

C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
COUR N°: 500-11-057470-193  
500-11-057469-195  
DOSSIER N°: 41-2582132  
41-2582130

C O U R S U P É R I E U R E  
Chambre commerciale

**DANS L'AFFAIRE DE LA PROPOSITION  
DE :**

**BOUCLAIR INC.**

- et -

**BOUCLAIR INTERNATIONAL INC.**

**Débitrices**

- et -

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI responsable  
désignée)

**Syndic**

**RAPPORT DU SYNDIC CONCERNANT LA PROPOSITION AMENDÉE**  
(Paragraphes 59(1) et 58(d) de la Loi sur la faillite et l'insolvabilité (« LFI »))

Restructuration Deloitte Inc., syndic agissant *in re* : la proposition amendée de Bouclair Inc. et de Bouclair International Inc. (collectivement appelées les « **Sociétés** » ou les « **Débitrices** »), soumet par la présente ce qui suit :

1. Le 11 novembre 2019, les Débitrices ont déposé un *Avis d'intention de faire une proposition* auprès du Bureau du surintendant des faillites (« **BSF** »), dont copie a été annexée et désignée « A-1 » et « A-2 », et Restructuration Deloitte Inc. (le « **Syndic** » ou « **Deloitte** ») agit à titre de syndic au dossier.
2. Le 12 novembre 2019, les Débitrices ont présenté une requête pour l'émission d'une ordonnance (« **Requête initiale** ») approuvant (i) la mise en place de charges super-prioritaires; (ii) une entente avec un liquidateur; et (iii) diverses mesures de procédure. La Cour supérieure du Québec (la « **Cour** ») a rendu une première ordonnance le même jour. Une copie du *Rapport du syndic*, daté du 12 novembre 2019 a été annexée et désignée « A-3 ».
3. Le 15 novembre 2019, la Cour a rendu une ordonnance (l'« **Ordonnance de liquidation** ») approuvant, entre autres, l'entente avec le liquidateur Gordon Brothers Canada ULC à titre de liquidateur des magasins identifiés dans la Requête initiale.
4. Le 15 novembre 2019, le Syndic a envoyé aux Sociétés, au Surintendant des faillites et à chaque créancier connu les *Avis d'intention de faire une proposition*, et copie dudit avis a été annexée et désignée « A-4 » et « A-5 ».

5. Le 20 novembre 2019, le Syndic a transmis au séquestre officiel l'*État de l'évolution de l'encaisse* accompagné par le rapport du syndic sur l'état de l'évolution de l'encaisse (voir pièce « A-3 ») et le rapport de la personne insolvable sur l'état de l'évolution de l'encaisse et dont copie a été annexée et désignée « A-6 ».
6. Le 10 décembre 2019, les Débitrices ont présenté une première requête en prorogation de délai en vertu du paragraphe 50.4(9) de la LFI, demandant également l'augmentation de la portée des charges super-prioritaires. Ladite requête a été accordée par la Cour, et, par le fait même, le délai pour déposer une proposition concordataire a été prorogé pour une période additionnelle de 45 jours, soit jusqu'au 24 janvier 2020. Une copie du deuxième *Rapport du syndic*, daté du 9 décembre 2019 a été annexée et désignée « A-7 ».
7. Le 23 janvier 2020, les Débitrices ont présenté une deuxième requête en prorogation de délai en vertu du paragraphe 50.4(9) de la LFI. Ladite requête a été accordée par la Cour, et, par le fait même, le délai pour déposer une proposition concordataire a été prorogé pour une période additionnelle de 38 jours, soit jusqu'au 2 mars 2020. Une copie du troisième *Rapport du syndic*, daté du 22 janvier 2020 a été annexée et désignée « A-8 ».
8. Le 2 mars 2020, les Débitrices ont présenté une troisième requête en prorogation de délai en vertu du paragraphe 50.4(9) de la LFI. Ladite requête a été accordée par la Cour, et, par le fait même, le délai pour déposer une proposition concordataire a été prorogé pour une période additionnelle de 25 jours, soit jusqu'au 27 mars 2020. Une copie du cinquième *Rapport du syndic*, daté du 27 février 2020 a été annexée et désignée « A-9 ».
9. Le 27 mars 2020, les Débitrices ont présenté une quatrième requête en prorogation de délai en vertu du paragraphe 50.4(9) de la LFI. Ladite requête a été accordée par la Cour, et, par le fait même, le délai pour déposer une proposition concordataire a été prorogé pour une période additionnelle de 42 jours, soit jusqu'au 8 mai 2020.
10. Le 7 mai 2020, les Débitrices ont présenté une cinquième requête en prorogation de délai en vertu du paragraphe 50.4(9) de la LFI. Ladite requête a été accordée par la Cour, et, par le fait même, le délai pour déposer une proposition concordataire a été prorogé pour une période additionnelle de 4 jours, soit jusqu'au 11 mai 2020. Une copie du sixième *Rapport du syndic*, daté du 5 mai 2020 a été annexée et désignée « A-10 ».
11. Le 11 mai 2020, les Débitrices ont déposé auprès de Deloitte une proposition (la « **Proposition** »), dont copie a été annexée et désignée « A-11 », et le syndic a déposé une copie de la Proposition auprès du séquestre officiel le même jour, soit le 11 mai 2020.
12. Le 11 mai 2020, le Syndic a transmis au séquestre officiel un nouvel État de l'évolution de l'encaisse accompagné par le rapport du Syndic sur l'état de l'évolution de l'encaisse et le rapport de la personne insolvable sur l'état de l'évolution de l'encaisse et dont copie a été annexée et désignée « A-12 ».
13. Normalement, le délai maximum pour la tenue d'une assemblée des créanciers est de 21 jours suivant le dépôt de la proposition. Compte tenu de la situation de pandémie actuelle, une ordonnance omnibus a été rendue le 30 avril 2020 par la Cour ayant pour effet de suspendre les délais pour la tenue des assemblées de créanciers. La période de suspension couvrait la période du 27 avril au 30 juin 2020 (« **Période de suspension** »).
14. Le 22 mai 2020, les Débitrices ont présenté une requête ré-amendée pour l'émission d'une ordonnance de dévolution et d'une ordonnance de cession de contrats. Ladite requête a été accordée par la Cour. En conséquence, la majorité des actifs des Débitrices a été vendue (la « **Transaction** ») à Alston Investments Inc. (« **Alston** » ou l'« **Acheteur** »).

15. Le 8 juillet 2020, les Débitrices ont déposé auprès de Deloitte une proposition amendée (la « **Proposition amendée** »), dont copie a été annexée et désignée « A-13 », et le Syndic a déposé une copie de la Proposition amendée auprès du séquestre officiel le même jour, soit le 8 juillet 2020.
16. La Période de suspension étant terminée, la Proposition amendée a été soumise à l'approbation des créanciers le 21 juillet 2020, soit dans les 21 jours suivant la fin de la Période de suspension.
17. Le 8 juillet 2020, le Syndic a préparé à l'intention des créanciers le *Rapport du syndic sur la proposition amendée*, dont copie a été annexée et désignée « A-14 ».
18. Le 9 juillet 2020, le Syndic a transmis l'*Avis aux créanciers de la proposition amendée* des Débitrices au Surintendant des faillites et à chaque créancier connu de la Proposition amendée déposée, d'une assemblée des créanciers devant se tenir le 21 juillet 2020. Cet avis était accompagné d'un état succinct des avoirs et des obligations des Sociétés, de la liste des créanciers visés par la Proposition amendée, d'une copie de la Proposition amendée, d'une copie du rapport du Syndic sur la Proposition amendée, d'un formulaire de preuve de réclamation, d'un formulaire de votation et finalement d'un formulaire d'inscription afin de pouvoir participer à l'assemblée des créanciers qui se déroulerait par visioconférence. Une copie desdits documents a été annexée en liasse au rapport et désignée « A-15 ».
19. Antérieurement à l'assemblée des créanciers, le Syndic a fait une enquête minutieuse et détaillée sur les obligations des Débitrices, leurs avoirs et leurs valeurs, leur conduite et les causes de leur insolvabilité.
20. L'assemblée des créanciers a été tenue par visioconférence le 21 juillet 2020 à 10h et M. Martin Franco, CPA, CA, CIRP, SAI, responsable désigné, a agi à titre de président de l'assemblée. Au cours de l'assemblée, la Proposition amendée a été acceptée par la majorité requise des créanciers tel qu'il appert au *Procès-verbal de l'assemblée des créanciers* dont copie a été annexée au rapport et désignée « A-16 ». En effet, la quasi-totalité des créanciers (soit 98,9% en nombre et 99,8% en valeur) ayant exercé leur droit de vote ont voté en faveur de la Proposition amendée.
21. Une disposition de la Proposition amendée prévoit un vote réputé en faveur de la proposition de tous les créanciers non garantis ayant une réclamation prouvée de 1 500 \$ ou moins. (Comme ceux-ci recevront un dividende de 100% de leurs réclamations dans le cadre de la Proposition amendée.) Aux fins du vote sur la Proposition amendée lors de l'assemblée des créanciers du 21 juillet 2020, le Syndic a donc pris en considération les votes réputés des créanciers ayant des réclamations de 1 500 \$ ou moins. Il est à noter que même en ne considérant pas les votes réputés des créanciers ayant des réclamations de moins de 1 500 \$, la Proposition amendée aurait tout de même été acceptée par la majorité requise des créanciers, tel qu'il appert du *Sommaire du registre des réclamations reçues* dont copie a été annexée et désignée « A-17 ».
22. Selon les termes de la Proposition amendée, le Syndic devra procéder au paiement du dividende au plus tard 45 jours suivants l'homologation de la Proposition amendée par la Cour.
23. Le 12 août 2020, une *Demande d'approbation par le tribunal d'une proposition*, dont copie est annexée et désignée « A-18 », sera présentée à la Cour.

24. En outre, le Syndic est d'avis que :

- a) La conduite des Débitrices n'est pas répréhensible;
- b) Aucun fait mentionné à l'article 173 de la LFI n'est susceptible d'être prouvé contre les Débitrices.

25. Le Syndic recommande l'approbation de la Proposition amendée.

26. Ce même jour, le Syndic a expédié au Surintendant des faillites une copie du présent rapport.

DATÉ À MONTREAL, ce 3<sup>e</sup> jour d'août 2020.

Martin Franco, CPA, CA, CIRP, SAI  
Premier vice-président



RESTRUCTURATION DELOITTE INC.  
En sa qualité de Syndic agissant *in re* :  
la proposition amendée de Bouclair Inc. et de  
Bouclair International Inc. et non à titre personnel.

### LISTE DES PIÈCES

- Pièce « A-1 » Copie de l'*Avis d'intention de faire une proposition* de Bouclair Inc., daté du 11 novembre 2019 (en anglais seulement);
- Pièce « A-2 » Copie de l'*Avis d'intention de faire une proposition* de Bouclair International Inc., daté du 11 novembre 2019 (en anglais seulement);
- Pièce « A-3 » Copie du *Premier rapport du Syndic*, daté du 12 novembre 2019 (en anglais seulement);
- Pièce « A-4 » Copie de l'*Avis d'intention de faire une proposition* de Bouclair Inc. envoyé aux créanciers, datée du 15 novembre 2019 (en français et en anglais);
- Pièce « A-5 » Copie de l'*Avis d'intention de faire une proposition* de Bouclair International Inc. envoyé aux créanciers, datée du 15 novembre 2019 (en français et en anglais);
- Pièce « A-6 » Copie de l'*État de l'évolution de l'encaisse* et des rapports s'y rattachant, daté du 19 novembre 2019 (en anglais seulement);
- Pièce « A-7 » Copie du *Deuxième rapport du Syndic*, daté du 9 décembre 2019 (en anglais seulement);
- Pièce « A-8 » Copie du *Troisième rapport du Syndic*, daté du 22 janvier 2020 (en anglais seulement);
- Pièce « A-9 » Copie du *Cinquième rapport du Syndic*, daté du 27 février 2020 (en anglais seulement);
- Pièce « A-10 » Copie du *Sixième rapport du Syndic*, daté du 5 mai 2020 (en anglais seulement);
- Pièce « A-11 » Copie de la *Proposition*, daté du 11 mai 2020 (en anglais seulement);
- Pièce « A-12 » Copie de l'*État de l'évolution de l'encaisse* et des rapports s'y rattachant, daté du 11 mai 2020 (en anglais seulement);
- Pièce « A-13 » Copie de la *Proposition amendée*, daté du 7 juillet 2020 (en anglais seulement);
- Pièce « A-14 » Copie du *Rapport du Syndic sur la proposition amendée*, daté du 8 juillet 2020; (en anglais seulement)
- Pièce « A-15A » Copie de l'*Avis aux créanciers de la proposition amendée*, daté du 8 juillet 2020 (version anglaise);
- Pièce « A-15F » Copie de l'*Avis aux créanciers de la proposition amendée*, daté du 8 juillet 2020 (version française);
- Pièce « A-16 » Copie du *Procès-verbal de l'assemblée des créanciers* tenu le 21 juillet 2020 (en français seulement);
- Pièce « A-17 » Copie du *Sommaire du registre des réclamations reçues*;
- Pièce « A-18 » Copie de la *Demande d'approbation par le tribunal d'une proposition*, daté du 27 juillet 2020 (en anglais seulement).

**Pièce « A-1 »**

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

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

In the matter of the proposal of  
Bouclair Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

Take notice that:

1. I, Bouclair Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Restructuration Deloitte Inc. of 1190, avenue des Canadiens-de-Montréal Bur 500, Montréal, QC, H3B 0M7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Montréal in the Province of Quebec, this 11th day of November 2019.



Bouclair Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

District of:  
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In the matter of the proposal of  
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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
**ANJI HENGYE FURNITURE FACTORY	YANGGUANG INDUSTRIAL 2 ZONE,DIPU, TOWN ANJI COUNTY,ZHEJIANG PROVINCE ANJI ZHEJIANG CHINA		16,760.10
**ANJI LONGRUN SEATING PRODUCTS FACTO	FANTAN INDUSTRY ZONE,DIPU TOWN,, ANJI COUNTY HUZHOU ZHEJIANG 313300 CHINA		40,464.20
**ANJI MEITANG FURNITURE CO.,LTD	#2 BLOCK, SUNSHINE INDUSTRIAL ZONE, ANJI COUNTY, ZHEJIANG PROVINCE ANJI COUNTY ZHEJIANG CHINA		106,950.56
**ANJI SHUANGFENG FURNITURE CO.,LTD	SUNSHINE INDUSTRIAL 3RD PARK, ANJI HUZHOU ZHEJIANG CHINA		21,506.10
**ANJI TUNUO HOME FURNISHING CO.,LTD.	KANGSHAN INDUSTRIAL ZONE,, ANJI , ZHEJIANG, CHINA HUZHOU ZHEJIANG 313300 CHINA		32,018.00
**ANJI XINGHAO FURNITURE FACTORY	No. 3 of Sunshine Industry Second, District No. 3 Road Dipu Town Anji HUZHOU ZHEJIANG CHINA		100,038.23
**ANJI YANGZHI FURNITURE COMPANY CO	TANGPU ECONOMIC DEVELOPMENT ZONE, ANJI COUNTY HUZHOU ZHEJIANG CHINA		14,297.50
**ARTREE(XIAMEN) GROUP LTD.	NO.198 PINGCHENG SOUTH RD,ZHOUGCANG, INDUSTRIAL AREA,HAICANG DISTRICT XIAMEN FUJIAN 361026 CHINA		6,440.00
**BEST RAINBOW LIMITED	FLAT/RM 401? 4/F WANCHAI CENTRAL, BUILDING 89 LOCKHART RD WANCHAI Hong Kong, China CHINA		616.98
**C.J. MARKETING LTD	UNIT 8, 30 WERTHEIM COURT BEIJING BEIJING CHINA		81,633.72
**DONGGUAN CITY GENERAL SUCCESS	CAIBAI THE FIRST INDUSTRIAL AREA, DAOJIAO TOWN DONGGUAN GUANGDONG 523185 CHINA		61,467.28
**FUZHOU HOME BROAD-DIRECT CO.LTD	NO. 8,BINJIANG WEST ROAD,GANZHE, TOWN FUZHOU FUJIAN 350100 CHINA		41,187.44



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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
**INTCO INTERNATIONAL(HK)CO.,LIMITED	UNIT 04,7/F,BRIGHT WAY TOWER, NO.33, MONG KOK ROAD KOWLOON Hong Kong, China CHINA		26,764.46
**INTERNATIONAL HOME ACCENTS LTD	ROOM 3003, 30/F,ONE MIDTOWN, 11 HOI SHING ROAD TSUEN WAN Hong Kong, China CHINA		14,716.80
**JUSEN FURNITURE CO.,LTD	NO9 BEIDOU ROAD,XIANGCHENG DISTRICT, ZHANGZHOU CITY FUJIAN CHINA ZHANGZHOU FUJIAN 363000 CHINA		44,710.29
**LEEMINGDA INTERNATIONAL CO.,LTD	LOUZHAI VILLAGE , HUIYANG AREA,, ZHENLONG TOWN HUIZHOU GUANGDONG 516000 CHINA		11,377.37
**LF CENTENNIAL PTE LTD	1 KALLANG JUNCTION, #05-01, SINGAPORE SHANGHAI SHANGHAI 339263 CHINA		772,175.67
**LUCE LUMEN INC	2/F,#8, LEFENG 8TH ROAD MAOHUI, INDUSTRIAL ZONE HENGLAN TOWN ZHONGSHAN GUANGDONG CHINA		22,540.45
**M/S. BANARAS HOUSE EXPORTS	B-1/E-10 MOHAN CO-OP IND. EST., MATHURA ROAD, BADARPUR DELHI DELHI 110044 INDIA		12,448.80
**MAVIN OVERSEAS	52,PEERGAIB MUGHALPURA 1ST MORADABAD UTTAR PRADESH INDIA		3,052.00
**MAXWELL BASKETWARE INC.	ROOM 7019,DONG HAI INTL PLAZA, NO.17 HUIQUAN ROAD QINGDAO SHANDONG CHINA		21,613.90
**MEDIA EXPERTS LTD	HERZEL 30, P.O.BOX 15025 RISHON-LEZION TEL AVIV 7505001 ISRAEL		6,321.00
**MINHOU MINXING WEAVING CO.,LTD	#56, XIANSHANBIAN, BAISHA TOWN,, MINHOU FUZHOU FUJIAN 350102 CHINA		560.00
**NEW ORIGINAL BRASS	NEAR BY PASS SAMBHAL ROAD MUMBAI MAHARASHTRA 244001 INDIA		2,273.60

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 Bouclair Inc.  
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<b>List of Creditors with claims of \$250 or more.</b>			
<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
**NINGBO BETTYLUORI TEXTILE CO.,LTD	ROOM 1209,WANJIN BUILDING BAIZHANG, ROAD No 892,JIANGDONG AREA NINGBO ZHEJIANG 315041 CHINA		108,860.39
**R.K.SINGHAL EXPORTS	B-95 GANDHI NAGAR MORADABAD UTTAR PRADESH 244001 INDIA		1,219.68
**SHAOXING HONGSHENG TEXTILE CO., LTD	NO. 9B-4138 CHUANGYIYUAN, CHUANGYI, ROAD KEQIAO SHAOXING ZHEJIANG CHINA		24,842.50
**SHAOXING XIAOQIUCHUANG TEXTILE / SHAOXING KEQIAO QIUMEI ID 7600	NO 5 STATION ROAD QIANQING TOWN SHAOXING CITY ZHEJIANG 312025 CHINA		312,748.93
**SHENZHEN YADISI HARDWARE PRODUCTS	No.13 of Jixiang 2nd Road,Jinshuiqi, Industrial area,Longgang Town, SHENZHEN GUANGDONG 518116 CHINA		1,314.18
**SMALL WORLD	D-34 SECTOR X NOIDA UTTAR PRADESH INDIA		3,332.99
**SYTE VISUAL CONCEPTION LTD.	ALENBY 105 TEL AVIV TEL AVIV ISRAEL		11,221.00
**TEXTILE WORLD	RISHALU ROAD, VILLAGE SIWAH PANIPAT HARYANA 132103 INDIA		11,704.56
**THEASPACE CO.,LTD	FLAT/RM 909B 9/F TWO GRAND TOWER, 625 NATHAN ROAD KOWLOON Hong Kong, China CHINA		14,868.00
**UMBRA HK LIMITED	RM15,WORKSHOP 6S-V,VALIANT ING BLDG, 2-12 AU PUI WAN STEET FO TRAN Hong Kong, China M1S 1B1 CHINA		162,709.15
**VIBGYOR HANDICRAFTS	D 95/B, FLAT C-1, SURYA KIRAN APTS,, FREEDOM FIGHTER COLONY, IGNOU ROAD NEW DELHI DELHI 110068 INDIA		4,194.96
**WORLD BRIGHT INTERNATIONAL	P.O.BOX 3151 ROAD TOWN ANHUI CHINA		35,865.54

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
**ZHEJIANG WADOU CREATIVE ART CO. LTD / WADOU	ZHEJIANG WADOU CREATIVE ART CO.,LTD, NO136 QIJIGUANG ROAD, CHOUZHOU ECODV YIWU ZHEJIANG 322000 CHINA		87,540.38
**ZHEJIANG ZHONGBANG LTD	NO. 1 KANGBA ROAD, XIAOYUAN STREET ANJI COUNTY ZHEJIANG CHINA		61,270.02
**ZIBO HICHEON HOMEWARE CORP., LTD.	NO.9A-1,NORTH OF DEVELOPING ROAD,, ZIBO HI-TECH DEVELOPING ZIBO SHANDONG CHINA		5,761.14
*BOTIFY CORPORATION	185 ALEWIFE BROOK PARKWAY, SUITE 210 CAMBRIDGE MA 02138 USA		5,061.00
*COA INC CAD	12928 SANDOVAL ST SANTE FE SPRINGS CA 90670 USA		49,858.42
*COA INC USD	12928 SANDOVAL STREET SANTA FE SPRINGS CA 90670 USA		112,552.05
*CYBERSOURCE CORP.	P.O.BOX 742842 LOS ANGELES CA 90074-2842 USA		15,723.83
*FACEBOOK, INC.	ATTENTION: ACCOUNTS RECEIVABLE, 15161 COLLECTIONS CENTER DRIVE CHICAGO IL 60693 USA		169,146.18
*INRIVER AB	C/O SVENKA HANDELS BANKEN, 875 THIRD AVENUE , 4TH FLOOR NEW YORK NY 10022-7218 USA		20,000.00
*PICTURE DEPOT-SHOWROOM B349	495 SOUTH GRAND CENTRAL PARKWAY LAS VEGAS NV 89106 USA		14,471.80
*RALPH FRIEDLAND & BROS. Inc.	17 Industrial Drive Cliffwood Beach NJ 07735 USA		125,891.65
*SAPIENT CORPORATION	P.O.BOX 4886 BOSTON MA 02241-4886 USA		67,500.00
*YORK WALLCOVERINGS INC	750 LINDEN AVE YORK PE 174002 USA		16,726.50
_Employés	152 Alson Avenue Pointe-Claire QC H9R 6B4		2,300,000.00

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2156914 ONTARIO INC.	O/A IDEAL PLUMBING & HEATING, 8 CLAIRMONT STREET, UNIT 8 THOROLD ON L2V 1R1		398.89
2219148 ONTARIO INC.	ONTARIO WALLCOVERING, 4309 STEELES AVE W TORONTO ON M3N 1V7		23,505.30
9247-7793 QUEBEC INC.	O/A HI TECH PLUS, 4528 9E RUE LAVAL QC H7W 1Z1		20,998.58
9337-0476 QUEBEC INC	HAUTE PROTECTION LA CAPITALE, 979 AVE. DE BOUGOGNE, BUR.200 QUEBEC QC G1W 2L4		1,545.27
9349 - 1702 QUEBEC INC.	680 - 1600 A SAINT MARTIN EST LAVAL QC H7G 4R8		9,042.78
A.M. ELECTRIQUE ENR.	1414 BERLIER, CHOMEDEY LAVAL QC H7L 4A1		2,149.99
ACCEO SOLUTIONS INC.	DIVISION GEMMAR, 75 QUEEN, SUITE 6100 MONTREAL QC H3C 2N6		799.56
ACCURATE DORWIN INC.	1535 SEEL AVENUE WINNIPEG MB R3T 1C6		365.71
ADCO-DISPLETECH GROUP	50 GINCE ST-LAURENT QC H4N 2W6		45,665.83
ALB GROUPE CONSEIL INC	JULIE BRUNETTE, 15 RICHARDSON BEAUHARNOIS QC J6N 2S9		1,883.90
Aljusa Investments Inc.	152 avenue Alston Pointe-Claire QC H9R 6B4		1,184,530.00
ALLSTREAM INC.	P.O.BOX 5300, STN MAIN WINNIPEG MB R3C 0C1		11,559.93
AMEX BANK OF CANADA	BOX 2000 WEST HILL ON M1E 5H4		395.98
AMEX BANK OF CANADA/	BANQUE AMEX DU CANADA, P.O.BOX 2000 WEST HILL ON M1E 5H4		506,445.05

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

<b>List of Creditors with claims of \$250 or more.</b>			
<b>Creditor</b>	<b>Address</b>	<b>Account#</b>	<b>Claim Amount</b>
AMEX-WIRE (WAYPAY)	MONTREAL, MONTREAL MONTREAL QC H9R6B4		756,407.27
APTOS CANADA INC.	9300 TRANSCANADIENNE SUITE 300 ST-LAURENT QC H4S 1K5		12,845.66
ARCADIAN PAPER CONVERTERS INC.	3001 BRABANT MARINEAU VILLE ST-LAURENT QC H4S 1V5		3,495.24
ARTISSIMO DESIGNS CANADA INC.	415 ANNAGEM BLVD MISSISSAUGA ON L5T 3A7		162,813.80
AST Trust Company	152 avenue Alston Pointe-Claire QC H9R 6B4		1,500,113.00
AZARYA ENTERPRISES INC.	3752 AVE. DE COURTRAI MONTREAL QC H3S 1C1		19,350.29
Banque de développement du Canada - Québec Laurence Boulerville	Département des comptes spéciaux 5 Place Ville Marie, Niveau Plaza, Édifice BDC Montréal QC H3B 5E7		1,218,750.00
BC Hydro & Power Authority Tracy Peterson or Lee Mold c/o Credit Administration	6911 Southpoint Drive Burnaby BC V3N 4X8		3,215.91
Bell Canada F-88 - Business Insolvency Department	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3		649.18
BELL CONFERENCES INC.	5099 CREEKBANK ROAD B4 MISSISSAUGA ON L4W 5N2		1,678.43
BINATEK INC.	7951 VAUBAN STREET ANJOU QC H1J 2V1		1,874.09
BLUE GIANT SOLUTIONS	410 ADMIRAL BOULEVARD, UNIT A-1 MISSISSAUGA ON L5T 2N6		1,017.58
BLUEWATER POWER DISTRIBUTION CORP.	855 CONFEDERATION STREET SARNIA ON N7T 7L6		3,518.17
BOISJOLI TRANSPORT	1150 RAOUL-CHARETTE JOLIETTE QC J6E 8S6		34,615.27

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

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

In the matter of the proposal of  
 Bouclair Inc.  
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BOLTON ELECTRIC	5411 CANOTEK GLOUCESTER ON K1J 9M3		442.96
BOYANG HU	152 ALSTON POINTE-CLAIRE QC H9R 6B4		3,598.46
BURLINGTON HYDRO INC.	1340 BRANT STREET BURLINGTON ON L7R 3Z7		2,554.42
CAMRACK	3112 RUE BERNARD PILON ST-MATHIEU BELOEIL QC J3G 4S5		3,117.43
Canon Canada Inc Lisa Saccoccia	8801 Trans-Canada Highway Saint-Laurent QC H4S 1Z6		5,376.51
CAROLINE MARLEAU	3 DES PIGNONS SAINTE-MARTINE QC J0S 1V0		600.71
CARROUSEL	1401 AMPERE BOUCHERVILLE QC J4B 5Z5		3,508.19
CASABAWA IMPORTS	8900 PARC AVENUE, MONTREAL QC H2N 1Y8		212,958.15
CATHERINE VIDAL	287 3E AVENUE VERDUN QC H4G 2X3		400.00
CFH SECURITE INC.	1455 BOUL PITFIELD, VILLE ST-LAURENT QUEBEC QC H4S 1G3		1,413.22
CHUBB INSURANCE COMPANY OF CANADA	55 UNIVERSITY AVE. SUITE #400 TORONTO ON M5J 2H7		25,000.00
CIBC VISA	P.O.BOX 4595, STN "A" TORONTO ON M5W 4X9		45,546.15
CINTAS CANADA LTEE	DEP. 400004 P.O.BOX 4372, STN A TORONTO ON M5W 0J2		457.00
CISCO SYSTEMS CAPITAL	C/O T 4557 PO BOX 4557, STN A TORONTO ON M5W 0K1		7,041.80
CLIMATISATION ROGER DEMERS INC	1331 DENAULT SHERBROOKE QC J1H 2P6		1,023.28

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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CLIMFX	30 RUE GEORGES-WALKER GATINEAU QC J8Y 4E8		1,043.00
COFORCE	11301 RUE MIRABEAU ANJOU QC H1J 2S2		18,112.50
COLUMBIA FRAME INC	6251 NOTRE DAME STREET EAST MONTREAL QC H1N 2E9		67,976.62
COMFORT MECHANICAL	6867618 CANADA INC., 27 NORTHSIDE ROAD, UNIT 2729 OTTAWA ON K2H 8S1		284.57
CONCIERGERIE EUREKA	12755 RICHER ST-HYACINTHE QC J2T 2P6		344.92
CONSOLIDATED FASTFRATE INC	9701 HWY 50 WOODBIDGE ON L4H 2G4		1,948.56
COPIDATA 3116093 CANADA INC.	450 WRIGHT ST-LAURENT QC H4N 1M6		2,777.87
COPYCO INC.	3300 BOULEVARD PITFIELD ST-LAURENT QC H4S 1K6		4,754.24
CORLITE-MERCOR LIGHTING	4953 COTE-VERTU BLVD ST-LAURENT QC H4S 1E1		6,506.90
CORSAIR	6505 VANDEN ABEELE, ST-LAURENT QUEBEC QC H4S 1S1		628.60
CPP CANADIAN PAPER & PACKAGING CO.	3001 BRABANT MARINEAU VILLE ST-LAURENT QC H4S 1V5		3,841.08
CREATIONS VIVIMAR INC.	600 MCCAFFREY ST-LAURENT QC H4T 1N1		29,576.83
CRITEO CANADA CORP	P.O.BOX 57454, POSTAL STATION A TORONTO ON M5W 5M5		9,143.97
CRSA GLOBAL LOGISTICS INC.	1275 KINGSWAY AVE. PORT COQUITLAM BC V3C 1S2		107,486.04
DANIEL MCGRAW	323 BELLEFLEUR ST-JEAN QC J3B 1L2		639.26

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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Creditor	Address	Account#	Claim Amount
DE LAGE LANDEN FINANCIAL SERVICES	3450 SUPERIOR COURT, UNIT 1 OAKVILLE ON L6L 0C4		42,501.17
DIAGONAL SYSTEMS INC.	7-2144 BOULEVARD DECARIE MONTREAL QC H4A 3J3		2,023.56
DIRECT ENERGY REGULATED SERVICES	P.O.BOX 1520, STN. M CALGARY AL T2P 5R6		575.08
DKM ENTREPRISES	342, DE LA TERRASSE DROUIN ST-COLOMBAN QC J5K 1Z1		1,333.00
DOCK PRODUCTS CANADA, INC.	P.O.BOX 5060 LONDON ON N6A 4M4		9,073.41
DONNA MCCALLEN	17 BURNTWOOD AVE. NEPEAN ON K2J 4P4		744.90
DOR-CONTROL CRAFTSMEN LTD.	190 BOVAIRD DR.WEST, UNIT 17 BRAMPTON ON L7A 1A2		1,428.89
DUCATT LAVE INC.	449 RUE BOURBONNAIS LASALLE QC H8R 2Z2		1,121.01
ECO ENTREPRISES QUEBEC	1600 BOUL RENE-LEVESQUE QUEST MONTREAL QC H3H 1P9		25,734.91
EMBALLAGES KRUGER S.E.C.	7474 RUE CORDNER LASALLE QC H8N 2W3		52,108.25
ENBRIDGE CONSUMERS GAS	P.O.BOX 644 SCARBOROUGH ON M1K 5H1		1,604.74
ENBRIDGE GAS NEW BRUNSWICK	440 WILSEY ROAD, SUITE 201 FREDERICTON NB E3B 7G5		361.79
ENERGIE NB POWER	P.O. BOX - C.P. 2000 CARAQUET NB E1W 1C1		4,050.10
ENERGIES SONIC INC.	9001 BOUL. DE L'ACADIE BUREAU 200 MONTREAL QC H4N 3H7		450.37
ENERGIR	C.P. 6115, SUCCURSALE "A" MONTREAL QC H3C 4N7		4,484.60



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

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

In the matter of the proposal of  
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 of the Municipalité of Pointe-Claire, in the Province of Quebec

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ENERSOURCE HYDRO MISSISSAUGA	2185 DERRY RD.WEST MISSISSAUGA ON L5N 7A6		4,593.64
EN-PRO	174 SIMCOE STREET N. OSHAWA ON L1G 4S9		1,264.73
ENSEIGNES OTIS/ ENSEIGNES STE-MARIE	2730 RUE DE LA SALLE JONQUIERE QC G7S 2A7		442.65
ENWIN UTILITIES LTD	787 OUELLETTE AVE, P.O. BOX 1625, STN."A" WINDSOR ON N9A 5T7		4,115.15
EPCOR	P.O.BOX 500 EDMONTON AL T5J 3Y3		449.41
EXTINCTEURS SAINT-JEAN	718 D'AUTEUIL ST-JEAN-SUR-RICHELIE QC J3B 7R8		4,743.83
FIBRENOIRE INC.	550, AVE BEAUMONT, SUITE 320 MONTREAL QC H3N 1V1		632.36
FIRST MAINTENANCE SOLUTIONS LTD.	215 CARLINGVIEW DR. UNIT 210 ETOBICOKE ON M9W 5X8		10,630.82
FLS TRANSPORTATION SERVICES LIMITED	400 SAINTE-CROIX AVENUE MONTREAL QC H4N 3L4		127,874.43
FOOTPRINT	206 HUMBERCREST BLVD TORONTO ON M6S4L3		1,924.42
FORTISBC - NATURAL GAS	PO BOX 6666 STN. TERMINAL VANCOUVER BC V6B 6M9		336.48
FROMM PACKAGING SYSTEMS	15 - 75 BAYLY STREET WEST, SUITE #360 AJAX ON L1S 1S3		10,616.80
FUSION RETAIL ANALYTICS INC.	1670 BAYVIEW AVENUE, SUITE 503 TORONTO ON M4G 3C2		14,371.88
FUZE HR SOLUTIONS INC	333 DECARIE BLVD. SUITE 250 MONTREAL QC H4N 3M9		2,152.51
G. & R. DUMONT INC.	204, RUE DU PATRIMOINE CACOUNA QC G0L 1G0		474.28

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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Creditor	Address	Account#	Claim Amount
GARDAWORLD CASH SERVICES	1390 RUE BARRE MONTREAL QC H3C 1N4		5,145.08
GCL CANADA INC.	1001 RUE LENOIR, BUREAU B-524 MONTREAL QC H4C 2Z6		6,499.16
GENERIX GROUP	1360 ROPERY, SUITE 201 MONTREAL QC H3K 2X3		25,966.41
GERSTAT INC.	1028 DES FABRICANTS TERREBONNE QC J6Y 2A6		10,733.97
GLOBE ELECTRIC. INC.	150 ONEIDA STREET MONTREAL QC H9R 1A8		11,936.39
GOOGLE LLC	ROYAL BANK OF CANADA, P.O.BOX T56117 (POSTAL STN A) TORONTO ON M5W 4L1		331,880.75
GRAHAM & BROWN WALLCOVERING LTD.	226 SOUTH SERVICE ROAD EAST, LOWER LEVEL OAKVILLE ON L6J 2X5		52,429.44
GROUPE GUILBAULT LTEE	435 RUE FARADAY QUEBEC QC G1N 4G6		1,114.77
GROUPECHO CANADA INC.	1, PLACE LAVAL, BUREAU 400 LAVAL QC H7N 1A1		986.49
GSU EMPOWERING COMMUNITIES	500 REGENT STREET, P.O.BOX 250 SUDBURY ON P3E 4P1		4,276.86
GUELPH HYDRO ELECTRIC SYSTEMS INC.	395 SOUTHGATE DRIVE, GUELPH GUELPH ON N1G 4Y1		1,354.18
H. B. ENR.	55 RUE DU DOMAINE VARENNES QUEBEC QC J3X 2B2		724.34
HAUTE PROTECTION INC.	36 VAL-DES-BOIS TERREBONNE QC J6Y 1Z6		457.02
HORIZON UTILITIES CORPORATION	PO BOX 2249 STATION LCD 1 HAMILTON ON L8N 3E4		3,008.24
HYDRO ONE BRAMPTON	BOX 4371 STATION A TORONTO ON M5W 3P4		2,341.67

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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Hydro One Networks Inc. Collection Department	PO Box 5960 London ON N6A 6C4		5,316.02
Hydro Ottawa Collections Department	3025 Albion Rd. N., PO Box 8700 Ottawa ON K1G 3S4		7,827.94
Hydro-Québec Service de Recouvrement	3ème étage 140 boul Crémazie O Montréal QC H2P 1C3		83,561.56
IBM CANADA LTD.	C.P. 11572, CENTRE-VILLE MONTREAL QC H3C 5N7		5,816.00
IDEKA SERVICES CONSEILS INC.	104 RUE DU BLAINVILLIER BLAINVILLE QC J7C 4Y1		6,438.60
IDL INSTACHANGE DISPLAYS LIMITED	C/O T9904, P.O.BOX 9904, STN A TORONTO ON M5W 2J2		3,407.19
IDX DESIGN COMMUNICATION	9500 MEILLEUR, SUITE 800 MONTREAL QC H2N 2B7		7,663.09
IMAJERY INC.	J-1875 RENE LEVESQUE O. MONTREAL QC H3H 1R4		40,655.25
IMPRIMERIES TRANSCONTINENTAL	1500 BOUL. JULES POITRAS ST-LAURENT QC H4N 1X7		5,830.82
INDEED IRELAND OPER.LTD	P.O.BOX 11000 STATION "A", C/O T11189 TORONTO ON M5W 2G5		6,000.00
INTERNATIONAL NEON	5790 FERRIER MOUNT-ROYAL QC H4P 1M7		10,001.47
IRON MOUNTAIN CANADA CORP.	P.O. BOX 3527 STATION A TORONTO ON M5K 1E7		1,445.33
ISABELLE HAMELIN	665 DE LA TRAPPE TERREBONNE QC J6W 4X5		996.74
JACKSON MECHANICAL INC.	53 HARTY CRESENT AJAX ON L1T 4E6		3,593.47
JANI-KING OF NORTHERN ALBERTA	#86-4003 - 98 STREET NW EDMONTON AL T6E 6M8		674.10

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
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JAN-PRO DU QUEBEC	4565-B BOUL.INDUSTRIEL SHERBROOKE QC J1L 2W3		420.30
JOHNSTON EQUIPMENT	5990 AVEBURY ROAD MISSISSAUGA ON L5R 3R2		816.58
KEYRUS CANADA INC.	387-A RUE SAINT PAUL O. MONTREAL QC H2Y 2A7		45,298.34
KITCHENER WILMOT HYDRO INC.	301 VICTORIA STREET SOUTH, P.O. BOX 9021 KITCHENER ON N2G 4P1		1,845.51
KORHANI OF CANADA INC	7500 KEELE STREET CONCORD ON L4K 1Z9		7,588.36
L. SIMARD TRANSPORT LTEE.	1212- 32IEME AVENUE LACHINE QC H8T 3K7		260,486.54
LA GREAT-WEST	C.P. 1053 WINNIPEG MB R3C 2X4		72,117.01
LABRADOR	9021 BOUL.METROPOLITAIN E. ANJOU QC H1J 3C4		740.72
LANGEVIN ENTRETIEN ENR.	1242, JOLLIET CHICOUTIMI QC G7J 2R7		646.74
LAZY-LIFE PARIS	10217 CH COTE-DE-LIESSE DORVAL QC H9P 1A3		26,648.34
LDP-TRINOME SERVICES	JURIDIQUES INC, 226 BOULEVARD BRIEN, BUR 201 REPENTIGNY QC J6A 7E9		3,885.03
LENOVO (CANADA) INC.	P.O.BOX 4228, STATION A TORONTO ON M5W 5N9		8,263.40
LÉONCE JACOB INC.	455, RUE ROCHEFORT TROIS-RIVIÈRES QC G8T 7K5		459.90
LES ENTREPRISES MARIO ENR.	50 RUE LAPIERRE ST-NICEPHORE QC J2A 1V4		462.77
LES ETALAGES LEBER DISPLAY INC.	5589 ROBINSON MONTREAL QC H4V 2P7		7,093.96

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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LES SERVICE DENOANNE	152 ALSTON POINTE-CLAIRE QC H9R 6B4		460.00
LES SERVICES D'ENTRETIEN VALPRO INC	3060 BOUL.HEBERT VALLEYFIELD QC J6S 1C7		258.69
LIVINGSTON INTERNATIONAL INC.	6700 COTE DE LIESSE, BUREAU 300 VILLE ST-LAURENT QC H4T 2B5		4,671.06
London Hydro - Collections Department Paula Hill	PO Box 2700 111 Horton Street London ON N6A 4H6		1,872.76
LORANGER MARCOUX	2000 AVENUE MCGILL COLLEGE, BUREAU 2150 MONTREAL QC H3A 3H3		524.57
LUCE LUMEN INC (DOMESTIC)	77 DE LA SEIGNEURIE EST BLAINVILLE QC J7C 4M9		14,428.08
LUMISOLUTION INC.	162 AVENUE DU SACRE-COEUR QUEBEC QC G1N 2W2		99,490.11
LUXE DECOR INC.	205 DOLOMITE DRIVE TORONTO ON M3J 2N1		43,833.27
M & D PROJECTS INC.	6810 MEADOWVALE TOWN CENTRE CIRCLE, SUITE 34 MISSISSAUGA ON L5N 7T5		346.32
M.SOMERFIELD ELECTRIC INC.	RR#3 1671 THIRD ST. ST.CATHARINES ON L2R 6P9		419.23
MADDEN ELECTRIC INC.	584 FALCONBRIDGE RD,UNIT 5B SUDBURY ON P3A 4S4		265.56
MADESSA	3080 BOUL. LE CARREFOUR, SUITE 603 LAVAL QC H7T 2R5		148,204.84
MAGNAFIX	11001 RUE COLBERT MONTREAL QC H1J 2S1		1,793.61
MANITOBA HYDRO	PO BOX 7900 STN MAIN WINNIPEG MB R3C 5R1		955.73

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

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

In the matter of the proposal of  
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 of the Municipalité of Pointe-Claire, in the Province of Quebec

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MAPLE DISPLAY FIXTURES LTD.	60 CARRIER DRIVE TORONTO ON M9W 5R1		13,088.05
MARIANNE DEMERS	1595 LALEMANT # 203 SHERBROOKE QC J1H 2W5		1,041.46
MARTEL EXPRESS (MONTREAL) INC.0925	10105 HENRI BOURASSA OUEST VILLE ST-LAURENT QC H4S 1A1		7,955.12
MARTIN ROY TRANSPORT	543, BOUL. TEMISCAMINGUE ROUYN-NORANDA QC J9X 7C8		7,159.23
MASTER CARD	BANQUE NATIONAL DU CANADA, 600 DE LA GAUCHETIERE W. STE 4040-1 MONTREAL QC H3B 5B1		4,208.77
MECANIQUE L.S. & FILS INC.	904 ROUTE HARWOOD VAUDREUIL-DORION QC J7V 8P2		29,984.11
MERIDIAN ONECAP CREDIT CORP	100 ALEXIS NIHON, SUITE 970 ST-LAURENT QC H4M 2P5		523.14
MILTON HYDRO DISTRIBUTION INC.	200 CHRISHOLM DRIVE MILTON ON L9T 3G9		2,037.71
MINISTERE DU DEVELOPPEMENT ECONOMIQ	DE L'INNOVATION ET DE L'EXPORTATION, 380 RUE ST-ANTOINE O.,4E ETAGE MONTREAL QC H2Y 3X7		1,416.00
MORNEAU TRANSPORT	40 RUE PRINCIPALE SAINT-ARSENE QC G0L 2K0		41,137.86
NAGWORLD INC.	186 PLACE SUTTON #102 BEACONSFIELD QC H7W 5S3		24,073.67
National Bank of Canada	... QC		5,168,500.00
National Bank of Canada	... QC		13,640,557.00
NATIONAL LEASING	1525 BUFFALO PLACE WINNIPEG MB R3T 1L9		6,885.04

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
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NATIONEX	3505 BOUL. LOSCH ST-HUBERT QC J3Y 5T7		3,971.40
NETCO ELECTRIC LTD.	352A MCLAUGHLIN DR. MONCTON NB E1A 4R4		340.11
NETTOYAGES LOUIS BEAULIEU INC.	3400, 7E AVENUE OUEST ST-GEORGES QC G5Y 5M1		264.44
NEWFOUNDLAND POWER INC.	P.O. BOX 12069 ST.JOHN'S NF A1B 3P6		2,113.52
NEWMARKET HYDRO	590 STEVEN COURT NEWMARKET ON L3Y 6Z2		2,836.88
NOVA SCOTIA POWER	P.O.BOX 848 HALIFAX NS B3J 2V7		3,302.76
NOVADBA	54 RUE ST-JACQUES ST-JEAN-SUR-RICHELIE QC J3B 2J9		931.30
NOVEXCO	75 TIVERTON COURT, SUITE 102 MARKHAM ON L3R 4M8		3,189.97
OCEANEX INC	630 RENE-LEVESQUE BLVD WEST, SUITE 2550 MONTREAL QC H3B 1S6		35,418.81
OMNIPLAST INC.	5350 RAW SAY ST-HUBERT QC J3Y 2S4		17,797.41
ORION SAFETY EQUIPMENT	1161-40TH AVENUE N.E. CALGARY AL T2E 6M9		295.73
ORKIN CANADA	5840 FALBOURNE STREET MISSISSAUGA ON L5R 4B5		1,077.03
OS4 TECHNO SERVICES TI	1100 BOUL. CREMAZIE EST, SUITE 600 MONTREAL QC H2P 2X2		6,036.19
OSF-GLOBAL SERVICES INC.	5600 BOUL. DES GALERIES, BUREAU 530 QUEBEC QC G2K 2H6		27,594.00
OSHAWA PUBLIC NETWORKS INC.	100 SIMCOE STREET SOUTH OSHAWA ON L1H 7M7		1,290.57

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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Creditor	Address	Account#	Claim Amount
PALETTES P.T.I.INC.	1983 LABOSSIÈRE VAUDREUIL QC J7V 8P2		5,147.82
PAPETERIE LES ENTERPRISES INC	9106 HENRI BOURASSA O. ST-LAURENT QC H4S 1L5		669.15
PASARD INC.	2800 DE LA FAUNE QUEBEC QC G2A 1J3		2,937.93
PAYSAGISTE MICHAEL C	9187-4032 QUEBEC INC., 153 AVE. ONEIDA POINTE-CLAIRE QC H9R 1A9		12,768.34
PETERBOROUGH UTILITIES SERVICES	1867 ASHBUMHAM DR., P.O.BOX 4125 STATIOS MAIN PETERBOROUGH ON K9J 6Z5		2,127.25
PICTURE DEPOT INC	20 TORO ROAD TORONTO ON M3J 2A7		772,051.84
PLANTERRA	2275 CHEMIN SAINT-FRANCOIS DORVAL QC H9P 1K3		17,016.30
PLASTIQUES CELLULAIRES POLYFORM INC	454, RUE EDOUARD GRANBY QC J2G 3Z3		36,129.87
PLOMBERIE & CHAUFFAGE ROCHON	6A, RUE DE LOURDES POINTE CLAIRE QC H9S 4R2		297.79
PLOMBERIE DE LA RIVIERE	428 RUE PORTNEUF LONGUEUIL QC J4L 1E6		620.86
PLOMBERIE ET CHAUFF.ST-HYACINTHE	585 RUE BRODEUR ST-HYACINTHE QC J2S 4J6		367.36
POWER STREAM INC.	P.O.BOX 3700 CONCORD ON L4K 5N2		8,909.07
PRESENT	5255 BOUL. HENRI-BOURASSA O., SUITE 300 MONTREAL QC H4R 2M6		6,898.50
PROCAM CONSTRUCTION	1220 RUE MARCONI BOUCHERVILLE QC J4B 8G8		24,305.82
PROTECTION INCENDIE ROBERTS LTEE	26A, BOULEVARD HYMUS POINTE-CLAIRE QC H9R 1C9		595.00



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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PROVINCIAL WALLCOVERINGS ULC	P.O. BOX 99242 POSTAL STATION: A TORONTO ON M5W 0J6		38,583.72
PRO-WEST REFRIGERATION LTD.	9022-109 STREET GRANDE PRAIRIE AL T8V 4K8		472.50
QUANTUM MANAGEMENT SERVICES LTD.	2000 MCGILL COLLEGE AVE., SUITE 1800 MONTREAL QC H3A 3H3		51,975.16
RALIK PACKAGING	80 RUE OMER DESERRRES BLAINVILLE QC J7C 5V6		17,613.56
RAM DOORS	RAM OVERHEAD DOOR SYSTEMS LTD, 2181 BANTREE STREET OTTAWA ON K1B 4X3		527.20
RANDSTAD	3333 BOUL. COTE VERTU, BUREAU 500 ST-LAURENT QC H4R 2N1		39,201.59
REBOX CORP.	7500 CH DE LA COTE-DE-LIESSE ST-LAURENT QC H4T 1E7		19,714.78
RECEIVER GENERAL OF CANADA	ASFC 400 PLACE D'YOUVILLE, SALLE DES COMPTOIRS MONTREAL QC H2Y 2C2		367,938.93
RECYCLESMART SOLUTIONS INC.	310 - 10851 SHELLBRIDGE WAY RICHMOND QC V6X 2W8		44,752.93
REN-WIL INC	9181, RUE BOIVIN LASALLE QC H8R 2E8		2,931.86
REVOLUTION HOME DECOR INC	1615 LOUVAIN O #100 MONTREAL QC H4N 1G6		757,134.20
RGIS CANADA	P.O.BOX 2422, STATION A TORONTO ON M5W 2K6		9,390.16
ROBERT TRANSPORT	500 ROUTE 112 ROUGEMONT QC J0L 1M0		37,447.60
ROBERTO GLADIN	5021 RUE BERRI MONTREAL QC H2J 2S1		590.00

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

- FORM 33 -  
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In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ROGOL ELECTRIC COMPANY LIMITED	408 ORMONT DRIVE WESTON ON M9L 1N9		2,713.81
S.B.METAL PRESENTOIR	1255 GRAHAM-BELL BOUCHERVILLE QC J4B 6A1		10,477.27
SASKPOWER	2025 VICTORIA AVENUE REGINA SS S4P 0S1		2,441.75
SAX ELECTRICAL SERVICES LTD.	41 TORO ROAD TORONTO ON M3J 2A4		839.48
SB HAULAGE INC.	7 GRAVES CRESCENT ST.CATHARINES ON L2S 3Y7		2,056.60
SDM REALTY ADVISORS LTD.	ITF KOWSAR HOLDING LTD., 1040 W.GEORGIA ST. SUITE 1850 VANCOUVER BC V6E 4H1		8,944.85
SERVICES DE SECURITE ADT CANADA INC	8481 LANGELIER MONTREAL QC H1P 2C3		1,373.64
SNAP PREMIUM FINANCE	1 TORONTO ST, SUITE 1010 TORONTO ON M5C 2V6		27,073.95
SOHO MIRROR COMPANY INC	47 WAKELIN COURT WOODBIDGE ON L4L 2P1		57,891.04
SOL-R	44 BENJAMIN HUDON MONTREAL QC H4N 1H8		451.18
SOLUTION INTERACTIVE (PIVOT 88)	DE VALIDATION 88 INC., 2400 RUE MICHELIN LAVAL QC H7L 5O3		15,162.90
SOLUTION TIME DATA	3130 RUE DE MINIAC ST-LAURENT QC H4S 1N5		929.00
SOPHIE GREAVES	LAVAGE DE VITRES-ENTRETIEN, 30 BOUL KIROUAC WARWICK QC J0A 1M0		520.00
SOS TECHNOLOGIES	185 MERIZZI ST-LAURENT QC H4T 1Y3		285.14

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

<b>List of Creditors with claims of \$250 or more.</b>			
Creditor	Address	Account#	Claim Amount
STANDARD MECHANICAL SYSTEMS	3055 UNIVERSAL DRIVE MISSISSAUGA ON L4X 2E2		891.80
STEWART MCKELVEY	PURDY'S WHARF TOWER1, P.O.BOX 997 HALIFAX NS B3J 2X2		391.00
STREAMLINE ART	1040 RONSA COURT MISSISSAUGA ON L4W 3Y4		6,720.00
SUPERIOR PROPANE	P.O.BOX 4568 STN A TORONTO ON M5W 0J5		445.54
SWEET IQ ANALYTICS CORP.	P.O.BOX 12531 SUCC.CENTRE-VILLE MONTREAL QC H3C 6R1		12,274.73
SYNERION NORTH AMERICA INC	7420 AIRPORT ROAD, SUITE 101 MISSISSAGA ON L4T 4E5		1,248.11
TECHNI-CONTACT CANADA LTEE	200 - 237 AV.LABROSSE POINTE-CLAIRE QC H9R 1A3		398.96
THOMSON TREMBLAY INC.	2040 PEEL, SUITE #200 MONTREAL QC H3A 1W5		220,261.39
TISSUS TEXIMAGE INC.	9615 CHEMIN DE LA COTE DE LIESSE DORVAL QC H9P 1A3		100,639.06
TONY BERNIER ENTRETIEN ENR.	27 CHEMIN DE RAYMOND RIVIERE DU LOUP QC G5R 2H8		1,254.66
TORONTO HYDRO	P.O.BOX 4490, STATION A TORONTO ON M5W 4H3		4,641.42
TOSHIBA GCS - T9982	P.O.BOX 9982, STNA TORONTO ON M5W 2J2		18,949.08
TRANSALTA ENERGY MARKETING	C/O C09633C PO BOX 9633, STATION M CALGARY AL T2P 0E9		15,831.41
TRANSPORT & DISTRIBUTION	4488,BOUL.DE LA GRANDE ALLÉE,SUIT A BOISBRIAND QC J7H 1R9		670.00
TRANSUNION	P.O.BOX 15613, STN"A" TORONTO ON M5W 1C1		954.30

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

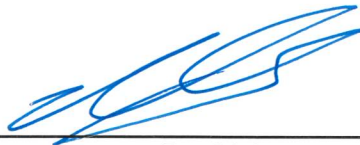
List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
TRINOME CONSEILS	226 BOUL. BRIEN, BUR.201 REPENTIGNY QC J6A 7E9		3,556.52
TRUSOURCE H2O CANADA INC.	3473 BOUL. THIMENS ST-LAURENT QC H4R 1V5		924.40
ULINE CANADA	BOX 3500 RPO STREETSVILLE MISSISSAUGA ON L5M 0S8		3,473.65
ULTRANIX INDUSTRIES INC.	205 BOUL. BRUNSWICK, SUITE 400 POINTE-CLAIRE QC H9R 1A5		1,130.50
UNION GAS	P.O. BOX 4001 STN A TORONTO ON M5W 0G2		509.82
UNITED RENTALS	115 ARDELT AVE KITCHENER ON N2C 2E1		1,313.17
UNIVERSAL LINENS INC.	6395 COTE DE LIESSE MONTREAL QC H4T 1E5		284,008.55
URBAN REFORM REALTY INC. BROKERAGE	1133 YONGE STREET, SOUTH ENTRANCE, LOWER LEVEL TORONTO ON M4T 2Y7		11,300.00
VANILLA MOULDINGS	780 CREDITSTONE ROAD CONCORD ON L4K 4P4		104,399.06
VERTUOSE INC.	5409 SAINT-LAURENT MONTREAL QC H2T 1S5		479.05
VILLE DE SAGUENAY (HYDRO)	HYDRO-JONQUIERE JONQUIERE QC G7X 7W7		1,942.00
VILLE DE SHERBROOKE	CP 1720 SHERBROOKE QC J1H 5N8		2,669.49
VIPOND INC	321 ADOLPH DRIVE RM OF SHERWOOD SS S4K 0A3		2,274.21
VITRERIE CHAYER INC.	1038 DU VIGER TERREBONNE QC J6W 6B9		5,130.65
WATERLOO NORTH HYDRO INC.	BOX 640, 300 NORTHFIELD DR.E WATERLOO ON N2J 4A3		1,886.39

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

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

In the matter of the proposal of  
Bouclair Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
WESTERN PACIFIC ENTERPRISES	1321 KETCH COURT COQUITLAM BC V3K 6X7		1,384.95
WHITBY HYDRO	100 TAUNTON RD. E WHITBY ON L1N 5R8		1,927.89
<b>Total</b>			<b>35,317,838.79</b>



Bouclair Inc.  
Insolvent Person

**Pièce « A-2 »**

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

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

In the matter of the proposal of  
Bouclair International Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

Take notice that:

1. I, Bouclair International Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Restructuration Deloitte Inc. of 1190, avenue des Canadiens-de-Montréal Bur 500, Montréal, QC, H3B 0M7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Montréal in the Province of Quebec, this 11th day of November 2019.



Bouclair International Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

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

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

In the matter of the proposal of  
Bouclair International Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bouclair Inc	152 av. Alston Pointe-Claire QC H9R 6B4		583,485.00
Revenu Québec	3800 rue de Marly Québec QC G1X 4A5		9,524.00
<b>Total</b>			593,009.00



\_\_\_\_\_  
Bouclair International Inc.  
Insolvent Person



**Pièce « A-3 »**

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.:  
ESTATE. No.:

S U P E R I O R C O U R T  
Commercial Division

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

**BOUCLAIR INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

– and –

**BOUCLAIR INTERNATIONAL INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

Debtors / Petitioners

– and –

**DELOITTE RESTRUCTURING INC.**  
(Martin Franco, CPA, CA, CIRP, LIT designated person in charge), having a place of business at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montreal, Province of Québec, H3B 0M7

Trustee

**FIRST REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS TRUSTEE TO THE NOTICE OF INTENTION TO MAKE A PROPOSAL**  
*(Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3)*

**INTRODUCTION**

1. On November 12, 2019, Bouclair Inc. ("**Bouclair**") and Bouclair International Inc. ("**Bouclair International**") (collectively the "**Companies**" or the "**Debtors**") filed a Notice of Intention to make a proposal ("**NOI**") under the relevant provisions of the *Bankruptcy and Insolvency Act*.
2. Deloitte Restructuring Inc. ("**Deloitte**") was appointed as trustee to the Debtors (the "**Trustee**") under the NOI.

