

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
NORTH AMERICAN FUR PRODUCERS INC., NAFA PROPERTIES INC., 3306319  
NOVA SCOTIA LIMITED, NORTH AMERICAN FUR AUCTIONS INC., NAFA  
PROPERTIES (US) INC., NAFA PROPERTIES STOUGHTON LLC, NORTH  
AMERICAN FUR AUCTIONS (US) INC., NAFPRO LLC (WISCONSIN LLC), NAFA  
EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z OO and NAFA  
POLSKA SP. Z OO**

Applicants

**SEVENTEENTH REPORT OF THE MONITOR  
DATED APRIL 5, 2024**

**INTRODUCTION**

1. On October 31, 2019, North American Fur Producers Inc., NAFA Properties Inc., 3306319 Nova Scotia Limited, North American Fur Auctions Inc., NAFA Properties (US) Inc., NAFA Properties Stoughton LLC, North American Fur Auctions (US) Inc., NAFPRO LLC (Wisconsin LLC), NAFA Europe Co-Operatief Ua, NAFA Europe B.V., Daikoku Sp.Z Oo and NAFA Polska Sp. Z Oo (collectively, the “**Applicants**” or “**NAFA**”) commenced these CCAA Proceedings pursuant to the Initial Order. The Applicants’ principal business previously consisted of advancing loans to mink farmers to produce mink pelts for auctions run by the Applicants. For ease of reference and readability, certain capitalized terms not defined in this seventeenth report of the Monitor (the “**Seventeenth Report**”) are defined in the glossary attached as **Appendix “A”** to this Seventeenth Report (the “**Glossary**”).
2. On November 8, 2019, the Applicants obtained an Amended and Restated Initial Order.

3. On November 5, 2020, the Court issued an Order (the “**Expanded Powers Order**”) that, among other things, granted the Monitor expanded powers with respect to certain items, including:
  - a. Insurance claims that may be advanced by NAFA. The claims are primarily trade credit insurance claims that NAFA is currently advancing to recover unpaid kit loans (i.e., loans to farmers to raise their mink crop as juvenile mink or “kits”) made to farmers in 2019;
  - b. Claims in respect of NAFA’s “rollover loan” balances (i.e., unpaid loans advanced by NAFA in 2018 and prior);
  - c. Litigation in proceedings in which the Applicants are either a plaintiff or claimant (other than these CCAA Proceedings);
  - d. Oversight over material expenditures related to NAFA’s nascent “brokerage business” (i.e., the process whereby NAFA finds buyers for fur pelts being marketed by consignors that formerly sold their skins at NAFA’s auctions);
  - e. Matters related to NAFA’s employees; and
  - f. The right, title and interest of the Applicants in any real property.
4. Since the date of the Expanded Powers Order, the Monitor has been working closely with the Applicants in respect of the items above, with the two parties sharing a common approach without the need to seek direction from the Court. The Monitor has provided regular updates to the Agent on these matters and has sought input from the Agent when appropriate.

5. Since the beginning of these CCAA Proceedings, and as set out further in the April 2021 Lawson Affidavit, the fur market has been affected by several factors, including the coronavirus pandemic (the “**Covid-19 Pandemic**”) that began to have significant effects in early 2020. As a result, the entire premise of the Applicants’ restructuring and monetization efforts were affected and NAFA was required to alter its approach accordingly (i.e., primarily waiting for auctions to resume online or in person so that pelts delivered to auction houses can be monetized).
6. Given the Covid-19 Pandemic, NAFA’s primary cash inflows, which are based on auction proceeds on mink that it financed during 2019, were significantly depressed between 2020 and September 2022 and generally remain below pre-Covid-19 Pandemic numbers, both in respect of pelt volumes sold and the prices achieved. This resulted in the Applicants repaying less Syndicate Debt and over an extended period than contemplated at the beginning of these CCAA Proceedings. Since the beginning of the Covid-19 pandemic, auction sale volumes have been depressed, due in large part to travel restrictions imposed by various foreign governments and fur industry dynamics generally. As a result, a significant portion of skins anticipated to be auctioned in 2020 and 2021 were held over for auction in 2022 and 2023. The sale volumes in these years continued to be depressed; accordingly, a significant amount of NAFA skins remain to be sold in 2024. Management estimates that a significant portion of these skins will be sold in auctions held later in 2024.
7. On May 25, 2023, the Court granted an Order (the “**Claims Process Order**”), authorizing the Applicants and the Monitor to undertake a claims process for the identification and quantification of certain claims of creditors of the Applicants, including their Directors and Officers. The Claims Process Order was obtained to allow the Applicants and the Monitor

to estimate the total claims against the Applicants and did not contemplate the review and adjudication of the claims.

8. On May 25, 2023, the Court granted an Order declaring that the *Wage Earner Protection Program Act* (“**WEPPA**”) applies to NAFA and that NAFA’s former employees are eligible to receive payments in accordance with WEPPA.
9. On September 26, 2023, the Court granted an Order that, among other things, extended the Stay Period and approved the Monitor’s Thirteenth and Fourteenth Reports, and the actions and conduct of the Monitor and its counsel contained therein.
10. On November 29, 2023, the Court granted an Order that, among other things, extended the Stay Period from December 1, 2023 to and including January 19, 2024, and approved the Monitor’s Fifteenth Report and the actions and the conduct of the Monitor and its counsel contained therein.
11. On January 17, 2024, the Court granted an Amended and Restated Claims Process Order (the “**Amended and Restated Claims Process Order**”) that, among other things, authorized NAFA and the Monitor to review and either accept, revise, or reject the Proofs of Claim by implementing an adjudication and resolution of claims process (the “**Claims Adjudication Process**”).
12. On the same date, the Court granted a Meeting Order (the “**Meeting Order**”) that authorized NAFA to, among other things, accept the filing of the Consolidated Plan of Compromise and Arrangement in respect of the Applicants dated January 11, 2024 (the “**Plan**”) and call, hold and conduct a meeting of the Affected Creditors to consider and vote on a resolution to approve the Plan on February 21, 2024 (the “**Meeting**”). The

Meeting Order also extended the Stay Period from January 19, 2024 to and including April 1, 2024, approved the Monitor's Sixteenth Report the actions, and the conduct of the Monitor and its counsel contained therein.

13. On March 26, 2024, the Court granted an Order extending the Stay Period from April 1, 2024 to and including April 15, 2024.
14. The Applicants' motion record dated April 5, 2024, returnable on April 12, 2024 (the "**Motion**"), seeks an Order (the "**Sanction Order**") that, among other things:
  - a. Approves and sanctions the Plan;
  - b. Approves releases ("**Releases**") in favour of:
    - i. the current and former directors, officers, legal counsel and advisors of the Applicants;
    - ii. the Monitor and its legal counsel, Miller Thomson LLP;
    - iii. the Agent, the Syndicated Lenders and their legal counsel; and
    - iv. each and every present and former affiliate, affiliated funds, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of each of the parties (collectively, the "**Released Parties**"); and
  - c. Approves this Seventeenth Report and the actions and conduct of the Monitor and its counsel contained herein.
15. Capitalized terms not otherwise defined in this Seventeenth Report are defined in the Plan,

the Meeting Order, the Sanction Order or the Glossary.

## PURPOSE

16. The purpose of this Seventeenth Report is to provide the Court with information regarding:
  - a. The Monitor's activities since the date of its Sixteenth Report;
  - b. The results of the vote by the Affected Creditors at the reconvened Meeting held on April 3, 2024; and
  - c. The Monitor's comments and recommendations on the relief sought by the Applicants under the proposed Sanction Order.

