

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	THURSDAY, THE 5 th
)	
MR. JUSTICE McEWEN)	DAY OF NOVEMBER, 2020

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

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

(the “Applicants”)

ORDER

(Re: Stay Extension, Ancillary Matters and Sealing of Confidential Appendices)

THIS MOTION, made by the Applicants for an Order for the relief set out in the Notice of Motion of the Applicants dated October 30, 2020, was heard by teleconference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicants, the Fifth Report of the Monitor dated November 5, 2020, (the “**Fifth Report**”) and related Confidential Appendices, and upon hearing the submissions of counsel for the Applicants, counsel to the Monitor, counsel to the Canadian Imperial Bank of Commerce, as agent for the lenders party to the Fourth and Restated

Credit Agreement dated as of September 27, 2019, as may be amended or amended and restated from time to time (in such capacity, the “**Agent**”) and counsel for Business Development Bank of Canada, no one appearing for any other person on the Service List, although properly served as appears on the Affidavit of Service of Ariyana Botejue, sworn November 3, 2020, filed;

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that terms not otherwise defined in this Order shall have the meaning set out in the Initial Order of the Honourable Justice McEwen, dated October 31, 2019 (as amended and restated) (the “**Initial Order**”).

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is hereby extended from November 9, 2020 to and including April 9, 2021.

AMENDMENT TO SAFE HARBOUR ORDER

4. **THIS COURT ORDERS** that paragraph 6 of the Safe Harbour Order of Justice McEwen dated January 13, 2020 (the “**Safe Harbour Order**”) in this proceeding, is hereby deleted and restated as follows:

THIS COURT ORDERS THAT notwithstanding anything else contained in the Safe Harbour Order or any other Order in this proceeding, the Applicants may arrange for or broker the purchase and sale of fur skins or pelts from and to third parties provided that the Applicants shall not accept physical delivery to a premises controlled, operated, leased or licensed to NAFA or otherwise take physical possession of fur skins or pelts of any kind where NAFA has any obligation to store such fur pelts, without the prior written approval of the Monitor or further Order of this Court.

MONITOR'S POWERS

5. **THIS COURT ORDERS** that the Monitor, in addition to the powers and duties set out in the Initial Order or any other Order of this Court in these proceedings, is hereby directed and exclusively authorized and empowered, in consultation with the Applicants and the Agent and on behalf of and in the name of the Applicants but without requiring their consent, to make decisions, take any and all actions and steps, and execute any and all documents in each case in respect of the following matters:

- (a) any claims by the Applicants under or in respect of any insurance policies;
- (b) any claims by the Applicants in respect of any Rollover Loans (as defined in the Affidavit of Doug Lawson sworn October 30, 2020, the "**Lawson Affidavit**");
- (c) any existing or future litigation or proceeding involving the Applicants as a plaintiff or claimant (other than these proceedings), whether in Canada or otherwise;
- (d) the incurring of any material expense or obligations related to the "Brokerage Business" as defined in the Lawson Affidavit and as contemplated in paragraph 4 of this Order;
- (e) retention or termination of the Applicants' employees, on such terms and conditions as the Monitor may deem appropriate; and
- (f) the right, title or interest of the Applicants in respect of any real property.

6. **THIS COURT ORDERS** that (i) the Monitor shall be entitled to seek advice and direction from the Court regarding the powers set out in foregoing paragraph 5; and (ii) notwithstanding paragraph 5, in the event that either the Applicants or the Agent have any objections to any of the Monitor's proposed decisions, actions or steps that are authorized by foregoing paragraph 5, they may seek advice and directions from the Court.

7. **THIS COURT ORDERS** that notwithstanding anything contained in this Order or the exercise by the Monitor of any of the powers set out in foregoing paragraph 5:

- (a) the Monitor shall not (i) be deemed to be a successor employer or related employer of the employees of the Applicants, (ii) be deemed to be a director, officer or employee of the applicants, or (iii) have any liability whatsoever, save and except for any gross negligence or wilful misconduct on the Monitor's part; and
- (b) the Monitor shall continue to have the benefit of any of the protections in favour of the Monitor under the CCAA, the Initial Order and otherwise.

SEALING OF CONFIDENTIAL EXHIBITS

8. **THIS COURT ORDERS** that Confidential Exhibits "1", "2", and "3", of the Fifth Report, confidential exhibit "B" of the Affidavit of Jeffrey Wood, and confidential exhibit "A" and "B" to the Affidavit of Douglas Lawson, shall be and are hereby sealed, kept confidential and shall not form part of the public record pending further Order of this Court.

INTERNATIONAL RECOGNITION

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor and the Applicants and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, and the Applicants as may be necessary or desirable to give effect to this Order or to assist the Monitor and the Applicants and their agents in carrying out the terms of this Order.

EFFECTIVENESS OF ORDER

10. **THIS COURT ORDERS** that, due to the COVID-19 pandemic, this Order is immediately effective and enforceable without the need for entry and filing until further direction from this Court.



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

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

5 Nov 20

Today's motion was heard via Zoom.

The order shall go as per the draft filed and signed.

There is no opposition and the Monitor supports the motion.

The relief sought is fair and reasonable. The applicable criteria have been met for the stay extension and there are sufficient funds to operate during the stay period.

The Monitor has agreed to consult FCC in respect of the disposition of the Nova Scotia real property that FCC has a secured interest in, and FCC shall have the ability to object to any of the Monitor's proposed decisions, actions or steps concerning this property.



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Re: Stay Extension, Ancillary Matter and Sealing of
Confidential Appendices)**

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