

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No: 500-11-058602-208

DATE: April 1, 2021

PRESIDING: THE HONOURABLE MARIE-ANNE PAQUETTE, J.S.C.

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

**Order Authorizing the Filing of the Plan of Compromise and Arrangement, the
Calling of a Creditors' Meeting and Extending the Stay of Proceedings**

SEEING the Applicant's *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 "**Application**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), the exhibits thereto, the affidavit in support thereof, and the submissions of counsel;

SEEING that the Plan of Compromise and Arrangement of the Applicant, Magasin Laura (P.V.) Inc./Laura's Shoppe (P.V.) Inc. (the "**Company**"), dated March 26, 2021, Exhibit

P-1 to the Application, has been submitted to the Court as required by the CCAA (the “Plan”),

GIVEN the Initial Order rendered by this Court on July 31, 2020 (as amended and restated on August 10, 2020, the “**Initial Order**”);

GIVEN the provisions of the CCAA;

THE COURT:

[1] **GRANTS** the Application;

Service

[2] **DECLARES** that the notices given of presentation of the Application are adequate and sufficient;

Definitions

[3] **DECLARES** that, unless otherwise indicated, capitalized terms found herein shall have the same meaning ascribed thereto in the Plan;

Extension of the Stay

[4] **ORDERS** that the Stay Period, as defined in the Initial Order, is hereby extended until May 31, 2021;

Filing of the Plan

[5] **ORDERS** that the Plan is accepted for filing, and the Company is authorized to seek approval of the Plan from Affected Creditors in the manner set forth herein;

[6] **ORDERS** that the Company, in consultation with the Monitor, is authorized, at any time and from time to time, at or before the Creditors’ Meeting, and without the need to seek further approval from the Court, to make any amendment, restatement, modification, deletion or supplement to the Plan, in which case any such amendment, restatement, modification or supplement shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan;

[7] **ORDERS** the Company to file any amendment, restatement, modification, deletion or supplement to the Plan referenced to in the immediately preceding paragraph with the Court as soon as practicable;

- [8] **DECLARES** that the Company may give notice of a proposed amendment, restatement, modification, deletion or supplement to the Plan by having the Monitor posting same on the Monitor's website, and by providing same to the Affected Creditors (present in person or by proxy) at the Creditors' Meeting, prior to the vote being taken to approve the Plan;
- [9] **ORDERS** that after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Company is authorized, with the consent of the Monitor, at any time and from time to time, to vary, amend, restate, modify or supplement the Plan, without the need to provide notice to the Affected Creditors, seek any further vote or approval from the Affected Creditors, or seek any further order from the Court, if the Monitor determines that such variation, amendment, restatement, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order;

Notice of the Creditors' Meeting

- [10] **ORDERS** that the Monitor is authorized to call a meeting of all Affected Creditors (the "**Creditors' Meeting**") for the purpose of allowing them to consider and, if deemed appropriate, approve the Plan (as such Plan may be varied, amended, restated or supplemented in accordance with this Order), in accordance with paragraph [16] and following of this Order;
- [11] **ORDERS** that, subject to any further order that may be rendered by the Court, the Creditors' Meeting shall be held by videoconference or telephone conference by April 30, 2021, or such other date during the thirty (30) days immediately thereafter as may be determined by the Company, in consultation with the Monitor (the "**Meeting Date**");
- [12] **ORDERS** that as soon as reasonably practicable after the granting of this Order, and, in any event, at least fifteen (15) days before the Meeting Date, the Monitor shall publish on its website and send, by regular mail and/or by email, a copy of the following materials to each Affected Creditor at the address set out in such Affected Creditors' Proof of Claim or to such other address that has been provided to the Monitor by such Affected Creditor (collectively the "**Meeting Materials**"):
- (a) the Plan;
 - (b) a notice of the Creditors' Meeting, substantially in the form set out in Exhibit P-2 to the Application (the "**Notice to Creditors**"), including notice of the date for the sanction hearing (the "**Sanction Hearing**"), if the Plan is approved;