### **PURPOSE OF THE FIRST REPORT**

3. In this first report (the "**First Report**") of the Trustee, the following will be addressed:
  - (i) Corporate structure of the Companies and Companies' operations;
  - (ii) Bouclair's financial situation;
  - (iii) Companies' creditors;
  - (iv) Overview of the sale and investment solicitation process;
  - (v) Overview of the proposed consulting agreement and contemplated liquidation of certain stores;
  - (vi) Financing;
  - (vii) Priority charges;
  - (viii) Administrative Charge;
  - (ix) Directors & Officers Charge;
  - (x) CRO Charge;
  - (xi) Projected cash flow; and,
  - (xii) Trustee's conclusions and recommendations.
4. In preparing this First Report, the Trustee has relied upon unaudited financial information, the Companies' records, the Companies' Motion for an Order (i) creating Super-Priority charges; (ii) approving a consulting agreement; and (iii) approving related relief dated November 11, 2019 (the "**First Motion**"), and its discussions with the management of the Companies ("**Management**"), the Companies' Chief Restructuring Officer ("**CRO**") and their advisors. While the Trustee has reviewed the information, some in draft form, submitted in the abridged time available, the Trustee has not performed an audit or other verification of such information. Forward looking financial information included in the First Report is based on assumptions of the Companies' management regarding future events, and actual results achieved will vary from this information and the variations may be material.
5. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this First Report are as defined in the First Motion.
6. A copy of this First Report and further reports of the Trustee will be available on the Trustee's website at [www.deloitte.com/ca/Bouclair](http://www.deloitte.com/ca/Bouclair)

### **CORPORATE STRUCTURE OF THE COMPANIES AND COMPANIES' OPERATIONS**

7. Bouclair is a privately held company established in 1970 under the laws of the Province of Québec.
8. Bouclair designs and sells at retail window covering products including stylish curtains, rods, blinds and shades, and accessories. In addition, Bouclair designs and sells at retail a wide range of home decor products in the following subcategories: wall decor, home furnishings, kids/baby, home accents, lightings, seasonal, bath, storage, floral greenery, dining entertainment, and other home decor products as well as furniture.
9. In 2012, Bouclair started a wholesale business through a wholly-owned subsidiary, Bouclair International. Bouclair International revenues are generated primarily through the sale of Bouclair products and royalties generated through the license of intellectual property to an Australian retailer in exchange for commissions and royalty payments. The revenues are not material and Bouclair International's major unsecured creditor is Bouclair.

10. In addition to its online store, Bouclair currently operates 92 retail stores (the "Stores") in Canada and has one distribution center located in Montreal, Québec ("DC"). The breakdown by Province is below.

<b>Operating Locations by Province</b>			
<b>Province</b>	<b>Stores</b>	<b>DC</b>	<b>Total</b>
Quebec	43	1	44
Ontario	31	-	31
Alberta	9	-	9
Nova Scotia	2	-	2
British Columbia	2	-	2
New Brunswick	2	-	2
Manitoba	1	-	1
Newfoundland and Labrador	1	-	1
Saskatchewan	1	-	1
<b>Total</b>	<b><u>92</u></b>	<b><u>1</u></b>	<b><u>93</u></b>

11. Bouclair currently employs approximately 1,150 employees, 158 of which work at the head office. Out of the 1,150 employees, approximately 330 are employed full-time. None of the employees are unionized and there is no pension plan.
12. Bouclair leases all of its premises from third party landlords. The Company has 93 leases with 42 different landlords or landlord groups.

<b>Rental Contracts by Landlord</b>		
<b>Landlord</b>	<b>Number of Premises</b>	<b>%</b>
Smart Centres/Calloway	16	17,2%
Riocan	13	14,0%
CREIT	5	5,4%
Centrecorp	4	4,3%
Cogir	4	4,3%
Cominar	3	3,2%
First Capital	3	3,2%
Ivanhoe Cambridge	3	3,2%
8649162 Canada Inc.	2	2,2%
Beauward	2	2,2%
Cadillac Fairview	2	2,2%
Crombie	2	2,2%
Cushman & Wakefield	2	2,2%
One Properties	2	2,2%
Oxford	2	2,2%
Plaza	2	2,2%
Others (26 landlords)	26	27,6%
<b>Total</b>	<b><u>93</u></b>	<b><u>100,0%</u></b>

## BOUCLAIR'S FINANCIAL SITUATION

13. Bouclair's financial situation has deteriorated due to several factors over the last few years, namely that traditional Canadian home furnishing retailers have experienced increasing levels of competition from large-scale discount US retailers and online retailers.
14. Additionally, and as further detailed in the First Motion, several factors have contributed to Bouclair's financial difficulties:
- Bouclair incurred additional costs following the implementation of a warehouse management system that lead to operational difficulties and disrupted both Bouclair's e-commerce order fulfillment capabilities and its ability to replenish its stores;
  - the first 8 weeks of the 2019 fiscal year were negatively impacted by unfavorable weather;
  - sales have been underperforming in the Québec City and Ontario regions, as well as in certain other regions;
  - the increase of the minimum wage across several regions; and
  - the high cost of certain store locations under long term leases at rates higher than current market prices.
15. Despite all its efforts, Bouclair has been unable to find its way back to profitability.
16. As presented below, according to the unaudited financial statements for the 8-month period ended September 28, 2019, Bouclair had revenues of approximately \$96.6M and a net loss of approximately \$1.2M.

<b>Historical Results (\$ 000)</b>			
Income Statement for the year ended	27-Jan-18	26-Jan-19	28-Sep-19 <sup>(1)</sup>
Revenues	149,205	146,186	96,641
Cost of goods sold	<u>56,737</u>	<u>52,007</u>	<u>34,309</u>
<b>Gross Profit</b>	<b>92,468</b>	<b>94,179</b>	<b>62,332</b>
Expenses	<u>88,742</u>	<u>88,024</u>	<u>59,749</u>
<b>EBITDA</b>	<b>3,726</b>	<b>6,155</b>	<b>2,583</b>
<b>Net Income (Loss)</b>	<b><u>(773)</u></b>	<b><u>1,132</u></b>	<b><u>(1,207)</u></b>

<sup>(1)</sup> 8-month period

17. The latest unaudited balance sheet, as at September 28, 2019, is presented below.

<b>Historical Results (\$ 000)</b>	
Balance sheet as at	28-Sep-19
<b>ASSETS</b>	
Cash and other current assets	3,135
Inventories	31,574
Property, plant and equipment	14,864
Non-Current assets	50
	<u>49,623</u>
<b>LIABILITIES AND EQUITY</b>	
Trade suppliers and accrued liabilities	15,389
Other current liabilities	1,243
Deffered revenue	1,700
Revolving credit facility	13,761
Capital lease obligations	205
Long-term debt	6,409
Long-term sub debt	2,664
Deffered lease inducement	814
	<u>42,185</u>
<b>TOTAL LIABILITIES</b>	<b>42,185</b>
Retained earnings and equity	<u>7,438</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>49,623</b>

18. As shown above, as at September 28, 2019, Bouclair owned assets with a net book value of approximately \$49.6M and had total liabilities of approximately \$42.2M.

19. The assets were mainly comprised of inventory (\$31.6M) and property, plant and equipment (\$14.9M). The reader should note that most of the book value of the property, plant and equipment category arises from furniture and fixtures, computer software and website.

20. The total liabilities are further discussed in the following section of this report.

## COMPANIES' CREDITORS

### Secured creditors

21. The following table presents the secured creditors and the amount of indebtedness:

<b>Secured Creditors</b> as at Nov 7, 2019	<b>Amount of Indebtedness</b> (\$ 000)
NBC Loans	18,800
BDC Loan	1,200
AST Trust Company (Subordinated Loan)	1,500
Aljusa Investments Inc. (Subordinated Loan)	1,200
<b>Total</b>	<b>22,700</b>

22. The Trustee has also been advised that certain landlords (listed in **Schedule "A"** to the First Motion) hold certain security registrations. The amount of claims secured thereunder and the effectiveness of such registrations, if any, is currently undetermined.

### National Bank of Canada

23. Bouclair obtained a first lien revolving credit facility ("**Revolving Facility**") and a term loan facility ("**Term Facility**") and, collectively with the Revolving Facility, the "**NBC Loan**", with National Bank of Canada ("**NBC**").

24. The NBC Loan is stated to be secured by a first-ranking security on all assets, tangible and intangible, present and future, of Bouclair in favour of NBC.

25. The amount due under the Revolving Facility as at November 8, 2019 is estimated at approximately \$13.6M, excluding interest, fees and expenses while the amount due under the Term Facility is estimated at \$5.2M.

26. The NBC Loan has been in default for several months. The NBC agreed, on several occasions, to forbear from exercising its rights as secured lender. It is anticipated that, prior to the hearing on the First Motion, NBC and the Companies shall have agreed upon the terms of a Fourth Forbearance Agreement pursuant to which NBC agreed to forbear from exercising its rights as secured creditor until December 29, 2019, provided certain conditions are met.

27. The Trustee has requested an independent opinion from its counsel on the validity, opposability and perfection of the NBC security.

28. The Trustee understands that Bouclair has initiated these NOI proceedings with the knowledge and consent of NBC.

### Business Development Bank of Canada

29. A Business Development Bank of Canada loan ("**BDC**") is stated to be secured by a hypothec on the universality of all, present and future, moveable property located at the Anjou Store.

30. The BDC Loan is stated to be subordinated in rank, but only in respect of claims and inventory, to any security interests granted by Bouclair in favour of any bank or financial institution providing operating loans or credit.
31. The Trustee will determine whether an independent opinion from its counsel with respect to the validity, opposability and perfection of the security granted under the BDC Loan is necessary.
32. The amount due in respect of the BDC loan is estimated, as at November 7, 2019, at \$1.2M.

#### AST Trust Company

33. An AST Trust Company loan ("**AST**") is stated to be secured by a hypothec for the sum of \$2M on all of Bouclair's present and future moveable property.
34. The AST loan is stated to be subordinated to the NBC security, as agreed between the parties on February 14, 2019.
35. The amount due in respect of the AST loan is estimated, as at November 7, 2019, at \$1.5M.

#### Aljusa Investments Inc.

36. Aljusa Investments Inc. ("**Aljusa**"), a party related to Bouclair, is stated to have granted a loan secured by a hypothec for the sum of \$2.5M on all of Bouclair's present and future moveable property.
37. The Aljusa loan is stated to be subordinated to the NBC security, as agreed between the parties on February 14, 2019.
38. The amount due in respect of the Aljusa loan is estimated, as at November 7, 2019, at \$1.2M.

#### Unsecured creditors

39. As at November 7, 2019, an amount of approximately \$10.3M is due by Bouclair to trade creditors.
40. Of that amount, an estimated amount of \$2.3M is due to trade creditors located outside of Canada, for the most part in the People's Republic of China.

### **OVERVIEW OF THE SALE AND INVESTMENT SOLICITATION PROCESS**

41. As indicated above, due to the poor financial results of the last few years and more specifically in the current fiscal year, there was significant pressure on the working capital of the Companies.
42. Over the last three years, revenues have decreased as a result of a targeted reduction in store count in an effort to eliminate underperforming locations.
43. Bouclair implemented an e-commerce sales platform to facilitate the sale of its products online and expand sales outside of its typical in-store network. It also invested in capital expenditures mainly related to the development of Bouclair's new e-commerce platform, experiential store concept, and predictive inventory allocation tool.
44. Unfortunately, even though the Companies implemented various measures to reduce operating costs, the Companies were unable to generate sales to the targeted level and consequently, were unable to generate sufficient liquidities to allow them to meet their obligations as they became due.



45. Once Management realized that it would not be able to turn the operations around, a decision was made to initiate a restructuring process ("**Restructuring Process**") to attempt to identify a strategic partner that could potentially take over the operations, with a view to maximizing the realization value for all stakeholders, and securing the employment of as many of its employees as possible.
46. The Restructuring Process may be summarized as follows:
- a. Provide the opportunity for existing bank lenders (or new lenders, as the case may be) and investors willing to inject new equity into the Companies' business, or to loan or invest in a new entity which would acquire the business, in order to capitalize on the Companies' ongoing growth of the e-commerce platform and new store format, without carrying forward certain of the Companies' legacy liabilities and unprofitable leases, the whole with the support of and in consultation with the Companies' principal secured lender, NBC; and
  - b. As part of its restructuring plan, Bouclair intends to close and liquidate 29 unprofitable stores (with an additional potential six (6) stores, which may be liquidated following consultation between Bouclair and its landlords) (the "**Liquidation Stores**"). The net proceeds of the liquidation would be remitted to the secured creditors that hold security over said liquidated assets.
47. As outlined in the First Motion, in order to achieve the objective outlined in Section 46 (a) above, a sale and investment solicitation process (the "**SISP**") was conducted by the Companies with the assistance of the CRO and Ernst & Young Orenda Corporate Finance Inc. ("**EYI**").
48. On or around August 19, 2019, the SISP was launched and comprised, *inter alia*, the following steps:
- a. Performing analyses to develop a list of potential purchasers;
  - b. Contacting 36 potential purchasers across Canada, the United States of America and Europe;
  - c. Providing teasers to seventeen (17) different parties as well as confidentiality agreements to five (5) potentially interested parties; and
  - d. Providing confidential information memorandums and access to an electronic data room to three (3) potentially interested parties.
49. The Trustee understands that Mr. Peter Goldberg, President of Bouclair and Bouclair International, indicated to the Companies at the beginning of the Restructuring Process that he would most likely present, together with a group of other investors, an offer to restructure the business and assets of the Companies (the "**Indication of Interest**") which would include, among other things:
- a. The creation, by a group of investors comprised of Peter Goldberg and others, of a new entity (the "**Proposed Purchaser**") with the support of and in consultation with NBC;
  - b. The closure and liquidation of the Liquidation Stores;
  - c. The acquisition by the Proposed Purchaser of all or substantially all of the Companies' assets and properties related to the head office, the warehouse and Stores other than the Liquidation Stores; and
  - d. The assumption of certain liabilities related to the NBC Loan, the AST Subordinated Loan, the Aljusa Subordinated Loan and certain other liabilities to be identified.

50. The Trustee is advised that interested parties participating in the SISP were informed that all offers would need to be submitted to EYI by no later than October 18, 2019. The three parties which had initially indicated their interest to participate in the SISP declined to submit an offer by the bid deadline. As such, other than the Indication of Interest, EYI did not receive any indications of interest or offers in connection with the SISP.
51. As of the date hereof, the Indication of Interest represents the only proposal which contemplates a going concern transaction.
52. The Trustee understands that the Companies have been continuing discussions with NBC as well as with third party lenders who may be willing to refinance the NBC Loan and that, while certain non-binding term sheets have been executed, no binding agreement has been reached to date between the Proposed Purchaser, NBC and other potential lenders.
53. As appears from the First Motion, the Companies hope to file, as soon as possible, a motion for the approval of the proposed transaction. At such time, the Trustee intends to file an additional report in connection with such proceeding, to provide further comments in respect of the SISP, the proposed transaction and the approval of the Court being sought in respect thereof.

#### **OVERVIEW OF THE PROPOSED CONSULTING AGREEMENT AND CONTEMPLATED LIQUIDATION OF CERTAIN STORES**

54. As part of its restructuring efforts, Bouclair engaged RC Benson Consulting Inc. (Randy Benson) as its CRO.
55. As indicated above, as part of their Restructuring Process, the Companies determined, along with the CRO, that the appropriate course of action was to engage in a sale ("**Liquidation Sale**") of all their inventory and furniture, fixtures and equipment located in the Liquidation Stores, in the context of these NOI proceedings, in order to maximize realization.
56. During the Liquidation Sale, Bouclair will continue to operate all other stores in the normal course of business.
57. In order to facilitate the Liquidation Sale and to maximize realization for its creditors, Bouclair has negotiated and executed an agreement (the "**Consulting Agreement**") with Gordon Brothers Canada ULC (the "**Consultant**"), to advise the Company with respect to the Liquidation Sale. The Consultant shall be entitled to a fee for its services (the "**Consultant Fee**"). The Consultant will also be entitled to supervision costs and reimbursement of certain expenses. As appears from the proposed order, Bouclair will remit a deposit of \$250k to the Consultant, to secure the payment of the Consultant Fee and all other amounts owing to the Consultant under the Consulting Agreement.
58. Under the terms of the Consulting Agreement, the Liquidation Sale will commence from the date of the issuance of the Liquidation Order and shall terminate no later than December 29, 2019 (the "**Termination Date**"), however Bouclair or the Consultant may mutually agree in writing to terminate the Liquidation Sale at any Liquidation Store prior to the Termination Date.
59. Bouclair will be responsible for all expenses of the Liquidation Sale, including operating expenses and reasonable, documented out-of-pocket expenses of the Consultant.
60. Bouclair intends to continue to honour all outstanding gift certificates and store credits. All sales made during the Liquidation Sale will be final.
61. The Trustee supports the engagement of the Consultant. The Consultant has extensive experience in conducting liquidation sales and will assist Bouclair in maximizing realization, the whole in the

best interests of the stakeholders. The Consulting Agreement and the fees payable thereunder are consistent with market practice. Moreover, the Trustee understands that NBC is also supportive of the Consulting Agreement.

## **FINANCING**

62. As previously indicated, it is anticipated that Bouclair will be operating under the terms of the Fourth Forbearance Agreement. Thereunder, NBC would continue to forbear from exercising its rights and remedies until the earlier of December 29, 2019 or the occurrence of certain specified termination events.
63. It is anticipated that, except as otherwise set forth in the Fourth Forbearance Agreement, the NBC facilities shall generally operate on the same terms and conditions as were in place prior to the filing of these NOI proceedings. In addition, the Companies shall be required to comply with a 7-week cash flow, in accordance with the anticipated Fourth Forbearance Agreement.

## **PRIORITY CHARGES**

64. As explained in the First Motion, it is expected that, as of the date of the hearing on the First Day Order, the Companies will have provided advance notice of the proceedings to NBC and to subordinated secured lenders, namely Aljusa and AST, but will not have provided any advance notice of these proceedings to the affected parties listed in **Schedule "A"** to the First Motion (the "**Affected Parties**").
65. The Affected Parties include, at Section A of **Schedule "A"**, certain parties which have registered security interests over assets in specific Bouclair stores (without admission as to effectiveness of such registrations). As a result, the super-priority charges are proposed to only affect the "Affected Assets" (as defined in the proposed First Day Order) and exclude the assets over which the parties listed in Section A of **Schedule "A"** have registered security interests.
66. The Companies have advised the Trustee that they intend to return before this Court after the Affected Parties have been duly notified, to seek an order expanding the scope of the super-priority charges to cover all the assets of the Companies, with no exception.

## **ADMINISTRATIVE CHARGE**

67. The First Motion seeks a \$300k Administrative Charge (the "**Administrative Charge**") to secure the fees and disbursements relating to professional services rendered both before (in connection with preparing for the NOI) and after the filing of the NOI by the Trustee and its counsel and counsel to the Companies.
68. The Trustee is of the view that given (i) the anticipated timeline to complete the Liquidation Sale and these NOI proceedings (ii) the support of NBC (iii) the nature and value of the Companies' property and (iv) the fact that no creditors will be unduly prejudiced, both the quantum of the Administrative Charge and the recipients entitled to benefit therefrom is fair and reasonable in the circumstances.
69. As such, the Trustee supports the Companies' request for approval of the proposed Administrative Charge.

## **DIRECTORS & OFFICERS CHARGE**

70. The Trustee understands that the Companies maintain directors' and officers' insurance in the aggregate amount of \$5M with Chubb Insurance and that current coverage expires on October 16, 2020 (the "**D&O Insurance Policy**").
71. The Trustee further understands that there may be insufficient coverage in respect of potential directors' and officers' liability, notably in respect of wages, including accrued vacation pay, and source deductions, other employee related obligations and sales taxes. As presented in the cash flow in Appendix A, the estimated monthly Payroll & related payments total approximately \$2.5M.
72. The First Motion provides for a charge in an aggregate amount of \$2.2M to secure the indemnity provided to the directors and officers in respect of liabilities they may incur after the NOI in their capacity as directors and officers (the "**D&O Charge**"). As per the First Motion, the D&O Charge becomes effective only if the existing D&O Insurance Policy is not responsive or sufficient.
73. The D&O Charge is proposed to be composed of two tranches. The first tranche, of \$600k, is proposed to rank behind the Administrative Charge and ahead of the security granted under the NBC Loan. The second tranche, of \$1.6M, is proposed to rank behind the security granted under the NBC Loan and the CRO Charge (as defined below), but ahead of security granted to Aljusa and AST.
74. The Trustee is of the view that the continued support and service of Bouclair's directors and officers during the NOI is essential to Bouclair's efforts to preserve value and maximize recoveries for stakeholders through the completion of the Liquidation Sale and the contemplated Sale Transaction. The Trustee is of the view that the granting of the D&O Charge is fair and reasonable in the circumstances given (i) the anticipated amount of time it will take to complete the Liquidation Sale and these NOI proceedings (ii) the support of NBC (iii) the nature and value of the Companies' property and (iv) the fact that no creditors will be unduly prejudiced.

## **CRO CHARGE**

75. The First Motion seeks a \$500k CRO Charge (the "**CRO Charge**") to secure the obligations owing by the Companies to the CRO. The CRO Charge is proposed to rank behind the security granted under the NBC Loan and ahead of the second tranche of the D&O Charge.
76. The Trustee is of the view that the CRO will provide critical support and expertise to Bouclair's in the context of its restructuring. The Trustee is of the view that the granting of the CRO Charge is fair and reasonable in the circumstances given (i) the nature and value of the Companies' property and (ii) the fact that no creditors will be unduly prejudiced.

## **PROJECTED CASH FLOW**

77. The Companies, with the assistance of the Trustee, prepared the statement of projected cash flow (the "**Cash Flow Statement**") for the 7-week period from November 11, 2019 to December 28, 2019 (the "**Cash Flow Period**") for the purpose of projecting the Companies' estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Statement is attached as Appendix A to this First Report.
78. The Cash Flow Statement has been prepared by the Companies using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.
79. The Trustee's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to it by Management. Since the hypothetical

assumptions need not be supported, the Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Trustee also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.

80. Based on the Trustee's review and the foregoing qualifications and limitations, nothing has come to its attention that causes it to believe that, in all material respects:
- (i) The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
  - (ii) As at the date of this First Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or
  - (iii) The Cash Flow Statement does not reflect the probable and hypothetical assumptions.
81. Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Trustee expresses no opinion as to whether the projections in the Cash Flow Statement will be achieved. The Trustee expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this First Report, or relied upon in preparing this report. Neither does the Trustee express any opinion as to the performance of the Companies' statutory obligations with regard to projected payments to be made in accordance with the Cash Flow Statement, *inter alia* the payment of wages, the government remittances and the payroll deductions to be made by the Companies.
82. The Cash Flow Statement has been prepared solely for the purpose described in the Notes to the Cash Flow Statement, and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.
83. The key assumptions used in the Cash Flow Statement are based on the Companies' revised 2020 fiscal year operating plan. The Revolving Facility balance as at November 11, 2019 is estimated to be at approximately \$13.6M out of the maximum availability of \$15M. The Cash Flow Statement demonstrates that the Companies will be able to operate within the maximum amount authorized under the Revolving Facility, thus in accordance with the forthcoming Fourth Forbearance Agreement.
84. Management anticipates more restrictive payment terms for purchases from suppliers following the NOI. As such, Management has anticipated certain "cash on delivery" purchases and payment of deposits to certain utility providers.
85. In addition, as appears from the First Motion, Bouclair sources the majority of its inventory from suppliers located abroad, particularly in the People's Republic of China. The total amount owed to these suppliers is estimated at approximately \$2.3M. Accordingly, Bouclair is seeking an order to allow for the payment of pre-filing obligations to these foreign suppliers ("**Key Suppliers**"), up to a maximum aggregate amount of \$750k, with the consent of the Trustee and to the extent necessary.
86. Accordingly, the Cash Flow Statement includes certain provisions for payments which may be required to be made to the Key Suppliers. Considering the difficulty of enforcing a Canadian court order abroad and that it is in all stakeholders' interest to avoid disruption of Bouclair's supply chain, the Trustee is of the view that this request is reasonable in the circumstances.
87. Management has advised the Trustee that it believes that the forecast reflected in the Cash Flow Statement is reasonable.

**TRUSTEE'S CONCLUSIONS AND RECOMMENDATIONS**

88. For the reasons set out in this First Report, the Trustee is of the view that the relief sought by the Companies in its First Motion is appropriate and reasonable in the circumstances. The Trustee is also of the view that the relief requested will enhance the Companies' ability to achieve the best possible outcome for their stakeholders.

The Trustee respectfully submits to the Court this, its First Report.

DATED AT MONTREAL, this 12<sup>th</sup> day of November, 2019.



Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

DELOITTE RESTRUCTURING INC.  
In its capacity as Trustee

## APPENDIX A – CASH FLOW

Bouclair Inc.									
Weekly Cash Flow Forecast									
For the 7-week period ending December 28, 2019									
(Unaudited, in \$000s CAD)									
		<b>TOTAL</b>							
Week Ending >>>>	Note	16-Nov-19	23-Nov-19	30-Nov-19	7-Dec-19	14-Dec-19	21-Dec-19	28-Dec-19	
<b>RECEIPTS</b>									
Sales receipts	1	2,569	3,289	2,707	3,528	2,498	2,909	2,198	19,698
Liquidation receipts	2	554	958	1,073	1,189	1,214	1,154	1,020	7,162
<b>TOTAL RECEIPTS</b>		<b>3,123</b>	<b>4,247</b>	<b>3,780</b>	<b>4,717</b>	<b>3,712</b>	<b>4,063</b>	<b>3,218</b>	<b>26,860</b>
<b>DISBURSEMENTS</b>									
Trade vendor payments (third party)	3	757	1,622	1,218	415	180	622	1,053	5,868
Rent	4	1,717	-	-	1,356	-	1,356	-	4,429
Payroll & related payments	5	1,225	-	1,225	-	1,225	-	1,218	4,892
Other expenses	6	199	500	500	87	125	125	125	1,661
Professional fees - restructuring	7	186	463	111	475	68	331	34	1,668
Freight & Duty	8	60	562	60	210	60	562	60	1,574
Marketing & Advertising	9	171	150	150	283	150	150	150	1,204
Liquidation disbursements	10	311	77	77	77	77	13	-	632
Warehouse contractants	11	95	95	95	95	95	95	95	665
Professional fees	12	110	35	35	110	35	35	35	395
Financial expenses	13	-	-	-	259	-	-	68	327
IT	14	55	55	55	55	55	55	55	385
Contingency		25	25	25	25	25	25	25	175
Sales taxes		-	-	516	-	595	-	544	1,655
<b>TOTAL DISBURSEMENTS</b>		<b>4,911</b>	<b>3,584</b>	<b>4,067</b>	<b>3,447</b>	<b>2,690</b>	<b>3,369</b>	<b>3,462</b>	<b>25,530</b>
<b>NET CASH FLOW FROM OPERATIONS</b>		<b>(1,788)</b>	<b>663</b>	<b>(287)</b>	<b>1,270</b>	<b>1,022</b>	<b>694</b>	<b>(244)</b>	<b>1,330</b>
Opening cash balance		(12,906)	(14,694)	(14,031)	(14,318)	(13,048)	(12,026)	(11,332)	(12,906)
<b>CLOSING CASH BALANCE</b>		<b>(14,694)</b>	<b>(14,031)</b>	<b>(14,318)</b>	<b>(13,048)</b>	<b>(12,026)</b>	<b>(11,332)</b>	<b>(11,576)</b>	<b>(11,576)</b>
Letters of credit (L/C)		(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)
Closing cash balance (including L/C)		(14,835)	(14,172)	(14,459)	(13,189)	(12,167)	(11,473)	(11,717)	(11,717)
Borrowing capacity		16,984	16,411	16,273	15,706	15,689	14,560	14,128	14,128
<b>Surplus of coverage</b>		<b>2,149</b>	<b>2,239</b>	<b>1,814</b>	<b>2,517</b>	<b>3,522</b>	<b>3,087</b>	<b>2,411</b>	<b>2,411</b>

**\*\* To be read in conjunction with the attached Notes and Summary of Assumptions**

## **Notes and Summary of Assumptions**

1. *Sales receipts* include product sales from Stores and e-commerce. Forecasted product sales from Stores (including sales tax) are gross of credit card fees. The Company's forecasted sales are based on historical sales patterns on a weekly basis.
2. *Liquidation receipts* include product sales from the Liquidation Stores. Forecasted product sales from Liquidation Stores (including sales tax) are gross of credit card fees, and Consultant Fees. The Consultant in collaboration with the Company determined the forecasted sales.
3. *Trade vendor payments (third party)* include payments to domestic and international suppliers, as well as pre-NOI amounts to international suppliers (up to a maximum of \$750k). These payments are based on the actual purchase orders and future orders that will be needed for the Company to maintain the going concern. Amounts include sales tax when applicable.
4. *Rent* includes rent payments to landlords (paid bi-weekly starting December 1, 2019) in accordance with the leases. Amounts include sales tax.
5. *Payroll and related payments* includes Stores, Liquidation Stores, Corporate related payroll, and fringe benefits.
6. *Other expenses* include utilities, insurance, and other general payments based on historical expense patterns. Amounts include sales tax.
7. *Professional fees - restructuring* include estimated professional fees for the Trustee, the Trustee's counsel, the CRO, the Company's legal counsel, NBC's financial advisor, and NBC's legal counsel. The Company will incur all the fees mentioned above. Amounts include sales tax.
8. *Freight and duty* include inbound freight for purchased merchandise, outbound freight for shipments to stores, and duty for international purchases based on historical expense patterns. Amounts include sales tax.
9. *Marketing and advertising* include traditional Medias and social media payments based on historical expense patterns. Amounts include sales tax.
10. *Liquidation disbursements* include the Consultant fees, supervision fees, advertising, and other costs related specifically to the Liquidation Sale. The Consultant and supervision fees are forecasted and payable in accordance with the Consulting Agreement. Amounts include sales tax.
11. *Warehouse contractors* include fees paid to agencies for warehouse resources based on historical expense patterns. Amounts include sales tax.
12. *Professional fees* include all other professional fees not related to the restructuring. These fees are to be incurred by the Company based on historical expense patterns. Amounts include sales tax.
13. *Financial expenses* include credit card fees which are forecasted at 1.7% for all Stores and Liquidation Stores sales, monthly bank fees, interests, and forbearance fees.
14. *IT fees* include all IT related payments based on historical expense patterns. Amounts include sales tax.



**Pièce « A-4 »**

CANADA  
PROVINCE DE QUÉBEC  
DISTRICT DE QUÉBEC  
DIVISION N° : 01-MONTRÉAL  
COUR N° : 500-11-057470-193  
DOSSIER N° : 41-2582132

COUR SUPÉRIEURE  
Chambre commerciale

**DANS L'AFFAIRE DE LA  
PROPOSITION DE :**

**Bouclair Inc.**, société dûment constituée en vertu de la loi, et ayant son siège social et son établissement principal au 152 av. Alston, Pointe-Claire, QC, H9R 6B4.

Personne insolvable

-et-

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI, responsable désigné) ayant une place d'affaires au 1190, avenue des Canadiens-de-Montréal, bureau 500, Montréal Québec, H3B 0M7

Syndic

**AVIS DE L'INTENTION DE FAIRE UNE PROPOSITION**

(article 50.4(1) de la Loi)

AVIS est par les présentes donné que **Bouclair Inc.** a déposé, le 11 novembre 2019, un avis d'intention de faire une proposition à ses créanciers, dont copie est jointe, et que nous avons consenti à agir comme syndic.

Une copie de la proposition sera transmise à tous les créanciers avant la tenue de la première assemblée des créanciers, laquelle aura lieu à une date et à un endroit qui vous seront communiqués. Les documents suivants vous parviendront subséquemment :

- Avis de l'assemblée des créanciers;
- Formulaire de preuve de réclamation et procuration;
- Lettre de vote et circulaire d'information.

FAIT À Montréal, ce 15 novembre 2019

RESTRUCTURATION DELOITTE INC.  
Syndic



**Deloitte Restructuring Inc.**

La Tour Deloitte  
1190 avenue des  
Canadiens-de-Montréal  
Suite 500  
Montreal QC H3B 0M7  
Canada

Phone: 514-393-7115  
Fax: 514-390-4103  
Email : bouclair@deloitte.ca  
www.deloitte.ca

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
DIVISION N° : 01-MONTREAL  
COUR N° : 500-11-057470-193  
FILE N° : 41-2582132

S U P E R I O R C O U R T  
Commercial Division

**IN THE MATTER OF THE  
PROPOSAL OF :**

**Bouclair Inc.**, a legal person duly incorporated  
under the Law, having its head office and principal  
place of business at 152 av. Alston, Pointe-Claire,  
Quebec, H9R 6B4.

Insolvent person

- and -

**DELOITTE RESTRUCTURING INC.**  
(Martin Franco, CPA, CA, CIRP, LIT, responsible)  
having its place of business at 1190, avenue des  
Canadiens-de-Montreal, Suite 500, Montreal Quebec,  
H3B 0M7

Trustee

**NOTICE OF INTENTION TO MAKE A PROPOSAL**

(Section 50.4(1) of the Act)

NOTICE is hereby given that **Bouclair Inc.** has filed, on November 11, 2019, a Notice of Intention to Make a Proposal to its creditors, a copy of which is attached, and that we have consented to act as trustee.

A copy of the proposal will be forwarded to all creditors before the holding of the first meeting of creditors, which should be held on a date and at a place to be determined. The following documents will be transmitted later on:

- Notice of meeting of creditors;
- Proof of claim and proxy form;
- Voting letter form and information circular.

DATED AT Montréal, this November 15, 2019

DELOITTE RESTRUCTURING INC.  
Trustee

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

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

In the matter of the proposal of  
Bouclair Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

Take notice that:

1. I, Bouclair Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Restructuration Deloitte Inc. of 1190, avenue des Canadiens-de-Montréal Bur 500, Montréal, QC, H3B 0M7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Montréal in the Province of Quebec, this 11th day of November 2019.



Bouclair Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
**ANJI HENGYE FURNITURE FACTORY	YANGGUANG INDUSTRIAL 2 ZONE,DIPU, TOWN ANJI COUNTY,ZHEJIANG PROVINCE ANJI ZHEJIANG CHINA		16,760.10
**ANJI LONGRUN SEATING PRODUCTS FACTO	FANTAN INDUSTRY ZONE,DIPU TOWN,, ANJI COUNTY HUZHOU ZHEJIANG 313300 CHINA		40,464.20
**ANJI MEITANG FURNITURE CO.,LTD	#2 BLOCK, SUNSHINE INDUSTRIAL ZONE, ANJI COUNTY, ZHEJIANG PROVINCE ANJI COUNTY ZHEJIANG CHINA		106,950.56
**ANJI SHUANGFENG FURNITURE CO.,LTD	SUNSHINE INDUSTRIAL 3RD PARK, ANJI HUZHOU ZHEJIANG CHINA		21,506.10
**ANJI TUNUO HOME FURNISHING CO.,LTD.	KANGSHAN INDUSTRIAL ZONE,, ANJI , ZHEJIANG, CHINA HUZHOU ZHEJIANG 313300 CHINA		32,018.00
**ANJI XINGHAO FURNITURE FACTORY	No. 3 of Sunshine Industry Second, District No. 3 Road Dipu Town Anji HUZHOU ZHEJIANG CHINA		100,038.23
**ANJI YANGZHI FURNITURE COMPANY CO	TANGPU ECONOMIC DEVELOPMENT ZONE, ANJI COUNTY HUZHOU ZHEJIANG CHINA		14,297.50
**ARTREE(XIAMEN) GROUP LTD.	NO.198 PINGCHENG SOUTH RD,ZHOUGCANG, INDUSTRIAL AREA,HAICANG DISTRICT XIAMEN FUJIAN 361026 CHINA		6,440.00
**BEST RAINBOW LIMITED	FLAT/RM 401? 4/F WANCHAI CENTRAL, BUILDING 89 LOCKHART RD WANCHAI Hong Kong, China CHINA		616.98
**C.J. MARKETING LTD	UNIT 8, 30 WERTHEIM COURT BEIJING BEIJING CHINA		81,633.72
**DONGGUAN CITY GENERAL SUCCESS	CAIBAI THE FIRST INDUSTRIAL AREA, DAOJIAO TOWN DONGGUAN GUANGDONG 523185 CHINA		61,467.28
**FUZHOU HOME BROAD-DIRECT CO.LTD	NO. 8,BINJIANG WEST ROAD,GANZHE, TOWN FUZHOU FUJIAN 350100 CHINA		41,187.44

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
**INTCO INTERNATIONAL(HK)CO.,LIMITED	UNIT 04,7/F,BRIGHT WAY TOWER, NO.33, MONG KOK ROAD KOWLOON Hong Kong, China CHINA		26,764.46
**INTERNATIONAL HOME ACCENTS LTD	ROOM 3003, 30/F,ONE MIDTOWN, 11 HOI SHING ROAD TSUEN WAN Hong Kong, China CHINA		14,716.80
**JUSEN FURNITURE CO.,LTD	NO9 BEIDOU ROAD,XIANGCHENG DISTRICT, ZHANGZHOU CITY FUJIAN CHINA ZHANGZHOU FUJIAN 363000 CHINA		44,710.29
**LEEMINGDA INTERNATIONAL CO.,LTD	LOUZHAI VILLAGE , HUIYANG AREA,, ZHENLONG TOWN HUIZHOU GUANGDONG 516000 CHINA		11,377.37
**LF CENTENNIAL PTE LTD	1 KALLANG JUNCTION, #05-01, SINGAPORE SHANGHAI SHANGHAI 339263 CHINA		772,175.67
**LUCE LUMEN INC	2/F,#8, LEFENG 8TH ROAD MAOHUI, INDUSTRIAL ZONE HENGLAN TOWN ZHONGSHAN GUANGDONG CHINA		22,540.45
**M/S. BANARAS HOUSE EXPORTS	B-1/E-10 MOHAN CO-OP IND. EST., MATHURA ROAD, BADARPUR DELHI DELHI 110044 INDIA		12,448.80
**MAVIN OVERSEAS	52,PEERGAIB MUGHALPURA 1ST MORADABAD UTTAR PRADESH INDIA		3,052.00
**MAXWELL BASKETWARE INC.	ROOM 7019,DONG HAI INTL PLAZA, NO.17 HUIQUAN ROAD QINGDAO SHANDONG CHINA		21,613.90
**MEDIA EXPERTS LTD	HERZEL 30, P.O.BOX 15025 RISHON-LEZION TEL AVIV 7505001 ISRAEL		6,321.00
**MINHOU MINXING WEAVING CO.,LTD	#56, XIANSHANBIAN, BAISHA TOWN,, MINHOU FUZHOU FUJIAN 350102 CHINA		560.00
**NEW ORIGINAL BRASS	NEAR BY PASS SAMBHAL ROAD MUMBAI MAHARASHTRA 244001 INDIA		2,273.60

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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**NINGBO BETTYLUORI TEXTILE CO.,LTD	ROOM 1209,WANJIN BUILDING BAIZHANG, ROAD No 892,JIANGDONG AREA NINGBO ZHEJIANG 315041 CHINA		108,860.39
**R.K.SINGHAL EXPORTS	B-95 GANDHI NAGAR MORADABAD UTTAR PRADESH 244001 INDIA		1,219.68
**SHAOXING HONGSHENG TEXTILE CO., LTD	NO. 9B-4138 CHUANGYIYUAN, CHUANGYI, ROAD KEQIAO SHAOXING ZHEJIANG CHINA		24,842.50
**SHAOXING XIAOQIUCHUANG TEXTILE / SHAOXING KEQIAO QIUMEI ID 7600	NO 5 STATION ROAD QIANQING TOWN SHAOXING CITY ZHEJIANG 312025 CHINA		312,748.93
**SHENZHEN YADISI HARDWARE PRODUCTS	No.13 of Jixiang 2nd Road,Jinshuiqi, Industrial area,Longgang Town, SHENZHEN GUANGDONG 518116 CHINA		1,314.18
**SMALL WORLD	D-34 SECTOR X NOIDA UTTAR PRADESH INDIA		3,332.99
**SYTE VISUAL CONCEPTION LTD.	ALENBY 105 TEL AVIV TEL AVIV ISRAEL		11,221.00
**TEXTILE WORLD	RISHALU ROAD, VILLAGE SIWAH PANIPAT HARYANA 132103 INDIA		11,704.56
**THEASPACE CO.,LTD	FLAT/RM 909B 9/F TWO GRAND TOWER, 625 NATHAN ROAD KOWLOON Hong Kong, China CHINA		14,868.00
**UMBRA HK LIMITED	RM15,WORKSHOP 6S-V,VALIANT ING BLDG, 2-12 AU PUI WAN STEET FO TRAN Hong Kong, China M1S 1B1 CHINA		162,709.15
**VIBGYOR HANDICRAFTS	D 95/B, FLAT C-1, SURYA KIRAN APTS,, FREEDOM FIGHTER COLONY, IGNOU ROAD NEW DELHI DELHI 110068 INDIA		4,194.96
**WORLD BRIGHT INTERNATIONAL	P.O.BOX 3151 ROAD TOWN ANHUI CHINA		35,865.54

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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**ZHEJIANG WADOU CREATIVE ART CO. LTD / WADOU	ZHEJIANG WADOU CREATIVE ART CO.,LTD, NO136 QIJIGUANG ROAD, CHOUZHOU ECODV YIWU ZHEJIANG 322000 CHINA		87,540.38
**ZHEJIANG ZHONGBANG LTD	NO. 1 KANGBA ROAD, XIAOYUAN STREET ANJI COUNTY ZHEJIANG CHINA		61,270.02
**ZIBO HICHEON HOMEWARE CORP., LTD.	NO.9A-1,NORTH OF DEVELOPING ROAD,, ZIBO HI-TECH DEVELOPING ZIBO SHANDONG CHINA		5,761.14
*BOTIFY CORPORATION	185 ALEWIFE BROOK PARKWAY, SUITE 210 CAMBRIDGE MA 02138 USA		5,061.00
*COA INC CAD	12928 SANDOVAL ST SANTE FE SPRINGS CA 90670 USA		49,858.42
*COA INC USD	12928 SANDOVAL STREET SANTA FE SPRINGS CA 90670 USA		112,552.05
*CYBERSOURCE CORP.	P.O.BOX 742842 LOS ANGELES CA 90074-2842 USA		15,723.83
*FACEBOOK, INC.	ATTENTION: ACCOUNTS RECEIVABLE, 15161 COLLECTIONS CENTER DRIVE CHICAGO IL 60693 USA		169,146.18
*INRIVER AB	C/O SVENKA HANDELS BANKEN, 875 THIRD AVENUE , 4TH FLOOR NEW YORK NY 10022-7218 USA		20,000.00
*PICTURE DEPOT-SHOWROOM B349	495 SOUTH GRAND CENTRAL PARKWAY LAS VEGAS NV 89106 USA		14,471.80
*RALPH FRIEDLAND & BROS. Inc.	17 Industrial Drive Cliffwood Beach NJ 07735 USA		125,891.65
*SAPIENT CORPORATION	P.O.BOX 4886 BOSTON MA 02241-4886 USA		67,500.00
*YORK WALLCOVERINGS INC	750 LINDEN AVE YORK PE 174002 USA		16,726.50
_Employés	152 Alson Avenue Pointe-Claire QC H9R 6B4		2,300,000.00



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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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2156914 ONTARIO INC.	O/A IDEAL PLUMBING & HEATING, 8 CLAIRMONT STREET, UNIT 8 THOROLD ON L2V 1R1		398.89
2219148 ONTARIO INC.	ONTARIO WALLCOVERING, 4309 STEELES AVE W TORONTO ON M3N 1V7		23,505.30
9247-7793 QUEBEC INC.	O/A HI TECH PLUS, 4528 9E RUE LAVAL QC H7W 1Z1		20,998.58
9337-0476 QUEBEC INC	HAUTE PROTECTION LA CAPITALE, 979 AVE. DE BOUGOGNE, BUR.200 QUEBEC QC G1W 2L4		1,545.27
9349 - 1702 QUEBEC INC.	680 - 1600 A SAINT MARTIN EST LAVAL QC H7G 4R8		9,042.78
A.M. ELECTRIQUE ENR.	1414 BERLIER, CHOMEDEY LAVAL QC H7L 4A1		2,149.99
ACCEO SOLUTIONS INC.	DIVISION GEMMAR, 75 QUEEN, SUITE 6100 MONTREAL QC H3C 2N6		799.56
ACCURATE DORWIN INC.	1535 SEEL AVENUE WINNIPEG MB R3T 1C6		365.71
ADCO-DISPLETECH GROUP	50 GINCE ST-LAURENT QC H4N 2W6		45,665.83
ALB GROUPE CONSEIL INC	JULIE BRUNETTE, 15 RICHARDSON BEAUHARNOIS QC J6N 2S9		1,883.90
Aljusa Investments Inc.	152 avenue Alston Pointe-Claire QC H9R 6B4		1,184,530.00
ALLSTREAM INC.	P.O.BOX 5300, STN MAIN WINNIPEG MB R3C 0C1		11,559.93
AMEX BANK OF CANADA	BOX 2000 WEST HILL ON M1E 5H4		395.98
AMEX BANK OF CANADA/	BANQUE AMEX DU CANADA, P.O.BOX 2000 WEST HILL ON M1E 5H4		506,445.05

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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AMEX-WIRE (WAYPAY)	MONTREAL, MONTREAL MONTREAL QC H9R6B4		756,407.27
APTOS CANADA INC.	9300 TRANSCANADIENNE SUITE 300 ST-LAURENT QC H4S 1K5		12,845.66
ARCADIAN PAPER CONVERTERS INC.	3001 BRABANT MARINEAU VILLE ST-LAURENT QC H4S 1V5		3,495.24
ARTISSIMO DESIGNS CANADA INC.	415 ANNAGEM BLVD MISSISSAUGA ON L5T 3A7		162,813.80
AST Trust Company	152 avenue Alston Pointe-Claire QC H9R 6B4		1,500,113.00
AZARYA ENTERPRISES INC.	3752 AVE. DE COURTRAI MONTREAL QC H3S 1C1		19,350.29
Banque de développement du Canada - Québec Laurence Boulerville	Département des comptes spéciaux 5 Place Ville Marie, Niveau Plaza, Édifice BDC Montréal QC H3B 5E7		1,218,750.00
BC Hydro & Power Authority Tracy Peterson or Lee Mold c/o Credit Administration	6911 Southpoint Drive Burnaby BC V3N 4X8		3,215.91
Bell Canada F-88 - Business Insolvency Department	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3		649.18
BELL CONFERENCES INC.	5099 CREEKBANK ROAD B4 MISSISSAUGA ON L4W 5N2		1,678.43
BINATEK INC.	7951 VAUBAN STREET ANJOU QC H1J 2V1		1,874.09
BLUE GIANT SOLUTIONS	410 ADMIRAL BOULEVARD, UNIT A-1 MISSISSAUGA ON L5T 2N6		1,017.58
BLUEWATER POWER DISTRIBUTION CORP.	855 CONFEDERATION STREET SARNIA ON N7T 7L6		3,518.17
BOISJOLI TRANSPORT	1150 RAOUL-CHARETTE JOLIETTE QC J6E 8S6		34,615.27

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

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

In the matter of the proposal of  
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 of the Municipalité of Pointe-Claire, in the Province of Quebec

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BOLTON ELECTRIC	5411 CANOTEK GLOUCESTER ON K1J 9M3		442.96
BOYANG HU	152 ALSTON POINTE-CLAIRE QC H9R 6B4		3,598.46
BURLINGTON HYDRO INC.	1340 BRANT STREET BURLINGTON ON L7R 3Z7		2,554.42
CAMRACK	3112 RUE BERNARD PILON ST-MATHIEU BELOEIL QC J3G 4S5		3,117.43
Canon Canada Inc Lisa Saccoccia	8801 Trans-Canada Highway Saint-Laurent QC H4S 1Z6		5,376.51
CAROLINE MARLEAU	3 DES PIGNONS SAINTE-MARTINE QC J0S 1V0		600.71
CARROUSEL	1401 AMPERE BOUCHERVILLE QC J4B 5Z5		3,508.19
CASABAWA IMPORTS	8900 PARC AVENUE, MONTREAL QC H2N 1Y8		212,958.15
CATHERINE VIDAL	287 3E AVENUE VERDUN QC H4G 2X3		400.00
CFH SECURITE INC.	1455 BOUL PITFIELD, VILLE ST-LAURENT QUEBEC QC H4S 1G3		1,413.22
CHUBB INSURANCE COMPANY OF CANADA	55 UNIVERSITY AVE. SUITE #400 TORONTO ON M5J 2H7		25,000.00
CIBC VISA	P.O.BOX 4595, STN "A" TORONTO ON M5W 4X9		45,546.15
CINTAS CANADA LTEE	DEP. 400004 P.O.BOX 4372, STN A TORONTO ON M5W 0J2		457.00
CISCO SYSTEMS CAPITAL	C/O T 4557 PO BOX 4557, STN A TORONTO ON M5W 0K1		7,041.80
CLIMATISATION ROGER DEMERS INC	1331 DENAULT SHERBROOKE QC J1H 2P6		1,023.28

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

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

In the matter of the proposal of  
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CLIMFX	30 RUE GEORGES-WALKER GATINEAU QC J8Y 4E8		1,043.00
COFORCE	11301 RUE MIRABEAU ANJOU QC H1J 2S2		18,112.50
COLUMBIA FRAME INC	6251 NOTRE DAME STREET EAST MONTREAL QC H1N 2E9		67,976.62
COMFORT MECHANICAL	6867618 CANADA INC., 27 NORTHSIDE ROAD, UNIT 2729 OTTAWA ON K2H 8S1		284.57
CONCIERGERIE EUREKA	12755 RICHER ST-HYACINTHE QC J2T 2P6		344.92
CONSOLIDATED FASTFRATE INC	9701 HWY 50 WOODBRIIDGE ON L4H 2G4		1,948.56
COPIDATA 3116093 CANADA INC.	450 WRIGHT ST-LAURENT QC H4N 1M6		2,777.87
COPYCO INC.	3300 BOULEVARD PITFIELD ST-LAURENT QC H4S 1K6		4,754.24
CORLITE-MERCOR LIGHTING	4953 COTE-VERTU BLVD ST-LAURENT QC H4S 1E1		6,506.90
CORSAIR	6505 VANDEN ABEELE, ST-LAURENT QUEBEC QC H4S 1S1		628.60
CPP CANADIAN PAPER & PACKAGING CO.	3001 BRABANT MARINEAU VILLE ST-LAURENT QC H4S 1V5		3,841.08
CREATIONS VIVIMAR INC.	600 MCCAFFREY ST-LAURENT QC H4T 1N1		29,576.83
CRITEO CANADA CORP	P.O.BOX 57454, POSTAL STATION A TORONTO ON M5W 5M5		9,143.97
CRSA GLOBAL LOGISTICS INC.	1275 KINGSWAY AVE. PORT COQUITLAM BC V3C 1S2		107,486.04
DANIEL MCGRAW	323 BELLEFLEUR ST-JEAN QC J3B 1L2		639.26

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

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

In the matter of the proposal of  
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 of the Municipalité of Pointe-Claire, in the Province of Quebec

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DE LAGE LANDEN FINANCIAL SERVICES	3450 SUPERIOR COURT, UNIT 1 OAKVILLE ON L6L 0C4		42,501.17
DIAGONAL SYSTEMS INC.	7-2144 BOULEVARD DECARIE MONTREAL QC H4A 3J3		2,023.56
DIRECT ENERGY REGULATED SERVICES	P.O.BOX 1520, STN. M CALGARY AL T2P 5R6		575.08
DKM ENTREPRISES	342, DE LA TERRASSE DROUIN ST-COLOMBAN QC J5K 1Z1		1,333.00
DOCK PRODUCTS CANADA, INC.	P.O.BOX 5060 LONDON ON N6A 4M4		9,073.41
DONNA MCCALLEN	17 BURNTWOOD AVE. NEPEAN ON K2J 4P4		744.90
DOR-CONTROL CRAFTSMEN LTD.	190 BOVAIRD DR.WEST, UNIT 17 BRAMPTON ON L7A 1A2		1,428.89
DUCATT LAVE INC.	449 RUE BOURBONNAIS LASALLE QC H8R 2Z2		1,121.01
ECO ENTREPRISES QUEBEC	1600 BOUL RENE-LEVESQUE QUEST MONTREAL QC H3H 1P9		25,734.91
EMBALLAGES KRUGER S.E.C.	7474 RUE CORDNER LASALLE QC H8N 2W3		52,108.25
ENBRIDGE CONSUMERS GAS	P.O.BOX 644 SCARBOROUGH ON M1K 5H1		1,604.74
ENBRIDGE GAS NEW BRUNSWICK	440 WILSEY ROAD, SUITE 201 FREDERICTON NB E3B 7G5		361.79
ENERGIE NB POWER	P.O. BOX - C.P. 2000 CARAQUET NB E1W 1C1		4,050.10
ENERGIES SONIC INC.	9001 BOUL. DE L'ACADIE BUREAU 200 MONTREAL QC H4N 3H7		450.37
ENERGIR	C.P. 6115, SUCCURSALE "A" MONTREAL QC H3C 4N7		4,484.60

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

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

In the matter of the proposal of  
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 of the Municipalité of Pointe-Claire, in the Province of Quebec

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ENERSOURCE HYDRO MISSISSAUGA	2185 DERRY RD.WEST MISSISSAUGA ON L5N 7A6		4,593.64
EN-PRO	174 SIMCOE STREET N. OSHAWA ON L1G 4S9		1,264.73
ENSEIGNES OTIS/ ENSEIGNES STE-MARIE	2730 RUE DE LA SALLE JONQUIERE QC G7S 2A7		442.65
ENWIN UTILITIES LTD	787 OUELLETTE AVE, P.O. BOX 1625, STN."A" WINDSOR ON N9A 5T7		4,115.15
EPCOR	P.O.BOX 500 EDMONTON AL T5J 3Y3		449.41
EXTINCTEURS SAINT-JEAN	718 D'AUTEUIL ST-JEAN-SUR-RICHELIE QC J3B 7R8		4,743.83
FIBRENOIRE INC.	550, AVE BEAUMONT, SUITE 320 MONTREAL QC H3N 1V1		632.36
FIRST MAINTENANCE SOLUTIONS LTD.	215 CARLINGVIEW DR. UNIT 210 ETOBICOKE ON M9W 5X8		10,630.82
FLS TRANSPORTATION SERVICES LIMITED	400 SAINTE-CROIX AVENUE MONTREAL QC H4N 3L4		127,874.43
FOOTPRINT	206 HUMBERCREST BLVD TORONTO ON M6S4L3		1,924.42
FORTISBC - NATURAL GAS	PO BOX 6666 STN. TERMINAL VANCOUVER BC V6B 6M9		336.48
FROMM PACKAGING SYSTEMS	15 - 75 BAYLY STREET WEST, SUITE #360 AJAX ON L1S 1S3		10,616.80
FUSION RETAIL ANALYTICS INC.	1670 BAYVIEW AVENUE, SUITE 503 TORONTO ON M4G 3C2		14,371.88
FUZE HR SOLUTIONS INC	333 DECARIE BLVD. SUITE 250 MONTREAL QC H4N 3M9		2,152.51
G. & R. DUMONT INC.	204, RUE DU PATRIMOINE CACOUNA QC G0L 1G0		474.28

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

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GARDAWORLD CASH SERVICES	1390 RUE BARRE MONTREAL QC H3C 1N4		5,145.08
GCL CANADA INC.	1001 RUE LENOIR, BUREAU B-524 MONTREAL QC H4C 2Z6		6,499.16
GENERIX GROUP	1360 ROPERY, SUITE 201 MONTREAL QC H3K 2X3		25,966.41
GERSTAT INC.	1028 DES FABRICANTS TERREBONNE QC J6Y 2A6		10,733.97
GLOBE ELECTRIC. INC.	150 ONEIDA STREET MONTREAL QC H9R 1A8		11,936.39
GOOGLE LLC	ROYAL BANK OF CANADA, P.O.BOX T56117 (POSTAL STN A) TORONTO ON M5W 4L1		331,880.75
GRAHAM & BROWN WALLCOVERING LTD.	226 SOUTH SERVICE ROAD EAST, LOWER LEVEL OAKVILLE ON L6J 2X5		52,429.44
GROUPE GUILBAULT LTEE	435 RUE FARADAY QUEBEC QC G1N 4G6		1,114.77
GROUPECHO CANADA INC.	1, PLACE LAVAL, BUREAU 400 LAVAL QC H7N 1A1		986.49
GSU EMPOWERING COMMUNITIES	500 REGENT STREET, P.O.BOX 250 SUDBURY ON P3E 4P1		4,276.86
GUELPH HYDRO ELECTRIC SYSTEMS INC.	395 SOUTHGATE DRIVE, GUELPH GUELPH ON N1G 4Y1		1,354.18
H. B. ENR.	55 RUE DU DOMAINE VARENNES QUEBEC QC J3X 2B2		724.34
HAUTE PROTECTION INC.	36 VAL-DES-BOIS TERREBONNE QC J6Y 1Z6		457.02
HORIZON UTILITIES CORPORATION	PO BOX 2249 STATION LCD 1 HAMILTON ON L8N 3E4		3,008.24
HYDRO ONE BRAMPTON	BOX 4371 STATION A TORONTO ON M5W 3P4		2,341.67

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

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

In the matter of the proposal of  
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 of the Municipalité of Pointe-Claire, in the Province of Quebec

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Hydro One Networks Inc. Collection Department	PO Box 5960 London ON N6A 6C4		5,316.02
Hydro Ottawa Collections Department	3025 Albion Rd. N., PO Box 8700 Ottawa ON K1G 3S4		7,827.94
Hydro-Québec Service de Recouvrement	3ème étage 140 boul Crémazie O Montréal QC H2P 1C3		83,561.56
IBM CANADA LTD.	C.P. 11572, CENTRE-VILLE MONTREAL QC H3C 5N7		5,816.00
IDEKA SERVICES CONSEILS INC.	104 RUE DU BLAINVILLIER BLAINVILLE QC J7C 4Y1		6,438.60
IDL INSTACHANGE DISPLAYS LIMITED	C/O T9904, P.O.BOX 9904, STN A TORONTO ON M5W 2J2		3,407.19
IDX DESIGN COMMUNICATION	9500 MEILLEUR, SUITE 800 MONTREAL QC H2N 2B7		7,663.09
IMAJERY INC.	J-1875 RENE LEVESQUE O. MONTREAL QC H3H 1R4		40,655.25
IMPRIMERIES TRANSCONTINENTAL	1500 BOUL. JULES POITRAS ST-LAURENT QC H4N 1X7		5,830.82
INDEED IRELAND OPER.LTD	P.O.BOX 11000 STATION "A", C/O T11189 TORONTO ON M5W 2G5		6,000.00
INTERNATIONAL NEON	5790 FERRIER MOUNT-ROYAL QC H4P 1M7		10,001.47
IRON MOUNTAIN CANADA CORP.	P.O. BOX 3527 STATION A TORONTO ON M5K 1E7		1,445.33
ISABELLE HAMELIN	665 DE LA TRAPPE TERREBONNE QC J6W 4X5		996.74
JACKSON MECHANICAL INC.	53 HARTY CRESENT AJAX ON L1T 4E6		3,593.47
JANI-KING OF NORTHERN ALBERTA	#86-4003 - 98 STREET NW EDMONTON AL T6E 6M8		674.10