## TERMS OF REFERENCE

17. In preparing this Seventeenth Report and making the comments herein, the Monitor has been provided with, and has relied upon certain unaudited financial information, books, records and financial information prepared by the Applicants, discussions with and information from the Applicants' management and other third-party sources (collectively, the "**Information**"). Except as described in this Seventeenth Report:
  - a. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *CPA Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor express no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- b. Some of the information referred to in this Seventeenth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Canada Handbook, has not been performed.
- 18. Future oriented financial information referred to in this Seventeenth Report was prepared based on the Applicants' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize and the variations could be significant.
- 19. Unless otherwise stated, monetary amounts contained herein are expressed in U.S. dollars, the Applicants' reporting currency.

#### **ACTIVITIES OF THE MONITOR SINCE THE SIXTEENTH REPORT**

- 20. Since the date of the Sixteenth Report, the Monitor has undertaken, among other things, the following activities:
  - a. Implementing the Claims Adjudication Process for the purpose of voting on the Plan in accordance with the Amended and Restated Claims Process Order;
  - b. In accordance with the Meeting Order;
    - i. posting copies of the Meeting Order, the Sixteenth Report, and the Meeting Materials to the Monitor's Website;
    - ii. sending each Affected Creditor copies of the Meeting Materials by mail or email;

- iii. posting the Notice of the Meeting of Creditors to the relevant trade industry websites as required by the Meeting Order;
  - iv. updating the Monitor's Website regarding the reconvened Meeting; and
  - v. conducting the Meeting and the reconvened Meeting;
- c. Communicating with the Agent and certain stakeholders of the Applicants; and
  - d. Preparing this Seventeenth Report.

## **THE CLAIMS ADJUDICATION PROCESS**

21. As set out in the Sixteenth Report, there were some Claims filed that were potentially duplicative Claims (a “**Duplicate Claim**”). Specifically, there were three Creditors represented by the same legal counsel who submitted one Proof of Claim with three claimants claiming the same amount owed. After discussions with the relevant legal counsel, the actual amounts owed to those Creditors were confirmed by the Monitor and the Duplicate Claims were withdrawn.

## **THE MEETING ORDER**

22. On January 22, 2024, in accordance with paragraph 13 of the Meeting Order, the Monitor published on the Monitor's Website a copy of the Meeting Materials, comprising of:
- a. The Plan;
  - b. The Notice of Meeting to Affected Creditors;
  - c. The Meeting Order;



- d. A proxy form and instructions for completing the proxy form; and
  - e. The Sixteenth Report (collectively, the “**Meeting Materials**”).
23. A copy of the notice posted on the Monitor’s Website is attached as **Appendix “B”**.
24. In accordance with paragraph 15 of the Meeting Order, the Monitor:
- a. On January 22, 2024, emailed the Meeting Materials to the Affected Creditors for which it had an email address for either from the Affected Creditors’ Proof of Claim filed pursuant to the Claims Process Order or from the Books and Records; and
  - b. Between January 22, 2024 and January 29, 2024 sent by regular mail the Notice of Meeting to Affected Creditors, which included the link to the Monitor’s Website with the Meeting Materials, to the Affected Creditor without available email addresses.
25. The Monitor and NAFA also solicited the International Fur Federation to post an information notice, advising of the Meeting Order, the Plan and the Meeting and directing the Affected Creditors to the Meeting Materials on the Monitor’s Website (the “**Trade Industry Notice**”). A copy of the Trade Industry Notice posted by International Fur Federation on or about February 15, 2024 is attached as **Appendix “C”**.
26. The Monitor also communicated with certain Affected Creditors and stakeholders prior to the Meeting to answer any questions and collect the proxies that were provided. The Monitor also responded to queries submitted to its telephone hotline and email inbox.

## **ORIGINAL MEETING ADJOURNED**

27. Pursuant to the Meeting Order, the Meeting was initially scheduled to be held on February 21, 2024 at 10:00 a.m. (Toronto time) (the “**Original Meeting**”).
28. The Original Meeting was held in person at the offices of the Monitor located at Bay Adelaide East, 8 Adelaide Street West, Suite 200, Toronto, Ontario (the “**Monitor’s Office**”), and virtually by way of Zoom videoconference.
29. The Original Meeting was chaired by Mr. Jorden Sleeth (the “**Chair**”), a representative of the Monitor.
30. Shortly before the Original Meeting, an issue was raised by counsel to certain former employees of NAFA (the “**Terminated Employees**”) that resulted in the Chair adjourning the Original Meeting. The Original Meeting was adjourned after calling it to order in accordance with paragraph 25 of the Meeting Order which allowed for discussions relating to the issue to occur among NAFA, the Terminated Employees, certain other stakeholders and the Monitor.

## **NOTICE OF RECONVENED MEETING OF CREDITORS**

31. The discussions among the stakeholders resulted in the consensual resolution of the issue raised by the Terminated Employees prior to the Original Meeting.
32. As a result, on March 28, 2024, in accordance with the Meeting Order, the Monitor sent a notice (the “**Notice of Reconvened Meeting**”) by email to the Affected Creditors (and their Proxy holders) who attended the Original Meeting advising that the Meeting would be reconvened on April 3, 2024 at 11:00 a.m. (Toronto time) in person at Monitor’s Office

and virtually by way of Zoom videoconference. The Monitor also posted the Notice of Reconvened Meeting on the Monitor's Website. A copy of the Notice of Reconvened Meeting posted on the Monitor's Website is attached as **Appendix "D"**.

## **RECONVENED MEETING**

33. In accordance with the Notice of Reconvened Meeting, the reconvened Meeting was held on Wednesday, April 3, 2024 at 11:00 a.m. (Toronto time) in person at the Monitor's Office and virtually by way of Zoom videoconference.
34. The reconvened Meeting was held in accordance with the terms of the Meeting Order. Mr. Jordan Sleeth acted as Chair of the reconvened Meeting. Mr. Todd Ambachtsheer and Mr. Martin Lin, representatives of the Monitor, acted as scrutineers (the "**Scrutineers**") for the purpose of coordinating attendance, confirming quorum, and tabulating votes. Counsel for the Monitor, Ms. Gina Rhodes, acted as Secretary for the reconvened Meeting.
35. At the outset of the Meeting, the Scrutineers tabulated the attendance being 84 Eligible Voting Creditors present in person or by proxy at the reconvened Meeting. After doing so, the Chair confirmed that quorum required under the Meeting Order, being one Eligible Voting Creditor present in person or by proxy and entitled to vote at the reconvened Meeting, was present.
36. The reconvened Meeting was attended in person or by proxy by 10 individuals, including the Chair, the two Scrutineers, the Secretary, a member of the Monitor's legal counsel, two representatives of the Applicants, one member of the Applicants' legal counsel, a member of the Agent's legal counsel as duly appointed proxyholder holding three Proxies on behalf of each of the Syndicate Lenders and one other duly appointed proxyholder holding three

Proxies on behalf of other Eligible Voting Creditors.

