

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-055622-183

SUPERIOR COURT
(Commercial Division)

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

C & E CANADA INC.

Debtor / Petitioner

-and-

RICHTER ADVISORY GROUP INC.

Trustee

APPLICATION FOR EXTENSION OF TIME TO FILE A PROPOSAL
(Section 50.4(9) of the *Bankruptcy and Insolvency Act*,
RSC 1985, c B-3, as amended)

TO ONE OF THE HONOURABLE JUDGES OR TO THE REGISTRAR OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE DEBTOR / PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:

1. The Debtor/Petitioner C & E Canada Inc. ("**C&E**" or the "**Company**") is a company governed by the Business Corporations Act, RSO 1990, c B.16. It is a wholly-owned subsidiary of Crabtree & Evelyn Holdings Limited, a private limited company incorporated under the laws of the United Kingdom, itself a majority owned indirect subsidiary of Nan Hai Corporation Ltd., a corporation listed on the Hong Kong Stock Exchange.
2. C&E is the Canadian operating entity of the Crabtree & Evelyn group of companies (the "**C&E Group**"), a body, fragrance and home care products retail conglomerate founded in Massachusetts in 1955. The C&E Group has retail and wholesale operations across the United States, Australia, United Kingdom, Germany, Hong Kong, Malaysia, Singapore and Canada.
3. Until very recently, C&E operated a retail business from a total of 19 retail stores in Québec, Ontario, British Columbia and Alberta (the "**Stores**"). In addition, it operates a wholesale business distributing its product lines to other retail stores (the "**Wholesale Business**") and its sells products directly to consumers through its website (the "**Online Business**").

4. On November 28, 2018, the Company 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 Richter Advisory Group Inc. was appointed as trustee thereto (the “**Trustee**”), the whole as appears from Court record.
5. On November 30, 2018, at C&E’s request, this Honourable Court granted the *Order approving a Consulting Agreement and Sale Guidelines, approving a retention payment fund, extending the time to file a proposal and granting ancillary relief* (the “**First Order**”), as appears from Court record.
6. Following the granting of the First Order, the Company, with the assistance of its consultant, Gordon Brothers Canada ULC, began the liquidation sale of all of its inventory and furnishings, fixtures and equipment located at the Stores (the “**Sale**”). The Sale was completed on December 27, 2018.
7. In parallel, since the date of the NOI, C&E has continued to operate the Online Business in the ordinary course, and there have been limited activities with respect to the Wholesale Business.
8. The Company and its advisors are exploring alternatives going forward in order to best preserve the value of the Wholesale Business and the Online Business. Any decision will be made within the larger context of the C&E Group’s operations and future business plans.
9. The time limit for the filing of a Proposal under subsection 50.4(8) of the BIA is currently set to expire on January 15, 2019.
10. C&E requires additional time to accomplish *inter alia* the following steps:
 - (a) Finalize matters associated with the Sale, including the payment of associated post-filing obligations;
 - (b) Collect certain outstanding accounts receivable and realize certain excess inventory which is currently located in a distribution centre in Connecticut;
 - (c) Identify the best alternative in respect of the Wholesale Business and the Online Business; and
 - (d) Work toward formulating a proposal.
11. The Company has paid suppliers, employees and other creditors for sums due from the date of the NOI in the ordinary course of business and intends to continue doing so.
12. Accordingly, C&E hereby respectfully requests that this Court extend the time period to make a proposal to February 15, 2019 (the “**Extension Date**”), pursuant to subsection 50.4(9) of the BIA.

13. C&E's cash flow is sufficient to continue operations up to and until the Extension Date, as appears from the Trustee's Report to be filed with the Court concurrently herewith.
14. In the Company's opinion, no creditor will be materially prejudiced by an extension.
15. The present Application is supported by the Trustee.
16. C&E has acted and continues to act in good faith and with due diligence to make a proposal to its creditors.

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the Application for an extension of time to file a proposal.
2. **EXTEND** the time period within which the Debtor / Petitioner may file a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 to February 15, 2019.
3. **REQUEST** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere, to give effect to the order to be rendered and to assist, the Debtor / Petitioner, the Trustee and their respective agents in carrying out the terms of the order to be rendered.
4. **ORDER** the provisional execution of the order to be rendered on the present Application notwithstanding appeal and without security.

THE WHOLE WITHOUT COSTS, save in the event of contestation.

MONTRÉAL, January 11, 2018

Osler, Hoskin & Harcourt LLP

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Our file: 1196264

AFFIDAVIT

I the undersigned, Maral Bal, domiciled for the purpose hereof at 1000 De La Gauchetière Street West, Suite 2100, Montréal, Québec, H3B 4W5, solemnly declare the following:

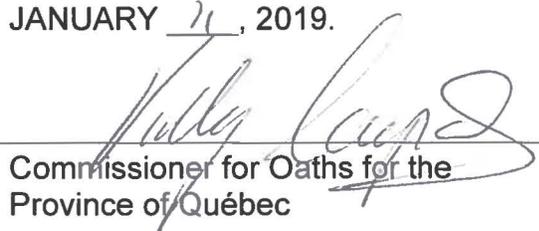
1. I am a director of the Debtor / Petitioner C & E Canada Inc. and a duly authorized representative of the Debtor / Petitioner for the purposes hereof;
2. I have taken cognizance of the attached Application for an extension of time to file a proposal (the "**Application**");
3. All of the facts alleged in the Application of which I have personal knowledge are true; and
4. In respect of certain facts alleged in the Application, I have relied on information provided to me by C&E Group (as defined in the Application), in which case I believe such information to be true.

AND I HAVE SIGNED:



Maral Bal

SOLEMNLY DECLARED BEFORE
ME IN MONTRÉAL, QUÉBEC, ON
JANUARY 24, 2019.



Commissioner for Oaths for the
Province of Québec



NOTICE OF PRESENTATION

- TO: **Richter Advisory Group Inc.**
c/o Andrew Adessky and Warren Levine (aadessky@richter.ca,
wlevine@richterconsulting.com)
- TO: **VEC Leaseholds Inc.**
Victoria Eaton Centre Management
Pensionfund Realty Limited
Riocan Management, Inc.
Oshawa Centre Holdings Inc.
The Colonnade, Management Office
c/o Linda Galessiere, Camelino Galessiere LLP (lgalessiere@clegal.ca)
- TO: **Viking Rideau Corporation**
Rideau Centre Management
Market Mall Leaseholds Inc.
Market Mall Management
Cadillac Fairview Management Services on behalf of Ontrea Inc.
Richmond Centre Management
The Cadillac Fairview Corporation Limited
c/o François Viau, Gowling WLG (Canada) LLP
(francois.viau@gowlingwlg.com)
- TO: **SP Nominee Inc., KS SP Nominee Inc., ARI SP Nominee Inc., SP1
Nominee Inc., KS SP1 Nominee Inc. and ARI SP1 Nominee Inc.**
c/o John Gartenburg (jgartenburg@on.aibn.com)

TAKE NOTICE that the Application for an extension of time to file a proposal will be presented for hearing and allowance in the Superior Court (Commercial Division), at the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6 on January 15, 2019, in room 16.10, at 8:45 a.m., or so soon thereafter as counsel may be heard.

MONTRÉAL, January 11, 2019

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP
Attorneys for Debtor / Petitioner

No: 500-11-055622-183

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PROPOSAL (SECTION 50.4(9) OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED),
AFFIDAVIT, NOTICE OF PRESENTATION*

ORIGINAL

OSLER, HOSKIN & HARCOURT LLP

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