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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
JAN-PRO DU QUEBEC	4565-B BOUL.INDUSTRIEL SHERBROOKE QC J1L 2W3		420.30
JOHNSTON EQUIPMENT	5990 AVEBURY ROAD MISSISSAUGA ON L5R 3R2		816.58
KEYRUS CANADA INC.	387-A RUE SAINT PAUL O. MONTREAL QC H2Y 2A7		45,298.34
KITCHENER WILMOT HYDRO INC.	301 VICTORIA STREET SOUTH, P.O. BOX 9021 KITCHENER ON N2G 4P1		1,845.51
KORHANI OF CANADA INC	7500 KEELE STREET CONCORD ON L4K 1Z9		7,588.36
L. SIMARD TRANSPORT LTEE.	1212- 32IEME AVENUE LACHINE QC H8T 3K7		260,486.54
LA GREAT-WEST	C.P. 1053 WINNIPEG MB R3C 2X4		72,117.01
LABRADOR	9021 BOUL.METROPOLITAIN E. ANJOU QC H1J 3C4		740.72
LANGEVIN ENTRETIEN ENR.	1242, JOLLIET CHICOUTIMI QC G7J 2R7		646.74
LAZY-LIFE PARIS	10217 CH COTE-DE-LIESSE DORVAL QC H9P 1A3		26,648.34
LDP-TRINOME SERVICES	JURIDIQUES INC, 226 BOULEVARD BRIEN, BUR 201 REPENTIGNY QC J6A 7E9		3,885.03
LENOVO (CANADA) INC.	P.O.BOX 4228, STATION A TORONTO ON M5W 5N9		8,263.40
LÉONCE JACOB INC.	455, RUE ROCHEFORT TROIS-RIVIÈRES QC G8T 7K5		459.90
LES ENTREPRISES MARIO ENR.	50 RUE LAPIERRE ST-NICEPHORE QC J2A 1V4		462.77
LES ETALAGES LEBER DISPLAY INC.	5589 ROBINSON MONTREAL QC H4V 2P7		7,093.96

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
LES SERVICE DENOANNE	152 ALSTON POINTE-CLAIRE QC H9R 6B4		460.00
LES SERVICES D'ENTRETIEN VALPRO INC	3060 BOUL.HEBERT VALLEYFIELD QC J6S 1C7		258.69
LIVINGSTON INTERNATIONAL INC.	6700 COTE DE LIESSE, BUREAU 300 VILLE ST-LAURENT QC H4T 2B5		4,671.06
London Hydro - Collections Department Paula Hill	PO Box 2700 111 Horton Street London ON N6A 4H6		1,872.76
LORANGER MARCOUX	2000 AVENUE MCGILL COLLEGE, BUREAU 2150 MONTREAL QC H3A 3H3		524.57
LUCE LUMEN INC (DOMESTIC)	77 DE LA SEIGNEURIE EST BLAINVILLE QC J7C 4M9		14,428.08
LUMISOLUTION INC.	162 AVENUE DU SACRE-COEUR QUEBEC QC G1N 2W2		99,490.11
LUXE DECOR INC.	205 DOLOMITE DRIVE TORONTO ON M3J 2N1		43,833.27
M & D PROJECTS INC.	6810 MEADOWVALE TOWN CENTRE CIRCLE, SUITE 34 MISSISSAUGA ON L5N 7T5		346.32
M.SOMERFIELD ELECTRIC INC.	RR#3 1671 THIRD ST. ST.CATHARINES ON L2R 6P9		419.23
MADDEN ELECTRIC INC.	584 FALCONBRIDGE RD,UNIT 5B SUDBURY ON P3A 4S4		265.56
MADESSA	3080 BOUL. LE CARREFOUR, SUITE 603 LAVAL QC H7T 2R5		148,204.84
MAGNAFIX	11001 RUE COLBERT MONTREAL QC H1J 2S1		1,793.61
MANITOBA HYDRO	PO BOX 7900 STN MAIN WINNIPEG MB R3C 5R1		955.73

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

<b>List of Creditors with claims of \$250 or more.</b>			
Creditor	Address	Account#	Claim Amount
MAPLE DISPLAY FIXTURES LTD.	60 CARRIER DRIVE TORONTO ON M9W 5R1		13,088.05
MARIANNE DEMERS	1595 LALEMANT # 203 SHERBROOKE QC J1H 2W5		1,041.46
MARTEL EXPRESS (MONTREAL) INC.0925	10105 HENRI BOURASSA OUEST VILLE ST-LAURENT QC H4S 1A1		7,955.12
MARTIN ROY TRANSPORT	543, BOUL. TEMISCAMINGUE ROUYN-NORANDA QC J9X 7C8		7,159.23
MASTER CARD	BANQUE NATIONAL DU CANADA, 600 DE LA GAUCHETIERE W. STE 4040-1 MONTREAL QC H3B 5B1		4,208.77
MECANIQUE L.S. & FILS INC.	904 ROUTE HARWOOD VAUDREUIL-DORION QC J7V 8P2		29,984.11
MERIDIAN ONECAP CREDIT CORP	100 ALEXIS NIHON, SUITE 970 ST-LAURENT QC H4M 2P5		523.14
MILTON HYDRO DISTRIBUTION INC.	200 CHRISHOLM DRIVE MILTON ON L9T 3G9		2,037.71
MINISTERE DU DEVELOPPEMENT ECONOMIQ	DE L'INNOVATION ET DE L'EXPORTATION, 380 RUE ST-ANTOINE O.,4E ETAGE MONTREAL QC H2Y 3X7		1,416.00
MORNEAU TRANSPORT	40 RUE PRINCIPALE SAINT-ARSENE QC G0L 2K0		41,137.86
NAGWORLD INC.	186 PLACE SUTTON #102 BEACONSFIELD QC H7W 5S3		24,073.67
National Bank of Canada	... QC		5,168,500.00
National Bank of Canada	... QC		13,640,557.00
NATIONAL LEASING	1525 BUFFALO PLACE WINNIPEG MB R3T 1L9		6,885.04

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
NATIONEX	3505 BOUL. LOSCH ST-HUBERT QC J3Y 5T7		3,971.40
NETCO ELECTRIC LTD.	352A MCLAUGHLIN DR. MONCTON NB E1A 4R4		340.11
NETTOYAGES LOUIS BEAULIEU INC.	3400, 7E AVENUE OUEST ST-GEORGES QC G5Y 5M1		264.44
NEWFOUNDLAND POWER INC.	P.O. BOX 12069 ST.JOHN'S NF A1B 3P6		2,113.52
NEWMARKET HYDRO	590 STEVEN COURT NEWMARKET ON L3Y 6Z2		2,836.88
NOVA SCOTIA POWER	P.O.BOX 848 HALIFAX NS B3J 2V7		3,302.76
NOVADBA	54 RUE ST-JACQUES ST-JEAN-SUR-RICHELIE QC J3B 2J9		931.30
NOVEXCO	75 TIVERTON COURT, SUITE 102 MARKHAM ON L3R 4M8		3,189.97
OCEANEX INC	630 RENE-LEVESQUE BLVD WEST, SUITE 2550 MONTREAL QC H3B 1S6		35,418.81
OMNIPLAST INC.	5350 RAW SAY ST-HUBERT QC J3Y 2S4		17,797.41
ORION SAFETY EQUIPMENT	1161-40TH AVENUE N.E. CALGARY AL T2E 6M9		295.73
ORKIN CANADA	5840 FALBOURNE STREET MISSISSAUGA ON L5R 4B5		1,077.03
OS4 TECHNO SERVICES TI	1100 BOUL. CREMAZIE EST, SUITE 600 MONTREAL QC H2P 2X2		6,036.19
OSF-GLOBAL SERVICES INC.	5600 BOUL. DES GALERIES, BUREAU 530 QUEBEC QC G2K 2H6		27,594.00
OSHAWA PUBLIC NETWORKS INC.	100 SIMCOE STREET SOUTH OSHAWA ON L1H 7M7		1,290.57

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PALETTES P.T.I.INC.	1983 LABOSSIERE VAUDREUIL QC J7V 8P2		5,147.82
PAPETERIE LES ENTERPRISES INC	9106 HENRI BOURASSA O. ST-LAURENT QC H4S 1L5		669.15
PASARD INC.	2800 DE LA FAUNE QUEBEC QC G2A 1J3		2,937.93
PAYSAGISTE MICHAEL C	9187-4032 QUEBEC INC., 153 AVE. ONEIDA POINTE-CLAIRE QC H9R 1A9		12,768.34
PETERBOROUGH UTILITIES SERVICES	1867 ASHBUMHAM DR., P.O.BOX 4125 STATIOS MAIN PETERBOROUGH ON K9J 6Z5		2,127.25
PICTURE DEPOT INC	20 TORO ROAD TORONTO ON M3J 2A7		772,051.84
PLANTERRA	2275 CHEMIN SAINT-FRANCOIS DORVAL QC H9P 1K3		17,016.30
PLASTIQUES CELLULAIRES POLYFORM INC	454, RUE EDOUARD GRANBY QC J2G 3Z3		36,129.87
PLOMBERIE & CHAUFFAGE ROCHON	6A, RUE DE LOURDES POINTE CLAIRE QC H9S 4R2		297.79
PLOMBERIE DE LA RIVIERE	428 RUE PORTNEUF LONGUEUIL QC J4L 1E6		620.86
PLOMBERIE ET CHAUFF.ST-HYACINTHE	585 RUE BRODEUR ST-HYACINTHE QC J2S 4J6		367.36
POWER STREAM INC.	P.O.BOX 3700 CONCORD ON L4K 5N2		8,909.07
PRESENT	5255 BOUL. HENRI-BOURASSA O., SUITE 300 MONTREAL QC H4R 2M6		6,898.50
PROCAM CONSTRUCTION	1220 RUE MARCONI BOUCHERVILLE QC J4B 8G8		24,305.82
PROTECTION INCENDIE ROBERTS LTEE	26A, BOULEVARD HYMUS POINTE-CLAIRE QC H9R 1C9		595.00

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PROVINCIAL WALLCOVERINGS ULC	P.O. BOX 99242 POSTAL STATION: A TORONTO ON M5W 0J6		38,583.72
PRO-WEST REFRIGERATION LTD.	9022-109 STREET GRANDE PRAIRIE AL T8V 4K8		472.50
QUANTUM MANAGEMENT SERVICES LTD.	2000 MCGILL COLLEGE AVE., SUITE 1800 MONTREAL QC H3A 3H3		51,975.16
RALIK PACKAGING	80 RUE OMER DESERRES BLAINVILLE QC J7C 5V6		17,613.56
RAM DOORS	RAM OVERHEAD DOOR SYSTEMS LTD, 2181 BANTREE STREET OTTAWA ON K1B 4X3		527.20
RANDSTAD	3333 BOUL. COTE VERTU, BUREAU 500 ST-LAURENT QC H4R 2N1		39,201.59
REBOX CORP.	7500 CH DE LA COTE-DE-LIESSE ST-LAURENT QC H4T 1E7		19,714.78
RECEIVER GENERAL OF CANADA	ASFC 400 PLACE D'YOUVILLE, SALLE DES COMPTOIRS MONTREAL QC H2Y 2C2		367,938.93
RECYCLESMART SOLUTIONS INC.	310 - 10851 SHELLBRIDGE WAY RICHMOND QC V6X 2W8		44,752.93
REN-WIL INC	9181, RUE BOIVIN LASALLE QC H8R 2E8		2,931.86
REVOLUTION HOME DECOR INC	1615 LOUVAIN O #100 MONTREAL QC H4N 1G6		757,134.20
RGIS CANADA	P.O.BOX 2422, STATION A TORONTO ON M5W 2K6		9,390.16
ROBERT TRANSPORT	500 ROUTE 112 ROUGEMONT QC J0L 1M0		37,447.60
ROBERTO GLADIN	5021 RUE BERRI MONTREAL QC H2J 2S1		590.00

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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ROGOL ELECTRIC COMPANY LIMITED	408 ORMONT DRIVE WESTON ON M9L 1N9		2,713.81
S.B.METAL PRESENTOIR	1255 GRAHAM-BELL BOUCHERVILLE QC J4B 6A1		10,477.27
SASKPOWER	2025 VICTORIA AVENUE REGINA SS S4P 0S1		2,441.75
SAX ELECTRICAL SERVICES LTD.	41 TORO ROAD TORONTO ON M3J 2A4		839.48
SB HAULAGE INC.	7 GRAVES CRESCENT ST.CATHARINES ON L2S 3Y7		2,056.60
SDM REALTY ADVISORS LTD.	ITF KOWSAR HOLDING LTD., 1040 W.GEORGIA ST. SUITE 1850 VANCOUVER BC V6E 4H1		8,944.85
SERVICES DE SECURITE ADT CANADA INC	8481 LANGELIER MONTREAL QC H1P 2C3		1,373.64
SNAP PREMIUM FINANCE	1 TORONTO ST, SUITE 1010 TORONTO ON M5C 2V6		27,073.95
SOHO MIRROR COMPANY INC	47 WAKELIN COURT WOODBIDGE ON L4L 2P1		57,891.04
SOL-R	44 BENJAMIN HUDON MONTREAL QC H4N 1H8		451.18
SOLUTION INTERACTIVE (PIVOT 88)	DE VALIDATION 88 INC., 2400 RUE MICHELIN LAVAL QC H7L 5O3		15,162.90
SOLUTION TIME DATA	3130 RUE DE MINIAC ST-LAURENT QC H4S 1N5		929.00
SOPHIE GREAVES	LAVAGE DE VITRES-ENTRETIEN, 30 BOUL KIROUAC WARWICK QC J0A 1M0		520.00
SOS TECHNOLOGIES	185 MERIZZI ST-LAURENT QC H4T 1Y3		285.14

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

- FORM 33 -  
 Notice of Intention To Make a Proposal  
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In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
STANDARD MECHANICAL SYSTEMS	3055 UNIVERSAL DRIVE MISSISSAUGA ON L4X 2E2		891.80
STEWART MCKELVEY	PURDY'S WHARF TOWER1, P.O.BOX 997 HALIFAX NS B3J 2X2		391.00
STREAMLINE ART	1040 RONSA COURT MISSISSAUGA ON L4W 3Y4		6,720.00
SUPERIOR PROPANE	P.O.BOX 4568 STN A TORONTO ON M5W 0J5		445.54
SWEET IQ ANALYTICS CORP.	P.O.BOX 12531 SUCC.CENTRE-VILLE MONTREAL QC H3C 6R1		12,274.73
SYNERION NORTH AMERICA INC	7420 AIRPORT ROAD, SUITE 101 MISSISSAGA ON L4T 4E5		1,248.11
TECHNI-CONTACT CANADA LTEE	200 - 237 AV.LABROSSE POINTE-CLAIRE QC H9R 1A3		398.96
THOMSON TREMBLAY INC.	2040 PEEL, SUITE #200 MONTREAL QC H3A 1W5		220,261.39
TISSUS TEXIMAGE INC.	9615 CHEMIN DE LA COTE DE LIESSE DORVAL QC H9P 1A3		100,639.06
TONY BERNIER ENTRETIEN ENR.	27 CHEMIN DE RAYMOND RIVIERE DU LOUP QC G5R 2H8		1,254.66
TORONTO HYDRO	P.O.BOX 4490, STATION A TORONTO ON M5W 4H3		4,641.42
TOSHIBA GCS - T9982	P.O.BOX 9982, STNA TORONTO ON M5W 2J2		18,949.08
TRANSALTA ENERGY MARKETING	C/O C09633C PO BOX 9633, STATION M CALGARY AL T2P 0E9		15,831.41
TRANSPORT & DISTRIBUTION	4488, BOUL. DE LA GRANDE ALLÉE, SUIT A BOISBRIAND QC J7H 1R9		670.00
TRANSUNION	P.O.BOX 15613, STN "A" TORONTO ON M5W 1C1		954.30



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

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

In the matter of the proposal of  
 Bouclair Inc.  
 of the Municipalité of Pointe-Claire, in the Province of Quebec

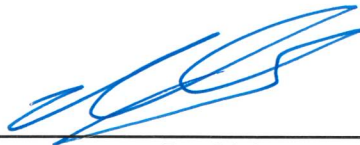
List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
TRINOME CONSEILS	226 BOUL. BRIEN, BUR.201 REPENTIGNY QC J6A 7E9		3,556.52
TRUSOURCE H2O CANADA INC.	3473 BOUL. THIMENS ST-LAURENT QC H4R 1V5		924.40
ULINE CANADA	BOX 3500 RPO STREETSVILLE MISSISSAUGA ON L5M 0S8		3,473.65
ULTRANIX INDUSTRIES INC.	205 BOUL. BRUNSWICK, SUITE 400 POINTE-CLAIRE QC H9R 1A5		1,130.50
UNION GAS	P.O. BOX 4001 STN A TORONTO ON M5W 0G2		509.82
UNITED RENTALS	115 ARDELT AVE KITCHENER ON N2C 2E1		1,313.17
UNIVERSAL LINENS INC.	6395 COTE DE LIESSE MONTREAL QC H4T 1E5		284,008.55
URBAN REFORM REALTY INC. BROKERAGE	1133 YONGE STREET, SOUTH ENTRANCE, LOWER LEVEL TORONTO ON M4T 2Y7		11,300.00
VANILLA MOULDINGS	780 CREDITSTONE ROAD CONCORD ON L4K 4P4		104,399.06
VERTUOSE INC.	5409 SAINT-LAURENT MONTREAL QC H2T 1S5		479.05
VILLE DE SAGUENAY (HYDRO)	HYDRO-JONQUIERE JONQUIERE QC G7X 7W7		1,942.00
VILLE DE SHERBROOKE	CP 1720 SHERBROOKE QC J1H 5N8		2,669.49
VIPOND INC	321 ADOLPH DRIVE RM OF SHERWOOD SS S4K 0A3		2,274.21
VITRERIE CHAYER INC.	1038 DU VIGER TERREBONNE QC J6W 6B9		5,130.65
WATERLOO NORTH HYDRO INC.	BOX 640, 300 NORTHFIELD DR.E WATERLOO ON N2J 4A3		1,886.39

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

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

In the matter of the proposal of  
Bouclair Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
WESTERN PACIFIC ENTERPRISES	1321 KETCH COURT COQUITLAM BC V3K 6X7		1,384.95
WHITBY HYDRO	100 TAUNTON RD. E WHITBY ON L1N 5R8		1,927.89
<b>Total</b>			35,317,838.79



Bouclair Inc.  
Insolvent Person

Le 11 novembre 2019

Mme Véronique Tardif  
Séquestre officiel  
Bureau du surintendant des faillites  
Industrie Canada  
Sun Life Building  
1155, rue Metcalfe, bureau 1071  
Montréal, QC H3B 2V6

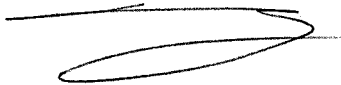
**Objet : Avis d'intention de faire une proposition de : Bouclair Inc.**

Madame,

La présente lettre vous confirme que RESTRUCTURATION DELOITTE INC. accepte d'agir à titre de syndic à la proposition de la personne insolvable mentionné en rubrique.

Veuillez agréer, Madame, l'expression de nos sentiments les meilleurs.

**Restructuration Deloitte Inc.**  
Syndic



**Martin Franco**, CPA, CA, CIRP, SAI

**Pièce « A-5 »**



**Restructuration Deloitte Inc.**

La Tour Deloitte  
1190, avenue des  
Canadiens-de-Montréal  
Bureau 500  
Montréal QC H3B 0M7  
Canada

Tél. : 514-393-7115  
Télec. : 514-390-4103  
Courriel : bouclair@deloitte.ca  
www.deloitte.ca

CANADA  
PROVINCE DE QUÉBEC  
DISTRICT DE QUÉBEC  
DIVISION N° : 01-MONTRÉAL  
COUR N° : 500-11-057469-195  
DOSSIER N° : 41-2582130

COUR SUPÉRIEURE  
Chambre commerciale

**DANS L'AFFAIRE DE LA  
PROPOSITION DE :**

**Bouclair International Inc.**, société dûment constituée en vertu de la loi, et ayant son siège social et son établissement principal au 152 av. Alston, Pointe-Claire, QC, H9R 6B4.

Personne insolvable

-et-

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI, responsable désigné) ayant une place d'affaires au 1190, avenue des Canadiens-de-Montréal, bureau 500, Montréal Québec, H3B 0M7

Syndic

**AVIS DE L'INTENTION DE FAIRE UNE PROPOSITION**

(article 50.4(1) de la Loi)

AVIS est par les présentes donné que **Bouclair International Inc.** a déposé, le 11 novembre 2019, un avis d'intention de faire une proposition à ses créanciers, dont copie est jointe, et que nous avons consenti à agir comme syndic.

Une copie de la proposition sera transmise à tous les créanciers avant la tenue de la première assemblée des créanciers, laquelle aura lieu à une date et à un endroit qui vous seront communiqués. Les documents suivants vous parviendront subséquemment :

- Avis de l'assemblée des créanciers;
- Formulaire de preuve de réclamation et procuration;
- Lettre de vote et circulaire d'information.

FAIT À Montréal, ce 15 novembre 2019

RESTRUCTURATION DELOITTE INC.  
Syndic



**Deloitte Restructuring Inc.**

La Tour Deloitte  
1190 avenue des  
Canadiens-de-Montréal  
Suite 500  
Montreal QC H3B 0M7  
Canada

Phone: 514-393-7115  
Fax: 514-390-4103  
Email : bouclair@deloitte.ca  
www.deloitte.ca

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
DIVISION N° : 01-MONTREAL  
COUR N° : 500-11-057469-195  
FILE N° : 41-2582130

S U P E R I O R C O U R T  
Commercial Division

**IN THE MATTER OF THE  
PROPOSAL OF :**

**Bouclair International Inc.**, a legal person duly incorporated under the Law, having its head office and principal place of business at 152 av. Alston, Pointe-Claire, Quebec, H9R 6B4.

Insolvent person

- and -

**DELOITTE RESTRUCTURING INC.**  
(Martin Franco, CPA, CA, CIRP, LIT, responsible)  
having its place of business at 1190, avenue des  
Canadiens-de-Montreal, Suite 500, Montreal Quebec,  
H3B 0M7

Trustee

**NOTICE OF INTENTION TO MAKE A PROPOSAL**

(Section 50.4(1) of the Act)

NOTICE is hereby given that **Bouclair International Inc.** has filed, on November 11, 2019, a Notice of Intention to Make a Proposal do its creditors, a copy of which is attached, and that we have consented to act as trustee.

A copy of the proposal will be forwarded to all creditors before the holding of the first meeting of creditors, which should be held on a date and at a place to be determined. The following documents will be transmitted later on:

- Notice of meeting of creditors;
- Proof of claim and proxy form;
- Voting letter form and information circular.

DATED AT Montréal, this November 15, 2019

DELOITTE RESTRUCTURING INC.  
Trustee

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

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

In the matter of the proposal of  
Bouclair International Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

Take notice that:

1. I, Bouclair International Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Restructuration Deloitte Inc. of 1190, avenue des Canadiens-de-Montréal Bur 500, Montréal, QC, H3B 0M7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Montréal in the Province of Quebec, this 11th day of November 2019.



Bouclair International Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

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

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

In the matter of the proposal of  
Bouclair International Inc.  
of the Municipalité of Pointe-Claire, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bouclair Inc	152 av. Alston Pointe-Claire QC H9R 6B4		583,485.00
Revenu Québec	3800 rue de Marly Québec QC G1X 4A5		9,524.00
<b>Total</b>			593,009.00



Bouclair International Inc.  
Insolvent Person



Le 11 novembre 2019

Mme Véronique Tardif  
Séquestre officiel  
Bureau du surintendant des faillites  
Industrie Canada  
Sun Life Building  
1155, rue Metcalfe, bureau 1071  
Montréal, QC H3B 2V6

**Objet : Avis d'intention de faire une proposition de : Bouclair International Inc.**

Madame,

La présente lettre vous confirme que RESTRUCTURATION DELOITTE INC. accepte d'agir à titre de syndic à la proposition de la personne insolvable mentionné en rubrique.

Veuillez agréer, Madame, l'expression de nos sentiments les meilleurs.

**Restructuration Deloitte Inc.**  
Syndic



**Martin Franco**, CPA, CA, CIRP, SAI

**Pièce « A-6 »**

SUPERIOR COURT  
Commercial Division

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
DIVISION No.: 01 - MONTRÉAL  
COURT No.: 500-11-057470-193  
500-11-057469-195  
ESTATE No.: 41-2582132  
41-2582130

**IN THE MATTER OF THE  
PROPOSAL OF:**

**BOUCLAIR INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

– and –

**BOUCLAIR INTERNATIONAL INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

Insolvent Persons

– and –

**DELOITTE RESTRUCTURING INC.**  
(Martin Franco, CPA, CA, CIRP, LIT designated person in charge), having a place of business at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montreal, Province of Québec, H3B 0M7

Trustee

**REPORT ON CASH FLOW STATEMENT BY THE PERSON MAKING THE PROPOSAL**  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

The management of **Bouclair Inc. and Bouclair International Inc.** (“**the Companies**”) has developed the assumptions and prepared the attached statement of projected cash-flow of the Insolvent Persons, as of November 12, 2019, consisting of the period beginning on November 10, 2019 and ending on December 28, 2019 (“**the Projections**”).

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in *Note 1*, and the probable assumptions are suitably supported and consistent with the plans of the Insolvent Persons and provide a reasonable basis for the projection. All such assumptions are disclosed in *Notes 2 and 3*.

Since the Projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The Projections have been prepared solely for the purpose described in *Note 1*, using a set of probable and hypothetical assumptions set out in *Notes 2* and *3*. Consequently, readers are cautioned that it may not be appropriate for other purposes.

DATED AT MONTREAL, this 19<sup>th</sup> day of  
November, 2019.

**Bouclair Inc. and  
Bouclair International Inc.**

A handwritten signature in black ink, appearing to read 'L. Trombert', with a horizontal line extending from the middle of the signature.

*Lionel Trombert  
Senior Director of Finance*

**Bouclair Inc. and Bouclair International Inc.**

**Weekly Cash Flow Forecast**

**For the 7-week period ending December 28, 2019  
(Unaudited, in \$'000s CAD)**

Week Ending >>>

**TOTAL**

Note 16-Nov-19 23-Nov-19 30-Nov-19 7-Dec-19 14-Dec-19 21-Dec-19 28-Dec-19

**RECEIPTS**

a	2,569	3,289	2,707	3,528	2,498	2,909	2,198	19,698
b	554	958	1,073	1,189	1,214	1,154	1,020	7,162
<b>TOTAL RECEIPTS</b>	<b>3,123</b>	<b>4,247</b>	<b>3,780</b>	<b>4,717</b>	<b>3,712</b>	<b>4,063</b>	<b>3,218</b>	<b>26,860</b>

**DISBURSEMENTS**

c	757	1,622	1,218	415	180	622	1,053	5,868
d	1,717	-	-	1,356	-	1,356	-	4,429
e	1,225	-	1,225	-	1,225	-	1,218	4,892
f	199	500	500	87	125	125	125	1,661
g	186	463	111	475	68	331	34	1,668
h	60	562	60	210	60	562	60	1,574
i	171	150	150	283	150	150	150	1,204
j	311	77	77	77	77	13	-	632
k	95	95	95	95	95	95	95	665
l	110	35	35	110	35	35	35	395
m	-	-	-	259	-	-	68	327
n	55	55	55	55	55	55	55	385
	25	25	25	25	25	25	25	175
Contingency	-	-	516	-	595	-	544	1,655
Sales taxes	4,911	3,584	4,067	3,447	2,690	3,369	3,462	25,530
<b>TOTAL DISBURSEMENTS</b>	<b>(1,788)</b>	<b>663</b>	<b>(287)</b>	<b>1,270</b>	<b>1,022</b>	<b>694</b>	<b>(244)</b>	<b>1,330</b>

**NET CASH FLOW FROM OPERATIONS**

Opening cash balance	(12,906)	(14,694)	(14,031)	(14,318)	(13,048)	(12,026)	(11,332)	(12,906)
<b>CLOSING CASH BALANCE</b>	<b>(14,694)</b>	<b>(14,031)</b>	<b>(14,318)</b>	<b>(13,048)</b>	<b>(12,026)</b>	<b>(11,332)</b>	<b>(11,576)</b>	<b>(11,576)</b>

Letters of credit (L/C)

	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)
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Closing cash balance (including L/C)

	(14,835)	(14,172)	(14,459)	(13,189)	(12,167)	(11,473)	(11,717)	(11,717)
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Borrowing capacity

	16,984	16,411	16,273	15,706	15,689	14,560	14,128	14,128
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**Surplus of coverage**

	<b>2,149</b>	<b>2,239</b>	<b>1,814</b>	<b>2,517</b>	<b>3,522</b>	<b>3,087</b>	<b>2,411</b>	<b>2,411</b>
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**\*\* To be read in conjunction with the attached Notes and Summary of Assumptions**

**Dated at Pointe-Claire, this 12th day of November, 2019.**

*Bouclair Inc. and Bouclair International Inc.*

Mr. Lionel Trombert - Senior Director of Finance

**Bouclair Inc. and Bouclair International Inc. ("The Companies")**

**NOTES TO THE PROJECTED CASH-FLOW STATEMENT**

**For the period from November 10, 2019 to December 28, 2019**

(Unaudited – see the Trustee’s report)

1. **PURPOSE OF THE CASH-FLOW PROJECTION**

The cash-flow projection was prepared on November 12, 2019 (“**the Projections**”), by the Companies’ management (“**Management**”), based on financial information available at that date.

The purpose of the Projections is to provide the Official Receiver with future-oriented financial information, in connection with the filing on the Notice of Intention to Make a Proposal to the creditors, in accordance with the terms of the Bankruptcy and Insolvency Act. Readers are cautioned that this information may not be appropriate for other purposes. The Companies’ plans to update the future-oriented financial information at the time of the filing of the proposal to the creditors.

The cash-flow projection has been prepared based on assumptions that reflect Management’s planned courses of action for the period from November 10, 2019 to December 28, 2019, given a set of economic conditions that, in Management’s opinion, are the most probable.

Since the Projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material.

2. **GOING CONCERN**

As part of a reorganization plan, the Companies filed a Notice of Intention to Make a Proposal to its creditors on November 11, 2019, pursuant the provisions of the Bankruptcy and Insolvency Act.

The Projections recognize that the Companies are a going concern and intend to file a proposal to its creditors.

3. ASSUMPTIONS

- a) *Sales receipts* include product sales from stores and e-commerce. Forecasted product sales from stores (including sales tax) are gross of credit card fees. The Companies' forecasted sales are based on historical sales patterns on a weekly basis.
- b) Liquidation receipts include product sales from the liquidation stores. Forecasted product sales from liquidation stores (including sales tax) are gross of credit card fees, and consultant fees. Gordon Brothers Canada ULC ("**the Consultant**") in collaboration with the Companies determined the forecasted sales.
- c) Trade vendor payments (third party) include payments to domestic and international suppliers, as well as pre-NOI amounts to international suppliers (up to a maximum of \$750k). These payments are based on the actual purchase orders and future orders that will be needed for the Companies to maintain the going concern. Amounts include sales tax when applicable.
- d) Rent includes rent payments to landlords (paid bi-weekly starting December 1, 2019) in accordance with the leases. Amounts include sales tax.
- e) Payroll and related payments includes stores, liquidation stores, corporate related payroll, and fringe benefits.
- f) Other expenses include utilities, insurance, and other general payments based on historical expense patterns. Amounts include sales tax.
- g) Professional fees - restructuring include estimated professional fees for the Trustee, the Trustee's counsel, the CRO, the Companies' legal counsel, National Bank of Canada's ("**NBC**") financial advisor, and NBC's legal counsel. The Company will incur all the fees mentioned above. Amounts include sales tax.
- h) Freight and duty include inbound freight for purchased merchandise, outbound freight for shipments to stores, and duty for international purchases based on historical expense patterns. Amounts include sales tax.
- i) Marketing and advertising include traditional Medias and social media payments based on historical expense patterns. Amounts include sales tax.
- j) Liquidation disbursements include the Consultant fees, supervision fees, advertising, and other costs related specifically to the Liquidation Sale. The Consultant and supervision fees are forecasted and payable in accordance with the consulting agreement. Amounts include sales tax.
- k) Warehouse contractors include fees paid to agencies for warehouse resources based on historical expense patterns. Amounts include sales tax.
- l) Professional fees include all other professional fees not related to the restructuring. These fees are to be incurred by the Companies based on historical expense patterns. Amounts include sales tax.
- m) Financial expenses include credit card fees which are forecasted at 1.7% for all stores and liquidation stores sales, monthly bank fees, interests, and forbearance fees.
- n) IT fees include all IT related payments based on historical expense patterns. Amounts include sales tax.

**Pièce « A-7 »**



C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-057470-193  
500-11-057469-195  
ESTATE. No.: 41-2582132  
41-2582130

S U P E R I O R C O U R T  
Commercial Division

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

**BOUCLAIR INC.**

- and -

**BOUCLAIR INTERNATIONAL INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

(Martin Franco, CPA, CA, CIRP, LIT designated  
person in charge)

Trustee

**SECOND REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS TRUSTEE TO THE NOTICE OF INTENTION TO MAKE A PROPOSAL**  
*(Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3)*

## **INTRODUCTION**

1. On November 11, 2019, Bouclair Inc. ("**Bouclair**") and Bouclair International Inc. ("**Bouclair International**") (collectively the "**Companies**" or the "**Debtors**") each filed a Notice of Intention to make a proposal (collectively, the "**NOIs**") under the relevant provisions of the *Bankruptcy and Insolvency Act*.
2. Deloitte Restructuring Inc. ("**Deloitte**") has been appointed as the Debtors' proposal trustee (the "**Trustee**").
3. The factual background which led to the filing of the NOIs is described in the Debtors' *Motion for the Issuance of an Order (i) Creating Super-Priority Charges, (ii) Approving a Consulting Agreement and (iii) Approving Related Relief* (the "**Initial Motion**"), as well as in the *First Report to the Court submitted by Deloitte in its Capacity as Trustee to the Notice of Intention to Make a Proposal*, both in the Court record.
4. On November 12, 2019, following the presentation of the Initial Motion, the Superior Court of Quebec (Commercial Division) (the "**Court**") rendered an order (the "**First Day Order**"):

- a. Approving the creation of a super-priority charges over all Affected Assets (as defined in the First Day Order);
  - b. Approving retroactively the CRO Engagement Letter (as defined in the First Day Order);
  - c. Authorizing the payment of certain pre-filing obligations to certain suppliers located outside of the jurisdiction of this Court; and
  - d. Approving related relief.
5. On November 15, 2019, the Court rendered an order (the "**Liquidation Order**") approving the Consulting Agreement pursuant to which Gordon Brothers Canada ULC acts as the liquidator of the Liquidation Stores (as defined in the Initial Motion).

#### **PURPOSE OF THE SECOND REPORT**

6. This second report of the Trustee (the "**Second Report**") addresses the following matters:
- (i) Activities of the Trustee since the issuance of the Trustee's First Report;
  - (ii) Activities of the Companies;
  - (iii) Financial performance and cash flow projections;
  - (iv) The sought extension of the time limit to file a proposal; and
  - (v) Trustee's conclusions and recommendations.
7. In preparing this Second Report, the Trustee has relied upon unaudited financial information, the Companies' records, the Companies' *Motion for an order (i) extending the stay period and (ii) expanding the scope of super-priority charges* (the "**Motion for an extension**"), and its discussions with the management of the Companies ("**Management**") and the Companies' Chief Restructuring Officer ("**CRO**"). While the Trustee has reviewed the information, some in draft form, submitted in the abridged time available, the Trustee has not performed an audit or other verification of such information. Forward looking financial information included in the Second Report is based on assumptions of the Companies' management regarding future events, and actual results achieved will vary from this information and the variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this Second Report are as defined in the Initial Motion or the Motion for an extension.
9. A copy of this Second Report and further reports of the Trustee will be available on the Trustee's website at [www.insolvencies.deloitte.ca/bouclair](http://www.insolvencies.deloitte.ca/bouclair).

#### **ACTIVITIES OF THE TRUSTEE**

10. On November 15, 2019, in accordance with the NOIs, the Trustee mailed, to all of the Debtor's known creditors, a notice informing them of the NOIs. A copy of this notice has been posted on the Trustee's website and a dedicated email address ([bouclair@deloitte.ca](mailto:bouclair@deloitte.ca)) has been established.
11. The forecast cash flow statement was prepared for the period from November 10 to December 28, 2019, and was submitted to the Official Receiver on November 20, 2019, together with the Debtors' report and the Trustee's report, pursuant to Subsection 50.4(2) of the BIA.

12. The Trustee has implemented procedures to ensure a weekly monitoring of the receipts and disbursements, with a view of performing comparison and variance analysis against the aforementioned cash flow statement.
13. Since the filing of the NOIs, the Trustee has participated in several meetings and conference calls with the Companies, the CRO and their advisors in connection with their restructuring efforts.
14. The Trustee assisted the Debtor in its dealings with a number of suppliers and landlords in order to ensure an uninterrupted flow of goods and services.

### **ACTIVITIES OF THE COMPANIES**

15. On November 15, 2019, pursuant to the Liquidation Order, the Companies commenced a liquidation sale of its inventory, furniture, fixture and equipment (the "**Liquidation Sale**") in 29 stores, with the assistance of its consultant, Gordon Brothers Canada ULC. An additional 2 stores were subsequently added, bringing the total number of Liquidation Stores to 31.
16. The results of the first three weeks of the Liquidation Sale are detailed in paragraph 24 below. The Liquidation Sale is anticipated to terminate by December 29, 2019 at all Liquidation Stores other than Jean-Talon location which was recently included in the Liquidation Sale and for which the effective date is January 7, 2020 (as provided below in paragraph 21).
17. The Company has continued its operations at the other stores in the normal course.
18. The Company, with its advisors and the CRO, is assessing its going forward options, with a view of engaging on the most beneficial course. As indicated in the Motion for an extension, the Companies have continued to engage in discussions with their principal secured lender, as well as with third party lenders.
19. The Companies, with the assistance of the Trustee, implemented a detailed communication plan addressing the employees' information needs.
20. The Companies, with the assistance of the Trustee, has been in communication with suppliers affected by the NOIs and has been successful in maintaining a continued supply of goods and services to its business, either on a cash-on-delivery basis or negotiated terms.
21. As of the date of this Second Report, the Companies sent notices of disclaimer or resiliation in respect of all thirty-one (31) Liquidation Stores, with effective dates between December 25, 2019 and January 7, 2020.

### **FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS**

#### **Cash flow results for the 3-week period ended November 30, 2019**

22. When the application for the First Day Order was filed, the Debtors submitted a projected cash flow statement for the period from November 10 to December 28, 2019 (the "**Cash Flow Statement**").

23. Since the filing of the NOIs, the Debtors have been paying their suppliers in the ordinary course of business based on negotiated terms or on cash-on-delivery basis. The Debtor has advised the Trustee that it has not incurred significant unpaid liabilities since the NOIs were filed.
24. **Appendix A** contains the comparative cash flow statement for the 3-week period ended November 30, 2019. Net cash flow of approximately \$4.6M for the 3-week period was approximately \$6.0M greater than initially forecasted:
- a. Total receipts were approximately \$13.0M, or approximately \$1.8M higher than initially forecasted. This is due to higher liquidation receipts than anticipated in the Liquidation Stores (approx. \$1.1M), as well as higher than forecasted sales in the other stores (approx. \$0.7M).
  - b. Total disbursements were approximately \$8.4M, or approximately \$4.2M less than initially forecasted. This is primarily due to the following:
    - i. Trade vendor payments (third party): disbursements to trade vendors were \$2.3M less than initially forecasted primarily due to timing (some suppliers continued offering payment terms) but also because the Companies did not pay any pre-filing obligations to certain suppliers located outside of the jurisdiction of this Court.
    - ii. Utilities deposits: Deposits to utility providers were \$0.6M less than initially forecasted.
    - iii. Sales taxes: Remittance of sales taxes were \$0.5M less than initially forecasted, primarily due to timing. These remittances were forecasted as bi-weekly, but fiscal authorities being unable to allow bi-weekly payments, Bouclair will continue to remit the sales taxes on a monthly basis.
25. At the time of writing the Second Report, the Debtors advised the Trustee that they were in compliance with the conditions under the Fourth Forbearance Agreement, including in respect of the borrowing base calculation.

#### **Cash flow forecast for the 8-week period ending January 25, 2020**

26. In support to its Motion for an extension, the Debtors revised and extended their cash flow projections (the "**Revised Cash Flow Forecast**") for the period from December 1, 2019 to January 25, 2020 (refer to **Appendix B** and the summary below).

<b>Bouclair Inc. and Bouclair International Inc.</b>	
<b>Summary Cash Flow Forecast</b>	
<b>For the 8-week period ending January 25, 2020</b>	
<b>(Unaudited, in \$000s CAD)</b>	
<b>RECEIPTS</b>	
Sales receipts	19,334
Liquidation receipts	4,795
<b>TOTAL RECEIPTS</b>	<b><u>24,129</u></b>
<b>DISBURSEMENTS</b>	
Trade vendor payments (third party)	5,863
Rent	4,666
Payroll & related payments	4,495
Other expenses	1,530
Professional fees - restructuring	1,562
Freight & Duty	1,731
Marketing & Advertising	1,269
Liquidation disbursements	137
Warehouse contractants	956
Professional fees	430
Financial expenses	603
IT	500
Contingency	200
Sales taxes	2,548
<b>TOTAL DISBURSEMENTS</b>	<b><u>26,490</u></b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b><u>(2,361)</u></b>

27. The projections reflect the following general assumptions:

- a. Granting of the 45-day period extension to file a Proposal;
- b. Continuation of the Liquidation Sale for the 31 stores up to December 29, 2019 and January 7, 2020;
- c. Continued operations of the remaining stores; and
- d. Compliance with the conditions under the Fourth Forbearance Agreement. The Trustee notes that the current Fourth Forbearance Agreement between the Company and NBC is set to expire on December 29, 2019. The Company has advised the Trustee that it is currently discussing an extension with NBC, which would run at least until the end of the extension sought in the Motion for an extension.

#### **EXTENSION OF THE TIME LIMIT TO FILE A PROPOSAL**

28. The Debtors advised the Trustee of their intention to file a first motion for a 45-day extension of the time limit to file a proposal to its creditors pursuant to Subsection 50.4(9) of the BIA.

29. The Companies requires additional time to (i) complete the Liquidation Sale at the Liquidation Stores, (ii) seek to implement the Transaction, and (iii) potentially formulate a proposal.

**TRUSTEE'S RECOMMENDATION**

30. The Trustee is of the opinion that the reasons invoked in the Motion for an extension are reasonable and supports the relief sought there in, including the request that the scope of the priority charges ordered by the Court be expanded as provided for therein.
31. The Trustee is of the opinion, based on the requested relief in the Motion for an extension, that:
- a. It is in the creditors' best interest that an extension of the stay proceedings be granted in order to allow the Companies additional time for the reasons detailed in paragraph 29;
  - b. The Debtors have acted, and are continuing to act, in good faith and with due diligence; and
  - c. No creditor will be materially prejudiced by the granting of the extension.

The Trustee respectfully submits to the Court this, its Second Report.

DATED AT MONTREAL, this 9<sup>th</sup> day of December, 2019.



Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President  
DELOITTE RESTRUCTURING INC.  
In its capacity as Trustee

## APPENDIX A – Comparative Cash Flow Statement

BOUCLAIR INC. - Weekly Report		For the cumulative period of three-week ended on 11-30-2019			
Consolidated - (in \$000 CAD)	Actual	Budget	Variance	Note	
<b>Receipts</b>					
Sales receipts	9,238.5	8,565.0	673.5		
Liquidation receipts	3,647.8	2,585.0	1,062.8		
Other	69.3	-	69.3		
<b>Total receipts</b>	<b>12,955.6</b>	<b>11,150.0</b>	<b>1,805.6</b>		1
<b>Disbursements</b>					
Trade vendor payments (third party)	1,291.4	3,597.9	2,306.5		2
Payroll & related payments	2,333.1	2,449.4	116.3		
Freight	577.4	330.0	(247.4)		3
Duty	341.4	352.0	10.6		
Sales taxes	-	516.0	516.0		4
Rent	1,754.1	1,717.0	(37.1)		
Professional fees	28.8	180.0	151.2		
Warehouse Contractors	375.4	285.0	(90.4)		5
Marketing & Advertising	153.6	471.0	317.4		
Insurance	27.1	27.0	(0.1)		
IT	47.6	165.0	117.4		
Other expenses (non trade)	198.5	422.0	223.5		
Liquidation disbursements	401.7	465.0	63.3		6
Professional fees - restructuring	639.5	760.0	120.5		7
Credit card fees	-	-	-		
Financial expenses	0.7	-	(0.7)		
Utilities / deposits	198.4	750.0	551.6		8
Contingency	-	75.0	75.0		
<b>Total disbursements</b>	<b>8,368.7</b>	<b>12,562.3</b>	<b>4,193.6</b>		
<b>Net cash flow from operations</b>	<b>4,586.9</b>	<b>(1,412.3)</b>	<b>5,999.2</b>		
<b>Opening cash balance</b>	<b>(12,619.5)</b>	<b>(12,906.0)</b>	<b>286.5</b>		
<b>Closing cash balance</b>	<b>(8,032.6)</b>	<b>(14,318.3)</b>	<b>6,285.7</b>		

**Note 1:** The positive variance for sales receipts and liquidation receipts is mainly explained by the exposure Bouclair received in the Medias after the NOI filing which materialized in unbudgeted sales growth (budgeted 0% sales increase compared to last year's sales).

**Note 2:** Trade vendor payments - The positive variance is mainly due to timing as some suppliers have granted Bouclair payment terms and some invoices are yet to be received. Management expects to receive these invoices and pay them during the upcoming weeks.

**Note 3:** Freight - The negative variance is mainly due to timing. The inbound freight was forecasted to be paid bi-monthly instead of on a weekly basis.

**Note 4:** Sales taxes - The positive variance is mainly due to timing as their payment was planned to be bi-weekly instead of monthly.

**Note 5:** Warehouse contractors - For the week ended on November 30, the negative variance is mainly permanent as the labour hours were higher than expected due to Black Friday.

**Note 6:** Liquidation disbursements - The negative variance is mainly due to timing. The liquidation fees were planned to be paid at the end of the liquidation but Bouclair is paying them on a weekly basis.

**Note 7:** Professional fees - Restructuring - The positive variance is mainly due to timing as some professionals have not yet submitted their invoices. Management expects to receive the invoices and pay them during the upcoming weeks.

**Note 8:** Utilities / deposits - The positive variance is mainly due to timing as some utility companies have not requested a deposit. Management expects to receive additional deposit requests during the upcoming weeks.

## APPENDIX B – Revised Cash Flow Forecast

Bouclair Inc. and Bouclair International Inc.

Weekly Cash Flow Forecast

For the 8-week period ending January 25, 2020

(Unaudited, in \$000s CAD)

**TOTAL**

Week Ending >>>>	Note	7-Dec-19	14-Dec-19	21-Dec-19	28-Dec-19	4-Jan-20	11-Jan-20	18-Jan-20	25-Jan-20	
<b>RECEIPTS</b>										
Sales receipts	1	3,666	2,498	2,909	2,198	1,789	1,994	2,495	1,785	19,334
Liquidation receipts	2	1,407	1,214	1,154	1,020	-	-	-	-	4,795
<b>TOTAL RECEIPTS</b>		<b>5,073</b>	<b>3,712</b>	<b>4,063</b>	<b>3,218</b>	<b>1,789</b>	<b>1,994</b>	<b>2,495</b>	<b>1,785</b>	<b>24,129</b>
<b>DISBURSEMENTS</b>										
Trade vendor payments (third party)	3	944	1,206	1,425	360	571	493	530	334	5,863
Rent	4	1,356	-	1,356	-	977	-	977	-	4,666
Payroll & related payments	5	-	1,145	-	1,145	-	1,284	-	922	4,495
Other expenses	6	204	236	286	249	203	79	150	123	1,530
Professional fees - restructuring	7	119	475	103	125	350	63	52	275	1,562
Freight & Duty	8	241	220	220	210	210	210	210	210	1,731
Marketing & Advertising	9	376	105	105	145	211	80	80	167	1,269
Liquidation disbursements	10	91	46	-	-	-	-	-	-	137
Warehouse contractants	11	140	144	144	126	86	86	115	115	956
Professional fees	12	60	85	35	35	110	35	35	35	430
Financial expenses	13	230	43	-	-	330	-	-	-	603
IT	14	80	40	40	40	80	140	40	40	500
Contingency		25	25	25	25	25	25	25	25	200
Sales taxes		-	980	-	-	1,568	-	-	-	2,548
<b>TOTAL DISBURSEMENTS</b>		<b>3,866</b>	<b>4,750</b>	<b>3,739</b>	<b>2,460</b>	<b>4,721</b>	<b>2,495</b>	<b>2,214</b>	<b>2,246</b>	<b>26,490</b>
<b>NET CASH FLOW FROM OPERATIONS</b>		<b>1,207</b>	<b>(1,038)</b>	<b>324</b>	<b>758</b>	<b>(2,932)</b>	<b>(501)</b>	<b>281</b>	<b>(461)</b>	<b>(2,361)</b>
Opening cash balance		(7,892)	(6,685)	(7,723)	(7,399)	(6,640)	(9,572)	(10,073)	(9,792)	(7,892)
<b>CLOSING CASH BALANCE</b>		<b>(6,685)</b>	<b>(7,723)</b>	<b>(7,399)</b>	<b>(6,640)</b>	<b>(9,572)</b>	<b>(10,073)</b>	<b>(9,792)</b>	<b>(10,253)</b>	<b>(10,253)</b>
Letters of credit (L/C)		(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)	(141)
Closing cash balance (including L/C)		(6,826)	(7,864)	(7,540)	(6,781)	(9,713)	(10,214)	(9,933)	(10,394)	(10,394)
Borrowing capacity		12,143	12,709	12,021	11,074	12,544	12,639	12,485	12,160	12,160
<b>Surplus of coverage</b>		<b>5,317</b>	<b>4,845</b>	<b>4,481</b>	<b>4,293</b>	<b>2,831</b>	<b>2,425</b>	<b>2,552</b>	<b>1,766</b>	<b>1,766</b>

**\*\* To be read in conjunction with the attached Notes and Summary of Assumptions**



## **Notes and Summary of Assumptions**

1. *Sales receipts* include product sales from stores and e-commerce. Forecasted product sales from Stores (including sales tax) are gross of credit card fees. The Company's forecasted sales are based on historical sales patterns on a weekly basis.
2. *Liquidation receipts* include product sales from the Liquidation Stores. Forecasted product sales from Liquidation Stores (including sales tax) are gross of credit card fees, and Consultant Fees. The Consultant in collaboration with the Company determined the forecasted sales.
3. *Trade vendor payments (third party)* include payments to domestic and international suppliers, as well as pre-NOI amounts to international suppliers (up to a maximum of \$750k). These payments are based on the actual purchase orders and future orders that will be needed for the Company to maintain the going concern. Amounts include sales tax when applicable.
4. *Rent* includes rent payments to landlords (paid bi-weekly starting December 1, 2019) in accordance with the leases and the Liquidation Order. Amounts include sales tax.
5. *Payroll and related payments* includes Stores, Liquidation Stores, Corporate related payroll, and fringe benefits.
6. *Other expenses* include utilities, insurance, and other general payments based on historical expense patterns. Amounts include sales tax.
7. *Professional fees - restructuring* include estimated professional fees for the Trustee, the Trustee's counsel, the CRO, the Company's legal counsel, NBC's financial advisor, and NBC's legal counsel. The Company will incur all the fees mentioned above. Amounts include sales tax.
8. *Freight and duty* include inbound freight for purchased merchandise, outbound freight for shipments to stores, and duty for international purchases based on historical expense patterns. Amounts include sales tax.
9. *Marketing and advertising* include traditional medias and social media payments based on historical expense patterns. Amounts include sales tax.
10. *Liquidation disbursements* include the Consultant fees, supervision fees, advertising, and other costs related specifically to the Liquidation Sale. The Consultant and supervision fees are forecasted and payable in accordance with the Consulting Agreement. Amounts include sales tax.
11. *Warehouse contractors* include fees paid to agencies for warehouse resources based on historical expense patterns. Amounts include sales tax.
12. *Professional fees* include all other professional fees not related to the restructuring. These fees are to be incurred by the Company based on historical expense patterns. Amounts include sales tax.
13. *Financial expenses* include credit card fees which are forecasted at 1.7% for all stores and Liquidation Stores sales, monthly bank fees, interests, and forbearance fees.
14. *IT fees* include all IT related payments based on historical expense patterns. Amounts include sales tax.

**Pièce « A-8 »**

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-057470-193  
500-11-057469-195  
ESTATE. No.: 41-2582132  
41-2582130

S U P E R I O R C O U R T  
Commercial Division

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

**BOUCLAIR INC.**

- and -

**BOUCLAIR INTERNATIONAL INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

(Martin Franco, CPA, CA, CIRP, LIT designated  
person in charge)

**Trustee**

**THIRD REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS TRUSTEE TO THE NOTICE OF INTENTION TO MAKE A PROPOSAL**  
*(Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3)*

**INTRODUCTION**

1. On November 11, 2019, Bouclair Inc. ("**Bouclair**") and Bouclair International Inc. ("**Bouclair International**") (collectively the "**Companies**" or the "**Debtors**") each filed a Notice of Intention to make a proposal (collectively, the "**NOIs**") under the relevant provisions of the *Bankruptcy and Insolvency Act*.
2. Deloitte Restructuring Inc. ("**Deloitte**") has been appointed as the Debtors' proposal trustee (the "**Trustee**").
3. The factual background which led to the filing of the NOIs is described in the Debtors' *Motion for the Issuance of an Order (i) Creating Super-Priority Charges, (ii) Approving a Consulting Agreement and (iii) Approving Related Relief* (the "**Initial Motion**"), as well as in the *First Report to the Court submitted by Deloitte in its Capacity as Trustee to the Notice of Intention to Make a Proposal*, both in the Court record.
4. On November 12, 2019, following the presentation of the Initial Motion, the Superior Court of Quebec (Commercial Division) (the "**Court**") rendered an order (the "**First Day Order**"):

- a. Approving the creation of a super-priority charges over all Affected Assets (as defined in the First Day Order);
  - b. Approving retroactively the CRO Engagement Letter (as defined in the First Day Order);
  - c. Authorizing the payment of certain pre-filing obligations to certain suppliers located outside of the jurisdiction of this Court; and
  - d. Approving related relief.
5. On November 15, 2019, the Court rendered an order (the "**Liquidation Order**") approving the Consulting Agreement pursuant to which Gordon Brothers Canada ULC acts as the liquidator of the Liquidation Stores (as defined in the Initial Motion).
  6. On December 6, 2019, the Debtors filed a motion to the Court for an order (i) extending the stay period ("**Stay Period**") and (ii) expanding the scope of super-priority charges.
  7. On December 10, 2019, the Court rendered an order (i) extending the Stay Period until January 24, 2020, and (ii) declaring that the scope of super-priority charges shall be extended to cover all the assets of Bouclair.

#### **PURPOSE OF THE THIRD REPORT**

8. This third report of the Trustee (the "**Third Report**") addresses the following matters:
  - (i) Activities of the Trustee since the issuance of the Trustee's Second Report;
  - (ii) Activities of the Companies;
  - (iii) Financial performance and cash flow projections;
  - (iv) The sought extension of the time limit to file a proposal; and
  - (v) Trustee's conclusions and recommendations.
9. In preparing this Third Report, the Trustee has relied upon unaudited financial information, the Companies' records, the Companies' *Motion for an order extending the stay period* (the "**Motion for a second extension**"), and its discussions with the management of the Companies ("**Management**") and the Companies' Chief Restructuring Officer ("**CRO**"). While the Trustee has reviewed the information, some in draft form, submitted in the abridged time available, the Trustee has not performed an audit or other verification of such information. Forward looking financial information included in the Second Report is based on assumptions of the Companies' management regarding future events, and actual results achieved will vary from this information and the variations may be material.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this Third Report are as defined in the Initial Motion or the Motion for a second extension.
11. A copy of this Third Report and further reports of the Trustee will be available on the Trustee's website at [www.insolvencies.deloitte.ca/bouclair](http://www.insolvencies.deloitte.ca/bouclair).

## **ACTIVITIES OF THE TRUSTEE**

12. The Trustee continues to monitor the receipts and disbursements and, on a weekly basis, performs a comparison and variance analysis against the cash flow statement.
13. Since the issuance of the Second report, the Trustee continued to participate in several meetings and conference calls with the Companies, the CRO and their advisors in connection with their restructuring efforts.
14. The Trustee assisted the Debtor in its dealings with a number of suppliers and landlords in order to ensure an uninterrupted flow of goods and services.

## **ACTIVITIES OF THE COMPANIES**

### ***Liquidation***

15. As of the date of this Third Report, the liquidation sale ("**Liquidation Sale**") of all the Liquidation Stores has been completed. Considering that notices of disclaimer or resiliation were sent in respect of all Liquidation Stores, with effective dates of December 25, 2019, December 31, 2019, and January 7, 2020, Bouclair has now vacated all of the Liquidation Stores.
16. The results of the Liquidation were better than originally anticipated by Bouclair. The Liquidation Sale generated revenues of more than \$8.3M which represents a positive variance of \$1.7M in comparison with the revenue anticipated by Bouclair and the Liquidator when the Liquidation Sale started in November 2019.
17. The Company has continued its operations at the other stores in the normal course.

### ***Landlords***

18. On December 9, 2019, the Debtors and the Trustee received an Application to Contest a Notice of Disclaimer or Resiliation of a Commercial Lease (the "**Contestation**"), based on section 65.2 of the BIA, from 9230-1890 Québec Inc. for the Jonquière location (the "**Contesting Landlord**").
19. As indicated in the Motion for a second extension, discussions took place between the Contesting Landlord, the Debtor's counsel and the Trustee's counsel on next steps to adjudicate the Contestation but as of the date of the Third Report, the attorney of the Contesting Landlord has yet to respond with his position.

### ***Sought Transaction***

20. As indicated in the Motion for a second extension, the Companies have continued to engage in discussions with their principal secured lender, as well as with third party lenders. A financing proposal was received from a third-party source and discussions are taking place on terms and conditions that would be acceptable to all parties involved.
21. In order to mitigate as much as possible the negative impact on the operation of the Debtors, the parties involved are putting the necessary efforts in order to find a solution that would enable the Debtors to finalize the Transaction (as defined in the Motion for a second extension) before February 28, 2020.

