

RICHTER

Court File No. CV-20-634980-00CL

SFP CANADA LTD.

**FOURTH REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF
SFP CANADA LTD.**

JUNE 25, 2020

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	PURPOSE OF REPORT.....	3
III.	TERMS OF REFERENCE	5
IV.	THE ACTIVITIES OF SFP CANADA	5
V.	THE ACTIVITIES OF THE MONITOR	6
VI.	UPDATE ON CERTAIN MATTERS IN CONNECTION WITH THE CCAA PROCEEDINGS	7
VII.	CASH RECEIPTS AND DISBURSEMENTS FROM MARCH 21, 2020 TO JUNE 19, 2020	11
VIII.	THE KERP PAYMENT	12
IX.	PROPOSED DISTRIBUTION TO AMERICAN GREETINGS	12
X.	DISCHARGE OF THE MONITOR AND TERMINATION OF THE CCAA PROCEEDINGS	14
XI.	REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS	14
XII.	MONITOR'S CONCLUSIONS AND RECOMMENDATIONS	15

APPENDICES

APPENDIX "A" – Initial Order dated January 23, 2020

APPENDIX "B" – Liquidation Sale Approval Order dated January 24, 2020

APPENDIX "C" – Amended and Restated Initial Order dated January 31, 2020

APPENDIX "D" – US KERP Order dated February 14, 2020

APPENDIX "E" – Canadian KERP Order dated March 30, 2020

APPENDIX "F" – Monitor's First Report dated January 24, 2020 (excluding appendices)

APPENDIX "G" – Monitor's Second Report dated January 30, 2020 (excluding appendices)

APPENDIX "H" – Monitor's Third Report dated March 27, 2020 (excluding appendices)

APPENDIX "I" – Affidavit of Adam Sherman, sworn June 25, 2020 re: Fees of the Monitor

APPENDIX "J" – Affidavit of Ashley Taylor, sworn June 24, 2020 re: Fees of Stikeman Elliott LLP

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SFP CANADA LTD.

**FOURTH REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF SFP CANADA LTD.**

JUNE 25, 2020

I. INTRODUCTION

1. On January 23, 2020 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) granting SFP Canada Ltd. (“**SFP Canada**” or the “**Company**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, Richter Advisory Group Inc. (“**Richter**”) was appointed as the Company’s Monitor (the “**Monitor**”).
2. The Initial Order, *inter alia*,
 - (a) granted a stay of proceedings in favour of the Company until January 31, 2020 (the “**Stay Period**”);
 - (b) approved the engagement of Mackinac Partners, LLC (“**Mackinac**”) to provide the services of Michael Nowlan and Craig M. Boucher to act as co-chief restructuring officers (the “**CROs**” and each a “**CRO**”) of SFP Canada;
 - (c) ordered that, except as specifically permitted in the Initial Order and until further Order of the Court, the Company shall make no payments, transfers or disbursements to, or on account of, any related parties; and
 - (d) granted certain charges sought by SFP Canada.

A copy of the Initial Order is attached hereto as **Appendix “A”**. The proceedings commenced by SFP Canada under the CCAA are herein referred to as the “**CCAA Proceedings**”.

3. On the Filing Date, SFP Canada’s U.S. parent company, Schurman Fine Papers (“**SFP US**”), and its subsidiary SFP Franchise Corporation (collectively, the “**US Debtors**”), commenced proceedings under Chapter 11 of the United States Bankruptcy Code (the “**US Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) in order to, among other things, pursue an orderly liquidation of the US Debtors’ retail stores in the United States (the “**Chapter 11 Proceedings**”). Collectively, the US Debtors and SFP Canada are referred to herein as the “**Schurman Group**”.
4. As noted in the Monitor’s first report dated January 24, 2020 (the “**First Report**”), the Chapter 11 Proceedings and the CCAA Proceedings were preceded by the termination of commercial licensing, supply, marketing and other critical operating agreements that the Schurman Group had with American Greetings Corporation (“**American Greetings**”). Without the continued use of these agreements, including the trademarks required to operate the Schurman Group’s retail businesses, the Schurman Group concluded that it could no longer operate as a going concern and commenced the Chapter 11 Proceedings and the CCAA Proceedings to, among other things, pursue an orderly wind-down / liquidation of their retail stores in both the United States and Canada. In addition, as SFP Canada was entirely dependent on SFP US for operational, management, and administrative services, SFP Canada concluded that it could not continue as a going concern without ongoing support from SFP US.

5. On January 24, 2020, the Court issued an order (the “**Liquidation Sale Approval Order**”) which, among other things:
 - (a) approved the consulting agreement (the “**Consulting Agreement**”) dated January 17, 2020 between SFP Canada and Schurman Retail Group, LLC, and a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC (collectively, the “**Original Consultant**”), pursuant to which the Company engaged the Original Consultant to act as liquidation consultant to assist in liquidating the Company’s inventory (“**Merchandise**”), certain owned furniture, fixtures and equipment (“**FF&E**”) and certain other goods at the Schurman Group’s retail locations (the “**Liquidation Sale**”) in accordance with the sale guidelines appended to the Liquidation Sale Approval Order; and
 - (b) authorized SFP Canada, with the assistance of the Original Consultant, to conduct the Liquidation Sale.

A copy of the Liquidation Sale Approval Order is attached hereto as **Appendix “B”**.

6. Also on January 24, 2020, the Original Consultant provided notice to the Schurman Group that it had assigned its rights, benefits and obligations under the Consulting Agreement relating to the Liquidation Sale in Canada to its Canadian affiliates, namely Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC (collectively, the “**Canadian Consultant**”, and with the Original Consultant, the “**Consultant**”) effective as of January 17, 2020.
7. On January 31, 2020, the Court issued an order (the “**Amended and Restated Initial Order**”) which, among other things, extended the Stay Period to March 31, 2020. A copy of the Amended and Restated Initial Order is attached hereto as **Appendix “C”**.
8. As noted in the Monitor’s third report dated March 27, 2020 (the “**Third Report**”), the significant developments in the Chapter 11 Proceedings since the date of the Amended and Restated Initial Order, included the following:
 - (a) on February 14, 2020, the US Court granted final orders in respect of the US Debtors “first day” motions, including an order approving a Key Employee Retention Plan (“**KERP**”) that, among other things, provides for retention payments to be paid to certain key employees (the “**KERP Employees**” and each, a “**KERP Employee**”) at specific dates (depending on the nature of the specific KERP Employee’s role and tasks) (the “**US KERP Order**”). A copy of the US KERP Order is attached hereto as **Appendix “D”**;
 - (b) on February 27, 2020, the US Court approved the sale of certain US retail leases and FF&E to Paper Source, Inc., which sale did not include any Canadian leases or assets; and

- (c) on March 13, 2020, the US Court approved the sublease of the US Debtors' headquarters and distribution centre to Fidelitone Order Fulfillment, LLC.
9. On March 30, 2020, the Court issued an order (the "**Canadian KERP Order**") approving an allocation to SFP Canada of 30% of the costs of the KERP (the "**KERP Allocation**") and extending the Stay Period to June 30, 2020. The Canadian KERP Order prohibits SFP Canada from making any payments in respect of the KERP until further order of the Court. A copy of the Canadian KERP Order is attached hereto as **Appendix "E"**.
10. This report is the Monitor's fourth report (the "**Fourth Report**") to this Court. The First Report was filed with the Court to, among other things, support the Liquidation Sale Approval Order. The Monitor's second report dated January 30, 2020 (the "**Second Report**") was filed with the Court to, among other things, provide an update on the activities of SFP Canada and the Monitor since the issuance of the Initial Order and support the Company's request for certain amendments to the Initial Order, including the extension of the Stay Period to March 31, 2020. The Third Report was filed with the Court to, among other things, provide an update on the activities of SFP Canada and the Monitor since the Second Report, the Liquidation Sale and the Chapter 11 Proceedings, as well as to support the Company's request for the KERP Allocation and to extend the Stay Period to June 30, 2020. Copies of the First Report, the Second Report and the Third Report, excluding appendices, are attached hereto as **Appendix "F"**, **Appendix "G"** and **Appendix "H"**, respectively. Copies of the First Report, the Second Report and the Third Report, including appendices, as well as Court and other materials pertaining to the CCAA Proceedings, are available on the Monitor's website at <http://www.richter.ca/insolvencycase/sfp-canada-ltd/> (the "**Monitor's Website**").

II. PURPOSE OF REPORT

11. The purpose of this Fourth Report is to provide information to the Court in respect of the following:
- (a) the activities of SFP Canada and the Monitor since the date of the Third Report;
 - (b) an update on certain matters in connection with the CCAA Proceedings, including the Liquidation Sale, the American Greetings Security (as hereinafter defined) and the Chapter 11 Proceedings;
 - (c) SFP Canada's reported receipts and disbursements for the period from March 21, 2020 to June 19, 2020, including a comparison of reported to forecast results;
 - (d) the accounts of the Monitor and its legal counsel, Stikeman Elliott LLP ("**Stikeman**") from commencement of the proceedings up to and including June 22, 2020, and the estimated remaining fees and disbursements to the effective date of the termination of the CCAA Proceedings; and
 - (e) SFP Canada's motion for an order (the "**Distribution and Termination Order**");

- i. authorizing and directing SFP Canada to make a payment to SFP US in the amount of US\$85,200 (the “**KERP Payment**”) in accordance with the KERP Allocation and the Canadian KERP Order;
- ii. authorizing and directing SFP Canada to make a distribution to American Greetings in the amount of the American Greetings Distribution (as hereinafter defined) in respect of its secured claim against SFP Canada’s present and after-acquired property;
- iii. authorizing and directing SFP Canada to hold back from its cash on hand and pay to Richter, in its capacity as the proposed trustee in bankruptcy of SFP Canada, the Bankruptcy Reserve (as hereinafter defined);
- iv. extending the Stay Period (as defined in the Amended and Restated Initial Order) until the earlier of (a) August 14, 2020 and (b) the date upon which the Monitor serves a certificate on the Service List maintained by the Monitor in the CCAA Proceedings (the “**Service List**”) certifying that the Remaining Matters (as hereinafter defined) have been completed (the “**Monitor’s Certificate**”);
- v. approving the First Report, the Second Report, the Third Report and the Fourth Report, and the activities, actions and conduct of the Monitor set out therein;
- vi. approving the accounts of the Monitor and Stikeman, including the Remaining Fees and Disbursements (as hereinafter defined);
- vii. terminating the CCAA Proceedings upon service of the Monitor’s Certificate on the Service List;
- viii. authorizing SFP Canada to assign itself into bankruptcy;
- ix. terminating, releasing and discharging the Administration Charge and the Directors’ Charge (each as defined in the Amended and Restated Initial Order), effective upon service of the Monitor’s Certificate on the Service List;
- x. discharging Richter as Monitor, and releasing Richter from any and all liability that it now has, or may hereafter have, by reason of, or in any way arising out of, its acts or omissions as Monitor, save and except for any gross negligence or willful misconduct on the part of the Monitor, effective upon service of the Monitor’s Certificate on the Service List;
- xi. discharging Michael Nowlan and Craig M. Boucher as CROs, effective upon service of the Monitor’s Certificate on the Service List; and

- xii. granting a release in favour of the Monitor, the CROs, and each of their counsel, legal counsel to SFP Canada, and each of their respective affiliates, officers, directors, partners, employees and agents, as applicable, effective upon service of the Monitor's Certificate on the Service List.

III. TERMS OF REFERENCE

12. In preparing this Fourth Report, the Monitor has relied solely on information and documents provided by SFP Canada and its advisors, including unaudited financial information, and discussions with representatives of Mackinac, the CROs, and the Company's legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Fourth Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
13. The Monitor has prepared this Fourth Report in its capacity as a Court-appointed officer to support the approval of the Monitor's activities and the other relief being sought. Parties using this Fourth Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes, and consequently should not be used for any other purpose.
14. Capitalized terms not otherwise defined herein are as defined in the Company's motion materials, including the affidavit of Craig M. Boucher, sworn June 23, 2020 (the "**June 23 Boucher Affidavit**"). This Fourth Report should be read in conjunction with the June 23 Boucher Affidavit, as certain information contained in the June 23 Boucher Affidavit has not been included herein in order to avoid unnecessary duplication.
15. Unless otherwise noted, all monetary amounts contained in this Fourth Report are expressed in Canadian dollars.

IV. THE ACTIVITIES OF SFP CANADA

16. The activities of SFP Canada since the commencement of the CCAA Proceedings to March 27, 2020 are detailed in the Monitor's Third Report. Since the filing of the Monitor's Third Report, the activities of SFP Canada have included:
 - (a) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA Proceedings;
 - (b) making any remaining payments owing to suppliers for goods and services received following the issuance of the Initial Order;
 - (c) reporting receipts and disbursements;

- (d) working with the Consultant, the Monitor and counsel for certain landlords regarding the Liquidation Sale, including with respect to determining the final reconciliation of the fees and reimbursable costs of the Consultant (the “**Final Reconciliation**”); and
- (e) consulting with the Monitor and its counsel on various matters in connection with the CCAA Proceedings.

V. THE ACTIVITIES OF THE MONITOR

17. Since the filing of the Third Report, the Monitor’s activities have included:
- (a) monitoring SFP Canada’s cash flows, including reporting variances to SFP Canada’s cash flow forecast;
 - (b) corresponding with SFP Canada, Mackinac and the Company’s legal counsel on cash management and various other matters in connection with the CCAA Proceedings;
 - (c) consulting with SFP Canada and the CROs regarding the Final Reconciliation and matters in connection with the Quebec Stores (as hereinafter defined and discussed);
 - (d) corresponding with Stikeman in connection with various matters pertaining to the CCAA Proceedings;
 - (e) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA Proceedings;
 - (f) responding to enquiries from counsel to the Official Committee of Unsecured Creditors (the “**UCC**”) appointed in the Chapter 11 Proceedings;
 - (g) maintaining the Monitor’s Website, where copies of the orders granted and other relevant documents in respect of the CCAA Proceedings are available;
 - (h) attending at Court in connection with the Canadian KERP Order;
 - (i) keeping apprised of developments and other matters concerning the Chapter 11 Proceedings;
 - (j) preparing this Fourth Report; and
 - (k) dealing with other matters pertaining to the administration of the CCAA Proceedings.

VI. UPDATE ON CERTAIN MATTERS IN CONNECTION WITH THE CCAA PROCEEDINGS

The Liquidation Sale

18. As noted in the Third Report, the Liquidation Sale commenced on January 16, 2020 and concluded on February 29, 2020, in accordance with the Liquidation Sale Approval Order and the Consulting Agreement. Each of SFP Canada's 76 retail store leases were terminated (and the premises vacated) on or before February 29, 2020, either by way of disclaimer or expiration of the lease.
19. The net realizations from the Company's Merchandise and FF&E during the Liquidation Sale totalled approximately \$8.1 million and \$144,000, respectively (each excluding sales taxes).
20. The terms of the Consulting Agreement provided that SFP Canada was responsible for all costs and expenses in connection with the Liquidation Sale, including certain Consultant-controlled costs for, primarily, advertising and supervision, which were subject to an agreed-upon budget.
21. Since the commencement of the Liquidation Sale, the Consultant was paid its fees and reimbursable costs on a near-weekly basis in accordance with the Consulting Agreement (other than amounts paid as part of the Final Reconciliation). As of the date of this Fourth Report, the Final Reconciliation has been completed and agreed to between SFP Canada and the Consultant and the final payment to the Consultant was made on or about April 5, 2020. In connection with the final payment, the unapplied portion of the total SFP Canada deposit (US\$225,000) held by the Consultant was reimbursed to SFP US, on behalf of SFP Canada. The Monitor was provided with a copy of the Final Reconciliation and considers the Final Reconciliation to be reasonable in the circumstances.
22. It is the Monitor's understanding that, as SFP Canada was largely a vehicle through which the Schurman Group sold its products in Canada, SFP Canada's assets, other than cash, were primarily limited to Merchandise and FF&E. As a result, following the conclusion of the Liquidation Sale, substantially all SFP Canada's assets have been sold.

Quebec Store Proceeds Not Subject to the American Greetings Security

23. As noted in the Monitor's First Report, on June 25, 2019, SFP Canada (along with certain related US entities, collectively, the "**AG Borrowers**") and American Greetings entered into a security agreement, pursuant to which American Greetings was granted a continuing lien and security interest over the AG Borrowers' present and after-acquired property (the "**American Greetings Security**") to secure, among other things, the payment and performance of the Schurman Group's obligations pursuant to various agreements between the Schurman Group and American Greetings (including with respect to purchase orders) (collectively, the "**American Greetings Agreements**").

24. Also as noted in the First Report, the Monitor instructed Stikeman to review the American Greetings Security in the jurisdictions in which SFP Canada had retail operations in Canada. As noted in the Third Report, Stikeman provided the Monitor with legal opinions that concluded (subject to standard qualifications and limitations) that the American Greetings Security is valid in all provinces in which SFP Canada had retail operations except Quebec, and that the American Greetings Security is enforceable under Ohio law.
25. Due to the American Greetings Security not being valid in Quebec, the proceeds realized from the Liquidation Sale at SFP Canada's six (6) retail stores located in Quebec (the "**Quebec Stores**") are not subject to the American Greetings Security. The proceeds are, therefore, available for distribution to SFP Canada's unsecured creditors.
26. The table below sets forth the calculation of net proceeds from the Liquidation Sale at the Quebec Stores (the "**Quebec Net Proceeds**"):

Quebec Stores	
Statement of Quebec Net Proceeds	
(C\$, in 000s; unaudited)	
Gross proceeds	
Merchandise sales	428
FF&E sales	6
Total gross proceeds	434
Expenses	
Direct expenses	
Payroll, rent, supplies	119
Consultant fees	50
Inventory purchases	35
Subtotal	204
Allocated Expenses	
Professional fees	65
Shared services	21
Consultant costs	7
KERP Payment	6
Subtotal	99
Total expenses	303
Quebec Net Proceeds	131

27. As presented in the table above, the Quebec Net Proceeds total approximately \$131,000.
28. The calculation of the Quebec Net Proceeds takes into account: (a) costs directly attributable to the Quebec Stores, including payroll for the Quebec Stores' employees, rent, store supplies, the Consultant's supervision fees, the Consultant's fees on the sale of Merchandise (1.75%) and FF&E (15%) at the Quebec Stores and inventory purchases; and (b) an allocation of certain administrative costs not directly attributable to any of SFP Canada's retail stores

(collectively, the “**Allocated Expenses**”), including (i) pre- and post-filing professional fees of the Company’s Canadian counsel, the CROs, the Monitor and Stikeman in respect of work relating to the CCAA Proceedings, (ii) post-filing costs related to internal corporate services performed by SFP US personnel for the benefit of SFP Canada (including finance, executive, human resources, information technology, etc. that were historically charged to SFP Canada), (iii) certain Consultant expenses (merchandising, legal, etc.), and (iv) the KERP Payment.

29. The Allocated Expenses represent *bona fide* costs incurred for the benefit of all SFP Canada’s retail stores calculated based on the Quebec Stores’ proportionate share of realizations from the Liquidation Sale. Accordingly, the Monitor is of the view that an allocation of such costs to the Quebec Stores is appropriate and reasonable.
30. The Monitor notes that, as discussed in the Third Report, the internal corporate services costs referred to above were among those costs that SFP Canada paid through the funds transfer of approximately US\$3 million by SFP Canada to SFP US on January 17, 2020. As discussed in the Third Report, in the Monitor’s view, the allocation of the foregoing costs to SFP Canada were not unreasonable.
31. The Quebec Net Proceeds represent unencumbered funds not subject to the American Greetings Security. An assessment of claims and distribution of the Quebec Net Proceeds to SFP Canada’s creditors is proposed to be addressed through subsequent bankruptcy proceedings, as discussed later in this Fourth Report.

The Chapter 11 Proceedings

32. As noted above, on January 23, 2020, the US Debtors commenced the Chapter 11 Proceedings to pursue an orderly wind-down / liquidation of their retail stores in the United States.
33. As noted in the June 23 Boucher Affidavit, the significant developments in the Chapter 11 Proceedings since the filing of the Third Report, include the following:
 - (a) on March 26, 2020, the US Court entered an order establishing bar dates and procedures for filing proofs of claim (this order does not apply to the claims of creditors against SFP Canada);
 - (b) on April 14, 2020, the US Court entered an order approving the sale of certain furniture, fixtures and equipment located at the US Debtors’ headquarters;
 - (c) on April 27, 2020, the US Court entered an order approving the sale of certain litigation claims of the US Debtors in a pending antitrust class action against Mastercard and Visa;
 - (d) on May 13, 2020 and June 3, 2020, the US Court entered two separate orders approving the sale of certain intellectual property;

- (e) on May 26, 2020, the US Court entered an order approving procedures for the sale and abandonment of certain miscellaneous assets of the US Debtors; and
 - (f) the US Court has entered multiple orders to extend the period during which the UCC can assert a challenge with respect to the American Greetings' security in the Chapter 11 Proceedings. This challenge period was most recently extended until 30 days after the earlier of (i) the entry of a final order denying a motion to approve the US Settlement Agreement (as hereinafter defined), (ii) the date of a final order converting the Chapter 11 Proceedings to cases under Chapter 7 of the US Code and (iii) the date on which the US Settlement Agreement becomes null and void as a result of the non-occurrence of any of the conditions provided in the US Settlement Agreement.
34. The Monitor understands that the US Debtors expect to obtain confirmation of a plan in the Chapter 11 Proceedings during the extension of the Stay Period. In that regard, on June 3, 2020, the US Debtors filed a joint plan of liquidation (the "**Joint Plan**") and a corresponding disclosure statement (the "**Disclosure Statement**"). On June 23, 2020, the US Debtors filed an amended Joint Plan (the "**Amended Joint Plan**") and corresponding amended Disclosure Statement (the "**Amended Disclosure Statement**") to incorporate the terms of the US Settlement Agreement. On June 24, 2020, the US Court entered an order granting, among other things, interim approval of the Amended Disclosure Statement, scheduling a hearing for final approval of the Amended Disclosure Statement and confirmation of the Amended Joint Plan, and approving the solicitation, notice and tabulation procedures related to solicitation of the Amended Joint Plan and the forms related thereto.
35. On June 19, 2020, the US Debtors entered into a settlement agreement with American Greetings and the UCC (the "**US Settlement Agreement**") to facilitate the confirmation and implementation of the Amended Joint Plan. According to the June 23 Boucher Affidavit, the parties to the US Settlement Agreement have agreed, among other things, (i) to support confirmation of the Amended Joint Plan, (ii) that American Greetings, Clayton, Dubilier & Rice ("**CD&R**"), the controlling shareholder of American Greetings, and each of American Greetings' and CD&R's respective affiliates officers, directors, employees, shareholders, members, managers, partners, agents and each of their heirs, executors, successors and assigns (collectively, the "**Released Parties**") will receive a release of all claims that the US Debtors or the UCC had, have, or may have against the Released Parties as of the date of the US Settlement Agreement, (iii) that American Greetings will waive recovery on its secured claims as well as any unsecured deficiency claims or other unsecured claims against the US Debtors, and (iv) that, to the extent that American Greetings receives a distribution from SFP Canada that exceeds \$3.4 million, American Greetings will irrevocably assign to the US Debtors' estate the lesser of (i) 14.5833% of the portion of the distribution it receives from SFP Canada above US\$3.4 million and (ii) US\$175,000.
36. The US Debtors are requesting that the combined hearing for final approval of the Amended Disclosure Statement and confirmation of the Amended Joint Plan be scheduled for August 10, 2020.

37. The Monitor understands that no relief is being sought in the Chapter 11 Proceedings with respect to SFP Canada.

VII. CASH RECEIPTS AND DISBURSEMENTS FROM MARCH 21, 2020 TO JUNE 19, 2020

38. As noted in the Third Report, SFP Canada, with the assistance of the Monitor, prepared a statement of its projected cash flows for the period March 21, 2020 to July 3, 2020 (the “**March 21 Cash Flow Forecast**”) which was filed with the Court in support of the Company’s motion returnable March 30, 2020 seeking, *inter alia*, an extension of the Stay Period to June 30, 2020.

39. The Company has provided the Monitor with its cooperation and access to its books and records. The Monitor has implemented procedures for monitoring the Company’s receipts and disbursements on a weekly basis. The Monitor has also worked with the CROs to prepare a report comparing SFP Canada’s actual results to its prior projections, as detailed in the March 21 Cash Flow Forecast.

40. A comparison of SFP Canada’s actual cash receipts and disbursements, as compared to the March 21 Cash Flow Forecast, for the period ending June 19, 2020 is summarized as follows:

SFP Canada Ltd.			
Cash Flow Variances			
For the period March 21, 2020 to June 19, 2020			
(in \$CAD 000's)			
	Budget	Actual	Variance
<u>Receipts</u>			
Canada Retail Receipts	0	0	0
Other Receipts	0	26	26
Total Receipts	0	26	26
<u>Total Disbursements</u>			
Freight	(71)	0	71
Rent & Utilities	0	(22)	(22)
Store Expenses and Other	(194)	0	194
Sales Tax Remittances	(899)	(385)	515
Professional Fees	(1,675)	(596)	1,079
Miscellaneous / Other	(200)	(28)	172
Total Disbursements	(3,039)	(1,031)	2,008
Net Cash Flow	(3,039)	(1,005)	2,034
Beginning Cash Balance	8,120	8,090	(30)
Net Cash Flow	(3,039)	(1,005)	2,034
Ending Cash Balance	5,081	7,085	2,004

41. As reflected in the table above, SFP Canada reported a net cash outflow of approximately \$1.0 million for the 13-week period ending June 19, 2020 and had a cash balance of approximately \$7.1 million, as at June 19, 2020. The actual cash balance is approximately \$2.0 million higher than forecast. The favourable cash flow variance principally relates to:
- (a) timing differences attributed to the KERP Payment (included in Store Expenses and Other), which was forecasted to be paid in April 2020; and
 - (b) permanent differences due to lower than projected freight, store operating expenses, wind-down costs, sales taxes and professional fees.

VIII. THE KERP PAYMENT

42. As detailed in the Third Report, the KERP was developed to ensure retention of the KERP Employees to assist with the orderly wind-down of the Schurman Group's operations in both the United States and Canada. The KERP provided for twenty-eight (28) highly qualified and skilled personnel essential to the Schurman Group's operations and wind-down / liquidation activities to receive retention payments totaling approximately US\$284,000, with the amount of payments to individual KERP Employees ranging from US\$1,920.00 to US\$24,230.77. In order to receive payments pursuant to the KERP, the KERP Employees must have, among other things, remained employed by the US Debtors on the date their KERP entitlement becomes payable.
43. On March 30, 2020, the Court issued the Canadian KERP Order, which approved the KERP Allocation but prohibited SFP Canada from paying any amounts in respect of the KERP until further order of the Court. Accordingly, in order to pay SFP Canada's proportionate share of the KERP costs, SFP Canada is seeking the Court's approval to pay the KERP Payment, which, for clarity, is to be paid to SFP US as a reimbursement for KERP payments made by SFP US in accordance with the US KERP Order. The Monitor supports SFP Canada's request to pay the KERP Payment on the basis that the KERP Allocation is reasonable and appropriate, as SFP Canada benefitted, both during and after the Liquidation Sale, from the back-office functions performed / managed by Schurman Group employees based out of the United States. In addition, since the issuance of the Canadian KERP Order, the Monitor is not aware of any opposition to either the KERP Allocation or the KERP Payment.

IX. PROPOSED DISTRIBUTION TO AMERICAN GREETINGS

44. As noted in the First Report, as at the Filing Date, American Greetings was owed approximately US\$9.1 million from SFP Canada in respect of obligations owing under the American Greetings Agreements (the "**American Greetings Obligations**"). The Monitor understands that the quantum of the American Greetings Obligations as of the date of this Fourth Report remains substantially the same.

