

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 PROPOSAL¹

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

¹ 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

Osler, Hoskin & Harcourt LLP

Mtre. Sandra Abitan | Mtre. Julien Morissette | Mtre. Iliia Kravtsov

Attorneys for Petitioner/Trustee

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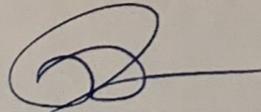
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AFFIDAVIT

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:

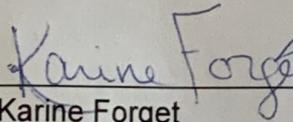
1. I am a Director of Deloitte Restructuring Inc. and a duly authorized representative for the purposes hereof.
2. I have taken cognizance of the attached *Application for the Approval of a Proposal* (the "**Application**").
3. All of the facts alleged in the Application of which I have personal knowledge 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 27th 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

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
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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

LIST OF EXHIBITS

- 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

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

PRESIDING: THE HONOURABLE JUSTICE CHANTAL CORRIVEAU, J.S.C.

IN THE MATTER OF THE AMENDED PROPOSAL OF :

BOUCLAIR INC.

-and-

BOUCLAIR INTERNATIONAL INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Petitioner/Trustee

ORDER APPROVING A PROPOSAL

[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

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 7th 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

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., 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, 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.

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

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 1st, 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 ⁽¹⁾	
Administrative Charge	300,000
Directors and Officers Charge ⁽²⁾	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 ⁽³⁾	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 7th 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 no later than 10:00 a.m. on Sunday, July 19, 2020.

**Restructuration Deloitte Inc.**

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

Tél. : 514-369-8350
Télec. : 514-390-4103
Courriel : bouclair@deloitte.ca
www.insolvencies.deloitte.ca/Bouclair

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

COUR SUPÉRIEURE
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 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.

Résultats historiques (en milliers \$)			
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>
Bénéfice brut	92 468	94 179	91 866
Frais d'exploitation	<u>88 742</u>	<u>88 024</u>	<u>88 216</u>
BAIIA	3 726	6 155	3 650
Bénéfice net (Perte nette)	<u>(773)</u>	<u>1 132</u>	<u>(5 279)</u>

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^{er} 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 ⁽¹⁾	
Charge administrative	300 000
Charge pour les administrateurs des Débitrices (montant estimé) ⁽²⁾	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 ⁽³⁾	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^e 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

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 7th 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 SUIT :

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 _____^e 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 _____^e 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 _____^e jour de _____ 2020.

(Témoïn)

(Créancier individu)

- ou
-

(Témoïn)

(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 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

**SUPERIOR COURT
(Commercial Division)**

DISTRICT OF MONTRÉAL

**IN THE MATTER OF THE AMENDED PROPOSAL OF:
BOUCLAIR INC.**

-and-

BOUCLAIR INTERNATIONAL INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Petitioner/Trustee

**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**

ORIGINAL

Code: BO 0323

o/f: 1205259

OSLER, HOSKIN & HARCOURT LLP
Mtre. Sandra Abitan | Mtre. Julien Morissette |
Mtre. Iliia Kravtsov
1000 De La Gauchetière Street West, Suite 2100
Montréal, Québec H3B 4W5
Tel: 514-904-8100 Fax: 514-904-8101

sabitan@osler.com | jmorissette@osler.com |
ikravtsov@osler.com |
notificationosler@osler.com