37. The reconvened Meeting was attended via Zoom videoconference by 17 individuals, including one representative of the Monitor, three Terminated Employees, three members of the Terminated Employees' legal counsel, one member of the financial advisor to the Terminated Employees' legal counsel, one member of the Agent's legal counsel, one member of NAFA's board of directors' legal counsel, and seven Eligible Voting Creditors.
38. A total of 84 Eligible Voting Creditors attended and voted in person or by proxy at the reconvened Meeting, holding Voting Claims with an aggregate value of \$25,011,086.
39. Prior to calling for the vote on the Plan Resolution, the Chair reviewed the notice that was provided for the Original Meeting and the reconvened Meeting in accordance with the Meeting Order.
40. The Chair then provided a high-level summary of the Plan including the Releases discussed further below. The Chair provided the Monitor's view that the Plan provides for a better recovery to unsecured creditors than they would receive in a bankruptcy or liquidation, wherein there would be essentially no recoveries for the unsecured creditors. The Chair advised that the Monitor recommends voting in favour of the Plan Resolution.
41. The Chair then explained the voting process and opened the reconvened Meeting up to questions prior to calling for the vote on the Plan Resolution. The Plan Resolution to approve the Plan and the transactions contemplated therein was approved by an overwhelming majority in number of Affected Creditors representing 99.5% of the value of the aggregate amount of all Voting Claims held by Eligible Voting Creditors that were present and voting, either in person or by proxy at the reconvened Meeting.

42. The results of the vote held at the reconvened Meeting is summarized in the table below:

<b>Vote</b>	<b>Number</b>	<b>% Number</b>	<b>Value</b>	<b>% Value</b>
<b>In Favour</b>	82	97.6%	\$24,883,940.00	99.5%
<b>Against</b>	2	2.4%	\$127,145.00	0.5%

43. As shown above, 97.6% by number of Affected Creditors representing 99.5% by value of the voting claims approved the Plan.
44. Accordingly, the Plan was approved by the Required Majority, being a majority in number of Affected Creditors representing at least two-thirds of the value of the aggregate amount of all Voting Claims held by the Eligible Voting Creditors that are present and voting, either in person or by proxy at the reconvened Meeting in accordance with section 6(1) of the CCAA.
45. The complete minutes of the reconvened Meeting are attached as **Appendix “E”**.

#### **MONITOR’S COMMENTS ON RELIEF BEING SOUGHT BY THE APPLICANTS**

46. The Applicants are seeking the Sanction Order, which, among other things: (a) approves and sanctions the Plan; and (b) approves and grants the Releases contained in the Plan.

#### ***The Monitor Recommends the Plan be Approved and Sanctioned by the Court***

47. The Monitor recommends that that the Court approve and sanction the Plan for the following reasons:
- a. The Applicants have acted in good faith and with due diligence throughout the course of these CCAA Proceedings, complying with the requirements of the CCAA

and all Orders of the Court granted in these CCAA Proceedings;

- b. The Applicants have complied with all their statutory requirements, where economically feasible;
- c. The Applicants have complied with the terms of the Meeting Order by providing the requisite notice to the Affected Creditors within the timeframe and manner required by the Meeting Order;
- d. The Affected Creditors were properly classified in the Meeting Order;
- e. The Original Meeting and the reconvened Meeting were held in accordance with the terms of the Meeting Order;
- f. The Applicants did not take any unauthorized steps and no unauthorized steps have alleged to have been taken by the Applicants in these CCAA Proceedings;
- g. The Plan is a product of extensive discussions and negotiations with NAFA, its Secured Creditors and other key stakeholders, which, subject to the proposed Plan being approved by the Required Majority of Affected Creditors and sanctioned by the Court and implemented, effectively converts approximately \$7 million in principal (plus material fees and interest) of secured debt into Unsecured Claims thereby facilitating potential distributions to unsecured creditors that would otherwise not be available;
- h. The Plan is intended to materially reduce ongoing fees and costs to the estate of the Applicants (which are significant) and facilitate an earlier termination of these CCAA Proceedings;

- i. For the reasons set out in paragraphs 60 through 66 of the Sixteenth Report, the Monitor is of the view that the classification of creditors under the Plan is fair and reasonable in the circumstances;
- j. For the reasons set out in paragraphs 54 to 59 of the Sixteenth Report, the Monitor is of the view that: (i) consolidation of the Applicants under the Plan is appropriate; (ii) no creditor will be materially prejudiced by consolidating the Applicants under the proposed Plan; and (iii) the benefits of consolidation outweigh any potential prejudice to any particular creditor and is fair and reasonable in the circumstances;
- k. The Plan is fair and reasonable, and given that the Affected Creditors will not be paid in full, there is no unfairness to the shareholders who will be receiving no recoveries under the Plan;
- l. The Plan was not only approved by the required majorities of Affected Creditors under section 6(1) of the CCAA by an overwhelming majority of the Affected Creditors both by number and by value of the Eligible Voting Claims;
- m. There is no better alternative for Unsecured Creditors than the recoveries contemplated by the Plan. The estimated recovery under the Plan is more favourable than in a bankruptcy or liquidation scenario, where Unsecured Creditors would receive no recoveries; and
- n. It is in the public interest for these CCAA Proceedings to be resolved and distributions to be made to the Affected Creditors efficiently and as soon as practicable.

***The Monitor Recommends the Releases be Approved***

48. Section 8.1 of the Plan, which was approved by 97.6% in number of the Affected Creditors holding 99.5 % of the value of the aggregate amount of all Voting Claims held by the Eligible Voting Creditors that were present and voting at the reconvened Meeting, provides:

At the Effective Time, (i) the Applicants' Representatives, including their Directors and Officers; (ii) the Monitor and the Monitor's counsel; and (iii) each of the Agent, the Syndicated Lenders, and their counsel, and each and every present and former affiliate, affiliated funds, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each of the Persons named in (i), (ii) or (iii) of this Section 8.1, in their capacity as such, being herein referred to individually as a "**Released Party**" and all referred to collectively as "**Released Parties**") shall be fully, finally and forever released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity, or rights of subrogation, which any Person may be entitled to assert, whether or not reduced to judgment, liquidated or unliquidated, fixed, contingent, known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, by guarantee, surety or otherwise, and whether or not executory or anticipatory in nature, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, or following the Plan Implementation Date up to the termination of the CCAA Proceedings that relate to matters relating to implementing the Plan, or that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, any D&O Claims and any indemnification obligations with respect thereto, the business and affairs of the Applicants whenever or however conducted, the administration and/or management of the Applicants, the Plan or the CCAA Proceedings, or any document, instrument, matter or transaction involving any of the Applicants taking place prior to the Plan Implementation Date or thereafter, in connection with the Plan (referred to collectively as the "**Released Claims**"), and all Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, extinguished, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law; provided that the following shall



not constitute Released Claims and nothing herein will waive, discharge, release, cancel or bar:

(a) any Unaffected Claim;

(b) the Applicants of or from any of their obligations under the Plan, under any Order, or under any document delivered by the Applicants on the Plan Implementation Date pursuant to the Plan; or

(c) Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or willful misconduct.

49. As set out above, prior to the vote being held at the reconvened Meeting, the Chair provided the Affected Creditors in attendance with highlights of the Plan and specifically drew the Affected Creditors attention to the fact that the Plan included the Releases. The Chair did so by stating:

The Plan provides for releases in favour of NAFA, the Monitor, the Monitor's counsel, the Agent, the Syndicated Lenders and each of their affiliates, subsidiaries, directors, officers, employees, and advisors.

50. The Releases sought in the Sanction Order reflect the Releases that are included in Section 8.1 of the Plan, and provide for Releases in favour of the Released Parties being:

- a. the Applicants;
- b. the Monitor and its legal counsel;
- c. the Agent, the Syndicated Lenders and their legal counsel; and
- d. each and every present and former affiliate, affiliated funds, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of each of the Released Parties.