**Other matters**

22. The Companies, with the assistance of the Trustee, have been in communication with suppliers affected by the NOIs and have been successful in maintaining a continued supply of goods and services to the business, either on a cash-on-delivery basis or negotiated terms.
23. On December 20, 2019, the Debtors and the NBC agreed on a Fifth Forbearance Agreement pursuant to which NBC agreed to forbear from exercising its rights as secured creditor until January 24, 2020. As of the date of this Third Report, discussions are taking place between the Debtors and NBC with a view of agreeing upon a sufficient extension of the Fifth Forbearance Agreement.
24. As authorized in the First Day Order, the Debtors, with the Trustee's approval, have paid a total amount of approximately \$314K to certain Key Suppliers (as defined in the Initial Motion) for Pre-Filing Obligations (as defined in the Initial Motion).

**FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS**

**Cash flow results for the 7-week period ended January 18, 2020**

25. When the first Motion for an extension Order was filed, the Debtors submitted a projected cash flow statement for the period from December 1, 2019, to January 25, 2020 (the "**Revised Cash Flow**").
26. Since the filing of the NOIs, the Debtors have been paying their suppliers in the ordinary course of business based on negotiated terms or on cash-on-delivery basis. The Debtors have advised the Trustee that they have not incurred significant unpaid liabilities since the NOIs were filed.
27. **Appendix A** contains the comparative cash flow statement for the 7-week period ended January 18, 2020. The net cash flow of approximately \$1.8M for the 7-week period was approximately \$3.7M greater than initially forecasted:
  - a. Total receipts were approximately \$24.0M, or approximately \$1.7M higher than initially forecasted. This is due to higher liquidation receipts than anticipated in the Liquidation Stores (approx. \$1.2M), as well as higher than forecasted sales in the other stores (approx. \$0.5M).
  - b. Total disbursements were approximately \$22.3M, or approximately \$1.9M less than initially forecasted. This is primarily due to timing since some suppliers have not yet submitted their invoices.
28. At the time of writing the Third Report, the Debtors advised the Trustee that they were in compliance with the conditions under the Fifth Forbearance Agreement, including in respect of the borrowing base calculation.

## Cash flow forecast for the 6-week period ending February 29, 2020

29. In support of their Motion for a second extension, the Debtors revised and extended their cash flow projections (the "**Second Extension Cash Flow Forecast**") for the period from January 19, 2020, to February 29, 2020 (refer to **Appendix B** and the summary below).

**Bouclair Inc. and Bouclair International Inc.**  
**Weekly Cash Flow Forecast**  
**For the 6-week period ending February 29, 2020**  
**(Unaudited, in \$000s CAD)**

<b>RECEIPTS</b>	
Sales receipts	11,154
Other	-
<b>TOTAL RECEIPTS</b>	<b>11,154</b>
<b>DISBURSEMENTS</b>	
Trade vendor payments (third party)	3,442
Rent	1,913
Payroll & related payments	2,765
Other expenses	1,059
Professional fees - restructuring	1,044
Freight & Duty	1,110
Marketing & Advertising	534
Liquidation disbursements	(100)
Warehouse contractants	637
Professional fees	170
Financial expenses	226
IT	452
Sales taxes	1,360
Loan repayment	263
Contingency	150
<b>TOTAL DISBURSEMENTS</b>	<b>15,025</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>(3,871)</b>

30. The projections reflect the following general assumptions:

- a. Granting of the 35-day period extension to file a Proposal;
- b. Continued operation of the remaining stores; and
- c. Compliance with the conditions under the Fifth Forbearance Agreement, including with the borrowing base calculation, and agreement upon a sufficient extension thereunder.

### EXTENSION OF THE TIME LIMIT TO FILE A PROPOSAL

31. The Debtors advised the Trustee of their intention to file a second motion for a 35-day extension of the time limit to file a proposal to its creditors pursuant to Subsection 50.4(9) of the BIA.

32. The Companies require additional time to (i) seek to implement the Transaction, and (ii) potentially formulate a Proposal.

**TRUSTEE'S RECOMMENDATION**

33. The Trustee is of the opinion that the reasons invoked in the Motion for a second extension are reasonable and supports the relief sought therein.
34. The Trustee is of the opinion, based on the relief requested in the Motion for a second extension, that:
- a. It is in the creditors' best interest that an extension of the stay proceedings be granted in order to allow the Companies additional time, for the reasons detailed in paragraph 32;
  - b. The Debtors have acted, and are continuing to act, in good faith and with due diligence; and
  - c. No creditor will be materially prejudiced by the granting of the extension.

The Trustee respectfully submits to the Court this, its Third Report.

DATED AT MONTREAL, this 22<sup>nd</sup> day of January 2020.



Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

DELOITTE RESTRUCTURING INC.  
In its capacity as Trustee



## APPENDIX A – Comparative Cash Flow Statement

BOUCLAIR INC. - Weekly Report Consolidated - (in \$000 CAD)	For the cumulative period of seven-week ended on 01-18-2020			Note
	Actual	Budget	Variance	
<b>Receipts</b>				
Sales receipts	18,016.1	17,549.0	467.1	1
Liquidation receipts	5,979.8	4,795.0	1,184.8	2
Other	60.2	-	60.2	3
<b>Total receipts</b>	<b>24,056.1</b>	<b>22,344.0</b>	<b>1,712.1</b>	
<b>Disbursements</b>				
Trade vendor payments (third party)	5,127.9	5,529.0	401.1	4
Payroll & related payments	3,632.0	3,573.0	(59.0)	
Freight	796.7	926.0	129.3	5
Duty	390.0	595.0	205.0	5
Sales taxes	2,708.2	2,548.0	(160.2)	6
Rent	4,444.9	4,666.0	221.1	
Professional fees	259.8	395.0	135.2	7
Warehouse Contractors	818.6	841.0	22.4	7
Marketing & Advertising	760.8	1,102.0	341.2	7
Insurance	247.5	275.0	27.5	
IT	343.3	460.0	116.7	7
Other expenses (non trade)	972.4	832.0	(140.4)	8
Liquidation disbursements	164.5	137.0	(27.5)	
Professional fees - restructuring	861.1	1,287.0	425.9	9
Credit card fees	398.1	471.0	72.9	
Financial expenses	103.1	132.0	28.9	
Utilities / deposits	270.0	300.0	30.0	
Contingency	-	175.0	175.0	
<b>Total disbursements</b>	<b>22,298.9</b>	<b>24,244.0</b>	<b>1,945.1</b>	
<b>Net cash flow from operations</b>	<b>1,757.2</b>	<b>(1,900.0)</b>	<b>3,657.2</b>	
<b>Opening cash balance</b>	<b>(8,033.0)</b>	<b>(8,033.0)</b>	<b>-</b>	
<b>Closing cash balance</b>	<b>(6,275.8)</b>	<b>(9,933.0)</b>	<b>3,657.2</b>	

**Note 1:** Sales receipts - The positive variance is mainly explained by the exposure Bouclair received in the media after the NOI filing which materialized in unbudgeted sales growth (budgeted 0% sales increase compared to last year's sales).

**Note 2:** Liquidation receipts - The positive variance is mainly due to the fact that for the seven-week period ended January 18, 2020, the average discount applied on regular sales' prices was lower than initially forecasted combined with a higher volume of items sold.

**Note 3:** Other - The positive variance is due to an unbudgeted amount collected in Bouclair International Inc.

**Note 4:** Trade vendor payments - The positive variance is mainly due to timing as some suppliers have granted Bouclair payment terms and some invoices are yet to be received. Management expects to receive these invoices and pay them in the upcoming weeks.

**Note 5:** Freight and Duty - The positive variance is mainly due to the fact that Bouclair spent less than expected during the seven-week period ended January 18, 2020.

**Note 6:** Sales taxes - The negative variance is mainly due to sales and liquidation receipts being higher than budgeted over the seven-week period ended December 28, 2019. Furthermore, the taxable expenses were lower than budgeted during that period.

**Note 7:** Professional fees, Warehouse contractors, Marketing & Advertising and IT - The positive variance is mainly due to timing as some suppliers have not yet submitted their invoices.

**Note 8:** Other expenses (non-trade) - The negative variance is mainly due to deposit requests from certain services suppliers.

**Note 9:** Professional fees - Restructuring - The positive variance is mainly due to timing as some professionals have not yet submitted their invoices. Management expects to receive the invoices and pay them in the upcoming weeks.

## APPENDIX B – Second Extension Cash Flow Forecast

Bouclair Inc. and Bouclair International Inc.								
Weekly Cash Flow Forecast								
For the 6-week period ending February 29, 2020								
(Unaudited, in \$000s CAD)								
Week Ending >>>>	Note	25-Jan-20	1-Feb-20	8-Feb-20	15-Feb-20	22-Feb-20	29-Feb-20	<u>TOTAL</u>
<b>RECEIPTS</b>								
Sales receipts	1	1,624	1,619	1,856	1,821	2,544	1,690	11,154
Other		-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>1,624</b>	<b>1,619</b>	<b>1,856</b>	<b>1,821</b>	<b>2,544</b>	<b>1,690</b>	<b>11,154</b>
<b>DISBURSEMENTS</b>								
Trade vendor payments (third party)	2	597	508	723	663	629	322	3,442
Rent	3	-	1,032	-	881	-	-	1,913
Payroll & related payments	4	922	-	922	-	922	-	2,765
Other expenses	5	210	120	222	192	120	195	1,059
Professional fees - restructuring	6	190	287	167	91	34	275	1,044
Freight & Duty	7	185	185	185	185	185	185	1,110
Marketing & Advertising	8	32	46	351	38	29	38	534
Liquidation disbursements	9	-	-	-	(100)	-	-	(100)
Warehouse contractants	10	92	103	133	103	103	103	637
Professional fees	11	29	17	73	17	17	17	170
Financial expenses	12	-	70	156	-	-	-	226
IT	13	174	44	44	87	59	44	452
Sales taxes		-	654	-	-	-	706	1,360
Loan repayment	14	-	263	-	-	-	-	263
Contingency		25	25	25	25	25	25	150
<b>TOTAL DISBURSEMENTS</b>		<b>2,456</b>	<b>3,354</b>	<b>3,001</b>	<b>2,182</b>	<b>2,123</b>	<b>1,910</b>	<b>15,025</b>
<b>NET CASH FLOW FROM OPERATIONS</b>		<b>(832)</b>	<b>(1,735)</b>	<b>(1,145)</b>	<b>(361)</b>	<b>421</b>	<b>(220)</b>	<b>(3,871)</b>
Opening cash balance		(6,133)	(6,965)	(8,700)	(9,844)	(10,205)	(9,784)	(6,133)
<b>CLOSING CASH BALANCE</b>		<b>(6,965)</b>	<b>(8,700)</b>	<b>(9,844)</b>	<b>(10,205)</b>	<b>(9,784)</b>	<b>(10,004)</b>	<b>(10,004)</b>
Letters of credit (L/C)		(141)	(141)	(141)	(141)	(141)	(141)	(141)
Closing cash balance (including L/C)		(7,106)	(8,841)	(9,985)	(10,346)	(9,925)	(10,145)	(10,145)
Borrowing capacity		11,580	12,244	12,466	12,263	11,990	12,583	12,583
<b>Surplus of coverage</b>		<b>4,474</b>	<b>3,403</b>	<b>2,481</b>	<b>1,917</b>	<b>2,065</b>	<b>2,438</b>	<b>2,438</b>

**\*\* To be read in conjunction with the attached Notes and Summary of Assumptions**

## **Notes and Summary of Assumptions**

1. *Sales receipts* include product sales from stores and e-commerce. Forecasted product sales from Stores (including sales tax) are gross of credit card fees. The Company's forecasted sales are based on historical sales patterns on a weekly basis.
2. *Trade vendor payments (third party)* include payments to domestic and international suppliers, as well as pre-NOI amounts to international suppliers (up to a maximum of \$750K during the NOI procedures). These payments are based on the actual purchase orders and future orders that will be needed for the Company to maintain the going concern. Amounts include sales tax when applicable.
3. *Rent* includes rent payments to landlords (paid biweekly starting December 1, 2019) in accordance with the leases and the Liquidation Order. Amounts include sales tax.
4. *Payroll and related payments* include Stores, Liquidation Stores, Corporate related payroll, and fringe benefits.
5. *Other expenses* include utilities, insurance, and other general payments based on historical expense patterns. Amounts include sales tax.
6. *Professional fees - restructuring* includes estimated professional fees for the Trustee, the Trustee's legal counsel, the CRO, the Company's legal counsel, NBC's financial advisor, and NBC's legal counsel. The Company will incur all the fees mentioned above. Amounts include sales tax.
7. *Freight and duty* include inbound freight for purchased merchandise, outbound freight for shipments to stores, and duty for international purchases based on historical expense patterns. Amounts include sales tax.
8. *Marketing and advertising* include traditional media and social media payments based on historical expense patterns. Amounts include sales tax.
9. *Liquidation disbursements* include the refund of the remaining deposit made in accordance with the Consulting Agreement. Amounts include sales tax.
10. *Warehouse contractors* include fees paid to agencies for warehouse resources based on historical expense patterns. Amounts include sales tax.
11. *Professional fees* include all other professional fees not related to the restructuring. These fees are to be incurred by the Company based on historical expense patterns. Amounts include sales tax.
12. *Financial expenses* include credit card fees which are forecasted at 1.7% for all stores and Liquidation Stores sales, monthly bank fees, interests, and forbearance fees.
13. *IT fees* include all IT-related payments based on historical expense patterns. Amounts include sales tax.
14. *Loan Repayment* includes all term loan repayments to the main secured lender, NBC.

**Pièce « A-9 »**

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-057470-193  
500-11-057469-195  
ESTATE. No.: 41-2582132  
41-2582130

S U P E R I O R C O U R T  
Commercial Division

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

**BOUCLAIR INC.**

- and -

**BOUCLAIR INTERNATIONAL INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

(Martin Franco, CPA, CA, CIRP, LIT designated  
person in charge)

**Trustee**

**FIFTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS TRUSTEE TO THE NOTICE OF INTENTION TO MAKE A PROPOSAL**  
*(Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3)*

## **INTRODUCTION**

1. On November 11, 2019, Bouclair Inc. ("**Bouclair**") and Bouclair International Inc. ("**Bouclair International**") (collectively the "**Companies**" or the "**Debtors**") each filed a Notice of Intention to make a proposal (collectively, the "**NOIs**") under the relevant provisions of the *Bankruptcy and Insolvency Act*.
2. Deloitte Restructuring Inc. ("**Deloitte**") has been appointed as the Debtors' proposal trustee (the "**Trustee**").
3. The factual background which led to the filing of the NOIs is described in the Debtors' *Motion for the Issuance of an Order (i) Creating Super-Priority Charges, (ii) Approving a Consulting Agreement and (iii) Approving Related Relief* (the "**Initial Motion**"), as well as in the *First Report to the Court submitted by Deloitte in its Capacity as Trustee to the Notice of Intention to Make a Proposal*, both in the Court record.
4. On November 12, 2019, following the presentation of the Initial Motion, the Superior Court of Quebec (Commercial Division) (the "**Court**") rendered an order (the "**First Day Order**):

- a. Approving the creation of a super-priority charges over all Affected Assets (as defined in the First Day Order);
  - b. Approving retroactively the CRO Engagement Letter (as defined in the First Day Order);
  - c. Authorizing the payment of certain pre-filing obligations to certain suppliers located outside of the jurisdiction of this Court; and
  - d. Approving related relief.
5. On November 15, 2019, the Court rendered an order (the "**Liquidation Order**") approving the Consulting Agreement pursuant to which Gordon Brothers Canada ULC acts as the liquidator of the Liquidation Stores (as defined in the Initial Motion).
  6. On December 6, 2019, the Debtors filed a motion to the Court for an order (i) extending the stay period ("**Stay Period**") and (ii) expanding the scope of super-priority charges.
  7. On December 10, 2019, the Court rendered an order (i) extending the Stay Period until January 24, 2020, and (ii) declaring that the scope of super-priority charges shall be extended to cover all the assets of Bouclair.
  8. On January 23, 2020, following a motion filed with the Court for an order extending the Stay Period, the Court extended the Stay Period until March 2, 2020.

## PURPOSE OF THE FIFTH REPORT

9. This fifth report of the Trustee (the "**Fifth Report**") addresses the following matters:
  - (i) Activities of the Trustee since the issuance of the Trustee's Third Report;
  - (ii) Activities of the Companies;
  - (iii) Financial performance and cash flow projections;
  - (iv) The sought extension of the time limit to file a proposal; and
  - (v) Trustee's conclusions and recommendations.
  
10. In preparing this Fifth Report, the Trustee has relied upon unaudited financial information, the Companies' records, the Companies' *Motion for an order extending the stay period* (the "**Motion for a third extension**"), and its discussions with the management of the Companies ("**Management**") and the Companies' Chief Restructuring Officer ("**CRO**"). While the Trustee has reviewed the information, some in draft form, submitted in the abridged time available, the Trustee has not performed an audit or other verification of such information. Forward looking financial information included in the Fifth Report is based on assumptions of the Companies' management regarding future events, and actual results achieved will vary from this information and the variations may be material.
  
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this Fifth Report are as defined in the Initial Motion or the Motion for a third extension.
  
12. A copy of this Fifth Report and further reports of the Trustee will be available on the Trustee's website at [www.insolvencies.deloitte.ca/bouclair](http://www.insolvencies.deloitte.ca/bouclair).

## ACTIVITIES OF THE TRUSTEE

13. The Trustee continues to monitor the receipts and disbursements and, on a weekly basis, performs a comparison and variance analysis against the cash flow statement.
  
14. Since the issuance of the Third report, the Trustee continued to participate in several meetings and conference calls with the Companies, the CRO and their advisors in connection with their restructuring efforts.
  
15. The Trustee assisted the Debtor in its dealings with a number of suppliers and landlords in order to ensure an uninterrupted flow of goods and services.

## **ACTIVITIES OF THE COMPANIES**

### ***Landlords***

16. As indicated in the Trustee's Fourth report, on December 9, 2019, the Debtors and the Trustee received an Application to Contest a Notice of Disclaimer or Resiliation of a Commercial Lease (the "**Contestation**") for the Jonquière store, based on section 65.2 of the BIA, from the landlord 9230-1860 Québec Inc. (the "**Contesting Landlord**").
17. The Trustee indicated in its Fourth report that it is of the opinion that the resiliation of the lease for the Jonquière store was justified and appropriate in the circumstances.
18. On February 17, 2020, following the filing of the Trustee's Fourth report, legal counsel for the Contesting Landlord contacted Bouclair's legal counsel to advise that the Contestation was withdrawn.
19. On or around February 19, 2020, the Contesting Landlord filed in the Court record a discontinuance and withdrawal of the Contestation.

### ***Sought Transaction***

20. As indicated in the Motion for a third extension, the Companies have entered into a non-binding term sheets with the NBC and a third-party lender regarding the refinancing of the NBC secured indebtedness and the granting of a new subordinated loan, respectively.
21. The Debtors are now in the final stages of the Restructuring Process and are seeking to complete the implementation of the Transaction in the coming weeks. There have been delays but the objective of the Companies remains to finalize binding commitments as soon as possible, with a view to seeking a hearing for approval of the Transaction on or around March 16, 2020, subject to the Court's availabilities, and proceeding with a closing of the Transaction on or around March 18, 2020.

### ***Other matters***

22. The Companies, with the assistance of the Trustee, have been in communication with suppliers affected by the NOIs and have been successful in maintaining a continued supply of goods and services to the business, either on a cash-on-delivery basis or negotiated terms.
23. On January 24, 2020, the Debtors and the NBC agreed on a Sixth Forbearance Agreement pursuant to which NBC agreed to forbear from exercising its rights as secured creditor until February 28, 2020. As of the date of this Fifth Report, discussions are taking place between the Debtors and NBC with a view of agreeing upon a sufficient extension of the Sixth Forbearance Agreement.
24. As authorized in the First Day Order, the Debtors, with the Trustee's approval, have paid a total amount of approximately \$697K to certain Key Suppliers (as defined in the Initial Motion) for Pre-Filing Obligations (as defined in the Initial Motion).



## **FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS**

### **Cash flow results for the 5-week period ended February 22, 2020**

25. When the second Motion for an extension Order was filed, the Debtors submitted a projected cash flow statement for the period from January 19, 2020, to February 29, 2020 (the "**Second Extension Cash Flow Forecast**").
26. Since the filing of the NOIs, the Debtors have been paying their suppliers in the ordinary course of business based on negotiated terms or on cash-on-delivery basis. The Debtors have advised the Trustee that they have not incurred significant unpaid liabilities since the NOIs were filed.
27. **Appendix A** contains the comparative cash flow statement for the 5-week period ended February 22, 2020. The net cash outflow of approximately \$2.3M for the 5-week period was approximately \$1.4M lower than initially forecasted:
- a. Total receipts were approximately \$9.9M, or approximately \$0.5M higher than initially forecasted. This is due to higher than forecasted sales.
  - b. Total disbursements were approximately \$12.2M, or approximately \$0.9M less than initially forecasted. This is primarily due to the following:
    - i. Sales taxes: The Debtors realized recently that they did not fully consider all taxes paid on expenses and consequently, the sales tax remittance were overstated.
    - ii. Professional fees and Other expenses (non trade): The positive variance is primarily due to timing since some suppliers/professionals have not yet submitted their invoices.
28. At the time of writing the Fifth Report, the Debtors advised the Trustee that they were in compliance with the conditions under the Sixth Forbearance Agreement, including in respect of the borrowing base calculation.

### Cash flow forecast for the 5-week period ending March 28, 2020

29. In support of their Motion for a third extension, the Debtors revised and extended their cash flow projections (the "**Third Extension Cash Flow Forecast**") for the period from February 23, 2020, to March 28, 2020 (refer to **Appendix B** and the summary below). Although the Debtors anticipate proceeding with a closing of the Transaction on or around March 18, 2020, the Debtors revised and extended the Third Extension Cash Flow Forecast until March 28, 2020, in the event the closing of the Transaction was delayed due to any unforeseen reasons.

**Bouclair Inc. and Bouclair International Inc.**  
**Weekly Cash Flow Forecast**  
**For the 5-week period ending March 28, 2020**  
**(Unaudited, in \$000s CAD)**

<b>RECEIPTS</b>	
Sales receipts	<u>11,928</u>
<b>TOTAL RECEIPTS</b>	<b><u>11,928</u></b>
<b>DISBURSEMENTS</b>	
Trade vendor payments (third party)	4,078
Payroll & related payments	2,019
Freight	540
Duty	240
Sales taxes	367
Rent	1,900
Professional fees	180
Warehouse contractants	382
Marketing & Advertising	415
Insurance	86
IT	305
Other expenses (non trade)	385
Professional fees - restructuring	1,154
Credit card fees	126
Financial expenses	70
Utilities / deposits	175
Contingency	<u>125</u>
<b>TOTAL DISBURSEMENTS</b>	<b><u>12,547</u></b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b><u>(619)</u></b>

30. The projections reflect the following general assumptions:

- a. Granting of the 26-day period extension to file a Proposal;
- b. Continued operation of the remaining stores; and
- c. Compliance with the conditions under the Sixth Forbearance Agreement, including with the borrowing base calculation, and agreement upon a sufficient extension thereunder.

### **EXTENSION OF THE TIME LIMIT TO FILE A PROPOSAL**

31. The Debtors advised the Trustee of their intention to file a third motion for a 26-day extension of the time limit to file a proposal to its creditors pursuant to Subsection 50.4(9) of the BIA.

32. The Companies require additional time to (i) seek to implement the Transaction, and (ii) potentially formulate a Proposal.

**TRUSTEE'S RECOMMENDATION**

33. The Trustee is of the opinion that the reasons invoked in the Motion for a third extension are reasonable and it supports the relief sought therein.
34. The Trustee is of the opinion, based on the relief requested in the Motion for a third extension, that:
- a. It is in the creditors' best interest that an extension of the stay proceedings be granted in order to allow the Companies additional time, for the reasons detailed in paragraph 32;
  - b. The Debtors have acted, and are continuing to act, in good faith and with due diligence; and
  - c. No creditor will be materially prejudiced by the granting of the extension.

The Trustee respectfully submits to the Court this, its Fifth Report.

DATED AT MONTREAL, this 27<sup>th</sup> day of February 2020.

Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President



DELOITTE RESTRUCTURING INC.  
In its capacity as Trustee

## APPENDIX A – Comparative Cash Flow Statement

<b>BOUCLAIR INC. - Weekly Report</b>		<b>For the cumulative period of five-week ended on 02-22-2020</b>		
<b>Consolidated - (in \$000 CAD)</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Note</b>
<b>Receipts</b>				
Sales receipts	9,933.1	9,464.0	469.1	1
Other	0.2	-	0.2	
<b>Total receipts</b>	<b>9,933.3</b>	<b>9,464.0</b>	<b>469.3</b>	
<b>Disbursements</b>				
Trade vendor payments (third party)	3,066.4	3,120.0	53.6	
Payroll & related payments	2,939.5	2,765.0	(174.5)	2
Freight	676.6	625.0	(51.6)	
Duty	393.6	300.0	(93.6)	
Sales taxes	19.3	654.0	634.7	3
Rent	1,900.0	1,913.0	13.0	
Professional fees	49.9	153.0	103.1	4
Warehouse Contractors	497.1	534.0	36.9	
Marketing & Advertising	455.9	496.0	40.1	
Insurance	70.3	99.0	28.7	
IT	377.6	408.0	30.4	
Other expenses (non trade)	421.3	600.0	178.7	4
Liquidation disbursements	(100.3)	(100.0)	0.3	
Professional fees - restructuring	688.3	769.0	80.7	5
Credit card fees	107.7	156.0	48.3	
Financial expenses	121.0	70.0	(51.0)	6
Utilities / deposits	285.8	165.0	(120.8)	7
Contingency	-	125.0	125.0	
Loan repayment	263.0	263.0	-	
<b>Total disbursements</b>	<b>12,233.0</b>	<b>13,115.0</b>	<b>882.0</b>	
<b>Net cash flow from operations</b>	<b>(2,299.7)</b>	<b>(3,651.0)</b>	<b>1,351.3</b>	
<b>Opening cash balance</b>	<b>(6,275.8)</b>	<b>(6,274.0)</b>	<b>(1.8)</b>	
<b>Closing cash balance</b>	<b>(8,575.5)</b>	<b>(9,925.0)</b>	<b>1,349.5</b>	

**Note 1:** Sales receipts - The positive variance is mainly explained by the fact that sales have been budgeted based on last year's sales with no growth.

**Note 2:** Payroll & related payments - The negative variance is due to the payment made for the quarterly bonuses paid to store managers and assistant managers.

**Note 3:** Sales taxes - The positive variance is mainly due to the fact that some taxes paid on expenses had not been applied against the taxes collected since the filing of the NOI.

**Note 4:** Professional fees and Other expenses (non trade) - The positive variance is mainly due to timing as some suppliers have not yet submitted their invoices.

**Note 5:** Professional fees - Restructuring - The positive variance is mainly due to timing as some professionals have not yet submitted their invoices. Management expects to receive the invoices and pay them in the upcoming weeks.

**Note 6:** Financial expenses - The negative variance is mainly due to the fees paid to the potential third party lenders.

**Note 7:** Utilities - The negative variance is mainly to the fact that actual utilities costs were higher than anticipated in the budget.

## APPENDIX B – Third Extension Cash Flow Forecast

Bouclair Inc. and Bouclair International Inc.							
Weekly Cash Flow Forecast							
For the 5-week period ending March 28, 2020							
(Unaudited, in \$000s CAD)							
Week Ending >>>>	Note	29-Feb-20	7-Mar-20	14-Mar-20	21-Mar-20	28-Mar-20	<u>TOTAL</u>
<b>RECEIPTS</b>							
Sales receipts	1	1,933	2,238	2,057	2,917	2,783	11,928
<b>TOTAL RECEIPTS</b>		<b>1,933</b>	<b>2,238</b>	<b>2,057</b>	<b>2,917</b>	<b>2,783</b>	<b>11,928</b>
<b>DISBURSEMENTS</b>							
Trade vendor payments (third party)	2	720	585	911	1,159	703	4,078
Rent	3	-	971	-	929	-	1,900
Payroll & related payments	4	2	996	2	1,017	2	2,019
Other expenses	5	163	177	206	65	35	646
Professional fees - restructuring	6	34	288	264	72	496	1,154
Freight & Duty	7	215	235	205	125	-	780
Marketing & Advertising	8	41	140	156	27	51	415
Warehouse contractants	9	55	154	60	113	-	382
Professional fees	10	39	64	38	30	9	180
Financial expenses	11	-	196	-	-	-	196
IT	12	102	40	83	40	40	305
Sales taxes		-	367	-	-	-	367
Contingency		25	25	25	25	25	125
<b>TOTAL DISBURSEMENTS</b>		<b>1,396</b>	<b>4,238</b>	<b>1,950</b>	<b>3,602</b>	<b>1,361</b>	<b>12,547</b>
<b>NET CASH FLOW FROM OPERATIONS</b>		<b>537</b>	<b>(2,000)</b>	<b>107</b>	<b>(685)</b>	<b>1,422</b>	<b>(619)</b>
Opening cash balance		(8,435)	(7,898)	(9,898)	(9,791)	(10,476)	(8,435)
<b>CLOSING CASH BALANCE</b>		<b>(7,898)</b>	<b>(9,898)</b>	<b>(9,791)</b>	<b>(10,476)</b>	<b>(9,054)</b>	<b>(9,054)</b>
Letters of credit (L/C)		(141)	(141)	(141)	(141)	(141)	(141)
Closing cash balance (including L/C)		(8,039)	(10,039)	(9,932)	(10,617)	(9,195)	(9,195)
Borrowing capacity		12,098	12,391	12,720	12,897	12,546	12,546
<b>Surplus of coverage</b>		<b>4,059</b>	<b>2,352</b>	<b>2,788</b>	<b>2,280</b>	<b>3,351</b>	<b>3,351</b>

**\*\* To be read in conjunction with the attached Notes and Summary of Assumptions**

## **Notes and Summary of Assumptions**

1. *Sales receipts* include product sales from stores and e-commerce. Forecasted product sales from Stores (including sales tax) are gross of credit card fees. The Company's forecasted sales are based on historical sales patterns on a weekly basis.
2. *Trade vendor payments (third party)* include payments to domestic and international suppliers, as well as pre-NOI amounts to international suppliers (up to a maximum of \$750K during the NOI proceedings). These payments are based on the actual purchase orders and future orders that will be needed for the Company to maintain the going concern. Amounts include sales tax when applicable.
3. *Rent* includes rent payments to landlords (paid biweekly starting December 1, 2019) in accordance with the leases and the Liquidation Order. Amounts include sales tax.
4. *Payroll and related payments* include Stores, Corporate related payroll, fringe benefits and stores performance bonus program.
5. *Other expenses* include utilities, insurance, and other general payments based on historical expense patterns. Amounts include sales tax. Deposits made to postal and utilities companies, after the NOI filing, will be used against these their invoices for the last two weeks of the Cashflow.
6. *Professional fees - restructuring* includes estimated professional fees for the Trustee, the Trustee's legal counsel, the CRO, the Company's legal counsel, NBC's financial advisor, and NBC's legal counsel. The Company will incur all the fees mentioned above. Amounts include sales tax. Deposits made to professionals will be used against these their invoices for the last week of the Cashflow.
7. *Freight and duty* include inbound freight for purchased merchandise, outbound freight for shipments to stores, and duty for international purchases based on historical expense patterns. Amounts include sales tax. Deposits made to transport companies and custom brokers, after the NOI filing, will be used against these their invoices for the last two weeks of the Cashflow.
8. *Marketing and advertising* include traditional media and social media payments based on historical expense patterns. Amounts include sales tax.
9. *Warehouse contractors* include fees paid to agencies for warehouse resources based on historical expense patterns. Amounts include sales tax. Deposits made to agencies, after the NOI filing, will be used against their invoices for the last week of the Cashflow.
10. *Professional fees* include all other professional fees not related to the restructuring. These fees are to be incurred by the Company based on historical expense patterns. Amounts include sales tax.
11. *Financial expenses* include credit card fees which are forecasted at 1.55% for all stores sales, monthly bank fees, interests, and forbearance fees.
12. *IT fees* include all IT-related payments based on historical expense patterns. Amounts include sales tax.

**Pièce « A-10 »**

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT No.: 500-11-057470-193  
500-11-057469-195  
ESTATE No.: 41-2582132  
41-2582130

SUPERIOR COURT  
Commercial Division

**IN THE MATTER OF THE NOTICE OF  
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**BOUCLAIR INC.**

- and -

**BOUCLAIR INTERNATIONAL INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

(Martin Franco, CPA, CA, CIRP, LIT designated  
person in charge)

**Trustee**

**SIXTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS TRUSTEE TO THE NOTICE OF INTENTION TO MAKE A PROPOSAL**  
*(Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3)*

## **INTRODUCTION**

1. On November 11, 2019, Bouclair Inc. ("**Bouclair**") and Bouclair International Inc. ("**Bouclair International**") (collectively the "**Companies**" or the "**Debtors**") each filed a Notice of Intention to make a proposal (collectively, the "**NOIs**") under the relevant provisions of the *Bankruptcy and Insolvency Act*.
2. Deloitte Restructuring Inc. ("**Deloitte**") has been appointed as the Debtors' proposal trustee (the "**Trustee**").
3. The factual background which led to the filing of the NOIs is described in the Debtors' *Motion for the Issuance of an Order (i) Creating Super-Priority Charges, (ii) Approving a Consulting Agreement and (iii) Approving Related Relief* (the "**Initial Motion**"), as well as in the *First Report to the Court submitted by Deloitte in its Capacity as Trustee to the Notice of Intention to Make a Proposal*, both in the Court record.



4. On November 12, 2019, following the presentation of the Initial Motion, the Superior Court of Quebec (Commercial Division) (the "**Court**") rendered an order (the "**First Day Order**"):
  - a. Approving the creation of a super-priority charges over all Affected Assets (as defined in the First Day Order);
  - b. Approving retroactively the CRO Engagement Letter (as defined in the First Day Order);
  - c. Authorizing the payment of certain pre-filing obligations to certain suppliers located outside of the jurisdiction of this Court; and
  - d. Approving related relief.
5. On November 15, 2019, the Court rendered an order (the "**Liquidation Order**") approving the Consulting Agreement pursuant to which Gordon Brothers Canada ULC acts as the liquidator of the Liquidation Stores (as defined in the Initial Motion).
6. On December 6, 2019, the Debtors filed a motion to the Court for an order (i) extending the stay period ("**Stay Period**") and (ii) expanding the scope of super-priority charges.
7. On December 10, 2019, the Court rendered an order (i) extending the Stay Period until January 24, 2020, and (ii) declaring that the scope of super-priority charges shall be extended to cover all the assets of Bouclair.
8. The Court has since extended the Stay Period from time to time, most recently until May 8, 2020.

## PURPOSE OF THE SIXTH REPORT

9. This sixth report of the Trustee (the "**Sixth Report**") addresses the following matters:
  - (i) Activities of the Trustee since the issuance of the Trustee's Fifth Report;
  - (ii) Overview of the sale and investment solicitation process;
  - (iii) Financial Information, financial performance and cash flow projections;
  - (iv) Proposed Sale Transaction; and,
  - (v) Trustee's conclusions and recommendations.
10. In preparing this Sixth Report, the Trustee has relied upon unaudited financial information, the Companies' records, the Companies' *Amended motion for the issuance of an approval and vesting order and a contract assignment order* (the "**Motion for a Vesting Order**"), and its discussions with the management of the Companies ("**Management**") and the Companies' Chief Restructuring Officer ("**CRO**"). While the Trustee has reviewed the information, some in draft form, submitted in the abridged time available, the Trustee has not performed an audit or other verification of such information. Forward looking financial information included in the Sixth Report is based on assumptions of the Companies' management regarding future events, and actual results achieved will vary from this information and the variations may be material. This report considers, where possible, the potential impact of the coronavirus (COVID-19) on the Companies. However, the situation is continuing to evolve, and many uncertainties remain as to the effect the COVID-19 crisis will have on the Companies and the broader domestic and global economies. Accordingly, this document does not fully identify and quantify the impact of all COVID-19 related uncertainties and implications. Changes to market conditions could materially affect the Companies and prospective statements in this report.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this Sixth Report are as defined in the Initial Motion or the Motion for a Vesting Order.
12. A copy of this Sixth Report and further reports of the Trustee will be available on the Trustee's website at [www.insolvencies.deloitte.ca/bouclair](http://www.insolvencies.deloitte.ca/bouclair).

## ACTIVITIES OF THE TRUSTEE

13. The Trustee continues to monitor the receipts and disbursements and, on a weekly basis, performs a comparison and variance analysis against the cash flow statement.
14. While performing its monitoring duties, it came to the Trustee's attention that some of the post-filing obligations of the Companies were not paid when due, including in particular the rent payments for the month of April. On April 9, 2020, the Petitioners' counsel sent a letter to the Trustee's counsel (the "April 9 Letter") in which the former explained that the Petitioners' decision to hold back payments for rent during the month of April stemmed from the various government decreed shutdowns and measures ordered in the context of the global COVID-19 pandemic, effectively preventing the Petitioners from operating their regular retail business operations in the normal course.
15. The Companies informed the Trustee that they nevertheless wished to reach a negotiated solution to these issues, with a view to implementing a mutually beneficial solution for all parties involved.
16. On April 13, 2020, counsel to the Trustee sent a letter to the Honourable Justice Chantal Corriveau informing the Court that it had received the April 9 Letter from the Companies' counsel. A copy of the letter was sent to the service list. The Trustee was of the view that given:

- a. the current highly exceptional circumstances related to the COVID-19 pandemic, including the inability for any retailer to predict with certainty when its store locations would reopen for customers; and
- b. the Debtors' efforts to reach a consensual arrangement with their Landlords;

any immediate action by the Court would be more prejudicial to the Companies' stakeholders than the status quo.

17. The Trustee also understands that, for the same reasons, the rent payments for the month of May were not made by Bouclair.
18. As outlined below, the Companies have negotiated extensively with their landlords in order to arrive at a mutually satisfactory solution to the situation described above. However, the Trustee understands that as at the date of this Sixth Report, an agreement has not been concluded with all landlords, as outlined in the Motion for a Vesting Order.
19. As indicated in the Motion for a Vesting Order, the Companies' outstanding post-filing obligations will be assumed by the Proposed Purchaser (as defined below) upon closing of the Proposed Sale Transaction (as defined below).
20. Since the issuance of the Fifth Report, the Trustee continued to participate in several meetings and conference calls with the Companies, the CRO and their advisors in connection with their restructuring efforts.

#### **OVERVIEW OF THE SALE AND INVESTMENT SOLICITATION PROCESS**

21. As indicated in the First report of the Trustee, due to the poor financial results of the last few years and more specifically in the current fiscal year ended January 28, 2020, there was significant pressure on the working capital of the Companies.
22. Over the last three years, revenues decreased as a result of a targeted reduction in store count, in an effort to eliminate underperforming locations.
23. Bouclair implemented an e-commerce sales platform to facilitate the sale of its products online and expand sales outside of its typical in-store network. It also invested in capital expenditures mainly related to the development of Bouclair's new e-commerce platform, experiential store concept, and predictive inventory allocation tool.
24. Unfortunately, even though the Companies implemented various measures to reduce operating costs, the Companies were unable to generate sales to the targeted level and consequently, were unable to generate sufficient liquidity to allow them to meet their obligations as they became due.
25. Once Management realized that it would not be able to turn the operations around, a decision was made to initiate a restructuring process (the "**Restructuring Process**") to attempt to identify a strategic partner that could potentially take over the operations, with a view to maximizing the realization value for all stakeholders, and securing the employment of as many of its employees as possible.

26. The Restructuring Process may be summarized as follows:

- a. Provide the opportunity for existing bank lenders (or new lenders, as the case may be) and investors willing to inject new equity into the Companies' business, or to loan or invest in a new entity which would acquire the business, in order to capitalize on the Companies' ongoing growth of the e-commerce platform and new store format, without carrying forward certain of the Companies' legacy liabilities and unprofitable leases, the whole with the support of and in consultation with the Companies' principal secured lender, National Bank of Canada ("**NBC**"); and
- b. As part of its restructuring plan, Bouclair initially intended to close and liquidate 29 unprofitable stores (with an additional potential six stores which could be liquidated following consultation between Bouclair and its landlords). The net proceeds of the liquidation would be remitted to the secured creditors that hold security over the liquidated assets.

27. As outlined in the First Motion, in order to achieve the objective outlined in Section 26 (a) above, a sale and investment solicitation process (the "**SISP**") was conducted by the Companies with the assistance of the CRO and Ernst & Young Orenda Corporate Finance Inc. ("**EYI**").

28. As appears from EYI's "Go-to-Market Summary", in the Court record, on or around August 19, 2019, the SISP was launched and comprised, inter alia, the following steps:

- a. Performing analyses to develop a list of potential purchasers;
- b. Contacting 36 potential purchasers across Canada, the United States of America and Europe;
- c. Providing teasers to seventeen (17) different parties as well as confidentiality agreements to five (5) potentially interested parties; and
- d. Providing confidential information memorandums ("**CIM**") and access to an electronic data room to three (3) potentially interested parties.

29. Mr. Peter Goldberg, President of Bouclair and Bouclair International, presented, together with a group of other investors, a proposal to restructure the business and assets of the Debtors (the "**Indication of Interest**"), which included, among other things:

- a. the creation, by a group of investors comprised of Peter Goldberg and other prominent Canadian and Quebec-based businessmen, of a new entity (i.e. Alston Investments Inc.) that would capitalize on the Debtors' ongoing growth of the e-commerce platform and new store format, without carrying forward certain of the Debtors' legacy liabilities and unprofitable leases, the whole in consultation with the NBC;
- b. the closure and liquidation of 29 Stores (with an additional six (6) option stores which could be liquidated following consultation between the Debtors and their landlords) out of the retail locations currently operated by the Debtors, with a view to remitting the net proceeds of the liquidation to the secured creditors that hold security over the liquidated assets;
- c. the acquisition by the Proposed Purchaser of all or substantially all of the Debtors' assets and property related to the head office, the warehouse and stores other than the Liquidation Stores; and,
- d. the assumption of certain liabilities related to the NBC Loan, the subordinated loans and certain other liabilities to be identified.

30. At the conclusion of the SISP, the Indication of Interest represented the only viable option to restructure the affairs of the Debtors since all three (3) parties who received the CIM declined to submit an offer.
31. Following a thorough review of their alternatives, the Debtors sought creditor protection under the provisions of the BIA in order to implement a comprehensive restructuring of their business and assets through a multi-creditor transaction that includes a sale of a significant portion of Bouclair's assets (the "**Initially Proposed Transaction**") to Alston Investments Inc. (the "**Proposed Purchaser**"), being the same party that submitted the Indication of Interest.
32. As part of its restructuring plan, Bouclair, with the support of Gordon Brothers Canada ULC ("**Gordon Brothers**") closed and liquidated 31 unprofitable stores (the "**Liquidation Stores**") that were not part of the Initially Proposed Transaction.
33. The Initially Proposed Transaction with the Proposed Purchaser was negotiated with certain key stakeholders, including the NBC.
34. On March 23, 2020, several provincial governments announced the closing of all nonessential stores due to COVID-19. This situation resulted in a decrease of more than 65% in sales relative to the same period last year and impacted significantly Debtor's liquidity, the restructuring process and the Initially Proposed Transaction.
35. The Trustee participated in some of the discussions between Management and the key stakeholders in order to implement the Initially Proposed Transaction. The Trustee understands that the ultimate objectives were the following:
  - a. Refinance NBC's debt. As a condition to this refinancing, the Debtors need to obtain from a third party a subordinated loan which will be used for capital expenditures and improve the e-commerce platforms, which would not be financed by NBC;
  - b. An assumption of the AST Subordinated Loan and the conversion of the Aljusa Subordinated Loan into equity in the restructured business;
  - c. An equity injection in the restructured business, coming from certain equity investors;
  - d. A reduction of the business's working capital needs to a level sustainable for operations, to continue and allow for the restructured business to meet its financial obligations as they become due; and,
  - e. Consolidate the business's presence in specifically identified markets by closing stores for which profitability is not meeting the Companies' targets.
36. However, even though the terms and conditions of the Proposed Sale Transaction are substantially similar to those originally contemplated in the Initially Proposed Transaction, the parties had to renegotiate the terms and conditions given the impact of the COVID-19 Government Measures on the implementation of the closing of the Initially Proposed Transaction.
37. In summary, the NBC agreed to increase the amount of the revolving credit facility it would make available to the Purchaser in order to fulfill its short-term liquidity needs as a result of the COVID-19 Government Measures. Also, Mr. Peter Goldberg, in his personal capacity, and a third-party lender (the "**Third-Party Lender**"), both agreed to provide loan guarantees to the NBC for the indebtedness of the Purchaser, which guarantees will become effective upon closing of the Proposed Sale Transaction.

38. As of the date of this Sixth Report, Management anticipates that the Third-Party Lender will obtain all required approvals prior to the hearing on the Motion for a Vesting Order. The Companies and the Purchaser have undertaken to keep the Third-Party Lender's identity confidential for the time being.
39. As of the date of this Sixth Report and as further detailed below, the Trustee understands that Management has negotiated an Asset Purchase Agreement, which is in final form, and term sheets or final documentation (as applicable) for the refinancing with the Proposed Purchaser, NBC, the Third-Party Lender and subordinated lenders.

## FINANCIAL INFORMATION, FINANCIAL PERFORMANCE AND CASH-FLOW PROJECTIONS

### Financial information

40. The latest unaudited balance sheet, as at March 28, 2020, is presented below

<b>Historical Results (\$ 000)</b>	
Balance sheet as at	March 28, 2020
<b>ASSETS</b>	
Accounts receivable	255
Inventory	23,274
Other current assets	5,476
Property, plant and equipment	12,657
Non-Current assets	68
<b>TOTAL ASSETS</b>	<b>41,730</b>
<b>LIABILITIES AND EQUITY</b>	
Trade suppliers and accrued liabilities	21,694
Other current liabilities	1,593
Deffered revenue	416
Revolving credit facility	6,848
Capital lease obligations	163
Long-term debt	4,646
Long-term sub debt	2,779
Unsecured Long-term debt	1,219
Deffered lease inducement	771
<b>TOTAL LIABILITIES</b>	<b>40,129</b>
Retained earnings and equity	1,601
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>41,730</b>

41. As shown above, as at March 28, 2020, Bouclair owned assets with a net book value of approximately \$41.7M and had total liabilities of approximately \$40.1M. The reader should note that the liabilities do not include any restructuring claims in relation with various contractual agreements which were terminated by the Companies.
42. The assets were mainly comprised of inventory (\$23.3M) and property, plant and equipment (\$12.7M). The reader should note that the book value of the property, plant and equipment category is mainly composed of furniture and fixtures located at the stores, computer software, leasehold improvements and development cost of the Bouclair website.

## Secured creditors

43. The following table presents the secured creditors and the amount of indebtedness:

<b>Secured Creditors (\$ 000)</b>	
Amount of Indebtedness as at	March 28, 2020
NBC Loans	11,494
AST Trust Company (Subordinated Loan)	1,564
Aljusa Investments Inc. (Subordinated Loan)	<u>1,214</u>
<b>TOTAL SECURED CREDITORS</b>	<b><u><u>14,272</u></u></b>

### National Bank of Canada

44. Bouclair obtained a first lien revolving credit facility ("**Revolving Facility**") and a term loan facility ("**Term Facility**") and, collectively with the Revolving Facility, the "**NBC Loans**", with National Bank of Canada ("**NBC**").
45. The NBC Loan is secured by a first-ranking security on all assets, tangible and intangible, present and future, of Bouclair in favour of NBC.
46. The Trustee obtained an independent opinion from its counsel on the validity, opposability and perfection of the NBC security over the assets of Bouclair and Bouclair International for the provinces of Newfoundland and Labrador, Nova Scotia, New Brunswick, Québec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. The legal opinions indicate that the security of NBC over the assets of the Companies is valid and has been rendered opposable against third persons or perfected in accordance with applicable laws.
47. The amount due under the Revolving Facility as at April 25, 2020, is estimated at approximately \$6.8M, excluding interest, fees and expenses, while the amount due under the Term Facility is estimated at \$4.6M.

### AST Trust Company

48. An AST Trust Company loan ("**AST**") is stated to be secured by a hypothec for the sum of \$2M on all of Bouclair's present and future moveable property. The Trustee notes that hypothecs were registered against the name of the Companies by AST on the Register of Personal and Movable Real Rights on February 15, 2019.
49. The AST loan is stated to be subordinated to the NBC security, as agreed between the parties on February 14, 2019.
50. The amount due in respect of the AST loan is estimated, as at March 28, 2020, at \$1.6M.

### Aljusa Investments Inc.

51. Aljusa Investments Inc. ("**Aljusa**"), a party related to Bouclair, is stated to have granted a loan secured by a hypothec for the sum of \$2.5M on all of Bouclair's present and future moveable property. The Trustee notes that hypothecs were registered against the name of the Companies by Aljusa on the Register of Personal and Movable Real Rights on March 23, 2018.
52. The Aljusa loan is stated to be subordinated to the NBC security, as agreed between the parties on February 14, 2019.

53. The amount due in respect of the Aljusa loan is estimated, as at March 28, 2020, at \$1.2M.

**Cash flow results for the 10-week period ended May 2, 2020**

54. When the third Motion for an extension Order was filed, the Debtors submitted a projected cash flow statement for the period from February 22, 2020, to March 28, 2020 (the "**Third Extension Cash Flow Forecast**").

55. When the fourth Motion for an extension Order was filed, the Debtors did not submit to the Court a projected cash flow for the period from March 29, 2020, to May 8, 2020. However, a cash-flow was ultimately prepared to comply with the seventh forbearance agreement with NBC. (refer to **Appendix A**)

56. As a result of COVID-19, over the last few weeks, the Debtors have not been able to meet certain of their post-filing obligations in the ordinary course of business. However, as indicated in the Motion for a Vesting Order, the Companies' post-filing obligations will be assumed by the Proposed Purchaser at closing of the Proposed Sale Transaction.

57. **Appendix B** contains the comparative cash flow statement for the 10-week period ended May 2, 2020. The net cash inflow of approximately \$679K for the 10-week period was approximately \$3.3M higher than initially forecasted:

- a. Total receipts were approximately \$13.3M, or approximately \$0.3M less than initially forecasted at the time the relevant cash-flows were prepared. This is caused by the closing of all the stores on March 23, 2020, due to government measures put in place due to the COVID-19 pandemic.
- b. Total disbursements were approximately \$12.6M, or approximately \$3.6M less than initially forecasted. This is primarily due to the following:
  - i. Trade vendor payments (third party) and Freight & Duty: Management decided to reduce significantly the volume of trade purchases following the COVID-19 pandemic shutdown, diminished the receptions of in-transit goods and postponed certain payments due to recent economic uncertainty.
  - ii. Sales taxes: The Debtors realized recently that they did not fully consider all taxes paid on expenses and consequently, previous sales tax remittance were overstated and led to a credit being applied on more recent remittances.
  - iii. Professional fees - Restructuring: The positive variance is mainly due to timing as some professionals have not yet submitted their invoices.

58. At the time of writing this Sixth Report, the Debtors advised the Trustee that the Seventh Forbearance Agreement that ended on April 27, 2020, was not renewed.



## Cash flow forecast for the 2-week period ending June 6, 2020

59. In support of their Motion for a Vesting Order, the Debtors revised and extended their cash flow projections (the "**Pre and Post Closing Cash Flow Forecast**") for the period from May 3, 2020, to May 16, 2020 (refer to **Appendix C** and the summary below). Although the Debtors anticipate proceeding with a closing of the Transaction on or around May 11, 2020, the Debtors revised and extended the Pre and Post Closing Cash Flow Forecast until June 6, 2020, to include the period which would stem in the case a proposal is filed.

<b>Bouclair Inc. and Bouclair International Inc.</b>	
<b>Weekly Cash Flow Forecast</b>	
<b>For the 5-week period ending June 6, 2020</b>	
<b>(Unaudited, in \$000s CAD)</b>	
<b>RECEIPTS</b>	
Sales receipts - e-commerce	1,291
Advance from Alston	896
Debt assumption by Alston	8,032
<b>TOTAL RECEIPTS</b>	<b>10,219</b>
<b>DISBURSEMENTS</b>	
Trade vendor payments (third party)	124
Payroll & related payments	398
Freight	2
Duty	62
Sales taxes	278
Warehouse contractants	11
Marketing & Advertising	171
IT	83
Other expenses (non trade)	378
Professional fees - restructuring	768
Credit card fees	39
NBC Loan repayment	7,754
Letters of credit	141
Contingency	10
<b>TOTAL DISBURSEMENTS</b>	<b>10,219</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>-</b>

60. The projections reflect the following general assumptions:

- a. Granting of the 3-day period extension to file a Proposal;
- b. Filing of a Proposal on or before May 11, 2020;
- c. Continued operation of the remaining stores until the closing of the Transaction in the week ending May 16, 2020; and
- d. Compliance with any conditions agreed between the Companies and NBC, up to closing of the Transaction, if applicable.

## PROPOSED SALE TRANSACTION

61. After several months of discussions and negotiations, the Trustee understands that the Debtors, the Proposed Purchaser, NBC and the Third-Party Lender will agree, prior to the hearing on the Motion for a Vesting Order, on the terms and conditions of an Asset Purchase Agreement (the "**Proposed Asset Purchase Agreement**"). A copy of the Proposed Asset Purchase Agreement, as redacted by the Companies, is included as **Exhibit P-2** to the Motion for a Vesting Order. Unless otherwise defined herein, all capitalized terms in the following paragraphs are as defined in the Proposed Asset Purchase Agreement or the Motion for a Vesting Order.
62. Subject to approval by this Honourable Court, the Proposed Purchaser will be acquiring the majority of the assets and assuming certain of the liabilities of the Debtors, with a view to maintaining approximately fifty-one (51) Bouclair retail store locations and its head office in Pointe-Claire (Quebec), the whole as more fully detailed in the Proposed Asset Purchase Agreement.
63. The Proposed Asset Purchase Agreement also contemplates, inter alia, continued employment of the Accepting Employees, representing an aggregate amount of approximately 745 employees.
64. The Companies are also requesting that this Court order the assignment of the Assigned Commercial Contracts and the Assigned Leases to the Proposed Purchaser. There are certain store leases for which no assignment is sought, even though these stores were not Liquidation Stores. The Trustee understands that, upon further analysis, the Proposed Purchaser indicated that it would not take on these store leases, and that Bouclair intends to disclaim the relevant leases, pursuant to the BIA, on or about the date hereof.
65. In addition, the Trustee understands that Bouclair has taken the position that it has no legal and binding obligation to pay rent to its landlords for all of its retail locations for the period beginning April 1, 2020, until the earlier of the respective authorized reopening of each of the locations or the Closing Date ("**Unpaid Covid-19 Rent**"), considering the impact of the COVID-19 pandemic and the associated store closures. Accordingly, Bouclair has calculated the cure costs to be payable in respect of each of the Assigned Leases to exclude all Unpaid Covid-19 Rent.
66. The Proposed Asset Purchase Agreement provides that the Proposed Purchaser will assume all Unpaid Covid-19 Rent obligations, to the extent that such obligations are determined to be payable by Bouclair pursuant to a final Court order or agreement between the Proposed Purchaser and the relevant Landlord.
67. The Trustee notes that the Motion for a Vesting Order requests that the Court declare that the cure costs payable by the Proposed Purchaser at closing in respect of each of the Assigned Leases be such that they exclude the Unpaid Covid-19 Rent. To the extent that the Unpaid Covid-19 Rent is determined to be payable by Bouclair, as indicated above, the Proposed Purchaser has undertaken to assume such liability as part of the Proposed Sale Transaction.

68. The Trustee believes that the Proposed Sale Transaction is the best outcome for the creditors, including the secured creditors and stakeholders, for the following reasons:

- a. Deloitte prepared, as presented below, a table comparing the estimated liquidation value as at May 4, 2020, and the Proposed Sale Transaction:

Bouclair Liquidation Value Analysis (\$ 000) As at May 4, 2020	Book Value as at March 28, 2020	Estimated Liquidation Value <sup>(1)</sup>
<b>ASSETS</b>		
Accounts receivable <sup>(2)</sup>	255	204
Inventory <sup>(3)</sup>	23,274	11,637
Other current assets <sup>(4)</sup>	5,476	274
Property, plant and equipment <sup>(5)</sup>	12,657	1,000
Non-Current assets	68	-
<b>TOTAL ASSETS</b>	<b>41,730</b>	<b>13,115</b>
<b>PRIORITY CLAIMS</b>		
Employee priority claim <sup>(6)</sup>		1,714
<b>LIABILITIES</b>		
Secured creditors		14,272
<b>Estimated deficit before professional fees</b>		<b>(2,871)</b>

Note 1: The estimated liquidation value is before professional fees, other than liquidator fees.

Note 2: The accounts receivable are composed solely of credit cards receivable, which explains an estimate liquidation value of 80% of the net book value.

Note 3: This represents all inventory at the store and distribution centre. The Trustee is of the opinion that the current liquidation value of the inventory is materially impaired. It is expected that the recovery will suffer a substantial negative variance due to various factors such as provincial government measures in place due to the COVID-19 pandemic and uncertainty as to the timing of store re-openings, which will not only delay any liquidation scenario but will also affect (and likely extend) the liquidation period. In light of the above and considering current uncertainty, for the purpose of this report, the Trustee has estimated the liquidation value of inventory at 50% of book value, which it views as an optimistic scenario.

Note 4: This is mostly composed of prepaid expenses, deposits and accrued income tax receivables. Considering the nature of these assets and the potential setoffs that could be applied by the tax authorities, the Trustee estimate that the liquidation value will be approximately 5% of the net book value.

Note 5: Based on the Trustee's experience, the nature and location of these assets (furniture and fixtures located at the stores, leasehold improvements computer software and computer hardware) is such that the liquidation value may vary between 0% and 20% of the net book value.

Note 6: Employee priority claims amount to \$2,000 per employee. Bouclair currently employs approximately 857 employees, for a total amount of \$1,714,000.

As per the estimated liquidation value analysis presented in the above table, assuming that all asset liquidation receipts (after payment of any priority claims) would be remitted to the secured creditors, it is expected that said secured creditors would suffer an estimated shortfall of approximately \$2,9M before payment of any professional fees. In comparison, the Proposed Sale Transaction includes the assumption in full of all indebtedness due to secured creditors as well as the assumption of certain unsecured liabilities. Considering the above, the Trustee is of the view that it is highly unlikely that a forced liquidation would result in sufficient proceeds to reimburse the secured creditors in full let alone generate sufficient funds to provide for a distribution to the unsecured creditors.

