

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) MONDAY, THE 13TH
MR. JUSTICE McEWEN) DAY OF JANUARY, 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

THIS MOTION, made by the Applicants for an Order for the relief set out in the Notice of Motion of the Applicants dated December 20, 2019 was heard this day at 330 University Ave., Toronto, Ontario.

ON READING the Affidavit of Doug Lawson, sworn December 20, 2019 and the Exhibits thereto (the “**Lawson Affidavit**”) and on hearing the submissions of counsel for the Applicants, counsel to the Monitor, counsel to the Canadian Imperial Bank of Commerce, as agent (in such capacity, the “**Agent**”) for the lenders party (the “**Lenders**”) to the Fourth and Restated Credit Agreement dated as of September 27, 2019 (as may be amended or amended and restated, the “**Credit Agreement**”) from time to time, and all other counsel listed on the counsel slip, 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 January 7, 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 Amended and Restated Initial Order of the Honourable Justice McEwen, dated November 8, 2019 (the “**Initial Order**”).

AUTHORIZATIONS AND DIRECTIONS

3. **THIS COURT ORDERS** that any third party goods which are in the possession of or which come into the possession or control of the Applicants after the date of this Order that are subject to NAFA standard storage agreements or consignor agreements with the Applicants (as attached at Exhibit “B” to the Affidavit of Doug Lawson, sworn November 27, 2019) (the “**Third Party Goods**”) are not and will not be considered Property of the Applicants (as that term is defined in the Initial Order).

4. **THIS COURT ORDERS** that the Applicants shall, in addition to the rights set out in the Initial Order, and the other Orders in the within proceeding, and subject to such requirements as are imposed by the CCAA, have the right to conduct smaller sales of Third Party Goods (which are referred to as “Private Treaties”), from time to time, provided such sales are completed with the consent of the Monitor in consultation with the Agent and that any such sale is not for more than USD\$250,000 in any one case.

5. **THIS COURT ORDERS** that the Consignor’s portion of the proceeds from any Third Party Goods that the Applicants sell, whether by auction or by Private Treaties, shall, net of all amounts owing by such Consignor to the Applicants, not be considered Property of the Applicants and will be held in a segregated account by the Monitor and distributed by the Monitor to the appropriate consignor or storer from time to time hereafter. For greater clarity, the Consignor’s portion of the proceeds is defined as the proceeds from the sale of the Third Party Goods net of

any amounts owing to the Applicants by the Consignor (including, without limitation, all outstanding Kit Loans, pelt advances and/or other loans and all applicable commissions, accrued interest, taxes, storage or insurance fees and other charges payable to the Applicants by such consignors), without any set-off, deduction, counterclaim or offset of any kind whatsoever.

6. **THIS COURT ORDERS THAT** notwithstanding anything else contained in this Order, the Applicants shall not :(i) enter into any agreements or arrangements that provide for the delivery to them of fur pelts of any kind, or (ii) accept delivery of fur pelts of any kind under any agreements or arrangements entered into on or after October 31, 2019, other than in each case for a maximum of 10,000 wild fur pelts, without the prior written approval of the Agent or a further Order of the Court.

7. **THIS COURT ORDERS** that, except as expressly set out in this Order, the Stay Extension Order dated November 28, 2019 remains in full force and effect.

INTERNATIONAL RECOGNITION AND ENFORCEMENT

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Europe (including but not limited to the Republic of Poland and the Netherlands) or elsewhere to give effect to this Order and to assist the Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.



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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 13 2020

PER / PAR: 

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COMMERCIAL LIST
Proceeding commenced at Toronto

ORDER

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSO # 423571)
Tel: (416) 596-4289
Fax: (416) 594-2437
Email: DUllmann@blaney.com

Jessica Wuthmann (LSO #72442W)
Tel: (416) 593-3924
Fax: (416) 594-3595
Email: JWuthmann@blaney.com

Counsel for the Applicants