51. The Monitor is of the view that the Releases are reasonable, necessary, and appropriate in

the circumstances, and should be approved by the Court for the following reasons.

The Released Claims are Rationally Connected to the Purpose of the Plan

52. The Monitor is of the view that the Releases are rationally connected to the purpose of the Plan, which is to provide for a compromise, settlement and release of all Affected Claims. This includes claims against former directors, officers and employees, and any indemnity claims that may arise against the Applicants.

The Plan Cannot Succeed Without the Releases

53. The Monitor is of the view that the Plan cannot succeed without the Releases. The Applicants must have finality in respect of its obligations and liabilities.
54. The Agent and the Syndicated Lenders require the Releases as part of their support of the Plan and the Plan would not be able to be put forward without their support.
55. The Syndicated Lenders, as NAFA's first ranking and largest secured creditors have agreed, on the implementation of the proposed Plan, to effectively convert \$2.4 million of their approximate \$3.6 million remaining secured debt into unsecured debt and share in distributions with all other creditors on a *pari passu* basis.
56. The Agent and the Syndicated Lenders have also agreed to not collect, and on implementation of the proposed Plan, waive all interest and fees that have accrued or will accrue in respect of such first ranking secured indebtedness from and after October 1, 2023 which, based upon the current amount owing to the Syndicated Lenders and NAFA's remaining assets, would be material.
57. Without the Agent and the Syndicated Lenders agreeing to make these significant financial

concessions, the Plan could not succeed and would not be able to put forward at all.

#### The Released Parties Have Significantly Contributed to the Plan

58. The Monitor is of the view that the Released Parties have contributed significantly to these CCAA Proceedings and are integral to the viability of the proposed Plan.
59. The Applicants have, at all times throughout these CCAA Proceedings, made good faith efforts to address their financial issues and proceed with their restructuring. The Applicants have worked diligently with the Monitor, the Agent, and other stakeholders and have acted in the best interests of the Applicants and their stakeholders.
60. The Monitor and its legal counsel have, at all times, been closely involved in the restructuring and day-to-day operations of the Applicants' business. The Monitor and its legal counsel facilitated the negotiations between the Applicants and the Agent, FCC and the Secured Shareholders, which resulted in these stakeholders providing significant concessions to allow the Plan to put forward.
61. The Agent, the Syndicated Lenders, and their counsel have been consulted throughout these CCAA Proceedings, and have provided insight and strategic outlook in the Applicants' restructuring process. In addition, as set out in detail in paragraphs 55 and 56 above, the Syndicated Lenders have made significant financial concessions, without which the Plan would not be possible.

#### The Releases Benefit the Debtors and Creditors Generally

62. The Monitor is of the view that the Plan provides a better recovery to unsecured creditors than they would receive in a bankruptcy or liquidation, wherein there would be no

recoveries for the unsecured creditors.

63. There is the potential for significant benefit, depending on future recoveries of the Applicants' remaining assets if the proposed Plan is approved, sanctioned and implemented, and the Plan provides for fairness for all creditors.

The Creditors Had Sufficient Knowledge of the Nature and Effect of the Releases

64. The Affected Creditors were given ample notice of the Plan, and the Releases therein.
65. The Releases were included in the Applicants' Motion Record dated January 11, 2024 and in the Sixteenth Report. The Releases were also included in the Meeting Materials, both in the Plan and the Sixteenth Report and were also expressly referred to in the Notice of Meeting. As described above, the Meeting Materials were sent to each of the Affected Creditors and posted on the Monitor's Website.
66. As set out above, the Affected Creditors were also provided with a further reminder of the Releases in the Plan prior to the vote at the reconvened Meeting.

The Releases are Fair, Reasonable and Not Overly Broad

67. The Monitor is of the view that the Releases are reasonably tailored and not overly broad in scope. The Releases are limited in subject matter scope and explicitly do not Release (a) any Unaffected Claims, which includes any D&O Claims that are not permitted to be compromised under section 5.1(2) of the CCAA; (b) the Applicants from any of their obligations under the Plan or any Order; and (c) a Released Party if the Released Party has been found to have committed fraud or willful misconduct.
68. The Monitor supports the Releases and is not aware of any objections to the Releases being

granted.

***The Monitor Recommends its Seventeenth Report be Approved***

69. By Order dated January 17, 2024, the Court approved the Monitor's Sixteenth Report. The Applicants are currently seeking approval of this Seventeenth Report as part of the Motion.

**CONCLUSION**

70. For the above reasons, the Monitor recommends that this Court grant the Sanction Order and the relief sought therein.

All of which is respectfully submitted this 5<sup>th</sup> day of April, 2024.

**Deloitte Restructuring Inc.  
Solely in its capacity as Court-appointed  
Monitor of North American Fur Auctions Inc. et al**

Per:



Jorden Sleeth, LIT  
Senior Vice President



Todd Ambachtsheer, LIT  
Senior Vice President

**Appendix “A”  
Glossary of Terms**

<b>Glossary</b>	
<b>Term</b>	<b>Definition</b>
<b>Administration Charge</b>	A charge granted pursuant to the Initial Order, as amended securing the fees and disbursements of the Applicants’ counsel, the Monitor and its counsel, the advisors of the Syndicated Lenders, the Financial Advisor and counsel for the Directors (to a maximum of \$100,000 for the latter), which amount and priority have been amended such that currently the charge is in the amount of \$1,500,000 with \$900,000 ranking in first priority (now that the DIP Facility has been repaid) and \$600,000 ranking in fourth priority behind the KERP Charge and the Syndicate Debt
<b>Affected Creditors</b>	All Creditors that are not Unaffected Creditors, and “Affected Creditor” means anyone of them.
<b>Agent</b>	Canadian Imperial Bank of Commerce in its capacity as Agent for the Syndicated Lenders
<b>Amended and Restated Initial Order</b>	The Amended and Restated Initial Order of the Court dated November 8, 2019
<b>AME</b>	American Mink Exchange, a north American solicitor of fur pelts
<b>Applicants</b>	Collectively, North American Fur Producers Inc., NAFA Properties Inc., 3306319 Nova Scotia Limited, North American Fur Auctions Inc., NAFA Properties (US) Inc., NAFA Properties Stoughton LLC, North American Fur Auctions (US) Inc., NAFPRO LLC (Wisconsin LLC), NAFA Europe Co-Operatief Ua, NAFA Europe B.V., Daikoku Sp.Z Oo and NAFA Polska Sp. Z Oo
<b>April 2021 Lawson Affidavit</b>	The Affidavit of Douglas Lawson affirmed April 2, 2021
<b>August Lawson Affidavit</b>	The Affidavit of Douglas Lawson affirmed August 21, 2020
<b>BDC</b>	Business Development Bank of Canada
<b>Carlingview Property</b>	NAFA’s former distribution centre on Carlingview Avenue in Toronto
<b>CCAA</b>	<i>Companies’ Creditors Arrangement Act</i> , R.S.C., 1985, c. C-36