- b. For the reasons set forth above, the Trustee is of the opinion that the Proposed Sale Transaction is more favourable than a forced liquidation in the Company's current situation. The Trustee notes that the Proposed Sale Transaction, once implemented, will permit approximately 745 jobs to be preserved and continued operations at 51 stores (once the COVID-19 situation permits) and the head office.
- c. The Trustee understands that the secured creditors unanimously support the Proposed Sale Transaction.

#### **TRUSTEE'S RECOMMENDATION**

69. The Trustee is of the opinion that the reasons invoked in the Motion for a Vesting Order are reasonable and it supports the relief sought therein.

70. The Trustee is of the opinion, based on the relief requested in the Motion for a Vesting Order, that:

- a. It is in the creditors' best interests that an extension of the stay proceedings be granted in order to allow the Companies additional time to file a proposal;
- b. The Debtors have acted, and are continuing to act, in good faith and with due diligence; and
- c. No creditor will be materially prejudiced by the granting of the extension.

The Trustee respectfully submits to the Court this, its Sixth Report.

DATED AT MONTREAL, this 5<sup>th</sup> day of May 2020.

Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President



DELOITTE RESTRUCTURING INC.  
In its capacity as Trustee

**APPENDIX A – Combined cash flow forecast for the ten-week period ended on May 2, 2020**

<b>Consolidated - (in \$000 CAD)</b>	<b>Budget - four-week period <sup>(1)</sup></b>	<b>Budget - six-week period <sup>(2)</sup></b>	<b>Total Budget</b>
<b>Receipts</b>			
Sales receipts	9,145	393	<b>9,538</b>
Sales receipts - e-commerce	-	4,012	<b>4,012</b>
<b>Total receipts</b>	<b>9,145</b>	<b>4,405</b>	<b>13,550</b>
<b>Disbursements</b>			
Trade vendor payments (third party)	3,375	-	<b>3,375</b>
Rent	1,900	450	<b>2,350</b>
Payroll & related payments	2,017	1,478	<b>3,495</b>
Other expenses	611	673	<b>1,284</b>
Professional fees - restructuring	658	245	<b>903</b>
Freight & Duty	780	316	<b>1,096</b>
Marketing & Advertising	364	448	<b>812</b>
Warehouse Contractors	382	236	<b>618</b>
Professional fees	171	19	<b>190</b>
Financial expenses	196	280	<b>476</b>
IT	265	193	<b>458</b>
Sales taxes	367	676	<b>1,043</b>
Contingency	100	20	<b>120</b>
<b>Total disbursements</b>	<b>11,186</b>	<b>5,034</b>	<b>16,220</b>
<b>Net cash flow from operations</b>	<b>(2,041)</b>	<b>(629)</b>	<b>(2,670)</b>

**Note 1:** The 4-week period budget was included in the Trustee's Fifth Report dated February 27.

**Note 2:** The 6-week period budget has never been issued in court documents. This budget was provided to NBC as part of the Seventh Forbearance Agreement dated April 27, 2020.

## APPENDIX B – Comparative Cash Flow Statement

BOUCLAIR INC. - Weekly Report		For the cumulative period of ten-week ended on 05-02-2020		
Consolidated - (in \$000 CAD)	Actual	Budget <sup>(1)</sup>	Variance	Note
<b>Receipts</b>				
Sales receipts	9,124	9,538	(414)	1
Sales receipts - e-commerce	4,160	4,012	148	
<b>Total receipts</b>	<b>13,284</b>	<b>13,550</b>	<b>(266)</b>	
<b>Disbursements</b>				
Trade vendor payments (third party)	1,796	3,375	1,579	2
Rent	1,893	2,350	457	3
Payroll & related payments	3,444	3,495	51	
Other expenses	1,138	1,284	146	4
Professional fees - restructuring	662	903	241	5
Freight & Duty	706	1,096	390	2
Marketing & Advertising	642	812	170	4
Warehouse Contractors	656	618	(38)	
Professional fees	57	190	133	4
Financial expenses	466	476	10	
IT	323	458	135	4
Sales taxes	773	1,043	270	6
Contingency	49	120	71	
<b>Total disbursements</b>	<b>12,605</b>	<b>16,220</b>	<b>3,615</b>	
<b>Net cash flow from operations</b>	<b>679</b>	<b>(2,670)</b>	<b>3,349</b>	

**Note 1:** Budget detailed in two separate periods in Appendix A.

**Note 1:** Sales receipts - The negative variance is mainly explained by the fact that all stores were shutdown on March 23, 2020, due to COVID-19.

**Note 2:** Trade vendor payments (third party) and Freight & Duty - The positive variance is due to Management's decision to reduce significantly the volume of trade purchases following the COVID-19 shutdown, diminish the receptions of in-transit goods and to postpone some payments due to recent economic uncertainty.

**Note 3:** Rent - The positive variance is mainly due to the unpaid COVID-19 rent.

**Note 4:** Other expenses, Professional fees, Marketing & Advertising and IT - The positive variance is mainly due to the Company's operations being significantly reduced in reaction of the COVID-19 economic uncertainty.

**Note 5:** Professional fees - Restructuring - The positive variance is mainly due to timing as some professionals have not yet submitted their invoices. Management expects to receive the invoices and pay them shortly.

**Note 6:** Sales taxes - The positive variance is mainly due to the fact that some taxes paid on expenses had not been applied against the taxes collected since the filing of the NOI

## APPENDIX C – Pre and Post Closing Cash Flow Forecast

<b>Bouclair Inc.</b>							
<b>Weekly Cash Flow Forecast</b>							
<b>For the 5-week period ending June 6, 2020</b>							
<b>(Unaudited, in \$000s CAD)</b>							
		<b>Pre-closing</b>		<b>Post-closing</b>			<b>TOTAL</b>
Week Ending >>>>	Note	9-May-20	16-May-20	23-May-20	30-May-20	6-Jun-20	
<b>RECEIPTS</b>							
Sales receipts - e-commerce	1	904	387	-	-	-	1,291
Advance from Alston	2	-	-	457	57	382	896
Debt assumption by Alston	3	-	8,032	-	-	-	8,032
<b>TOTAL RECEIPTS</b>		<b>904</b>	<b>8,419</b>	<b>457</b>	<b>57</b>	<b>382</b>	<b>10,219</b>
<b>DISBURSEMENTS</b>							
Trade vendor payments (third party)	4	124	-	-	-	-	124
Payroll & related payments	5	2	396	-	-	-	398
Freight	6	-	2	-	-	-	2
Duty	6	62	-	-	-	-	62
Sales taxes		-	-	158	-	120	278
Warehouse contractants		5	6	-	-	-	11
Marketing & Advertising	7	160	11	-	-	-	171
IT		10	73	-	-	-	83
Other expenses (non trade)	8	204	174	-	-	-	378
Professional fees - restructuring	9	22	128	299	57	262	768
Credit card fees		-	39	-	-	-	39
Letters of credit	10	-	141	-	-	-	141
Contingency		5	5	-	-	-	10
<b>TOTAL DISBURSEMENTS</b>		<b>594</b>	<b>975</b>	<b>457</b>	<b>57</b>	<b>382</b>	<b>2,465</b>
<b>NET CASH FLOW FROM OPERATIONS</b>		<b>310</b>	<b>7,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,754</b>
Opening cash balance		(7,754)	(7,444)	-	-	-	(7,754)
<b>CLOSING CASH BALANCE</b>		<b>(7,444)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Letters of credit (L/C)		(141)	-	-	-	-	-
Closing cash balance (including L/C)		(7,585)	-	-	-	-	-
Borrowing capacity		10,548	-	-	-	-	-
<b>Surplus of coverage</b>		<b>2,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**\*\* To be read in conjunction with the attached Notes and Summary of Assumptions**

## **Notes and Summary of Assumptions**

1. *Sales receipts – e-commerce* includes product sales from e-commerce only. Forecasted product sales from e-commerce (including sales tax) are gross of credit card fees. The Company's forecasted sales are based on the COVID-19 period historical sales patterns on a weekly basis.
2. *Advances from Alston* includes the funds to be received from the Proposed Purchaser to cover Bouclair remaining disbursements after the Proposed Sale Transaction closing date, which disbursements are sales tax payable and professional fees – restructuring.
3. *Debt assumption by Alston* includes the NBC liability (Revolving Facility) that would be assumed by the Proposed Purchaser as part of the Proposed Sale Transaction at the closing date.
4. *Trade vendor payments (third party)* include payments to domestic and international suppliers.
5. *Payroll and related payments* include Stores, Corporate related payroll, fringe benefits.
6. *Freight and duty* include inbound freight for purchased merchandise, outbound freight for shipments to stores, and duty for international purchases based on historical expense patterns. Amounts include sales tax. Deposits made to transport companies and custom brokers, after the NOI filing, will be used against these their invoices for the pre-closing two-week portion of the Cash flow.
7. *Marketing and advertising* include traditional media and social media payments based on historical expense patterns. Amounts include sales tax.
8. *Other expenses* include utilities, insurance, shipping costs related to online sales and other general payments based on historical expense patterns. Amounts include sales tax. Deposits made to utilities companies, after the NOI filing, will be applied against their invoices.
9. *Professional fees - restructuring* includes estimated professional fees for the Trustee, the Trustee's legal counsel, the CRO and the Company's legal counsel. The Company will incur all the fees mentioned above. Amounts include sales tax. Deposits made to professionals will be applied against their invoices for the five weeks of the Cash flow.
10. *Letter of credit* – includes one letter of credit for which the beneficiary has the complete right to draw the full amount of this letter and it is assumed that it will materialize before that the Proposed Sale Transaction closing date.



**Pièce « A-11 »**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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Court No: 500-11-057470-193  
Court No: 500-11-057469-195

IN THE MATTER OF THE PROPOSAL OF:

BOUCLAIR INC.

- and -

BOUCLAIR INTERNATIONAL INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Trustee

**PROPOSAL**  
**(Subsection 50(2) of the *Bankruptcy and Insolvency Act*)**

**BOUCLAIR INC. AND BOUCLAIR INTERNATIONAL INC.** hereby submit to their creditors the following proposal pursuant to the *Bankruptcy and Insolvency Act*.

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a) **"Basket Amount"** has the meaning ascribed to it in **Section 2.1** hereof.
- b) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- c) **"Bouclair"** means Bouclair Inc.
- d) **"Bouclair International"** means Bouclair International Inc.
- e) **"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Quebec.
- f) **"Claim"** means any right of any Person against the Companies in connection with any indebtedness, liability or obligation, including claims that are liquidated,

unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature.

- g) "**Companies**" means Bouclair Inc. and Bouclair International Inc., collectively.
- h) "**Court**" means the Superior Court of Quebec (Commercial Division).
- i) "**Creditors' Meeting**" means the meeting of creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting.
- j) "**Crown Claims**" means all Claims of Her Majesty in right of Canada or a province described in section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court.
- k) "**Disputed Claim**" means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Companies, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- l) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- m) "**D&O Claims**" means any Claim against the directors and officers of the Companies which they may have incurred in their capacity as directors or officers of the Companies after the Filing Date, except where such Claims have arisen as a result of the Companies' directors or officers' gross negligence or willful misconduct.
- n) "**Effective Date**" has the meaning ascribed to it in **Section 5.3** hereof.
- o) "**Filing Date**" means the date of the filing of the Notices of Intention to Make a Proposal by the Companies, namely November 11, 2019.
- p) "**Landlord Claims**" means any Claim of any of the landlords of Bouclair arising from a disclaimer of the landlord's lease by Bouclair, which shall be calculated in accordance with **Section 3.5** hereof.
- q) "**Landlord**" means a landlord to any real property lease to which Bouclair is or was a party to.
- r) "**Official Receiver**" means the officer appointed pursuant to Section 12(2) of the BIA.
- s) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such

government, and the executors, administrators or other legal representatives of an individual in such capacity.

- t) **"Post-Filing Claims"** means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Companies after the Filing Date, except for Restructuring Claims, but including, for greater certainty, Unpaid COVID-19 Rent.
- u) **"Preferred Claims"** means any Claim as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all other Claims in the distribution of the property of a bankrupt.
- v) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- w) **"Professional Fees"** means all fees, expenses, liabilities and obligations of the Trustee and the Companies' legal advisors on and incidental to the proceedings arising out of the Notices of Intention to Make a Proposal of the Companies or the Proposal, including advice to the Companies in connection with the Notices of Intention to Make a Proposal and the Proposal.
- x) **"Proof of Claim"** means the form delivered by the Trustee to creditors of the Companies in accordance with the BIA.
- y) **"Proposal"** means this Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- z) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Companies and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- aa) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- bb) **"Related Persons"** has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, *inter alia*, Mr. Peter Goldberg, both in his personal capacity and in his capacity as director and officer of the Companies, as well as Aljusa Investments Inc.
- cc) **"Required Majority"** means a majority in number and two-thirds in value of the Unsecured Claims of all Unsecured Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.
- dd) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by the Companies, including the Landlord Claims.

- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- ff) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Companies had become bankrupt at the Filing Date, and includes, for greater certainty, the National Bank of Canada.
- gg) **"Substantive Consolidation"** has the meaning ascribed to it in **Section 1.6** hereof.
- hh) **"Trustee"** means Deloitte Restructuring Inc., in its capacity as trustee to the Notices of Intention to Make a Proposal of the Companies and not in its personal capacity.
- ii) **"Trustee's Certificate"** has the meaning ascribed to it in **Section 5.3** hereof.
- jj) **"Unpaid COVID-19 Rent"** means any unpaid gross rent normally owed by Bouclair to a Landlord for the period beginning April 1, 2020, and ending on the day (i) on which the various COVID-19 government decreed shutdowns are effectively lifted and (ii) on which Bouclair is authorized by government authorities to reopen its retail locations, but in all cases, only to the extent such rent is found to be owing by the Court or subject to a negotiated settlement between Bouclair and a Landlord, it being understood that nothing in the present Proposal shall be construed as an admission, by the Companies, that the unpaid gross rent for the period described above is owed and payable.
- kk) **"Unsecured Claims"** means all Claims other than Secured Claims, Post-Filing Claims, Crown Claims, and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Unsecured Claims shall include Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, including any contingent and unliquidated Claims (once quantified) against the Companies and all Restructuring Claims.
- ll) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- mm) **"Unsecured Creditors Class"** means all Unsecured Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

## **1.2 Date of Any Action**

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

### 1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

### 1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### 1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### 1.6 Consolidation of Estates

For the purposes of this Proposal, the estates of Bouclair and Bouclair International shall be substantively consolidated (the "**Substantive Consolidation**"). As a result of the Substantive Consolidation, the creditors of Bouclair and Bouclair International shall be grouped together and treated on a *pari passu* basis pursuant to the terms of this Proposal.

### 1.7 Waiver

Bouclair and Bouclair International hereby waive all monetary obligations which are or will be owing between them as at the Effective Date.

## ARTICLE 2 PROPOSAL

### 2.1 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Companies propose to pay the following amounts:

- a) Professional Fees: The Professional Fees will be paid in full by the Companies as they become due in priority to all Preferred Claims and Unsecured Claims.
- b) Post-Filing Claims: Post-Filing Claims will be paid in full by the Companies in the ordinary course of business, and on regular trade terms.
- c) Crown Claims: Any Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Preferred Claims: Any Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- e) D&O Claims: The D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims.

- f) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors.
- g) Unsecured Claims: The Companies shall remit to the Trustee, within five (5) Business Days following the Proposal Approval Order, an amount of \$500,000 (the "**Basket Amount**") which will be distributed to the holders of Proven Unsecured Claims, other than Related Persons, within forty-five (45) days of the issuance of the Proposal Approval Order. The holders of Proven Unsecured Claims will receive, from the Basket Amount, a pro rata and *pari passu* share of their Proven Unsecured Claims.
- h) The Superintendent's Levy: The levy payable to the Superintendent of Bankruptcy under the BIA shall be deducted and paid from all amounts payable from the Basket Amount.

### **ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS**

#### **3.1 Proof of Claims**

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.

#### **3.2 Class of Creditors**

For the purpose of considering and voting upon this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

#### **3.3 Creditors' Meeting, Proxies and Voting Letters**

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast their vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

### **3.4 Repudiation of Contracts**

The Claims of each Person resulting from or arising from the repudiation of any contract, arrangement, agreement or lease (other than leases of real property) to which the Companies are a party to shall be Unsecured Claims in this Proposal.

### **3.5 Landlord Claims**

A Landlord will be entitled to file a Proof of Claim for: (i) any unpaid amounts owing as at the Filing Date; and (ii) the actual loss resulting from the disclaimer or repudiation of any leases of real property. With the exception of any Unpaid Covid-19 Rent, to the extent any such rent is payable, all Landlord Claims will be Unsecured Claims under this Proposal.

### **3.6 Claims for Voting Purposes**

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Companies, the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

### **3.7 Approval of the Proposal**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.8 Modification of the Proposal**

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Companies reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any such supplementary proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Companies may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.



## **ARTICLE 4 RELEASE**

### **4.1 Release in Favour of the Companies**

On the Effective Date, all Unsecured Claims shall, as against the Companies, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Companies in respect of all or any portion of an Unsecured Claim.

### **4.2 Release in Favour of the Directors and Officers**

In accordance with Section 50(13) of the BIA, the acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively the directors and officers in office as at the Filing Date from any and all liability or obligation for which they may be liable by law in their capacity as directors and officers, in respect of any debt of the Companies which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors and officers in office as at the Filing Date, any such liability or obligation being specifically denied.

## **ARTICLE 5 CONDITIONS AND EFFECTIVE DATE**

### **5.1 Sale of Assets and Funding**

This Proposal is conditional on (i) the implementation of a transaction for the sale of substantially all the assets of the Companies and (ii) the funding by the Companies of the Basket Amount.

### **5.2 Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a) The Proposal is approved by the Required Majority;
- b) The Proposal Approval Order has been issued and (i) has not been stayed and there is no outstanding appeal therefrom, or (ii) it is executory notwithstanding appeal; and
- c) All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, the Companies shall file an application for the Proposal Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

### **5.3 Trustee's Certificate and Effective Date**

Upon the satisfaction or waiver of the conditions precedent set out in **Section 5.2** hereof, the Proposal Trustee will file with the Court a certificate which states that all conditions precedent set out in **Section 5.2** have been satisfied or waived and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

## **ARTICLE 6 BINDING EFFECT**

### **6.1 Binding Effect**

This Proposal will become effective and binding on and enure to the benefit of the Companies and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## **ARTICLE 7 GENERAL**

### **7.1 Capacity of the Trustee**

Deloitte Restructuring Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Companies, whether existing as at the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Deloitte Restructuring Inc. in respect thereof.

### **7.2 Settlements and Preferences**

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

### **7.3 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

### **7.4 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

**DATED AT MONTREAL**, this 11<sup>th</sup> day of May, 2020

**BOUCLAIR INC.**

**Per:**

  
\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**BOUCLAIR INTERNATIONAL INC.**

**Per:**

  
\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**Pièce « A-12 »**

SUPERIOR COURT  
Commercial Division

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
DIVISION No.: 01 - MONTRÉAL  
COURT No.: 500-11-057470-193  
500-11-057469-195  
ESTATE No.: 41-2582132  
41-2582130

**IN THE MATTER OF THE  
PROPOSAL OF:**

**BOUCLAIR INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

– and –

**BOUCLAIR INTERNATIONAL INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

Insolvent Persons

– and –

**DELOITTE RESTRUCTURING INC.**  
(Martin Franco, CPA, CA, CIRP, LIT designated person in charge), having a place of business at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montreal, Province of Québec, H3B 0M7

Trustee

**REPORT ON CASH FLOW STATEMENT BY THE PERSON MAKING THE PROPOSAL**  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

The management of **Bouclair Inc. and Bouclair International Inc. (“the Companies”)** has developed the assumptions and prepared the attached statement of projected cash-flow of the Insolvent Persons, as of May 11, 2020, consisting of the period beginning on May 10, 2020 and ending on June 6, 2020 (“**the Projections**”).

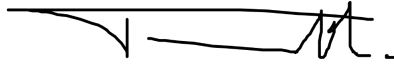
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in *Note 1*, and the probable assumptions are suitably supported and consistent with the plans of the Insolvent Persons and provide a reasonable basis for the projection. All such assumptions are disclosed in *Notes 2 and 3*.

Since the Projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The Projections have been prepared solely for the purpose described in *Note 1*, using a set of probable and hypothetical assumptions set out in *Notes 2* and *3*. Consequently, readers are cautioned that it may not be appropriate for other purposes.

DATED AT MONTREAL, this 11<sup>th</sup> day of May,  
2020.

**Bouclair Inc. and  
Bouclair International Inc.**

A handwritten signature in black ink, appearing to read 'L. Trombert', written over a horizontal line.

*Lionel Trombert  
Senior Director of Finance*

**Bouclair Inc. and Bouclair International Inc.**  
**Weekly Cash Flow Forecast**  
**For the 4-week period ending June 6, 2020**  
**(Unaudited, in \$000s CAD)**

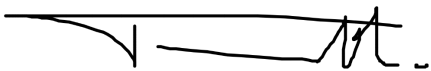
**TOTAL**

Week Ending >>>>	Note	16-May-20	23-May-20	30-May-20	6-Jun-20	
<b>RECEIPTS</b>						
Sales receipts - stores	A	255	294	276	913	1,738
Sales receipts - e-commerce	B	685	685	685	725	2,780
Canada Emergency Wage Subsidy (the "CEWS")		-	-	762	-	762
<b>TOTAL RECEIPTS</b>		<b>940</b>	<b>979</b>	<b>1,723</b>	<b>1,638</b>	<b>5,280</b>
<b>DISBURSEMENTS</b>						
Trade vendor payments (third party)	C	-	-	-	-	-
Rent	D	-	651	38	906	1,595
Payroll & related payments	E	458	-	582	-	1,040
Other expenses	F	325	137	206	142	810
Professional fees - restructuring	G	493	34	34	229	790
Freight & Duty	H	93	46	50	50	238
Marketing & Advertising	I	96	87	25	152	360
Warehouse contractants	J	133	63	75	86	357
Professional fees	K	53	-	-	47	100
Financial expenses	L	-	-	-	138	138
IT	M	30	98	81	45	255
Sales taxes		-	-	105	-	105
Contingency		5	5	5	5	20
<b>TOTAL DISBURSEMENTS</b>		<b>1,686</b>	<b>1,122</b>	<b>1,200</b>	<b>1,799</b>	<b>5,807</b>
<b>NET CASH FLOW FROM OPERATIONS</b>		<b>(746)</b>	<b>(143)</b>	<b>523</b>	<b>(161)</b>	<b>(527)</b>
Opening cash balance		(7,151)	(7,897)	(8,039)	(7,517)	(7,151)
<b>CLOSING CASH BALANCE</b>		<b>(7,897)</b>	<b>(8,039)</b>	<b>(7,517)</b>	<b>(7,678)</b>	<b>(7,678)</b>
Letters of credit (L/C)		(141)	(141)	(141)	(141)	(141)
Closing cash balance (including L/C)		(8,038)	(8,180)	(7,658)	(7,819)	(7,819)
Borrowing capacity		10,773	10,809	10,862	10,796	10,796
<b>Surplus of coverage</b>		<b>2,735</b>	<b>2,629</b>	<b>3,204</b>	<b>2,977</b>	<b>2,977</b>

**\*\* To be read in conjunction with the attached Notes and Summary of Assumptions**

**Dated at Pointe-Claire, this 11th day of May, 2020.**

**Bouclair Inc. and Bouclair International Inc.**



Mr. Lionel Trombert - Senior Director of Finance

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
DIVISION No.: 01 - MONTRÉAL  
COURT No.: 500-11-057470-193  
500-11-057469-195  
ESTATE No.: 41-2582132  
41-2582130

SUPERIOR COURT  
Commercial Division

**IN THE MATTER OF THE  
PROPOSAL OF:**

**BOUCLAIR INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

- and -

**BOUCLAIR INTERNATIONAL INC.**, a legal person, duly constituted under the laws of the Province of Québec, having its principal executive offices at 152 av. Alston, in the city of Pointe-Claire, district of Montreal, Province of Québec, H9R 6B4

Insolvent Persons

- and -

**DELOITTE RESTRUCTURING INC.**  
(Martin Franco, CPA, CA, CIRP, LIT designated person in charge), having a place of business at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montreal, Province of Québec, H3B 0M7

Trustee

**TRUSTEE'S REPORT ON CASH-FLOW STATEMENT**  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

To: Official Receiver  
Office of the Superintendent of Bankruptcy  
Industry Canada  
Sun Life Building  
1155 Metcalfe Street, Suite 950  
Montreal, Quebec H3B 2V6

The attached statement of projected cash-flow of Bouclair Inc. and Bouclair International Inc. ("**the Projections**"), as of May 11, 2020, consisting of the period beginning on May 10, 2020 and ending on June 6, 2020, has been prepared by the management of the insolvent persons ("**Management**") for



the purpose described in Note 1, using the probable and hypothetical assumptions set out in Note 3.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the Management and employees of the insolvent persons. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Projections. We have also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Projections. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- a) the hypothetical assumptions are not consistent with the purpose of the Projections;
- b) as at the date of this report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the insolvent persons or do not provide a reasonable basis for the Projections, given the hypothetical assumptions; and/or,
- c) the Projections do not reflect the probable and hypothetical assumptions.

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

The Projections have been prepared solely for the purpose described in Note 1, and readers are cautioned that it may not be appropriate for other purposes.

DATED AT MONTREAL, 11<sup>th</sup> day of May 2020.

DELOITTE RESTRUCTURING INC.  
Trustee *in re:* the proposal of  
Bouclair Inc. and  
Bouclair International Inc.



Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice-President

**Pièce « A-13 »**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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Court No: 500-11-057470-193  
Court No: 500-11-057469-195

IN THE MATTER OF THE PROPOSAL OF:

BOUCLAIR INC.

- and -

BOUCLAIR INTERNATIONAL INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Trustee

**AMENDED PROPOSAL**  
**(Subsection 50(2) of the *Bankruptcy and Insolvency Act*)**

**BOUCLAIR INC. AND BOUCLAIR INTERNATIONAL INC.** hereby submit to their creditors the following amended proposal pursuant to the *Bankruptcy and Insolvency Act*.

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a.1) **"Alston"** means Alston Investments Inc., the purchaser of the majority of the assets of the Companies pursuant to the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston Investments Inc., as purchaser, and the Companies, as vendors, and subsequently approved by the Court on May 22, 2020.
- a) **"Basket Amount"** has the meaning ascribed to it in **Section 2.1** hereof.
- b) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- c) **"Bouclair"** means Bouclair Inc.
- d) **"Bouclair International"** means Bouclair International Inc.

- e) "**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Quebec.
- f) "**Claim**" means any right of any Person against the Companies in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature.
- g) "**Companies**" means Bouclair Inc. and Bouclair International Inc., collectively.
- h) "**Court**" means the Superior Court of Quebec (Commercial Division).
- i) "**Creditors' Meeting**" means the meeting of creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting.
- j) "**Crown Claims**" means all Claims of Her Majesty in right of Canada or a province described in section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court.
- k) "**Disputed Claim**" means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Companies, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- l) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- m) "**D&O Claims**" means any Claim against the directors and officers of the Companies which they may have incurred in their capacity as directors or officers of the Companies after the Filing Date, except where such Claims have arisen as a result of the Companies' directors or officers' gross negligence or willful misconduct.
- n) "**Effective Date**" has the meaning ascribed to it in **Section 5.3** hereof.
- o) "**Filing Date**" means the date of the filing of the Notices of Intention to Make a Proposal by the Companies, namely November 11, 2019.
- p) "**Landlord Claims**" means any Claim of any of the landlords of Bouclair arising from a disclaimer of the landlord's lease by Bouclair, which shall be calculated in accordance with **Section 3.5** hereof.
- q) "**Landlord**" means a landlord to any real property lease to which Bouclair is or was a party to.
- r) "**Official Receiver**" means the officer appointed pursuant to Section 12(2) of the BIA.

- s) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- t) **"Post-Filing Claims"** means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Companies after the Filing Date, except for Restructuring Claims and Unpaid COVID-19 Rent.
- u) **"Preferred Claims"** means any Claim as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all other Claims in the distribution of the property of a bankrupt.
- v) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- w) **"Professional Fees"** means all fees, expenses, liabilities and obligations of the Trustee and the Companies' legal advisors on and incidental to the proceedings arising out of the Notices of Intention to Make a Proposal of the Companies or the Proposal, including advice to the Companies in connection with the Notices of Intention to Make a Proposal and the Proposal.
- x) **"Proof of Claim"** means the form delivered by the Trustee to creditors of the Companies in accordance with the BIA.
- y) **"Proposal"** means this Amended Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- z) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Companies and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- aa) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- bb) **"Related Persons"** has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, *inter alia*, Mr. Peter Goldberg, both in his personal capacity and in his capacity as director and officer of the Companies, as well as Aljusa Investments Inc.
- cc) **"Required Majority"** means a majority in number and two-thirds in value of the Unsecured Claims of all Unsecured Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.

- dd) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by the Companies, including the Landlord Claims.
- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- ff) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Companies had become bankrupt at the Filing Date, and includes, for greater certainty, the National Bank of Canada.
- gg) **"Substantive Consolidation"** has the meaning ascribed to it in **Section 1.6** hereof.
- hh) **"Trustee"** means Deloitte Restructuring Inc., in its capacity as trustee to the (...) Proposal of the Companies and not in its personal capacity.
- ii) **"Trustee's Certificate"** has the meaning ascribed to it in **Section 5.3** hereof.
- jj) **"Unpaid COVID-19 Rent"** means any unpaid gross rent normally owed by Bouclair to a Landlord for the period beginning April 1, 2020, and ending on the day (i) on which the various COVID-19 government decreed shutdowns are effectively lifted and (ii) on which Bouclair is authorized by government authorities to reopen its retail locations, but in all cases, only to the extent such rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord, it being understood that nothing in the present Proposal shall be construed as an admission, by the Companies, that the unpaid gross rent for the period described above is owed and payable.
- kk) **"Unsecured Claims"** means all Claims other than Secured Claims, Post-Filing Claims, Crown Claims, and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Unsecured Claims shall include Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, including any contingent and unliquidated Claims (once quantified) against the Companies and all Restructuring Claims.
- ll) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- mm) **"Unsecured Creditors Class"** means all Unsecured Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

## 1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

### 1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

### 1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### 1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### 1.6 Consolidation of Estates

For the purposes of this Proposal, the estates of Bouclair and Bouclair International shall be substantively consolidated (the "**Substantive Consolidation**"). As a result of the Substantive Consolidation, the creditors of Bouclair and Bouclair International shall be grouped together and treated on a *pari passu* basis pursuant to the terms of this Proposal.

### 1.7 Waiver

Bouclair and Bouclair International hereby waive all monetary obligations which are or will be owing between them as at the Effective Date.

### 1.8 Consent of Trustee

The Trustee hereby consents to the filing of this Proposal, as amended by the Companies.

### 1.9 Undertaking of Alston regarding Unpaid COVID-19 Rent

In accordance with the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston, as purchaser, and the Companies, as vendors, and the *Approval and Vesting Order and Contract Assignment Order* rendered by the Court in these proceedings on May 22, 2020, Alston hereby undertakes to assume any and all Unpaid COVID-19 Rent, only to the extent such Unpaid COVID-19 Rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord.

## ARTICLE 2 PROPOSAL

### 2.1 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Companies propose to pay the following amounts:

- a) Professional Fees: The Professional Fees will be paid in full by the Companies as they become due in priority to all Preferred Claims and Unsecured Claims.
- b) Post-Filing Claims: Post-Filing Claims will be paid in full by the Companies in the ordinary course of business, and on regular trade terms.

- c) Crown Claims: Any Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Preferred Claims: Any Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- e) D&O Claims: The D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims.
- f) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors.
- g) Unsecured Claims: The Companies shall remit to the Trustee, within five (5) Business Days following the Proposal Approval Order, an amount of \$1,325,000 (the "**Basket Amount**") which will be distributed to the holders of Proven Unsecured Claims, other than Related Persons, within forty-five (45) days of the issuance of the Proposal Approval Order. The holders of Proven Unsecured Claims will receive, from the Basket Amount:
  - (i) the lesser of (i) 100% of their Proven Unsecured Claims, without interest, and (ii) \$1,500; and
  - (ii) a pro rata and pari passu share of the balance of their Proven Unsecured Claims out of the balance of the Basket Amount after payment of the amounts provided by sub-paragraph 2.1(g)(i) above.
- h) The Superintendent's Levy: The levy payable to the Superintendent of Bankruptcy under the BIA shall be deducted and paid from all amounts payable from the Basket Amount.

For greater certainty, the payments outlined in this **Section 2.1** do not include any Unpaid COVID-19 Rent, which shall be assumed by Alston as set forth in **Section 1.9** of this Proposal. The Companies and the Trustee, as applicable, shall be authorized to distribute the Basket Amount and all other amounts contemplated in this **Section 2.1** irrespective of whether any Unpaid COVID-19 Rent is payable or remains unpaid.

### ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

#### 3.1 Proof of Claims

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.



### **3.2 Class of Creditors**

For the purpose of considering and voting upon this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

#### **3.2.1 Deemed Approval**

Each of the (i) Preferred Creditors and (ii) Unsecured Creditors with a Proven Unsecured Claim equal to or less than \$1,500 shall be deemed to have voted in favour of the Proposal. Notwithstanding the foregoing, any Unsecured Creditor may choose to vote against the Proposal in the context of a vote on the Proposal.

### **3.3 Creditors' Meeting, Proxies and Voting Letters**

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast their vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

### **3.4 Repudiation of Contracts**

The Claims of each Person resulting from or arising from the repudiation of any contract, arrangement, agreement or lease (other than leases of real property) to which the Companies are a party to shall be Unsecured Claims in this Proposal.

### **3.5 Landlord Claims**

A Landlord will be entitled to file a Proof of Claim for: (i) any unpaid amounts owing as at the Filing Date; and (ii) the actual loss resulting from the disclaimer or repudiation of any leases of real property. With the exception of any Unpaid Covid-19 Rent, to the extent any such rent is payable, all Landlord Claims will be Unsecured Claims under this Proposal.

### **3.6 Claims for Voting Purposes**

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Companies,

the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

### **3.7 Approval of the Proposal**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.8 Modification of the Proposal**

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Companies reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any such supplementary proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Companies may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

## **ARTICLE 4 RELEASE**

### **4.1 Release in Favour of the Companies**

On the Effective Date, all Unsecured Claims shall, as against the Companies, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Companies in respect of all or any portion of an Unsecured Claim.

### **4.2 Release in Favour of the Directors, Officers and Chief Restructuring Officer**

(...) The acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively, as at the Filing Date, the Companies' directors in accordance with Section 50(13) of the BIA, as well as their officers in office and the chief restructuring officer duly appointed by the Companies, from any and all liability or obligation for which they may be liable by law in their capacity as directors, officers and chief restructuring officer, in respect of any debt of the Companies which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors, officers and chief restructuring officer in office as at the Filing Date, any such liability or obligation being specifically denied.

## **ARTICLE 5 CONDITIONS AND EFFECTIVE DATE**

### **5.1    (...) Funding**

This Proposal is conditional on (...) the funding by the Companies of the Basket Amount.

### **5.2    Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a)     The Proposal is approved by the Required Majority;
- b)     The Proposal Approval Order has been issued and (i) has not been stayed and there is no outstanding appeal therefrom, or (ii) it is executory notwithstanding appeal; and
- c)     All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, the Companies shall file an application for the Proposal Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

### **5.3    Trustee's Certificate and Effective Date**

Upon the satisfaction or waiver of the conditions precedent set out in **Section 5.2** hereof, the Proposal Trustee will file with the Court a certificate which states that all conditions precedent set out in **Section 5.2** have been satisfied or waived and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

## **ARTICLE 6 BINDING EFFECT**

### **6.1    Binding Effect**

This Proposal will become effective and binding on and enure to the benefit of the Companies and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## **ARTICLE 7 GENERAL**

### **7.1    Capacity of the Trustee**

Deloitte Restructuring Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Companies, whether existing as at

the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Deloitte Restructuring Inc. in respect thereof.

## **7.2 Settlements and Preferences**

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

## **7.3 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

## **7.4 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

[Signature Page Follows]

DATED AT MONTREAL, this 7<sup>th</sup> day of July, 2020

**BOUCLAIR INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**BOUCLAIR INTERNATIONAL INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

The filing of this Proposal, as amended by the Companies, is consented to by Deloitte Restructuring Inc., in its capacity as trustee to the Proposal of the Companies and not in its personal capacity:

DELOITTE RESTRUCTURING INC., its capacity as trustee to the Proposal of the Companies and not in its personal capacity

Per: 

\_\_\_\_\_  
Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

Alston Investments Inc. hereby intervenes in this Proposal for the sole purpose of agreeing to the undertaking made in Section 1.9 herein:

**ALSTON INVESTMENTS INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**Pièce « A-14 »**

C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
COUR N°: 500-11-057470-193  
500-11-057469-195  
DOSSIER N°: 41-2582132  
41-2582130

C O U R S U P É R I E U R E  
Chambre commerciale

**DANS L'AFFAIRE DE LA PROPOSITION  
AMENDÉE DE :**

**BOUCLAIR INC.**

- et -

**BOUCLAIR INTERNATIONAL INC.**

**Débitrices**

- et -

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI responsable  
désignée)

**Syndic**

**RAPPORT DU SYNDIC SUR LA PROPOSITION AMENDÉE**  
(Paragraphe 50(10) de la Loi sur la faillite et l'insolvabilité (« LFI »))

**AVIS AU LECTEUR**

Le présent rapport est destiné à l'usage exclusif des créanciers de Bouclair Inc. (« **Bouclair** ») et de Bouclair International Inc. (« **Bouclair International** ») (collectivement appelées les « **Sociétés** » ou les « **Débitrices** »). Il vise à leur fournir de l'information utile en prévision de l'assemblée des créanciers au cours de laquelle ils seront appelés à se prononcer sur la proposition qui leur est soumise par les Débitrices.

Les informations présentées dans le présent rapport ont principalement été recueillies auprès de la direction des Sociétés. Le Syndic n'a pas exécuté de travaux d'audit ou de certification sur celles-ci et, par conséquent, il n'exprime pas une opinion d'auditeur ou d'expert-comptable à leur égard.

L'information financière prospective contenue dans le présent rapport est fondée sur des hypothèses concernant des événements à venir. En conséquence, malgré les efforts déployés pour qu'il en soit autrement, les résultats réels différeront des résultats projetés et les écarts pourraient être importants. En conséquence, le Syndic ne peut pas affirmer et n'affirme pas que les projections contenues dans le présent rapport se réaliseront.

Les créanciers peuvent, s'ils le désirent, consulter l'ensemble des documents relatifs au dossier des Débitrices en consultant le site internet du Syndic à l'adresse suivante :

<https://www.insolvencies.deloitte.ca/fr-ca/Pages/Bouclair>

## INFORMATIONS GÉNÉRALES ET PROCÉDURES EN MATIÈRE D'INSOLVABILITÉ

1. Bouclair est une société par actions fondée en 1970 et constituée en vertu des lois de la province de Québec.
2. Bouclair conçoit et vend au détail des couvre-fenêtres, notamment des rideaux, des tringles, des stores et des accessoires. De plus, Bouclair conçoit et vend au détail une large gamme de produits de décoration pour la maison dans les catégories suivantes : décoration murale, ameublement, enfants / bébés, accents pour la maison, éclairage, saisonnier, salle de bain, rangement, verdure florale et autres produits de décoration intérieure ainsi que des meubles.
3. Bouclair International est une société détenue par Bouclair et qui génère ses revenus principalement par l'entremise de royalties.
4. Le 11 novembre 2019, les Débitrices ont déposé un avis d'intention auprès du Bureau du surintendant des faillites (« **BSF** ») et Restructuration Deloitte Inc. (le « **Syndic** » ou « **Deloitte** ») agit à titre de syndic au dossier.
5. Le 15 novembre 2019, la Cour supérieure du Québec (la « **Cour** ») a rendu une ordonnance (l'« **Ordonnance de liquidation** ») approuvant l'entente avec le liquidateur Gordon Brothers Canada ULC à titre de liquidateur des magasins identifiés dans la requête initiale.
6. Le 10 décembre 2019, la Cour a rendu une ordonnance prorogeant la période de suspension jusqu'au 24 janvier 2020 et déclarant que les super-priorités visent maintenant la totalité des actifs de Bouclair.
7. La Cour a depuis, prorogé à plusieurs reprises la période de suspension et, plus récemment jusqu'au 11 mai 2020.
8. Le 11 mai 2020, les Débitrices ont déposé une proposition (la « **Proposition** ») auprès du BSF. Normalement, le délai maximum pour la tenue d'une assemblée des créanciers est de 21 jours suivant le dépôt de la proposition. Compte tenu de la situation de pandémie actuelle, une ordonnance omnibus a été rendue le 30 avril 2020 par la Cour ayant pour effet de suspendre les délais pour la tenue des assemblées de créanciers. La période de suspension couvrait la période du 27 avril au 30 juin 2020 (« **Période de suspension** »).
9. Le 22 mai 2020, la Cour a rendu une ordonnance de dévolution et de cession de contrats faisant en sorte que la majorité des actifs des Débitrices a été vendue (la « **Transaction** ») à Alston Investments Inc. (« **Alston** » ou l'« **Acheteur** »).
10. Le 8 juillet 2020, les Débitrices ont déposé une proposition amendée (la « **Proposition amendée** »). La Période de suspension étant terminée, la proposition sera soumise à l'approbation des créanciers le 21 juillet 2020, soit dans les 21 jours suivant la fin de la Période de suspension.



## INFORMATIONS FINANCIÈRES

11. Le tableau ci-dessous présente les résultats historiques réalisés par les Débitrices au cours des 3 derniers exercices.

<b>Résultats historiques (en milliers \$)</b>			
État des résultats des exercices terminés	27-janv-18	26-janv-19	25-jan-20
Revenus	149 205	146 186	146 777
Coûts des marchandises vendues	<u>56 737</u>	<u>52 007</u>	<u>54 911</u>
<b>Bénéfice brut</b>	<b>92 468</b>	<b>94 179</b>	<b>91 866</b>
Frais d'exploitation	<u>88 742</u>	<u>88 024</u>	<u>88 216</u>
<b>BAIIA</b>	<b>3 726</b>	<b>6 155</b>	<b>3 650</b>
<b>Bénéfice net (Perte nette)</b>	<b><u>(773)</u></b>	<b><u>1 132</u></b>	<b><u>(5 279)</u></b>

### Passif au moment du dépôt de l'avis d'intention

12. Le passif des Débitrices totalisait environ 35,3 millions de dollars au moment du dépôt de son avis d'intention et peut être résumé comme suit :

- a) Les Débitrices avaient quatre créanciers garantis auxquels les sommes dues s'élevaient à environ 22,7 millions de dollars;
- b) Les Débitrices avaient un peu plus de 385 créanciers non garantis auxquels les sommes dues s'élevaient à environ 12,6 millions de dollars.

### Passif au moment du dépôt de la proposition

13. Dans le cadre de la Transaction, certains montants dus aux créanciers garantis ont été soit assumés par Alston ou encore convertis en actions.
14. De plus, la Transaction prévoit l'assumption de la totalité des obligations des Débitrices depuis le dépôt de l'avis d'intention.
15. Par contre, Bouclair a adopté la position selon laquelle elle n'a aucune obligation légale et contraignante de payer un loyer à ses locataires pour tous ses magasins pour la période commençant le 1<sup>er</sup> avril 2020, et ce, jusqu'à ce que Bouclair obtienne l'autorisation de réouverture de ses magasins ou jusqu'à la date de la Transaction (« **Loyer Covid-19 impayé** »), compte tenu de l'impact de la pandémie COVID-19 et des fermetures des magasins associés.
16. La convention d'achat d'actifs prévoit que Alston assumera toutes les obligations de Loyer Covid-19 impayé, dans la mesure où ces obligations sont déterminées comme étant dues par Bouclair conformément à une ordonnance de la Cour ou si une entente intervient avec un locateur.
17. En fonction des éléments susmentionnés, le solde des créances non garanties des Débitrices s'élève donc à environ 25,6 millions de dollars. Ce montant inclut une estimation, effectuée par le Syndic, des réclamations potentielles des locataires en vertu de l'article 65.2 de la LFI pour le préjudice subi du fait de la résiliation de certains baux, d'un montant total d'environ 10,1 millions de dollars.

## SOMMAIRE DE LA PROPOSITION AMENDÉE OFFERTE AUX CRÉANCIERS

18. Ce qui suit est un bref résumé de la Proposition amendée destiné à aider le lecteur. Veuillez-vous reporter à la Proposition amendée pour obtenir une description complète des mesures

qu'entraîneraient l'approbation de celle-ci. Seul le texte de la Proposition amendée est susceptible de lier les Sociétés.

19. La Proposition amendée prévoit essentiellement les paiements suivants qui seront effectués à la suite de l'acceptation de la Proposition amendée par les créanciers et son approbation par la Cour. Considérant l'importance qu'ont les créanciers de Bouclair pour l'Acheteur, ce dernier a décidé de contribuer un montant de 280 000 \$ au financement de la Proposition amendée.
20. La Proposition amendée prévoit le paiement d'un montant total de 1,325 millions de dollars (« **Montant de la Proposition amendée** ») réparti de la façon suivante :
  - a) Un premier paiement représentant le moindre de la somme de 1 500 \$ et de 100 % de la réclamation dûment prouvée de tout créancier non garanti;
  - b) Un deuxième paiement égal à la portion pro rata de la réclamation de tout créancier (sur la somme de toutes les réclamations restantes) par rapport aux fonds encore disponibles. Le montant total de cette deuxième distribution sera sujet notamment à un montant de réserve pour lequel le Syndic pourrait retarder la distribution en raison de règlements tardifs pour toute réclamation litigieuse, contingente ou non liquidée;
  - c) Le prélèvement payable au Surintendant des faillites en vertu de la LFI sera déduit et payé de tous montants payables sur le Montant de la Proposition amendée.
21. Conditionnellement à l'approbation de la Proposition amendée, les articles 95 à 101.1 de la LFI ne s'appliqueront pas à la Proposition amendée, et ni le Syndic ni les créanciers des Débitrices auront quelconque droit ou recours en vertu de ces articles.
22. L'acceptation de la Proposition amendée par les créanciers des Débitrices libérera définitivement les administrateurs de toutes les responsabilités d'administrateur conformément au paragraphe 50(13) de la LFI.
23. Il est aussi à noter que comme la Proposition amendée prévoit le paiement de 100 % des réclamations prouvées et reçues inférieures à 1 500 \$, à défaut de voter contre la Proposition amendée, la Proposition amendée prévoit que les créanciers non garantis ayant une réclamation prouvée inférieure à 1 500 \$ seront réputés avoir voté en faveur de la Proposition amendée.
24. En fonction de ce qui précède, les créanciers non garantis ayant une réclamation dont la valeur n'excède pas 100 000 \$ pourraient recevoir un dividende variant entre environ 9,4 % et 100 %. Ce groupe de créanciers représente 85,9 % des créanciers en nombre et 13,6 % en valeur.
25. Les créanciers non garantis ayant une réclamation dont la valeur est supérieure à 100 000 \$ pourraient recevoir un dividende d'environ 3,8 %. Ce groupe de créancier représente 14,1 % des créanciers en nombre et 86,4 % en valeur.
26. Sous réserve de ce qui précède, la Proposition amendée prévoit le paiement du dividende au plus tard 45 jours suivants l'homologation de la Proposition amendée par la Cour.

## RÉALISATIONS PROJÉTÉES DANS UN CONTEXTE DE FAILLITE

27. Le refus de la Proposition amendée par les créanciers entraînera automatiquement la faillite des Débitrices.
28. Étant donné la Transaction, il ne reste qu'un solde d'encaisse disponible pour distribution aux créanciers non garantis.
29. Le tableau ci-dessous présente une projection de l'allocation de l'encaisse disponible dans un contexte de faillite.

	\$
Solde de l'encaisse au 7 juillet 2020	<u>1 644 813</u>
Moins: les super-priorités <sup>(1)</sup>	
Charge administrative	300 000
Charge pour les administrateurs des Débitrices (montant estimé) <sup>(2)</sup>	144 000
Charge du chef de la restructuration	<u>141 250</u>
	<u>585 250</u>
Montant disponible pour les créanciers non garantis	<u>1 059 563</u>
Total des réclamations des créanciers non garantis <sup>(3)</sup>	15 446 920
Estimation par le Syndic des réclamations potentielles relatives à la restructuration	<u>10 100 000</u>
Estimation du total des réclamations des créanciers non garantis	<u>25 546 920</u>
Estimation du dividende versé aux créanciers non garantis	<u>4,1%</u>

- (1) Les super-priorités représentent celles prévues au paragraphe 23 de l'ordonnance (« First Day Order ») rendue le 12 novembre 2019 par la Cour.
- (2) Le montant de la charge pour les administrateurs des Débitrices correspond à une estimation de la TPS et de la TVQ à payer pour la période entre le 24 mai et le 31 mai 2020.
- (3) Ce montant correspond aux sommes à payer aux créanciers non garantis selon les registres comptables des Débitrices.

30. Cette projection mène le Syndic à conclure que les créanciers non garantis recevraient un dividende d'un peu plus de 4 % advenant la faillite des Débitrices et ce, avant de prendre en considération les honoraires et débours du Syndic, de ses conseillers juridiques et des conseillers juridiques des Sociétés, qui ensemble pourraient excéder le montant de la Charge administrative susmentionnée.

## CONCLUSIONS ET RECOMMANDATIONS

31. La Proposition amendée offre aux créanciers non garantis des Débitrices un montant additionnel d'environ 266 000 \$ avant de prendre en considération tout honoraires et débours supplémentaires et permet donc à ces derniers de recevoir collectivement un dividende supérieur à celui qu'ils recevraient dans un contexte de faillite.
32. La Proposition amendée est avantageuse pour la masse des créanciers des Débitrices avec un dividende moyen d'environ 5,2 % comparativement à 4,1 % dans le cadre d'une faillite. De plus, le Syndic anticipe que la distribution du dividende devrait être plus rapide dans le cadre de la Proposition amendée que dans le cadre d'une faillite.
33. Pour les motifs précités, le Syndic recommande aux créanciers de voter en faveur de l'acceptation de la Proposition amendée soumise par les Débitrices.

DATÉ À MONTREAL, ce 8<sup>e</sup> jour de juillet 2020.

Martin Franco, CPA, CA, CIRP, SAI  
Premier vice-président



RESTRUCTURATION DELOITTE INC.  
En sa qualité de Syndic agissant *in re* :  
La proposition de Bouclair Inc. et de  
Bouclair International Inc. et non à titre personnel.

**Pièce « A-15A »**



**Deloitte Restructuring Inc.**

La Tour Deloitte  
1190 avenue des  
Canadiens-de-Montréal Suite 500  
Montreal QC H3B 0M7  
Canada

Phone: 514-369-8350  
Fax: 514-390-4103  
Email : bouclair@deloitte.ca  
www.insolvencies.deloitte.ca/Bouclair

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
DIVISION N°: 01-MONTREAL  
COUR N°: 500-11-057470-193  
FILE N°: 41-2582132

SUPERIOR COURT  
Commercial Division

**IN THE MATTER OF THE  
AMENDED PROPOSAL OF :**

**Bouclair Inc.**, a legal person duly incorporated  
under the Law, having its head office and principal  
place of business at 152 av. Alston, Pointe-Claire,  
Quebec, H9R 6B4.

Insolvent person

- and -

**DELOITTE RESTRUCTURING INC.**  
(Martin Franco, CPA, CA, CIRP, LIT, responsible)  
having its place of business at 1190, avenue des  
Canadiens-de-Montreal, Suite 500, Montreal  
Quebec, H3B 0M7

Trustee

**NOTICE OF AMENDED PROPOSAL TO CREDITORS**

(Section 51 of the Act)

TAKE NOTICE that Bouclair Inc. has lodged with me on July 8, 2020, an amended proposal under the *Bankruptcy and Insolvency Act*.

A copy of the amended proposal, a condensed statement of the debtor's assets, and liabilities, a list of the creditors affected by the amended proposal and the Trustee's report on the amended proposal are enclosed.

A general meeting of the creditors will be held on July 21, 2020 at 10:00 a.m. Given the current pandemic situation and the gathering restrictions issued by the authorities, the meeting will be held by videoconference.

We ask that creditors who wish to attend the meeting to complete the attached registration form and return it, by email, to the following email address: [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca), no later than 48 hours before the meeting, at 10:00 a.m. on Sunday July 19, 2020.

For creditors, or their representative who have registered, you will receive a link by email, which will allow you to attend the meeting. Please note that only those who have registered will be able to attend the meeting.

The creditors or any class of creditors qualified to vote at the meeting may, by resolution, accept the amended proposal either as made by the debtor either as made or altered or modified at the meeting. If so accepted and if approved by the Court, the amended proposal is binding on all creditors or the class of creditors affected.

Creditors are strongly encouraged to send me in advance the proxies and voting letters intended to be used at the meeting. The creditors who have registered for, and are attending the meeting, will also be able to send these documents during the meeting, in accordance with the instructions, which will be given at the meeting.

Dated at Montreal, on July 8, 2020

DELOITTE RESTRUCTURING INC.  
Trustee at the proposal of Bouclair Inc.

C A N A D A  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
COURT No.: 500-11-057470-193  
500-11-057469-195  
ESTATE No.: 41-2582132  
41-2582130

S U P E R I O R C O U R T  
Commercial Division

**IN THE MATTER OF THE AMENDED  
PROPOSAL OF:**

**BOUCLAIR INC.**

- and -

**BOUCLAIR INTERNATIONAL INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

(Martin Franco, CPA, CA, CIRP, LIT designated  
person in charge)

**Trustee**

**TRUSTEE'S REPORT ON THE AMENDED PROPOSAL**  
(s. 50(10) of the Bankruptcy and Insolvency Act ("BIA"))

**NOTICE TO THE READER**

This report is destined to the exclusive use of the creditors of Bouclair Inc. ("**Bouclair**") and of Bouclair International Inc. ("**Bouclair International**") (collectively the "**Companies**" or the "**Debtors**"). It seeks to provide them with useful information in view of the meeting of the creditors during which they will be called upon to speak on the amended proposal submitted by the Debtors.

The information submitted in this report was gathered mainly from the Companies' management. The trustee did not carry out any audit or certification activities on them and, consequently, the trustee is not expressing the opinion of an auditor or professional accountant with regard to them.

The prospective financial information contained in this report is based on assumptions concerning upcoming events. Consequently, despite the efforts to ensure the contrary, the actual results will be different from the projected results and the divergences could be material. Consequently, the trustee cannot assert, and does not assert, that the forecasts in this report will be fulfilled.

If they wish to, the creditors may consult the collection of documents related to the Debtor's files by consulting the trustee's website at the following link: <https://www.insolvencies.deloitte.ca/Bouclair>



## GENERAL INFORMATION AND INSOLVENCY PROCEEDINGS

1. Bouclair is a business corporation founded in 1970 and constituted under the laws of the Province of Québec.
2. Bouclair designs and sells at retail window coverings, in particular curtains, curtain rods, blinds and accessories. In addition, Bouclair designs and sells at retail a wide range of home décor products in the following categories: wall décor, home furnishings, kids/babies, home accents, lighting, seasonal, bathroom, storage, florals and other interior decoration products as well as furniture.
3. Bouclair International is a corporation owned by Bouclair and which generates its revenue mainly through royalties.
4. On November 11, 2019, the Debtors filed a notice of intention with the Office of the Surintendent of Bankruptcy ("**OSB**") and Deloitte Restructuring Inc. (the "**Trustee**" or "**Deloitte**") acts as trustee.
5. On November 15, 2019, the Superior Court of Québec (the "**Court**") issued an order (the "**Liquidation Order**") approving the agreement with Gordon Brothers Canada ULC as liquidator of the stores identified in the initial motion.
6. On December 10, 2019, the Court issued an order extending the stay period to January 24, 2020 and declaring that the super-priorities now cover the entirety of Bouclair's assets.
7. The Court has since extended the stay period on several occasions, and, most recently, up until May 11, 2020.
8. On May 11, 2020, the Debtors filed a proposal (the "**Proposal**") with the OSB. Normally, the maximum delay to hold a meeting of the creditors is 21 days following the filing of the proposal. Given the current pandemic, the Court issued an omnibus order on April 30, 2020, which suspended the delays for holding a meeting of the creditors. The suspension period covered the period from April 27 to June 30, 2020 (the "**Suspension Period**").
9. On May 22, 2020, the Court rendered a vesting order and a contract assignment order such that the majority of the Debtors' assets was sold (the "**Transaction**") to Alston Investments Inc. ("**Alston**" or the "**Purchaser**").
10. On July 8, 2020, the Debtors filed an amended proposal (the "**Amended Proposal**"). The Suspension Period having ended, the amended proposal will be submitted for creditor approval on July 21, 2020, namely in the 21 days following the end of the Suspension Period.

## FINANCIAL INFORMATION

11. The table below presents historical data realized by the Debtors over the last three fiscal years.

<b>Historical Results (\$ 000)</b>			
<b>Income Statement for the year ended</b>	<b>27-Jan-18</b>	<b>26-Jan-19</b>	<b>25-Jan-20</b>
Revenues	149,205	146,186	146,777
Cost of goods sold	<u>56,737</u>	<u>52,007</u>	<u>54,911</u>
<b>Gross Profit</b>	<b>92,468</b>	<b>94,179</b>	<b>91,866</b>
Expenses	<u>88,742</u>	<u>88,024</u>	<u>88,216</u>
<b>EBITDA</b>	<b>3,726</b>	<b>6,155</b>	<b>3,650</b>
<b>Net Income (Loss)</b>	<b><u>(773)</u></b>	<b><u>1,132</u></b>	<b><u>(5,279)</u></b>

### Debt at the time of the filing of the notice of intention

12. Debtors' liabilities totalled approximately \$35.3 million at the time of the filing of the notice of intention and can be summed up as follows:
- a) The Debtors had four secured creditors who were owed approximately \$22.7 million;
  - b) The Debtors had a little over 385 unsecured creditors who were owed approximately \$12.6 million.

### Debt at the time of the filing of the amended proposal

13. During the Transaction, certain amounts owed to secured creditors were either assumed by Alston or converted into equity.
14. Furthermore, the Transaction provides for the assumption of the entirety of the Debtors' obligations since the filing of the notice of intention.
15. However, Bouclair took the position that it had no legal or binding obligation to pay rent to its landlords for all its stores for the period beginning April 1<sup>st</sup>, 2020 and thus, up until Bouclair obtains the authorization to reopen its stores or up until the date of the Transaction (the "**Unpaid Covid-19 Rent**"), given the impact of the COVID-19 pandemic and the closing of associated stores.
16. The Asset Purchase Agreement provides that Alston will assume Unpaid Covid-19 Rent obligations, insofar as these obligations are determined to be owed by Bouclair in accordance with a Court order or if an agreement is entered into with a landlord.
17. Considering the above-mentioned items, the balance of the Debtors' unsecured debt therefore amounts to approximately \$25.6 million. This amount includes an estimate, made by the Trustee, of potential landlords' claims under Section 65.2 of the BIA for the prejudice suffered from the disclaimer of certain leases, totalling approximately \$10.1 million.