45. The Monitor understands that the American Greetings Obligations result from more than 28,000 invoices / transactions received / occurring over a period of approximately three (3) years. In order to validate the American Greetings Obligations, counsel to American Greetings provided the Monitor with a detailed list of the outstanding invoices and associated amounts in support thereof. Given the volume of invoices / transactions and the time required to compile and transmit them, copies of the invoices were not provided to the Monitor. However, in an effort to verify the documentation provided by American Greetings in support of the American Greetings Obligations in the absence of reviewing individual invoices, the Monitor performed analytical procedures, including comparing the invoice / transaction details to the books and records of SFP Canada. Based on its procedures, the Monitor confirmed that the documentation provided by American Greetings in support of the American Greetings Obligations was materially consistent with the Company's records.
46. As previously discussed, Stikeman provided the Monitor with legal opinions which conclude, subject to standard qualifications and limitations, that the American Greetings Security is valid in all provinces in which SFP Canada had retail operations, except Quebec, and is enforceable under Ohio law.
47. SFP Canada is seeking an order of the Court authorizing and directing the Company to distribute to American Greetings (the "**American Greetings Distribution**") all of SFP Canada's cash less (a) the KERP Payment (b) the costs of winding up the CCAA Proceedings, including (i) filing any outstanding tax returns, including sales tax returns, (ii) the payment of any and all obligations properly incurred by SFP Canada since the Filing Date, and (iii) all amounts subject to the Administration Charge, (c) the Quebec Net Proceeds (which will be distributed through a subsequent bankruptcy), and (d) the Bankruptcy Reserve. The Monitor notes that based on the amount of the American Greetings Obligations and the amount of available cash currently held by SFP Canada, American Greetings will suffer a shortfall on its recovery.
48. The Monitor is not aware of any formal objections in Canada regarding the validity, enforceability or priority of the American Greetings Security. The only objection that the Monitor is aware of with respect to the validity, enforceability or priority of the American Greetings Security in the United States has been settled pursuant to the US Settlement Agreement, which, among other things, provides for a mechanism to distribute proceeds realized by SFP Canada that would otherwise be payable to American Greetings, to certain creditors of the US Debtors. Subject to approval of this Court, the Company will distribute the American Greetings Distribution to American Greetings on account of its secured claim against SFP Canada's present and after-acquired property and understands that American Greetings has agreed to subsequently distribute a portion of that distribution to the US Debtors' estate in accordance with the US Settlement Agreement. In consideration of the foregoing, the Monitor supports the Company's request to make the American Greetings Distribution.

X. DISCHARGE OF THE MONITOR AND TERMINATION OF THE CCAA PROCEEDINGS

49. SFP Canada has no ongoing business operations and substantially all its assets were sold during the Liquidation Sale. Subject to completing certain administrative matters (the “**Remaining Matters**”), there is no longer any need for the CCAA Proceedings. A bankruptcy proceeding will allow for the efficient distribution of the Quebec Net Proceeds and an orderly wind-up of SFP Canada.
50. SFP Canada is seeking approval of the Distribution and Termination Order, which provides for the termination of the CCAA Proceedings on serving the Monitor’s Certificate on the Service List and authorizes SFP Canada to file an assignment in bankruptcy immediately thereafter. Should the Court grant the requested relief, Richter has agreed to act as trustee in bankruptcy (the “**Trustee**”). The administration costs associated with the bankruptcy proceedings of SFP Canada will be funded by a payment to the Trustee of approximately \$100,000 (plus HST) from SFP Canada’s cash on hand (the “**Bankruptcy Reserve**”).
51. Upon serving the Monitor’s Certificate on the Service List, the Distribution and Termination Order also provides for, *inter alia*, the:
 - (a) discharge of Richter as Monitor, and the release of Richter and its counsel, from any and all liability that it now has, or may hereafter have, by reason of, or in any way arising out of, its acts or omissions as Monitor, save and except for any gross negligence or willful misconduct on the part of the Monitor;
 - (b) release of the directors and officers of SFP Canada, including the CROs, legal counsel to SFP Canada, and each of their respective affiliates, officers, directors, partners, employees and agents, as applicable, from any obligations and liabilities that they may have incurred since the commencement of the CCAA Proceedings, except to the extent that the obligation or liability was incurred as a result of gross negligence or willful misconduct; and
 - (c) termination, release and discharge of the Administration Charge and the Directors’ Charge.

XI. REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS

52. The Monitor and Stikeman have maintained detailed records of their professional fees and disbursements prior to and since the Monitor’s appointment. In accordance with the Amended and Restated Initial Order, the Monitor is seeking the approval of its fees and disbursements for the period from January 6, 2020 to June 22, 2020 (the “**Richter Fee Period**”) and those of Stikeman from January 15, 2020, to June 22, 2020 (the “**Stikeman Fee Period**”) in connection with the performance of their duties in these CCAA Proceedings.
53. The total fees and disbursements of the Monitor during the Richter Fee Period amount to \$350,230.50, together with disbursements in the amount of \$23,325.59, both excluding sales taxes (collectively, the “**Richter Accounts**”). These

amounts represent professional fees and disbursements not yet approved by the Court. Attached hereto as **Appendix “I”** is the affidavit of Adam Sherman in respect of the Richter Accounts.

54. The total fees and disbursements of Stikeman during the Stikeman Fee Period amount to \$150,608.30, together with disbursements in the amount of \$679.22, both excluding sales taxes (collectively, the “**Stikeman Accounts**”). These amounts represent professional fees and disbursements not yet approved by the Court. Attached hereto as **Appendix “J”** is the affidavit of Ashley Taylor in respect of the Stikeman Accounts.
55. The Monitor has reviewed the Stikeman Accounts and confirms that the services reflected therein have been duly authorized and duly rendered and that, in the Monitor’s opinion, the charges are reasonable.
56. On the assumption that there are no delays, disputes or unforeseen developments in connection with these proceedings, including the within motion and the performance of the Remaining Matters, the Monitor has estimated fees and disbursements in the amount of \$75,000, excluding applicable taxes (the “**Remaining Fees and Disbursements**”), for services that have been provided or will be provided for the period from June 23, 2020 to the date of the Monitor’s Certificate, as follows:
 - (a) Richter - \$50,000; and
 - (b) Stikeman - \$25,000.
57. The above estimates take into consideration the reasonable professional and legal fees required to prepare the Fourth Report, participate in the within motion, and complete the Remaining Matters up to the effective date of discharge. If the actual Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees is required. If the actual Remaining Fees and Disbursements exceed the estimates, the Monitor will seek the consent of SFP Canada to pay same, without further Order of the Court.
58. The fees and disbursements of the Monitor and its counsel, including the Remaining Fees and Disbursements, have been reviewed by SFP Canada and the CROs. The Monitor has been advised that SFP Canada and the CROs do not oppose these fees and disbursements.

XII. MONITOR’S CONCLUSIONS AND RECOMMENDATIONS

59. For the reasons set out in this Fourth Report, the Monitor is of the view that the relief requested by SFP Canada is both appropriate and reasonable and the Monitor therefore recommends that this Court approve the relief set out in paragraph 11(e) herein.

All of which is respectfully submitted on this 25th day of June, 2020.

Richter Advisory Group Inc.
in its capacity as Monitor of
SFP Canada Ltd.
and not in its personal capacity



Adam Sherman, MBA, CIRP, LIT



Pritesh Patel, MBA, CFA, CIRP, LIT

Appendix “A”

Cv-20-634980

- 00CL

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

THURSDAY, THE 23RD

JUSTICE HAINEY

)

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 SFP CANADA LTD. (the "**Applicant**")



INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Craig M. Boucher sworn January 23, 2020 and the Exhibits thereto (the "**Boucher Affidavit**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant and Richter Advisory Group Inc. ("**Richter**"), in its capacity as proposed monitor of the Applicant, and on reading the consent of Richter to act as the monitor (the "**Monitor**"),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of the value of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, advisors, consultants, agents, experts, appraisers, valuers, brokers, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to use the central cash management system currently in place as described in the Boucher Affidavit or, with the prior consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as

provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement filed under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges; and
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicant prior to the date of this Order by third party suppliers or service providers up to a maximum aggregate amount of \$100,000, if in the opinion of the Applicant the supplier or service provider is critical to the Orderly Wind-down (as hereinafter defined).

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course during the Orderly Wind-down after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to make no payments, transfers or disbursements to, or on account of, any related party to the Applicant, including Schurman Fine Papers and SFP Franchise Corporation; (c) to grant no security interests, trusts, liens, charges or encumbrances upon or in respect of any of its Property; and (d) to not grant credit or incur liabilities except in the ordinary course of the Business.

ORDERLY WIND-DOWN

9. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to terminate the employment of such of its employees or temporarily lay off such of its employees as the Applicant deems appropriate and proceed with an orderly wind-down of the Business (the “**Orderly Wind-down**”).

REAL PROPERTY LEASES

10. **THIS COURT ORDERS** that, until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicant or the making of this Order) or as otherwise may be negotiated between the Applicant and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days’ notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

12. **THIS COURT ORDERS** that until and including January 31, 2020, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant, or its employees or representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicant or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all trademark license and other intellectual property, computer software, communication and other data services, centralized banking services, payroll and benefit services, insurance, freight services, transportation services, customs clearing, warehouse and logistics services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply or license of such goods, services, trademarks or other intellectual property as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of the trademarks and other intellectual property currently licensed to, used or owned by the Applicant (including *Papyrus* and *Carlton Cards / Cartes Carlton*) and of its premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case, that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any

obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

18. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

19. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for the indemnity provided in paragraph 18 of this Order. The Directors' Charge shall have the priority set out in paragraphs 30 and 32 hereof.

20. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 18 of this Order.

APPOINTMENT OF MONITOR

21. **THIS COURT ORDERS** that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor and review the Applicant's receipts and disbursements;
- (b) monitor the Orderly Wind-down of the Business and operations of the Applicant, including any liquidation that may be approved;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Orderly Wind-down and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is

confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

25. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicant on a weekly basis or on such terms as such parties may agree and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor and counsel to the Applicant, retainers, *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

27. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicant and the CROs (as hereinafter defined), shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000 as security for their professional fees and disbursements incurred at their standard rates and charges of the Monitor and such counsel, both before and after the making of this Order, and the CROs. The Administration Charge shall have the priority set out in paragraphs 30 and 32 hereof.

APPOINTMENT OF CO-CHIEF RESTRUCTURING OFFICERS29. **THIS COURT ORDERS** that:

- (a) the engagement letter in the form attached as Exhibit “K” to the Boucher Affidavit (the “**CRO Engagement Letter**”), pursuant to which Mackinac Partners, LLC shall provide the services of Michael Nowlan and Craig M. Boucher to act as co-chief restructuring officers of the Applicant (collectively, the “**CROs**” and each a “**CRO**”), the execution of CRO Engagement Letter by the Applicant, *nunc pro tunc*, and the appointment of the CROs as co-chief restructuring officers of the Applicant pursuant to the terms thereof, are hereby approved, including, without limitation, with respect to the payment of the fees and expenses contemplated thereby and incurred by the CROs in providing services to the Applicant;
- (b) the CROs shall be responsible for performing the functions and obligations set out in the CRO Engagement Letter for the benefit of the Applicant and shall provide timely updates to the Monitor in respect of such functions and obligations;
- (c) the CROs shall not be deemed to be a director, *de facto* director or employee of the Applicant;
- (d) nothing in this Order shall be construed as resulting in either CRO being an employer, successor employer, a responsible person, operator or person with apparent authority within the meaning of any statute, regulation or rule of law, or equity for any purpose whatsoever;
- (e) the CROs shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CROs; and
- (f) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of either of the CROs and all rights and remedies of any Person against or in respect of each of the CROs are hereby stayed and suspended, except with the written consent of the

applicable CRO or with leave of this Court on notice to the Applicant, the Monitor and the applicable CRO. Notice of any such motion seeking leave of this Court shall be served upon the Applicant, the Monitor and the applicable CRO at least seven (7) days prior to the return date of any such motion for leave.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

30. **THIS COURT ORDERS** that the priorities of the Administration Charge and the Directors' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000); and

Second – Directors' Charge (to the maximum amount of \$1,000,000).

31. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

32. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

33. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

34. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

35. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the Globe & Mail a notice containing the information prescribed under the CCAA, and (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

36. **THIS COURT ORDERS** that any employee of the Applicant who is sent a notice of termination of employment shall be deemed to have received such notice by no later than 8:00 a.m. Eastern Standard/Daylight Time on the fourth day following the date any such notice is sent, if such notice is sent by ordinary mail, expedited parcel or registered mail to the individual's address as reflected in the Applicant's books and records; provided, however, that (a) any notice of termination of employment that is provided to an employee of the Applicant in person at one of the Applicant's stores shall be deemed to have been received on the date of such delivery notwithstanding the mailing of any notices of termination of employment, and (b) any notice of termination of employment that is sent to an employee of the Applicant by electronic message to the individual's email address as last shown in the Applicant's books and records shall be deemed to have been received 24 hours after the time such electronic message was sent, notwithstanding the mailing of any notices of termination of employment.

37. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca//scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court

further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.richter.ca/insolvencycase/sfp-canada-ltd/>.

38. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

39. **THIS COURT ORDERS** that the Applicant and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SEALING

40. **THIS COURT ORDERS** that Confidential Appendix "A" to the Boucher Affidavit shall be and is hereby sealed, kept confidential and shall not form part of the public record.

GENERAL

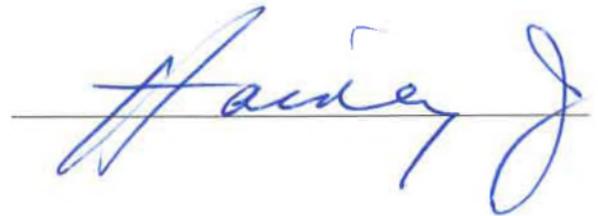
41. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their respective powers and duties hereunder.

42. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

43. **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 Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

44. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

45. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 23 2020

PER / PAR: JP

Cv-20-634980
-00CL

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

Court File No:

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SFP CANADA LTD.

Applicant

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto, ON M5X 1B8

Marc Wasserman (LSO#44066M)
Tel: 416.862.4908
mwasserman@osler.com

Shawn Irving (LSO#50035U)
Tel: 416.862.4733
sirving@osler.com

Martino Calvaruso (LSO#57359Q)
Tel: 416.862.6665
Email: mcalvaruso@osler.com

Fax: 416.862.6666

Lawyers for the Applicant

Matter No: 1207156

Appendix “B”



Court File No. CV-20-634980-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 24TH
)
JUSTICE HAINEY) 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 SFP CANADA LTD.

Applicant

LIQUIDATION SALE APPROVAL ORDER

THIS MOTION, made by SFP Canada Ltd. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things, approving the transactions contemplated under a consulting agreement between a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC (collectively, the "**Original Consultant**"), and the assignees of their respective rights, benefits and obligations as they relate to the conduct of the Sale in Canada and the Canadian Stores, Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC (collectively and together with the Original Consultant, the "**Consultant**"), Schurman Retail Group, LLC and the Applicant (d/b/a Papyrus and American Greetings) dated as of January 17, 2020 (the "**Consulting Agreement**") and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the Affidavit of Craig M. Boucher sworn January 23, 2020 including the exhibits thereto (the "**First Boucher Affidavit**"), the First Report of Richter Advisory Group Inc., in its capacity as Monitor (the "**Monitor**") filed, and on hearing the submissions of respective counsel for the Applicant, the Monitor, the

Consultant, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Waleed Malik affirmed January 23, 2020, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the 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 any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Consulting Agreement (attached as Exhibit “M” to the First Boucher Affidavit).

THE CONSULTING AGREEMENT

3. **THIS COURT ORDERS** that the Consulting Agreement, the sale guidelines attached as Schedule “A” to this Order (the “**Sale Guidelines**”), and the transactions contemplated thereunder are hereby approved, authorized and ratified and that the execution of the Consulting Agreement by the Applicant is hereby approved, authorized, and ratified, *nunc pro tunc*, with such minor amendments as the Applicant (with the consent of the Monitor) and the Consultant may agree to in writing. Subject to the provisions of this Order and the Initial Order in these proceedings dated January 23, 2020 (as amended and restated from time to time, the “**Initial Order**”), the Applicant is hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein. Without limiting the foregoing, the Applicant is authorized to execute any other agreement, contract, deed or any other document, or take any other action, which could be required or be useful to give full and complete effect to the Consulting Agreement.

THE SALE

4. **THIS COURT ORDERS** that the Applicant, with the assistance of the Consultant, is authorized to conduct the Sale in accordance with this Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Canadian Stores in accordance with the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement and the Sale Guidelines, the order of priority of documents to resolve such conflicts is as follows:

(1) this Order; (2) the Sale Guidelines; and (3) the Consulting Agreement. If there is a conflict between this Order and any order of the Bankruptcy Court relating to the conduct of the Sale in, or otherwise relating to, the Canadian Stores, this Order shall govern.

5. **THIS COURT ORDERS** that, subject to paragraph 11 of the Initial Order, the Applicant, with the assistance of the Consultant, is authorized to market and sell the Merchandise, Non-Merchandise Goods, Additional Consultant Goods (subject to further Order of this Court at the comeback hearing in these CCAA proceedings on or before January 31, 2020, or the agreement of the applicable landlord), and Offered FF&E in accordance with the Sale Guidelines, free and clear of all liens, claims, encumbrances, security interests, mortgages, hypothecs, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to the date of this Order or arise or come into existence following the date of this Order, (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively “**Claims**”), including, without limitation the Administration Charge and the Directors’ Charge (as such terms are defined in the Initial Order) and any other charges granted at any time by this Court in these proceedings (collectively, the “**CCAA Charges**”), and all Claims, charges, security interests or liens evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), or any other personal or movable property registration system (all of such Claims, charges (including the CCAA Charges), security interests and liens collectively referred to herein as “**Encumbrances**”), which Encumbrances will attach instead to the proceeds of the Sale (other than amounts specified in paragraph 15 of this Order) in the same order and priority as they existed immediately prior to such Sale.

6. **THIS COURT ORDERS** that subject to the terms of this Order, the Initial Order and the Sale Guidelines, or any greater restrictions in the Consulting Agreement or the Sale Guidelines, the Consultant shall have the right to enter and use the Canadian Stores and all related store services and all facilities (including distribution centers, corporate offices and printing facilities) and all furniture, trade fixtures and equipment, including the Offered FF&E and Retained FF&E, and other assets of the Applicant as designated under the Consulting Agreement, for the purpose of conducting the Sale and for such purposes, the Consultant shall be entitled to the benefit of the

Applicant's stay of proceedings provided under the Initial Order, as such stay of proceedings may be extended by further Order of the Court.

7. **THIS COURT ORDERS** that until the Sale Termination Date for each Store (which in all cases shall in no event be later than March 31, 2020) or such earlier date as a lease is disclaimed or resiliated in accordance with the CCAA, the Consultant shall have access to the Canadian Stores in accordance with the applicable Leases (as such term is defined in the Sale Guidelines) and the Sale Guidelines on the basis that the Consultant is assisting the Applicant and the Applicant has granted the right of access to the Store to the Consultant. To the extent that the terms of the applicable Leases are in conflict with any term of this Order or the Sale Guidelines, the terms of this Order and the Sale Guidelines shall govern.

8. **THIS COURT ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary the terms of the Leases. Nothing contained in this Order or the Sale Guidelines shall be construed to create or impose upon the Applicant or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.

9. **THIS COURT ORDERS** that, subject to and in accordance with the Consulting Agreement, the Sale Guidelines and this Order, the Consultant is authorized to advertise and promote the Sale, without further consent of any Person (as defined in the Initial Order) other than the Applicant and the Monitor as provided under the Consulting Agreement or a Landlord (as defined in the Sale Guidelines) as provided under the Sale Guidelines.

10. **THIS COURT ORDERS** that until the Sale Termination Date, the Consultant shall have the right to use, without interference by any intellectual property licensor, any of the Applicant's trade names, trademarks and logos relating to and used in connection with the operation of the Stores, as well as all licenses and rights granted to the Applicant to use the trade names, trademarks, and logos of third parties, solely for the purpose of advertising and conducting the Sale in accordance with the terms of the Consulting Agreement, the Sale Guidelines, and this Order.

CONSULTANT LIABILITY

11. **THIS COURT ORDERS** that the Consultant shall act solely as an independent consultant to the Applicant and that it shall not be liable for any claims against the Applicant

other than as expressly provided in the Consulting Agreement (including the Consultant's indemnity obligations thereunder) or the Sale Guidelines and, for greater certainty:

- (a) the Consultant shall not be deemed to be an owner or in possession, care, control or management of the Stores, of the assets located therein or associated therewith or of the Applicant's employees located at the Stores or any other property of the Applicant;
- (b) the Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and
- (c) the Applicant shall bear all responsibility for any liability whatsoever (including without limitation losses, costs, damages, fines, or awards) relating to claims of customers, employees and any other persons arising from events occurring at the Stores during and after the term of the Sale, or otherwise in connection with the Sale, except to the extent that such claims are the result of events or circumstances caused or contributed to by the gross negligence or wilful misconduct of the Consultant, its employees, agents or other representatives, or otherwise in accordance with the Consulting Agreement.

12. **THIS COURT ORDERS** that, to the extent any Landlord may have a claim against the Applicant arising solely out of the conduct of the Consultant in conducting the Sale for which the Applicant has claims against the Consultant under the Consulting Agreement, the Applicant shall be deemed to have assigned such claims free and clear to the applicable Landlord (the "**Assigned Landlord Rights**"); provided that each such Landlord shall only be permitted to advance each such claims against the Consultant if written notice, including the reasonable details of such claims, is provided by such Landlord to the Consultant, the Applicant and the Monitor during the period from the Sale Commencement Date to the date that is thirty (30) days following the Sale Termination Date, provided however that the Landlords shall be provided with access to the

Canadian Stores to inspect the Canadian Stores within fifteen (15) days following the Sale Termination Date.

CONSULTANT AN UNAFFECTED CREDITOR

13. **THIS COURT ORDERS** that (i) the Consulting Agreement (including any agreements, contracts or arrangements entered into with the Consultants in relation thereto) shall not be repudiated, resiliated or disclaimed by the Applicant, (ii) the Consultant shall not be affected by the stay of proceedings in the Initial Order and shall be entitled to exercise its rights and remedies under the Consulting Agreement including in respect of claims of the Consultant pursuant to the Consulting Agreement (collectively, the “**Consultant's Claims**”), and (iii) the Consultant’s Claims shall not be compromised or arranged pursuant to any plan of arrangement or compromise among the Applicant and its creditors (a “**Plan**”) and, for greater certainty, the Consultant shall be treated as an unaffected creditor in these proceedings and any other insolvency proceedings that may be initiated by or in respect of the Applicant, and under any Plan.

14. **THIS COURT ORDERS** that the Applicant is hereby authorized and directed, in accordance with the Consulting Agreement, to remit all amounts that become due to the Consultant thereunder.

15. **THIS COURT ORDERS** that no Encumbrances shall attach to any amounts payable or to be credited or reimbursed to, or retained by, the Consultant pursuant to the Consulting Agreement, including, without limitation, any amounts to be reimbursed by the Applicant to the Consultant pursuant to the Consulting Agreement, and at all times the Consultant will retain such amounts, free and clear of all Encumbrances, notwithstanding any enforcement or other process or Claims, all in accordance with the Consulting Agreement.

16. **THIS COURT ORDERS** that the Applicant shall not grant any Encumbrances in or against the Special Purpose Payment.

17. **THIS COURT ORDERS** that the Applicant is authorized, *nunc pro tunc*, to pay the Special Purpose Payment to the Consultant in accordance with the Consulting Agreement, and, without limiting the generality of paragraphs 15 and 16 hereof, that the Special Purpose Payment shall be free of all Encumbrances and the Consultant shall be entitled to retain and apply the

Special Purpose Payment in accordance with the terms of the Consulting Agreement without claim or interference by any creditor, trustee in bankruptcy or other stakeholder of the Applicant, notwithstanding any enforcement or other process, and without leave or further order of this Court.

18. **THIS COURT DECLARES** that, subject solely to the Consultant's obligations to pay to the Applicant the Additional Consultant Goods Fee pursuant to the Consulting Agreement, all Additional Consultant Goods and their proceeds shall remain the exclusive property of the Consultant until sold pursuant to the Sale or paid (as applicable) in accordance with the terms of the Consulting Agreement. For greater certainty, Additional Consultant Goods shall not constitute property of the Applicant and no other person or entity shall have any claim against any of the Additional Consultant Goods or their proceeds.

19. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") in respect of the Applicant, or any bankruptcy order made pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicant;
- (d) the provisions of any federal or provincial statute; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement to which the Applicant is a party;

the Consulting Agreement and the transactions and actions provided for and contemplated therein, including without limitation, the payment of amounts due to the Consultant and the Assigned Landlord Rights shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by any Person, including any creditor of the Applicant, nor shall they, or any of

them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

OTHER

20. **THIS COURT ORDERS** that the Applicant is authorized and permitted to transfer to the Consultant personal information in the Applicant's custody and control solely for the purposes of assisting with and conducting the Sale and only to the extent necessary for such purposes.

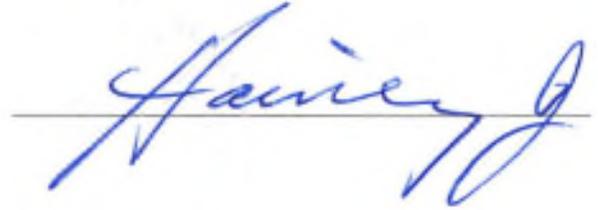
21. **THIS COURT ORDERS** that nothing in paragraph 9 of the Initial Order shall be construed to suggest that the Sale commenced before the date of this Order or as authorizing the conduct of the Sale other than in accordance with the terms of this Order (including the Sale Guidelines).

GENERAL

22. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

23. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

24. **THIS COURT ORDERS** that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in blue ink, appearing to read "Fawcett", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 24 2020

PER / PAR:

AC

SCHEDULE "A"

SALE GUIDELINES

The following procedures shall apply to any Sales to be held at SFP Canada Ltd.'s ("**Applicant**") retail stores (the "**Stores**"). Terms capitalized but not defined in these Sale Guidelines have the meanings ascribed to them in the Consulting Agreement (as defined below).

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 24, 2020 approving the Consulting Agreement between a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC (together, the "**Original Consultant**") and the assignees of their respective rights, benefits and obligations as they relate to the conduct of the Sale in Canada and the Canadian Stores, Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC (collectively and together with the Original Consultant, the "**Consultant**"), Schurman Retail Group, LLC and the Applicant (d/b/a Papyrus and American Greetings) dated as of January 17, 2020 (the "**Consulting Agreement**") and the transactions contemplated thereunder (the "**Approval Order**"); or (ii) any further Order of the Court; or (iii) any subsequent written agreement between the Applicant and its applicable landlord(s) (individually, a "**Landlord**" and, collectively, the "**Landlords**") and approved by the Consultant, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements for each of the affected Stores (individually, a "**Lease**" and, collectively, the "**Leases**"). However, nothing contained herein shall be construed to create or impose upon the Applicant or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that each of the Stores remain open during their normal hours of operation provided for in the respective Leases for the Stores until the applicable premises vacate date for each Store under the Consulting Agreement (the "**Vacate Date**"), and in all cases no later than March 31, 2020. Rent payable under the respective Leases shall be paid as provided in the Initial Order of the Court dated January 23, 2020 (as amended and restated from time to time, the "**Initial Order**").
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws, unless otherwise ordered by the Court.
4. All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Stores as a "everything on sale", "everything must go", "store closing" or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a "bankruptcy", a "liquidation" or a "going out of business" sale, it being understood that the French equivalent of "clearance" is "liquidation" and is permitted to be used in French language signs). Forthwith upon request, the Consultant shall provide the proposed signage packages along with proposed dimensions by e-mail or facsimile to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Consultant of any requirement for such signage to otherwise comply with the terms of the Lease and/or the Sale Guidelines and where the provisions

of the Lease conflicts with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow signs or any handwritten signage (save that handwritten “you pay” or “topper” signs may be used). If a Landlord is concerned with “Store Closing” signs being placed in the front window of a Store or with the number or size of the signs in the front window, the Applicant, the Consultant and the Landlord will work together to resolve the dispute. Furthermore, with respect to enclosed mall Store locations without a separate entrance from the exterior of the enclosed mall, no exterior signs or signs in common areas of a mall shall be used unless explicitly permitted by the applicable Lease. In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores or enclosed mall Store locations with a separate entrance from the exterior of the enclosed mall; provided, however, that: (i) no signage in any other common areas of a mall shall be used; and (ii) where such banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Service List. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant. The Consultant shall not utilize any commercial trucks to advertise the Sale on the Landlord’s property or mall ring roads.