<b>CCAA Proceedings</b>	The CCAA proceedings commenced pursuant to the Initial Order bearing Court file no. CV-19-00630241-00CL
<b>CIBC</b>	Canadian Imperial Bank of Commerce
<b>City Landlord</b>	City of Toronto
<b>Court</b>	Ontario Superior Court of Justice (Commercial List)
<b>December Lawson Affidavit</b>	The Affidavit of Douglas Lawson affirmed December 20, 2019
<b>Deloitte</b>	Deloitte Restructuring Inc.
<b>DIP Charge</b>	The charge granted by the Court pursuant to the Initial Order against the Applicants' Property as security for the DIP Financing
<b>DIP Fee</b>	A fee in the amount of 2% earned by the DIP Lender for providing the DIP Financing
<b>DIP Financing</b>	The interim financing in the maximum principal amount of \$5.0 million provided by the DIP Lender approved by the Court pursuant to the Initial Order
<b>DIP Lender</b>	Waygar Capital Inc.
<b>DIP Term Sheet</b>	The DIP Term Sheet dated October 31, 2019 between NAFA and the DIP Lender in respect of the DIP Financing approved by the Court pursuant to the Initial Order
<b>EDC</b>	Export Development Canada
<b>Eighth Report</b>	The Eighth Report of the Monitor dated January 27, 2022
<b>Eleventh Report</b>	The Eleventh Report of the Monitor dated January 18, 2023
<b>FCC</b>	Farm Credit Canada
<b>Financial Advisor</b>	Collectively, KPMG Inc. and KPMG Corporate Finance
<b>Fifth Report</b>	The Fifth Report of the Monitor dated November 3, 2020
<b>Fifteenth Report</b>	The Fifteenth Report of the Monitor dated November 27, 2023
<b>First Report</b>	The First Report of the Monitor dated November 7, 2019
<b>Fourth Report</b>	The Fourth Report of the Monitor dated August 24, 2020
<b>Fourteenth Report</b>	The Fourteenth Report of the Monitor dated

	September 25, 2023
<b>Fur Harvesters</b>	Fur Harvesters Auctions Inc.
<b>Ground Leases</b>	Two long-term ground leases in respect of the Skyway Property, one with the Private Landlord and one with the City Landlord, copies of which are attached as Exhibits “B” and “C” to the October Lawson Affidavit.
<b>Initial Order</b>	The Order of Justice McEwen dated October 31, 2019, as amended by the Amended and Restated Initial Order
<b>IP Assets</b>	The intellectual property, software, computers and other soft assets necessary to operate a fur auction business. This includes the “Blackglama” trademark
<b>KERP</b>	Key employee retention program approved by the Court
<b>KERP Charge</b>	Charge in the amount of \$150,000 approved the Court on November 8, 2019
<b>KF</b>	Kopenhagen Fur, a large Danish auction house that, along with Saga and NAFA, was one of the leading mink auction houses in the world
<b>KPMG CF</b>	KPMG Corporate Finance Inc.
<b>Monitor</b>	Deloitte, in its capacity as Court-appointed Monitor of the Applicants
<b>Monitor’s Website</b>	The website maintained by the Monitor located at: <a href="https://www.insolvencies.deloitte.ca/en-ca/Pages/NorthAmericanFurAuctionInc.aspx">https://www.insolvencies.deloitte.ca/en-ca/Pages/NorthAmericanFurAuctionInc.aspx</a> .
<b>NAFA</b>	North American Fur Auctions Inc.
<b>NAFA Properties</b>	NAFA Properties Inc.
<b>Ninth Report</b>	The Ninth Report of the Monitor dated April 23, 2022
<b>October Lawson Affidavit</b>	Affidavit of Doug Lawson sworn October 30, 2020
<b>Pre-filing Report</b>	The pre-filing report of the proposed Monitor, dated October 31, 2019
<b>Polish Property</b>	NAFA’s main European office owned in Goleniów, Poland
<b>Property</b>	Has the meaning ascribed to that term in the Amended and Restated Initial Order
<b>Required Majority</b>	A majority in the number of Affected Creditors representing at least two-thirds of the value of the



	aggregate amount of all Voting Claims held by the Eligible Voting Creditors that are present and voting, either in person or by proxy, at the Meeting in accordance with section 6(1) of the CCAA
<b>Second Report</b>	The Second Report of the Monitor dated November 27, 2019
<b>Seventh Report</b>	The Seventh Report of the Monitor dated September 27, 2021
<b>Sixth Report</b>	The Sixth Report of the Monitor dated April 5, 2021
<b>Sixteenth Report</b>	The Sixteenth Report of the Monitor dated January 15, 2024
<b>SISP</b>	Sale and Investment Solicitation Process
<b>Skyway Property</b>	NAFA's corporate head office building located at 65 Skyway Avenue in Toronto, Ontario
<b>Stay Period</b>	The stay of proceedings granted pursuant to the Initial Order, as may be extended from time to time
<b>Success Fee</b>	An amount payable to KPMG CF in the event that it achieved the result set out in its engagement letter that was signed in July, 2019
<b>Syndicated Lenders</b>	A group of financial institutions that, together, have provided senior secured financing to the Applicants as represented by the Canadian Imperial Bank of Commerce as Agent
<b>Syndicate Debt</b>	The indebtedness owing by the Applicants to the Syndicated Lenders
<b>Tenth Report</b>	The Tenth Report of the Monitor dated July 22, 2022
<b>Third Report</b>	The Third Report of the Monitor dated January 29, 2020
<b>Thirteenth Report</b>	The Thirteenth Report of the Monitor dated May 24, 2023
<b>Twelfth Report</b>	The Twelfth Report of the Monitor dated April 24, 2023
<b>VAG</b>	Van Ansem Group (being a collection of farms under one corporate umbrella)
<b>Wisconsin Properties</b>	NAFA's owned buildings on Williams Drive and Industrial Circle in Stoughton, Wisconsin

**Appendix “B”**  
**Notice of Original Meeting on Monitor’s Website**

**IMPORTANT UPDATE REGARDING NAFA’S RESTRUCTURING PLANS**

On January 17, 2024, North American Fur Auctions Inc. and certain of its subsidiaries (who are further detailed below and are collectively referred to as “NAFA”) obtained an order of the Court that allows them to call and hold a meeting of creditors (the “**Meeting Order**”) to vote on a Plan of Arrangement (the “**Meeting**” and the “**Plan**”, respectively). The Meeting Order is included in sections 1 and 6 below.

The Meeting will be held in a hybrid format at 10:00 a.m. on February 21, 2024. The in-person portion of the meeting will be held at 8 Adelaide Street West, Suite 200, Toronto, Ontario, M5H 0A9. The particulars of the virtual meeting are detailed in the “**Notice of Meeting**” in section 6 below. The Notice of Meeting also contains certain details regarding voting procedures at the Meeting. The Monitor strongly suggests that interested parties familiarize themselves with the details of the Meeting and the Plan prior to voting.

The Meeting Order requires that the Monitor post certain documents on this website for the benefit of interested creditors (the “**Meeting Materials**”). Copies of the Meeting Materials are included in section 6 below.

**CCAA Applicants**

North American Fur Auctions Inc. North American Fur Producers Inc.  
NAFA Properties Inc.  
NAFA Properties (US) Inc.  
3306319 Nova Scotia Limited  
NAFA Properties Stoughton LLC  
North American Fur Auctions (US) Inc.  
NAFPRO LLC (Wisconsin LLC)  
NAFA Europe Co-Operatief UA  
NAFA Europe B.V.

**Contact Information**

If you have any questions regarding this matter, please contact Deloitte Restructuring Inc. at the following address:

Deloitte Restructuring Inc.  
Attention: In its capacity as Court Appointed Monitor of North American Fur Auctions Inc.  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Persons requiring further information not available on the Website should email the Monitor at [nafa@deloitte.ca](mailto:nafa@deloitte.ca) or call the Monitor’s to 888-221-0622.