### SUMMARY OF THE AMENDED PROPOSAL TO CREDITORS

18. The following is a short summary of the Amended Proposal to assist the reader. Please refer to the Amended Proposal for a complete description of the measures that would result from its approval. Only the text of the Amended Proposal may bind the Companies.
19. The Amended Proposal essentially provides that the following payments will be made after the creditors accept, and the Court sanctions, the Amended Proposal. Considering the importance that

Bouclair's creditors have for the Purchaser, the Purchaser has decided to contribute \$280,000 to the financing of the Amended Proposal.

20. The Amended Proposal provides that the payment in the total amount of \$1.325 million (the "**Amount of the Amended Proposal**") is to be divided as follows:
- a) A first payment representing the lesser of \$1,500 and of 100% of the duly proven claim by any unsecured creditor;
  - b) a second payment equal to the pro rata portion of the claim by any creditor (on the amount of all remaining claims) relative to the funds that are still available. The total amount of this second distribution will be subject, in particular, to a reserve amount for which the Trustee could delay the distribution due to late settlements for any disputed, contingent or unliquidated claim;
  - c) the levy payable to the Superintendent of Bankruptcy under the BIA will be deducted and paid from all amounts payable on the Amount of the Amended Proposal.
21. Conditional upon the approval of the Amended Proposal, sections 95 to 101.1 of the BIA will not apply to the Amended Proposal, and neither the Trustee nor the Debtors' creditors will have any right or recourse whatsoever under these sections.
22. By accepting the Amended Proposal, the Debtors' creditors will release definitively the directors from any director liabilities in accordance with paragraph 50(13) of the BIA.
23. It should also be noted that since the Amended Proposal provides for the payment of 100% of the proven and received claims lower than \$1,500, barring a vote against the Amended Proposal, the Amended Proposal provides that the unsecured creditors with a proven claim lower than \$1,500 will be deemed to have voted in favour of the Amended Proposal.
24. In light of the foregoing, the unsecured creditors with a claim not exceeding \$100,000 could receive an approximate dividend between 9.4% and 100%. This group of creditors represents 85.9% of creditors in number and 13.6% in value.
25. The unsecured creditors with a claim exceeding \$100,000 could receive an approximate dividend of 3.8%. This group of creditors represents 14.1% of creditors in number and 86.4% in value.
26. Subject to the foregoing, the Amended Proposal provides for the payment of the dividend no later than 45 days following the sanction of the Amended Proposal by the Court.

**PROJECTED REALIZATION IN THE CONTEXT OF A BANKRUPTCY**

27. If the Amended Proposal is refused by the creditors, this will automatically lead to the bankruptcy of the Debtors.
28. Given the Transaction, there only remains a cash balance available for distribution to unsecured creditors.
29. The following table displays a forecast of the allocation of the available cash balance in the context of a bankruptcy.

	\$
Cash on hand as at July 7, 2020	<u>1,644,813</u>
Less: Super-priorities <sup>(1)</sup>	
Administrative Charge	300,000
Directors and Officers Charge <sup>(2)</sup>	144,000
Chief Restructuring Officer Charge	<u>141,250</u>
	<u>585,250</u>
Amount available for unsecured creditors	<u>1,059,563</u>
Total unsecured creditors' claim <sup>(3)</sup>	15,446,920
Trustee's estimate of the restructuring claim	<u>10,100,000</u>
Total estimated unsecured claim	<u>25,546,920</u>
Estimated dividend payable to the unsecured creditors	<u>4.1%</u>

- (1) The super-priorities depict the ones provided at section 23 of the order ("First Day Order") issued by the Court on November 12, 2019.
- (2) The amount of the charge for the Debtors' directors corresponds to an estimate of the GST and QST to be paid for the period between May 24, 2020 and May 31, 2020;
- (3) This amount corresponds to the amounts to be paid to unsecured creditors according to the Debtors' accounting books.

30. This forecast leads the Trustee to conclude that the unsecured creditors would receive a dividend of a little more than 4% in the event of the Debtors' bankruptcy and thus, before considering the fees and disbursements of the trustee, its legal advisors and the Companies' legal advisors which, all together, could exceed the amount of the above-mentioned Administration Charge.

## CONCLUSIONS AND RECOMMENDATIONS

31. The Amended Proposal offers unsecured creditors of the Debtors an additional amount of approximately \$266,000 prior to considering all additional fees and therefore allows them to collectively receive a higher dividend than they would receive in the context of a bankruptcy.
32. The Amended Proposal is beneficial to the mass of the Debtors' creditors with an average dividend of approximately 5.2% as compared to 4.1% in the event of a bankruptcy. Furthermore, the Trustee anticipates that the dividend should be distributed faster within the Amended Proposal than within a bankruptcy.
33. For the reasons mentioned above, the Trustee's recommendation to the creditors is to vote in favour of accepting the Amended Proposal submitted by the Debtors.

DATED AT MONTRÉAL, this 8 day of July, 2020.

Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice-President



*French version signed by*

DELOITTE RESTRUCTURING INC.  
in its capacity as trustee acting *in re*: the amended  
proposal of Bouclair Inc. and Bouclair International Inc.  
and not in its personal capacity

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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Court No: 500-11-057470-193  
Court No: 500-11-057469-195

IN THE MATTER OF THE PROPOSAL OF:

BOUCLAIR INC.

- and -

BOUCLAIR INTERNATIONAL INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Trustee

**AMENDED PROPOSAL**  
**(Subsection 50(2) of the *Bankruptcy and Insolvency Act*)**

**BOUCLAIR INC. AND BOUCLAIR INTERNATIONAL INC.** hereby submit to their creditors the following amended proposal pursuant to the *Bankruptcy and Insolvency Act*.

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a.1) **"Alston"** means Alston Investments Inc., the purchaser of the majority of the assets of the Companies pursuant to the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston Investments Inc., as purchaser, and the Companies, as vendors, and subsequently approved by the Court on May 22, 2020.
- a) **"Basket Amount"** has the meaning ascribed to it in **Section 2.1** hereof.
- b) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- c) **"Bouclair"** means Bouclair Inc.
- d) **"Bouclair International"** means Bouclair International Inc.

- e) "**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Quebec.
- f) "**Claim**" means any right of any Person against the Companies in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature.
- g) "**Companies**" means Bouclair Inc. and Bouclair International Inc., collectively.
- h) "**Court**" means the Superior Court of Quebec (Commercial Division).
- i) "**Creditors' Meeting**" means the meeting of creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting.
- j) "**Crown Claims**" means all Claims of Her Majesty in right of Canada or a province described in section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court.
- k) "**Disputed Claim**" means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Companies, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- l) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- m) "**D&O Claims**" means any Claim against the directors and officers of the Companies which they may have incurred in their capacity as directors or officers of the Companies after the Filing Date, except where such Claims have arisen as a result of the Companies' directors or officers' gross negligence or willful misconduct.
- n) "**Effective Date**" has the meaning ascribed to it in **Section 5.3** hereof.
- o) "**Filing Date**" means the date of the filing of the Notices of Intention to Make a Proposal by the Companies, namely November 11, 2019.
- p) "**Landlord Claims**" means any Claim of any of the landlords of Bouclair arising from a disclaimer of the landlord's lease by Bouclair, which shall be calculated in accordance with **Section 3.5** hereof.
- q) "**Landlord**" means a landlord to any real property lease to which Bouclair is or was a party to.
- r) "**Official Receiver**" means the officer appointed pursuant to Section 12(2) of the BIA.

- s) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- t) **"Post-Filing Claims"** means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Companies after the Filing Date, except for Restructuring Claims and Unpaid COVID-19 Rent.
- u) **"Preferred Claims"** means any Claim as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all other Claims in the distribution of the property of a bankrupt.
- v) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- w) **"Professional Fees"** means all fees, expenses, liabilities and obligations of the Trustee and the Companies' legal advisors on and incidental to the proceedings arising out of the Notices of Intention to Make a Proposal of the Companies or the Proposal, including advice to the Companies in connection with the Notices of Intention to Make a Proposal and the Proposal.
- x) **"Proof of Claim"** means the form delivered by the Trustee to creditors of the Companies in accordance with the BIA.
- y) **"Proposal"** means this Amended Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- z) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Companies and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- aa) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- bb) **"Related Persons"** has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, *inter alia*, Mr. Peter Goldberg, both in his personal capacity and in his capacity as director and officer of the Companies, as well as Aljusa Investments Inc.
- cc) **"Required Majority"** means a majority in number and two-thirds in value of the Unsecured Claims of all Unsecured Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.



- dd) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by the Companies, including the Landlord Claims.
- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- ff) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Companies had become bankrupt at the Filing Date, and includes, for greater certainty, the National Bank of Canada.
- gg) **"Substantive Consolidation"** has the meaning ascribed to it in **Section 1.6** hereof.
- hh) **"Trustee"** means Deloitte Restructuring Inc., in its capacity as trustee to the (...) Proposal of the Companies and not in its personal capacity.
- ii) **"Trustee's Certificate"** has the meaning ascribed to it in **Section 5.3** hereof.
- jj) **"Unpaid COVID-19 Rent"** means any unpaid gross rent normally owed by Bouclair to a Landlord for the period beginning April 1, 2020, and ending on the day (i) on which the various COVID-19 government decreed shutdowns are effectively lifted and (ii) on which Bouclair is authorized by government authorities to reopen its retail locations, but in all cases, only to the extent such rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord, it being understood that nothing in the present Proposal shall be construed as an admission, by the Companies, that the unpaid gross rent for the period described above is owed and payable.
- kk) **"Unsecured Claims"** means all Claims other than Secured Claims, Post-Filing Claims, Crown Claims, and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Unsecured Claims shall include Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, including any contingent and unliquidated Claims (once quantified) against the Companies and all Restructuring Claims.
- ll) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- mm) **"Unsecured Creditors Class"** means all Unsecured Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

## 1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

### 1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

### 1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### 1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### 1.6 Consolidation of Estates

For the purposes of this Proposal, the estates of Bouclair and Bouclair International shall be substantively consolidated (the "**Substantive Consolidation**"). As a result of the Substantive Consolidation, the creditors of Bouclair and Bouclair International shall be grouped together and treated on a *pari passu* basis pursuant to the terms of this Proposal.

### 1.7 Waiver

Bouclair and Bouclair International hereby waive all monetary obligations which are or will be owing between them as at the Effective Date.

### 1.8 Consent of Trustee

The Trustee hereby consents to the filing of this Proposal, as amended by the Companies.

### 1.9 Undertaking of Alston regarding Unpaid COVID-19 Rent

In accordance with the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston, as purchaser, and the Companies, as vendors, and the *Approval and Vesting Order and Contract Assignment Order* rendered by the Court in these proceedings on May 22, 2020, Alston hereby undertakes to assume any and all Unpaid COVID-19 Rent, only to the extent such Unpaid COVID-19 Rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord.

## ARTICLE 2 PROPOSAL

### 2.1 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Companies propose to pay the following amounts:

- a) Professional Fees: The Professional Fees will be paid in full by the Companies as they become due in priority to all Preferred Claims and Unsecured Claims.
- b) Post-Filing Claims: Post-Filing Claims will be paid in full by the Companies in the ordinary course of business, and on regular trade terms.

- c) Crown Claims: Any Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Preferred Claims: Any Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- e) D&O Claims: The D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims.
- f) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors.
- g) Unsecured Claims: The Companies shall remit to the Trustee, within five (5) Business Days following the Proposal Approval Order, an amount of \$1,325,000 (the "**Basket Amount**") which will be distributed to the holders of Proven Unsecured Claims, other than Related Persons, within forty-five (45) days of the issuance of the Proposal Approval Order. The holders of Proven Unsecured Claims will receive, from the Basket Amount:
  - (i) the lesser of (i) 100% of their Proven Unsecured Claims, without interest, and (ii) \$1,500; and
  - (ii) a pro rata and pari passu share of the balance of their Proven Unsecured Claims out of the balance of the Basket Amount after payment of the amounts provided by sub-paragraph 2.1(g)(i) above.
- h) The Superintendent's Levy: The levy payable to the Superintendent of Bankruptcy under the BIA shall be deducted and paid from all amounts payable from the Basket Amount.

For greater certainty, the payments outlined in this **Section 2.1** do not include any Unpaid COVID-19 Rent, which shall be assumed by Alston as set forth in **Section 1.9** of this Proposal. The Companies and the Trustee, as applicable, shall be authorized to distribute the Basket Amount and all other amounts contemplated in this **Section 2.1** irrespective of whether any Unpaid COVID-19 Rent is payable or remains unpaid.

### ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

#### 3.1 Proof of Claims

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.

### **3.2 Class of Creditors**

For the purpose of considering and voting upon this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

#### **3.2.1 Deemed Approval**

Each of the (i) Preferred Creditors and (ii) Unsecured Creditors with a Proven Unsecured Claim equal to or less than \$1,500 shall be deemed to have voted in favour of the Proposal. Notwithstanding the foregoing, any Unsecured Creditor may choose to vote against the Proposal in the context of a vote on the Proposal.

### **3.3 Creditors' Meeting, Proxies and Voting Letters**

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast their vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

### **3.4 Repudiation of Contracts**

The Claims of each Person resulting from or arising from the repudiation of any contract, arrangement, agreement or lease (other than leases of real property) to which the Companies are a party to shall be Unsecured Claims in this Proposal.

### **3.5 Landlord Claims**

A Landlord will be entitled to file a Proof of Claim for: (i) any unpaid amounts owing as at the Filing Date; and (ii) the actual loss resulting from the disclaimer or repudiation of any leases of real property. With the exception of any Unpaid Covid-19 Rent, to the extent any such rent is payable, all Landlord Claims will be Unsecured Claims under this Proposal.

### **3.6 Claims for Voting Purposes**

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Companies,

the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

### **3.7 Approval of the Proposal**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.8 Modification of the Proposal**

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Companies reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any such supplementary proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Companies may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

## **ARTICLE 4 RELEASE**

### **4.1 Release in Favour of the Companies**

On the Effective Date, all Unsecured Claims shall, as against the Companies, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Companies in respect of all or any portion of an Unsecured Claim.

### **4.2 Release in Favour of the Directors, Officers and Chief Restructuring Officer**

(...) The acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively, as at the Filing Date, the Companies' directors in accordance with Section 50(13) of the BIA, as well as their officers in office and the chief restructuring officer duly appointed by the Companies, from any and all liability or obligation for which they may be liable by law in their capacity as directors, officers and chief restructuring officer, in respect of any debt of the Companies which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors, officers and chief restructuring officer in office as at the Filing Date, any such liability or obligation being specifically denied.

## **ARTICLE 5 CONDITIONS AND EFFECTIVE DATE**

### **5.1    (...) Funding**

This Proposal is conditional on (...) the funding by the Companies of the Basket Amount.

### **5.2    Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a)     The Proposal is approved by the Required Majority;
- b)     The Proposal Approval Order has been issued and (i) has not been stayed and there is no outstanding appeal therefrom, or (ii) it is executory notwithstanding appeal; and
- c)     All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, the Companies shall file an application for the Proposal Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

### **5.3    Trustee's Certificate and Effective Date**

Upon the satisfaction or waiver of the conditions precedent set out in **Section 5.2** hereof, the Proposal Trustee will file with the Court a certificate which states that all conditions precedent set out in **Section 5.2** have been satisfied or waived and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

## **ARTICLE 6 BINDING EFFECT**

### **6.1    Binding Effect**

This Proposal will become effective and binding on and enure to the benefit of the Companies and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## **ARTICLE 7 GENERAL**

### **7.1    Capacity of the Trustee**

Deloitte Restructuring Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Companies, whether existing as at

the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Deloitte Restructuring Inc. in respect thereof.

## **7.2 Settlements and Preferences**

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

## **7.3 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

## **7.4 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

[Signature Page Follows]

DATED AT MONTREAL, this 7<sup>th</sup> day of July, 2020

**BOUCLAIR INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**BOUCLAIR INTERNATIONAL INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

The filing of this Proposal, as amended by the Companies, is consented to by Deloitte Restructuring Inc., in its capacity as trustee to the Proposal of the Companies and not in its personal capacity:

DELOITTE RESTRUCTURING INC., its capacity as trustee to the Proposal of the Companies and not in its personal capacity

Per: 

\_\_\_\_\_  
Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

Alston Investments Inc. hereby intervenes in this Proposal for the sole purpose of agreeing to the undertaking made in Section 1.9 herein:

**ALSTON INVESTMENTS INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer



**IMPORTANT : RETURN THE PROOF OF CLAIM BY EMAIL AT  
bouclair@deloitte.ca**

**THIS INFORMATION SHEET IS SUPPLIED  
IN ORDER TO ASSIST YOU IN COMPLETING THE PROOF OF CLAIM FORM**

- The proof of claim must be signed by the individual completing the form.
- The signature of the claimant must be witnessed.
- Give the complete address where all notices and correspondence are to be forwarded.
- The amount on the statement of account must agree with the amount claimed on the proof of claim.

**PARAGRAPH 1 OF THE PROOF OF THE CLAIM**

- Creditor must state full and complete legal name of company or firm.
- If the person completing the proof of claim is not the creditor himself, he must state his position or title.

**PARAGRAPH 3 OF THE PROOF OF THE CLAIM**

- A detailed statement of account together with supporting documentation must accompany the completed proof of claim.

**PARAGRAPH 4 OF THE PROOF OF THE CLAIM**

- The claimant must tick the appropriate paragraph and must provide information as requested.

**PARAGRAPH 5 OF THE PROOF OF THE CLAIM**

- The claimant must indicate whether he is or is not related to the debtor, as defined in the *Bankruptcy and Insolvency Act*, by encircling, underlining or striking out “are” or “are not” as the case.

**PARAGRAPH 6 OR THE PROOF OF THE CLAIM**

- The claimant must attach a detailed list marked “B” of all payments received and/or credits granted, as follows:
  - within the three months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
  - within the twelve months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are related.

<input type="checkbox"/>	O	_____
<input type="checkbox"/>	P	_____
<input type="checkbox"/>	G	_____

## PROOF OF CLAIM

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

### in the matter of the amended proposal of **Bouclair Inc.**

Of Pointe-Claire, Province of Quebec and the claim of \_\_\_\_\_, creditor.  
I, \_\_\_\_\_ (*name of creditor or signing officer*) of \_\_\_\_\_ (*city and province*)

DO HEREBY CERTIFY:

1. That I am a creditor of the above-named debtor (**or** that I am) \_\_\_\_\_ (*position or title*)  
of \_\_\_\_\_ (*name of creditor or signing officer*).

**All notices or correspondence regarding this claim must be forwarded to the following address:**

**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the notice of intention the November 11, 2019, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit or solemn declaration) attached and marked "Schedule A" after deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit or solemn declaration must specify the supporting documents or other evidence in support of the claim.)
4. (**Check and complete appropriate category**)
  - ( ) A. UNSECURED CLAIM OF \$ \_\_\_\_\_.  
(**Other than as a customer contemplated by Section 262 of the Act**)  
That in respect of this debt, I do not hold any assets of the debtor as security and (**Check appropriate description**):  
( ) Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act*. (**Set out on an attached sheet details to support priority claim.**)  
( ) Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority;
  - ( ) B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows: (**Give full particulars of the claim, including the calculations upon which the claim is based.**)
  - ( ) C. SECURED CLAIM OF \$ \_\_\_\_\_.  
That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows: (**Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.**)
  - ( ) D. CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_.  
(**Attach a copy of sales agreement and delivery receipts.**)
  - ( ) E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.3(8) of the Act (bankruptcy) in the amount of \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.4(8) of the Act (receivership) in the amount of \$ \_\_\_\_\_.
  - ( ) F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.5 of the Act (bankruptcy) in the amount of \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.6 of the Act (receivership) in the amount of \$ \_\_\_\_\_.

- ( ) G. CLAIM AGAINST DIRECTOR OF \$ \_\_\_\_\_.  
**(To be filed when a proposal provides for the compromise of claims against directors.)**  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows: **(Give full particulars of the claim, including the calculations upon which the claim is based.)**
- ( ) H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM OF \$ \_\_\_\_\_.  
 That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows: **(Give full particulars of the claim, including the calculations upon which the claim is based.)**

5. That, to the best of my knowledge, I am (**or** I am not) (**or** the above-named creditor is) (**or** the above-named creditor is not) related to the debtor within the meaning of section 4 of the Act, and have (**or** have not) (**or** has) (**or** has not) dealt with the debtor in a non-arm's-length manner. **(Strike out choices that do not correspond to your situation.)**
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (**or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months**) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act. **(Provide details of payments, credits and transfers at undervalue.)**

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2\_\_\_\_\_.

_____ <b>(signature and name of witness)</b>	- or -	_____ <b>(signature of creditor who is an individual)</b>
		_____ <b>(name of corporate creditor)</b>
_____ <b>(signature and name of witness)</b>		_____ <b>(signature, name and position or title of signing officer)</b>

**NOTES:** If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.  
 If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

**WARNINGS:** A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.  
 Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

## P R O X Y

(Subsections 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

IN THE MATTER OF THE AMENDED PROPOSAL OF: **BOUCLAIR INC.**, an insolvent person

I (**or** we), \_\_\_\_\_ (**name of creditor or signing officer**), of \_\_\_\_\_ (**city and province**) a creditor in the above matter, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ to be my (**or** our) general proxy in the above matter, except as to the receipt of dividends, with (**or** without) power to appoint another general proxy in his (**or** her) place.

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2\_\_\_\_\_.

_____ <b>(signature and name of witness)</b>	- or -	_____ <b>(name of creditor who is an individual)</b>
		_____ <b>(name of corporate creditor)</b>
_____ <b>(signature and name of witness)</b>		_____ <b>(signature, name and position or title of signing officer)</b>

**VOTING LETTER**

(Paragraphs 51(1)(f) and 66.15(3)(c) of the Act)

IN THE MATTER OF THE AMENDED PROPOSAL OF:

BOUCLAIR INC.

Insolvent person

I, \_\_\_\_\_ of \_\_\_\_\_,  
**(name of the creditor)** **(city and province)**

a creditor in the above matter for the sum of \$\_\_\_\_\_, hereby request the trustee acting with respect to the amended proposal of BOUCLAIR INC., an insolvent person, to record my (or our) vote for  or against  the acceptance of the amended proposal as made on July 8, 2020.

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
**(Witness)**

\_\_\_\_\_  
**(Individual Creditor)**

- or -

\_\_\_\_\_  
**(Witness)**

\_\_\_\_\_  
**(Name of Corporate Creditor)**

\_\_\_\_\_  
**(Signature, Name and Title of Signing Officer)**



## REGISTRATION FORM TO THE CREDITORS MEETING

In the matter of the amended proposal of Bouclair Inc. and Bouclair International Inc.

Name of the creditor : \_\_\_\_\_

Name of the creditor's  
representative : \_\_\_\_\_

Email address : \_\_\_\_\_

Phone Number : \_\_\_\_\_

Signature : \_\_\_\_\_

Please note that to attend the creditors' meeting, you must send this form to the trustee by email to the following address: [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca) no later than 10:00 a.m. on Sunday, July 19, 2020.

**Pièce « A-15F »**

C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
DIVISION N° : 01-MONTRÉAL  
COUR N° : 500-11-057470-193  
DOSSIER N° : 41-2582132

C O U R S U P É R I E U R E  
Chambre commerciale

**DANS L'AFFAIRE DE LA  
PROPOSITION AMENDÉE DE :**

**Bouclair Inc.**, société dûment constituée en vertu de la loi, et ayant son siège social et son établissement principal au 152 av. Alston, Pointe-Claire, QC, H9R 6B4.

Personne insolvable

- et -

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI, responsable désigné) ayant une place d'affaires au 1190, avenue des Canadiens-de-Montréal, bureau 500, Montréal Québec, H3B 0M7

Syndic

**AVIS DE LA PROPOSITION AMENDÉE AUX CRÉANCIERS**  
(article 51 de la Loi)

AVIS est donné que Bouclair Inc. a déposé une proposition amendée entre mes mains le 8 juillet 2020, en vertu de la *Loi sur la faillite et l'insolvabilité*.

Ci-inclus une copie de la proposition amendée, d'un état succinct de son actif et de son passif, la liste des créanciers visés par la proposition amendée ainsi que le rapport du Syndic sur la proposition amendée.

Une assemblée générale des créanciers sera tenue le 21 juillet 2020, à 10h. Étant donné la situation de pandémie actuelle et des restrictions de rassemblement émises par les autorités, l'assemblée aura lieu par visioconférence.

Nous demandons aux créanciers qui désirent participer à l'assemblée de compléter le formulaire d'inscription ci-joint, et de le retourner, par courriel, à l'adresse suivante : [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca) et ce, au plus tard 48 heures avant l'assemblée soit à 10h le dimanche 19 juillet 2020.

Pour les créanciers ou leur représentant qui se seront inscrits, vous recevrez par courriel, un lien qui vous permettra de participer à l'assemblée. Il est à noter que seul les personnes qui se seront inscrites pourront participer à l'assemblée.

Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'assemblée peuvent, au moyen d'une résolution, accepter la proposition amendée, telle que formulée ou telle que modifiée à l'assemblée. Si la proposition amendée est ainsi acceptée et si elle est approuvée par le tribunal, elle deviendra obligatoire pour tous les créanciers ou pour la catégorie de créanciers visés.

Les créanciers sont fortement encouragés à me transmettre au préalable les procurations et formulaires de votation dont l'usage est projeté à l'assemblée. Les créanciers s'étant inscrits et

assistant à l'assemblée pourront également transmettre ces documents lors de l'assemblée, conformément aux instructions qui seront données à l'assemblée.

Daté à Montréal, ce 8 juillet 2020

RESTRUCTURATION DELOITTE INC.  
Syndic à la proposition de Bouclair Inc.



C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
COUR N°: 500-11-057470-193  
500-11-057469-195  
DOSSIER N°: 41-2582132  
41-2582130

C O U R S U P É R I E U R E  
Chambre commerciale

**DANS L'AFFAIRE DE LA PROPOSITION  
AMENDÉE DE :**

**BOUCLAIR INC.**

- et -

**BOUCLAIR INTERNATIONAL INC.**

**Débitrices**

- et -

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI responsable  
désignée)

**Syndic**

**RAPPORT DU SYNDIC SUR LA PROPOSITION AMENDÉE**  
(Paragraphe 50(10) de la Loi sur la faillite et l'insolvabilité (« LFI »))

**AVIS AU LECTEUR**

Le présent rapport est destiné à l'usage exclusif des créanciers de Bouclair Inc. (« **Bouclair** ») et de Bouclair International Inc. (« **Bouclair International** ») (collectivement appelées les « **Sociétés** » ou les « **Débitrices** »). Il vise à leur fournir de l'information utile en prévision de l'assemblée des créanciers au cours de laquelle ils seront appelés à se prononcer sur la proposition qui leur est soumise par les Débitrices.

Les informations présentées dans le présent rapport ont principalement été recueillies auprès de la direction des Sociétés. Le Syndic n'a pas exécuté de travaux d'audit ou de certification sur celles-ci et, par conséquent, il n'exprime pas une opinion d'auditeur ou d'expert-comptable à leur égard.

L'information financière prospective contenue dans le présent rapport est fondée sur des hypothèses concernant des événements à venir. En conséquence, malgré les efforts déployés pour qu'il en soit autrement, les résultats réels différeront des résultats projetés et les écarts pourraient être importants. En conséquence, le Syndic ne peut pas affirmer et n'affirme pas que les projections contenues dans le présent rapport se réaliseront.

Les créanciers peuvent, s'ils le désirent, consulter l'ensemble des documents relatifs au dossier des Débitrices en consultant le site internet du Syndic à l'adresse suivante :

<https://www.insolvencies.deloitte.ca/fr-ca/Pages/Bouclair>

## INFORMATIONS GÉNÉRALES ET PROCÉDURES EN MATIÈRE D'INSOLVABILITÉ

1. Bouclair est une société par actions fondée en 1970 et constituée en vertu des lois de la province de Québec.
2. Bouclair conçoit et vend au détail des couvre-fenêtres, notamment des rideaux, des tringles, des stores et des accessoires. De plus, Bouclair conçoit et vend au détail une large gamme de produits de décoration pour la maison dans les catégories suivantes : décoration murale, ameublement, enfants / bébés, accents pour la maison, éclairage, saisonnier, salle de bain, rangement, verdure florale et autres produits de décoration intérieure ainsi que des meubles.
3. Bouclair International est une société détenue par Bouclair et qui génère ses revenus principalement par l'entremise de royalties.
4. Le 11 novembre 2019, les Débitrices ont déposé un avis d'intention auprès du Bureau du surintendant des faillites (« **BSF** ») et Restructuration Deloitte Inc. (le « **Syndic** » ou « **Deloitte** ») agit à titre de syndic au dossier.
5. Le 15 novembre 2019, la Cour supérieure du Québec (la « **Cour** ») a rendu une ordonnance (l'« **Ordonnance de liquidation** ») approuvant l'entente avec le liquidateur Gordon Brothers Canada ULC à titre de liquidateur des magasins identifiés dans la requête initiale.
6. Le 10 décembre 2019, la Cour a rendu une ordonnance prorogeant la période de suspension jusqu'au 24 janvier 2020 et déclarant que les super-priorités visent maintenant la totalité des actifs de Bouclair.
7. La Cour a depuis, prorogé à plusieurs reprises la période de suspension et, plus récemment jusqu'au 11 mai 2020.
8. Le 11 mai 2020, les Débitrices ont déposé une proposition (la « **Proposition** ») auprès du BSF. Normalement, le délai maximum pour la tenue d'une assemblée des créanciers est de 21 jours suivant le dépôt de la proposition. Compte tenu de la situation de pandémie actuelle, une ordonnance omnibus a été rendue le 30 avril 2020 par la Cour ayant pour effet de suspendre les délais pour la tenue des assemblées de créanciers. La période de suspension couvrait la période du 27 avril au 30 juin 2020 (« **Période de suspension** »).
9. Le 22 mai 2020, la Cour a rendu une ordonnance de dévolution et de cession de contrats faisant en sorte que la majorité des actifs des Débitrices a été vendue (la « **Transaction** ») à Alston Investments Inc. (« **Alston** » ou l'« **Acheteur** »).
10. Le 8 juillet 2020, les Débitrices ont déposé une proposition amendée (la « **Proposition amendée** »). La Période de suspension étant terminée, la proposition sera soumise à l'approbation des créanciers le 21 juillet 2020, soit dans les 21 jours suivant la fin de la Période de suspension.

## INFORMATIONS FINANCIÈRES

11. Le tableau ci-dessous présente les résultats historiques réalisés par les Débitrices au cours des 3 derniers exercices.

<b>Résultats historiques (en milliers \$)</b>			
État des résultats des exercices terminés	27-janv-18	26-janv-19	25-jan-20
Revenus	149 205	146 186	146 777
Coûts des marchandises vendues	<u>56 737</u>	<u>52 007</u>	<u>54 911</u>
<b>Bénéfice brut</b>	<b>92 468</b>	<b>94 179</b>	<b>91 866</b>
Frais d'exploitation	<u>88 742</u>	<u>88 024</u>	<u>88 216</u>
<b>BAIIA</b>	<b>3 726</b>	<b>6 155</b>	<b>3 650</b>
<b>Bénéfice net (Perte nette)</b>	<b><u>(773)</u></b>	<b><u>1 132</u></b>	<b><u>(5 279)</u></b>

### Passif au moment du dépôt de l'avis d'intention

12. Le passif des Débitrices totalisait environ 35,3 millions de dollars au moment du dépôt de son avis d'intention et peut être résumé comme suit :

- Les Débitrices avaient quatre créanciers garantis auxquels les sommes dues s'élevaient à environ 22,7 millions de dollars;
- Les Débitrices avaient un peu plus de 385 créanciers non garantis auxquels les sommes dues s'élevaient à environ 12,6 millions de dollars.

### Passif au moment du dépôt de la proposition

- Dans le cadre de la Transaction, certains montants dus aux créanciers garantis ont été soit assumés par Alston ou encore convertis en actions.
- De plus, la Transaction prévoit l'assumption de la totalité des obligations des Débitrices depuis le dépôt de l'avis d'intention.
- Par contre, Bouclair a adopté la position selon laquelle elle n'a aucune obligation légale et contraignante de payer un loyer à ses locataires pour tous ses magasins pour la période commençant le 1<sup>er</sup> avril 2020, et ce, jusqu'à ce que Bouclair obtienne l'autorisation de réouverture de ses magasins ou jusqu'à la date de la Transaction (« **Loyer Covid-19 impayé** »), compte tenu de l'impact de la pandémie COVID-19 et des fermetures des magasins associés.
- La convention d'achat d'actifs prévoit que Alston assumera toutes les obligations de Loyer Covid-19 impayé, dans la mesure où ces obligations sont déterminées comme étant dues par Bouclair conformément à une ordonnance de la Cour ou si une entente intervient avec un locateur.
- En fonction des éléments susmentionnés, le solde des créances non garanties des Débitrices s'élève donc à environ 25,6 millions de dollars. Ce montant inclut une estimation, effectuée par le Syndic, des réclamations potentielles des locataires en vertu de l'article 65.2 de la LFI pour le préjudice subi du fait de la résiliation de certains baux, d'un montant total d'environ 10,1 millions de dollars.

## SOMMAIRE DE LA PROPOSITION AMENDÉE OFFERTE AUX CRÉANCIERS

18. Ce qui suit est un bref résumé de la Proposition amendée destiné à aider le lecteur. Veuillez-vous reporter à la Proposition amendée pour obtenir une description complète des mesures

qu'entraîneraient l'approbation de celle-ci. Seul le texte de la Proposition amendée est susceptible de lier les Sociétés.

19. La Proposition amendée prévoit essentiellement les paiements suivants qui seront effectués à la suite de l'acceptation de la Proposition amendée par les créanciers et son approbation par la Cour. Considérant l'importance qu'ont les créanciers de Bouclair pour l'Acheteur, ce dernier a décidé de contribuer un montant de 280 000 \$ au financement de la Proposition amendée.
20. La Proposition amendée prévoit le paiement d'un montant total de 1,325 millions de dollars (« **Montant de la Proposition amendée** ») réparti de la façon suivante :
  - a) Un premier paiement représentant le moindre de la somme de 1 500 \$ et de 100 % de la réclamation dûment prouvée de tout créancier non garanti;
  - b) Un deuxième paiement égal à la portion pro rata de la réclamation de tout créancier (sur la somme de toutes les réclamations restantes) par rapport aux fonds encore disponibles. Le montant total de cette deuxième distribution sera sujet notamment à un montant de réserve pour lequel le Syndic pourrait retarder la distribution en raison de règlements tardifs pour toute réclamation litigieuse, contingente ou non liquidée;
  - c) Le prélèvement payable au Surintendant des faillites en vertu de la LFI sera déduit et payé de tous montants payables sur le Montant de la Proposition amendée.
21. Conditionnellement à l'approbation de la Proposition amendée, les articles 95 à 101.1 de la LFI ne s'appliqueront pas à la Proposition amendée, et ni le Syndic ni les créanciers des Débitrices auront quelconque droit ou recours en vertu de ces articles.
22. L'acceptation de la Proposition amendée par les créanciers des Débitrices libérera définitivement les administrateurs de toutes les responsabilités d'administrateur conformément au paragraphe 50(13) de la LFI.
23. Il est aussi à noter que comme la Proposition amendée prévoit le paiement de 100 % des réclamations prouvées et reçues inférieures à 1 500 \$, à défaut de voter contre la Proposition amendée, la Proposition amendée prévoit que les créanciers non garantis ayant une réclamation prouvée inférieure à 1 500 \$ seront réputés avoir voté en faveur de la Proposition amendée.
24. En fonction de ce qui précède, les créanciers non garantis ayant une réclamation dont la valeur n'excède pas 100 000 \$ pourraient recevoir un dividende variant entre environ 9,4 % et 100 %. Ce groupe de créanciers représente 85,9 % des créanciers en nombre et 13,6 % en valeur.
25. Les créanciers non garantis ayant une réclamation dont la valeur est supérieure à 100 000 \$ pourraient recevoir un dividende d'environ 3,8 %. Ce groupe de créancier représente 14,1 % des créanciers en nombre et 86,4 % en valeur.
26. Sous réserve de ce qui précède, la Proposition amendée prévoit le paiement du dividende au plus tard 45 jours suivants l'homologation de la Proposition amendée par la Cour.

## RÉALISATIONS PROJÉTÉES DANS UN CONTEXTE DE FAILLITE

27. Le refus de la Proposition amendée par les créanciers entraînera automatiquement la faillite des Débitrices.
28. Étant donné la Transaction, il ne reste qu'un solde d'encaisse disponible pour distribution aux créanciers non garantis.
29. Le tableau ci-dessous présente une projection de l'allocation de l'encaisse disponible dans un contexte de faillite.

	\$
Solde de l'encaisse au 7 juillet 2020	<u>1 644 813</u>
Moins: les super-priorités <sup>(1)</sup>	
Charge administrative	300 000
Charge pour les administrateurs des Débitrices (montant estimé) <sup>(2)</sup>	144 000
Charge du chef de la restructuration	<u>141 250</u>
	<u>585 250</u>
Montant disponible pour les créanciers non garantis	<u>1 059 563</u>
Total des réclamations des créanciers non garantis <sup>(3)</sup>	15 446 920
Estimation par le Syndic des réclamations potentielles relatives à la restructuration	<u>10 100 000</u>
Estimation du total des réclamations des créanciers non garantis	<u>25 546 920</u>
Estimation du dividende versé aux créanciers non garantis	<u>4,1%</u>

- (1) Les super-priorités représentent celles prévues au paragraphe 23 de l'ordonnance (« First Day Order ») rendue le 12 novembre 2019 par la Cour.
- (2) Le montant de la charge pour les administrateurs des Débitrices correspond à une estimation de la TPS et de la TVQ à payer pour la période entre le 24 mai et le 31 mai 2020.
- (3) Ce montant correspond aux sommes à payer aux créanciers non garantis selon les registres comptables des Débitrices.

30. Cette projection mène le Syndic à conclure que les créanciers non garantis recevraient un dividende d'un peu plus de 4 % advenant la faillite des Débitrices et ce, avant de prendre en considération les honoraires et débours du Syndic, de ses conseillers juridiques et des conseillers juridiques des Sociétés, qui ensemble pourraient excéder le montant de la Charge administrative susmentionnée.

## CONCLUSIONS ET RECOMMANDATIONS

31. La Proposition amendée offre aux créanciers non garantis des Débitrices un montant additionnel d'environ 266 000 \$ avant de prendre en considération tout honoraires et débours supplémentaires et permet donc à ces derniers de recevoir collectivement un dividende supérieur à celui qu'ils recevraient dans un contexte de faillite.
32. La Proposition amendée est avantageuse pour la masse des créanciers des Débitrices avec un dividende moyen d'environ 5,2 % comparativement à 4,1 % dans le cadre d'une faillite. De plus, le Syndic anticipe que la distribution du dividende devrait être plus rapide dans le cadre de la Proposition amendée que dans le cadre d'une faillite.
33. Pour les motifs précités, le Syndic recommande aux créanciers de voter en faveur de l'acceptation de la Proposition amendée soumise par les Débitrices.

DATÉ À MONTREAL, ce 8<sup>e</sup> jour de juillet 2020.

Martin Franco, CPA, CA, CIRP, SAI  
Premier vice-président



RESTRUCTURATION DELOITTE INC.  
En sa qualité de Syndic agissant *in re* :  
La proposition de Bouclair Inc. et de  
Bouclair International Inc. et non à titre personnel.

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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Court No: 500-11-057470-193  
Court No: 500-11-057469-195

IN THE MATTER OF THE PROPOSAL OF:

BOUCLAIR INC.

- and -

BOUCLAIR INTERNATIONAL INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Trustee

**AMENDED PROPOSAL**  
**(Subsection 50(2) of the *Bankruptcy and Insolvency Act*)**

**BOUCLAIR INC. AND BOUCLAIR INTERNATIONAL INC.** hereby submit to their creditors the following amended proposal pursuant to the *Bankruptcy and Insolvency Act*.

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a.1) "**Alston**" means Alston Investments Inc., the purchaser of the majority of the assets of the Companies pursuant to the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston Investments Inc., as purchaser, and the Companies, as vendors, and subsequently approved by the Court on May 22, 2020.
- a) "**Basket Amount**" has the meaning ascribed to it in **Section 2.1** hereof.
- b) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- c) "**Bouclair**" means Bouclair Inc.
- d) "**Bouclair International**" means Bouclair International Inc.

- e) "**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Quebec.
- f) "**Claim**" means any right of any Person against the Companies in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature.
- g) "**Companies**" means Bouclair Inc. and Bouclair International Inc., collectively.
- h) "**Court**" means the Superior Court of Quebec (Commercial Division).
- i) "**Creditors' Meeting**" means the meeting of creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting.
- j) "**Crown Claims**" means all Claims of Her Majesty in right of Canada or a province described in section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court.
- k) "**Disputed Claim**" means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Companies, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- l) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- m) "**D&O Claims**" means any Claim against the directors and officers of the Companies which they may have incurred in their capacity as directors or officers of the Companies after the Filing Date, except where such Claims have arisen as a result of the Companies' directors or officers' gross negligence or willful misconduct.
- n) "**Effective Date**" has the meaning ascribed to it in **Section 5.3** hereof.
- o) "**Filing Date**" means the date of the filing of the Notices of Intention to Make a Proposal by the Companies, namely November 11, 2019.
- p) "**Landlord Claims**" means any Claim of any of the landlords of Bouclair arising from a disclaimer of the landlord's lease by Bouclair, which shall be calculated in accordance with **Section 3.5** hereof.
- q) "**Landlord**" means a landlord to any real property lease to which Bouclair is or was a party to.
- r) "**Official Receiver**" means the officer appointed pursuant to Section 12(2) of the BIA.



- s) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- t) **"Post-Filing Claims"** means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Companies after the Filing Date, except for Restructuring Claims and Unpaid COVID-19 Rent.
- u) **"Preferred Claims"** means any Claim as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all other Claims in the distribution of the property of a bankrupt.
- v) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- w) **"Professional Fees"** means all fees, expenses, liabilities and obligations of the Trustee and the Companies' legal advisors on and incidental to the proceedings arising out of the Notices of Intention to Make a Proposal of the Companies or the Proposal, including advice to the Companies in connection with the Notices of Intention to Make a Proposal and the Proposal.
- x) **"Proof of Claim"** means the form delivered by the Trustee to creditors of the Companies in accordance with the BIA.
- y) **"Proposal"** means this Amended Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- z) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Companies and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- aa) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- bb) **"Related Persons"** has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, *inter alia*, Mr. Peter Goldberg, both in his personal capacity and in his capacity as director and officer of the Companies, as well as Aljusa Investments Inc.
- cc) **"Required Majority"** means a majority in number and two-thirds in value of the Unsecured Claims of all Unsecured Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.

- dd) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by the Companies, including the Landlord Claims.
- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- ff) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Companies had become bankrupt at the Filing Date, and includes, for greater certainty, the National Bank of Canada.
- gg) **"Substantive Consolidation"** has the meaning ascribed to it in **Section 1.6** hereof.
- hh) **"Trustee"** means Deloitte Restructuring Inc., in its capacity as trustee to the (...) Proposal of the Companies and not in its personal capacity.
- ii) **"Trustee's Certificate"** has the meaning ascribed to it in **Section 5.3** hereof.
- jj) **"Unpaid COVID-19 Rent"** means any unpaid gross rent normally owed by Bouclair to a Landlord for the period beginning April 1, 2020, and ending on the day (i) on which the various COVID-19 government decreed shutdowns are effectively lifted and (ii) on which Bouclair is authorized by government authorities to reopen its retail locations, but in all cases, only to the extent such rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord, it being understood that nothing in the present Proposal shall be construed as an admission, by the Companies, that the unpaid gross rent for the period described above is owed and payable.
- kk) **"Unsecured Claims"** means all Claims other than Secured Claims, Post-Filing Claims, Crown Claims, and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Unsecured Claims shall include Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, including any contingent and unliquidated Claims (once quantified) against the Companies and all Restructuring Claims.
- ll) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- mm) **"Unsecured Creditors Class"** means all Unsecured Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

## 1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

### 1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

### 1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### 1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### 1.6 Consolidation of Estates

For the purposes of this Proposal, the estates of Bouclair and Bouclair International shall be substantively consolidated (the "**Substantive Consolidation**"). As a result of the Substantive Consolidation, the creditors of Bouclair and Bouclair International shall be grouped together and treated on a *pari passu* basis pursuant to the terms of this Proposal.

### 1.7 Waiver

Bouclair and Bouclair International hereby waive all monetary obligations which are or will be owing between them as at the Effective Date.

### 1.8 Consent of Trustee

The Trustee hereby consents to the filing of this Proposal, as amended by the Companies.

### 1.9 Undertaking of Alston regarding Unpaid COVID-19 Rent

In accordance with the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston, as purchaser, and the Companies, as vendors, and the *Approval and Vesting Order and Contract Assignment Order* rendered by the Court in these proceedings on May 22, 2020, Alston hereby undertakes to assume any and all Unpaid COVID-19 Rent, only to the extent such Unpaid COVID-19 Rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord.

## ARTICLE 2 PROPOSAL

### 2.1 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Companies propose to pay the following amounts:

- a) Professional Fees: The Professional Fees will be paid in full by the Companies as they become due in priority to all Preferred Claims and Unsecured Claims.
- b) Post-Filing Claims: Post-Filing Claims will be paid in full by the Companies in the ordinary course of business, and on regular trade terms.

- c) Crown Claims: Any Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Preferred Claims: Any Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- e) D&O Claims: The D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims.
- f) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors.
- g) Unsecured Claims: The Companies shall remit to the Trustee, within five (5) Business Days following the Proposal Approval Order, an amount of \$1,325,000 (the "**Basket Amount**") which will be distributed to the holders of Proven Unsecured Claims, other than Related Persons, within forty-five (45) days of the issuance of the Proposal Approval Order. The holders of Proven Unsecured Claims will receive, from the Basket Amount:
  - (i) the lesser of (i) 100% of their Proven Unsecured Claims, without interest, and (ii) \$1,500; and
  - (ii) a pro rata and pari passu share of the balance of their Proven Unsecured Claims out of the balance of the Basket Amount after payment of the amounts provided by sub-paragraph 2.1(g)(i) above.
- h) The Superintendent's Levy: The levy payable to the Superintendent of Bankruptcy under the BIA shall be deducted and paid from all amounts payable from the Basket Amount.

For greater certainty, the payments outlined in this **Section 2.1** do not include any Unpaid COVID-19 Rent, which shall be assumed by Alston as set forth in **Section 1.9** of this Proposal. The Companies and the Trustee, as applicable, shall be authorized to distribute the Basket Amount and all other amounts contemplated in this **Section 2.1** irrespective of whether any Unpaid COVID-19 Rent is payable or remains unpaid.

### ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

#### 3.1 Proof of Claims

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.

### **3.2 Class of Creditors**

For the purpose of considering and voting upon this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

#### **3.2.1 Deemed Approval**

Each of the (i) Preferred Creditors and (ii) Unsecured Creditors with a Proven Unsecured Claim equal to or less than \$1,500 shall be deemed to have voted in favour of the Proposal. Notwithstanding the foregoing, any Unsecured Creditor may choose to vote against the Proposal in the context of a vote on the Proposal.

### **3.3 Creditors' Meeting, Proxies and Voting Letters**

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast their vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

### **3.4 Repudiation of Contracts**

The Claims of each Person resulting from or arising from the repudiation of any contract, arrangement, agreement or lease (other than leases of real property) to which the Companies are a party to shall be Unsecured Claims in this Proposal.

### **3.5 Landlord Claims**

A Landlord will be entitled to file a Proof of Claim for: (i) any unpaid amounts owing as at the Filing Date; and (ii) the actual loss resulting from the disclaimer or repudiation of any leases of real property. With the exception of any Unpaid Covid-19 Rent, to the extent any such rent is payable, all Landlord Claims will be Unsecured Claims under this Proposal.

### **3.6 Claims for Voting Purposes**

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Companies,

the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

### **3.7 Approval of the Proposal**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.8 Modification of the Proposal**

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Companies reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any such supplementary proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Companies may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

## **ARTICLE 4 RELEASE**

### **4.1 Release in Favour of the Companies**

On the Effective Date, all Unsecured Claims shall, as against the Companies, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Companies in respect of all or any portion of an Unsecured Claim.

### **4.2 Release in Favour of the Directors, Officers and Chief Restructuring Officer**

(...) The acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively, as at the Filing Date, the Companies' directors in accordance with Section 50(13) of the BIA, as well as their officers in office and the chief restructuring officer duly appointed by the Companies, from any and all liability or obligation for which they may be liable by law in their capacity as directors, officers and chief restructuring officer, in respect of any debt of the Companies which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors, officers and chief restructuring officer in office as at the Filing Date, any such liability or obligation being specifically denied.

## **ARTICLE 5 CONDITIONS AND EFFECTIVE DATE**

### **5.1    (...) Funding**

This Proposal is conditional on (...) the funding by the Companies of the Basket Amount.

### **5.2    Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a)     The Proposal is approved by the Required Majority;
- b)     The Proposal Approval Order has been issued and (i) has not been stayed and there is no outstanding appeal therefrom, or (ii) it is executory notwithstanding appeal; and
- c)     All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, the Companies shall file an application for the Proposal Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

### **5.3    Trustee's Certificate and Effective Date**

Upon the satisfaction or waiver of the conditions precedent set out in **Section 5.2** hereof, the Proposal Trustee will file with the Court a certificate which states that all conditions precedent set out in **Section 5.2** have been satisfied or waived and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

## **ARTICLE 6 BINDING EFFECT**

### **6.1    Binding Effect**

This Proposal will become effective and binding on and enure to the benefit of the Companies and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## **ARTICLE 7 GENERAL**

### **7.1    Capacity of the Trustee**

Deloitte Restructuring Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Companies, whether existing as at

the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Deloitte Restructuring Inc. in respect thereof.

## **7.2 Settlements and Preferences**

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

## **7.3 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

## **7.4 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

[Signature Page Follows]



DATED AT MONTREAL, this 7<sup>th</sup> day of July, 2020

**BOUCLAIR INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**BOUCLAIR INTERNATIONAL INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

The filing of this Proposal, as amended by the Companies, is consented to by Deloitte Restructuring Inc., in its capacity as trustee to the Proposal of the Companies and not in its personal capacity:

DELOITTE RESTRUCTURING INC., its capacity as trustee to the Proposal of the Companies and not in its personal capacity

Per: 

\_\_\_\_\_  
Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

Alston Investments Inc. hereby intervenes in this Proposal for the sole purpose of agreeing to the undertaking made in Section 1.9 herein:

**ALSTON INVESTMENTS INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**IMPORTANT RETOURNER LA PREUVE DE RÉCLAMATION PAR COURRIEL À  
bouclair@deloitte.ca**

**CETTE FEUILLE DE RENSEIGNEMENTS EST FOURNIE  
AFIN DE VOUS AIDER À REMPLIR LE FORMULAIRE DE PREUVE DE RÉCLAMATION**

- La preuve de réclamation doit être signée par la personne qui la remplit.
- La signature du réclamant doit être attestée par un témoin.
- Indiquer l'adresse complète où tout avis et correspondance doivent être expédiés.
- Le montant sur le relevé de compte doit correspondre au montant réclamé sur la preuve de réclamation.

**PARAGRAPHE 1 DE LA PREUVE DE RÉCLAMATION**

- Le créancier doit fournir la raison sociale complète de la société ou de l'entreprise.
- Si la personne qui complète la preuve de réclamation n'est pas le créancier lui-même, elle doit préciser son poste ou sa fonction.

**PARAGRAPHE 3 DE LA PREUVE DE RÉCLAMATION**

- Un relevé de compte détaillé ainsi que les factures s'y rapportant doivent accompagner la preuve de réclamation.

**PARAGRAPHE 4 DE LA PREUVE DE RÉCLAMATION**

- Les créanciers doivent compléter ce paragraphe en fonction de la nature de leur réclamation.

**PARAGRAPHE 5 DE LA PREUVE DE RÉCLAMATION**

- Le réclamant doit indiquer s'il est ou n'est pas lié au débiteur, au sens de la définition de la Loi sur la faillite et l'insolvabilité. Encercler, souligner ou biffer les mots « sont » ou « ne sont pas » selon le cas.

**PARAGRAPHE 6 DE LA PREUVE DE RÉCLAMATION**

- Le réclamant doit fournir une liste détaillée identifiée « B » de tous les paiements reçus et/ou crédits accordés, soit :
  - au cours des trois mois précédant la faillite ou la proposition, dans le cas où le réclamant et le débiteur ne sont pas liés.
  - au cours des douze mois précédant la faillite ou la proposition, dans le cas où le réclamant et le débiteur sont liés.

<input type="checkbox"/>	O	_____
<input type="checkbox"/>	P	_____
<input type="checkbox"/>	G	_____

## PREUVE DE RÉCLAMATION

(article 50.1, paragraphes 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2) et 128(1) et alinéas 51(1)e) et 66.14b) de la Loi)

### dans l'affaire de la proposition amendée de **Bouclair Inc.**

de Pointe-Claire, province de Québec et de la réclamation de \_\_\_\_\_, créancier.  
JE, \_\_\_\_\_ (*nom du créancier ou du représentant*) de \_\_\_\_\_ (*ville et province*)

CERTIFIE CE QUI SUIIT :

1. Je suis le créancier de la débitrice susnommé (*ou* je suis) \_\_\_\_\_ (*poste ou fonction*)  
de \_\_\_\_\_ (*nom du créancier*).

**Expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :**

**Téléphone :** \_\_\_\_\_ **Télécopieur :** \_\_\_\_\_ **Courriel :** \_\_\_\_\_

2. Je suis au courant de toutes les circonstances entourant la réclamation visée par la présente formule.
3. La débitrice était, à la date du dépôt de l'avis d'intention, soit le 11 novembre 2019, endettée envers le créancier et l'est toujours, pour la somme de \_\_\_\_\_ \$, comme l'indique l'état de compte (*ou* l'affidavit *ou* la déclaration solennelle ci-annexé et désigné « Annexe A », après déduction du montant de toute créance compensatoire à laquelle la débitrice a droit. (**L'état de compte ou l'affidavit ou la déclaration solennelle annexé doit faire mention des pièces justificatives ou de toute autre preuve à l'appui de la réclamation.**))
4. (**Cochez la catégorie qui s'applique et remplissez les parties requises**)
- ( ) A. RÉCLAMATION NON GARANTIE AU MONTANT DE \_\_\_\_\_ \$  
(**Autre qu'une réclamation d'un client visée par l'article 262 de la Loi.**)  
En ce qui concerne cette créance, je ne détiens aucun avoir de la débitrice à titre de garantie et (**Cochez ce qui s'applique**) :
- ( ) Pour le montant de \_\_\_\_\_ \$, je revendique le droit à un rang prioritaire en vertu de l'article 136 de la Loi sur la faillite et l'insolvabilité. (**Indiquez sur une feuille annexée les renseignements à l'appui de la réclamation prioritaire.**)
- ( ) Pour le montant de \_\_\_\_\_ \$, je ne revendique pas de droit à un rang prioritaire.
- ( ) B. RÉCLAMATION DU LOCATEUR SUITE À LA RÉSILIATION D'UN BAIL, AU MONTANT DE \_\_\_\_\_ \$  
J'ai une réclamation en vertu du paragraphe 65.2(4) de la Loi, dont les détails sont mentionnés ci-après. (**Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.**)
- ( ) C. RÉCLAMATION GARANTIE AU MONTANT DE \_\_\_\_\_ \$  
En ce qui concerne la créance susmentionnée, je détiens des avoirs de la débitrice, à titre de garantie, dont la valeur estimative s'élève à \_\_\_\_\_ \$, et dont les détails sont mentionnés ci-après : (**Donnez des renseignements complets au sujet de la garantie, y compris la date à laquelle elle a été donnée et la valeur que vous lui attribuez, et annexez une copie des documents relatifs à la garantie.**)
- ( ) D. RÉCLAMATION D'UN AGRICULTEUR, D'UN PÊCHEUR OU D'UN AQUICULTEUR AU MONTANT DE \_\_\_\_\_ \$  
J'ai une réclamation en vertu du paragraphe 81.2(1) de la Loi pour la somme impayée de \_\_\_\_\_ \$.  
(**Veillez joindre une copie de l'acte de vente et des reçus de livraison.**)
- ( ) E. RÉCLAMATION D'UN SALARIÉ AU MONTANT DE \_\_\_\_\_ \$  
( ) J'ai une réclamation en vertu du paragraphe 81.3(8) de la Loi (faillite) au montant de \_\_\_\_\_ \$.  
( ) J'ai une réclamation en vertu du paragraphe 81.4(8) de la Loi (séquestre) au montant de \_\_\_\_\_ \$.
- ( ) F. RÉCLAMATION D'UN EMPLOYÉ RELATIVE AU RÉGIME DE PENSION AU MONTANT DE \_\_\_\_\_ \$  
( ) J'ai une réclamation en vertu du paragraphe 81.5 de la Loi (faillite) au montant de \_\_\_\_\_ \$.  
( ) J'ai une réclamation en vertu du paragraphe 81.6 de la Loi (séquestre) au montant de \_\_\_\_\_ \$.

( ) G. RÉCLAMATION CONTRE LES ADMINISTRATEURS AU MONTANT DE \_\_\_\_\_ \$  
(**À compléter lorsque la proposition vise une transaction quant à la réclamation contre les administrateurs.**)  
J'ai une réclamation en vertu du paragraphe 50(13) de la Loi, dont les détails sont mentionnés ci-après : (**Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.**)

( ) H. RÉCLAMATION D'UN CLIENT D'UN COURTIER EN VALEURS MOBILIÈRES FAILLI AU MONTANT DE \_\_\_\_\_ \$  
J'ai une réclamation en tant que client en conformité avec l'article 262 de la Loi pour des capitaux nets, dont les détails sont mentionnés ci-après : (**Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.**)

5. Au meilleur de ma connaissance, je suis lié (**ou** je ne suis pas lié) (**ou** le créancier susnommé est lié) (**ou** le créancier susnommé n'est pas lié) à la débitrice selon l'article 4 de la Loi, et j'ai (**ou** je n'ai pas) (**ou** le créancier susnommé a) (**ou** le créancier susnommé n'a pas) un lien de dépendance avec la débitrice. (**Biffez les choix ne correspondant pas à votre situation.**)

6. Les montants suivants constituent les paiements que j'ai reçus de la débitrice, les crédits que j'ai attribués à celui-ci et les opérations sous-évaluées selon le paragraphe 2(1) de la Loi auxquelles j'ai contribué ou été partie intéressée au cours des trois mois (**ou, si le créancier et la débitrice sont des « personnes liées » au sens du paragraphe 4(2) de la Loi ou ont un lien de dépendance, au cours des douze mois**) précédant immédiatement l'ouverture de la faillite, telle que définie au paragraphe 2(1) de la Loi. (**Donnez les détails des paiements, des crédits et des opérations sous-évaluées.**)

(  
FAIT À \_\_\_\_\_, ce \_\_\_\_\_<sup>e</sup> jour de \_\_\_\_\_ 2\_\_\_\_\_.