5. The Consultant shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre or mall premises.
6. Subject to further Order of this Court at the comeback hearing in these CCAA proceedings on or before January 31, 2020, or the agreement of the applicable Landlord, the Consultant shall be entitled to include additional merchandise in the Sale in accordance with the terms of the Consulting Agreement; provided that the additional merchandise is of like kind and category and no lesser quality to the Merchandise, and consistent with any restriction on usage of the Stores set out in the applicable Leases.
7. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are “final” and customers with any questions or complaints are to call the Applicant’s hotline number.
8. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on Landlord’s property, unless explicitly permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as explicitly permitted under the applicable Lease or agreed to by the Landlord.
9. At the conclusion of the Sale in each Store, the Consultant and the Applicant shall arrange that the premises for each Store are in “broom-swept” and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the

Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than Offered FF&E (as defined below) for clarity) may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease and in accordance with the Initial Order and the Approval Order. Any trade fixtures or personal property left in a Store after the applicable Vacate Date in respect of which the applicable Lease has been disclaimed by the Applicant shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord. Nothing in this paragraph shall derogate from the Consultant's obligations under the Consulting Agreement.

10. Subject to the terms of paragraph 8 above, the Consultant shall sell furniture, fixtures and equipment owned by the Applicant ("**Offered FF&E**") and located in the Stores during the Sale (other than Retained FF&E). For greater certainty, Offered FF&E does not include any portion of the Stores' HVAC, sprinkler, fire suppression, or fire alarm systems. The Applicant and the Consultant may advertise the sale of Offered FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the Landlord. Additionally, the purchasers of any Offered FF&E sold during the Sale shall only be permitted to remove the Offered FF&E either through the back shipping areas designated by the Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if the Offered FF&E can fit in a shopping bag, with Landlord's supervision as required by the Landlord and in accordance with the Initial Order and the Approval Order. The Consultant shall repair any damage to the Stores resulting from the removal of any Offered FF&E by Consultant or by third party purchasers of Offered FF&E from Consultant.
11. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the affected Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.
12. The Applicant hereby provides notice to the Landlords of the Applicant and the Consultant's intention to sell and remove Offered FF&E from the Stores. The Consultant shall make commercially reasonable efforts to arrange with each Landlord represented by counsel on the Service List and with any other Landlord that so requests, a walk-through with the Consultant to identify the Offered FF&E subject to the Sale. The relevant Landlord shall be entitled to have a representative present in the applicable Stores to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any Offered FF&E under the provisions of the Lease, such Offered FF&E shall remain on the premises and shall be dealt with as agreed between the Applicant, the Consultant and such Landlord, or by further Order of the Court upon application by the Applicant on at least two (2) days' notice to such Landlord and the Monitor. If the Applicant has disclaimed or resiliated the Lease governing such Store in accordance with the CCAA and the Initial Order, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the CCAA and the Initial Order), and the disclaimer or resiliation of the

Lease shall be without prejudice to the Applicant's or the Consultant's claim to the Offered FF&E in dispute.

13. If a notice of disclaimer or resiliation is delivered pursuant to the CCAA and the Initial Order to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the disclaimer or resiliation, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant, the Monitor and the Consultant 24 hours' prior written notice; and (b) at the effective time of the disclaimer or resiliation, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against the Applicant in respect of such Lease or Store, provided that nothing herein shall relieve such Landlord of any obligation to mitigate any damages claimed in connection therewith.
14. The Consultant and its agents and representatives shall have the same access rights to the Stores as the Applicant under the terms of the applicable Lease, and the Landlords shall have the rights of access to the Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).
15. The Applicant and the Consultant shall not conduct any auctions of Merchandise or Offered FF&E at any of the Stores.
16. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for Consultant shall be Stuart Brotman of Fasken Martineau DuMoulin LLP who may be reached by phone at 416-865-5419 or email at sbrotman@fasken.com. If the parties are unable to resolve the dispute between themselves, the Landlord or the Applicant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties, during which time the Consultant shall cease all activity in dispute other than activity expressly permitted herein, pending determination of the matter by the Court; provided, however, subject to paragraph 4 of these Sale Guidelines, if a banner has been hung in accordance with these Sale Guidelines and is the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of any dispute.
17. Nothing herein or in the Consulting Agreement is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or shall, or shall be deemed to, or grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
18. These Sale Guidelines may be amended by written agreement between the Consultant, the Applicant and the applicable Landlord.

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

Court File No: CV-20-634980-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SFP CANADA LTD.**

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

PROCEEDING COMMENCED AT TORONTO

LIQUIDATION SALE APPROVAL ORDER

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Marc Wasserman (LSO#44066M)
Shawn Irving (LSO#50035U)
Martino Calvaruso (LSO#57359Q)

Tel: 416.362.2111

Fax: 416.862.6666

Lawyers for the Applicant

Appendix “C”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) THURSDAY, THE 23RD
)
JUSTICE HAINEY) 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 SFP CANADA LTD. (the "**Applicant**")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Craig M. Boucher sworn January 23, 2020 and the Exhibits thereto (the "**Boucher Affidavit**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant and Richter Advisory Group Inc. ("**Richter**"), in its capacity as proposed monitor of the Applicant, and on reading the consent of Richter to act as the monitor (the "**Monitor**"),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

2A. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of the value of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, advisors, consultants, agents, experts, appraisers, valuers, brokers, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to use the central cash management system currently in place as described in the Boucher Affidavit or, with the prior consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire

into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges; and
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicant prior to the date of this Order by third party suppliers or service providers up to a maximum aggregate amount of \$100,000, if in the opinion of the Applicant, the supplier or service provider is critical to the Orderly Wind-down (as hereinafter defined).

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course during the Orderly Wind-down after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to make no payments, transfers or disbursements to, or on account of, any related

party to the Applicant, including Schurman Fine Papers and SFP Franchise Corporation; (c) to grant no security interests, trusts, liens, charges or encumbrances upon or in respect of any of its Property; and (d) to not grant credit or incur liabilities except in the ordinary course of the Business.

ORDERLY WIND-DOWN

9. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate; provided that, with respect to any leased premises, the Applicant may, subject to the requirements of the CCAA and paragraphs 10 to 12 herein, vacate, abandon or quit the whole but not part of any leased premises;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as the Applicant deems appropriate;
- (c) pursue all offers for sales of material parts of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any sale (except as permitted by paragraph 9(a) above); and
- (d) apply to this Court for such approval, vesting or other Orders as may be necessary to consummate sale transactions for all or any part of the Property,

all of the foregoing to permit the Applicant to proceed with an orderly wind-down of the Business (the “**Orderly Wind-down**”).

REAL PROPERTY LEASES

10. **THIS COURT ORDERS** that, until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease,

but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicant or the making of this Order) or as otherwise may be negotiated between the Applicant and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days’ notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA by the Applicant, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including March 31, 2020, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant, or its employees or representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicant or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all trademark license and other intellectual property, computer software, communication and other data services, centralized banking services, payroll and benefit services, insurance, freight services, transportation services, customs clearing, warehouse and logistics services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply or license of such goods, services, trademarks or other intellectual property as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of the trademarks and other intellectual property currently licensed to, used or owned by the Applicant (including *Papyrus* and *Carlton Cards / Cartes Carlton*) and of its premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case, that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any

obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 32 and 34 hereof.

21. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 19 of this Order.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor and review the Applicant's receipts and disbursements;
- (b) monitor the Orderly Wind-down of the Business and operations of the Applicant, including any liquidation that may be approved;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Orderly Wind-down and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the

Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicant on a weekly basis or on such terms as such parties may agree and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor and counsel to the Applicant, retainers, *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicant and the CROs (as hereinafter defined), shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$400,000 as security for their professional fees and disbursements incurred at their standard rates and charges of the Monitor and such counsel, both before and after the making of this Order, and the CROs. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

APPOINTMENT OF CO-CHIEF RESTRUCTURING OFFICERS

31. **THIS COURT ORDERS** that:

- (a) the engagement letter in the form attached as Exhibit “K” to the Boucher Affidavit (the “**CRO Engagement Letter**”), pursuant to which Mackinac Partners, LLC shall provide the services of Michael Nowlan and Craig M. Boucher to act as co-chief restructuring officers of the Applicant (collectively, the “**CROs**” and each a “**CRO**”), the execution of CRO Engagement Letter by the Applicant, *nunc pro tunc*, and the appointment of the CROs as co-chief restructuring officers of the Applicant pursuant to the terms thereof, are hereby approved, including, without limitation, with respect to the payment of the fees and expenses contemplated thereby and incurred by the CROs in providing services to the Applicant;

- (b) the CROs shall be responsible for performing the functions and obligations set out in the CRO Engagement Letter for the benefit of the Applicant and shall provide timely updates to the Monitor in respect of such functions and obligations;
- (c) the CROs shall not be deemed to be a director, *de facto* director or employee of the Applicant;
- (d) nothing in this Order shall be construed as resulting in either CRO being an employer, successor employer, a responsible person, operator or person with apparent authority within the meaning of any statute, regulation or rule of law, or equity for any purpose whatsoever;
- (e) the CROs shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CROs;
- (f) neither of the CROs, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation; provided however, if either of the CROs are nevertheless later found to be in Possession of any Property, then the applicable CRO, shall be entitled to the benefits and protections in relation to the Applicant and such Property as are provided to a monitor under Section 11.8(3) of the CCAA; and
- (g) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of either of the CROs and all rights and remedies of any Person against or in respect of each of the CROs are hereby stayed and suspended, except with the written consent of the applicable CRO or with leave of this Court on notice to the Applicant, the Monitor and the applicable CRO. Notice of any such motion seeking leave of this Court shall be served upon the Applicant, the Monitor and the applicable CRO at least seven (7) days prior to the return date of any such motion for leave.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. **THIS COURT ORDERS** that the priorities of the Administration Charge and the Directors' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000); and

Second – Directors' Charge (to the maximum amount of \$1,000,000).

33. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

35. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

36. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of

Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (i) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (iii) the payments made by the Applicant pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant’s interest in such real property leases.

SERVICE AND NOTICE

38. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the Globe & Mail a notice containing the information prescribed under the CCAA, and (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

39. **THIS COURT ORDERS** that any employee of the Applicant who is sent a notice of termination of employment shall be deemed to have received such notice by no later than 8:00 a.m. Eastern Standard/Daylight Time on the fourth day following the date any such notice is sent, if such notice is sent by ordinary mail, expedited parcel or registered mail to the individual’s address as reflected in the Applicant’s books and records; provided, however, that (a) any notice of termination of employment that is provided to an employee of the Applicant in person at one of the Applicant’s stores shall be deemed to have been received on the date of such delivery notwithstanding the mailing of any notices of termination of employment, and (b) any

notice of termination of employment that is sent to an employee of the Applicant by electronic message to the individual's email address as last shown in the Applicant's books and records shall be deemed to have been received 24 hours after the time such electronic message was sent, notwithstanding the mailing of any notices of termination of employment.

40. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.richter.ca/insolvencycase/sfp-canada-ltd/>.

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

42. **THIS COURT ORDERS** that the Applicant and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within

the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SEALING

43. **THIS COURT ORDERS** that Confidential Appendix "A" to the Boucher Affidavit shall be and is hereby sealed, kept confidential and shall not form part of the public record.

GENERAL

44. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their respective powers and duties hereunder.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

46. **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 Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

49. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

A handwritten signature in blue ink, appearing to read "Hessing", written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 31 2020

PER / PAR:

A small handwritten signature in blue ink, possibly initials, located above the "PER / PAR:" label.

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SFP CANADA LTD.

Applicant

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto, ON M5X 1B8

Marc Wasserman (LSO#44066M)
Tel: 416.862.4908
mwasserman@osler.com

Shawn Irving (LSO#50035U)
Tel: 416.862.4733
sirving@osler.com

Martino Calvaruso (LSO#57359Q)
Tel: 416.862.6665
Email: mcalvaruso@osler.com

Fax: 416.862.6666

Lawyers for the Applicant

Matter No: 1207156

Appendix “D”

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SFP FRANCHISE CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-10134 (JTD)

(Jointly Administered)

Ref Nos. 101 & 102

**ORDER AUTHORIZING IMPLEMENTATION OF KEY EMPLOYEE
RETENTION PLAN AND KEY EMPLOYEE INCENTIVE PLAN**

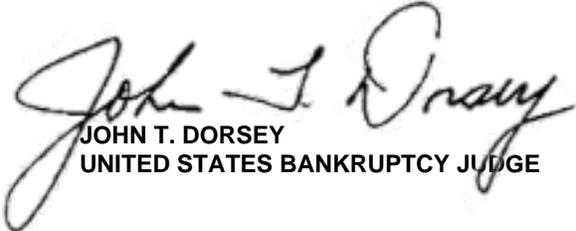
Upon the *Motion of the Debtors for Entry of an Order Authorizing Implementation of Key Employee Retention Plan* (the “Motion”)² and upon the First Day Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and the Court having found that this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter an order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that sufficient notice of the Motion has been given; and it appearing that there is good and sufficient cause for the relief set forth in this Order and that the relief set forth in this Order is in the best interests of the Debtors’ estates; and the Court having determined that, based on the evidence submitted at the hearing on the Motion, none of the Key Employees are “insiders” of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code; it is hereby

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: SFP Franchise Corporation (6248); and Schurman Fine Papers (1409). The location of the Debtors’ principal place of business is 300 Oak Bluff Lane, Goodlettsville, Tennessee 37072.

² Capitalized terms not defined herein shall have the same meaning as ascribed to them in the Motion.

1. ORDERED that the Motion is GRANTED as set forth herein; and it is further
2. ORDERED that the KERP is approved in its entirety and the Debtors are authorized to implement the KERP in their discretion; and it is further
3. ORDERED that the Debtors are hereby authorized, but not directed, to make payments to the Key Employees listed on Exhibit 1 to the Motion, in amounts not to exceed those set forth on Exhibit 1 for each Key Employee, pursuant to the KERP, as applicable and the authorization to make such payments shall not create any obligation on the part of the Debtors to make payments under the KERP unless the participants meet the necessary conditions thereunder; and it is further
4. ORDERED that all amounts earned and payable under the KERP shall have administrative expense priority under Bankruptcy Code sections 503(b) and 507(a)(2); and it is further
5. ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon entry; and it is further
6. ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion; and it is further
7. ORDERED that the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: February 14th, 2020
Wilmington, Delaware


JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

Appendix “E”



Court File No. CV-20-634980-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) MONDAY, THE 30TH
JUSTICE HAINEY) DAY OF MARCH, 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 **SFP CANADA LTD.**

APPLICANT

**ORDER
(Approval of Allocation of KERP Costs and Stay Extension)**

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order approving the allocation of an appropriate share of the costs of the KERP (defined below) to the Applicant and extending the Stay Period (defined below), was read this day.

ON READING the Notice of Motion of the Applicant, the Affidavit of Craig M. Boucher sworn March 26, 2020 (the "**Boucher Affidavit**") and the Third Report of the Monitor, and on being advised that the Service List was served with the Applicant's Motion Record as appears from the Affidavit of Service of Waleed Malik affirmed March 26, 2020.

AND ON BEING ADVISED that the Applicant informed the Service List that it was requesting that this motion be heard in writing, and on being further advised that no party on the Service List has advised the Applicant that it objects to this motion being heard in writing or the relief sought by the Applicant:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

MOTION TO BE HEARD IN WRITING

2. **THIS COURT ORDERS** that this motion shall be heard in writing without any requirement for a live attendance.

ALLOCATION OF KERP COSTS

3. **THIS COURT APPROVES** the allocation of 30 percent of the costs of the key employee retention plan (the "KERP") described in the Boucher Affidavit to the Applicant. For the avoidance of doubt, the Applicant shall not pay any amount on account of the KERP to SFP Franchise Corporation or Schurman Fine Papers until further order of this Court.

EXTENSION OF THE STAY PERIOD

4. **THIS COURT ORDERS** that the Stay Period as defined in paragraph 13 of the Amended and Restated Initial Order dated January 23, 2020 is hereby extended until and including June 30, 2020.

GENERAL

5. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

6. **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 of America, 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.

Hainey J
see para 3
of My
Endorsement.

SUPERIOR COURT OF JUSTICE
ENTERED
MAR 30 2020
Ac
COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

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 SFP CANADA LTD.

Court File No: CV-20-634980-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at Toronto

ORDER
(Approval of Allocation of KERP Costs and Stay
Extension)

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto ON M5X 1B8

Marc Wasserman (LSO #: 44066M)
Shawn Irving (LSO #: 50035U)
Martino Calvaruso (LSO# 57359Q)

Tel: 416.362.4908
Fax: 416.862.6666

Lawyers for the Applicant

Appendix “F”

RICHTER

Court File No. CV-20-634980-00CL

SFP CANADA LTD.

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF
SFP CANADA LTD.**

JANUARY 24, 2020

TABLE OF CONTENTS

I. INTRODUCTION	1
II. PURPOSE OF REPORT	1
III. TERMS OF REFERENCE	2
IV. GENERAL BACKGROUND INFORMATION	2
V. OBJECTIVES OF THE CCAA PROCEEDINGS	8
VI. LIQUIDATOR SELECTION PROCESS	9
VII. THE INVENTORY LIQUIDATION CONSULTING AGREEMENT	9
VIII. SFP CANADA'S CASH FLOW STATEMENT	11
VIII. PRIORITY CHARGES	13
VIII. MONITOR'S CONCLUSIONS AND RECOMMENDATIONS	14

APPENDICES

APPENDIX "A" – Affidavit of Craig M. Boucher, sworn January 23, 2020 (without exhibits)

APPENDIX "B" – Consulting Agreement dated January 17, 2020

APPENDIX "C" – Cash Flow Forecast for the period January 18, 2020 to April 17, 2020

APPENDIX "D" – Monitor's Report on the Cash Flow Statement

Court File No. CV-20-634980-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SFP CANADA LTD.

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF SFP CANADA LTD.**

JANUARY 24, 2020

I. INTRODUCTION

1. On January 23, 2020 (the **"Filing Date"**), the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) issued an order (the **"Initial Order"**) granting SFP Canada Ltd. (**"SFP Canada"** or the **"Company"**), protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **"CCAA"**). Pursuant to the Initial Order, Richter Advisory Group Inc. (**"Richter"**) was appointed as the Company's Monitor (the **"Monitor"**).
2. The Initial Order, *inter alia*,
 - (a) granted a stay of proceedings in favour of the Company until January 31, 2020 (the **"Stay Period"**);
 - (b) approved the engagement of Mackinac Partners, LLC (**"Mackinac"**) to provide the services of Michael Nowlan and Craig M. Boucher to act as co-chief restructuring officers (the **"CROs"** and each a **"CRO"**) of SFP Canada;
 - (c) ordered that the Company make no payments, transfers or disbursements to, or on account of, any related parties such that all funds generated from SFP Canada's operations throughout the CCAA Proceedings will remain available to SFP Canada; and
 - (d) granted the Administration Charge and Directors' Charge (each as defined hereinafter).

The proceedings commenced by SFP Canada under the CCAA are herein referred to as the **"CCAA Proceedings"**.

II. PURPOSE OF REPORT

3. This report, the Monitor's first report (the **"First Report"**) is to provide information to the Court in respect of the following:
 - (a) a limited summary of certain background information about SFP Canada;
 - (b) the objectives of the Company's CCAA Proceedings, including the Company's post-filing strategy and the liquidation process proposed to be undertaken by SFP Canada;
 - (c) the key terms of a consulting agreement (the **"Consulting Agreement"**) between SFP Canada and Schurman Retail Group, LLC, and a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC (collectively, the **"Consultant"**), pursuant to which the Company engaged the Consultant to act as liquidation consultant to assist in liquidating the Company's inventory, certain owned furniture, fixtures and equipment (**"FF&E"**) and certain other goods at SFP Canada's retail locations in accordance with the sale guidelines (the **"Sale Guidelines"**) appended to the Liquidation Sale Approval Order (as hereinafter defined) following the issuance thereof by the Court;

- (d) the Company's statement of projected cash flow (the "**Cash Flow Forecast**") for the thirteen-week period from January 18, 2020 to April 17, 2020 (the "**Forecast Period**");
- (e) the Court-ordered priority charges granted by the Initial Order; and
- (f) the Monitor's recommendation that the Court grant the Liquidation Sale Approval Order.

III. TERMS OF REFERENCE

4. In preparing this First Report, the Monitor has relied solely on information and documents provided by SFP Canada and their advisors, including unaudited financial information, and discussions with representatives of Mackinac and the Company's legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the First Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
5. Capitalized terms not otherwise defined herein are as defined in the Company's motion materials, including the affidavit of Craig M. Boucher of Mackinac, sworn January 23, 2020 (the "**Boucher Affidavit**") filed in support of both the Initial Order and the Liquidation Sale Approval Order. This First Report should be read in conjunction with the Boucher Affidavit, as certain information contained in the Boucher Affidavit has not been included herein in order to avoid unnecessary duplication. A copy of the Boucher Affidavit (without exhibits) is attached hereto as **Appendix "A"**.
6. The Monitor has established a website at <http://www.richter.ca/insolvencycase/sfp-canada-ltd/> to make available copies of the orders granted in these proceedings as well as the motion materials and reports of the Monitor.
7. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.

IV. GENERAL BACKGROUND INFORMATION

8. SFP Canada operates 76 retail stores across Canada under the "Papyrus", "Carlton Cards / Cartes Carlton", and "Paper Destiny" brand names selling stationary, greeting cards, paper products and gift items. As noted in the Boucher Affidavit, SFP US (defined below), SFP Canada's parent company, operates an e-commerce website that is accessible to Canadian consumers, but SFP Canada does not operate its own website.

9. SFP Canada's business, affairs, financial performance and position, as well as the causes of its insolvency, are detailed in the Boucher Affidavit and are, therefore, not repeated herein. The Monitor has reviewed the Boucher Affidavit and discussed the business and affairs of SFP Canada with the CROs and the Company's legal counsel and other advisors and is of the view that the Boucher Affidavit provides a fair summary thereof.

Historical Overview and Organizational Structure

10. As noted in the Boucher Affidavit, Schurman Fine Papers ("**SFP US**", and together with its subsidiaries, including SFP Canada, the "**Schurman Group**") was founded in 1950 by Marcel and Margrit Schurman, as in importer and wholesaler of fine art greeting cards and stationary from Europe. SFP Canada is a wholly owned subsidiary of SFP US. Over the years, SFP US' business evolved and, in 2009, as part of a larger transaction (the "**Transaction**") expanded into Canada.
11. As also noted in the Boucher Affidavit, the Transaction involved the sale of SFP US' wholesale business and the "Papyrus" brand and related trademarks to American Greetings Corporation ("**American Greetings**"). As part of the Transaction, the Schurman Group acquired the retail business operated by American Greetings in Canada and the United States. To facilitate the Transaction, the Schurman Group and American Greetings also entered into mutual transition services agreements in addition to ongoing commercial licensing, supply and marketing agreements (collectively, the "**American Greetings Agreements**"). As a result of these agreements, the Schurman Group was highly dependent on American Greetings for the majority of goods sold in SFP Canada's retail locations as well as for the trademarks (the "**Trademarks**") required to operate its retail business under the "Papyrus" and "Carlton Cards / Cartes Carlton" names.

Events Leading to the CCAA Proceedings

12. As noted in the Boucher Affidavit, due to a number of factors, including costs incurred in refurbishing and / or closing underperforming retail stores acquired as part of the Transaction with American Greetings, pricing decisions made by American Greetings in respect of the products it sold to the Schurman Group, and unfavourable brick-and-mortar retail market trends, the Schurman Group's Canadian and US operations have suffered financial losses, resulting in liquidity issues.
13. As a result of these and other challenges, the Schurman Group's collective obligations to American Greetings have ballooned to approximately USD\$48 million of which, the Monitor understands, approximately USD\$9 million is owed by SFP Canada.

14. Unfortunately, the Schurman Group's attempts to address their liquidity issues have been unsuccessful and, in early December 2019, American Greetings informed SFP US that it was immediately terminating the American Greetings Agreements and ceasing its supply of products to the Schurman Group. Subsequent negotiations between the Schurman Group and American Greetings to settle on new terms upon which the Schurman Group would be permitted to continue using the Trademarks and purchasing products from American Greetings have failed, and the Monitor understands that American Greetings recently informed the Schurman Group that it is not willing to engage in further negotiations.
15. As a result of the above, and for the reasons described in the Boucher Affidavit, SFP US concluded that it can no longer operate as a going concern and commenced insolvency proceedings to, among other things, pursue an orderly wind-down / liquidation of their retail stores in the United States. On January 23, 2020, SFP US commenced voluntary reorganization proceedings (the "**Chapter 11 Proceedings**") in the United States Bankruptcy Court for the District of Delaware by filing voluntary petitions for relief under chapter 11 of the *United States Bankruptcy Code*, in order to, among other things, pursue an orderly liquidation of the Schurman Group's retail stores in the United States.
16. SFP Canada is in a similar position to that of SFP US. Without a license to use the Trademarks or the ongoing supply of products from American Greetings that, as noted in the Boucher Affidavit, account for in excess of 50% of SFP Canada's gross sales, SFP Canada can no longer operate as a going concern. Moreover, as the Schurman Group is a highly integrated business primarily managed out of the United States, SFP Canada is dependent on SFP US for many critical services (discussed further below). As a result of the Chapter 11 Proceedings, these critical services will no longer be available. Without the continued support of SFP US, SFP Canada determined that it could no longer survive as a going concern and that, in the circumstances, it is in the best interest of all stakeholders for SFP Canada to complete an orderly wind-down / liquidation of their inventory and other assets.
17. The Monitor understands that no relief is being sought in the Chapter 11 Proceedings with respect to SFP Canada and, similarly, no relief is being sought in the CCAA Proceedings with respect to SFP US save and except for the provisions in the Initial Order restricting transfers to related parties by SFP Canada and providing for SFP Canada's continued use of trademarks. The Monitor further understands that SFP Canada is not jointly and severally liable for, and has not guaranteed, SFP US' senior secured debt.

SFP Canada's Financial Results

18. Summarized below are SFP Canada's unaudited financial results for the fiscal year ended January 31, 2019 ("FY19") and the ten (10) months ended November 30, 2019 ("YTD FY20"):

SFP Canada Ltd. Historical Financial Results (CAD\$, in millions; unaudited)	FY20 10-months ended 30-Nov-19		FY19 Year ended 31-Jan-19	
Total revenues, net	\$	28.9	\$	47.3
Total Cost of Goods Sold		9.2		16.6
Gross Profit	\$	19.7	\$	30.7
Operating Expenses				
Payroll and benefits		6.3		8.8
Rent and occupancy costs		10.3		13.6
Selling, general, and administrative		0.8		1.3
Amortization and depreciation		0.5		0.7
Shared services cost		2.0		2.5
Total operating expenses	\$	20.0	\$	26.9
Operating Profit	\$	(0.2)	\$	3.8
Non-operating expenses		2.1		2.8
Income (loss) before income taxes	\$	(2.3)	\$	0.9
Taxes		0.2		0.2
Net income (loss)	\$	(2.5)	\$	0.7

Source: Information provided by the Schurman Group

19. As detailed above, SFP Canada incurred a net loss of \$2.5 million YTD FY20 as compared to net income of \$0.7 million in FY19. The Monitor understands the YTD FY20 losses have depleted the Company's cash reserves needed to continue operations.

Retail Operations

20. As noted above, as at the Filing Date, SFP Canada operated 76 retail stores across Canada, of which 35 stores are located in Ontario, 12 in Alberta, 11 in British Columbia, 6 in Quebec, 5 in Nova Scotia, 3 in Manitoba, 3 in Saskatchewan and 1 in Newfoundland and Labrador. All of SFP Canada's retail locations are leased.

Employees

21. As at the Filing Date, SFP Canada had approximately 405 employees of which approximately 323 were part-time employees. SFP Canada's employees are not represented by a union and are not subject to a collective bargaining agreement. SFP Canada has established a group Registered Retirement Saving Plan ("RRSP") for employees, which is administered by Manulife Financial – SFP Canada does not make any matching contributions to the RRSP. A chart

detailing the geographic distribution of SFP Canada employees by province is included at paragraph 46 of the Boucher Affidavit.