- (c) a resolution providing for the approval of the Plan, substantially in the form set out in Exhibit P-3 to the Application (the “**Resolution**”);
 - (d) a proxy form, including instructions explaining to Affected Creditors how to complete same, substantially in the form set out in Exhibit P-4 to the Application (the “**Proxy Form**”);
 - (e) a registration form required to be completed by the Affected Creditors in order to attend virtually the Creditors’ Meeting, substantially in the form set out in Exhibit P-5 to the Application (the “**Registration Form**”);
 - (f) a letter from the Applicant, substantially in the form set out in Exhibit P-6 to the Application;
 - (g) a copy of the Monitor’s report in connection with the Plan;
 - (h) a copy of this Order; and
 - (i) such other materials, if any, as the Monitor deems appropriate;
- [13] **ORDERS** that the Notice to Creditors shall also be published by the Monitor in a French language newspaper and an English language newspaper as soon as possible following the issuance of this Order and, in any case, no less than seven (7) days before the Meeting Date;
- [14] **ORDERS** that the publication and mailings made of the Meeting Materials pursuant to this Order shall constitute good and sufficient service of same on all Persons who may be entitled to receive notice thereof, or of these proceedings, or to be present in person or by proxy at the Creditors’ Meeting, or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons, and no other document or materials need be served on such Persons in respect of these proceedings;
- [15] **ORDERS** that the non-receipt of a copy of the Meeting Materials beyond the reasonable control of the Monitor shall not constitute a breach of this Order and the non-receipt thereof shall not invalidate any resolution passed or proceedings taken at the Creditors’ Meeting;

Creditors’ Meeting

- [16] **ORDERS** that the Monitor is hereby authorized to call, hold and conduct the Creditors’ Meeting on the Meeting Date for the purpose of considering and, if

appropriate, approving the Plan at a place, and time as shall be set forth in the Notice to Creditors;

- [17] **ORDERS** that a representative of the Monitor shall preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to any further order of this Court, shall decide all matters relating to the conduct of the Creditors' Meeting. The Company and any Creditor may appeal from any decision of the Chair to the Court within three (3) Business Days of any such decision, by sending prior notice in writing to the Company's counsel, the Monitor and the Monitor's counsel as per paragraph [32] hereof before the hearing on the sanctioning of the Plan;
- [18] **ORDERS** that the only Persons entitled to attend the Creditors' Meeting are Affected Creditors and their proxy holders (provided that they have completed and submitted by email the required Registration Form), representatives of the Company and of its board of directors, representatives of BMO, and representatives of the Monitor and the Chair, as well as the respective legal advisors of each of such Persons. Any other Person may be admitted to the Creditors' Meeting on invitation by the Chair;
- [19] **ORDERS** that any proxy which any holder of an Affected Claim wishes to submit in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form of the Proxy Form (or any such other form acceptable to the Monitor or the Chair) and be received by the Monitor before the beginning of the Creditors' Meeting;
- [20] **ORDERS** that any Affected Creditor that named the Monitor as its authorized representative in its Proxy Form will be deemed to have voted in favour of the approval of the Plan, unless otherwise indicated in its Proxy Form;
- [21] **ORDERS** that the quorum required at the Creditors' Meeting shall be one Affected Creditor having a Voting Claim present at such meeting in person or by proxy. If the requisite quorum is not present at the Creditors' Meeting, then the Creditors' Meeting shall be adjourned by the Chair to such time and place as the Chair deems appropriate;
- [22] **ORDERS** that the only Persons entitled to vote at the Creditors' Meeting shall be Affected Creditors with a Voting Claim or their proxy holders. Each holder of a Voting Claim will be entitled to a number of votes equal to the value in dollars of its Voting Claim. A Voting Claim shall not include fractional numbers and Voting Claims shall be rounded down to the nearest whole Canadian dollar amount;

- [23] **ORDERS** that the results of any vote conducted at the Creditors' Meeting shall be binding on all Creditors, whether or not any such Creditor is present or voting at the Creditors' Meeting;
- [24] **ORDERS** that at the Creditors' Meeting, the Chair is authorized to direct a vote with respect to the Plan and any amendments thereto as he deems appropriate;
- [25] **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting. A Person designated by the Monitor shall act as secretary at the Creditors' Meeting;
- [26] **ORDERS** that where a Claim has not been finally determined prior to the date of the Creditors' Meeting, the Monitor, in conjunction with the Company, will determine the amount of the Voting Claim, if any, or authorize the Creditor to vote a provisional Claim for the purpose of voting on the Plan if such amount cannot be fully quantified at that time;
- [27] **ORDERS** that the Monitor shall be directed to tabulate the votes cast at the Creditors' Meeting called to consider the Plan in accordance with this Order and shall report to the Court at the sanction hearing as to the effect, if any, that the Monitor's determination of Voting Claims pursuant to paragraph [26] hereof had on the outcome of the votes cast at the Creditors' Meeting. In this respect, the Monitor shall keep a separate record of the votes cast by Affected Creditors with Voting Claims determined by the Monitor for voting purposes only in accordance with paragraph [26] hereof and shall report to the Court with respect thereto;
- [28] **ORDERS** that by a vote of a simple majority of Affected Creditors present at the Creditors' Meeting and holding Voting Claims, or if determined necessary or appropriate by the Chair in its discretion, the Creditors' Meeting may be adjourned or re-adjourned to a subsequent date, time and place and no further notice will be necessary;