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature du créancier qui est une personne physique)

- ou -

\_\_\_\_\_  
(nom du créancier qui est une personne morale)

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature, nom et poste ou fonction du représentant)

**REMARQUES :** Si un affidavit ou une déclaration solennelle est joint à la présente formule, il doit avoir été fait devant une personne autorisée à recevoir des affidavits ou des déclarations solennelles.

Lorsqu'une copie du présent avis est envoyée par voie électronique, par des moyens tels que le courriel, le nom et les coordonnées de l'expéditeur, tel que prescrit au Formulaire 1.1, doivent être indiqués à la fin du document.

**AVERTISSEMENTS :** Le syndic peut, en vertu du paragraphe 128(3) de la Loi, racheter une garantie sur paiement au créancier garanti de la créance ou de la valeur de la garantie telle qu'elle a été fixée par le créancier garanti dans la preuve de garantie.

Le paragraphe 201(1) de la Loi prévoit l'imposition de peines sévères en cas de présentation de réclamations, de preuves, de déclarations ou d'états de compte qui sont faux.

## PROCURATION GÉNÉRALE

(paragraphe 102(2) et alinéas 51(1)e) et 66.15(3)b) de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION AMENDÉE DE : **BOUCLAIR INC.**, personne insolvable

Je (**ou** nous), \_\_\_\_\_ (**nom du créancier ou du représentant**), de \_\_\_\_\_ (**ville et province**),  
créancier dans l'affaire susmentionnée, nomme \_\_\_\_\_

de \_\_\_\_\_ mon fondé de pouvoir à tous égards dans l'affaire susmentionnée,  
sauf la réception de dividendes, celui-ci étant habilité à nommer un autre fondé de pouvoir à sa place (**ou** n'étant pas habilité à nommer un autre fondé de pouvoir à sa place).

FAIT À \_\_\_\_\_, ce \_\_\_\_\_<sup>e</sup> jour de \_\_\_\_\_ 2\_\_\_\_\_.

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature du créancier qui est un individu)

- ou -

\_\_\_\_\_  
(nom du créancier qui est une personne morale)

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature, nom et poste ou fonction du représentant)

## FORMULAIRE DE VOTATION

(alinéas 51(1)f) et 66.15(3)c) de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION AMENDÉE DE : BOUCLAIR INC.

Personne insolvable

Je, \_\_\_\_\_ de \_\_\_\_\_,  
**(nom de créancier)** **(ville et province)**

créancier dans l'affaire susmentionnée à l'égard de la somme de \_\_\_\_\_ \$, demande au syndic agissant relativement à la proposition amendée de BOUCLAIR INC., personne insolvable, de consigner mon (**ou** notre) vote  en faveur de **ou**  contre l'acceptation de la proposition amendée faite le 8 juillet 2020.

FAIT À \_\_\_\_\_, ce \_\_\_\_\_<sup>e</sup> jour de \_\_\_\_\_ 2020.

\_\_\_\_\_  
**(Témoin)**

\_\_\_\_\_  
**(Créancier individu)**

- ou  
-

\_\_\_\_\_  
**(Témoin)**

\_\_\_\_\_  
**(Nom du créancier qui est une personne morale)**

\_\_\_\_\_  
**(Signature, nom et titre du représentant)**



## FORMULAIRE D'INSCRIPTION À L'ASSEMBLÉE DES CRÉANCIERS

Dans l'affaire de la proposition amendée de Bouclair Inc. et de Bouclair International Inc.

Nom du créancier : \_\_\_\_\_

Nom du représentant du  
créancier : \_\_\_\_\_

Adresse courriel : \_\_\_\_\_

Numéro de téléphone : \_\_\_\_\_

Signature : \_\_\_\_\_

Veillez noter que pour participer à l'assemblée des créanciers, vous devez transmettre ce formulaire au syndic par courriel à l'adresse suivante : [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca) au plus tard à 10h le dimanche 19 juillet 2020.

**Pièce « A-16 »**

C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
COUR N°: 500-11-057470-193  
500-11-057469-195  
DOSSIER N°: 41-2582132  
41-2582130

COUR SUPÉRIEURE  
Chambre commerciale

**DANS L'AFFAIRE DE LA  
PROPOSITION AMENDÉE DE :**

**BOUCLAIR INC.**

– et –

**BOUCLAIR INTERNATIONAL INC.**

**Débitrices**

– et –

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI,  
responsable désignée)

**Syndic**

## **PROCÈS-VERBAL DE L'ASSEMBLÉE DES CRÉANCIERS**

### **Endroit, date et heure de l'assemblée**

Le 21 juillet 2020, 10 h 00  
Simultanément par visioconférence, dû à la COVID-19, et au  
1190, avenue des Canadiens-de-Montréal bur. 500  
Montréal Québec H3B 0M7

### **Président de l'assemblée**

Monsieur Martin Franco, CPA, CA, CIRP, SAI  
Restructuration Deloitte Inc., Syndic

### **Présence**

Martin Franco	Représentant du Syndic
Patrick Fillion	Représentant du Syndic
Karine Forget	Représentant du Syndic
Me Sandra Abitan	Osler, Hoskins & Hartcourt – avocat du Syndic
Me Julien Morissette	Osler, Hoskins & Hartcourt – avocat du Syndic
Randy Benson	Chef de la restructuration financière des débitrices
Me Joseph Reynaud	Stikeman Elliott – avocat des débitrices
Créanciers	Voir annexe A



En vertu de l'article 51(3) de la *Loi sur la faillite et l'insolvabilité* (« LFI »), le président transmet ses instructions pour le déroulement de l'assemblée par visioconférence aux créanciers.

Le président informe les personnes présentes que pour avoir droit de vote à cette assemblée, un créancier doit avoir déposé sa preuve de réclamation en bonne et due forme entre les mains du Syndic avant le moment fixé pour l'assemblée.

### **Quorum**

Le président a examiné les preuves de réclamation déposées auprès du Syndic et la preuve de convocation de l'assemblée. Le président constate le quorum et déclare l'assemblée légalement constituée.

### **Période de questions**

Avant le début de la période de questions, le Syndic fait un survol du rapport du Syndic sur la proposition amendée.

Le Syndic et le procureur des débitrices répondent aux questions des créanciers présents.

### **Vote**

Le président explique aux créanciers les conditions du vote sur la proposition amendée, les exigences de la loi pour que la proposition amendée soit acceptée, soit une majorité en nombre et une majorité des deux tiers en valeur des créanciers non garantis votants. (Article 54 (1) (d) de la LFI).

Le résultat du vote est le suivant :

	Nombre		Valeur	
	Nombre	%	\$	%
Pour	90	98,9 %	12 177 172,46	99,8 %
Contre	1	1,1 %	23 505,30	0,2 %

La proposition amendée est acceptée.

### **Levée de l'assemblée**

L'assemblée des créanciers dans l'affaire de la proposition amendée de Bouclair Inc. et Bouclair International Inc. est levée à 10 h 25.

Restructuration Deloitte Inc.  
Syndic



Martin Franco, CPA, CA, CIRP, SAI  
Président de l'assemblée

**Annexe A**  
**Registre des présences des créanciers**

Nom du créancier	Représentant
34 Locateurs	Me Francois Viau, Gowling WLP
Agence du Revenu du Québec	Clément Noah
Chubb compagnie d'assurance	Me Roger Simard, Dentons
Crombie Property Holdings Ltd	M Citak
Daniel Mc Graw	Daniel Mc Graw
Ideka Services Conseils Inc.	Marie-Josée Tremblay
Luce Lemen Inc.	John Gubany
Madden Electric Inc.	Christine
Oeanex	Serge Andary
Sara Caouette	Sara Caouette
Transport Morneau Inc.	Roger Bouvier
Vanilla Moulding Inc.	Mark Del Degan

**Pièce « A-17 »**

**Bouclair Inc. et Bouclair International Inc.  
Sommaire du registre des réclamations reçues**

<b>Résultat du vote</b>	<b>En nombre</b>			<b>En valeur</b>		
	<b>Pour</b>	<b>Contre</b>	<b>%</b>	<b>Pour</b>	<b>Contre</b>	<b>%</b>
Avec le vote réputé (<1 500\$)	90	1	98.9%	12 177 172	23 505	99.8%
Sans le vote réputé (<1 500\$)	70	1	98.6%	12 162 189	23 505	99.8%

**Pièce « A-18 »**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

**SUPERIOR COURT**  
(Commercial Division)

(Sitting as a court designated pursuant to the  
*Bankruptcy and Insolvency Act*, RSC 1985, c B-3)

No.: 500-11-057470-193  
500-11-057469-195

**IN THE MATTER OF THE AMENDED PROPOSAL  
OF:**

**BOUCLAIR INC.**

-and-

**BOUCLAIR INTERNATIONAL INC.**

Debtors

-and-

**DELOITTE RESTRUCTURING INC.**

Petitioner/Proposal Trustee

**APPLICATION FOR THE APPROVAL OF A PROPOSAL  
(Sections 50(1)(a) and 58 of the *Bankruptcy and Insolvency Act*)**

**TO THE HONOURABLE JUSTICE CORRIVEAU OF THE SUPERIOR COURT,  
SITTING IN COMMERCIAL DIVISION, IN THE JUDICIAL DISTRICT OF MONTRÉAL,  
THE PETITIONER/PROPOSALTRUSTEE RESPECTFULLY SUBMITS AS FOLLOWS:**

**I. INTRODUCTION**

1. On November 11, 2019, Bouclair Inc. and Bouclair International Inc. (collectively, “**Bouclair**”, or the “**Debtors**”) each filed a Notice of intention to make a proposal (“**NOI**”) under the relevant provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”) and Deloitte Restructuring Inc. was appointed as trustee thereto (“**Deloitte**” or the “**Trustee**”), the whole as appears from the Court record.
2. By the present application, the Trustee is seeking the issuance by this Court of an order (the “**Proposal Approval Order**”) approving and ratifying the Amended Proposal (the “**Amended Proposal**”) filed by the Debtors, with the assistance of

the Trustee, on July 8, 2020, with the Office of the Superintendent of Bankruptcy Canada (the “**Superintendent**”) pursuant to section 62 of the BIA, and subsequently approved by the required majority of the Debtors’ creditors during a meeting of creditors (the “**Meeting of Creditors**”) held by videoconference on July 21, 2020, the whole substantially in the form of the draft Proposal Approval Order communicated herewith as **Exhibit P-1**.

## II. PROCEDURAL BACKGROUND

3. The factual background which led to the filing of the present proceedings is described in the Debtors’ *Motion for the Issuance of an Order (i) Creating Super-Priority Charges, (ii) Approving a Consulting Agreement and (iii) Approving Related Relief* (the “**Initial Motion**”), as well as in the First Report to the Court submitted by Deloitte Restructuring Inc. in its Capacity as Trustee to the Notice of Intention to Make a Proposal, both in the Court record.
4. In accordance with section 69(1) of the BIA, the filing of the NOIs resulted in all actions, executions or other proceedings against the Debtors and their property being automatically stayed for a period of thirty (30) days, until December 11, 2019 (the “**Stay Period**”).
5. On November 12, 2019, following the presentation of the Debtors’ Initial Motion, the Honourable Chantal Corriveau rendered an Order in the present proceedings (the “**First Day Order**”):
  - (a) operating a procedural consolidation of the court files of Bouclair and Bouclair International;
  - (b) granting priority Charges over all Affected Assets (as these terms are defined in the First Day Order);
  - (c) approving and ratifying, retroactively, the CRO Engagement Letter (as defined in the First Day Order);
  - (d) authorizing the payment, to certain suppliers situated outside of the jurisdiction of this Court, of certain pre-filing obligations; and
  - (e) approving other related relief;the whole as appears from the Court record.
6. Prior to the filing of the present proceedings, the Debtors had initiated a restructuring process (the “**Restructuring Process**”), the implementation of which originally included two (2) main components:
  - (a) a transaction with Alston Investments Inc. (the “**Purchaser**”), which, once approved by this Court, would result in the Purchaser acquiring the majority of the assets and assuming certain of the liabilities of the Debtors, with a

view to maintaining approximately sixty (60) Bouclair retail store locations, its head office in Pointe-Claire (Québec) and approximately 80% of Bouclair's national employee base; and

- (b) the liquidation of thirty-one (31) Bouclair retail stores (with an additional four (4) option stores which could be liquidated following consultation between the Debtors and their landlords) (the "**Liquidation Stores**") out of the retail locations then operated by the Debtors, with a view to remitting the net proceeds of the liquidation to the secured creditors that held security over said liquidated assets (the "**Liquidation**").
7. To implement the second component of the Restructuring Process (i.e. the Liquidation), on November 11, 2019, Gordon Brothers Canada ULC (the "**Liquidator**") and Bouclair finalized the terms of a Consulting Agreement (the "**Consulting Agreement**") pursuant to which the Liquidator would act as the exclusive consultant to Bouclair to conduct the Liquidation.
8. On November 15, 2019, the Honourable Chantal Corriveau rendered an Order in these proceedings approving the Consulting Agreement and the Liquidation, as appears from the Court record.
9. Beginning on November 15, 2019, Bouclair, with the assistance of the Liquidator, conducted the Liquidation in the Liquidation Stores. The Liquidation is now completed.
10. On December 10, 2019, the Honourable Chantal Corriveau rendered an Order in these proceedings:
  - (a) extending the Stay Period until January 24, 2020; and
  - (b) declaring that the scope of the Charges (as defined in the First Day Order rendered in these proceedings on November 12, 2019) shall be extended to cover all the assets of Bouclair, with no exception;the whole as appears from the Court record.
11. On January 23, 2020, March 2, 2020, and March 27, 2020, the Court rendered three (3) orders in these proceedings, ultimately extending the Stay Period until May 7, 2020, as appears from the Court record.
12. On May 1, 2020, the Debtors served upon the Service List a *Motion for the Issuance of an Approval and Vesting Order and a Contract Assignment Order* (the "**Approval Motion**") seeking from this Court the issuance of an Order, *inter alia*:
  - (a) approving the sale transaction (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") between the Debtors, as vendors, and the Purchaser, as purchaser;



- (b) vesting in the Purchaser all of the Debtors' rights, title and interest in and to the assets described in the Purchase Agreement;
- (c) assigning by Court order to the Purchaser certain purchased contracts designated under the Purchase Agreement; and
- (d) extending the Stay Period until May 11, 2020;

the whole as appears from the Court record.

13. The Approval Motion was scheduled to be heard by the Court on May 7, 2020.
14. On May 4, 2020, the Debtors served upon the Service List an *Amended Motion for the Issuance of an Approval and Vesting Order and a Contract Assignment Order* (the "**Amended Approval Motion**"), which Amended Approval Motion contemplated the revision of certain schedules to the Approval Motion, as appears from the Court record.
15. On May 6, 2020, the Debtors advised the Court and the Service List that the part of the Amended Approval Motion seeking the approval of the Transaction and the assignment of certain agreements had to be postponed until further notice, and that the Debtors would only seek the extension of the Stay Period until May 11, 2020.
16. On May 7, 2020, the Court postponed until further notice the part of the Amended Approval Motion seeking the approval of the Transaction and the assignment of certain agreements, and granted the extension of the Stay Period until May 11, 2020.
17. On May 11, 2020, the Debtors, with the assistance of the Trustee, filed a proposal to their creditors (the "**Proposal**") with the Superintendent pursuant to section 62 of the BIA, which Proposal remained conditional on, *inter alia*, the closing of the Transaction, as appears from the Court record.
18. On May 20, 2020, the Debtors served upon the Service List a *Re-Amended Motion for the Issuance of an Approval and Vesting Order and a Contract Assignment Order* (the "**Re-Amended Approval Motion**"), which Re-Amended Approval Motion sought, *inter alia*, the approval of a slightly revised Transaction between the Debtors and the Purchaser, as well as the assignment by Court order of certain designated agreements under the Purchase Agreement, as appears from the Court record.
19. On May 22, 2020, the Court issued an *Approval and Vesting Order and Contract Assignment Order* (the "**Approval Order**"), *inter alia*, granting the Re-Amended Approval Motion, approving the Transaction and the sale of the majority of the Debtors' assets to the Purchaser, and assigning certain designated agreements under the Purchase Agreement, as appears from the Court record.

20. On May 31, 2020, the Trustee issued and filed the Certificate of the Trustee, confirming that it had been advised that:
- (a) the Purchase Agreement has been executed and delivered;
  - (b) the Purchase Price (as defined in the Purchase Agreement) payable upon the closing of the Transaction and all applicable taxes have been paid; and
  - (c) all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto;

the whole as appears from the Court record.

21. Pursuant to the filing of the Proposal, and in accordance with the Omnibus Order issued on April 30, 2020, by the Honourable Justice Louis J. Gouin, j.s.c., in *Proposition de St-Pierre*, 2020 QCCS 1374, the Debtors had until July 21, 2020, to hold a meeting of creditors as provided by section 51 of the BIA.
22. On July 8, 2020, the Debtors, with the assistance of the Trustee, filed the Amended Proposal in which, *inter alia*, the amount of the basket amount to be paid to unsecured creditors was increased, compared to the original proposal, from \$500,000 to \$1,325,000, as appears from a copy of the Amended Proposal communicated herewith as **Exhibit P-2**.
23. On or around July 9, 2020, the Trustee sent to the Debtors' creditors:
- (a) a Notice of Amended Proposal to Creditors pursuant to section 51 of the BIA, in which, *inter alia*, the Trustee advised the Debtors' creditors that the Meeting of Creditors will be held on July 21, 2020, at 10:00 a.m. by videoconference;
  - (b) the Trustee's Report on the Amended Proposal pursuant to section 50(10) of the BIA (the "**Trustee's Report**"); and
  - (c) other relevant documents in connection with the Meeting of Creditors;

the whole as appears from the Amended Proposal's materials sent by the Trustee to the Debtors' creditors, copies of which are communicated herewith, *en liasse*, as **Exhibit P-3**.

24. On July 17, 2020, following an application of the Trustee, the Court issued a *Receivership Order*, *inter alia*, appointing Deloitte as receiver without security over a certain limited pool of funds, for the sole purpose of allowing the Debtors' employees to benefit from payments provided under the *Wage Earner Protection Program Act* (S.C. 2005, c. 47, s. 1), as appears from the Court record.
25. On July 21, 2020, the Meeting of Creditors with respect to the vote on the Amended Proposal by the Debtors' creditors was held by videoconference with the

assistance of the Trustee, which Meeting of Creditors and voting results are more fully described below.

### III. THE AMENDED PROPOSAL<sup>1</sup>

26. As summarized in the Trustee's Report (Exhibit P-3), the main features of the Amended Proposal (Exhibit P-2) can be described as follows:

- (a) **Basket Amount [Article 2.1]:** The Debtors shall remit to the Trustee an amount of \$1,325,000 for distribution to holders of Proven Unsecured Claims (the "**Basket Amount**"), divided as follows:
  - i) A first payment representing the lesser of \$1,500 and of 100% of the duly proven claim by any unsecured creditor. Since the Amended Proposal provides for the payment of 100% of the proven and received claims lower than \$1,500, barring a vote against the Amended Proposal, it provides that the unsecured creditors with a proven claim lower than \$1,500 will be deemed to have voted in favour of the Amended Proposal;
  - ii) A second payment equal to the pro rata portion of the claim by any creditor (on the amount of all remaining claims) relative to the funds that are still available; and
  - iii) A levy payable to the Superintendent under the BIA will be deducted and paid from all amounts payable on the Basket Amount.
- (b) **Classes of Creditors [Article 3.2]:** For the purposes of considering and voting upon and receive distributions under the Amended Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.
- (c) **Unpaid COVID-19 Rent [Article 1.9]:** In accordance with the Asset Purchase Agreement entered into on May 21, 2020, between Alston Investments Inc. ("**Alston**"), as purchaser, and the Debtors, as vendors, and the Approval Order, Alston undertakes to assume any and all Unpaid COVID-19 Rent (as defined in the Approval and Vesting Order), only to the extent such Unpaid COVID-19 Rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a landlord. The Unpaid COVID-19 Rent is therefore not compromised under the Amended Proposal.
- (d) **Proposal Conditions [Articles 5.1 and 5.2]:** The Amended Proposal is conditional upon, among other things, (a) approval of the Proposal by the statutory majority of creditors as required under the BIA; (b) issuance of

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<sup>1</sup> All capitalized terms used but not otherwise defined in this Motion shall have the meaning ascribed to such terms in the Amended Proposal.

the Proposal Approval Order; (c) the expiration of all appeal periods in respect of the Proposal Approval Order; (d) the funding of the Basket Amount; and (e) all other actions, documents and agreements necessary to implement the Amended Proposal as required shall have been effected and executed.

- (e) **Proposed Payments [Article 2.1]:** Subject to the Amended Proposal conditions being fulfilled, the following payments will be made: (a) Professional Fees will be paid in full by the Debtors in priority to all other claims; (b) Post Filing Claims will be paid in full by the Debtors in the ordinary course of business and on regular trade terms; (c) Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown; (d) Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors; (e) D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims; (f) Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors; and (g) the holders of Proven Unsecured Claims will receive, from the Basket Amount, the distribution as described in paragraph 26(a) above.
- (f) **Release in Favour of the Debtors [Article 4.1]:** On the Effective Date, all Unsecured Claims shall, as against the Debtors, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Debtors in respect of all or any portion of an Unsecured Claim.
- (g) **Release in Favour of the Directors, Officers and Chief Restructuring Officer [Article 4.2]:** The acceptance of the Amended Proposal by the creditors affected by the Amended Proposal shall, on the Effective Date, release definitively, as at the Filing Date, the Debtors' directors in accordance with Section 50(13) of the BIA, as well as their officers in office and the chief restructuring officer duly appointed by the Debtors, from any and all liability or obligation for which they may be liable by law in their capacity as directors, officers and chief restructuring officer, in respect of any debt of the Debtors which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors, officers and chief restructuring officer in office as at the Filing Date, any such liability or obligation being specifically denied.
- (h) **Settlements and Preferences [Article 7.2]:** The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to the Amended Proposal.

27. As indicated by the Trustee in the Trustee's Report, the Amended Proposal is beneficial to the mass of the Debtors' creditors, with an average dividend of approximately 5.2% as compared to 4.1% in the event of a bankruptcy, before considering the fees and disbursements of the Trustee, its legal advisors and the Debtors' legal advisors, which all together, could exceed the amount of the Administration Charge. In addition, the Trustee anticipates that the dividend should be distributed faster within the Amended Proposal than within a bankruptcy.
28. For these reasons, the Trustee recommended to the Debtors' creditors in the Trustee's Report that they vote in favour of the Amended Proposal.

#### **IV. THE MEETING OF CREDITORS**

29. As indicated above, on July 21, 2020, the Meeting of Creditors with respect to the vote on the Amended Proposal was held by videoconference with the assistance of the Trustee. The Amended Proposal was accepted by the required majority of creditors of the Debtors as follows:

- (a) 98.9% in number; and
- (b) 99.8% in value;

as appears from a copy of the minutes of the Meeting of Creditors, communicated herewith as **Exhibit P-4**.

30. In light of the above, the Trustee respectfully submits that the Amended Proposal is made in good faith, the terms thereof are reasonable under the circumstances and are calculated to benefit the general body of the Debtors' creditors.
31. The Debtors support this application.

#### **FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:**

**GRANT** the present *Application for the Approval of a Proposal*;

**ISSUE** an order substantially in the form of the draft Proposal Approval Order communicated herewith as Exhibit P-1;

**THE WHOLE WITHOUT COSTS**, save in the event of contestation.

MONTREAL, July 27, 2020

*Osler, Hoskin & Harcourt LLP*

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**Osler, Hoskin & Harcourt LLP**

Mtre. Sandra Abitan | Mtre. Julien Morissette | Mtre. Iliia Kravtsov

Attorneys for Petitioner/Trustee

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Email notification: [notificationosler@osler.com](mailto:notificationosler@osler.com)

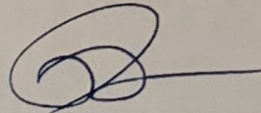
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AFFIDAVIT

I the undersigned, Patrick Fillion, CPA, CA, CF, domiciled for the purpose hereof at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montréal, Province of Québec, H3B 0M7, solemnly declare the following:

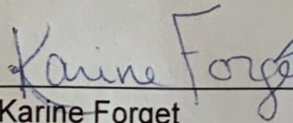
1. I am a Director of Deloitte Restructuring Inc. and a duly authorized representative for the purposes hereof.
2. I have taken cognizance of the attached *Application for the Approval of a Proposal* (the "**Application**").
3. All of the facts alleged in the Application of which I have personal knowledge are true.
4. Where I have obtained facts alleged in the Application from others, I believe them to be true.

AND I HAVE SIGNED:



PATRICK FILLION

SOLEMNLY DECLARED BEFORE ME BY  
TECHNOLOGICAL MEANS IN  
MONTRÉAL, QUÉBEC, ON JULY 27<sup>th</sup> 2020.



Karine Forget

Commissioner for Oaths for the Province of  
Québec



**NOTICE OF PRESENTATION**

**TO: SERVICE LIST (SEE ATTACHED)**

**TAKE NOTICE** that the *Application for the Approval of a Proposal* will be presented for hearing and allowance in the Superior Court (Commercial Division), on **August 12, 2020, at 2:15 PM**, by videoconference, the coordinates of which shall be communicated to the Service List.

MONTREAL, July 27, 2020

*Osler, Hoskin & Harcourt LLP*

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**Osler, Hoskin & Harcourt LLP**  
Attorneys for Petitioner/Trustee



**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT**  
(Commercial Division)

(Sitting as a court designated pursuant to the  
*Bankruptcy and Insolvency Act*, RSC 1985, c B-3)

No.: 500-11-057470-193  
500-11-057469-195

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**IN THE MATTER OF THE AMENDED PROPOSAL  
OF:**

**BOUCLAIR INC.**

-and-

**BOUCLAIR INTERNATIONAL INC.**

Debtors

-and-

**DELOITTE RESTRUCTURING INC.**

Petitioner/Trustee

<b>LIST OF EXHIBITS</b>
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- P-1 Proposal Approval Order
- P-2 Amended Proposal
- P-3 Amended Proposal's materials, *en liasse*
- P-4 Copy of the minutes of the Meeting of Creditors

MONTRÉAL, July 27, 2020

*Osler, Hoskin & Harcourt LLP*

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**Osler, Hoskin & Harcourt LLP**  
Attorneys for Petitioner/Trustee

# **EXHIBIT P-1**

SUPERIOR COURT  
(Commercial Division)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL

No. 500-11-057470-193  
500-11-057469-195

DATE: August 12, 2020

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PRESIDING: THE HONOURABLE JUSTICE CHANTAL CORRIVEAU, J.S.C.

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IN THE MATTER OF THE AMENDED PROPOSAL OF :

BOUCLAIR INC.

-and-

BOUCLAIR INTERNATIONAL INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Petitioner/Trustee

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ORDER APPROVING A PROPOSAL

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[1] **ON READING** the *Application for the Approval of a Proposal* (the “**Application**”) made by Deloitte Restructuring Inc., in its capacity as trustee (in such capacity, the “**Trustee**”) to the proposal of Bouclair Inc. and Bouclair International Inc. (the “**Debtors**”) pursuant to sections 50(1)(a) and 58 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), the sworn declaration and the exhibits P-1, P-2, P-3 and P-4 in support thereof;

[2] **SEEING** the service of the Application;

[3] **SEEING** the submissions of the Trustee’s and Debtors’ attorneys;

[4] **SEEING** the results of the meeting of the Debtors' creditors;

**WHEREFORE THE COURT:**

[5] **GRANTS** the Application.

[6] **APPROVES** and **RATIFIES** the Amended Proposal filed on July 8, 2020, by the Debtors;

**THE WHOLE, WITHOUT COSTS.**

Montreal, August 12, 2020

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The Honourable Chantal Corriveau j.s.c.

# **EXHIBIT P-2**

CANADA  
 PROVINCE OF QUÉBEC  
 DISTRICT OF MONTRÉAL

SUPERIOR COURT  
 Commercial Division

Court No: 500-11-057470-193  
 Court No: 500-11-057469-195

IN THE MATTER OF THE PROPOSAL OF:

BOUCLAIR INC.

- and -

BOUCLAIR INTERNATIONAL INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Trustee

**AMENDED PROPOSAL**  
 (Subsection 50(2) of the *Bankruptcy and Insolvency Act*)

**BOUCLAIR INC. AND BOUCLAIR INTERNATIONAL INC.** hereby submit to their creditors the following amended proposal pursuant to the *Bankruptcy and Insolvency Act*:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a.1) **"Alston"** means Alston Investments Inc., the purchaser of the majority of the assets of the Companies pursuant to the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston Investments Inc., as purchaser, and the Companies, as vendors, and subsequently approved by the Court on May 22, 2020.
- a) **"Basket Amount"** has the meaning ascribed to it in **Section 2.1** hereof.
- b) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- c) **"Bouclair"** means Bouclair Inc.
- d) **"Bouclair International"** means Bouclair International Inc.

- e) "**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Quebec.
- f) "**Claim**" means any right of any Person against the Companies in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature.
- g) "**Companies**" means Bouclair Inc. and Bouclair International Inc., collectively.
- h) "**Court**" means the Superior Court of Quebec (Commercial Division).
- i) "**Creditors' Meeting**" means the meeting of creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting.
- j) "**Crown Claims**" means all Claims of Her Majesty in right of Canada or a province described in section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court.
- k) "**Disputed Claim**" means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Companies, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- l) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- m) "**D&O Claims**" means any Claim against the directors and officers of the Companies which they may have incurred in their capacity as directors or officers of the Companies after the Filing Date, except where such Claims have arisen as a result of the Companies' directors or officers' gross negligence or willful misconduct.
- n) "**Effective Date**" has the meaning ascribed to it in **Section 5.3** hereof.
- o) "**Filing Date**" means the date of the filing of the Notices of Intention to Make a Proposal by the Companies, namely November 11, 2019.
- p) "**Landlord Claims**" means any Claim of any of the landlords of Bouclair arising from a disclaimer of the landlord's lease by Bouclair, which shall be calculated in accordance with **Section 3.5** hereof.
- q) "**Landlord**" means a landlord to any real property lease to which Bouclair is or was a party to.
- r) "**Official Receiver**" means the officer appointed pursuant to Section 12(2) of the BIA.

- s) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- t) **"Post-Filing Claims"** means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Companies after the Filing Date, except for Restructuring Claims and Unpaid COVID-19 Rent.
- u) **"Preferred Claims"** means any Claim as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all other Claims in the distribution of the property of a bankrupt.
- v) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- w) **"Professional Fees"** means all fees, expenses, liabilities and obligations of the Trustee and the Companies' legal advisors on and incidental to the proceedings arising out of the Notices of Intention to Make a Proposal of the Companies or the Proposal, including advice to the Companies in connection with the Notices of Intention to Make a Proposal and the Proposal.
- x) **"Proof of Claim"** means the form delivered by the Trustee to creditors of the Companies in accordance with the BIA.
- y) **"Proposal"** means this Amended Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- z) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Companies and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- aa) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- bb) **"Related Persons"** has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, *inter alia*, Mr. Peter Goldberg, both in his personal capacity and in his capacity as director and officer of the Companies, as well as Aljusa Investments Inc.
- cc) **"Required Majority"** means a majority in number and two-thirds in value of the Unsecured Claims of all Unsecured Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.



- dd) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by the Companies, including the Landlord Claims.
- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- ff) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Companies had become bankrupt at the Filing Date, and includes, for greater certainty, the National Bank of Canada.
- gg) **"Substantive Consolidation"** has the meaning ascribed to it in **Section 1.6** hereof.
- hh) **"Trustee"** means Deloitte Restructuring Inc., in its capacity as trustee to the (...) Proposal of the Companies and not in its personal capacity.
- ii) **"Trustee's Certificate"** has the meaning ascribed to it in **Section 5.3** hereof.
- jj) **"Unpaid COVID-19 Rent"** means any unpaid gross rent normally owed by Bouclair to a Landlord for the period beginning April 1, 2020, and ending on the day (i) on which the various COVID-19 government decreed shutdowns are effectively lifted and (ii) on which Bouclair is authorized by government authorities to reopen its retail locations, but in all cases, only to the extent such rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord, it being understood that nothing in the present Proposal shall be construed as an admission, by the Companies, that the unpaid gross rent for the period described above is owed and payable.
- kk) **"Unsecured Claims"** means all Claims other than Secured Claims, Post-Filing Claims, Crown Claims, and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Unsecured Claims shall include Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, including any contingent and unliquidated Claims (once quantified) against the Companies and all Restructuring Claims.
- ll) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- mm) **"Unsecured Creditors Class"** means all Unsecured Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

## 1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

### 1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

### 1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### 1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### 1.6 Consolidation of Estates

For the purposes of this Proposal, the estates of Bouclair and Bouclair International shall be substantively consolidated (the "**Substantive Consolidation**"). As a result of the Substantive Consolidation, the creditors of Bouclair and Bouclair International shall be grouped together and treated on a *pari passu* basis pursuant to the terms of this Proposal.

### 1.7 Waiver

Bouclair and Bouclair International hereby waive all monetary obligations which are or will be owing between them as at the Effective Date.

### 1.8 Consent of Trustee

The Trustee hereby consents to the filing of this Proposal, as amended by the Companies.

### 1.9 Undertaking of Alston regarding Unpaid COVID-19 Rent

In accordance with the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston, as purchaser, and the Companies, as vendors, and the *Approval and Vesting Order and Contract Assignment Order* rendered by the Court in these proceedings on May 22, 2020, Alston hereby undertakes to assume any and all Unpaid COVID-19 Rent, only to the extent such Unpaid COVID-19 Rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord.

## ARTICLE 2 PROPOSAL

### 2.1 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Companies propose to pay the following amounts:

- a) Professional Fees: The Professional Fees will be paid in full by the Companies as they become due in priority to all Preferred Claims and Unsecured Claims.
- b) Post-Filing Claims: Post-Filing Claims will be paid in full by the Companies in the ordinary course of business, and on regular trade terms.

- c) Crown Claims: Any Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Preferred Claims: Any Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- e) D&O Claims: The D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims.
- f) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors.
- g) Unsecured Claims: The Companies shall remit to the Trustee, within five (5) Business Days following the Proposal Approval Order, an amount of \$1,325,000 (the "**Basket Amount**") which will be distributed to the holders of Proven Unsecured Claims, other than Related Persons, within forty-five (45) days of the issuance of the Proposal Approval Order. The holders of Proven Unsecured Claims will receive, from the Basket Amount:
  - (i) the lesser of (i) 100% of their Proven Unsecured Claims, without interest, and (ii) \$1,500; and
  - (ii) a pro rata and pari passu share of the balance of their Proven Unsecured Claims out of the balance of the Basket Amount after payment of the amounts provided by sub-paragraph 2.1(g)(i) above.
- h) The Superintendent's Levy: The levy payable to the Superintendent of Bankruptcy under the BIA shall be deducted and paid from all amounts payable from the Basket Amount.

For greater certainty, the payments outlined in this **Section 2.1** do not include any Unpaid COVID-19 Rent, which shall be assumed by Alston as set forth in **Section 1.9** of this Proposal. The Companies and the Trustee, as applicable, shall be authorized to distribute the Basket Amount and all other amounts contemplated in this **Section 2.1** irrespective of whether any Unpaid COVID-19 Rent is payable or remains unpaid.

### ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

#### 3.1 Proof of Claims

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.

## **3.2 Class of Creditors**

For the purpose of considering and voting upon this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

### **3.2.1 Deemed Approval**

Each of the (i) Preferred Creditors and (ii) Unsecured Creditors with a Proven Unsecured Claim equal to or less than \$1,500 shall be deemed to have voted in favour of the Proposal. Notwithstanding the foregoing, any Unsecured Creditor may choose to vote against the Proposal in the context of a vote on the Proposal.

## **3.3 Creditors' Meeting, Proxies and Voting Letters**

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast their vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

## **3.4 Repudiation of Contracts**

The Claims of each Person resulting from or arising from the repudiation of any contract, arrangement, agreement or lease (other than leases of real property) to which the Companies are a party to shall be Unsecured Claims in this Proposal.

## **3.5 Landlord Claims**

A Landlord will be entitled to file a Proof of Claim for: (i) any unpaid amounts owing as at the Filing Date; and (ii) the actual loss resulting from the disclaimer or repudiation of any leases of real property. With the exception of any Unpaid Covid-19 Rent, to the extent any such rent is payable, all Landlord Claims will be Unsecured Claims under this Proposal.

## **3.6 Claims for Voting Purposes**

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Companies,

the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

### **3.7 Approval of the Proposal**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.8 Modification of the Proposal**

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Companies reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any such supplementary proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Companies may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

## **ARTICLE 4 RELEASE**

### **4.1 Release in Favour of the Companies**

On the Effective Date, all Unsecured Claims shall, as against the Companies, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Companies in respect of all or any portion of an Unsecured Claim.

### **4.2 Release in Favour of the Directors, Officers and Chief Restructuring Officer**

(...) The acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively, as at the Filing Date, the Companies' directors in accordance with Section 50(13) of the BIA, as well as their officers in office and the chief restructuring officer duly appointed by the Companies, from any and all liability or obligation for which they may be liable by law in their capacity as directors, officers and chief restructuring officer, in respect of any debt of the Companies which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors, officers and chief restructuring officer in office as at the Filing Date, any such liability or obligation being specifically denied.

## **ARTICLE 5 CONDITIONS AND EFFECTIVE DATE**

### **5.1    (...) Funding**

This Proposal is conditional on (...) the funding by the Companies of the Basket Amount.

### **5.2    Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a)     The Proposal is approved by the Required Majority;
- b)     The Proposal Approval Order has been issued and (i) has not been stayed and there is no outstanding appeal therefrom, or (ii) it is executory notwithstanding appeal; and
- c)     All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, the Companies shall file an application for the Proposal Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

### **5.3    Trustee's Certificate and Effective Date**

Upon the satisfaction or waiver of the conditions precedent set out in **Section 5.2** hereof, the Proposal Trustee will file with the Court a certificate which states that all conditions precedent set out in **Section 5.2** have been satisfied or waived and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

## **ARTICLE 6 BINDING EFFECT**

### **6.1    Binding Effect**

This Proposal will become effective and binding on and enure to the benefit of the Companies and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## **ARTICLE 7 GENERAL**

### **7.1    Capacity of the Trustee**

Deloitte Restructuring Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Companies, whether existing as at

the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Deloitte Restructuring Inc. in respect thereof.

## **7.2 Settlements and Preferences**

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

## **7.3 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

## **7.4 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

*[Signature Page Follows]*

DATED AT MONTREAL, this 7<sup>th</sup> day of July, 2020

**BOUCLAIR INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**BOUCLAIR INTERNATIONAL INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

The filing of this Proposal, as amended by the Companies, is consented to by Deloitte Restructuring Inc., in its capacity as trustee to the Proposal of the Companies and not in its personal capacity:

DELOITTE RESTRUCTURING INC., its capacity as trustee to the Proposal of the Companies and not in its personal capacity

Per: 

\_\_\_\_\_  
Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

Alston Investments Inc. hereby intervenes in this Proposal for the sole purpose of agreeing to the undertaking made in Section 1.9 herein:

**ALSTON INVESTMENTS INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer



# **EXHIBIT P-3**

**Deloitte Restructuring Inc.**

La Tour Deloitte  
1190 avenue des  
Canadiens-de-Montréal Suite 500  
Montreal QC H3B 0M7  
Canada

Phone: 514-369-8350  
Fax: 514-390-4103  
Email : bouclair@deloitte.ca  
www.insolvencies.deloitte.ca/Bouclair

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
DIVISION N°: 01-MONTREAL  
COUR N°: 500-11-057470-193  
FILE N°: 41-2582132

SUPERIOR COURT  
Commercial Division

**IN THE MATTER OF THE  
AMENDED PROPOSAL OF :**

**Bouclair Inc.**, a legal person duly incorporated under the Law, having its head office and principal place of business at 152 av. Alston, Pointe-Claire, Quebec, H9R 6B4.

Insolvent person

- and -

**DELOITTE RESTRUCTURING INC.**

(Martin Franco, CPA, CA, CIRP, LIT, responsible)  
having its place of business at 1190, avenue des  
Canadiens-de-Montreal, Suite 500, Montreal  
Quebec, H3B 0M7

Trustee

**NOTICE OF AMENDED PROPOSAL TO CREDITORS**

(Section 51 of the Act)

TAKE NOTICE that Bouclair Inc. has lodged with me on July 8, 2020, an amended proposal under the *Bankruptcy and Insolvency Act*.

A copy of the amended proposal, a condensed statement of the debtor's assets, and liabilities, a list of the creditors affected by the amended proposal and the Trustee's report on the amended proposal are enclosed.

A general meeting of the creditors will be held on July 21, 2020 at 10:00 a.m. Given the current pandemic situation and the gathering restrictions issued by the authorities, the meeting will be held by videoconference.

We ask that creditors who wish to attend the meeting to complete the attached registration form and return it, by email, to the following email address: [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca), no later than 48 hours before the meeting, at 10:00 a.m. on Sunday July 19, 2020.

For creditors, or their representative who have registered, you will receive a link by email, which will allow you to attend the meeting. Please note that only those who have registered will be able to attend the meeting.

The creditors or any class of creditors qualified to vote at the meeting may, by resolution, accept the amended proposal either as made by the debtor either as made or altered or modified at the meeting. If so accepted and if approved by the Court, the amended proposal is binding on all creditors or the class of creditors affected.

Creditors are strongly encouraged to send me in advance the proxies and voting letters intended to be used at the meeting. The creditors who have registered for, and are attending the meeting, will also be able to send these documents during the meeting, in accordance with the instructions, which will be given at the meeting.

Dated at Montreal, on July 8, 2020

DELOITTE RESTRUCTURING INC.  
Trustee at the proposal of Bouclair Inc.



Deloitte Restructuring Inc.  
1190 Avenue des Canadiens-de-  
Montréal  
Suite 500  
Montréal QC H3B 0M7  
Canada

Tel: 514 393-8474  
Fax: 514 390-4301  
www.deloitte.ca

C A N A D A  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
COURT No.: 500-11-057470-193  
500-11-057469-195  
ESTATE No.: 41-2582132  
41-2582130

S U P E R I O R C O U R T  
Commercial Division

**IN THE MATTER OF THE AMENDED  
PROPOSAL OF:**

**BOUCLAIR INC.**

- and -

**BOUCLAIR INTERNATIONAL INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

(Martin Franco, CPA, CA, CIRP, LIT designated  
person in charge)

**Trustee**

**TRUSTEE'S REPORT ON THE AMENDED PROPOSAL**  
(s. 50(10) of the Bankruptcy and Insolvency Act ("BIA"))

**NOTICE TO THE READER**

This report is destined to the exclusive use of the creditors of Bouclair Inc. ("**Bouclair**") and of Bouclair International Inc. ("**Bouclair International**") (collectively the "**Companies**" or the "**Debtors**"). It seeks to provide them with useful information in view of the meeting of the creditors during which they will be called upon to speak on the amended proposal submitted by the Debtors.

The information submitted in this report was gathered mainly from the Companies' management. The trustee did not carry out any audit or certification activities on them and, consequently, the trustee is not expressing the opinion of an auditor or professional accountant with regard to them.

The prospective financial information contained in this report is based on assumptions concerning upcoming events. Consequently, despite the efforts to ensure the contrary, the actual results will be different from the projected results and the divergences could be material. Consequently, the trustee cannot assert, and does not assert, that the forecasts in this report will be fulfilled.

If they wish to, the creditors may consult the collection of documents related to the Debtor's files by consulting the trustee's website at the following link: <https://www.insolvencies.deloitte.ca/Bouclair>

## **GENERAL INFORMATION AND INSOLVENCY PROCEEDINGS**

1. Bouclair is a business corporation founded in 1970 and constituted under the laws of the Province of Québec.
2. Bouclair designs and sells at retail window coverings, in particular curtains, curtain rods, blinds and accessories. In addition, Bouclair designs and sells at retail a wide range of home décor products in the following categories: wall décor, home furnishings, kids/babies, home accents, lighting, seasonal, bathroom, storage, florals and other interior decoration products as well as furniture.
3. Bouclair International is a corporation owned by Bouclair and which generates its revenue mainly through royalties.
4. On November 11, 2019, the Debtors filed a notice of intention with the Office of the Surintendent of Bankruptcy ("**OSB**") and Deloitte Restructuring Inc. (the "**Trustee**" or "**Deloitte**") acts as trustee.
5. On November 15, 2019, the Superior Court of Québec (the "**Court**") issued an order (the "**Liquidation Order**") approving the agreement with Gordon Brothers Canada ULC as liquidator of the stores identified in the initial motion.
6. On December 10, 2019, the Court issued an order extending the stay period to January 24, 2020 and declaring that the super-priorities now cover the entirety of Bouclair's assets.
7. The Court has since extended the stay period on several occasions, and, most recently, up until May 11, 2020.
8. On May 11, 2020, the Debtors filed a proposal (the "**Proposal**") with the OSB. Normally, the maximum delay to hold a meeting of the creditors is 21 days following the filing of the proposal. Given the current pandemic, the Court issued an omnibus order on April 30, 2020, which suspended the delays for holding a meeting of the creditors. The suspension period covered the period from April 27 to June 30, 2020 (the "**Suspension Period**").
9. On May 22, 2020, the Court rendered a vesting order and a contract assignment order such that the majority of the Debtors' assets was sold (the "**Transaction**") to Alston Investments Inc. ("**Alston**" or the "**Purchaser**").
10. On July 8, 2020, the Debtors filed an amended proposal (the "**Amended Proposal**"). The Suspension Period having ended, the amended proposal will be submitted for creditor approval on July 21, 2020, namely in the 21 days following the end of the Suspension Period.

## FINANCIAL INFORMATION

11. The table below presents historical data realized by the Debtors over the last three fiscal years.

<b>Historical Results (\$ 000)</b>			
<b>Income Statement for the year ended</b>	<b>27-Jan-18</b>	<b>26-Jan-19</b>	<b>25-Jan-20</b>
Revenues	149,205	146,186	146,777
Cost of goods sold	<u>56,737</u>	<u>52,007</u>	<u>54,911</u>
<b>Gross Profit</b>	<b>92,468</b>	<b>94,179</b>	<b>91,866</b>
Expenses	<u>88,742</u>	<u>88,024</u>	<u>88,216</u>
<b>EBITDA</b>	<b><u>3,726</u></b>	<b><u>6,155</u></b>	<b><u>3,650</u></b>
<b>Net Income (Loss)</b>	<b><u>(773)</u></b>	<b><u>1,132</u></b>	<b><u>(5,279)</u></b>

### Debt at the time of the filing of the notice of intention

12. Debtors' liabilities totalled approximately \$35.3 million at the time of the filing of the notice of intention and can be summed up as follows:
- The Debtors had four secured creditors who were owed approximately \$22.7 million;
  - The Debtors had a little over 385 unsecured creditors who were owed approximately \$12.6 million.

### Debt at the time of the filing of the amended proposal

13. During the Transaction, certain amounts owed to secured creditors were either assumed by Alston or converted into equity.
14. Furthermore, the Transaction provides for the assumption of the entirety of the Debtors' obligations since the filing of the notice of intention.
15. However, Bouclair took the position that it had no legal or binding obligation to pay rent to its landlords for all its stores for the period beginning April 1<sup>st</sup>, 2020 and thus, up until Bouclair obtains the authorization to reopen its stores or up until the date of the Transaction (the "**Unpaid Covid-19 Rent**"), given the impact of the COVID-19 pandemic and the closing of associated stores.
16. The Asset Purchase Agreement provides that Alston will assume Unpaid Covid-19 Rent obligations, insofar as these obligations are determined to be owed by Bouclair in accordance with a Court order or if an agreement is entered into with a landlord.
17. Considering the above-mentioned items, the balance of the Debtors' unsecured debt therefore amounts to approximately \$25.6 million. This amount includes an estimate, made by the Trustee, of potential landlords' claims under Section 65.2 of the BIA for the prejudice suffered from the disclaimer of certain leases, totalling approximately \$10.1 million.

### SUMMARY OF THE AMENDED PROPOSAL TO CREDITORS

18. The following is a short summary of the Amended Proposal to assist the reader. Please refer to the Amended Proposal for a complete description of the measures that would result from its approval. Only the text of the Amended Proposal may bind the Companies.
19. The Amended Proposal essentially provides that the following payments will be made after the creditors accept, and the Court sanctions, the Amended Proposal. Considering the importance that

Bouclair's creditors have for the Purchaser, the Purchaser has decided to contribute \$280,000 to the financing of the Amended Proposal.

20. The Amended Proposal provides that the payment in the total amount of \$1.325 million (the "**Amount of the Amended Proposal**") is to be divided as follows:
- a) A first payment representing the lesser of \$1,500 and of 100% of the duly proven claim by any unsecured creditor;
  - b) a second payment equal to the pro rata portion of the claim by any creditor (on the amount of all remaining claims) relative to the funds that are still available. The total amount of this second distribution will be subject, in particular, to a reserve amount for which the Trustee could delay the distribution due to late settlements for any disputed, contingent or unliquidated claim;
  - c) the levy payable to the Superintendent of Bankruptcy under the BIA will be deducted and paid from all amounts payable on the Amount of the Amended Proposal.
21. Conditional upon the approval of the Amended Proposal, sections 95 to 101.1 of the BIA will not apply to the Amended Proposal, and neither the Trustee nor the Debtors' creditors will have any right or recourse whatsoever under these sections.
22. By accepting the Amended Proposal, the Debtors' creditors will release definitively the directors from any director liabilities in accordance with paragraph 50(13) of the BIA.
23. It should also be noted that since the Amended Proposal provides for the payment of 100% of the proven and received claims lower than \$1,500, barring a vote against the Amended Proposal, the Amended Proposal provides that the unsecured creditors with a proven claim lower than \$1,500 will be deemed to have voted in favour of the Amended Proposal.
24. In light of the foregoing, the unsecured creditors with a claim not exceeding \$100,000 could receive an approximate dividend between 9.4% and 100%. This group of creditors represents 85.9% of creditors in number and 13.6% in value.
25. The unsecured creditors with a claim exceeding \$100,000 could receive an approximate dividend of 3.8%. This group of creditors represents 14.1% of creditors in number and 86.4% in value.
26. Subject to the foregoing, the Amended Proposal provides for the payment of the dividend no later than 45 days following the sanction of the Amended Proposal by the Court.

**PROJECTED REALIZATION IN THE CONTEXT OF A BANKRUPTCY**

27. If the Amended Proposal is refused by the creditors, this will automatically lead to the bankruptcy of the Debtors.
28. Given the Transaction, there only remains a cash balance available for distribution to unsecured creditors.
29. The following table displays a forecast of the allocation of the available cash balance in the context of a bankruptcy.

	\$
Cash on hand as at July 7, 2020	<u>1,644,813</u>
Less: Super-priorities <sup>(1)</sup>	
Administrative Charge	300,000
Directors and Officers Charge <sup>(2)</sup>	144,000
Chief Restructuring Officer Charge	<u>141,250</u>
	<u>585,250</u>
Amount available for unsecured creditors	<u>1,059,563</u>
Total unsecured creditors' claim <sup>(3)</sup>	15,446,920
Trustee's estimate of the restructuring claim	<u>10,100,000</u>
Total estimated unsecured claim	<u>25,546,920</u>
Estimated dividend payable to the unsecured creditors	<u>4.1%</u>

- (1) The super-priorities depict the ones provided at section 23 of the order ("First Day Order") issued by the Court on November 12, 2019.
- (2) The amount of the charge for the Debtors' directors corresponds to an estimate of the GST and QST to be paid for the period between May 24, 2020 and May 31, 2020;
- (3) This amount corresponds to the amounts to be paid to unsecured creditors according to the Debtors' accounting books.

30. This forecast leads the Trustee to conclude that the unsecured creditors would receive a dividend of a little more than 4% in the event of the Debtors' bankruptcy and thus, before considering the fees and disbursements of the trustee, its legal advisors and the Companies' legal advisors which, all together, could exceed the amount of the above-mentioned Administration Charge.



## CONCLUSIONS AND RECOMMENDATIONS

31. The Amended Proposal offers unsecured creditors of the Debtors an additional amount of approximately \$266,000 prior to considering all additional fees and therefore allows them to collectively receive a higher dividend than they would receive in the context of a bankruptcy.
32. The Amended Proposal is beneficial to the mass of the Debtors' creditors with an average dividend of approximately 5.2% as compared to 4.1% in the event of a bankruptcy. Furthermore, the Trustee anticipates that the dividend should be distributed faster within the Amended Proposal than within a bankruptcy.
33. For the reasons mentioned above, the Trustee's recommendation to the creditors is to vote in favour of accepting the Amended Proposal submitted by the Debtors.

DATED AT MONTRÉAL, this 8 day of July, 2020.

Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice-President



*French version signed by*

DELOITTE RESTRUCTURING INC.  
in its capacity as trustee acting *in re*: the amended  
proposal of Bouclair Inc. and Bouclair International Inc.  
and not in its personal capacity

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

---

Court No: 500-11-057470-193  
Court No: 500-11-057469-195

IN THE MATTER OF THE PROPOSAL OF:

BOUCLAIR INC.

- and -

BOUCLAIR INTERNATIONAL INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Trustee

**AMENDED PROPOSAL**  
(Subsection 50(2) of the *Bankruptcy and Insolvency Act*)

**BOUCLAIR INC. AND BOUCLAIR INTERNATIONAL INC.** hereby submit to their creditors the following amended proposal pursuant to the *Bankruptcy and Insolvency Act*:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a.1) **"Alston"** means Alston Investments Inc., the purchaser of the majority of the assets of the Companies pursuant to the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston Investments Inc., as purchaser, and the Companies, as vendors, and subsequently approved by the Court on May 22, 2020.
- a) **"Basket Amount"** has the meaning ascribed to it in **Section 2.1** hereof.
- b) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- c) **"Bouclair"** means Bouclair Inc.
- d) **"Bouclair International"** means Bouclair International Inc.

- e) **"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Quebec.
- f) **"Claim"** means any right of any Person against the Companies in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature.
- g) **"Companies"** means Bouclair Inc. and Bouclair International Inc., collectively.
- h) **"Court"** means the Superior Court of Quebec (Commercial Division).
- i) **"Creditors' Meeting"** means the meeting of creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting.
- j) **"Crown Claims"** means all Claims of Her Majesty in right of Canada or a province described in section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court.
- k) **"Disputed Claim"** means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Companies, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- l) **"Disputed Creditor"** means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- m) **"D&O Claims"** means any Claim against the directors and officers of the Companies which they may have incurred in their capacity as directors or officers of the Companies after the Filing Date, except where such Claims have arisen as a result of the Companies' directors or officers' gross negligence or willful misconduct.
- n) **"Effective Date"** has the meaning ascribed to it in **Section 5.3** hereof.
- o) **"Filing Date"** means the date of the filing of the Notices of Intention to Make a Proposal by the Companies, namely November 11, 2019.
- p) **"Landlord Claims"** means any Claim of any of the landlords of Bouclair arising from a disclaimer of the landlord's lease by Bouclair, which shall be calculated in accordance with **Section 3.5** hereof.
- q) **"Landlord"** means a landlord to any real property lease to which Bouclair is or was a party to.
- r) **"Official Receiver"** means the officer appointed pursuant to Section 12(2) of the BIA.

- s) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- t) **"Post-Filing Claims"** means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Companies after the Filing Date, except for Restructuring Claims and Unpaid COVID-19 Rent.
- u) **"Preferred Claims"** means any Claim as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all other Claims in the distribution of the property of a bankrupt.
- v) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- w) **"Professional Fees"** means all fees, expenses, liabilities and obligations of the Trustee and the Companies' legal advisors on and incidental to the proceedings arising out of the Notices of Intention to Make a Proposal of the Companies or the Proposal, including advice to the Companies in connection with the Notices of Intention to Make a Proposal and the Proposal.
- x) **"Proof of Claim"** means the form delivered by the Trustee to creditors of the Companies in accordance with the BIA.
- y) **"Proposal"** means this Amended Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- z) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Companies and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- aa) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- bb) **"Related Persons"** has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, *inter alia*, Mr. Peter Goldberg, both in his personal capacity and in his capacity as director and officer of the Companies, as well as Aljusa Investments Inc.
- cc) **"Required Majority"** means a majority in number and two-thirds in value of the Unsecured Claims of all Unsecured Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.

- dd) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by the Companies, including the Landlord Claims.
- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- ff) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Companies had become bankrupt at the Filing Date, and includes, for greater certainty, the National Bank of Canada.
- gg) **"Substantive Consolidation"** has the meaning ascribed to it in **Section 1.6** hereof.
- hh) **"Trustee"** means Deloitte Restructuring Inc., in its capacity as trustee to the (...) Proposal of the Companies and not in its personal capacity.
- ii) **"Trustee's Certificate"** has the meaning ascribed to it in **Section 5.3** hereof.
- jj) **"Unpaid COVID-19 Rent"** means any unpaid gross rent normally owed by Bouclair to a Landlord for the period beginning April 1, 2020, and ending on the day (i) on which the various COVID-19 government decreed shutdowns are effectively lifted and (ii) on which Bouclair is authorized by government authorities to reopen its retail locations, but in all cases, only to the extent such rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord, it being understood that nothing in the present Proposal shall be construed as an admission, by the Companies, that the unpaid gross rent for the period described above is owed and payable.
- kk) **"Unsecured Claims"** means all Claims other than Secured Claims, Post-Filing Claims, Crown Claims, and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Unsecured Claims shall include Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, including any contingent and unliquidated Claims (once quantified) against the Companies and all Restructuring Claims.
- ll) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- mm) **"Unsecured Creditors Class"** means all Unsecured Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

## 1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

### 1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

### 1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### 1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### 1.6 Consolidation of Estates

For the purposes of this Proposal, the estates of Bouclair and Bouclair International shall be substantively consolidated (the "**Substantive Consolidation**"). As a result of the Substantive Consolidation, the creditors of Bouclair and Bouclair International shall be grouped together and treated on a *pari passu* basis pursuant to the terms of this Proposal.

### 1.7 Waiver

Bouclair and Bouclair International hereby waive all monetary obligations which are or will be owing between them as at the Effective Date.

### 1.8 Consent of Trustee

The Trustee hereby consents to the filing of this Proposal, as amended by the Companies.

### 1.9 Undertaking of Alston regarding Unpaid COVID-19 Rent

In accordance with the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston, as purchaser, and the Companies, as vendors, and the *Approval and Vesting Order and Contract Assignment Order* rendered by the Court in these proceedings on May 22, 2020, Alston hereby undertakes to assume any and all Unpaid COVID-19 Rent, only to the extent such Unpaid COVID-19 Rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord.