22. As described in the Boucher Affidavit, the Schurman Group is a highly integrated business managed out of the United States where the Schurman Group maintains its head office. Although SFP Canada's registered office is in Saint John, New Brunswick, the Monitor understands that:
- (a) all material decisions regarding SFP Canada's business and its operations are managed by Schurman Group personnel located in the United States. In particular, all of SFP Canada's treasury and financial decisions are made at the Schurman Group's head office located in Goodlettsville, Tennessee (the "**US Head Office**");
 - (b) the Schurman Group's human resources, legal, accounting, information technology, marketing and communications functions are primarily administered from the US Head Office or from satellite offices in the United States;
 - (c) there are no management personnel employed directly by SFP Canada or located in Canada. Although SFP Canada does employ store managers and area managers to oversee day-to-day operations of SFP Canada stores, as noted above, all material retail store related matters are managed from the US Head Office;
 - (d) other than retail employees located at SFP Canada stores across Canada, there are no customer service personnel employed by SFP Canada. All customer service matters are managed by the US Head Office (other than in-store service);
 - (e) all of SFP Canada's accounts payable and accounts receivable are managed from the US Head Office;
 - (f) SFP Canada does not have any information technology personnel. All technology decisions are managed by the US Head Office. Further, the Schurman Group's e-commerce sites are managed in the United States;
 - (g) all strategic decisions for SFP Canada, including asset management, capital expenditure and planning decisions are made by the US Head Office; and
 - (h) SFP Canada's sole director is Dominique Schurman, a California resident.
23. The Schurman Group engaged the CROs pursuant to an engagement letter dated January 22, 2020 (the "**CRO Engagement Letter**") to, among other things, assist with the implementation of the CCAA Proceedings, the Chapter 11 Proceedings and the Liquidation Sale. The Monitor understands that SFP Canada's sole director will not be directly involved in the CCAA Proceedings and, therefore, the appointment of the CROs is appropriate and necessary in the circumstances.

24. The CRO Engagement Letter provides that Mackinac will be paid for the services of the CROs at their customary hourly billing rates. The Monitor understands that the cost for the CROs will be split between SFP Canada and SFP US based on the time spent by the CROs in respect of matters relating to SFP Canada and SFP US respectively; however, SFP Canada will not be liable for payment of the "Completion Fee" contemplated under the CRO Engagement Letter.

SFP Canada's Creditors

25. As noted in the Boucher Affidavit, as at November 30, 2019 (the most recent date for which financial information is available), SFP Canada had liabilities totaling approximately USD\$11.7 million, as follows:

Liabilities	Amount Owing (USD\$, in 000s)
Current Liabilities	
Trade Payables*	10,416
Income Taxes Payable	121
Sales and Use Tax Payable	152
Accrued Liabilities	585
Non Current Liabilities	
Deferred Rent	306
Tenant Improvement Allowance	176
Total Liabilities	11,756

* Approximately USD\$9.1 million is owing to American Greetings

26. As described in the Boucher Affidavit, the Monitor understands that SFP Canada has entered into loan and security agreements with Wells Fargo Bank, National Association ("**Wells Fargo**") and a security agreement with American Greetings. As at the Filing Date, the Monitor understands that no amounts are owed by SFP Canada to Wells Fargo and that approximately USD\$9.1 million is owed by SFP Canada to American Greetings.

Wells Fargo

27. As noted in the Boucher Affidavit, the Schurman Group has outstanding secured obligations to Wells Fargo pursuant to a consolidated credit agreement among SFP Canada, SFP US (and another related US entity) and Wells Fargo dated April 17, 2019 (as amended, the "**Wells Fargo Credit Agreement**").
28. Pursuant to the Wells Fargo Credit Agreement, SFP US and another related US entity (collectively the "**US Borrowers**") were permitted to borrow funds in US dollars (the "**US Revolving Facility**") and SFP Canada was permitted to borrow funds in Canadian dollars (the "**Canadian Revolving Facility**") up to a collective maximum of USD\$35 million on a revolving basis. As stated in the Boucher Affidavit, as at January 20, 2020, the US Borrowers owed approximately USD\$6.3 million on the US Revolving Facility and SFP Canada had no amounts owing in respect of the Canadian Revolving Facility.

29. Under the Wells Fargo Credit Agreement, each borrower has granted a security interest in their present and after acquired property to secure the obligations under the Wells Fargo Credit Agreement. The Monitor further understands that the US Borrowers are jointly and severally liable for all obligations under the Wells Fargo Credit Agreement. SFP Canada, however, is not jointly and severally liable for the obligations of the US Borrowers.
30. As also noted in the Boucher Affidavit, American Greetings has provided a limited guarantee of the obligations owing by the Schurman Group under the Wells Fargo Credit Agreement up to a maximum of USD\$10 million.

American Greetings

31. On June 25, 2019, SFP Canada, the US Borrowers and American Greetings entered into a security agreement (the “**American Greetings Security Agreement**”), pursuant to which SFP Canada and the US Borrowers granted American Greetings a continuing lien and security interest over their present and after-acquired property to secure, among other things, the payment and performance of the Schurman Group’s obligations pursuant to the American Greetings Agreements or any other agreements between the Schurman Group and American Greetings.
32. The Monitor has been advised that prior to entering into the American Greetings Security Agreement, American Greetings supplied goods and services to the Schurman Group, pursuant to the American Greetings Agreements, on credit on an unsecured basis. The Monitor further understands that the parties entered into the American Greetings Security Agreement to, among other things, secure the amounts due by the Schurman Group to American Greetings.
33. Pursuant to a subordination and intercreditor agreement between Wells Fargo and American Greetings (the “**Subordination and Intercreditor Agreement**”), Wells Fargo has first-ranking priority over the Collateral (as defined in the agreement).
34. The Monitor has instructed its independent legal counsel, Stikeman Elliott LLP (“**Stikeman**”) to review the validity and enforceability of the security granted by SFP Canada in favour of American Greetings in the jurisdictions in which the Company has retail operations and the Monitor will report back to this Honourable Court on this matter following its receipt of Stikeman’s opinion.

V. OBJECTIVES OF THE CCAA PROCEEDINGS

35. As noted above, as a result of a number of factors, SFP Canada cannot continue operating as a going concern and has determined that, in the circumstances, it is in the best interest of all stakeholders for SFP Canada to complete an orderly wind-down of its retail operations and liquidation of its inventory and other assets with the assistance of an experienced liquidator under the supervision of the Monitor.

VI. LIQUIDATOR SELECTION PROCESS

36. It is SFP Canada's belief that realizations from its retail operations will be maximized through the appointment of an experienced liquidator to assist SFP Canada with the orderly wind-down of its retail operations (the "Liquidation Sale").
37. As described in the Boucher Affidavit, in anticipation of the commencement of insolvency proceedings in both the United States and Canada, on November 29, 2019, the Schurman Group retained Mackinac as their financial advisor to, among other things, develop a plan to solicit proposals from third parties to assist with the Liquidation Sale.
38. Following a competitive process, as detailed in the Boucher Affidavit, SFP US and SFP Canada notified the Consultant of their desire to proceed with its proposal and, with the assistance of their respective advisors, worked to finalize the terms of the Consulting Agreement.

VII. THE INVENTORY LIQUIDATION CONSULTING AGREEMENT

39. On January 17, 2020, SFP US, SFP Canada and the Consultant agreed on the final form of the Consulting Agreement, a copy of which is attached hereto as **Appendix "B"**. The key terms of the Consulting Agreement are as follows:
 - (a) the Consultant will assist SFP Canada in conducting a store closing or other similar-themed liquidation sale in respect of all merchandise and certain other owned assets in SFP Canada's retail locations;
 - (b) the Liquidation Sale commenced on or about January 16, 2020 and will conclude no later than February 29, 2020, or such other dates as agreed to by SFP Canada and the Consultant, in consultation with the Monitor (but no later than March 31, 2020 in accordance with the terms of the proposed Liquidation Sale Approval Order (as defined below) and the Sale Guidelines);
 - (c) SFP Canada is responsible for all costs and expenses in connection with the Liquidation Sale, certain of which are subject to an agreed upon budget with the Consultant, except solely for certain amounts in excess of specifically enumerated "Consultant Controlled Expenses" in accordance with a budget appended to the Consulting Agreement;
 - (d) in consideration of its services, the Consultant will earn a fee based on gross recoveries (net of applicable sales taxes) realized from the sale of SFP Canada's owned merchandise (subject to certain exceptions, including defective merchandise) (either in stores, in transit or on order) from SFP Canada's retail stores, as part of the Liquidation Sale, as follows:

Gross Recovery Percentage	Merchandise Fee
Below 190%	1.75% of Gross Proceeds
Above 190%	2.00% of Gross Proceeds

- (e) the Consultant will also assist SFP Canada in selling any owned FF&E other than Retained FF&E (as defined in the Consulting Agreement). The Consultant will earn a fee of fifteen percent (15%) of the gross proceeds from the sale of SFP Canada's owned FF&E;
 - (f) the Consultant will have the ability, at its sole cost and expense, to supplement SFP Canada's merchandise with additional goods procured by the Consultant, which are of like kind and of no lesser quality than SFP Canada's merchandise, to include in the Liquidation Sale (the "**Consultant Goods**"). SFP Canada will be paid seven and one-half percent (7.5%) of the gross proceeds (net of applicable sales taxes) realized from the sale of the Consultant Goods; and
 - (g) the Consulting Agreement is subject to approval of the Court as part of the CCAA Proceedings and shall be subject to the terms of the Liquidation Sale Approval Order and the Sale Guidelines following such approval.
40. The Monitor is supportive of the proposed order approving, among other things, the Consulting Agreement (the "**Liquidation Sale Approval Order**"), and the Sale Guidelines regarding the conduct of the Liquidation Sale following such approval, for the following reasons:
- (a) the Consultant has extensive experience in retail liquidations and inventory disposition in the Canadian marketplace;
 - (b) the fee payable to the Consultant is, in the Monitor's view, comparable to the fee payable to liquidators in other recent retail liquidations;
 - (c) the Consultant has experience working with Canadian landlords of retail tenants in insolvency proceedings and understands their requirements and concerns;
 - (d) the Sales Guidelines provide that, subject to certain exceptions, the Liquidation Sale is to be conducted in accordance with the terms of the applicable leases for each of SFP Canada's retail location;
 - (e) in the Monitor's view, the Sale Guidelines are in a form similar to sale guidelines approved by the Court in other recent Canadian retail liquidations; and
 - (f) the cash flow forecast filed by SFP Canada (discussed further below) contemplates that the merchandise in SFP Canada's retail stores will be sold expeditiously. In the Monitor's view, it is essential that the Liquidation Sale Approval Order be approved as soon as possible, as any delay could negatively impact the Company's cash flows and potentially impair recoveries.

VII. SFP CANADA'S CASH FLOW STATEMENT

41. SFP Canada, with the assistance of the Monitor, has prepared the Cash Flow, a copy of which is attached as **Appendix "C"** and is summarized below:

SFP Canada Ltd Cash Flow Forecast From January 18, 2020 to April 17, 2020 (CAD\$, in millions; unaudited)	
	<u>13 Week Total</u>
Receipts	
Canada Retail Receipts	9.9
Total Receipts	\$ 9.9
Disbursements	
Freight	\$ (0.2)
Rent & Utilities	(1.2)
Store Expenses and Other	(0.3)
Payroll & Benefits	(1.5)
Liquidation Fee & Expenses	(0.5)
Sales Tax Remittances	(2.1)
Professional Fees	(2.3)
Miscellaneous/Other	(0.2)
Total Disbursements	\$ (8.4)
Net Cash Flow	\$ 1.5
Opening Cash Balance	\$ 4.1
Net Cash Flow	1.5
Ending Cash Balance	\$ 5.6

42. The Cash Flow Forecast indicates that SFP Canada will have sufficient liquidity to fund both operating costs as part of the Liquidation Sale and the costs of the CCAA Proceedings during the Forecast Period. As at January 18, 2020, SFP Canada had approximately \$4.1 million of cash on hand. The Cash Flow Forecast projects that the Company will experience a net cash inflow of approximately \$1.5 million over the Forecast Period, comprised of:
- (a) cash receipts of approximately \$9.9 million, relating to the gross proceeds from the sale of merchandise as part of the Liquidation Sale; and
 - (b) cash disbursements of approximately \$8.4 million, primarily related to payroll and benefits, rent and operating expenses for the Company's retail locations, sales tax remittances, and the costs of the CCAA Proceedings.

43. The Monitor notes that the Cash Flow Forecast contemplates the payment of certain pre-filing amounts during the Forecast Period including (i) sales taxes owing for December 2019 (\$0.7 million) and (ii) accrued pre-filing wages and vacation pay owing to the Company's employees (\$0.5 million).
44. As noted in the Boucher Affidavit, on January 17, 2020, SFP Canada transferred USD\$3 million to SFP US on account of (i) repayment for certain costs previously paid by SFP US for the benefit of SFP Canada and (ii) prepayment of certain costs to be paid by SFP US for the benefit SFP Canada during the CCAA Proceedings. As at the date of this First Report, the Monitor has not conducted a detailed review of the support for this payment but notes that the Initial Order provides that SFP Canada will not make any further payments to, or on account of, any related party until further Order of the Court.
45. The Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed Monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings. The Canadian Association of Restructuring Professionals' standards of professional practice include a standard for monitors fulfilling their statutory responsibilities under the CCAA in respect of a monitor's report on the Cash Flow Forecast. A copy of the Monitor's Report on the Cash Flow Forecast is attached hereto as **Appendix "D"**.
46. Pursuant to this standard, the Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to it by SFP Canada and its advisors. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Monitor also reviewed the support provided by SFP Canada and its advisors for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow Forecast.
47. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:
 - (a) the probable and hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - (b) as at the date of this report, the probable and hypothetical assumptions are not suitably supported and consistent with the Company's plans or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
 - (c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

48. Since the Cash Flow Forecast is based on assumptions regarding future events, actual results may vary from the information presented even if the probable and hypothetical assumptions occur, and the variation could be material. Accordingly, the Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Cash Flow Forecast or relied upon by the Monitor in preparing this report.
49. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

VIII. PRIORITY CHARGES

50. The Initial Order provides for certain priority charges on the current and future assets, undertakings and properties of the Company wherever located, including all proceeds thereof, that rank in the following order:
 - (a) first, the Administration Charge (to the maximum amount of \$0.4 million); and
 - (b) second, the Directors' Charge (to the maximum amount of \$1.0 million).

Administration Charge

51. The Initial Order provides for a priority charge up to a maximum of \$0.4 million (the "**Administration Charge**") in favour of the Company's counsel, Osier, Hoskin & Harcourt LLP, the CROs, and the Monitor and its counsel, as security for the professional fees and disbursements incurred prior to and after the commencement of the CCAA Proceedings.
52. The amount of the Administration Charge sought by the Company was determined in consultation with the Monitor, and the Monitor is of the view that the Administration Charge is reasonable in the circumstances.

Directors' Charge

53. The Initial Order provides for a charge to indemnify the current directors and officers of the Company (the "**Directors and Officers**") against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of these CCAA proceedings (the "**Directors' Charge**").
54. The Directors and Officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent such coverage is insufficient to pay an indemnified amount. As per the Boucher Affidavit, the Monitor understands that SFP Canada maintains directors' and officers' liability insurance with a USD\$5.0 million aggregate limit but that the coverage limits are shared with directors and officers of SFP US.

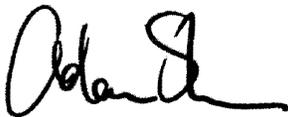
55. The amount of the Directors Charge has been calculated by the Company, in consultation with the Monitor, taking into consideration sales taxes, employee payroll and related expenses (including source deductions) as well as other employment related liabilities that attract potential liability for the Directors and Officers. The Monitor is of the view that the Directors' Charge is reasonable in the circumstances.

VIII. MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

56. For the reasons set out in this First Report, the Monitor is of the view that the relief requested by the Company is both appropriate and reasonable and the Monitor therefore recommends that this Court approve the Consulting Agreement and grant the Liquidation Sale Approval Order.

All of which is respectfully submitted on this 24th day of January, 2020.

Richter Advisory Group Inc.
in its capacity as Monitor of
SFP Canada Ltd.
and not in its personal capacity



Adam Sherman, MBA, CIRP, LIT



Pritesh Patel, MBA, CFA, CIRP, LIT

Appendix “G”

RICHTER

Court File No. CV-20-634980-00CL

SFP CANADA LTD.

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF
SFP CANADA LTD.**

JANUARY 30, 2020

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	PURPOSE OF REPORT.....	2
III.	TERMS OF REFERENCE.....	2
IV.	THE ACTIVITIES OF SFP CANADA SINCE THE ISSUANCE OF THE INITIAL ORDER	3
V.	THE ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE INITIAL ORDER	3
VI.	THE LIQUIDATION SALE	5
VII.	THE AMENDED AND RESTATED INITIAL ORDER.....	5
VIII.	MONITOR'S CONCLUSIONS AND RECOMMENDATIONS	7

APPENDICES

APPENDIX "A" – Initial Order dated January 23, 2020

APPENDIX "B" – Liquidation Sale Approval Order dated January 24, 2020

APPENDIX "C" – Monitor's First Report dated January 24, 2020 (excluding appendices)

APPENDIX "D" – Cash Flow Forecast for the period January 18, 2020 to April 17, 2020

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SFP CANADA LTD.

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF SFP CANADA LTD.**

JANUARY 30, 2020

I. INTRODUCTION

1. On January 23, 2020 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) granting SFP Canada Ltd. (“**SFP Canada**” or the “**Company**”), protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, Richter Advisory Group Inc. (“**Richter**”) was appointed as the Company’s Monitor (the “**Monitor**”).
2. The Initial Order, *inter alia*,
 - (a) granted a stay of proceedings in favour of the Company until January 31, 2020 (the “**Stay Period**”);
 - (b) approved the engagement of Mackinac Partners, LLC (“**Mackinac**”) to provide the services of Michael Nowlan and Craig M. Boucher to act as co-chief restructuring officers (the “**CROs**” and each a “**CRO**”) of SFP Canada;
 - (c) ordered that the Company make no payments, transfers or disbursements to, or on account of, any related parties such that all funds generated from SFP Canada’s operations throughout the CCAA Proceedings will remain available to SFP Canada; and
 - (d) granted certain charges sought by SFP Canada.

A copy of the Initial Order is attached hereto as **Appendix “A”**. The proceedings commenced by SFP Canada under the CCAA are herein referred to as the “**CCAA Proceedings**”.

3. On January 24, 2020, the Court issued an order (the “**Liquidation Sale Approval Order**”) which, among other things:
 - (a) approved the consulting agreement (the “**Consulting Agreement**”) between SFP Canada and Schurman Retail Group, LLC, and a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC (collectively, the “**Consultant**”), pursuant to which the Company engaged the Consultant to act as liquidation consultant to assist in liquidating the Company’s inventory, certain owned furniture, fixtures and equipment (“**FF&E**”) and certain other goods at SFP Canada’s retail locations (the “**Liquidation Sale**”) in accordance with the sale guidelines (the “**Sale Guidelines**”) appended to the Liquidation Sale Approval Order; and
 - (b) authorized SFP Canada, with the assistance of the Consultant, to conduct the Liquidation Sale.

A copy of the Liquidation Sale Approval Order is attached hereto as **Appendix “B”**.

4. The first report of the Monitor dated January 24, 2020 (the “**First Report**”) was filed with the Court, *inter alia*, in support of the Liquidation Sale Approval Order. A copy of the First Report, without appendices, is attached hereto as **Appendix “C”**.
5. The principal purpose of the CCAA Proceedings is for SFP Canada to complete an orderly wind-down of its retail operations and a liquidation of its inventory and other assets with the assistance of an experienced liquidator under the supervision of the Monitor.

II. PURPOSE OF REPORT

6. The purpose of this report, the Monitor’s second report (the “**Second Report**”) is to provide information to the Court in respect of the following:
 - (a) the activities of SFP Canada and the Monitor since the issuance of the Initial Order;
 - (b) the status of the Liquidation Sale; and
 - (c) SFP Canada’s request for certain amendments to the Initial Order (the “**Amended and Restated Initial Order**”), including an extension of the Stay Period to March 31, 2020.

III. TERMS OF REFERENCE

7. In preparing this Second Report, the Monitor has relied solely on information and documents provided by SFP Canada and their advisors, including unaudited financial information, and discussions with representatives of Mackinac and the Company’s legal counsel (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Second Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
8. Capitalized terms not otherwise defined herein are as defined in the Company’s motion materials, including the affidavit of Craig M. Boucher, sworn January 29, 2020 (the “**January 29 Boucher Affidavit**”) filed in support of the Company’s motion for approval of the proposed Amended and Restated Initial Order. This Second Report should be read in conjunction with the January 29 Boucher Affidavit, as certain information contained in the January 29 Boucher Affidavit has not been included herein in order to avoid unnecessary duplication.
9. Unless otherwise noted, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

IV. THE ACTIVITIES OF SFP CANADA SINCE THE ISSUANCE OF THE INITIAL ORDER

10. Since the date of the Initial Order, the activities of SFP Canada have included:

- (a) corresponding with the Company's employees regarding the CCAA Proceedings, including issuing termination letters to all of SFP Canada's employees providing working notice of termination (or advance notice of termination to those employees on leave);
- (b) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA Proceedings;
- (c) making payments to suppliers for goods and services received following the issuance of the Initial Order;
- (d) communicating with the Canadian Consultant (as hereinafter defined) and counsel for certain landlords regarding the Liquidation Sale; and
- (e) consulting with the Monitor and its counsel on various matters in connection with the CCAA Proceedings.

V. THE ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE INITIAL ORDER

11. Since the date of the Initial Order, the Monitor's activities have included:

- (a) arranging for notice of the CCAA Proceedings to be published in the January 29, 2020 and February 5, 2020 editions of the Globe & Mail, as required pursuant to the Initial Order;
- (b) sending a notice, within 5 days of the issuance of the Initial Order, of the CCAA Proceedings to all known creditors of SFP Canada;
- (c) filing prescribed documents with the Office of the Superintendent of Bankruptcy pursuant to the CCAA;
- (d) establishing a website at <http://www.richter.ca/insolvencycase/sfp-canada-ltd/>, where all materials filed with the Court, and all orders made by the Court in connection with the CCAA Proceedings, are available in electronic form;
- (e) arranging for a toll-free hotline through which the Company's creditors or other interested parties can make enquires related to the CCAA Proceedings;
- (f) implementing procedures for the monitoring of SFP Canada's cash flows and for ongoing reporting of variances to SFP Canada's Cash Flow Forecast (as hereinafter defined);

- (g) corresponding and communicating with SFP Canada, Mackinac and the Company's legal counsel on cash management and various other matters in connection with the CCAA Proceedings;
 - (h) communicating with counsel for certain landlords regarding the Consulting Agreement, the Sale Guidelines and the Liquidation Sale;
 - (i) communication with its legal counsel, Stikeman Elliott LLP ("**Stikeman**"), in connection with its ongoing review of the validity and enforceability of the security granted by SFP Canada in favour of American Greetings Corporation and other matters in connection with the CCAA Proceedings;
 - (j) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA Proceedings;
 - (k) attending at Court in connection with the Liquidation Sale Approval Order; and
 - (l) preparing this Second Report.
12. In addition to the above, as noted in the First Report, on January 17, 2020, SFP Canada transferred USD\$3 million (the "**Funds Transfer**") to its US parent company, Schurman Fine Papers ("**SFP US**", and together with its subsidiaries, including SFP Canada, the "**Schurman Group**"), on account of (i) repayment for certain costs previously paid by SFP US for the benefit of SFP Canada and (ii) prepayment of certain costs to be paid by SFP US for the benefit SFP Canada during the CCAA Proceedings. After becoming aware of the Funds Transfer, the Monitor contacted the CROs to request that all available information and documentation supporting the Funds Transfer be provided to the Monitor. The Monitor notes that the Initial Order provided that SFP Canada would not make any further payments to, or on account of, any related party until further Order of the Court.
13. Subsequent to the issuance of the Initial Order, counsel for a creditor contacted Stikeman to, among other things, request additional information in connection with the Funds Transfer, including the steps taken to effect the Funds Transfer, as well as the views of both the Monitor and SFP Canada as to the bona fides of the Funds Transfer.
14. As at the date of this Second Report, the Monitor is not in a position to report further on the Funds Transfer – the Monitor will report back to this Court on this matter following its review and examination of the information and documentation to be provided by SFP Canada and/or the CROs.

VI. THE LIQUIDATION SALE

15. As noted in the First Report, SFP Canada has determined that it is in the best interest of all stakeholders to complete the Liquidation Sale.
16. As noted in the January 29 Boucher Affidavit, the Consultant provided notice to the Schurman Group that it had assigned its rights, benefits and obligations under the Consulting Agreement relating to the Liquidation Sale in Canada to Canadian affiliates, namely Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC (collectively, the “**Canadian Consultant**”) effective as of January 17, 2020. As a result, the Canadian Consultant will be performing all the services to be performed by the Consultant in connection with the Liquidation Sale in Canada.
17. The Schurman Group expects that the Liquidation Sale will be concluded by February 29, 2020.

VII. THE AMENDED AND RESTATED INITIAL ORDER

18. The Initial Order provided for the Stay Period to expire on January 31, 2020 and such further relief determined to be reasonably necessary for SFP’s continued operations during the initial Stay Period. SFP Canada is now seeking the proposed Amended and Restated Initial Order, which contemplates an extension of the Stay Period to March 31, 2020 and certain other relief, including, *inter alia*, the following:
 - (a) authorization to file a plan of compromise or arrangement (the “**Plan**”);
 - (b) approval to permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate;
 - (c) safeguards, in favour of both the Monitor and the CROs, in respect of any property of SFP Canada that may be environmentally contaminated; and
 - (d) additional protections in connection with the charges granted pursuant to the Initial Order.
19. As noted in the First Report, SFP Canada, with the assistance of the Monitor, prepared a statement of its projected cash flows for the period January 18, 2020 to April 17, 2020 (the “**Cash Flow Forecast**”), a copy of which is attached hereto as **Appendix “D”** and is summarized below:

SFP Canada Ltd	
Cash Flow Forecast	
From January 18, 2020 to April 17, 2020	
(CAD\$, in millions; unaudited)	
	<u>13 Week Total</u>
Receipts	
Canada Retail Receipts	9.9
Total Receipts	\$ 9.9
Disbursements	
Freight	\$ (0.2)
Rent & Utilities	(1.2)
Store Expenses and Other	(0.3)
Payroll & Benefits	(1.5)
Liquidation Fee & Expenses	(0.5)
Sales Tax Remittances	(2.1)
Professional Fees	(2.3)
Miscellaneous/Other	(0.2)
Total Disbursements	\$ (8.4)
Net Cash Flow	\$ 1.5
Opening Cash Balance	\$ 4.1
Net Cash Flow	1.5
Ending Cash Balance	\$ 5.6

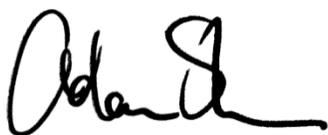
20. The Cash Flow Forecast indicates that SFP Canada will have sufficient liquidity to fund both operating costs as part of the Liquidation Sale and the costs of the CCAA Proceedings during the extension of the Stay Period to March 31, 2020, if granted.
21. While it is too early to determine whether a viable Plan will be presented by SFP Canada to its creditors, in the Monitor's view, the Company's request for an extension of the Stay Period to March 31, 2020 is appropriate in the circumstances for the following reasons:
- (a) SFP Canada has acted and continues to act in good faith and with due diligence in taking steps to monetize its assets for the benefit of its stakeholders;
 - (b) the extension will allow for the completion of the Liquidation Sale and permit SFP Canada, in consultation with other stakeholders, sufficient time to report to this Court accordingly; and
 - (c) the extension should not prejudice any group of creditors, as SFP Canada is projected to have sufficient funds to pay post-filing services and supplies, as contemplated by the Cash Flow Forecast.