**Appendix “C”**  
**Trade Industry Notice**



LATEST NEWS

LATEST NEWS

THE LATEST NEWS FROM THE FUR SECTOR AS REPORTED BY THE INTERNATIONAL FUR FEDERATION.

NAFA CREDITOR MEETING NOTICE

By [furfashion](#)  
February 15, 2024

Please be advised that North American Fur Auctions Inc., et al. have filed with the Ontario Superior Court of Justice, Commercial List (the "Court") a plan of compromise and arrangement dated January 11, 2024 ("Plan") pursuant to the Companies' Creditors Arrangement Act. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan and the Meeting Order dated January 17, 2024.

The Plan contemplates the compromise of rights and claims of certain of the Applicants' creditors (as defined in the Plan, the "Affected Creditors"). There is one class of Affected Creditors under the Plan, being the Affected Creditors Class. The Plan also provides for comprehensive releases for a number of parties.

A meeting of the Affected Creditors (the "Meeting") will be held at the office of Deloitte Restructuring Inc., located at 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9, on February 21, 2024 beginning at 10:00 a.m. (Toronto time). The Meeting will also be available virtually by videoconference for the purpose of considering, and, if thought advisable by the Affected Creditors, voting in favour of a resolution (the "Resolution") to approve the Plan and to transact such other business as may properly come before the Meeting or any adjournment thereof.

Please check the Monitor's Website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/NorthAmericanFurAuctionInc.aspx>, for documents related to the Plan, including the Meeting Order.



LEAVE A REPLY

Your email address will not be published. Required fields are marked \*

Comment

Name \*

Email \*

Website

Post Comment



**Appendix “D”**  
**Notice of the Reconvened Meeting of Creditors**

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## North American Fur Auctions Inc.

### [Introduction and Overview](#)

October 31, 2019, North American Fur Auctions Inc. and North American Fur Producers Inc., NAFA Properties Inc., NAFA Properties (US) Scotia Limited, NAFA Properties Stoughton LLC, North American Fur Auctions (US) Inc., NAFPRO LLC (Wisconsin LLC), NAFA Europe Co Europe B.V., Daikoku SP.Z OO, and NAFA Polska SP.Z OO (collectively, the "Applicants") commenced court-supervised restructuring proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA").

On the same day, the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an Initial Order (the "Initial Order"), which provides for a stay of proceedings until November 29, 2019 (the "Stay Period"). On January 30, 2020, the Court granted an Order (the "Order") extending the Stay Period until and including April 3, 2020.

Also pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed as monitor (the "Monitor") of the business and financial affairs of the Applicants.

### NOTICE OF RECONVENED MEETING OF CREDITORS

On January 17, 2024, North American Fur Auctions Inc. and certain of its subsidiaries (collectively referred to as "NAFA") obtained an Order (the "Meeting Order") that allows them to call and hold a meeting of creditors (the "Meeting") to vote on a Plan of Arrangement dated January 17, 2024 (the "Plan") that the Applicants have filed with the Superior Court of Justice, Toronto Commercial List (the "Court") pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA").

The Meeting was originally called to order on February 21, 2024, but immediately adjourned by the Chair.

NOTICE IS HEREBY GIVEN that, pursuant to the terms of the Meeting Order, a Meeting of the Affected Creditors (as such term is defined in the Meeting Order) is hereby reconvened on Wednesday, April 3, 2024 beginning at 11:00 a.m. (Toronto time), both in person and virtually by videoconference. For those creditors wishing to attend in person, the Meeting will be held at the office of Deloitte Restructuring Inc. located at 8 Adelaide Street West, Suite 2000 (the "Office"). The Monitor requests that it be notified by email by those creditors wishing to attend in person. For those creditors wishing to attend virtually, you may do so by clicking the following URL and using the meeting ID and Passcode below:

<https://millerthomson.zoom.us/j/98692329070?pwd=QzIXMEZBR09Zbko2UG55bIRDa0hQQT09>

Meeting ID: 986 9232 9070

Passcode: JNeV9K1m

The purpose of the Meeting is to consider and, if thought advisable by the Affected Creditors, to vote in favour of a resolution (the "Resolution") to approve the Plan and to transact such other business as may properly come before the Meeting or any adjournment thereof.

If the Plan is approved at the Meeting, a motion to sanction the Plan by the Court is currently scheduled on April 12, 2024 at 10:00 a.m.

Should you wish to contact the Monitor with any questions you may do so at 888-221-0622 or [nafa@deloitte.ca](mailto:nafa@deloitte.ca).

### CCAA Applicants

North American Fur Auctions Inc.  
North American Fur Producers Inc.

NAFA Properties Inc.  
 NAFA Properties (US) Inc.  
 3306319 Nova Scotia Limited  
 NAFA Properties Stoughton LLC  
 North American Fur Auctions (US) Inc.  
 NAFPRO LLC (Wisconsin LLC)  
 NAFA Europe Co-Operatief UA  
 NAFA Europe B.V.

### [Contact Information](#)

If you have any questions regarding this matter, please contact Deloitte Restructuring Inc. at the following address:

Deloitte Restructuring Inc.

Attention: In its capacity as Court Appointed Monitor of North American Fur Auctions Inc.

Bay Adelaide East

8 Adelaide Street West, Suite 200

Toronto, ON M5H 0A9

Persons requiring further information not available on the Website should email the Monitor at [nafa@deloitte.ca](mailto:nafa@deloitte.ca) or call the Monitor's to 888-221-0622.

### [CCAA Documents](#)

The documents hosted on this page may not meet Provincial Accessibility standards. We will respond to any requests for accessible formats regarding public documents an requests in a timely and appropriate manner. Please contact us at [ashkeene@deloitte.ca](mailto:ashkeene@deloitte.ca).