## ARTICLE 2 PROPOSAL

### 2.1 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Companies propose to pay the following amounts:

- a) Professional Fees: The Professional Fees will be paid in full by the Companies as they become due in priority to all Preferred Claims and Unsecured Claims.
- b) Post-Filing Claims: Post-Filing Claims will be paid in full by the Companies in the ordinary course of business, and on regular trade terms.

- c) Crown Claims: Any Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Preferred Claims: Any Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- e) D&O Claims: The D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims.
- f) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors.
- g) Unsecured Claims: The Companies shall remit to the Trustee, within five (5) Business Days following the Proposal Approval Order, an amount of \$1,325,000 (the "**Basket Amount**") which will be distributed to the holders of Proven Unsecured Claims, other than Related Persons, within forty-five (45) days of the issuance of the Proposal Approval Order. The holders of Proven Unsecured Claims will receive, from the Basket Amount:
  - (i) the lesser of (i) 100% of their Proven Unsecured Claims, without interest, and (ii) \$1,500; and
  - (ii) a pro rata and pari passu share of the balance of their Proven Unsecured Claims out of the balance of the Basket Amount after payment of the amounts provided by sub-paragraph 2.1(g)(i) above.
- h) The Superintendent's Levy: The levy payable to the Superintendent of Bankruptcy under the BIA shall be deducted and paid from all amounts payable from the Basket Amount.

For greater certainty, the payments outlined in this **Section 2.1** do not include any Unpaid COVID-19 Rent, which shall be assumed by Alston as set forth in **Section 1.9** of this Proposal. The Companies and the Trustee, as applicable, shall be authorized to distribute the Basket Amount and all other amounts contemplated in this **Section 2.1** irrespective of whether any Unpaid COVID-19 Rent is payable or remains unpaid.

### ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

#### 3.1 Proof of Claims

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.

### **3.2 Class of Creditors**

For the purpose of considering and voting upon this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

#### **3.2.1 Deemed Approval**

Each of the (i) Preferred Creditors and (ii) Unsecured Creditors with a Proven Unsecured Claim equal to or less than \$1,500 shall be deemed to have voted in favour of the Proposal. Notwithstanding the foregoing, any Unsecured Creditor may choose to vote against the Proposal in the context of a vote on the Proposal.

### **3.3 Creditors' Meeting, Proxies and Voting Letters**

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast their vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

### **3.4 Repudiation of Contracts**

The Claims of each Person resulting from or arising from the repudiation of any contract, arrangement, agreement or lease (other than leases of real property) to which the Companies are a party to shall be Unsecured Claims in this Proposal.

### **3.5 Landlord Claims**

A Landlord will be entitled to file a Proof of Claim for: (i) any unpaid amounts owing as at the Filing Date; and (ii) the actual loss resulting from the disclaimer or repudiation of any leases of real property. With the exception of any Unpaid Covid-19 Rent, to the extent any such rent is payable, all Landlord Claims will be Unsecured Claims under this Proposal.

### **3.6 Claims for Voting Purposes**

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Companies,



the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

### **3.7 Approval of the Proposal**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.8 Modification of the Proposal**

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Companies reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any such supplementary proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Companies may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

## **ARTICLE 4 RELEASE**

### **4.1 Release in Favour of the Companies**

On the Effective Date, all Unsecured Claims shall, as against the Companies, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Companies in respect of all or any portion of an Unsecured Claim.

### **4.2 Release in Favour of the Directors, Officers and Chief Restructuring Officer**

(...) The acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively, as at the Filing Date, the Companies' directors in accordance with Section 50(13) of the BIA, as well as their officers in office and the chief restructuring officer duly appointed by the Companies, from any and all liability or obligation for which they may be liable by law in their capacity as directors, officers and chief restructuring officer, in respect of any debt of the Companies which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors, officers and chief restructuring officer in office as at the Filing Date, any such liability or obligation being specifically denied.

## **ARTICLE 5 CONDITIONS AND EFFECTIVE DATE**

### **5.1    (...) Funding**

This Proposal is conditional on (...) the funding by the Companies of the Basket Amount.

### **5.2    Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a)     The Proposal is approved by the Required Majority;
- b)     The Proposal Approval Order has been issued and (i) has not been stayed and there is no outstanding appeal therefrom, or (ii) it is executory notwithstanding appeal; and
- c)     All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, the Companies shall file an application for the Proposal Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

### **5.3    Trustee's Certificate and Effective Date**

Upon the satisfaction or waiver of the conditions precedent set out in **Section 5.2** hereof, the Proposal Trustee will file with the Court a certificate which states that all conditions precedent set out in **Section 5.2** have been satisfied or waived and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

## **ARTICLE 6 BINDING EFFECT**

### **6.1    Binding Effect**

This Proposal will become effective and binding on and enure to the benefit of the Companies and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## **ARTICLE 7 GENERAL**

### **7.1    Capacity of the Trustee**

Deloitte Restructuring Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Companies, whether existing as at

the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Deloitte Restructuring Inc. in respect thereof.

## **7.2 Settlements and Preferences**

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

## **7.3 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

## **7.4 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

[Signature Page Follows]

DATED AT MONTREAL, this 7<sup>th</sup> day of July, 2020

**BOUCLAIR INC.**

Per: 

Peter Goldberg  
President and Chief Executive Officer

**BOUCLAIR INTERNATIONAL INC.**

Per: 

Peter Goldberg  
President and Chief Executive Officer

The filing of this Proposal, as amended by the Companies, is consented to by Deloitte Restructuring Inc., in its capacity as trustee to the Proposal of the Companies and not in its personal capacity:

DELOITTE RESTRUCTURING INC., its capacity as trustee to the Proposal of the Companies and not in its personal capacity

Per: 

Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

Alston Investments Inc. hereby intervenes in this Proposal for the sole purpose of agreeing to the undertaking made in Section 1.9 herein:

**ALSTON INVESTMENTS INC.**

Per: 

Peter Goldberg  
President and Chief Executive Officer

**IMPORTANT : RETURN THE PROOF OF CLAIM BY EMAIL AT  
bouclair@deloitte.ca**

**THIS INFORMATION SHEET IS SUPPLIED  
IN ORDER TO ASSIST YOU IN COMPLETING THE PROOF OF CLAIM FORM**

- The proof of claim must be signed by the individual completing the form.
- The signature of the claimant must be witnessed.
- Give the complete address where all notices and correspondence are to be forwarded.
- The amount on the statement of account must agree with the amount claimed on the proof of claim.

**PARAGRAPH 1 OF THE PROOF OF THE CLAIM**

- Creditor must state full and complete legal name of company or firm.
- If the person completing the proof of claim is not the creditor himself, he must state his position or title.

**PARAGRAPH 3 OF THE PROOF OF THE CLAIM**

- A detailed statement of account together with supporting documentation must accompany the completed proof of claim.

**PARAGRAPH 4 OF THE PROOF OF THE CLAIM**

- The claimant must tick the appropriate paragraph and must provide information as requested.

**PARAGRAPH 5 OF THE PROOF OF THE CLAIM**

- The claimant must indicate whether he is or is not related to the debtor, as defined in the *Bankruptcy and Insolvency Act*, by encircling, underlining or striking out “are” or “are not” as the case.

**PARAGRAPH 6 OF THE PROOF OF THE CLAIM**

- The claimant must attach a detailed list marked “B” of all payments received and/or credits granted, as follows:
  - within the three months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
  - within the twelve months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are related.

<input type="checkbox"/>	O	_____
<input type="checkbox"/>	P	_____
<input type="checkbox"/>	G	_____

## PROOF OF CLAIM

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

### in the matter of the amended proposal of **Bouclair Inc.**

Of Pointe-Claire, Province of Quebec and the claim of \_\_\_\_\_, creditor.  
I, \_\_\_\_\_ (*name of creditor or signing officer*) of \_\_\_\_\_ (*city and province*)

DO HEREBY CERTIFY:

1. That I am a creditor of the above-named debtor (**or** that I am) \_\_\_\_\_ (*position or title*)  
of \_\_\_\_\_ (*name of creditor or signing officer*).

**All notices or correspondence regarding this claim must be forwarded to the following address:**

**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the notice of intention the November 11, 2019, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit or solemn declaration) attached and marked "Schedule A" after deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit or solemn declaration must specify the supporting documents or other evidence in support of the claim.)
4. (**Check and complete appropriate category**)
  - ( ) A. UNSECURED CLAIM OF \$ \_\_\_\_\_.  
**(Other than as a customer contemplated by Section 262 of the Act)**  
That in respect of this debt, I do not hold any assets of the debtor as security and (**Check appropriate description**):  
( ) Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act*. (**Set out on an attached sheet details to support priority claim.**)  
( ) Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority;
  - ( ) B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows: (**Give full particulars of the claim, including the calculations upon which the claim is based.**)
  - ( ) C. SECURED CLAIM OF \$ \_\_\_\_\_.  
That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows: (**Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.**)
  - ( ) D. CLAIM BY FARMER, FISHERMAN, OR AQUACULTURIST OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_.  
(**Attach a copy of sales agreement and delivery receipts.**)
  - ( ) E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.3(8) of the Act (bankruptcy) in the amount of \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.4(8) of the Act (receivership) in the amount of \$ \_\_\_\_\_.
  - ( ) F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.5 of the Act (bankruptcy) in the amount of \$ \_\_\_\_\_.  
That I hereby make a claim under subsection 81.6 of the Act (receivership) in the amount of \$ \_\_\_\_\_.

( ) G. CLAIM AGAINST DIRECTOR OF \$ \_\_\_\_\_  
**(To be filed when a proposal provides for the compromise of claims against directors.)**

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows: **(Give full particulars of the claim, including the calculations upon which the claim is based.)**

( ) H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM OF \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows: **(Give full particulars of the claim, including the calculations upon which the claim is based.)**

5. That, to the best of my knowledge, I am (**or** I am not) (**or** the above-named creditor is) (**or** the above-named creditor is not) related to the debtor within the meaning of section 4 of the Act, and have (**or** have not) (**or** has) (**or** has not) dealt with the debtor in a non-arm's-length manner. **(Strike out choices that do not correspond to your situation.)**

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (**or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months**) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act. **(Provide details of payments, credits and transfers at undervalue.)**

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2\_\_\_\_\_.

\_\_\_\_\_  
**(signature and name of witness)** - or - **(signature of creditor who is an individual)**

\_\_\_\_\_  
**(name of corporate creditor)**

\_\_\_\_\_  
**(signature and name of witness)** **(signature, name and position or title of signing officer)**

**NOTES:** If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.  
If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

**WARNINGS:** A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.  
Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

## PROXY

(Subsections 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

IN THE MATTER OF THE AMENDED PROPOSAL OF: **BOUCLAIR INC.**, an insolvent person

I (**or** we), \_\_\_\_\_ **(name of creditor or signing officer)**, of \_\_\_\_\_ **(city and province)**

a creditor in the above matter, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ to be my (**or** our) general proxy in the above matter, except as to the receipt of dividends, with (**or** without) power to appoint another general proxy in his (**or** her) place.

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2\_\_\_\_\_.

\_\_\_\_\_  
**(signature and name of witness)** - or - **(name of creditor who is an individual)**

\_\_\_\_\_  
**(name of corporate creditor)**

\_\_\_\_\_  
**(signature and name of witness)** **(signature, name and position or title of signing officer)**

**VOTING LETTER**

(Paragraphs 51(1)(f) and 66.15(3)(c) of the Act)

IN THE MATTER OF THE AMENDED PROPOSAL OF:

BOUCLAIR INC.

Insolvent person

I, \_\_\_\_\_ of \_\_\_\_\_,  
**(name of the creditor)** **(city and province)**

a creditor in the above matter for the sum of \$\_\_\_\_\_, hereby request the trustee acting with respect to the amended proposal of BOUCLAIR INC., an insolvent person, to record my (or our) vote for  or against  the acceptance of the amended proposal as made on July 8, 2020.

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
**(Witness)**

\_\_\_\_\_  
**(Individual Creditor)**

- or -

\_\_\_\_\_  
**(Witness)**

\_\_\_\_\_  
**(Name of Corporate Creditor)**

\_\_\_\_\_  
**(Signature, Name and Title of Signing Officer)**





## REGISTRATION FORM TO THE CREDITORS MEETING

In the matter of the amended proposal of Bouclair Inc. and Bouclair International Inc.

Name of the creditor : \_\_\_\_\_

Name of the creditor's  
representative : \_\_\_\_\_

Email address : \_\_\_\_\_

Phone Number : \_\_\_\_\_

Signature : \_\_\_\_\_

Please note that to attend the creditors' meeting, you must send this form to the trustee by email to the following address: [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca) no later than 10:00 a.m. on Sunday, July 19, 2020.

C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
DIVISION N° : 01-MONTRÉAL  
COUR N° : 500-11-057470-193  
DOSSIER N° : 41-2582132

C O U R S U P É R I E U R E  
Chambre commerciale

**DANS L'AFFAIRE DE LA  
PROPOSITION AMENDÉE DE :**

**Bouclair Inc.**, société dûment constituée en vertu de la loi, et ayant son siège social et son établissement principal au 152 av. Alston, Pointe-Claire, QC, H9R 6B4.

Personne insolvable

- et -

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI, responsable désigné) ayant une place d'affaires au 1190, avenue des Canadiens-de-Montréal, bureau 500, Montréal Québec, H3B 0M7

Syndic

**AVIS DE LA PROPOSITION AMENDÉE AUX CRÉANCIERS**  
(article 51 de la Loi)

AVIS est donné que Bouclair Inc. a déposé une proposition amendée entre mes mains le 8 juillet 2020, en vertu de la *Loi sur la faillite et l'insolvabilité*.

Ci-inclus une copie de la proposition amendée, d'un état succinct de son actif et de son passif, la liste des créanciers visés par la proposition amendée ainsi que le rapport du Syndic sur la proposition amendée.

Une assemblée générale des créanciers sera tenue le 21 juillet 2020, à 10h. Étant donné la situation de pandémie actuelle et des restrictions de rassemblement émises par les autorités, l'assemblée aura lieu par visioconférence.

Nous demandons aux créanciers qui désirent participer à l'assemblée de compléter le formulaire d'inscription ci-joint, et de le retourner, par courriel, à l'adresse suivante : [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca) et ce, au plus tard 48 heures avant l'assemblée soit à 10h le dimanche 19 juillet 2020.

Pour les créanciers ou leur représentant qui se seront inscrits, vous recevrez par courriel, un lien qui vous permettra de participer à l'assemblée. Il est à noter que seul les personnes qui se seront inscrites pourront participer à l'assemblée.

Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'assemblée peuvent, au moyen d'une résolution, accepter la proposition amendée, telle que formulée ou telle que modifiée à l'assemblée. Si la proposition amendée est ainsi acceptée et si elle est approuvée par le tribunal, elle deviendra obligatoire pour tous les créanciers ou pour la catégorie de créanciers visés.

Les créanciers sont fortement encouragés à me transmettre au préalable les procurations et formulaires de votation dont l'usage est projeté à l'assemblée. Les créanciers s'étant inscrits et

assistant à l'assemblée pourront également transmettre ces documents lors de l'assemblée, conformément aux instructions qui seront données à l'assemblée.

Daté à Montréal, ce 8 juillet 2020

RESTRUCTURATION DELOITTE INC.  
Syndic à la proposition de Bouclair Inc.

C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
COUR N°: 500-11-057470-193  
500-11-057469-195  
DOSSIER N°: 41-2582132  
41-2582130

C O U R S U P É R I E U R E  
Chambre commerciale

**DANS L'AFFAIRE DE LA PROPOSITION  
AMENDÉE DE :**

**BOUCLAIR INC.**

- et -

**BOUCLAIR INTERNATIONAL INC.**

**Débitrices**

- et -

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI responsable  
désignée)

**Syndic**

**RAPPORT DU SYNDIC SUR LA PROPOSITION AMENDÉE**  
(Paragraphe 50(10) de la Loi sur la faillite et l'insolvabilité (« LFI »))

**AVIS AU LECTEUR**

Le présent rapport est destiné à l'usage exclusif des créanciers de Bouclair Inc. (« **Bouclair** ») et de Bouclair International Inc. (« **Bouclair International** ») (collectivement appelées les « **Sociétés** » ou les « **Débitrices** »). Il vise à leur fournir de l'information utile en prévision de l'assemblée des créanciers au cours de laquelle ils seront appelés à se prononcer sur la proposition qui leur est soumise par les Débitrices.

Les informations présentées dans le présent rapport ont principalement été recueillies auprès de la direction des Sociétés. Le Syndic n'a pas exécuté de travaux d'audit ou de certification sur celles-ci et, par conséquent, il n'exprime pas une opinion d'auditeur ou d'expert-comptable à leur égard.

L'information financière prospective contenue dans le présent rapport est fondée sur des hypothèses concernant des événements à venir. En conséquence, malgré les efforts déployés pour qu'il en soit autrement, les résultats réels différeront des résultats projetés et les écarts pourraient être importants. En conséquence, le Syndic ne peut pas affirmer et n'affirme pas que les projections contenues dans le présent rapport se réaliseront.

Les créanciers peuvent, s'ils le désirent, consulter l'ensemble des documents relatifs au dossier des Débitrices en consultant le site internet du Syndic à l'adresse suivante :

<https://www.insolvencies.deloitte.ca/fr-ca/Pages/Bouclair>

## INFORMATIONS GÉNÉRALES ET PROCÉDURES EN MATIÈRE D'INSOLVABILITÉ

1. Bouclair est une société par actions fondée en 1970 et constituée en vertu des lois de la province de Québec.
2. Bouclair conçoit et vend au détail des couvre-fenêtres, notamment des rideaux, des tringles, des stores et des accessoires. De plus, Bouclair conçoit et vend au détail une large gamme de produits de décoration pour la maison dans les catégories suivantes : décoration murale, ameublement, enfants / bébés, accents pour la maison, éclairage, saisonnier, salle de bain, rangement, verdure florale et autres produits de décoration intérieure ainsi que des meubles.
3. Bouclair International est une société détenue par Bouclair et qui génère ses revenus principalement par l'entremise de royalties.
4. Le 11 novembre 2019, les Débitrices ont déposé un avis d'intention auprès du Bureau du surintendant des faillites (« **BSF** ») et Restructuration Deloitte Inc. (le « **Syndic** » ou « **Deloitte** ») agit à titre de syndic au dossier.
5. Le 15 novembre 2019, la Cour supérieure du Québec (la « **Cour** ») a rendu une ordonnance (l'« **Ordonnance de liquidation** ») approuvant l'entente avec le liquidateur Gordon Brothers Canada ULC à titre de liquidateur des magasins identifiés dans la requête initiale.
6. Le 10 décembre 2019, la Cour a rendu une ordonnance prorogeant la période de suspension jusqu'au 24 janvier 2020 et déclarant que les super-priorités visent maintenant la totalité des actifs de Bouclair.
7. La Cour a depuis, prorogé à plusieurs reprises la période de suspension et, plus récemment jusqu'au 11 mai 2020.
8. Le 11 mai 2020, les Débitrices ont déposé une proposition (la « **Proposition** ») auprès du BSF. Normalement, le délai maximum pour la tenue d'une assemblée des créanciers est de 21 jours suivant le dépôt de la proposition. Compte tenu de la situation de pandémie actuelle, une ordonnance omnibus a été rendue le 30 avril 2020 par la Cour ayant pour effet de suspendre les délais pour la tenue des assemblées de créanciers. La période de suspension couvrait la période du 27 avril au 30 juin 2020 (« **Période de suspension** »).
9. Le 22 mai 2020, la Cour a rendu une ordonnance de dévolution et de cession de contrats faisant en sorte que la majorité des actifs des Débitrices a été vendue (la « **Transaction** ») à Alston Investments Inc. (« **Alston** » ou l'« **Acheteur** »).
10. Le 8 juillet 2020, les Débitrices ont déposé une proposition amendée (la « **Proposition amendée** »). La Période de suspension étant terminée, la proposition sera soumise à l'approbation des créanciers le 21 juillet 2020, soit dans les 21 jours suivant la fin de la Période de suspension.

## INFORMATIONS FINANCIÈRES

11. Le tableau ci-dessous présente les résultats historiques réalisés par les Débitrices au cours des 3 derniers exercices.

<b>Résultats historiques (en milliers \$)</b>			
État des résultats des exercices terminés	27-janv-18	26-janv-19	25-jan-20
Revenus	149 205	146 186	146 777
Coûts des marchandises vendues	<u>56 737</u>	<u>52 007</u>	<u>54 911</u>
<b>Bénéfice brut</b>	<b>92 468</b>	<b>94 179</b>	<b>91 866</b>
Frais d'exploitation	<u>88 742</u>	<u>88 024</u>	<u>88 216</u>
<b>BAIIA</b>	<b>3 726</b>	<b>6 155</b>	<b>3 650</b>
<b>Bénéfice net (Perte nette)</b>	<b><u>(773)</u></b>	<b><u>1 132</u></b>	<b><u>(5 279)</u></b>

### Passif au moment du dépôt de l'avis d'intention

12. Le passif des Débitrices totalisait environ 35,3 millions de dollars au moment du dépôt de son avis d'intention et peut être résumé comme suit :

- a) Les Débitrices avaient quatre créanciers garantis auxquels les sommes dues s'élevaient à environ 22,7 millions de dollars;
- b) Les Débitrices avaient un peu plus de 385 créanciers non garantis auxquels les sommes dues s'élevaient à environ 12,6 millions de dollars.

### Passif au moment du dépôt de la proposition

13. Dans le cadre de la Transaction, certains montants dus aux créanciers garantis ont été soit assumés par Alston ou encore convertis en actions.
14. De plus, la Transaction prévoit l'assumption de la totalité des obligations des Débitrices depuis le dépôt de l'avis d'intention.
15. Par contre, Bouclair a adopté la position selon laquelle elle n'a aucune obligation légale et contraignante de payer un loyer à ses locataires pour tous ses magasins pour la période commençant le 1<sup>er</sup> avril 2020, et ce, jusqu'à ce que Bouclair obtienne l'autorisation de réouverture de ses magasins ou jusqu'à la date de la Transaction (« **Loyer Covid-19 impayé** »), compte tenu de l'impact de la pandémie COVID-19 et des fermetures des magasins associés.
16. La convention d'achat d'actifs prévoit que Alston assumera toutes les obligations de Loyer Covid-19 impayé, dans la mesure où ces obligations sont déterminées comme étant dues par Bouclair conformément à une ordonnance de la Cour ou si une entente intervient avec un locateur.
17. En fonction des éléments susmentionnés, le solde des créances non garanties des Débitrices s'élève donc à environ 25,6 millions de dollars. Ce montant inclut une estimation, effectuée par le Syndic, des réclamations potentielles des locataires en vertu de l'article 65.2 de la LFI pour le préjudice subi du fait de la résiliation de certains baux, d'un montant total d'environ 10,1 millions de dollars.

## SOMMAIRE DE LA PROPOSITION AMENDÉE OFFERTE AUX CRÉANCIERS

18. Ce qui suit est un bref résumé de la Proposition amendée destiné à aider le lecteur. Veuillez-vous reporter à la Proposition amendée pour obtenir une description complète des mesures

qu'entraîneraient l'approbation de celle-ci. Seul le texte de la Proposition amendée est susceptible de lier les Sociétés.

19. La Proposition amendée prévoit essentiellement les paiements suivants qui seront effectués à la suite de l'acceptation de la Proposition amendée par les créanciers et son approbation par la Cour. Considérant l'importance qu'ont les créanciers de Bouclair pour l'Acheteur, ce dernier a décidé de contribuer un montant de 280 000 \$ au financement de la Proposition amendée.
20. La Proposition amendée prévoit le paiement d'un montant total de 1,325 millions de dollars (« **Montant de la Proposition amendée** ») réparti de la façon suivante :
  - a) Un premier paiement représentant le moindre de la somme de 1 500 \$ et de 100 % de la réclamation dûment prouvée de tout créancier non garanti;
  - b) Un deuxième paiement égal à la portion pro rata de la réclamation de tout créancier (sur la somme de toutes les réclamations restantes) par rapport aux fonds encore disponibles. Le montant total de cette deuxième distribution sera sujet notamment à un montant de réserve pour lequel le Syndic pourrait retarder la distribution en raison de règlements tardifs pour toute réclamation litigieuse, contingente ou non liquidée;
  - c) Le prélèvement payable au Surintendant des faillites en vertu de la LFI sera déduit et payé de tous montants payables sur le Montant de la Proposition amendée.
21. Conditionnellement à l'approbation de la Proposition amendée, les articles 95 à 101.1 de la LFI ne s'appliqueront pas à la Proposition amendée, et ni le Syndic ni les créanciers des Débitrices auront quelconque droit ou recours en vertu de ces articles.
22. L'acceptation de la Proposition amendée par les créanciers des Débitrices libérera définitivement les administrateurs de toutes les responsabilités d'administrateur conformément au paragraphe 50(13) de la LFI.
23. Il est aussi à noter que comme la Proposition amendée prévoit le paiement de 100 % des réclamations prouvées et reçues inférieures à 1 500 \$, à défaut de voter contre la Proposition amendée, la Proposition amendée prévoit que les créanciers non garantis ayant une réclamation prouvée inférieure à 1 500 \$ seront réputés avoir voté en faveur de la Proposition amendée.
24. En fonction de ce qui précède, les créanciers non garantis ayant une réclamation dont la valeur n'excède pas 100 000 \$ pourraient recevoir un dividende variant entre environ 9,4 % et 100 %. Ce groupe de créanciers représente 85,9 % des créanciers en nombre et 13,6 % en valeur.
25. Les créanciers non garantis ayant une réclamation dont la valeur est supérieure à 100 000 \$ pourraient recevoir un dividende d'environ 3,8 %. Ce groupe de créancier représente 14,1 % des créanciers en nombre et 86,4 % en valeur.
26. Sous réserve de ce qui précède, la Proposition amendée prévoit le paiement du dividende au plus tard 45 jours suivants l'homologation de la Proposition amendée par la Cour.

## RÉALISATIONS PROJÉTÉES DANS UN CONTEXTE DE FAILLITE

27. Le refus de la Proposition amendée par les créanciers entraînera automatiquement la faillite des Débitrices.
28. Étant donné la Transaction, il ne reste qu'un solde d'encaisse disponible pour distribution aux créanciers non garantis.
29. Le tableau ci-dessous présente une projection de l'allocation de l'encaisse disponible dans un contexte de faillite.

	\$
Solde de l'encaisse au 7 juillet 2020	<u>1 644 813</u>
Moins: les super-priorités <sup>(1)</sup>	
Charge administrative	300 000
Charge pour les administrateurs des Débitrices (montant estimé) <sup>(2)</sup>	144 000
Charge du chef de la restructuration	<u>141 250</u>
	<u>585 250</u>
Montant disponible pour les créanciers non garantis	<u>1 059 563</u>
Total des réclamations des créanciers non garantis <sup>(3)</sup>	15 446 920
Estimation par le Syndic des réclamations potentielles relatives à la restructuration	<u>10 100 000</u>
Estimation du total des réclamations des créanciers non garantis	<u>25 546 920</u>
Estimation du dividende versé aux créanciers non garantis	<u>4,1%</u>

- (1) Les super-priorités représentent celles prévues au paragraphe 23 de l'ordonnance (« First Day Order ») rendue le 12 novembre 2019 par la Cour.
- (2) Le montant de la charge pour les administrateurs des Débitrices correspond à une estimation de la TPS et de la TVQ à payer pour la période entre le 24 mai et le 31 mai 2020.
- (3) Ce montant correspond aux sommes à payer aux créanciers non garantis selon les registres comptables des Débitrices.

30. Cette projection mène le Syndic à conclure que les créanciers non garantis recevraient un dividende d'un peu plus de 4 % advenant la faillite des Débitrices et ce, avant de prendre en considération les honoraires et débours du Syndic, de ses conseillers juridiques et des conseillers juridiques des Sociétés, qui ensemble pourraient excéder le montant de la Charge administrative susmentionnée.



## CONCLUSIONS ET RECOMMANDATIONS

31. La Proposition amendée offre aux créanciers non garantis des Débitrices un montant additionnel d'environ 266 000 \$ avant de prendre en considération tout honoraires et débours supplémentaires et permet donc à ces derniers de recevoir collectivement un dividende supérieur à celui qu'ils recevraient dans un contexte de faillite.
32. La Proposition amendée est avantageuse pour la masse des créanciers des Débitrices avec un dividende moyen d'environ 5,2 % comparativement à 4,1 % dans le cadre d'une faillite. De plus, le Syndic anticipe que la distribution du dividende devrait être plus rapide dans le cadre de la Proposition amendée que dans le cadre d'une faillite.
33. Pour les motifs précités, le Syndic recommande aux créanciers de voter en faveur de l'acceptation de la Proposition amendée soumise par les Débitrices.

DATÉ À MONTREAL, ce 8<sup>e</sup> jour de juillet 2020.

Martin Franco, CPA, CA, CIRP, SAI  
Premier vice-président



RESTRUCTURATION DELOITTE INC.  
En sa qualité de Syndic agissant *in re* :  
La proposition de Bouclair Inc. et de  
Bouclair International Inc. et non à titre personnel.

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

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Court No: 500-11-057470-193  
Court No: 500-11-057469-195

IN THE MATTER OF THE PROPOSAL OF:

BOUCLAIR INC.

- and -

BOUCLAIR INTERNATIONAL INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Trustee

**AMENDED PROPOSAL**  
(Subsection 50(2) of the *Bankruptcy and Insolvency Act*)

**BOUCLAIR INC. AND BOUCLAIR INTERNATIONAL INC.** hereby submit to their creditors the following amended proposal pursuant to the *Bankruptcy and Insolvency Act*:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a.1) **"Alston"** means Alston Investments Inc., the purchaser of the majority of the assets of the Companies pursuant to the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston Investments Inc., as purchaser, and the Companies, as vendors, and subsequently approved by the Court on May 22, 2020.
- a) **"Basket Amount"** has the meaning ascribed to it in **Section 2.1** hereof.
- b) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- c) **"Bouclair"** means Bouclair Inc.
- d) **"Bouclair International"** means Bouclair International Inc.

- e) "**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Quebec.
- f) "**Claim**" means any right of any Person against the Companies in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature.
- g) "**Companies**" means Bouclair Inc. and Bouclair International Inc., collectively.
- h) "**Court**" means the Superior Court of Quebec (Commercial Division).
- i) "**Creditors' Meeting**" means the meeting of creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting.
- j) "**Crown Claims**" means all Claims of Her Majesty in right of Canada or a province described in section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court.
- k) "**Disputed Claim**" means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Companies, the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- l) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- m) "**D&O Claims**" means any Claim against the directors and officers of the Companies which they may have incurred in their capacity as directors or officers of the Companies after the Filing Date, except where such Claims have arisen as a result of the Companies' directors or officers' gross negligence or willful misconduct.
- n) "**Effective Date**" has the meaning ascribed to it in **Section 5.3** hereof.
- o) "**Filing Date**" means the date of the filing of the Notices of Intention to Make a Proposal by the Companies, namely November 11, 2019.
- p) "**Landlord Claims**" means any Claim of any of the landlords of Bouclair arising from a disclaimer of the landlord's lease by Bouclair, which shall be calculated in accordance with **Section 3.5** hereof.
- q) "**Landlord**" means a landlord to any real property lease to which Bouclair is or was a party to.
- r) "**Official Receiver**" means the officer appointed pursuant to Section 12(2) of the BIA.

- s) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- t) **"Post-Filing Claims"** means any Claim arising in respect of services rendered, goods supplied or other consideration given to the Companies after the Filing Date, except for Restructuring Claims and Unpaid COVID-19 Rent.
- u) **"Preferred Claims"** means any Claim as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all other Claims in the distribution of the property of a bankrupt.
- v) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- w) **"Professional Fees"** means all fees, expenses, liabilities and obligations of the Trustee and the Companies' legal advisors on and incidental to the proceedings arising out of the Notices of Intention to Make a Proposal of the Companies or the Proposal, including advice to the Companies in connection with the Notices of Intention to Make a Proposal and the Proposal.
- x) **"Proof of Claim"** means the form delivered by the Trustee to creditors of the Companies in accordance with the BIA.
- y) **"Proposal"** means this Amended Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- z) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Companies and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- aa) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- bb) **"Related Persons"** has the meaning ascribed thereto in the BIA. For greater certainty, the Related Persons shall include, *inter alia*, Mr. Peter Goldberg, both in his personal capacity and in his capacity as director and officer of the Companies, as well as Aljusa Investments Inc.
- cc) **"Required Majority"** means a majority in number and two-thirds in value of the Unsecured Claims of all Unsecured Creditors entitled to vote who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.

- dd) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by the Companies, including the Landlord Claims.
- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- ff) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security would be opposable to a bankruptcy trustee if the Companies had become bankrupt at the Filing Date, and includes, for greater certainty, the National Bank of Canada.
- gg) **"Substantive Consolidation"** has the meaning ascribed to it in **Section 1.6** hereof.
- hh) **"Trustee"** means Deloitte Restructuring Inc., in its capacity as trustee to the (...) Proposal of the Companies and not in its personal capacity.
- ii) **"Trustee's Certificate"** has the meaning ascribed to it in **Section 5.3** hereof.
- jj) **"Unpaid COVID-19 Rent"** means any unpaid gross rent normally owed by Bouclair to a Landlord for the period beginning April 1, 2020, and ending on the day (i) on which the various COVID-19 government decreed shutdowns are effectively lifted and (ii) on which Bouclair is authorized by government authorities to reopen its retail locations, but in all cases, only to the extent such rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord, it being understood that nothing in the present Proposal shall be construed as an admission, by the Companies, that the unpaid gross rent for the period described above is owed and payable.
- kk) **"Unsecured Claims"** means all Claims other than Secured Claims, Post-Filing Claims, Crown Claims, and Preferred Claims. For greater certainty, but without limiting the generality of the foregoing, the Unsecured Claims shall include Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date, including any contingent and unliquidated Claims (once quantified) against the Companies and all Restructuring Claims.
- ll) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- mm) **"Unsecured Creditors Class"** means all Unsecured Creditors, who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

## 1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

### 1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

### 1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### 1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### 1.6 Consolidation of Estates

For the purposes of this Proposal, the estates of Bouclair and Bouclair International shall be substantively consolidated (the "**Substantive Consolidation**"). As a result of the Substantive Consolidation, the creditors of Bouclair and Bouclair International shall be grouped together and treated on a *pari passu* basis pursuant to the terms of this Proposal.

### 1.7 Waiver

Bouclair and Bouclair International hereby waive all monetary obligations which are or will be owing between them as at the Effective Date.

### 1.8 Consent of Trustee

The Trustee hereby consents to the filing of this Proposal, as amended by the Companies.

### 1.9 Undertaking of Alston regarding Unpaid COVID-19 Rent

In accordance with the *Asset Purchase Agreement* entered into on May 21, 2020, between Alston, as purchaser, and the Companies, as vendors, and the *Approval and Vesting Order and Contract Assignment Order* rendered by the Court in these proceedings on May 22, 2020, Alston hereby undertakes to assume any and all Unpaid COVID-19 Rent, only to the extent such Unpaid COVID-19 Rent is found to be owing by the Court or subject to a negotiated settlement between Alston, Bouclair and a Landlord.

## ARTICLE 2 PROPOSAL

### 2.1 Proposed Payments

Subject to the terms and conditions set forth in this Proposal, the Companies propose to pay the following amounts:

- a) Professional Fees: The Professional Fees will be paid in full by the Companies as they become due in priority to all Preferred Claims and Unsecured Claims.
- b) Post-Filing Claims: Post-Filing Claims will be paid in full by the Companies in the ordinary course of business, and on regular trade terms.

- c) Crown Claims: Any Crown Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Preferred Claims: Any Preferred Claims, without interest, will be paid in full within six (6) months after issuance of the Proposal Approval Order, or as may otherwise be arranged with individual Preferred Creditors.
- e) D&O Claims: The D&O Claims will be paid in full within thirty (30) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with holders of such Claims.
- f) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between the Companies and such Secured Creditors.
- g) Unsecured Claims: The Companies shall remit to the Trustee, within five (5) Business Days following the Proposal Approval Order, an amount of \$1,325,000 (the "**Basket Amount**") which will be distributed to the holders of Proven Unsecured Claims, other than Related Persons, within forty-five (45) days of the issuance of the Proposal Approval Order. The holders of Proven Unsecured Claims will receive, from the Basket Amount:
  - (i) the lesser of (i) 100% of their Proven Unsecured Claims, without interest, and (ii) \$1,500; and
  - (ii) a pro rata and pari passu share of the balance of their Proven Unsecured Claims out of the balance of the Basket Amount after payment of the amounts provided by sub-paragraph 2.1(g)(i) above.
- h) The Superintendent's Levy: The levy payable to the Superintendent of Bankruptcy under the BIA shall be deducted and paid from all amounts payable from the Basket Amount.

For greater certainty, the payments outlined in this **Section 2.1** do not include any Unpaid COVID-19 Rent, which shall be assumed by Alston as set forth in **Section 1.9** of this Proposal. The Companies and the Trustee, as applicable, shall be authorized to distribute the Basket Amount and all other amounts contemplated in this **Section 2.1** irrespective of whether any Unpaid COVID-19 Rent is payable or remains unpaid.

### ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

#### 3.1 Proof of Claims

In order to vote at the Creditors' Meeting and receive any distribution in accordance with this Proposal, a Creditor must file a Proof of Claim in accordance with the provisions of the BIA.

## **3.2 Class of Creditors**

For the purpose of considering and voting upon this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

### **3.2.1 Deemed Approval**

Each of the (i) Preferred Creditors and (ii) Unsecured Creditors with a Proven Unsecured Claim equal to or less than \$1,500 shall be deemed to have voted in favour of the Proposal. Notwithstanding the foregoing, any Unsecured Creditor may choose to vote against the Proposal in the context of a vote on the Proposal.

## **3.3 Creditors' Meeting, Proxies and Voting Letters**

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast their vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

## **3.4 Repudiation of Contracts**

The Claims of each Person resulting from or arising from the repudiation of any contract, arrangement, agreement or lease (other than leases of real property) to which the Companies are a party to shall be Unsecured Claims in this Proposal.

## **3.5 Landlord Claims**

A Landlord will be entitled to file a Proof of Claim for: (i) any unpaid amounts owing as at the Filing Date; and (ii) the actual loss resulting from the disclaimer or repudiation of any leases of real property. With the exception of any Unpaid Covid-19 Rent, to the extent any such rent is payable, all Landlord Claims will be Unsecured Claims under this Proposal.

## **3.6 Claims for Voting Purposes**

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of the Companies,



the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

### **3.7 Approval of the Proposal**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.8 Modification of the Proposal**

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, the Companies reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of supplementary proposal, and file such amended or supplementary proposal with the Official Receiver as soon as practical, in which case any such supplementary proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, the Companies may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

## **ARTICLE 4 RELEASE**

### **4.1 Release in Favour of the Companies**

On the Effective Date, all Unsecured Claims shall, as against the Companies, be deemed to be fully and finally satisfied, settled and discharged and no Person shall have any further right, remedy or Unsecured Claim against the Companies in respect of all or any portion of an Unsecured Claim.

### **4.2 Release in Favour of the Directors, Officers and Chief Restructuring Officer**

(...) The acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively, as at the Filing Date, the Companies' directors in accordance with Section 50(13) of the BIA, as well as their officers in office and the chief restructuring officer duly appointed by the Companies, from any and all liability or obligation for which they may be liable by law in their capacity as directors, officers and chief restructuring officer, in respect of any debt of the Companies which arose before the Filing Date. It is understood however that nothing herein shall be interpreted as an acknowledgment of any liability or obligation on the part of the directors, officers and chief restructuring officer in office as at the Filing Date, any such liability or obligation being specifically denied.

## **ARTICLE 5 CONDITIONS AND EFFECTIVE DATE**

### **5.1    (...) Funding**

This Proposal is conditional on (...) the funding by the Companies of the Basket Amount.

### **5.2    Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a)     The Proposal is approved by the Required Majority;
- b)     The Proposal Approval Order has been issued and (i) has not been stayed and there is no outstanding appeal therefrom, or (ii) it is executory notwithstanding appeal; and
- c)     All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, the Companies shall file an application for the Proposal Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

### **5.3    Trustee's Certificate and Effective Date**

Upon the satisfaction or waiver of the conditions precedent set out in **Section 5.2** hereof, the Proposal Trustee will file with the Court a certificate which states that all conditions precedent set out in **Section 5.2** have been satisfied or waived and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

## **ARTICLE 6 BINDING EFFECT**

### **6.1    Binding Effect**

This Proposal will become effective and binding on and enure to the benefit of the Companies and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## **ARTICLE 7 GENERAL**

### **7.1    Capacity of the Trustee**

Deloitte Restructuring Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Companies, whether existing as at

the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Deloitte Restructuring Inc. in respect thereof.

## **7.2 Settlements and Preferences**

The provisions of Section 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

## **7.3 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

## **7.4 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

[Signature Page Follows]

DATED AT MONTREAL, this 7<sup>th</sup> day of July, 2020

**BOUCLAIR INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**BOUCLAIR INTERNATIONAL INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

The filing of this Proposal, as amended by the Companies, is consented to by Deloitte Restructuring Inc., in its capacity as trustee to the Proposal of the Companies and not in its personal capacity:

DELOITTE RESTRUCTURING INC., its capacity as trustee to the Proposal of the Companies and not in its personal capacity

Per: 

\_\_\_\_\_  
Martin Franco, CPA, CA, CIRP, LIT  
Senior Vice President

Alston Investments Inc. hereby intervenes in this Proposal for the sole purpose of agreeing to the undertaking made in Section 1.9 herein:

**ALSTON INVESTMENTS INC.**

Per: 

\_\_\_\_\_  
Peter Goldberg  
President and Chief Executive Officer

**IMPORTANT RETOURNER LA PREUVE DE RÉCLAMATION PAR COURRIEL À  
bouclair@deloitte.ca**

**CETTE FEUILLE DE RENSEIGNEMENTS EST FOURNIE  
AFIN DE VOUS AIDER À REMPLIR LE FORMULAIRE DE PREUVE DE RÉCLAMATION**

- La preuve de réclamation doit être signée par la personne qui la remplit.
- La signature du réclamant doit être attestée par un témoin.
- Indiquer l'adresse complète où tout avis et correspondance doivent être expédiés.
- Le montant sur le relevé de compte doit correspondre au montant réclamé sur la preuve de réclamation.

**PARAGRAPHE 1 DE LA PREUVE DE RÉCLAMATION**

- Le créancier doit fournir la raison sociale complète de la société ou de l'entreprise.
- Si la personne qui complète la preuve de réclamation n'est pas le créancier lui-même, elle doit préciser son poste ou sa fonction.

**PARAGRAPHE 3 DE LA PREUVE DE RÉCLAMATION**

- Un relevé de compte détaillé ainsi que les factures s'y rapportant doivent accompagner la preuve de réclamation.

**PARAGRAPHE 4 DE LA PREUVE DE RÉCLAMATION**

- Les créanciers doivent compléter ce paragraphe en fonction de la nature de leur réclamation.

**PARAGRAPHE 5 DE LA PREUVE DE RÉCLAMATION**

- Le réclamant doit indiquer s'il est ou n'est pas lié au débiteur, au sens de la définition de la Loi sur la faillite et l'insolvabilité. Encercler, souligner ou biffer les mots « sont » ou « ne sont pas » selon le cas.

**PARAGRAPHE 6 DE LA PREUVE DE RÉCLAMATION**

- Le réclamant doit fournir une liste détaillée identifiée « B » de tous les paiements reçus et/ou crédits accordés, soit :
  - au cours des trois mois précédant la faillite ou la proposition, dans le cas où le réclamant et le débiteur ne sont pas liés.
  - au cours des douze mois précédant la faillite ou la proposition, dans le cas où le réclamant et le débiteur sont liés.

<input type="checkbox"/>	O	_____
<input type="checkbox"/>	P	_____
<input type="checkbox"/>	G	_____

## PREUVE DE RÉCLAMATION

(article 50.1, paragraphes 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2) et 128(1) et alinéas 51(1)e) et 66.14b) de la Loi)

### dans l'affaire de la proposition amendée de **Bouclair Inc.**

de Pointe-Claire, province de Québec et de la réclamation de \_\_\_\_\_, créancier.  
JE, \_\_\_\_\_ (*nom du créancier ou du représentant*) de \_\_\_\_\_ (*ville et province*)

CERTIFIE CE QUI SUIIT :

1. Je suis le créancier de la débitrice susnommé (*ou je suis*) \_\_\_\_\_ (*poste ou fonction*)  
de \_\_\_\_\_ (*nom du créancier*).

**Expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :**

**Téléphone :** \_\_\_\_\_ **Télécopieur :** \_\_\_\_\_ **Courriel :** \_\_\_\_\_

2. Je suis au courant de toutes les circonstances entourant la réclamation visée par la présente formule.
3. La débitrice était, à la date du dépôt de l'avis d'intention, soit le 11 novembre 2019, endettée envers le créancier et l'est toujours, pour la somme de \_\_\_\_\_ \$, comme l'indique l'état de compte (*ou l'affidavit ou la déclaration solennelle*) ci-annexé et désigné « Annexe A », après déduction du montant de toute créance compensatoire à laquelle la débitrice a droit. (**L'état de compte ou l'affidavit ou la déclaration solennelle annexé doit faire mention des pièces justificatives ou de toute autre preuve à l'appui de la réclamation.**)
4. (**Cochez la catégorie qui s'applique et remplissez les parties requises**)
- ( ) A. RÉCLAMATION NON GARANTIE AU MONTANT DE \_\_\_\_\_ \$  
(**Autre qu'une réclamation d'un client visée par l'article 262 de la Loi.**)  
En ce qui concerne cette créance, je ne détiens aucun avoir de la débitrice à titre de garantie et (**Cochez ce qui s'applique**) :
- ( ) Pour le montant de \_\_\_\_\_ \$, je revendique le droit à un rang prioritaire en vertu de l'article 136 de la *Loi sur la faillite et l'insolvabilité*. (**Indiquez sur une feuille annexée les renseignements à l'appui de la réclamation prioritaire.**)
- ( ) Pour le montant de \_\_\_\_\_ \$, je ne revendique pas de droit à un rang prioritaire.
- ( ) B. RÉCLAMATION DU LOCATEUR SUITE À LA RÉSILIATION D'UN BAIL, AU MONTANT DE \_\_\_\_\_ \$  
J'ai une réclamation en vertu du paragraphe 65.2(4) de la Loi, dont les détails sont mentionnés ci-après. (**Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.**)
- ( ) C. RÉCLAMATION GARANTIE AU MONTANT DE \_\_\_\_\_ \$  
En ce qui concerne la créance susmentionnée, je détiens des avoirs de la débitrice, à titre de garantie, dont la valeur estimative s'élève à \_\_\_\_\_ \$, et dont les détails sont mentionnés ci-après : (**Donnez des renseignements complets au sujet de la garantie, y compris la date à laquelle elle a été donnée et la valeur que vous lui attribuez, et annexez une copie des documents relatifs à la garantie.**)
- ( ) D. RÉCLAMATION D'UN AGRICULTEUR, D'UN PÊCHEUR OU D'UN AQUICULTEUR AU MONTANT DE \_\_\_\_\_ \$  
J'ai une réclamation en vertu du paragraphe 81.2(1) de la Loi pour la somme impayée de \_\_\_\_\_ \$.  
(**Veillez joindre une copie de l'acte de vente et des reçus de livraison.**)
- ( ) E. RÉCLAMATION D'UN SALARIÉ AU MONTANT DE \_\_\_\_\_ \$
- ( ) J'ai une réclamation en vertu du paragraphe 81.3(8) de la Loi (faillite) au montant de \_\_\_\_\_ \$.
- ( ) J'ai une réclamation en vertu du paragraphe 81.4(8) de la Loi (séquestre) au montant de \_\_\_\_\_ \$.
- ( ) F. RÉCLAMATION D'UN EMPLOYÉ RELATIVE AU RÉGIME DE PENSION AU MONTANT DE \_\_\_\_\_ \$
- ( ) J'ai une réclamation en vertu du paragraphe 81.5 de la Loi (faillite) au montant de \_\_\_\_\_ \$.
- ( ) J'ai une réclamation en vertu du paragraphe 81.6 de la Loi (séquestre) au montant de \_\_\_\_\_ \$.

( ) G. RÉCLAMATION CONTRE LES ADMINISTRATEURS AU MONTANT DE \_\_\_\_\_ \$  
(**À compléter lorsque la proposition vise une transaction quant à la réclamation contre les administrateurs.**)  
J'ai une réclamation en vertu du paragraphe 50(13) de la Loi, dont les détails sont mentionnés ci-après : (**Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.**)

( ) H. RÉCLAMATION D'UN CLIENT D'UN COURTIER EN VALEURS MOBILIÈRES FAILLI AU MONTANT DE \_\_\_\_\_ \$  
J'ai une réclamation en tant que client en conformité avec l'article 262 de la Loi pour des capitaux nets, dont les détails sont mentionnés ci-après : (**Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.**)

5. Au meilleur de ma connaissance, je suis lié (**ou** je ne suis pas lié) (**ou** le créancier susnommé est lié) (**ou** le créancier susnommé n'est pas lié) à la débitrice selon l'article 4 de la Loi, et j'ai (**ou** je n'ai pas) (**ou** le créancier susnommé a) (**ou** le créancier susnommé n'a pas) un lien de dépendance avec la débitrice. (**Biffez les choix ne correspondant pas à votre situation.**)

6. Les montants suivants constituent les paiements que j'ai reçus de la débitrice, les crédits que j'ai attribués à celui-ci et les opérations sous-évaluées selon le paragraphe 2(1) de la Loi auxquelles j'ai contribué ou été partie intéressée au cours des trois mois (**ou, si le créancier et la débitrice sont des « personnes liées » au sens du paragraphe 4(2) de la Loi ou ont un lien de dépendance, au cours des douze mois**) précédant immédiatement l'ouverture de la faillite, telle que définie au paragraphe 2(1) de la Loi. (**Donnez les détails des paiements, des crédits et des opérations sous-évaluées.**)

(  
FAIT À \_\_\_\_\_, ce \_\_\_\_\_<sup>e</sup> jour de \_\_\_\_\_ 2\_\_\_\_\_.

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature du créancier qui est une personne physique)

- ou -

\_\_\_\_\_  
(nom du créancier qui est une personne morale)

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature, nom et poste ou fonction du représentant)

**REMARQUES :** Si un affidavit ou une déclaration solennelle est joint à la présente formule, il doit avoir été fait devant une personne autorisée à recevoir des affidavits ou des déclarations solennelles.

Lorsqu'une copie du présent avis est envoyée par voie électronique, par des moyens tels que le courriel, le nom et les coordonnées de l'expéditeur, tel que prescrit au Formulaire 1.1, doivent être indiqués à la fin du document.

**AVERTISSEMENTS :** Le syndic peut, en vertu du paragraphe 128(3) de la Loi, racheter une garantie sur paiement au créancier garanti de la créance ou de la valeur de la garantie telle qu'elle a été fixée par le créancier garanti dans la preuve de garantie.

Le paragraphe 201(1) de la Loi prévoit l'imposition de peines sévères en cas de présentation de réclamations, de preuves, de déclarations ou d'états de compte qui sont faux.

## PROCURATION GÉNÉRALE

(paragraphe 102(2) et alinéas 51(1)e) et 66.15(3)b) de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION AMENDÉE DE : **BOUCLAIR INC.**, personne insolvable

Je (**ou** nous), \_\_\_\_\_ (nom du créancier ou du représentant), de \_\_\_\_\_ (ville et province),  
créancier dans l'affaire susmentionnée, nomme \_\_\_\_\_

de \_\_\_\_\_ mon fondé de pouvoir à tous égards dans l'affaire susmentionnée,  
sauf la réception de dividendes, celui-ci étant habilité à nommer un autre fondé de pouvoir à sa place (**ou** n'étant pas habilité à nommer un autre fondé de pouvoir à sa place).

FAIT À \_\_\_\_\_, ce \_\_\_\_\_<sup>e</sup> jour de \_\_\_\_\_ 2\_\_\_\_\_.

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature du créancier qui est un individu)

- ou -

\_\_\_\_\_  
(nom du créancier qui est une personne morale)

\_\_\_\_\_  
(signature et nom du témoin)

\_\_\_\_\_  
(signature, nom et poste ou fonction du représentant)

## FORMULAIRE DE VOTATION

(alinéas 51(1)f) et 66.15(3)c) de la Loi)

DANS L'AFFAIRE DE LA PROPOSITION AMENDÉE DE : BOUCLAIR INC.

Personne insolvable

Je, \_\_\_\_\_ de \_\_\_\_\_,  
**(nom de créancier)** **(ville et province)**

créancier dans l'affaire susmentionnée à l'égard de la somme de \_\_\_\_\_ \$, demande au syndic agissant relativement à la proposition amendée de BOUCLAIR INC., personne insolvable, de consigner mon (**ou** notre) vote  en faveur de **ou**  contre l'acceptation de la proposition amendée faite le 8 juillet 2020.

FAIT À \_\_\_\_\_, ce \_\_\_\_\_<sup>e</sup> jour de \_\_\_\_\_ 2020.

\_\_\_\_\_  
**(Témoin)**

\_\_\_\_\_  
**(Créancier individu)**

- ou -

\_\_\_\_\_  
**(Témoin)**

\_\_\_\_\_  
**(Nom du créancier qui est une personne morale)**

\_\_\_\_\_  
**(Signature, nom et titre du représentant)**





## FORMULAIRE D'INSCRIPTION À L'ASSEMBLÉE DES CRÉANCIERS

Dans l'affaire de la proposition amendée de Bouclair Inc. et de Bouclair International Inc.

Nom du créancier : \_\_\_\_\_

Nom du représentant du  
créancier : \_\_\_\_\_

Adresse courriel : \_\_\_\_\_

Numéro de téléphone : \_\_\_\_\_

Signature : \_\_\_\_\_

Veillez noter que pour participer à l'assemblée des créanciers, vous devez transmettre ce formulaire au syndic par courriel à l'adresse suivante : [bouclair@deloitte.ca](mailto:bouclair@deloitte.ca) au plus tard à 10h le dimanche 19 juillet 2020.

# **EXHIBIT P-4**

C A N A D A  
PROVINCE DE QUÉBEC  
DISTRICT DE MONTRÉAL  
COUR N°: 500-11-057470-193  
500-11-057469-195  
DOSSIER N°: 41-2582132  
41-2582130

C O U R S U P É R I E U R E  
Chambre commerciale

**DANS L'AFFAIRE DE LA  
PROPOSITION AMENDÉE DE :**

**BOUCLAIR INC.**

– et –

**BOUCLAIR INTERNATIONAL INC.**

**Débitrices**

– et –

**RESTRUCTURATION DELOITTE INC.**

(Martin Franco, CPA, CA, CIRP, SAI,  
responsable désignée)

**Syndic**

## **PROCÈS-VERBAL DE L'ASSEMBLÉE DES CRÉANCIERS**

### **Endroit, date et heure de l'assemblée**

Le 21 juillet 2020, 10 h 00  
Simultanément par visioconférence, dû à la COVID-19, et au  
1190, avenue des Canadiens-de-Montréal bur. 500  
Montréal Québec H3B 0M7

### **Président de l'assemblée**

Monsieur Martin Franco, CPA, CA, CIRP, SAI  
Restructuration Deloitte Inc., Syndic

### **Présence**

Martin Franco	Représentant du Syndic
Patrick Fillion	Représentant du Syndic
Karine Forget	Représentant du Syndic
Me Sandra Abitan	Osler, Hoskins & Hartcourt – avocat du Syndic
Me Julien Morissette	Osler, Hoskins & Hartcourt – avocat du Syndic
Randy Benson	Chef de la restructuration financière des débitrices
Me Joseph Reynaud	Stikeman Elliott – avocat des débitrices
Créanciers	Voir annexe A

En vertu de l'article 51(3) de la *Loi sur la faillite et l'insolvabilité* (« LFI »), le président transmet ses instructions pour le déroulement de l'assemblée par visioconférence aux créanciers.

Le président informe les personnes présentes que pour avoir droit de vote à cette assemblée, un créancier doit avoir déposé sa preuve de réclamation en bonne et due forme entre les mains du Syndic avant le moment fixé pour l'assemblée.

### **Quorum**

Le président a examiné les preuves de réclamation déposées auprès du Syndic et la preuve de convocation de l'assemblée. Le président constate le quorum et déclare l'assemblée légalement constituée.

### **Période de questions**

Avant le début de la période de questions, le Syndic fait un survol du rapport du Syndic sur la proposition amendée.

Le Syndic et le procureur des débitrices répondent aux questions des créanciers présents.

### **Vote**

Le président explique aux créanciers les conditions du vote sur la proposition amendée, les exigences de la loi pour que la proposition amendée soit acceptée, soit une majorité en nombre et une majorité des deux tiers en valeur des créanciers non garantis votants. (Article 54 (1) (d) de la LFI).

Le résultat du vote est le suivant :

	Nombre		Valeur	
	Nombre	%	\$	%
Pour	90	98,9 %	12 177 172,46	99,8 %
Contre	1	1,1 %	23 505,30	0,2 %

La proposition amendée est acceptée.

### **Levée de l'assemblée**

L'assemblée des créanciers dans l'affaire de la proposition amendée de Bouclair Inc. et Bouclair International Inc. est levée à 10 h 25.

Restructuration Deloitte Inc.  
Syndic



Martin Franco, CPA, CA, CIRP, SAI  
Président de l'assemblée

**Annexe A**  
**Registre des présences des créanciers**

Nom du créancier	Représentant
34 Locateurs	Me Francois Viau, Gowling WLP
Agence du Revenu du Québec	Clément Noah
Chubb compagnie d'assurance	Me Roger Simard, Dentons
Crombie Property Holdings Ltd	M Citak
Daniel Mc Graw	Daniel Mc Graw
Ideka Services Conseils Inc.	Marie-Josée Tremblay
Luce Lemen Inc.	John Gubany
Madden Electric Inc.	Christine
Oeanex	Serge Andary
Sara Caouette	Sara Caouette
Transport Morneau Inc.	Roger Bouvier
Vanilla Moulding Inc.	Mark Del Degan

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**SUPERIOR COURT  
(Commercial Division)**

DISTRICT OF MONTRÉAL

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**IN THE MATTER OF THE AMENDED PROPOSAL OF:  
BOUCLAIR INC.**

**-and-**

**BOUCLAIR INTERNATIONAL INC.**

**Debtors**

**-and-**

**DELOITTE RESTRUCTURING INC.**

**Petitioner/Trustee**

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**APPLICATION FOR THE APPROVAL OF A PROPOSAL  
(Sections 50(1)(a) and 58 of the *Bankruptcy and  
Insolvency Act*), AFFIDAVIT, NOTICE OF  
PRESENTATION, LIST OF EXHIBITS, EXHIBITS P-1, P-  
2, P-3, P-4**

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**ORIGINAL**

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Code: BO 0323

o/f: 1205259

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