VIII. MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

22. For the reasons set out in this Second Report, the Monitor is of the view that the relief requested by SFP Canada is both appropriate and reasonable and the Monitor therefore recommends that this Court approve the proposed Amended and Restated Initial Order.

All of which is respectfully submitted on this 30th day of January, 2020.

Richter Advisory Group Inc.
in its capacity as Monitor of
SFP Canada Ltd.
and not in its personal capacity



Adam Sherman, MBA, CIRP, LIT



Pritesh Patel, MBA, CFA, CIRP, LIT

Appendix “H”

RICHTER

Court File No. CV-20-634980-00CL

SFP CANADA LTD.

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF
SFP CANADA LTD.**

MARCH 27, 2020

TABLE OF CONTENTS

I. INTRODUCTION	1
II. PURPOSE OF REPORT	3
III. TERMS OF REFERENCE	3
IV. THE ACTIVITIES OF SFP CANADA.....	4
V. THE ACTIVITIES OF THE MONITOR	5
VI. THE LIQUIDATION SALE	11
VII. THE CHAPTER 11 PROCEEDINGS.....	12
VIII. CASH RECEIPTS AND DISBURSEMENTS FROM JANUARY 18, 2020 TO MARCH 20, 2020	12
IX. SFP CANADA'S REQUEST TO EXTEND THE STAY PERIOD TO JUNE 30, 2020	14
X. MONITOR'S CONCLUSIONS AND RECOMMENDATIONS.....	15

APPENDICES

APPENDIX "A" – Initial Order dated January 23, 2020

APPENDIX "B" – Liquidation Sale Approval Order dated January 24, 2020

APPENDIX "C" – Amended and Restated Initial Order dated January 31, 2020

APPENDIX "D" – Monitor's First Report dated January 24, 2020 (excluding appendices)

APPENDIX "E" – Monitor's Second Report dated January 30, 2020 (excluding appendices)

APPENDIX "F" – KERP Approval Order dated February 14, 2020 (including motion materials)

APPENDIX "G" – Extended Cash Flow Forecast for the period March 21, 2020 to July 3, 2020

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SFP CANADA LTD.

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS MONITOR OF SFP CANADA LTD.**

MARCH 27, 2020

I. INTRODUCTION

1. On January 23, 2020 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) granting SFP Canada Ltd. (“**SFP Canada**” or the “**Company**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, Richter Advisory Group Inc. (“**Richter**”) was appointed as the Company’s Monitor (the “**Monitor**”).
2. The Initial Order, *inter alia*,
 - (a) granted a stay of proceedings in favour of the Company until January 31, 2020 (the “**Stay Period**”);
 - (b) approved the engagement of Mackinac Partners, LLC (“**Mackinac**”) to provide the services of Michael Nowlan and Craig M. Boucher to act as co-chief restructuring officers (the “**CROs**” and each a “**CRO**”) of SFP Canada;
 - (c) ordered that, except as specifically permitted in the Initial Order and until further Order of the Court, the Company shall make no payments, transfers or disbursements to, or on account of, any related parties; and
 - (d) granted certain charges sought by SFP Canada.

A copy of the Initial Order is attached hereto as **Appendix “A”**. The proceedings commenced by SFP Canada under the CCAA are herein referred to as the “**CCAA Proceedings**”.

3. On the Filing Date, SFP Canada’s U.S. parent company, Schurman Fine Papers (“**SFP US**”, and together with its subsidiaries, including SFP Canada, the “**Schurman Group**”) commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) under Chapter 11 of the United States Bankruptcy Code in order to, among other things, pursue an orderly liquidation of the Schurman Group’s retail stores in the United States.
4. As noted in the Monitor’s first report dated January 24, 2020 (the “**First Report**”), the Chapter 11 Proceedings and the CCAA Proceedings were preceded by the termination of commercial licensing, supply, marketing and other critical operating agreements that the Schurman Group had with American Greetings Corporation (“**American Greetings**”). Without the continued use of these agreements, including the trademarks required to operate the Schurman Group’s retail businesses, the Schurman Group concluded that it could no longer operate as a going concern and commenced the Chapter 11 Proceedings and the CCAA Proceedings to, among other things, pursue an orderly wind-down / liquidation of their retail stores in both the United States and Canada.

5. On January 24, 2020, the Court issued an order (the “**Liquidation Sale Approval Order**”) which, among other things:
 - (a) approved the consulting agreement (the “**Consulting Agreement**”) dated January 17, 2020 between SFP Canada and Schurman Retail Group, LLC, and a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC and Hilco Merchant Resources, LLC (collectively, the “**Original Consultant**”), pursuant to which the Company engaged the Original Consultant to act as liquidation consultant to assist in liquidating the Company’s inventory (“**Merchandise**”), certain owned furniture, fixtures and equipment (“**FF&E**”) and certain other goods at the Schurman Group’s retail locations (the “**Liquidation Sale**”) in accordance with the sale guidelines (the “**Sale Guidelines**”) appended to the Liquidation Sale Approval Order; and
 - (b) authorized SFP Canada, with the assistance of the Original Consultant, to conduct the Liquidation Sale.

A copy of the Liquidation Sale Approval Order is attached hereto as **Appendix “B”**.

6. Also on January 24, 2020, the Original Consultant provided notice to the Schurman Group that it had assigned its rights, benefits and obligations under the Consulting Agreement relating to the Liquidation Sale in Canada to its Canadian affiliates, namely Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC (collectively, the “**Canadian Consultant**”, and with the Original Consultant, the “**Consultant**”) effective as of January 17, 2020.
7. On January 31, 2020, the Court issued an order (the “**Amended and Restated Initial Order**”) which, among other things, extended the Stay Period to March 31, 2020. A copy of the Amended and Restated Initial Order is attached hereto as **Appendix “C”**.
8. This report is the Monitor’s third report (the “**Third Report**”) to this Court. The Monitor’s First Report was filed with the Court, *inter alia*, in support of the Liquidation Sale Approval Order. The Monitor’s second report dated January 30, 2020 (the “**Second Report**”) was filed with the Court to, among other things, provide an update on the activities of SFP Canada and the Monitor since the issuance of the Initial Order and support the Company’s request for certain amendments to the Initial Order, including the extension of the Stay Period to March 31, 2020. Copies of the First Report and the Second Report, excluding appendices, are attached hereto as **Appendix “D”** and **Appendix “E”**, respectively.

II. PURPOSE OF REPORT

9. The purpose of this Third Report is to provide information to the Court in respect of the following:
- (a) the activities of SFP Canada and the Monitor since the date of the Second Report;
 - (b) the status of the Liquidation Sale;
 - (c) the status of the Chapter 11 Proceedings;
 - (d) SFP Canada's reported receipts and disbursements for the period from January 18, 2020 to March 20, 2020, including a comparison of reported to forecast results;
 - (e) SFP Canada's request for an extension of the Stay Period to June 30, 2020, including the Company's extended cash flow forecast for the period March 21, 2020 to July 3, 2020 (the "**Extended Cash Flow Forecast**"); and
 - (f) the Monitor's recommendation that this Court make an order, as requested by SFP Canada, extending the Stay Period to June 30, 2020.

III. TERMS OF REFERENCE

10. In preparing this Third Report, the Monitor has relied solely on information and documents provided by SFP Canada and its advisors, including unaudited financial information, and discussions with representatives of Mackinac, the CROs, and the Company's legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Third Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
11. Future oriented financial information reported on or relied upon in preparing this Third Report is based on SFP Canada's assumptions regarding future events; actual results achieved may vary from the information presented even if the hypothetical assumptions occur and these variations may be material. Accordingly, the Monitor expresses no assurances as to whether the projections will be achieved.

12. Capitalized terms not otherwise defined herein are as defined in the Company's motion materials, including the affidavit of Craig M. Boucher, sworn March 26, 2020 (the "**March 26 Boucher Affidavit**"). This Third Report should be read in conjunction with the March 26 Boucher Affidavit, as certain information contained in the March 26 Boucher Affidavit has not been included herein in order to avoid unnecessary duplication.
13. Unless otherwise noted, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

IV. THE ACTIVITIES OF SFP CANADA

14. The activities of SFP Canada since the commencement of the CCAA Proceedings to January 30, 2020 are detailed in the Monitor's Second Report. Since the filing of the Monitor's Second Report, the activities of SFP Canada have included:
 - (a) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA Proceedings;
 - (b) making payments to suppliers for goods and services received following the issuance of the Initial Order;
 - (c) reporting receipts and disbursements;
 - (d) communicating with the Consultant, the Monitor and counsel for certain landlords regarding the Liquidation Sale;
 - (e) consulting with the Monitor regarding SFP Canada's proposed disclaimer of certain retail leases effective at or around the conclusion of the Liquidation Sale (discussed further below);
 - (f) consulting with the Monitor in connection with the preparation of the Extended Cash Flow Forecast;
 - (g) consulting with the Monitor in connection with SFP Canada's proportionate sharing of certain retention payments for certain key Schurman Group employees, as approved and provided for in the Chapter 11 Proceedings (the "**KERP**");
 - (h) corresponding and communicating with the Monitor in connection with SFP Canada's transfer of USD\$3 million (the "**Funds Transfer**") to SFP US on January 17, 2020; and
 - (i) consulting with the Monitor and its counsel on various matters in connection with the CCAA Proceedings.

V. THE ACTIVITIES OF THE MONITOR

15. The activities of the Monitor from the commencement of the CCAA Proceedings to January 30, 2020 are detailed in the Monitor's Second Report. Since the filing of the Monitor's Second Report, the Monitor's activities have included:
- (a) monitoring SFP Canada's cash flows, including the reporting of variances to SFP Canada's cash flow forecast;
 - (b) reviewing daily status reports prepared by the Consultant, comprising sales, inventory and other information in connection with the Liquidation Sale;
 - (c) corresponding with SFP Canada, Mackinac and the Company's legal counsel on cash management and various other matters in connection with the CCAA Proceedings;
 - (d) consulting with SFP Canada and the CROs regarding the KERP (discussed further below);
 - (e) corresponding with counsel for certain landlords regarding the Consulting Agreement, the Sale Guidelines and the Liquidation Sale;
 - (f) consulting with SFP Canada and its advisors with respect to the disclaimer of certain retail leases;
 - (g) corresponding with Stikeman Elliott LLP ("**Stikeman**"), the Monitor's independent legal counsel, in connection with its review of the security granted by SFP Canada in favour of American Greetings and other matters pertaining to the CCAA Proceedings;
 - (h) corresponding and communicating with the CROs in connection with the Funds Transfer (discussed further below);
 - (i) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA Proceedings;
 - (j) maintaining the Monitor's website at <http://www.richter.ca/insolvencycase/sfp-canada-ltd/> where copies of the orders granted and other relevant documents in respect of SFP Canada's CCAA Proceedings have been made available;
 - (k) preparing this Third Report; and
 - (l) other matters pertaining to the administration of SFP Canada's CCAA Proceedings.

The KERP

16. Given the condensed timetable to complete the Liquidation Sale, the Schurman Group considered it critical to retain certain key employees (the “KERP Employees” and each, a “KERP Employee”) to assist with the orderly wind-down of the Schurman Group’s operations in both the United States and Canada. The Schurman Group further believed that additional incentives were required to ensure the KERP Employees continued their employment during the Chapter 11 Proceedings and CCAA Proceedings generally.
17. To ensure retention of the KERP Employees through the completion of the Schurman Group’s Chapter 11 Proceedings (and the CCAA Proceedings), SFP US developed, and sought the US Court’s approval of, the KERP. The KERP provides for twenty-eight (28) highly qualified and skilled personnel essential to the Schurman Group’s operations and wind-down / liquidation activities to receive retention payments totaling approximately USD\$284,000, with the value of payments ranging from USD\$1,920.00 to USD\$24,230.77 per KERP Employee.
18. The KERP provides for retention payments to be paid to each of the KERP Employees at specific dates (depending on the nature of the specific KERP Employee’s role and tasks). In order to receive payments pursuant to the KERP, among other things, the KERP Employees must remain employed by the US Debtors (as defined below) on the date their KERP entitlement becomes payable.
19. On February 14, 2020, the US Court approved the KERP (the “KERP Approval Order”). A copy of the KERP Approval Order as well as the motion materials filed in support thereof are attached hereto as **Appendix “F”**.
20. As noted in the Monitor’s First Report, the Schurman Group is a highly integrated business managed out of the United States where the Schurman Group maintained its head office and where all material decisions regarding business related matters were made. In addition, all of SFP Canada’s back office functions, including finance / accounting, human resources, information technology and logistics, among others, are performed or managed by Schurman Group employees based out of the United States.
21. In consideration of the foregoing, the Company is seeking an order from this Court to allocate 30% of the KERP to SFP Canada based on the historical sales mix between the United States and Canada and the results of the Liquidation Sale. The Monitor is supportive of the allocation of the KERP to SFP Canada on the basis that the employees included in the KERP comprise individuals involved in back-office functions such as finance / accounting, human resources, information technology, etc., that performed critical functions in support of both SFP Canada and SFP US (such as processing payroll, payment of payables, IT support for stores, etc.) throughout the Liquidation Sale. In the event this Court approves the allocation of the KERP to Canada, the Monitor understands that the Company will seek an order for SFP Canada to distribute its portion of the KERP at a later date.

The Funds Transfer

22. As reported in the Monitor's First Report, on January 17, 2020, SFP Canada executed the Funds Transfer to SFP US. According to the CROs, the Funds Transfer was made on account of (a) repayment for certain costs previously paid by SFP US for the benefit of SFP Canada, and (b) prepayment of certain costs to be paid by SFP US for the benefit of SFP Canada during the CCAA Proceedings.
23. After becoming aware of the Funds Transfer, the Monitor contacted the CROs to request that information and documentation supporting the Funds Transfer be provided to the Monitor. In addition, as noted in the Monitor's Second Report, counsel for certain creditors of SFP Canada have contacted the Monitor and its counsel to, among other things, request additional information in connection with the Funds Transfer, including the views of both the Monitor and SFP Canada as to the bona fides of the Funds Transfer.
24. The Monitor notes that the Amended and Restated Initial Order provides that, except as expressly permitted therein, SFP Canada shall not make any further payments to, or on account of, any related party until further Order of the Court. As of the date of this Third Report, the Monitor is not aware of any payments made by SFP Canada to any related party since the Filing Date.
25. The Monitor has reviewed various documents and other information (the "**Documents**") provided by the CROs in support of the Funds Transfer and communicated extensively with the CROs and SFP Canada's legal counsel, Osler Hoskin & Harcourt LLP ("**Osler**"), in connection with both the Documents and the Funds Transfer.
26. Based on its review of the Documents and its discussions with the CROs and Osler, the Monitor understands that SFP Canada has historically paid funds to SFP US in consideration of, among other things, certain shared services provided by SFP US personnel for the benefit of SFP Canada. A schedule summarizing the historical payments from SFP Canada to SFP US during the period from November to February (the "**Period**") for the fiscal years 2018, 2019 and 2020 (the Company's fiscal year is from February to January) is set out below (please note that the amounts are reported in Canadian dollars):

(in 000s; \$CAN)			
Month	FY 2018	FY 2019	FY 2020
November	-	1,750	-
December	6,000	4,500	2,000
January	-	-	3,959
February	1,500	3,000	-
Total	7,500	9,250	5,959

27. As set out in the above schedule, SFP Canada paid approximately CAN\$7.5 million and CAN\$9.3 million to SFP US during the Period for fiscal 2018 and fiscal 2019, respectively. Including the Funds Transfer, the amount paid by SFP Canada to SFP US during the Period in fiscal 2020 was approximately CAN\$6.0 million.
28. In response to the Monitor’s request for information / documentation to support the Funds Transfer, the CROs prepared a schedule detailing the expense categories that the Funds Transfer was meant to address, which is summarized below (please note that the amounts set forth below are in US dollars and represent the expense amounts allocated to SFP Canada):

(in 000s; \$USD)	
Expense Category	Amount
Pre-Filing Professional Fees Paid for the Benefit of SFP Canada	530
Shared Service Costs Historically Charged to SFP Canada (for the period December 2019 - March 2020)	600
Consultant Expense Escrow	225
Inventory / Inventory Related Costs	947
Pre-Filing Shared Service Costs not Historically Charged to SFP Canada	1,123
Total	3,425

29. Based on its communications with SFP Canada and the CROs, the Monitor notes the following in connection with the Documents provided in support of the Funds Transfer:

(a) *Pre-filing Fees Paid for the Benefit of SFP Canada:*

The amount noted (USD\$530,000) represents pre-filing professional fees paid by SFP US on behalf of SFP Canada to Mackinac, Osler, Proskauer Rose LLP (SFP Canada’s US counsel (“**Proskauer**”)), the Monitor and Stikeman.

The pre-filing fees paid by SFP US on behalf of SFP Canada in respect of Osler, the Monitor and Stikeman have been allocated 100% to SFP Canada. The pre-filing fees paid to Mackinac and Proskauer have been allocated 40% to SFP Canada. The Monitor has been advised that these fees relate to activities undertaken in support of the Schurman Group’s pursuit of a third party interested in acquiring the Schurman Group’s business in both the US and Canada. The CRO advised the Monitor that the Mackinac and Proskauer pre-filing fees paid for the benefit of SFP Canada related to a global transaction for the entire Schurman Group. While time was not tracked specifically to each entity, both SFP Canada and SFP US would have benefited equally had a deal been consummated.

(b) *Shared Service Costs Historically Charged to SFP Canada (for the period December 2019 – March 2020):*

The amount noted (USD\$600,000) represents an allocation of the costs for the internal corporate services performed by SFP US personnel for the benefit of SFP Canada, including activities related to the finance, executive, human resources, real estate and information technology functions (the “**Corporate Shared Services**”) for the period December 2019 to March 2020.

The Monitor has been advised that the amount allocated covers the months of December 2019, January 2020, February 2020 and March 2020. The Monitor further understands that the amount allocated for both December 2019 and January 2020 (USD\$180,000/month) is based on the average monthly amount recorded in the Schurman Group’s financial statements for corporate shared services for the ten-month period ending November 30, 2019. The amount allocated for both February 2020 and March 2020 (USD\$120,000/month) took into consideration that SFP Canada’s need for the Corporate Shared Services would be reduced and ultimately eliminated as the Company completed the Liquidation Sale and the wind-down of its business activities.

SFP Canada’s financial statements for the fiscal 2019 year report an average monthly expense for the Corporate Shared Services comparable with above estimates.

(c) *Consultant Expense Escrow:*

Pursuant to the terms of the Consulting Agreement, SFP US paid the Consultant USD\$500,000 (the “**Special Purpose Payment**”) to be held by the Consultant, as security for the obligations of the Schurman Group under the Consultant Agreement until the final settlement of the Consultant’s fees and reimbursable costs has been completed.

The Monitor has been advised by the CROs that, following discussions between the Schurman Group and the Consultant, an additional US\$250,000 was paid by SFP US to the Consultant, as a supplement to the Special Purpose Payment, to account for, among other things, higher than anticipated legal fees in Canada.

The amount noted (USD\$225,000) represents a 30% allocation of the aggregate Special Purpose Payment to SFP Canada. The Monitor understands that the 30% allocation is based on SFP Canada’s portion of total Schurman Group sales for the 10-month period ending November 30, 2019.

(d) *Inventory and Inventory Related Costs:*

The amount noted (USD\$947,000) represents (i) approximately US\$710,000 of inventory (at cost) transferred from SFP US to SFP Canada subsequent to the Filing Date for inclusion in the Liquidation Sale, and (ii) approximately USD\$237,000 in freight costs associated with the inventory transfers.

(e) *Pre-Filing Shared Service Costs not Historically Charged to SFP Canada:*

The amount noted (USD\$1,123,000) represents a 30% allocation of the costs for certain shared services performed by SFP US personnel for the benefit of SFP Canada, including marketing, customer service, merchandising, and logistics (collectively, the “**Other Shared Services**”).

The Monitor understands that, historically, the Schurman Group has not charged SFP Canada for the Other Shared Services.

30. Based on its review of the Documents provided and its discussions with the CROs and Osler, the Monitor is satisfied that the allocation of expenses to SFP Canada in respect of the: (a) Pre-Filing Professional Fees Paid for the Benefit of SFP Canada; (b) Shared Service Costs Historically Charged to SFP Canada (for the period December 2019 to March 2020); (c) Consultant Expense Escrow; and (d) Inventory and related costs, summarized above, is not unreasonable. Based on its review of the Documents provided and its discussions with the CROs and Osler to date, the Monitor is not satisfied that the allocation of the Other Shared Services to SFP Canada is appropriate, as SFP Canada was not historically charged for these services.
31. The Funds Transfer was USD\$3.0 million. The aggregate of the allocated costs, other than in respect of the Other Shared Services, is USD\$2.3 million. In light of the result of the security review discussed below, which could result in a significant portion of the proceeds of the Liquidation Sale being paid to American Greetings, whether or not the allocation of the Other Shared Services to SFP Canada can be justified may be a moot point.

The Security Review

32. As noted in the Monitor’s First Report, as at November 30, 2020 (the most recent date for which financial information is available), SFP Canada had liabilities totaling approximately USD\$11.8 million, including approximately USD\$9.1 million owing to American Greetings.
33. As also noted in the Monitor’s First Report, on June 25, 2019, SFP Canada (along with certain related US entities, collectively, the “**AG Borrowers**”) and American Greetings entered into a security agreement (the “**American Greetings Security**”), pursuant to which American Greetings was granted a continuing lien and security interest over the AG Borrowers’ present and after-acquired property to secure, among other things, the payment and performance of the Schurman Group’s obligations pursuant to various agreements between the Schurman Group and American Greetings (including with respect to purchase orders).
34. The Monitor understands that prior to entering into the American Greetings Security, American Greetings supplied goods and services to the Schurman Group on an unsecured basis.

35. As noted in the Monitor's First Report, the Monitor instructed Stikeman to review the American Greetings Security in the jurisdictions in which SFP Canada had retail operations. Stikeman has provided the Monitor with legal opinions in respect of the Provinces of Ontario, British Columbia and Alberta, and agent opinions from Ohio counsel (the American Greetings Security is governed by Ohio law) and local counsel in Saskatchewan, Manitoba, Nova Scotia and Newfoundland and Labrador, which conclude, subject to standard qualifications and limitations, that the American Greetings Security is valid in all provinces in which SFP Canada had retail operations, except Quebec, and enforceable under Ohio law.

VI. THE LIQUIDATION SALE

36. The Liquidation Sale commenced on January 16, 2020 in each of SFP Canada's 76 retail stores and concluded on February 29, 2020, in accordance with the Consulting Agreement (the "**Liquidation Termination Date**").
37. SFP Canada, with the approval of the Monitor, sent disclaimer notices to its landlords disclaiming all its retail store leases effective February 29, 2020. The Monitor understands that the leases of certain retail stores may have expired, according to their terms, prior to the Liquidation Termination Date.
38. The Monitor understands that at the start of the Liquidation Sale, the Company had Merchandise with a cost value of approximately \$5.2 million (retail value of approximately \$27.9 million). The Monitor further understands, based on information provided by the Consultant, that the net realizations from the Company's Merchandise during the Liquidation Sale totalled approximately \$8.1 million (excluding an applicable sales taxes). In accordance with the Consulting Agreement, the Consultant also assisted SFP Canada in selling certain owned FF&E located at the Closing Stores for a fee of 15% of gross proceeds realized therefrom. The Monitor understands that approximately \$144,000 (excluding any applicable sales tax) was realized from the sale of SFP Canada's FF&E.
39. The terms of the Consulting Agreement provided that SFP Canada was responsible for all costs and expenses in connection with the Liquidation Sale, including certain Consultant-controlled costs for, primarily, advertising and supervision, which were subject to an agreed-upon budget.
40. Since the commencement of the Liquidation Sale, the Consultant has been paid its fees and reimbursable costs on a near-weekly basis. In aggregate, as of the date of this Third Report, the Company has paid to the Consultant approximately \$465,000 in connection with its fees and reimbursable expenses in accordance with the Consulting Agreement. As at the date of this Third Report and as noted in the March 26 Boucher Affidavit, the final settlement of the Consultant's fees and reimbursable costs is in the process of being completed.

VII. THE CHAPTER 11 PROCEEDINGS

41. As noted above, on January 23, 2020, SFP US and SFP Franchise Corporation (collectively, the “**US Debtors**”) commenced the Chapter 11 Proceedings to pursue an orderly wind-down / liquidation of their retail stores in the United States.
42. As noted in the March 26 Boucher Affidavit, the significant developments in the Chapter 11 Proceedings since the filing of the Monitor’s Second Report, include the following:
 - (a) on February 14, 2020, the US Court granted final orders in respect of the US Debtors “first day” motions (and / including the KERP Approval Order);
 - (b) on February 27, 2020, the US Court approved the sale of certain US retail leases and FF&E to Paper Source, Inc., which sale did not include any Canadian leases or assets; and
 - (c) on March 13, 2020, the US Court approved the sublease of the US Debtors’ headquarters and distribution centre to Fidelitone Order Fulfillment, LLC.
43. As also noted in the March 26 Boucher Affidavit, the US Debtors have filed various motions that they expect will be heard by the US Court during the extension of the Stay Period, if granted, including (a) a motion to set deadlines and procedures for filing proofs of claim that will be heard on March 30, 2020, and (b) a motion seeking approval of the sale of certain intellectual property assets that will be heard on April 30, 2020.
44. The Monitor understands that no relief is being sought in the Chapter 11 Proceedings with respect to SFP Canada and, similarly, no relief is being sought in the CCAA Proceedings with respect to SFP US, save and except for the provisions in the Initial Order restricting transfers to related parties by SFP Canada and providing for SFP Canada’s continued use of trademarks.

VIII. CASH RECEIPTS AND DISBURSEMENTS FROM JANUARY 18, 2020 TO MARCH 20, 2020

45. As noted in the Monitor’s First Report, SFP Canada, with the assistance of the Monitor, prepared a statement of its projected cash flows for the period January 18, 2020 to April 17, 2020 (the “**Initial Cash Flow Forecast**”) which was filed with the Court in support of the Company’s application for the Initial Order and the Liquidation Sale Approval Order.
46. The Company has provided the Monitor with its cooperation and access to its books and records. The Monitor has implemented procedures for monitoring the Company’s receipts and disbursements on a weekly basis. The Monitor has also worked with the CROs to prepare a report comparing SFP Canada’s actual results to its prior projections, as detailed in the Initial Cash Flow Forecast.

47. A comparison of SFP Canada's actual cash receipts and disbursements, as compared to the Initial Cash Flow Forecast, for the period ending March 20, 2020 is summarized as follows:

SFP Canada Ltd.			
Cash Flow Variances			
For the period January 18, 2020 to March 20, 2020			
(in \$CAD 000's)			
	Budget	Actual	Variance
<u>Receipts</u>			
Canada Retail Receipts	9,875	9,133	(742)
Total Receipts	9,875	9,133	(742)
<u>Total Disbursements</u>			
Freight	(236)	(165)	71
Rent & Utilities	(1,247)	(1,263)	(16)
Store Expenses and Other	(277)	(84)	193
Payroll & Benefits	(1,548)	(1,406)	142
Liquidation Fee & Expenses	(465)	(513)	(47)
Sales Tax Remittances	(1,155)	(1,168)	(12)
Professional Fees	(1,835)	(604)	1,231
Miscellaneous / Other	0	0	0
Total Disbursements	(6,764)	(5,202)	1,562
Net Cash Flow	3,111	3,931	820
Beginning Cash Balance	4,144	4,250	106
Net Cash Flow	3,111	3,931	820
Over/(Under) Funding	0	(61)	(61)
Ending Cash Balance	7,255	8,120	865

48. As reflected in the summary table above, SFP Canada reported positive net cash flow of approximately \$3.9 million for the nine-week period ending March 20, 2020 and had a cash balance of approximately \$8.1 million, as at March 20, 2020. The actual cash balance is approximately \$865,000 higher than forecast.
49. The principal reasons for the favourable cash flow variance of approximately \$865,000 include:
- favourable variances due to lower than projected operating costs associated with the Liquidation Sale, including lower freight, store operating and other and payroll and benefits which was partially offset by lower than projected sales during the Liquidation Sale; and
 - timing differences associated with lower than projected disbursements for professional fees. The Monitor understands that this favourable variance will reverse during the remainder of the CCAA Proceedings, as set out in the Extended Cash Flow Forecast.