#### 1) Court Orders

- [Initial Order - October 31, 2019.pdf](#)
- [Amended and Restated Initial Order of Justice McEwen - November 8, 2019.pdf](#)
- [Order of Justice McEwen Re Amended and Restated Initial Order - November 8, 2019.pdf](#)
- [Endorsement of Justice McEwen - November 8, 2019 \(re BDC Application\).pdf](#)
- [Endorsement of Justice McEwen - November 8, 2019 \(Comeback Hearing\).pdf](#)
- [Order of Justice McEwen regarding Approving Conditions for Sale of Ground Leases - November 28, 2019.pdf](#)
- [Stay Extension Order of Justice McEwen - November 28, 2019.pdf](#)
- [Approval and Vesting Order of Justice McEwen - November 28, 2019.pdf](#)
- [Endorsement of Justice McEwen - November 28, 2019.pdf](#)
- [Endorsement of Justice McEwen re: Safe Harbour order - January 13, 2020.pdf](#)
- [Safe Harbour order of Justice McEwen - January 13, 2020.pdf](#)
- [Order of Justice McEwen - January 30, 2020.pdf](#)
- [Endorsement of Justice McEwen - January 30, 2020.pdf](#)
- [Order of Justice McEwen - April 1, 2020.pdf](#)
- [Endorsement of Justice McEwen - April 1, 2020.pdf](#)
- [Stay Extension Order of Justice McEwen - May 1, 2020.pdf](#)
- [Endorsement of Justice McEwen - May 1, 2020.pdf](#)
- [Order and Endorsement of the Honourable Justice McEwen - July 16, 2020 \(re Stay Extension\).pdf](#)
- [Order and Endorsement re Stay Extension, Fees and Conduct - August 26, 2020.pdf](#)
- [Approval and Vesting Order with Endorsement re Skyway Property - November 5, 2020.pdf](#)
- [Stay Extension Order and Endorsement - November 5, 2020.pdf](#)
- [Endorsement and Order of Justice McEwen - November 27, 2020.pdf](#)
- [Approval and Vesting Order re Skyway - April 7, 2021.pdf](#)
- [Stay Extension and Approval of Conduct and Fees Order - April 7, 2021.pdf](#)
- [Monitor's Certificate to Extend the Stay Period to September 30, 2021 - July 30, 2021.pdf](#)
- [Stay Extension Order of Justice McEwen - September 29, 2021.PDF](#)
- [Stay Extension Order, dated January 31, 2022.pdf](#)
- [Approval and Vesting Order, dated April 26, 2022.pdf](#)
- [Order of Justice McEwen re Stay Approval and Other Matters - July 26, 2022.pdf](#)
- [Order of Justice McEwen, dated January 23, 2023 \(Stay Extension and Disposition of Trust Funds\).PDF](#)
- [Endorsement of Justice McEwen, dated January 23, 2023.PDF](#)
- [Order of Justice McEwen re Stay Extension, dated April 26, 2023.pdf](#)
- [Endorsement of Justice McEwen re Stay Extension, dated April 26, 2023.pdf](#)
- [Endorsement of Justice McEwen, dated May 25, 2023.pdf](#)
- [Order of Justice McEwen re WEPPA, dated May 25, 2023.pdf](#)
- [Order of Justice McEwen re Claims Process, dated May 25, 2023.pdf](#)
- [Order of Justice Conway re Stay Extension dated September 26, 2023.pdf](#)
- [Endorsement of Justice Conway - September 26, 2023.pdf](#)
- [Endorsement of Justice Conway - November 29, 2023.pdf](#)
- [Stay Extension Order, dated November 29, 2023.pdf](#)
- [Endorsement of Justice Conway, dated January 17, 2024.pdf](#)
- [Meeting Order dated January 17, 2024.pdf](#)
- [Fresh as Amended Claims Process Order dated January 17, 2024.pdf](#)

#### 2) Motion Materials

- [Notice of Application - October 31, 2019.pdf](#)
- [Application Record - October 31, 2019.pdf](#)
- [Affidavit of Ariyana Botejue - October 30, 2019.pdf](#)
- [Motion Record of the Applicants - November 28, 2019.pdf](#)
- [Affidavit of Doug Lawson - November 27, 2019.pdf](#)
- [Motion Record of the Applicants - January 13, 2020.pdf](#)
- [Motion Record of the Applicants - January 27, 2020.pdf](#)
- [Motion Record of the Applicants - March 25, 2020.pdf](#)
- [Email to Service List - March 25, 2020.pdf](#)
- [Notice of Motion - Stay Extension - May 1, 2020.pdf](#)
- [Motion Record of the Applicants - April 29, 2020.pdf](#)
- [Final Motion Record - Returnable August 26, 2020.pdf](#)
- [Motion Record of the Applicants - October 30, 2020, returnable November 5, 2020.pdf](#)
- [Respondents' Motion Record - November 3, 2020.pdf](#)
- [Applicants' Draft Order in Support of s.11.3 CCAA Assignment - November 3, 2020.pdf](#)
- [Applicants' Factum in Support of s.11.3 CCAA Assignment - November 3, 2020, returnable November 5, 2020.pdf](#)
- [Factum of the Respondents - November 4, 2020.pdf](#)
- [Draft Approval & Vesting Order - November 4, 2020.pdf](#)
- [Draft Stay Extension Order - November 4, 2020.pdf](#)
- [Motion Record of Applicants re Skyway - November 25, 2020.pdf](#)
- [Motion Record of the Applicants re Stay Extension - April 1, 2021.pdf](#)
- [Motion Record of the Applicants re Stay Extension dated September 24, 2021, returnable September 29, 2021.pdf](#)

- [Responding Motion Record on behalf of certain terminated NAFA employees dated September 28, 2021.pdf](#)
- [Motion Record of the Applicants, dated January 26, 2022 - Motion returnable January 31, 2022.pdf](#)
- [Motion Record of the Applicants, dated April 19, 2022.pdf](#)
- [Motion Record of the Applicants - July 21, 2022.pdf](#)
- [Motion Record of the Applicants Returnable January 20 - January 16, 2023.pdf](#)
- [Motion Record of the Applicants Returnable April 26, 2023 - dated April 21, 2023.pdf](#)
- [Motion Record of Certain Terminated NAFA Employees re WEPPA, returnable May 25, 2023.pdf](#)
- [Motion Record of the Applicants, Returnable September 26, 2023.pdf](#)
- [Motion Record of the Applicants, Returnable November 29, 2023 - dated November 24, 2023.pdf](#)
- [Motion Record of the Applicants, dated January 11, 2024 returnable January 17, 2024](#)
- [Factum of the Applicants, dated January 15, 2024.pdf](#)
- [Motion Record of the Applicants Returnable March 26, 2024, dated March 25, 2024.pdf](#)

### 3) Monitor's Reports

- [Pre-filing Report of the Proposed Monitor - October 31, 2019.pdf](#)
- [First Report of the Monitor - November 7, 2019.pdf](#)
- [Second Report of the Monitor - November 27, 2019.pdf](#)
- [Third Report of the Monitor - January 29, 2020.pdf](#)
- [Fourth Report of the Monitor - August 24, 2020.pdf](#)
- [Fifth Report of the Monitor - November 3, 2020.pdf](#)
- [Sixth Report of the Monitor - April 5, 2021.pdf](#)
- [Seventh Report of the Monitor - September 27, 2021.PDF](#)
- [Monitor's Certificate to Extend the Stay Period to January 31, 2022.PDF](#)
- [Eighth Report of the Monitor, dated January 28, 2022.PDF](#)
- [Ninth Report of the Monitor, dated April 23, 2022.PDF](#)
- [Monitor's Certificate Extending the Stay to July 29, 2022.PDF](#)
- [Tenth Report of the Monitor - July 22, 2022 .PDF](#)
- [Monitor's Certificate Extending the Stay Period to January 27, 2023.PDF](#)
- [Eleventh Report of the Monitor, dated January 18, 2023.PDF](#)
- [Twelfth Report of the Monitor, dated April 23, 2023.pdf](#)
- [Thirteenth Report of the Monitor - May 24, 2023.PDF](#)
- [Fourteenth Report of the Monitor - September 25, 2023.PDF](#)
- [Fifteenth Report of the Monitor - November 27, 2023.PDF](#)
- [Sixteenth Report of the Monitor - January 15, 2024.PDF](#)

### 4) Notices and Service Lists

- [Notice to Creditors - November 7, 2019.pdf](#)
- [Notice to Creditors - NAFA - November 7, 2019.pdf](#)
- [Creditor List - November 11, 2019.pdf](#)
- [Service List - November 27, 2020.pdf](#)
- [eServiceList - November 27, 2020.docx](#)
- [Service List - September 29, 2021.pdf](#)
- [Email Addresses for Service List as of September 29, 2021.docx](#)
- [Service List - February 9, 2022.pdf](#)
- [Email Addresses for Service List as of February 9, 2022.docx](#)
- [Service List - April 20, 2022.pdf](#)
- [Email Addresses for Service List as of April 20, 2022.docx](#)
- [Service List - April 24, 2023.pdf](#)
- [Email Addresses for Service List as of April 24, 2023.docx](#)
- [Service List - November 24, 2023.pdf](#)