Transfers of Voting Claims

- [29] **ORDERS** that, for purposes of voting at the Creditors' Meeting, if the holder of a Voting Claim transfers or assigns all of its Voting Claim and the transferee or assignee delivers evidence satisfactory to the Monitor of its ownership thereof together with a written request to the Monitor not later than 5:00 p.m. on the day that is seven (7) days prior to the Meeting Date, or such later time that the Monitor may agree to, that such transferee or assignee be entitled to vote, either in person

or by proxy, such Voting Claim at the Creditors' Meeting in lieu of the transferor or assignor;

[30] **ORDERS** that, for purposes of distributions to be effected pursuant to the Plan, if the holder of a Voting Claim transfers or assigns the whole of such Claim to another Person, neither the Applicant, nor the Monitor shall be obligated to deal with the transferee or assignee of the Voting Claim as the Creditor in respect thereof unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing that such transfer or assignment was valid at law, has been received by the Monitor at least ten (10) Business Days prior to any distribution under the Plan;

[31] **ORDERS** that if the holder of a Voting Claim or any subsequent holder of the whole of a Voting Claim transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Voting Claim or Voting Claims and such Claim shall continue to constitute and be dealt with as a single Voting Claim notwithstanding such transfer or assignment, and the Monitor and the Applicant shall in each such case not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim as a whole shall be bound by any notices given or steps taken in respect of such Claim with such Person in accordance with this Order;

Notices and Communications

[32] **ORDERS** that any notice or other communication to be given under this Order by a Creditor to the Monitor or the Company shall be in writing, substantially in the form provided for in this Order, and will be sufficiently given only if given by mail, telecopier, courier or other means of electronic communication addressed to:

Monitor:

Dev A. Coossa
Maxime Codere
KPMG INC.
600 boul. de Maisonneuve West
Suite 1500
Montreal, Quebec
H3A 0A3
Fax: 514-840-2121
E-mail: dcoossa@kpmg.ca
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- [33] **ORDERS** that any document sent by the Monitor pursuant to this Order may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. A Creditor shall be deemed to have received any document sent pursuant to this Order two (2) Business Days after the document is sent by mail and one (1) Business Day after the document is sent by courier, e-mail or facsimile transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application;

Role of the Monitor

- [34] **ORDERS** that in addition to its prescribed rights and obligations under the CCAA, the Initial Order, the Claims Procedure Order and any other order of this Court, the Monitor is directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order and contemplated in the Plan;
- [35] **ORDERS** that in carrying out the terms of this Order and the terms set out in the Plan, including, without limitation, with respect to the reception and distribution of the Distribution Amount and with respect to the creation and distribution of the Reserves in accordance with the terms set out in the Plan, the Monitor shall have and benefit from all of the protections given to it by the CCAA, the Initial Order, the Claims Procedure Order and any other Order granted in these CCAA proceedings;

[36] **ORDERS** that the Monitor is acting in its capacity as monitor in the CCAA Proceedings with respect to the Company and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Company under this Plan and shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part;

[37] **ORDERS** that the Monitor shall be entitled to rely on the books and records of the Company and any information provided by the Company, and any information acquired by the Monitor as a result of carrying out its duties under this Order without independent investigation, and the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information;

Aid and Assistance of Other Courts

[38] **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order;

Sanction of the Plan by the Court

[39] **ORDERS** that in the event that the Plan has been approved by the Required Majority of Affected Creditors, the Company may file an application seeking the sanction of the Plan by this Court (the "**Sanction Application**") and that the Sanction Hearing will take place as soon as practicable after the Creditor's Meeting on such date as the Company (in consultation with the Monitor) may advise the parties on the Service List in these proceedings, subject to this Court's availabilities;

[40] **ORDERS** that any person who wishes to oppose to the Sanction Application must serve upon the parties on the Service List in these proceedings, and file with the Court, a copy of the materials to be used to oppose the Sanction Application by no later than three (3) days prior to the Sanction Hearing;

General Provisions

[41] **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to

this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents;

[42] **ORDERS** that the Monitor may apply to this Court for advice and directions in connection with the discharge or variation of its powers and duties under this Order;

[43] **ORDERS** the provisional execution of this Order notwithstanding appeal;

[44] **THE WHOLE** without costs.

Montreal, April 1, 2021

MARIE-ANNE PAQUETTE, J.S.C.