50. to the Amended and Restated Initial Order, SFP Canada was authorized, with the consent of the Monitor, to make payments up to a maximum aggregate amount of \$100,000 for critical expenses incurred prior to the Filing Date. As at March 20, 2020, SFP Canada has made, in consultation with the Monitor, approximately \$7,000 in payments relating to critical expenses incurred prior to the Filing Date, excluding pre-filing sales taxes paid in accordance with the Amended and Restated Initial Order.

IX. SFP CANADA’S REQUEST TO EXTEND THE STAY PERIOD TO JUNE 30, 2020

51. The current Stay Period expires on March 31, 2020. SFP Canada is seeking an extension of the Stay Period to June 30, 2020.

52. As the Initial Cash Flow Forecast only runs until April 17, 2020, SFP Canada, with the assistance of the Monitor, has prepared the Extended Cash Flow Forecast, a copy of which is attached hereto as **Appendix “G”** and is summarized below:

SFP Canada LTD.	
Extended Cash Flow Forecast	
For the period March 21, 2020 to July 3, 2020	
(in \$CAD 000's)	
	<u>15-Week Total</u>
<u>Receipts</u>	
Canadian Retail Receipts	0
Total Receipts	0
<u>Operating Disbursements</u>	
Freight	(71)
Store Expenses and Other	(194)
Sales Tax Remittances	(899)
Professional Fees	(1,745)
Miscellaneous / Other	(200)
Total Operating Disbursements	(3,109)
Net Cash Flow	(3,109)
Opening Cash Balance	8,120
Net Cash Flow	(3,109)
Ending Cash Balance	5,011

53. As the Liquidation Sale has been completed and SFP Canada has already vacated all of their retail stores and terminated all but a few key employees essential to concluding the orderly wind down of SFP Canada’s operations, the Extended Cash Flow Forecast assumes there are no remaining funds to be collected and limited payment of those costs necessary to complete the wind down of SFP Canada’s operations.

54. The Extended Cash Flow Forecast indicates that SFP Canada will have sufficient liquidity to fund both operating costs and the costs of the CCAA Proceedings during the extension of the Stay Period, if granted.
55. The Monitor is of the view that the extension of the Stay Period is appropriate in the circumstances and supports SFP Canada's request for an extension of the Stay Period to June 30, 2020 for the following reasons:
- (a) SFP Canada has acted and continues to act in good faith and with due diligence to advance the responsible, controlled and orderly wind-down of its business;
 - (b) the extension will provide the time necessary for SFP Canada to complete the orderly wind down of its operations, including completing the final reconciliation under the Consulting Agreement and finalizing its affairs under the supervision of the Monitor; and
 - (c) the extension should not prejudice any group of creditors, as SFP Canada is projected to have sufficient funds to pay post-filing services and supplies, as contemplated by the Extended Cash Flow Forecast.

X. MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

56. For the reasons set out in this Third Report, the Monitor is of the view that the relief requested by SFP Canada is both appropriate and reasonable and the Monitor therefore recommends that this Court approve (a) the allocation of 30% of the KERP to SFP Canada, and (b) the extension of the Stay Period to June 30, 2020.

All of which is respectfully submitted on this 27th day of March, 2020.

Richter Advisory Group Inc.
in its capacity as Monitor of
SFP Canada Ltd.
and not in its personal capacity



Adam Sherman, MBA, CIRP, LIT



Pritesh Patel, MBA, CFA, CIRP, LIT

Appendix "I"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SFP CANADA LTD.

AFFIDAVIT OF ADAM SHERMAN
(sworn June 25, 2020)

I, Adam Sherman, of the City of Vaughan, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Vice President at Richter Advisory Group Inc. ("**Richter**"), the Court-appointed monitor (the "**Monitor**") in the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) proceedings (the "**CCAA Proceedings**") of SFP Canada Ltd. ("**SFP Canada**" or the "**Company**") and, as such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. This affidavit is filed in connection with SFP Canada's motion seeking approval of, among other things, the accounts of the Monitor and its counsel, Stikeman Elliott LLP ("**Stikeman**").
3. Unless otherwise stated, all monetary amounts contained herein (including exhibits) are expressed in Canadian dollars.
4. Richter was appointed as Monitor pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted in the within proceedings dated January 23, 2020 (the "**Initial Order**"), as amended pursuant to an endorsement of the Honourable Justice Hailey dated January 31, 2020 (the "**Amended Initial Order**").
5. Attached as **Exhibit "A"** hereto is a summary listing of Richter's invoices for the within matter for the period from January 6, 2020 to June 22, 2020 (the "**Period**"), including invoice date and amount of the invoice (the "**Accounts**"). As shown in the summary listing, Richter's total fees and disbursements for the Period are \$350,230.50 and \$23,325.59, respectively, each excluding applicable taxes.

6. Richter, in its capacity as Monitor, has filed four (4) reports with the Court (including the Monitor's Fourth Report to Court dated June 25, 2020 in support of the within motion; collectively, the "**Court Reports**"). Details of the activities undertaken and services provided by the Monitor, as applicable, in the within proceedings are described in the Court Reports and incorporated herein by reference.
7. In the course of performing its duties pursuant to the Initial Order and the Amended Initial Order, Richter's staff has expended a total of 525.90 professional hours during the Period at an average hourly rate of \$665.96. Attached as **Exhibit "B"** is a table detailing the billing rates and total hours of each of the professionals at Richter who performed services in the within proceedings.
8. Attached as **Exhibit "C"** hereto are true copies of Richter's invoices, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Monitor, for the within matter. These invoices have been submitted to the Company and paid in the normal course since the commencement of the CCAA Proceedings as authorized by the Initial Order and the Amended Initial Order.
9. The Monitor requests that this Court approve its Accounts for the Period, in the total amount of \$422,118.38, inclusive of applicable taxes, for services rendered and recorded during the Period.
10. Stikeman has provided legal services to the Monitor throughout the CCAA Proceedings in a manner consistent with the instructions of the Monitor. Stikeman has prepared an affidavit with respect to its fees and disbursements charged in connection with services rendered during the period from January 15, 2020 to June 22, 2020. The Monitor has reviewed the invoices rendered by Stikeman during the period and believes the services performed are consistent with the instructions given by the Monitor. The Monitor is also seeking approval of Stikeman's fees and disbursements on the within motion in the amount of \$171,047.40, inclusive of applicable taxes.
11. The Monitor's fees and disbursements for the period from and after June 23, 2020 to the completion of all work relating to the CCAA Proceedings will be calculated and billed at the standard rates currently in effect. Barring any delays, disputes or unforeseen circumstances in connection with this matter and taking into account the remaining work to be done in connection with this matter, I estimate that those fees and disbursements will not exceed \$75,000 (excluding applicable taxes) (the "**Remaining Fees and Disbursements**"), as follows:
 - a) Richter - \$50,000; and
 - b) Stikeman - \$25,000.

12. The above estimates take into consideration the reasonable professional and legal fees required to complete all work relating to the CCAA Proceedings up to the effective date of the Monitor's discharge. If the actual Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees is required. If the actual Remaining Fees and Disbursements exceed the estimates, the Monitor will seek the consent of SFP Canada to pay same, without further Order of the Court.
13. To the best of my knowledge, the rates charged by Richter and Stikeman are comparable to the rates charged by other firms for the provision of similar restructuring services.
14. I verily believe that the fees and disbursements incurred by Richter and Stikeman, including the estimated Remaining Fees and Disbursements, are fair and reasonable in the circumstances.
15. This Affidavit is sworn in connection with a motion for an Order of this Court to, among other things, approve the fees and disbursements of the Monitor and those of its legal counsel and for no improper purpose.

I confirm that while connected via video technology, Adam Sherman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Adam Sherman and verify that the pages are identical.

SWORN BEFORE ME by video conference from the City of Vaughan, Ontario, to the Community of Eugenia (Grey County), Ontario, on June 25, 2020.

DocuSigned by:
Nicholas Ains
2C12EFAB5242430...

Commissioner for taking affidavits
in the Province of Ontario

DocuSigned by:
Adam Sherman
E8509E6CE63E46B

Adam Sherman

This is Exhibit "A" referred to in the Affidavit of
Adam Sherman, sworn on June 25, 2020

DocuSigned by:
Nicholas Davis

2C12EFAB5242430...

Commissioner for Taking Affidavits, etc.

Richter Advisory Group Inc.
in its capacity as CCAA Monitor of
SFP Canada Ltd.
Statement of accounts

Exhibit A

Invoice #	Period	Technology &			Sub total	HST	Total
		Fees	Administrative Fee	Disbursements			
20404898	January 6, 2020 to January 31, 2020	\$ 146,575.50	\$ 7,328.78	\$ -	\$ 153,904.28	\$ 20,007.55	\$ 173,911.83
20404938	February 1, 2020 to February 7, 2020	\$ 15,717.50	\$ 785.88	\$ -	\$ 16,503.38	\$ 2,145.44	\$ 18,648.82
20404985	February 8, 2020 to February 21, 2020	\$ 26,482.25	\$ 1,599.92	\$ 5,516.09	\$ 33,598.26	\$ 4,367.77	\$ 37,966.03
20405062	February 22, 2020 to March 20, 2020	\$ 45,979.50	\$ 2,298.98	\$ -	\$ 48,278.48	\$ 6,276.21	\$ 54,554.69
20405228	March 21, 2020 to April 30, 2020	\$ 48,418.75	\$ 2,420.94	\$ -	\$ 50,839.69	\$ 6,609.16	\$ 57,448.85
20405238	May 1, 2020 to May 10, 2020	\$ 21,314.00	\$ 1,065.70	\$ -	\$ 22,379.70	\$ 2,909.36	\$ 25,289.06
20405302	May 11, 2020 to May 31, 2020	\$ 24,120.25	\$ 1,207.07	\$ 21.09	\$ 25,348.41	\$ 3,295.29	\$ 28,643.70
20405354	June 1, 2020 to June 22, 2020	\$ 21,622.75	\$ 1,081.14	\$ -	\$ 22,703.89	\$ 2,951.51	\$ 25,655.40
Total		\$ 350,230.50	\$ 17,788.41	\$ 5,537.18	\$ 373,556.09	\$ 48,562.29	\$ 422,118.38

This is Exhibit "B" referred to in the Affidavit of
Adam Sherman, sworn on June 25, 2020

DocuSigned by:
Nephas Cross
2C12EFAB5242430...

Commissioner for Taking Affidavits, etc.

Richter Advisory Group Inc.
in its capacity as CCAA Monitor of
SFP Canada Ltd.
Statement of accounts

Staff member	Number of hours	Hourly rate	Amount
Senior Vice President			
A. Sherman	143.80	\$ 895.00	\$ 128,701.00
P. Patel	124.20	\$ 825.00	\$ 102,465.00
Senior Associate / Associate			
A. Zeldin	216.75	\$ 495.00	\$ 107,291.25
E. Finley	6.25	\$ 375.00	\$ 2,343.75
P. Lareau	3.25	\$ 375.00	\$ 1,218.75
Analyst			
K. Ho	7.35	\$ 295.00	\$ 2,168.25
Administration			
C. O'Donnell	18.70	\$ 250.00	\$ 4,675.00
K. Le	5.10	\$ 250.00	\$ 1,275.00
N. Fournier	0.50	\$ 185.00	\$ 92.50
Total	525.90		\$ 350,230.50
Blended average hourly rate:	\$ 665.96		

This is Exhibit "C" referred to in the Affidavit of
Adam Sherman, sworn on June 25, 2020

DocuSigned by:

Nicholas Ains

2C12EFAB5242430...

Commissioner for Taking Affidavits, etc.

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 02/03/2020
Invoice No.: 20404898
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional services rendered to January 31, 2020. \$ 146,575.50

Sub-Total	146,575.50
Technology and Administrative Fees	7,328.78
GST/HST #885435842 RT0001	20,007.55
Total Due	CAD \$ 173,911.83

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20404898
Date: 02/03/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	83.50	\$ 895.00	\$ 74,732.50
Adam Zeldin	16.30	495.00	8,068.50
Carol O'Donnell	12.40	250.00	3,100.00
Eric Finley	6.25	375.00	2,343.75
Ken Le	3.55	250.00	887.50
Kristina Ho	7.35	295.00	2,168.25
Pritesh Patel	67.00	825.00	55,275.00
	196.35		\$ 146,575.50

Invoice No.: 20404898
 Date: 02/03/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
01/06/2020	Adam Sherman Calls with Osler re various matters. Draft engagement letter. Emails with Osler. Discussions with Richter team.	1.00	\$ 895.00	\$ 895.00
01/07/2020	Adam Sherman Emails/discussions with Osler.	0.50	895.00	447.50
01/08/2020	Adam Sherman Emails with Osler. Preliminary review of cash flows, retail store summary, other Company info. Call with Osler and the Company's US advisors re various matters. Emails with Richter team. Email to the Company and its advisors re Richter engagement.	2.50	895.00	2,237.50
01/09/2020	Adam Sherman Email from Landis re landlord matters. Review most recent monthly financial reporting package, FY '19 financials, creditor list, employee list and other Company info. Calls with Osler. Call with Osler/US advisors. Emails/discussions with Richter team.	3.50	895.00	3,132.50
01/10/2020	Adam Sherman Calls with Osler. Email from Mackinac re landlord matters. Email from Osler re PPSA search results. Call with Osler/US advisors.	1.50	895.00	1,342.50
01/13/2020	Adam Sherman Emails with Osler/Mackinac re various matters. Calls with Osler. Emails/discussions with Richter team. Continue review of Company financial/other info.	2.00	895.00	1,790.00
01/13/2020	Eric Finley Call with Osler and US advisors re filing timeline and updates.	1.00	375.00	375.00
01/14/2020	Adam Sherman Emails with Mackinac. Calls with Osler. Review updated landlord tracker. Call with Osler/US advisors re status update, intercompany claims, next steps and other matters. Emails/discussions with Richter team.	1.50	895.00	1,342.50
01/14/2020	Eric Finley Review of Company financials, including cashflows, balance sheet and income statement.	0.75	375.00	281.25
01/15/2020	Adam Sherman Emails with Osler/Mackinac re cash flow comments. Email from Osler re draft GB/Hilco consulting agreement, including review/comments on same. Calls/email with Stikeman. Call with Osler/US advisors.	2.50	895.00	2,237.50
01/16/2020	Adam Sherman	5.00	895.00	4,475.00

Invoice No.: 20404898
 Date: 02/03/2020

Date	Name and Description	Hours	Rate	Amount
	Review updated cash flows. Call with Osler/US advisors re cash flows, intercompany claims, etc. Emails with Osler re intercompany claims. Emails with Stikeman. Call with Osler/Stikeman re update and next steps. Emails/discussions with Richter team.			
01/16/2020	Pritesh Patel Review of CF and discussion with A.Sherman on same. Call with counsel to discuss next steps.	1.00	825.00	825.00
01/16/2020	Eric Finley Call with Osler and US advisors re filing timeline and updates. Review of revised cashflow forecast.	1.00	375.00	375.00
01/17/2020	Adam Sherman Emails/call with Mackinac re revised cash flow, intercompany claims analysis and other matters. Emails/calls with Osler/Stikeman re revised cash flow, intercompany claims analysis, transfer of funds, consulting agreement. Discussions with Richter team.	5.00	895.00	4,475.00
01/17/2020	Pritesh Patel Review of draft consulting agreement, background information on case. Review of revised CF, interco analysis and call with Mackinac on same. Call with Osler on status of materials, information requests. Review of revised consulting agreement from GB.	4.00	825.00	3,300.00
01/18/2020	Adam Sherman Emails from Mackinac/Osler re Canadian retail leases and Consulting Agreement. Review revised/updated cash flow, including emails with Richter team.	2.50	895.00	2,237.50
01/18/2020	Pritesh Patel Review of CF model and comments to Mackinac on same.	2.00	825.00	1,650.00
01/19/2020	Adam Sherman Emails from Mackinac re revised/updated cash flow and intercompany analysis. Emails with Osler re draft initial order/liquidation sale approval order.	1.50	895.00	1,342.50
01/20/2020	Carol O'Donnell Prepare URL for website.	0.10	250.00	25.00
01/20/2020	Adam Sherman Emails with Osler. Review draft initial order/liquidation order/sale guidelines, including emails with Stikeman on same. Emails/call with Mackinac re cash flow, intercompany claims analysis, etc. Emails/discussions with Richter team. Draft report.	6.00	895.00	5,370.00

Invoice No.: 20404898
 Date: 02/03/2020

Date	Name and Description	Hours	Rate	Amount
01/20/2020	Pritesh Patel Review of response from Mackinac re CF questions. Review of revised CF and interco analysis, call with Mackinac on same. Review of draft orders, sale guidelines and discussion with A.Sherman on same. Review of employee, inventory, banking info.	7.00	825.00	5,775.00
01/20/2020	Kristina Ho Call with Mackinac re updated cashflow and intercompany analysis. Review updated cashflow.	2.80	295.00	826.00
01/21/2020	Adam Sherman Emails with Osler re initial orders, affidavit, cash flow, etc. Call with Osler/Mackinac/Stikeman re cash flow/intercompany analysis/etc. Emails/calls with Stikeman re various matters. Emails/discussions with Richter team. Draft report.	8.00	895.00	7,160.00
01/21/2020	Pritesh Patel Call with CRO, counsels re interco analysis and transfers. Review of current draft materials, discussions with A.Sherman and email with counsel on same. Review of CF and assist in preparing filing version. Emails/calls with Oslers on numerous matters.	8.00	825.00	6,600.00
01/21/2020	Kristina Ho Review draft Boucher affidavit and prepare reports on the Company's cash flow forecast.	1.00	295.00	295.00
01/22/2020	Adam Sherman Sign Consent - email to Osler. Emails/calls with Osler and Stikeman re initial order/liquidation order/etc. Emails with Mackinac re further revised cash flow. Emails/discussions with Richter team. Draft report.	6.50	895.00	5,817.50
01/22/2020	Pritesh Patel Assist with preparation of CF reports, review of Monitor's report on CF. Review and comment on various drafts of affidavit, orders, and other materials. Review of financials for report. Numerous calls and emails with Osler re CF and other materials.	10.00	825.00	8,250.00
01/22/2020	Kristina Ho Review revised affidavit. Prepare summary of financials for report.	2.80	295.00	826.00
01/23/2020	Carol O'Donnell Various administrative matters. Discussions with A. Sherman.	0.40	250.00	100.00
01/23/2020	Adam Sherman	10.00	895.00	8,950.00

Invoice No.: 20404898
 Date: 02/03/2020

Date	Name and Description	Hours	Rate	Amount
	<p>Emails with Mackinac re cash flow. Emails/calls with Osler/Stikeman re orders. Email from Osler re CCAA application. Attend in Court, including discussions with counsel. Update report - emails with Osler/Stikeman. Emails/discussions with Richter team.</p>			
01/23/2020	<p>Pritesh Patel Review affidavit, update/edits to First Report. Review comments from counsel, circulate updated draft and compile appendices. Call with CRO to finalize CF and reports. Attendance in Court re Initial Order. Discussion with Richter team on next steps.</p>	12.00	825.00	9,900.00
01/23/2020	<p>Adam Zeldin Prepare Form 1, Form 2, newspaper ad. Discussions with Richter team including review of application materials in connection with the foregoing.</p>	2.20	495.00	1,089.00
01/23/2020	<p>Kristina Ho Prepare 13-week cashflow forecast for report filing.</p>	0.75	295.00	221.25
01/24/2020	<p>Carol O'Donnell Email documents to OSB. Post documents to website. Obtain 1-800#. Coordinate newspaper ad. Various administrative matters.</p>	3.20	250.00	800.00
01/24/2020	<p>Adam Sherman Finalize/sign report. Emails/discussions with Richter team. Attend in Court re liquidation order, including discussions with counsel. Approve/sign Form 1 and newspaper ad. Email from D. Bish re American Greetings security/intercompany payments.</p>	4.00	895.00	3,580.00
01/24/2020	<p>Pritesh Patel Review and update report based on comments from Osler. Finalize and sign report for service. Attendance in Court for Liquidation Approval Sale Order. Discussion with Richter team re creditor notices, OSB filing, etc.</p>	4.00	825.00	3,300.00
01/24/2020	<p>Adam Zeldin Update/finalize form 1 and newspaper ad. Review creditors list and emails with CRO in connection with same. Draft notice to creditors. Review Monitor's Report and Liquidation Sale Approval Order application materials.</p>	2.50	495.00	1,237.50
01/27/2020	<p>Carol O'Donnell</p>	1.50	250.00	375.00

Invoice No.: 20404898
 Date: 02/03/2020

Date	Name and Description	Hours	Rate	Amount
01/27/2020	Finalize arrangements for newspaper ad. Communications with OSB re various filing matters. Discussions with A. Zeldin. Various administrative matters.			
01/27/2020	Ken Le Review and modify creditor listing and upload to Ascend.	1.20	250.00	300.00
01/27/2020	Adam Sherman Emails from Osler re employee termination letters, draft endorsement, etc. Emails with Stikeman. Emails with Richter team re various matters.	1.50	895.00	1,342.50
01/27/2020	Pritesh Patel Review and edits to draft creditor notice. Approval of form and cost for newspaper advertisement. Review and comment on employee letter.	1.50	825.00	1,237.50
01/27/2020	Adam Zeldin Review newspaper ad draft/quote. Prepare creditors lists, correspond with Mackinac/Richter team re same. Discussions with Richter team.	1.40	495.00	693.00
01/27/2020	Eric Finley Review of various docs/discussions with Richter team re monitoring. communications with Mackinac re various matters. Respond to inquiries re CCAA filing.	3.50	375.00	1,312.50
01/28/2020	Carol O'Donnell Discussions with A. Zeldin. Preparation of creditor lists for mailing. Post creditor list to website and email to OSB. Various administrative matters.	1.50	250.00	375.00
01/28/2020	Ken Le Review and modify employee listing re creditor notice. Various administrative matters.	1.75	250.00	437.50
01/28/2020	Adam Sherman Review/provide comments on creditor notice. Emails/call with Stikeman re various matters. Emails from Osler re lease disclaimers, draft amended initial order, etc. Emails/discussions with Richter team. Draft Monitor's 2nd report.	5.50	895.00	4,922.50
01/28/2020	Pritesh Patel Call with CRO to discuss CFs, update on liquidation sale, timing for disclaimers etc. Discussions with Richter team re creditor mailing, drafting report, AG security review, etc.	3.50	825.00	2,887.50
01/28/2020	Adam Zeldin	2.40	495.00	1,188.00

Invoice No.: 20404898
 Date: 02/03/2020

Date	Name and Description	Hours	Rate	Amount
	Call with Mackinac/Osler re weekly monitoring, store exit plan, other matters. Review final creditors list, discussions with Richter team re same. Correspond with Mackinac re creditor mailing. Review/update Form 2, emails with Osler/Mackinac re same.			
01/29/2020	Carol O'Donnell Preparation of mailing to creditors. File Form 2, post documents to website and email to OSB. Various administrative matters.	4.20	250.00	1,050.00
01/29/2020	Ken Le Prepare creditor mailing re landlords.	0.60	250.00	150.00
01/29/2020	Adam Sherman Emails with Stikman re draft amended initial order, funds transfer, etc. Finalize/sign Form 2. Emails/discussions with Richter team. Emails from Osler/Mackinac re draft affidavit, stay extension, lease disclaimers, etc. Continue drafting 2nd report.	6.00	895.00	5,370.00
01/29/2020	Pritesh Patel Review and comment on motion materials, correspondence with Stikeman on same. Review of GB liquidation reporting, CF reporting and discussion with Richter team on same. Review and edits to 2nd Report. Correspondence re funds transfer.	4.50	825.00	3,712.50
01/29/2020	Adam Zeldin Finalize Form 2, correspond with Mackinac/Osler and review Company information re same. Review weekly variance analysis, emails/calls with Mackinac re same/other CF matters. Review/edit creditors list. Discussions with Richter team.	2.50	495.00	1,237.50
01/30/2020	Adam Sherman Email from landlord counsel re rent arrears, etc. Emails with Stikeman/Osler re comments on 2nd report, lease disclaimers, funds transfer, etc. Emails/discussions with Richter team. Finalize/sign Monitor's 2nd report.	5.00	895.00	4,475.00
01/30/2020	Pritesh Patel Update report based on comments from counsel. Review of disbursement request and call with CRO on same. Execute lease disclaimer. Calls with Osler re CF, funds transfer and 2nd Report. Finalize and sign 2nd Report.	5.50	825.00	4,537.50
01/30/2020	Adam Zeldin Review current week disbursement summary and supporting documents, including calls/emails with Mackinac re same. Discussions with Richter team.	2.50	495.00	1,237.50
01/31/2020	Carol O'Donnell	1.50	250.00	375.00

Invoice No.: 20404898
 Date: 02/03/2020

Date	Name and Description	Hours	Rate	Amount
01/31/2020	Post documents to website and email to OSB. Prepare mail affidavit and lists. Adam Sherman	2.00	895.00	1,790.00
01/31/2020	Emails with Osler re entered amended and restated initial order, lease disclaimers, etc. Email from landlord counsel re rent arrears. Emails/discussions with Richter team re various matters. Pritesh Patel	4.00	825.00	3,300.00
01/31/2020	Prep and attendance in Court re amended initial order. Review revised disbursement request for 1/31. Discussions with Richter team. Calls with Osler re disclaimer notices, KERP, etc. Calls with Mackinac re KERP, CF. Adam Zeldin	2.80	495.00	1,386.00
Fees Total		196.35		\$ 146,575.50

Invoice No.: 20404898
Date: 02/03/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 146,575.50
Technology and Administrative Fees		7,328.78
GST/HST #885435842 RT0001		20,007.55
Total Due	CAD	\$ 173,911.83

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 02/13/2020
Invoice No.: 20404938
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional services rendered to February 7, 2020. \$ 15,717.50

Sub-Total	15,717.50
Technology and Administrative Fees	785.88
GST/HST #885435842 RT0001	2,145.44
Total Due	CAD \$ 18,648.82

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20404938
Date: 02/13/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	6.40	\$ 895.00	\$ 5,728.00
Adam Zeldin	9.10	495.00	4,504.50
Ken Le	1.15	250.00	287.50
Pritesh Patel	6.30	825.00	5,197.50
	22.95		\$ 15,717.50

Invoice No.: 20404938
 Date: 02/13/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
02/03/2020	Adam Sherman Emails from Stikeman re account for period ending 1/31/2020, AG security review, etc. Call with Stikeman re support for funds transfer. Discussions with Richter team re various matters.	1.20	\$ 895.00	\$ 1,074.00
02/03/2020	Pritesh Patel Discussion with A.Zeldin re CF and disbursements. Call with Osler re KERP and next steps. Review of email from counsel to landlord re post-filing payments.	0.80	825.00	660.00
02/03/2020	Adam Zeldin Correspond with Mackinac re proposed disbursements, other matters. Review of Amended Initial Order.	1.10	495.00	544.50
02/04/2020	Ken Le Transfer funds. Prepare reconciliation. Issue cheque. Email communication with A. Sherman and P. Patel. Various administrative matters.	0.90	250.00	225.00
02/04/2020	Adam Sherman Emails with Stikeman re draft communications with Osler/Mackinac/Landlord counsel. Email from Osler. Email from D. Bish. Emails/discussions with Richter team. Calls with creditors.	1.80	895.00	1,611.00
02/04/2020	Pritesh Patel Call with CRO re CF and payments. Review and comment on letter/emails from Stikeman re pre-filing funds transfer. Call with Osler re letter, offer on leases and next steps. Discussion with Richter team re creditor inquiries, payments.	3.00	825.00	2,475.00
02/04/2020	Adam Zeldin Respond to several creditor enquiries. Discussions with Richter team.	1.00	495.00	495.00
02/05/2020	Pritesh Patel Review of variance report, disbursement request and discussion with A.Zeldin on same.	1.00	825.00	825.00
02/05/2020	Adam Zeldin Review weekly variance analysis and funding request, including documentation supporting same. Emails with P. Patel/Mackinac re weekly variances and funding request. Emails with Mackinac re other cash flow matters. Emails with GB re daily reporting.	3.10	495.00	1,534.50
02/06/2020	Adam Sherman	2.40	895.00	2,148.00