### 5) Claims Process Documents

- [Claims Process Notice.pdf](#)
- [Proof of Claim.pdf](#)
- [Claims Process Instruction Letter.pdf](#)
- [Creditors Under \\$10K.pdf](#)

### 6) Meeting Materials

- [Sixteenth Report of the Monitor - January 15, 2024.PDF](#)
- [Meeting Order dated January 17, 2024.pdf](#)
- [Proxy.PDF](#)
- [Instructions for Completing the Proxy.PDF](#)
- [NAFA's Proposed Plan of Arrangement dated January 11, 2024.PDF](#)
- [Notice of Meeting.PDF](#)

Last updated Mar 28, 2024

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**Appendix “E”**  
**Minutes of the Creditors’ Meeting of the Affected Creditors**

## Minutes of the Creditors' Meeting of the Affected Creditors

<b>Held on:</b>	April 3, 2024 at 11:00 a.m. (Toronto time)
<b>Location:</b>	Deloitte Restructuring Inc. office located at 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9, and virtually by videoconference at the following URL: <a href="https://millerthomson.zoom.us/j/98692329070?pwd=QzlXMEZBR09Zbko2UG55blRDhQOT09">https://millerthomson.zoom.us/j/98692329070?pwd=QzlXMEZBR09Zbko2UG55blRDhQOT09</a>
<b>Applicants:</b>	North American Fur Producers Inc., NAFA Properties Inc., 3306319 Nova Scotia Limited, North American Fur Auctions Inc., NAFA Properties (US) Inc., NAFA Properties Stoughton LLC, North American Fur Auctions (US) Inc., NAFPRO LLC (Wisconsin LLC), NAFA Europe Co-Operatief UA, NAFA Europe B.V., Daikoku SP.Z OO and NAFA Polska SP. Z OO (collectively, "NAFA")
<b>Court File No:</b>	Court File No. CV-19-00630241-00CL

### ATTENDANCE:

#### Monitor and Monitor's Counsel

Jorden Sleeth	Chair, Deloitte Restructuring Inc.
Todd Ambachtsheer	Scrutineer, Deloitte Restructuring Inc.
Martin Lin	Scrutineer, Deloitte Restructuring Inc.
Gina Rhodes	Secretary, Miller Thomson LLP
Kyla Mahar	Miller Thomson LLP
Kateryna Khan	Deloitte Restructuring Inc.

#### Applicants and Applicants' Counsel

Douglas Lawson	President and CEO of NAFA
Iain Dunbar	Representative of NAFA
David Ullman	Blaney McMurtry LLP

### Creditors

There were also 84 Affected Creditors attending in person or by proxy.

## CALL TO ORDER

Mr. Jorden Sleeth, the Monitor's representative, acts as the Chair (the "**Chair**") of the Reconvened Meeting of Creditors (the "**Meeting**"). The Chair welcomes the attendees to the Meeting of NAFA.

The Meeting commences at 11:00 am (Toronto time), after creditors had been admitted to the Meeting virtually and in person.

The Chair introduces himself and the Scrutineers, the Secretary and Ms. Mahar as Monitor's legal counsel.

The Chair indicates that the meeting would be conducted in English.

The purpose of the meeting is to consider and, if deemed advisable, to pass the Plan Resolution in respect of NAFA's Plan of Compromise and Arrangement dated January 11, 2024 (the "**Plan**"), pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"). The Plan contemplates the compromise of rights and claims of certain of the Applicants' creditors (as defined in the Plan, the "**Affected Creditors**").

## QUORUM

The Chair notes the presence of the required quorum per the Scrutineers and declares the meeting duly convened.

## OVERVIEW OF THE PLAN AND QUESTION PERIOD

The Chair explains that Notice of the original meeting was published on the Monitor's website and the Affected Creditors were sent copies or links to the Meeting Materials either by email or regular mail. The Meeting Materials are comprised of (1) the Notice of Meeting; (2) a Proxy and Proxy Instructions; (3) a copy of the Meeting Order granted by the Court on January 17, 2024; (4) a copy of the Plan; and (5) a copy of the Monitor's Sixteenth Report in the CCAA proceedings.

Notice of the Reconvened Meeting was sent by email to all Affected Creditors in attendance at the original meeting.

The Chair provides highlights of the Plan, which includes:

- The Plan creates a single class of Affected Creditors of NAFA on a consolidated basis and provides for a compromise, settlement and release of all Affected Claims.
- Upon the proposed Plan being implemented, the Proven Secured Claims (which excludes the Unaffected Secured Syndicate Claim) will be converted from Secured Claims to Unsecured Claims and will be treated the same as other Affected Creditors' Proven Claims for the purposes of distributions under the proposed Plan.
- The Plan provides for releases in favour of NAFA, the Monitor, the Monitor's counsel, the Agent, the Syndicated Lenders and each of their affiliates, subsidiaries, directors, officers, employees, and advisors.
- The Plan provides for cash distributions to be made from time to time to all holders of Affected Claims that are Proven Claims after the Unaffected Secured Syndicate Claim has

been paid in full. Such distributions will be made on a pro rata basis from the Creditor Distribution Pool established in accordance with the Plan.

The Chair states that the Monitor is of the view that the Plan provides a better recovery to unsecured creditors than they would receive in a bankruptcy or liquidation, wherein there would be no recoveries for the unsecured creditors. The Monitor recommends voting in favour of the Plan.

## **VOTING PROCEDURE**

The Chair explains that each Affected Creditor has one vote by number and the weight attributed to such vote for purposes of determining the Required Majority is equal to the USD value of the Affected Creditor's Voting Claim, rounded to the nearest whole number. In order for the Plan to pass a majority in number of creditors holding 2/3 of the value of the Voting Creditors attending the Meeting by Proxy or in person must approve the Plan.

The Chair opens the Meeting to any questions. No questions were asked at this time.

## **VOTE**

The Scrutineers collect votes from the Voting Creditors attending in person from the Voting Creditors attending virtually via direct message on Zoom.

The Chair suspends the Meeting in order to tabulate votes, which consist of proxy and voting forms received by the Monitor prior to the Meeting, and of votes received at the Meeting.

The Meeting was paused for approximately 10 minutes to collect the votes.

After the Meeting resumes, the Chair communicates the results of the vote on the Plan which is described in the table below:

	<b>Number</b>	<b>Value</b>	<b>% Number</b>	<b>% Value</b>
In favour	82	\$24,883,940	97.6%	99.5%
Against	2	\$127,145	2.4%	0.5%
<b>Total</b>	84	\$25,011,085	100%	100%

The Chair declares that the Plan has been approved by the required majority of creditors.

Ms. Mahar explains that NAFA will seek Court approval to sanction the Plan on April 12, 2024 at 10:00 a.m.

## **ADJOURNMENT OF THE MEETING**

There being no further items on the agenda, the meeting was adjourned at 11:30 a.m. (Eastern Standard Time).



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Jorden Sleeth  
Chair of the Meeting



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Gina Rhodes  
Secretary of the Meeting

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NORTH  
AMERICAN FUR PRODUCERS INC. et al**

Court File No: CV-19-00630241-00CL

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

Proceeding commenced at Toronto

**MONITOR'S SEVENTEENTH REPORT**

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