Martel	Stikeman Elliot LLP	KPMG Inc. (Monitor)	514-397-3163
Me Danny Duy Vu	Stikeman Elliot LLP	KPMG Inc. (Monitor)	514-397-6495
Me Kim Sheppard	Department of Justice Canada	Department of Justice Canada	
Dev A. Coossa (Chair)	KPMG Inc. (Monitor)		514-840-2100
Maxime Codere	KPMG Inc. (Monitor)		514-840-2100
Imran Fazal	KPMG Inc. (Monitor)		514-840-2100

## **APPENDIX B – DETAILED RESULTS OF THE VOTES**

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## MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.

Résumé des votes / Voting Summary  
7 juillet 2021 @ 14 h / July 7, 2:00 p.m.

Nom du créancier / Creditor Name	Pour / In Favour	Contre / Against	Procuration / Proxy
*Bashoo, Hada	1	785,40	-
*Cekal, Alice	1	1 222,79	-
*Dizdarevic, Jasmina	1	2 575,11	-
*Julien, Dahlia			1 607,86
*Matlega, Bogumila	1	2 319,31	
*Metenier, Christophe	1	3 236,43	-
*Pilon, Julie	1	937,70	-
*Senyi, Rita	1	493,10	-
*Swigger, Susan	1	781,49	-
1451945 Ontario Limited	1	162 754,78	Me Jessica Wuthmann
3934390 Canada Inc	1	229 477,86	Me Jessica Wuthmann
585562 B.C. Ltd	1	530 038,08	Me Jessica Wuthmann
Bayshore Shopping Centre Limited and KS Bayshore Inc.	1	20 583,58	Me Forest et / ou Me Viau
Calloway REIT (Cambridge) Inc.	1	144 979,76	-
Calloway REIT (Weston-401) Inc.	1	117 998,95	-
Canapen (Halton) Limited and Ivanhoe Cambridge 2 Inc.	1	120 888,07	Me Forest et / ou Me Viau
Centre Commerciaux Gatineaux LP	1	22 422,56	Me Jessica Wuthmann
CF/Realty Holdings Inc.	1	3 165 983,00	Me Forest et / ou Me Viau
CF/Realty Holdings Inc. and FVM Property Inc.	1	1 617 428,06	Me Forest et / ou Me Viau
Crossiron Mills Holdings Inc	1	350 581,39	Me Forest et / ou Me Viau
Discount Cheques	1	1 034,78	
Durham Holdings Limited	1	683 304,68	Me Jessica Wuthmann
Fairview Pointe-Claire Leasehold Inc.	1	425 714,84	Me Forest et / ou Me Viau
First Place Tower Brookfield Properties Inc.	1	214 760,80	-
Fonds de Placement Immobilier Cominar	1	908 135,84	Me Forest et / ou Me Viau
HOOPP Realty Inc.	1	36 334,69	-
IC SPG POC at Edmonton LP	1	25 417,03	Me Forest et / ou Me Viau
Ivanhoé Cambridge II Inc.	1	613 443,57	Me Forest et / ou Me Viau
Ivanhoé Cambridge II Inc. and 7503024 Canada Inc.	1	261 450,65	Me Forest et / ou Me Viau
Ivanhoé Cambridge II Inc. and 7503067 Canada Inc.	1	23 095,34	Me Forest et / ou Me Viau
Ivanhoé PMT Inc.	1	20 542,66	Me Forest et / ou Me Viau
Ivanhoé Ste-Foy Inc	1	131 587,05	Me Forest et / ou Me Viau
Jonelle Larouche	1	2 622,15	-
Le Carrefour Laval (2013) Inc.	1	1 830 466,47	Me Forest et / ou Me Viau
Les Factoreries Saint-Sauveur (2003) Inc.	1	104 332,55	Me Jessica Wuthmann
IC Anjou Inc. and Les Propriétés Anjou Inc.	1	1 590 117,54	Me Forest et / ou Me Viau
LondonDerry Shopping Centre Inc.	1	43 731,81	-
Market Mall Leaseholds Inc.	1	322 825,73	Me Forest et / ou Me Viau
Mayfair Shopping Centre L.P.	1	326 137,41	Me Forest et / ou Me Viau
Midtown Plaza Inc.	1	410 837,82	-
Morguard Corp and Bramalea City Centre Equities Inc.	1	941 674,76	Me Jessica Wuthmann
Morguard Real Estate Investment Trust	1	1 654 755,28	Me Jessica Wuthmann
Ontrea Inc.	1	6 707 695,62	Me Forest et / ou Me Viau
OPB (EMTC) Inc.	1	106 350,63	-
OPB Realty Inc.	1	982 389,68	-
Orlando Corporation	1	253 645,66	-
Pensionfund Realty Limited	1	59 051,93	Me Jessica Wuthmann
Place Vertu Nominee Inc.	1	78 231,74	-
RCCOM LP	1	1 150 854,01	Me Forest et / ou Me Viau
Revenue Properties Company Limited / Morguard Real Estate Investment Trust	1	42 929,37	Me Jessica Wuthmann
RioCan Holdings (Ontario) Inc. & RioCan Meadows Shopping Centre Inc.	1	506 985,17	Me Jessica Wuthmann
RioCan Holdings Inc.	1	1 044 794,73	Me Jessica Wuthmann
RioKim Holdings (Langley Power Centre) Inc.	1	350 289,21	Me Jessica Wuthmann
RioCan Holdings (Oakville Place) Inc..	1	182 140,70	Me Jessica Wuthmann
RioKim Holdings (Ontario) Inc.	1	226 618,34	Me Jessica Wuthmann
RioTrin Properties (Brampton) Inc.	1	2 518,71	Me Jessica Wuthmann
RioTrin Properties (Steeles) Inc	1	48 579,88	Me Jessica Wuthmann
RioTrin Properties (Vaughan) Inc.	1	120 227,44	Me Jessica Wuthmann
RioTrin Properties Inc.	1	509 432,20	Me Jessica Wuthmann
Seasons Retail Corp and The Outlet Collection At Winnipeg Limited	1	33 570,83	Me Forest et / ou Me Viau

## MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.

Résumé des votes / Voting Summary  
7 juillet 2021 @ 14 h / July 7, 2:00 p.m.

Nom du créancier / Creditor Name	Pour / In Favour	Contre / Against	Procuration / Proxy
Surrey South Shopping Centres Limited	1	121 796,19	Me Jessica Wuthmann
The Cadillac Fairview Corporation Ltd	1	290 899,67	Me Forest et / ou Me Viau
<b>Total</b>	<b>61</b>	<b>29 886 812,58</b>	<b>1</b> <b>607,86</b>