Invoice No.: 20404938
 Date: 02/13/2020

Date	Name and Description	Hours	Rate	Amount
02/06/2020	<p>Emails with creditors (utility providers). Email from/discussions with L. Ellis re Enesco (supplier), including emails/call with Stikeman on same. Emails with Osler re Enesco. Emails/discussions with Richter team.</p> <p>Pritesh Patel Review of email from counsel to Enesco, calls with Richter team and counsel on same. Review of daily reporting from GB, discussion with A.Zeldin on variance reporting.</p>	1.50	825.00	1,237.50
02/06/2020	<p>Adam Zeldin Review GB daily sales report, discuss same with P. Patel. Emails/calls with Mackinac re liquidation progress, disbursements, store closures. Respond to several creditor enquiries.</p>	2.90	495.00	1,435.50
02/07/2020	<p>Ken Le Post incoming wire. Email communication with A. Zeldin. Various administrative matters.</p>	0.25	250.00	62.50
02/07/2020	<p>Adam Sherman Emails from Stikeman re Unesco. Email from Stikeman to L. Ellis. Email from Osler re funds transfer. Discussions with Richter team.</p>	1.00	895.00	895.00
02/07/2020	<p>Adam Zeldin Respond to creditor enquiries. Review GB daily sales report. Emails with Richter team re administrative and other matters.</p>	1.00	495.00	495.00
Fees Total		22.95		\$ 15,717.50

Invoice No.: 20404938
Date: 02/13/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 15,717.50
Technology and Administrative Fees		785.88
GST/HST #885435842 RT0001		2,145.44
Total Due	CAD	\$ 18,648.82

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 02/28/2020
Invoice No.: 20404985
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional services rendered to February 21, 2020.	\$ 26,482.25
Disbursements	5,516.09
Sub-Total	<hr/> 31,998.34
Technology and Administrative Fees	1,599.92
GST/HST #885435842 RT0001	4,367.77
Total Due	<hr/> CAD \$ 37,966.03

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20404985
Date: 02/28/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	7.00	\$ 895.00	\$ 6,265.00
Adam Zeldin	26.55	495.00	13,142.25
Carol O'Donnell	0.80	250.00	200.00
Ken Le	0.40	250.00	100.00
Nicole Fournier	0.50	185.00	92.50
Pritesh Patel	8.10	825.00	6,682.50
	43.35		\$ 26,482.25

Disbursements

Disbursements			\$ 5,516.09
			\$ 5,516.09

Invoice No.: 20404985
 Date: 02/28/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
02/10/2020	Ken Le Issue cheque. Emails with A. Zeldin re: Hydro Quebec. Various banking and administrative matters.	0.40	\$ 250.00	\$ 100.00
02/10/2020	Nicole Fournier Translation of letter from Hydro Québec.	0.50	185.00	92.50
02/10/2020	Adam Sherman Letter from Hydro Quebec re deposit requirement. Emails with Stikeman re AG security review/other matters. Emails/discussions with Richter team.	1.00	895.00	895.00
02/10/2020	Pritesh Patel Review of AG transactional data. Respond to creditor inquiries.	0.60	825.00	495.00
02/10/2020	Adam Zeldin Respond to several creditor enquiries. Emails/calls with Mackinac re creditor enquiries, utilities deposits, American Greetings (AG), post-filing disbursements etc. Discussions/emails with Richter team. Review/analyze schedule of purchases from AG.	3.60	495.00	1,782.00
02/11/2020	Adam Sherman Email from Hydro Ottawa re service. Emails with Stikeman re funds transfer/etc. Emails/discussions with Richter team.	0.80	895.00	716.00
02/11/2020	Pritesh Patel Review of variance reporting. Call with CRO re KERP, correspondence with Osler on same.	1.00	825.00	825.00
02/11/2020	Adam Zeldin Review daily sales report. Respond to several creditor enquiries. Call with Mackinac re variance reporting, current week disbursements, other matters.	1.20	495.00	594.00
02/12/2020	Carol O'Donnell Prepare PO for Niwri invoice re advertisement of CCAA proceedings.	0.10	250.00	25.00
02/12/2020	Adam Zeldin Review weekly variance reporting and support. Calls with Mackinac re variance reporting, rent and landlord matters, other cash flow matters. Review daily sales report, emails with GB re same. Review funding request and supporting documents.	2.50	495.00	1,237.50
02/13/2020	Adam Sherman Email from BC Hydro re update. Discussion with Richter team re KERP/other matters. Calls with various creditors.	1.00	895.00	895.00

Invoice No.: 20404985
 Date: 02/28/2020

Date	Name and Description	Hours	Rate	Amount
02/13/2020	Pritesh Patel Respond to creditor inquiries. Correspondence with Osler re KERP.	0.50	825.00	412.50
02/13/2020	Adam Zeldin Respond to several creditor enquiries. Emails with Mackinac re disbursements, creditor enquiries, rent. Review disbursement summary and supporting schedules. Review daily sales report. Review/analyze February rent schedule.	3.70	495.00	1,831.50
02/14/2020	Carol O'Donnell Post document to website. Various administrative matters.	0.20	250.00	50.00
02/14/2020	Adam Sherman Calls with creditors. Email from Minden Gross (landlord counsel).	0.50	895.00	447.50
02/14/2020	Adam Zeldin Respond to creditor enquiries. Emails with Mackinac re disbursements, inventory matters. Review daily sales report. Review filing cash flow in connection with next week's disbursements. Arrange for posting of updated service list.	1.75	495.00	866.25
02/17/2020	Adam Zeldin Review email from Mackinac and supporting document re Quebec sales tax remittance. Review daily sales report.	0.50	495.00	247.50
02/18/2020	Carol O'Donnell Communications with bank re wire transfer. Prepare cheque. Discussions with Richter team. Various administrative and banking matters.	0.30	250.00	75.00
02/18/2020	Adam Sherman Email from/call with Stikeman re update on various matters. Discussions with Richter team. Emails from Stikeman re communications with Osler.	0.80	895.00	716.00
02/18/2020	Pritesh Patel Review of liquidation reporting from GB and discussion with A. Zeldin on same. Update call with Stikeman on outstanding issues.	1.00	825.00	825.00
02/18/2020	Adam Zeldin Respond to creditor enquiries. Review daily sales, discuss same with P. Patel. Emails with Mackinac re creditor enquiries, cash flow matters, inventory matters.	1.40	495.00	693.00
02/19/2020	Carol O'Donnell Update wire transfer. Prepare cheque. Various administrative and banking matters.	0.20	250.00	50.00
02/19/2020	Adam Sherman	1.00	895.00	895.00

Invoice No.: 20404985
 Date: 02/28/2020

Date	Name and Description	Hours	Rate	Amount
02/19/2020	Email from Mackinac re support for funds transfer. Email from Stikeman re AG security review. Discussions with Richter team. Pritesh Patel Review of letter from CRO re \$3m transfer, discussion with Richter team on same. Correspondence with Stikeman re AG security review.	2.50	825.00	2,062.50
02/19/2020	Adam Zeldin Review daily sales report, emails/call with Mackinac/GB re same. Review supporting docs re pre-filing Interco transfer, calls with Mackinac and discussions with P. Patel re same. Review weekly variance analysis, call with Mackinac re same.	5.50	495.00	2,722.50
02/20/2020	Adam Sherman Emails from Mackinac re DC shipments. Discussions with Richter team.	0.70	895.00	626.50
02/20/2020	Pritesh Patel Discussion with A. Zeldin re review of interco charges and inventory shipments. Call with CRO.	1.00	825.00	825.00
02/20/2020	Adam Zeldin Emails with Mackinac re current week funding. Call with GB re daily sales report. Review schedule of post-filing inventory shipments. Emails/calls with Mackinac re Interco transfer analysis, review of support and discussions with Richter team on same.	2.70	495.00	1,336.50
02/20/2020	Adam Zeldin Respond to creditor enquiries, emails with Mackinac re same. Review daily sales report, prepare analysis of same.	0.90	495.00	445.50
02/21/2020	Adam Sherman Email from L. Ellis re request for update on various matters. Emails from Stikeman re AG, response to Ellis email. Emails/discussions with Richter team.	1.20	895.00	1,074.00
02/21/2020	Pritesh Patel Update call with Osler. Review of email from counsel to Enesco and comment on response. Review of email from counsel re AG security review and email to CRO on same. Discussion with A. Zeldin re transfer review.	1.50	825.00	1,237.50
02/21/2020	Adam Zeldin Review daily sales report. Discussions with P. Patel re Interco transfer analysis, continue review of same. Respond to creditor enquiries. Review emails re historical payments and other matters relating to AG.	2.80	495.00	1,386.00

Invoice No.: 20404985
Date: 02/28/2020

Date 2262	Name and Description Name and Description	Hours Hours	Rate Rate	Amount Amount
Fees Total		<hr/> 43.35		<hr/> \$ 26,482.25
Date	Name and Description	Hours	Rate	Amount
02/05/2020	Disbursements Advertisement re CCAA Proceeding			\$ 4,832.34
02/01/2020	Disbursements Photocopying re creditor notice			120.00
02/01/2020	Disbursements Postage re creditor notice			563.75
Disbursements Total				<hr/> \$ 5,516.09

Invoice No.: 20404985
Date: 02/28/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 31,998.34
Technology and Administrative Fees		1,599.92
GST/HST #885435842 RT0001		4,367.77
Total Due	CAD	\$ 37,966.03

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 04/01/2020
Invoice No.: 20405062
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional services rendered to March 20, 2020. \$ 45,979.50

Sub-Total	45,979.50
Technology and Administrative Fees	2,298.98
GST/HST #885435842 RT0001	6,276.21
Total Due	CAD \$ 54,554.69

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20405062
Date: 04/01/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	14.50	\$ 895.00	\$ 12,977.50
Adam Zeldin	44.10	495.00	21,829.50
Carol O'Donnell	0.80	250.00	200.00
Pritesh Patel	13.30	825.00	10,972.50
	72.70		\$ 45,979.50

Invoice No.: 20405062
 Date: 04/01/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
02/24/2020	Adam Sherman Emails with Stikeman re various matters. Review/sign US counsel engagement letter. Emails/discussions with Richter team. Call with Stikeman re funds transfer, AG security review, other matters. Call with creditor.	1.50	\$ 895.00	\$ 1,342.50
02/24/2020	Pritesh Patel Update call with counsel re funds transfer, AG security review. Discussion with A. Zeldin on outstanding items re transfer review. Update call with Osler.	1.50	825.00	1,237.50
02/24/2020	Adam Zeldin Attend call with Stikeman/Richter team re funds transfer, AG security review. Draft email to Mackinac re funds transfer review open items.	1.00	495.00	495.00
02/25/2020	Adam Sherman Email from Mackinac re landlord matters. Emails/discussions with Richter team. Communications with Hydro Quebec.	1.00	895.00	895.00
02/25/2020	Pritesh Patel Review of sales reporting from liquidator. Email to CRO on outstanding items re funds transfer review, discussion with A. Zeldin on same. Review of funding request, email to A. Zeldin re same.	2.30	825.00	1,897.50
02/25/2020	Adam Zeldin Review daily sales report. Respond to several creditor enquiries. Review pre-filing utilities bills, emails with Mackinac re same. Review email to Mackinac re funds transfer.	1.90	495.00	940.50
02/26/2020	Adam Zeldin Review current week disbursement request and support, emails with Mackinac and discussions with P. Patel re same. Review daily sales, update internal analysis re same.	2.90	495.00	1,435.50
02/27/2020	Pritesh Patel Review of responses from CRO re weekly disbursement request. Review of AG payment data. Discussion with A. Zeldin re same and other matters.	1.00	825.00	825.00
02/27/2020	Adam Zeldin Review schedule of payments to AG, call with Mackinac re same, emails with Stikeman re same. Review weekly variance analysis, call with Mackinac re same. Review daily sales report. Discussion with P. Patel.	2.70	495.00	1,336.50
02/28/2020	Adam Sherman Emails with Stikeman re AG security. Emails/discussions with Richter team.	0.80	895.00	716.00

Invoice No.: 20405062
 Date: 04/01/2020

Date	Name and Description	Hours	Rate	Amount
02/28/2020	Pritesh Patel Review of correspondence with counsel re AG security review. Review of GB sales reporting.	0.80	825.00	660.00
02/28/2020	Adam Zeldin Emails with Stikeman re pre-filing payments to AG, call with Mackinac re same. Review daily sales report. Respond to creditor enquiries.	1.00	495.00	495.00
03/02/2020	Adam Sherman Email from Stikeman re AG security. Email from Mackinac re Canadian store closures. Emails/discussions with Richter team. Calls with creditors.	1.00	895.00	895.00
03/02/2020	Pritesh Patel Review of final liquidation sales reporting, discussion with A. Zeldin re same. Discussion with A. Zeldin re next steps.	1.30	825.00	1,072.50
03/02/2020	Adam Zeldin Review daily sales reports re liquidation, email to Mackinac re same and other store closing matters. Respond to creditor enquiries. Correspond with Osler re store closing matters. Discussion with P. Patel.	1.80	495.00	891.00
03/03/2020	Carol O'Donnell Finalize mail affidavit.	0.50	250.00	125.00
03/03/2020	Adam Sherman Emails/call with Stikeman re AG security, funds transfer, etc. Discussions with Richter team.	1.20	895.00	1,074.00
03/03/2020	Pritesh Patel Update call with Stikeman. Review of email re AG security review. Review of AG data re Quebec transactions.	1.00	825.00	825.00
03/03/2020	Adam Zeldin Emails with Mackinac re status of liquidation, landlord issues etc. Respond to creditor enquiries. Update internal liquidation sale analysis.	2.60	495.00	1,287.00
03/04/2020	Pritesh Patel Emails/discussions with A. Zeldin re cash matters. Email to CRO re additional information for AG security review.	0.50	825.00	412.50
03/04/2020	Adam Zeldin Calls/emails with Mackinac re cash matters, general update, discussion with P.Patel re same. Respond to creditor enquiries. Correspond with BC Hydro re closing of accounts, emails with Osler re same.	2.50	495.00	1,237.50
03/05/2020	Adam Zeldin	0.80	495.00	396.00

Invoice No.: 20405062
 Date: 04/01/2020

Date	Name and Description	Hours	Rate	Amount
03/06/2020	Review email from Mackinac re store closure matters. Respond to creditor enquiries. Pritesh Patel	1.20	825.00	990.00
03/06/2020	Review of documentation from CRO re funds transfer. Review of response from CRO re completion of liquidation sales. Adam Zeldin	3.00	495.00	1,485.00
03/10/2020	Review email and supporting schedules from Mackinac re funds transfer. Emails with Mackinac re current week disbursements. Respond to creditor enquiries. Adam Zeldin	0.75	495.00	371.25
03/11/2020	Respond to creditor enquiries. Pritesh Patel	1.00	825.00	825.00
03/12/2020	Review of rent analysis from Company and correspondence with landlord re same. Carol O'Donnell	0.30	250.00	75.00
03/12/2020	Update deposit in general trust account, prepare cheque. Adam Sherman	0.60	895.00	537.00
03/12/2020	Emails from Mackinac re funds transfer. Emails/discussions with Richter team. Pritesh Patel	2.00	825.00	1,650.00
03/16/2020	Review of additional info from CRO re funds transfer, analysis of same. Calls/emails with Richter team re funds transfer review, outstanding issues. Call with CRO. Pritesh Patel	0.70	825.00	577.50
03/16/2020	Correspondence with Cadillac Fairview re rent arrears. Review of email re sales tax payments. Adam Zeldin	2.85	495.00	1,410.75
03/17/2020	Emails with Mackinac re cash flow variances/updated cash flow. Draft Monitor's Third Report. Discussions with P. Patel re funds transfer analysis. Respond to creditor enquiries. Adam Sherman	2.20	895.00	1,969.00
03/17/2020	Review funds transfer support, including emails with Richter team. Call with Mackinac re funds transfer and other matters. Email from Stikeman re stay extension and other matters. Adam Zeldin	6.10	495.00	3,019.50
03/18/2020	Call with Mackinac re funds transfer, review support and correspondence to date in preparation for call. Review/update Monitor's Third Report. Respond to creditor enquiries. Adam Zeldin	5.50	495.00	2,722.50

Invoice No.: 20405062
Date: 04/01/2020

Date	Name and Description	Hours	Rate	Amount
03/19/2020	Review/update Third Report. Calls/emails with Mackinac re revised cash flow, variance analysis, other matters. Adam Zeldin Call with Stikeman re security review. Call with Mackinac re GB final reconciliation, other liquidation sale matters, updated cash flow. Review/update Monitor's Third Report.	5.20	495.00	2,574.00
03/20/2020	Adam Sherman Email with Richter team. Review/revise/update Monitor's Third Report, including review of files re same.	6.20	895.00	5,549.00
03/20/2020	Adam Zeldin Calls/emails with Stikeman re AG security review. Review/comment on revised CF for stay extension motion, emails with Mackinac re same. Respond to creditor enquiries.	3.50	495.00	1,732.50
Fees Total		<hr/> 72.70		<hr/> \$ 45,979.50

Invoice No.: 20405062
Date: 04/01/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 45,979.50
Technology and Administrative Fees		2,298.98
GST/HST #885435842 RT0001		6,276.21
Total Due	CAD	\$ 54,554.69

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 05/13/2020
Invoice No.: 20405228
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional services rendered to April 30, 2020. \$ 48,418.75

Sub-Total	48,418.75
Technology and Administrative Fees	2,420.94
GST/HST #885435842 RT0001	6,609.16
Total Due	CAD \$ 57,448.85

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20405228
Date: 05/13/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	12.30	\$ 895.00	\$ 11,008.50
Adam Zeldin	55.45	495.00	27,447.75
Carol O'Donnell	1.90	250.00	475.00
Pritesh Patel	11.50	825.00	9,487.50
	81.15		\$ 48,418.75

Invoice No.: 20405228
 Date: 05/13/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
03/23/2020	Adam Sherman Email from Osler re draft motion docs, including comments on same. Emails with Stikeman re draft motion docs. Emails/discussions with Richter team. Review US KERP motion/order. Review, revise, update Monitor's Third Report.	3.50	\$ 895.00	\$ 3,132.50
03/23/2020	Adam Zeldin Review draft motion materials (affidavit, order, notice of motion) re stay extension, calls/emails with Osler/Stikeman re same. Review/update notes to CF, statutory reports to the CF. Calls with Mackinac re CF. Discussions with Richter team.	4.60	495.00	2,277.00
03/24/2020	Adam Sherman Emails/call with Stikeman re SFP's motion, Monitor's Third Report, etc. Email from Osler re revised motion docs, including emails with Stikeman re same. Emails/discussions with Richter team. Email from Stikeman re comments on Monitor's Third Report.	2.80	895.00	2,506.00
03/24/2020	Pritesh Patel Discussion with Osler re motion materials. Review of draft motion materials.	1.00	825.00	825.00
03/24/2020	Adam Zeldin Review/update Monitor's Third Report, calls/emails with Stikeman/Osler re same. Calls/emails with Mackinac re stay extension motion, cash flow, payment of post-filing expenses. Emails/discussions with Richter team.	5.35	495.00	2,648.25
03/25/2020	Adam Sherman Emails with Stikeman re comments on relief sought/Monitor's Third Report. Emails/call with Stikeman re KERP. Review revised Monitor's Third Report. Emails/discussions with Richter team.	2.00	895.00	1,790.00
03/25/2020	Pritesh Patel Review and comments on report. Call with Stikeman re KERP. Calls with Osler re motion materials, KERP. Call with CRO re KERP and next steps. Emails/discussions with Richter team.	3.00	825.00	2,475.00
03/25/2020	Adam Zeldin Review/update Monitor's Third Report, calls/emails with Stikeman re same. Calls/emails with Mackinac re liquidation sale results. Review of Mackinac invoice, including engagement letter, email to Richter team re same. Respond to creditor enquiries.	6.15	495.00	3,044.25
03/26/2020	Carol O'Donnell	0.40	250.00	100.00

Invoice No.: 20405228
 Date: 05/13/2020

Date	Name and Description	Hours	Rate	Amount
03/26/2020	Post documents to website and email to OSB. Adam Sherman Email from Osler re revised motion materials, including emails with Stikeman re same. Email from Osler re Monitor's Third Report. including emails with Stikeman re same. Emails with Richter team.	1.50	895.00	1,342.50
03/26/2020	Pritesh Patel Review and comments on revised affidavit and motion materials. Discussion with A. Zeldin on Monitor's Third Report and comments on same. Correspondence with CRO and Richter team re CF.	3.00	825.00	2,475.00
03/26/2020	Adam Zeldin Calls/emails with Stikeman re Monitor's Third Report, AG security. Review/update Monitor's Third Report for counsel comments. Calls/emails with Mackinac re CF, KERP. Review updated stay motion materials. Discussion with P. Patel.	5.65	495.00	2,796.75
03/27/2020	Adam Sherman Review/sign off on extended cash flow and associated docs. Finalize/sign Monitor's report, including emails with Richter team. Emails with Stikeman re service of materials, Court communications, etc.	1.00	895.00	895.00
03/27/2020	Pritesh Patel Review and sign final draft of Monitor's Third Report, discussion with A. Zeldin on same.	1.00	825.00	825.00
03/27/2020	Adam Zeldin Update/finalize Monitor's Third Report, discussions with Richter team re same.	1.50	495.00	742.50
03/30/2020	Carol O'Donnell Post documents to website, email to OSB. Post service list to website.	0.90	250.00	225.00
03/30/2020	Adam Sherman Email from Stikeman re Court communications re motion. Email from Osler re entered Order (stay extension/KERP allocation). Email from Stikeman re account. Emails with Richter team.	0.30	895.00	268.50
03/30/2020	Pritesh Patel Review of correspondence re Court hearing and order. Correspondence with Cadillac Fairview re rent calculations.	0.50	825.00	412.50
03/30/2020	Adam Zeldin	0.90	495.00	445.50

Invoice No.: 20405228
 Date: 05/13/2020

Date	Name and Description	Hours	Rate	Amount
	Review of emails re stay extension motion/order. Respond to creditor enquiries. Discussions with Richter team. Emails with Osler re service list, arrange for same to be updated/posted to website			
03/31/2020	Adam Zeldin Respond to creditor enquiries. Review of email re landlord issues. Review endorsement of Justice Hailey dated March 30, 2020.	0.80	495.00	396.00
04/01/2020	Adam Zeldin Respond to creditor enquiries.	0.45	495.00	222.75
04/06/2020	Adam Zeldin Respond to creditor enquiries. Discussion with Richter team. Call with Mackinac re post-filing disbursements.	0.85	495.00	420.75
04/07/2020	Adam Zeldin Call/emails with Mackinac re post-filing expenses. Review of legal invoices in connection with security review, prepare summary of same. Respond to creditor enquiries.	1.50	495.00	742.50
04/08/2020	Pritesh Patel Correspondence with CRO re KERP. Correspondence with counsel re next steps. Call with A. Zeldin re CF and GB final reconciliation.	0.50	825.00	412.50
04/08/2020	Adam Zeldin Emails with Mackinac re post-filing disbursements, GB final reconciliation. Respond to creditor enquiry. Discussion with P. Patel re CF and GB final reconciliation. Emails with Stikeman re GB final reconciliation, general status update.	1.50	495.00	742.50
04/13/2020	Adam Zeldin Review of invoices and coordinate payment of post-filing expenses. Respond to creditor enquiries.	0.60	495.00	297.00
04/14/2020	Carol O'Donnell Verify bank for wire transfers, update deposit. Prepare wire transfer.	0.60	250.00	150.00
04/14/2020	Adam Zeldin Respond to creditor enquiry. Arrange payment for post-filing expenses.	0.55	495.00	272.25
04/15/2020	Adam Zeldin Correspond with professional firms/Mackinac re post-filing expenses.	0.30	495.00	148.50
04/17/2020	Adam Zeldin	0.85	495.00	420.75

Invoice No.: 20405228
 Date: 05/13/2020

Date	Name and Description	Hours	Rate	Amount
	Calls/emails with Mackinac re status of proceedings, final reconciliation, other matters. Update email to Richter team re final reconciliation. Respond to creditor enquiries.			
04/20/2020	Adam Sherman Emails with Richter team re update/next steps. Emails from Mackinac re GB reconciliation.	0.30	895.00	268.50
04/20/2020	Pritesh Patel Review of final reconciliation and comments on same.	1.00	825.00	825.00
04/20/2020	Adam Zeldin Emails/call with Mackinac re final reconciliation, CF variances, next steps in the proceedings. Review of final reconciliation analysis and supporting documents, CF variance analysis. Respond to creditor enquiry. Emails with Richter team.	2.85	495.00	1,410.75
04/21/2020	Adam Sherman Emails with Richter team. Emails with Stikeman.	0.20	895.00	179.00
04/21/2020	Adam Zeldin Call with Osler re next steps in proceedings. Call with Mackinac re final reconciliation analysis, CF variance analysis, post-filing disbursements. Emails with Richter team.	0.50	495.00	247.50
04/22/2020	Adam Sherman Call with Stikeman re status update and next steps. Emails/discussion with Richter team.	0.70	895.00	626.50
04/22/2020	Pritesh Patel Call with Osler re outstanding matters and next steps. Update call with A. Zeldin.	1.00	825.00	825.00
04/22/2020	Adam Zeldin Call with Stikeman re final reconciliation, next steps in proceedings. Calls/emails with Richter team re same. Review Liquidation Sales data for purposes of cost allocation analysis, email to Mackinac re same.	2.20	495.00	1,089.00
04/23/2020	Pritesh Patel Call with CRO on Quebec matters and next steps.	0.50	825.00	412.50
04/23/2020	Adam Zeldin Call with Mackinac re next steps in the proceedings. Analyze Liquidation Sales data for purposes of cost allocation analysis. Discussions with Richter team.	1.90	495.00	940.50
04/24/2020	Adam Zeldin Draft Monitor's Fourth Report to Court. Review of emails with Stikeman re secured claim of AG.	2.00	495.00	990.00

Invoice No.: 20405228
Date: 05/13/2020

Date	Name and Description	Hours	Rate	Amount
04/27/2020	Adam Zeldin Continue drafting Monitor's Fourth Report. Prepare affidavits for same. Email to Mackinac re cost allocation analysis. Review of Quebec Liquidation Sale results, update analysis of same.	4.50	495.00	2,227.50
04/28/2020	Adam Zeldin Review/update Monitor's Fourth Report. Review cost allocation analysis, emails/call with Mackinac re same. Emails with Mackinac/Osler re landlord claims, review of rent arrears schedule in connection with same.	2.35	495.00	1,163.25
04/29/2020	Adam Zeldin Emails/calls with Mackinac re cost allocation analysis, cash flow variances, landlord matters. Review/update Monitor's Fourth Report.	4.00	495.00	1,980.00
04/30/2020	Adam Zeldin Calls/emails with Mackinac re Quebec store proceeds, cost allocation. other Quebec landlord matters. Review of lease documentation relating to Quebec landlords and summary of same. Review/update Monitor's Fourth Report.	3.60	495.00	1,782.00
Fees Total		81.15		\$ 48,418.75

Invoice No.: 20405228
Date: 05/13/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 48,418.75
Technology and Administrative Fees		2,420.94
GST/HST #885435842 RT0001		6,609.16
Total Due	CAD	\$ 57,448.85

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 05/14/2020
Invoice No.: 20405238
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional fees rendered for the period May 1, 2020 to May 10, 2020. \$ 21,314.00

Sub-Total	21,314.00
Technology and Administrative Fees	1,065.70
GST/HST #885435842 RT0001	2,909.36
Total Due	CAD \$ 25,289.06

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20405238
Date: 05/14/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	7.30	\$ 895.00	\$ 6,533.50
Adam Zeldin	20.15	495.00	9,974.25
Carol O'Donnell	1.00	250.00	250.00
Patrick Lareau	2.25	375.00	843.75
Pritesh Patel	4.50	825.00	3,712.50
	35.20		\$ 21,314.00

Invoice No.: 20405238
 Date: 05/14/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
05/01/2020	Adam Sherman Emails with Richter team. Review draft Quebec store net proceeds analysis.	0.30	\$ 895.00	\$ 268.50
05/01/2020	Adam Zeldin Review Quebec store net proceeds analysis prepared by Mackinac. Emails with Mackinac re same and other matters. Review/update Monitor's Fourth Report.	2.40	495.00	1,188.00
05/02/2020	Adam Zeldin Discussions with Richter team re upcoming distribution motion. Review Quebec Stores net proceeds analysis, call with Mackinac re same. Email to Stikeman re distribution motion and related matters. Review/update Monitor's Fourth Report.	3.85	495.00	1,905.75
05/03/2020	Adam Zeldin Review Chapter 11 Proceedings dockets. Update Monitor's Fourth Report. Discussions with Richter team.	1.80	495.00	891.00
05/04/2020	Adam Zeldin Call with Mackinac re CF variances, Chapter 11 Proceedings, Quebec Stores net proceeds analysis. Review of CF activity and variances, prepare schedule for Monitor's Fourth Report. Discussions with Richter team. Review of Chapter 11 Proceedings' dockets.	3.15	495.00	1,559.25
05/05/2020	Adam Sherman Call from Workers Compensation Board (BC). Emails with Richter team.	0.20	895.00	179.00
05/05/2020	Adam Zeldin Calls with Osler re distribution motion, relief sought. Call with Workers Compensation Board (BC). Review email/supporting invoices from utilities provider re post-filing expenses. Richter team discussion.	1.40	495.00	693.00
05/06/2020	Adam Sherman Emails/call with Stikeman re Quebec store net proceeds, next steps, etc. Review Quebec store net proceeds analysis. Emails/discussions with Richter team. Emails from Blakes re support for AG security, timing for SFP motion, other matters	2.50	895.00	2,237.50
05/06/2020	Pritesh Patel Review of draft Monitor's Fourth Report, materials on landlord claims. Call with Stikeman to discuss distribution motion, next steps.	2.00	825.00	1,650.00
05/06/2020	Adam Zeldin	2.65	495.00	1,311.75

Invoice No.: 20405238
 Date: 05/14/2020

Date	Name and Description	Hours	Rate	Amount
	Review of emails re AG security, Quebec landlords. Review schedule re details of Quebec leases. Prepare landlord claim analysis. Call with Stikeman re distribution motion and related relief/matters. Call with Mackinac re distribution motion.			
05/07/2020	Patrick Lareau Prepare preliminary WEPP calculation.	1.75	375.00	656.25
05/07/2020	Carol O'Donnell Review preliminary WEPP calculation with P. Lareau, discussion with A. Zeldin re same.	0.70	250.00	175.00
05/07/2020	Adam Sherman Emails/discussions with Richter team. Preliminary review of Monitor's Fourth Report.	0.80	895.00	716.00
05/07/2020	Adam Zeldin Review/update Monitor's Fourth Report. Emails with Mackinac re employee matters, distribution motion and related matters. Review of employee information for potential WEPP claims and preliminary calculation of same. Discussions with Richter team.	2.80	495.00	1,386.00
05/08/2020	Patrick Lareau Review/update preliminary WEPP calculation.	0.50	375.00	187.50
05/08/2020	Carol O'Donnell Review WEPP schedule, discuss with P. Lareau.	0.30	250.00	75.00
05/08/2020	Adam Sherman Emails/discussions with Richter team. Review/revise/update Monitor's Fourth Report. Review potential employee WEPP entitlement calculation. Emails from Stikeman/Blakes re motion.	3.50	895.00	3,132.50
05/08/2020	Pritesh Patel Review/revise Monitor's Fourth Report. Review data from AG, correspondence with counsel on same. Correspondence with Cadillac Fairview and CRO re outstanding rent payments.	2.50	825.00	2,062.50
05/08/2020	Adam Zeldin Review of comments re Monitor's Fourth Report. Review information/emails supporting AG's secured claim. Review of emails/support re lease adjustment obligations. Review revised preliminary WEPP calculation. Discussions with Richter team.	2.10	495.00	1,039.50
Fees Total		35.20		\$ 21,314.00

Invoice No.: 20405238
Date: 05/14/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 21,314.00
Technology and Administrative Fees		1,065.70
GST/HST #885435842 RT0001		2,909.36
Total Due	CAD	\$ 25,289.06

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 06/03/2020
Invoice No.: 20405302
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional Services rendered to May 31, 2020. \$ 24,120.25

Disbursements 21.09

Sub-Total 24,141.34

Technology and Administrative Fees 1,207.07

GST/HST #885435842 RT0001 3,295.29

Total Due CAD **\$ 28,643.70**

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20405302
Date: 06/03/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	6.70	\$ 895.00	\$ 5,996.50
Adam Zeldin	22.75	495.00	11,261.25
Carol O'Donnell	1.20	250.00	300.00
Patrick Lareau	1.00	375.00	375.00
Pritesh Patel	7.50	825.00	6,187.50
	39.15		\$ 24,120.25

Disbursements

Telephone Charges			\$ 21.09
			\$ 21.09

Invoice No.: 20405302
 Date: 06/03/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
05/11/2020	Adam Sherman Review/revise/update Monitor's Fourth Report, including emails/discussions with Richter team.	2.50	\$ 895.00	\$ 2,237.50
05/11/2020	Adam Zeldin Review/update Monitor's Fourth Report. Discussions with Richter team. Emails/call with Mackinac re CF matters, distribution motion.	3.40	495.00	1,683.00
05/12/2020	Patrick Lareau Discussion with C. O'Donnell re preliminary WEPP calculation.	0.50	375.00	187.50
05/12/2020	Adam Sherman Emails with Stikeman/Richter team re outstanding matters and next steps. Emails between Stikeman/Blakes re AG.	0.80	895.00	716.00
05/12/2020	Pritesh Patel Correspondence with counsel and Richter team re status of distribution review, outstanding items. Call with Osler on timing and next steps.	1.00	825.00	825.00
05/12/2020	Adam Zeldin Emails with Stikeman re AG transaction data, distribution motion. Emails/call with Mackinac re Quebec Store proceeds analysis, distribution analysis. Review/update Monitor's Fourth Report, Quebec Stores analysis.	3.20	495.00	1,584.00
05/13/2020	Adam Sherman Emails/discussions with Richter team. Email from Stikeman re accounts. Review Mackinac distribution analysis.	1.00	895.00	895.00
05/13/2020	Pritesh Patel Call with A. Zeldin re status of Monitor's Fourth Report, WEPP calculation and AG liability review. Review of invoice schedules from SFP and AG. Emails with CRO on outstanding items.	2.50	825.00	2,062.50
05/13/2020	Adam Zeldin Call with P. Patel re WEPP, AG liability review, Fourth Report. Emails with CRO re AG liability review, distribution analysis, CF. Review/update Fourth Report/appendices. Review distribution analysis. Emails with Osler re distribution motion.	3.15	495.00	1,559.25
05/14/2020	Adam Sherman Emails from Stikeman/Blakes re AG distribution, other related matters. Emails with Richter team.	0.30	895.00	268.50
05/14/2020	Adam Zeldin	3.60	495.00	1,782.00

Invoice No.: 20405302
 Date: 06/03/2020

Date	Name and Description	Hours	Rate	Amount
	Emails/call with Osler re distribution motion. Emails with Mackinac re distribution analysis, AG liability review, CF matters. Review/comment on distribution analysis. Review/update Monitor's Fourth Report/appendices.			
05/15/2020	Carol O'Donnell Verify bank for wire transfer, update deposit and prepare wire.	0.60	250.00	150.00
05/15/2020	Adam Sherman Email from Blakes re support to AG debt, including preliminary review of same. Emails with Richter team.	0.50	895.00	447.50
05/15/2020	Pritesh Patel Review of cash tracker and distribution analysis from CRO.	1.00	825.00	825.00
05/15/2020	Adam Zeldin Emails with Osler re distribution motion. Review/compare transaction data re AG liability. Richter team discussion.	1.95	495.00	965.25
05/19/2020	Carol O'Donnell Prepare wire transfers, update GL.	0.60	250.00	150.00
05/19/2020	Adam Sherman Call with former employee re update. Email from Blakes re support for AG debt.	0.50	895.00	447.50
05/19/2020	Adam Zeldin Emails with Osler re distribution motion materials. Review additional information in support of AG liability, update internal analysis of same. Discussions with Richter team. Emails with Mackinac re cash flow matters.	2.20	495.00	1,089.00
05/20/2020	Patrick Lareau Review/update preliminary WEPP calculation.	0.50	375.00	187.50
05/20/2020	Adam Sherman Emails from A. Zeldin re review of support for AG debt and draft Monitor's Fourth Report. Preliminary review of revised draft Monitor's Fourth Report.	0.60	895.00	537.00
05/20/2020	Pritesh Patel Review of revised Monitor's Fourth Report.	1.00	825.00	825.00
05/20/2020	Adam Zeldin Respond to creditor enquiry. Review prior week CF variances. Review/update charts for Monitor's Fourth Report. Emails to Osler/Mackinac re distribution motion.	2.15	495.00	1,064.25
05/21/2020	Adam Sherman	0.30	895.00	268.50

Invoice No.: 20405302
 Date: 06/03/2020

Date	Name and Description	Hours	Rate	Amount
05/21/2020	Email from Stikeman re update on outstanding matters. Emails with Richter team. Adam Zeldin	0.60	495.00	297.00
05/22/2020	Emails with Stikeman/Richter team re Monitor's Fourth Report, distribution motion. Correspond with utilities provider/Mackinac re post-filing expenses. Adam Sherman	0.10	895.00	89.50
05/22/2020	Email from Blakes re status of distribution motion. Adam Zeldin	0.50	495.00	247.50
05/25/2020	Review email from Blakes re status of distribution motion. Emails with Mackinac re payment of post-filing expenses. Adam Sherman	0.10	895.00	89.50
05/25/2020	Email from Stikeman re status of distribution motion, Monitor's Fourth Report. Emails with Richter team. Adam Zeldin	0.30	495.00	148.50
05/28/2020	Emails with Stikeman re status of distribution motion, Monitor's Fourth Report. Emails with Richter team. Pritesh Patel	1.50	825.00	1,237.50
05/28/2020	Call with Osler re status of distribution and review of information supporting same. Adam Zeldin	0.20	495.00	99.00
05/29/2020	Respond to creditor enquiry. Pritesh Patel	0.50	825.00	412.50
05/29/2020	Emails with A. Zeldin re status of distribution motion and next steps. Adam Zeldin	1.50	495.00	742.50
Fees Total		39.15		\$ 24,120.25
Date	Description	Hours	Rate	Amount
04/27/2020	Telephone Charges			\$ 21.09
Disbursements Total				\$ 21.09

Invoice No.: 20405302
Date: 06/03/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 24,141.34
Technology and Administrative Fees		1,207.07
GST/HST #885435842 RT0001		3,295.29
Total Due	CAD	\$ 28,643.70

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Date: 06/23/2020
Invoice No.: 20405354
Engagement No.: 2021822
Payment Terms: Due on Receipt

Professional services rendered from June 1 to June 22, 2020. \$ 21,622.75

Sub-Total	21,622.75
Technology and Administrative Fees	1,081.14
GST/HST #885435842 RT0001	2,951.51
Total Due	CAD \$ 25,655.40

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20405354
Date: 06/23/2020

Fees

Name	Hours	Rate	Amount
Adam Sherman	6.10	\$ 895.00	\$ 5,459.50
Adam Zeldin	22.35	495.00	11,063.25
Carol O'Donnell	0.60	250.00	150.00
Pritesh Patel	6.00	825.00	4,950.00
	35.05		\$ 21,622.75

Invoice No.: 20405354
 Date: 06/23/2020

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
06/02/2020	Adam Sherman Emails with Stikeman. Emails with Osler re call with UCC. Review draft UCC complaint. Emails with Richter team.	1.00	\$ 895.00	\$ 895.00
06/02/2020	Pritesh Patel Review of UCC complaint.	1.00	825.00	825.00
06/02/2020	Adam Zeldin Review of pre-filing AG payment data, emails with Richter team. Emails with Mackinac re distribution analysis.	1.60	495.00	792.00
06/03/2020	Adam Sherman Emails/call with Stikeman re UCC draft complaint, next steps, other matters. Call with Stikeman, Osler, CRO, UCC counsel re draft complaint in US proceedings. Emails with Richter team.	1.50	895.00	1,342.50
06/03/2020	Pritesh Patel Call with counsel on complaint. Call with counsel to UCC/Stikeman/Osler/CRO, follow-up with Stikeman and Osler.	2.00	825.00	1,650.00
06/03/2020	Adam Zeldin Email to Stikeman re distribution motion, accounts. Emails/calls with Stikeman/Osler/Richter team re status of distribution motion, UCC complaint. Call with Osler/Stikeman/CRO/UCC's counsel re UCC complaint. Revise Fourth Report appendices.	2.30	495.00	1,138.50
06/05/2020	Adam Sherman Emails with Stikeman. Emails with Richter team.	0.20	895.00	179.00
06/05/2020	Adam Zeldin Emails with Mackinac re post-filing expenses. Review of cash flow variances.	0.50	495.00	247.50
06/08/2020	Carol O'Donnell Miscellaneous administration.	0.10	250.00	25.00
06/08/2020	Adam Sherman Email from UCC re follow up on draft UCC complaint.	0.10	895.00	89.50
06/08/2020	Adam Zeldin Call with Stikeman re UCC complaint, accounts. Discussions with Richter team. Email to Mackinac re post-filing expenses. Call with Mackinac re cash, other matters.	1.00	495.00	495.00
06/09/2020	Adam Sherman Emails with Stikeman re draft UCC response. Emails with Richter team.	0.20	895.00	179.00
06/09/2020	Adam Zeldin	0.30	495.00	148.50

Invoice No.: 20405354
 Date: 06/23/2020

Date	Name and Description	Hours	Rate	Amount
	Review of email to UCC's counsel re UCC complaint. Emails with Mackinac re cash matters.			
06/10/2020	Carol O'Donnell Verify bank for wire transfer, update deposit, prepare wire transfer, update GL.	0.50	250.00	125.00
06/10/2020	Adam Sherman Email from Stikeman re communications with counsel for AG.	0.10	895.00	89.50
06/10/2020	Adam Zeldin Review of emails from Stikeman re AG security, UCC complaint. Review updated cash tracker, emails with Mackinac re same. Update Monitor's Fourth Report for same.	2.50	495.00	1,237.50
06/11/2020	Adam Sherman Email from Stikeman re comments on Monitor's Fourth Report. Emails with Richter team.	0.40	895.00	358.00
06/11/2020	Adam Zeldin Review Stikeman comments re Monitor's Fourth Report, revise report for same. Emails with Stikeman re status of communications with UCC.	2.90	495.00	1,435.50
06/12/2020	Adam Sherman Emails with Richter team re updated Monitor's Fourth Report, other matters. Email from Stikeman re communications with counsel for UCC. Review updated Monitor's Fourth Report.	0.50	895.00	447.50
06/12/2020	Pritesh Patel Call with Osler re next steps.	0.50	825.00	412.50
06/12/2020	Adam Zeldin Emails with Richter team/Stikeman re Monitor's Fourth Report, UCC complaint, status of distribution motion. Call with Stikeman re Monitors Fourth Report, review/revise same. Emails with Mackinac re cash matters.	2.30	495.00	1,138.50
06/14/2020	Pritesh Patel Review of updated draft of Monitor's Fourth Report and comments on same.	1.50	825.00	1,237.50
06/15/2020	Adam Zeldin Call with Stikeman/UCC counsel re UCC complaint. Review additional comments on Monitor's Fourth Report, discussions with P. Patel re same.	1.30	495.00	643.50
06/18/2020	Adam Sherman	0.80	895.00	716.00

Invoice No.: 20405354
 Date: 06/23/2020

Date	Name and Description	Hours	Rate	Amount
	<p>06/18/2020</p> <p>06/18/2020</p> <p>06/19/2020</p> <p>06/19/2020</p> <p>06/20/2020</p> <p>06/21/2020</p> <p>06/22/2020</p> <p>06/22/2020</p>			
	<p>06/18/2020 Pritesh Patel Emails from Osler attaching draft Notice of Motion, Affidavit re CCAA termination/distribution motion, including email from Stikeman re same. Emails with Richter team.</p> <p>06/18/2020 Pritesh Patel Update call with Osler, email to Richter/Stikeman on same. Review of revised draft of Monitor's Fourth Report.</p> <p>06/18/2020 Adam Zeldin Review of emails re status of UCC complaint. Review/comment on notice of motion/affidavit for distribution motion. Review/revise Monitor's Fourth Report. Emails with Mackinac re sales tax returns, next steps.</p> <p>06/19/2020 Adam Sherman Emails from Osler re draft UCC term sheet, draft order re distribution/termination of CCAA. Emails with Richter team.</p> <p>06/19/2020 Adam Zeldin Review of draft UCC term sheet.</p> <p>06/20/2020 Adam Sherman Emails from Stikeman re comments on draft affidavit and AG distribution. Email from P. Patel re AG distribution.</p> <p>06/21/2020 Adam Sherman Email from Stikeman to Blakes re AG distribution. Email from Osler/Stikeman re CCAA termination/distribution motion.</p> <p>06/22/2020 Adam Sherman Email from Blakes re AG distribution. Emails from Stikeman re Monitor's Fourth Report, AG distribution, other matters. Emails with Richter team.</p> <p>06/22/2020 Adam Zeldin Review of comments/emails re motion materials/Fourth Report. Emails with Stikeman re distribution to AG, related matters. Update Monitor's Fourth Report, call/emails with Stikeman re same. Emails/call with Mackinac re CF matters, HST, QC realizations.</p>	<p>1.00</p> <p>2.50</p> <p>0.50</p> <p>0.50</p> <p>0.20</p> <p>0.20</p> <p>0.40</p> <p>4.65</p>	<p>825.00</p> <p>495.00</p> <p>895.00</p> <p>495.00</p> <p>895.00</p> <p>895.00</p> <p>895.00</p> <p>495.00</p>	<p>825.00</p> <p>1,237.50</p> <p>447.50</p> <p>247.50</p> <p>179.00</p> <p>179.00</p> <p>358.00</p> <p>2,301.75</p>
Fees Total		35.05		\$ 21,622.75

Invoice No.: 20405354
Date: 06/23/2020

Remittance Form

SFP Canada Ltd.
300 Oak Bluff Lane
Goodlettsville, TN 37072

Invoice Summary

Sub-Total		\$ 21,622.75
Technology and Administrative Fees		1,081.14
GST/HST #885435842 RT0001		2,951.51
Total Due	CAD	\$ 25,655.40

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Appendix "J"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SFP CANADA LTD.**

Applicants

**AFFIDAVIT OF ASHLEY TAYLOR
(SWORN JUNE 24, 2020)**

I, Ashley Taylor, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and I am a partner at Stikeman Elliott LLP ("**Stikeman**"), and counsel to Richter Advisory Group Inc. in its capacity as the Monitor in the above-noted proceedings. As such, I have knowledge of the matters to which I hereinafter depose.
2. I make this affidavit in support of a motion by the Applicants for, *inter alia*, approval of the fees and disbursements of Stikeman, in its capacity as the Monitor's counsel.
3. During the period from January 15, 2020 to June 22, 2020, Stikeman docketed 177.26 hours, resulting in legal fees of \$150,608.30 and disbursements and other charges in the amount of \$679.22, plus harmonized sales tax ("**HST**") of \$19,666.95 and British Columbia provincial sales tax ("**BCPST**") of \$92.93.
4. Attached hereto and marked as **Exhibit "A"** are copies of the accounts rendered by Stikeman to the Monitor for the period from January 15, 2020 to June 22, 2020, which have been redacted in specific instances for confidential or privileged information.
5. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing each invoice included in Exhibit "A", including the fees, expenses, HST and BCPST charged in each invoice.

6. Attached hereto and marked as **Exhibit "C"** is a schedule summarizing the hours billed, the billing rates and the total amounts billed by each member of Stikeman who rendered services to the Monitor.
7. To the best of my knowledge, the hourly billing rates outlined in Exhibit "C" were no more than Stikeman's normal hourly rates, which were in effect from January 15, 2020 to June 22, 2020, and are comparable to the hourly rates charged by Stikeman for services rendered in relation to similar proceedings.
8. To the best of my knowledge, the hourly billing rates outlined in Exhibit "C" are comparable to the hourly rates charged by other firms in the Toronto market for the provision of similar services.

SWORN before me by video conference from Toronto in the Province of Ontario (location of affiant), to the Community of Eugenia (Grey County) in the Province of Ontario (location of commissioner) this 24th day of June, 2020.

DocuSigned by:
Nephas Aves
2C12EFAB5242430...

Commissioner for Taking Affidavits

DocuSigned by:
Ashley Taylor
63F097517413440...

ASHLEY TAYLOR

This is
EXHIBIT "A"
referred to in the Affidavit of
ASHLEY TAYLOR
sworn on June 24, 2020.

DocuSigned by:

Nicholas Lewis

2C12EFAB5242430...

Commissioner for Taking Affidavits

EXHIBIT "A"

**Copies of Accounts of Stikeman Elliott LLP for Services Rendered
from January 15, 2020 to June 22, 2020**

Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

January 27, 2020

File No. 1266971016
 Invoice No. 5786682

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period from January 15, 2020 to and including Friday, January 24, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Jan 15, 2020	A.J. Taylor	0.33	Telephone conversation with A. Sherman re CCAA filing;	354.75
Jan 17, 2020	A.J. Taylor	0.75	Review [REDACTED]; review emails re Intercompany Transfers;	806.25
Jan 20, 2020	N. Avis	0.92	Reviewing background information on Papyrus; reviewing the draft initial order.	460.00
Jan 21, 2020	A.J. Taylor	7.17	Emails re Initial Order; review draft initial order; emails re Cash Flow; telephone conversation with A. Sherman; conference call with Osler, Mackinac and Richter; review draft affidavit; telephone conversation with A. Sherman; telephone conversation with M. Calvaruso;	7,707.75
Jan 22, 2020	N. Avis	0.18	Reviewing emails.	90.00
Jan 22, 2020	A.J. Taylor	4.75	Review revised Initial Order; telephone conversation with A. Sherman and P. Patel re Affidavit and Order; emails with Osler re Order and Affidavit; review revised documents; prepare for Application; telephone conversation with	5,106.25

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Jan 23, 2020	N. Avis	2.17	M. Calvaruso; Attending court; reviewing emails.	1,085.00
Jan 23, 2020	A.J. Taylor	5.17	Revised Initial Order; CRO Engagement Letter; Liquidation Order; Employee FAQ; Telephone conversation with A. Sherman; conversation with N. Avis; CCAA Application; review factum; review and revise draft report;	5,557.75
Jan 24, 2020	N. Avis	2.35	Attending court; reviewing the monitor's report.	1,175.00
Jan 24, 2020	A.J. Taylor	3.75	Court Report; preparation for and attendance of Liquidation Sale Approval Motion; conversation with A. Sherman;	4,031.25

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	5.62	\$500.00	\$2,810.00
A.J. Taylor	21.92	1,075.00	23,564.00
Professional Services			CA \$26,374.00
HST @ 13.0%			3,428.62
Total Professional Services and Taxes			CA \$29,802.62

Charges Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Photocopies	425.50		425.50
Total Charges	425.50	0.00	425.50
HST @ 13.0%			55.32
Total Charges and Taxes			CA \$480.82

Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Business Meals - In Town	13.37		13.37
Cash Received		0.00	0.00
Book Binding/Binders	13.32		13.32

Stikeman Elliott

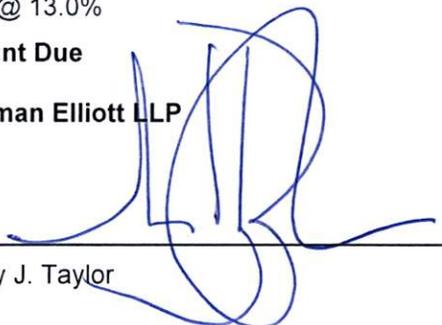
<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Total Disbursements	26.69	0.00	26.69
HST @ 13.0%			3.47
Total Disbursements and Taxes			CA \$30.16

Account Summary

Invoice No. 5786682
 File No. 1266971016
 Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	26,374.00	0.00	\$26,374.00
HST @ 13.0%			3,428.62
Charges	425.50	0.00	425.50
HST @ 13.0%			55.32
Disbursements	26.69	0.00	26.69
HST @ 13.0%			3.47
Amount Due			<u>CA \$30,313.60</u>

Stikeman Elliott LLP

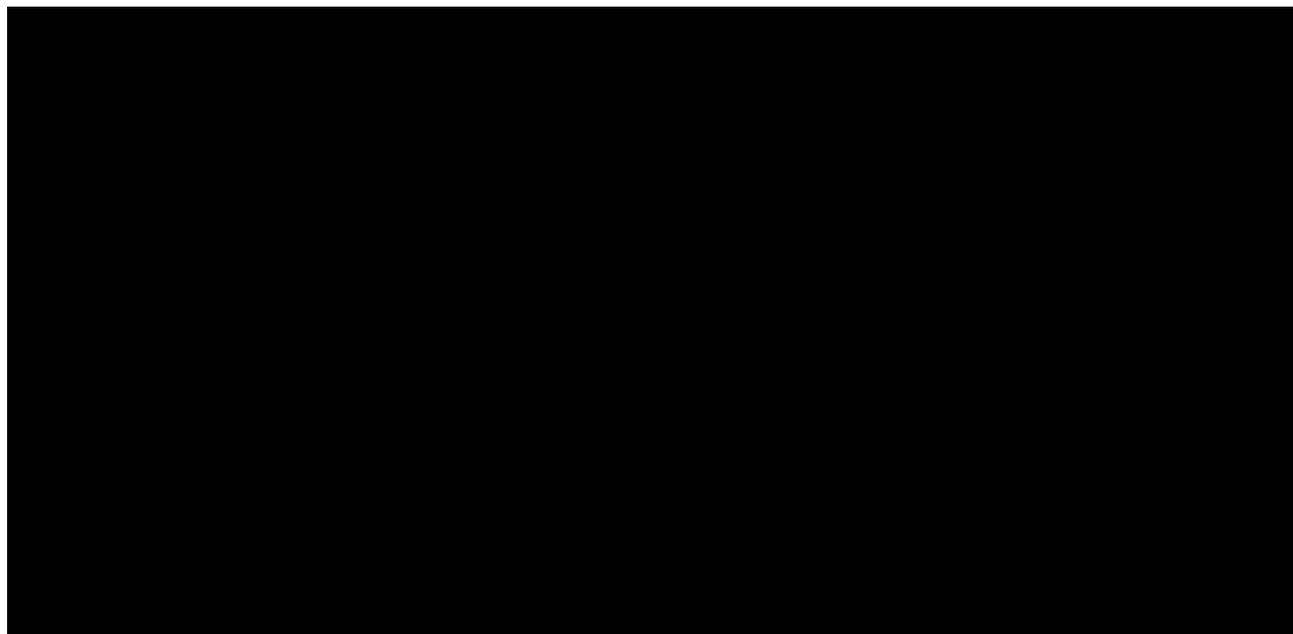


 Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5786682 when making payment.

Stikeman Elliott



Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON Canada M5L 1B9

Main: 416 869 5500
Fax: 416 947 0866
www.stikeman.com

GST / HST No. 1214111360001
QST No. 1018978624

Account

February 3, 2020

File No. 1266971016
Invoice No. 5787488

Richter Advisory Group Inc.
Bay Wellington Tower
181 Bay Street
Suite 3510
Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period from January 24, 2020 to and including Friday, January 31, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Jan 24, 2020	M. Garneau	0.25	Various email correspondence with Andie Lipetz and Ashley Taylor regarding security review.	256.25
Jan 27, 2020	N. Avis	0.08	Reviewing the endorsement circulated by D. Bish.	40.00
Jan 27, 2020	A.J. Taylor	0.33	Review draft endorsement; Emails re Endorsement	354.75
Jan 28, 2020	N. Avis	0.23	Meeting with A. Taylor; reviewing emails.	115.00
Jan 28, 2020	M. Garneau	0.33	Various email correspondence with Andie Lipetz and Ashley Taylor.	338.25
Jan 28, 2020	A. Lipetz	1.50	Emails with A. Taylor and M. Garneau; review application; review documents; send summary email to M. Garneau.	885.00
Jan 28, 2020	A.J. Taylor	2.92	Telephone conversation with M. Calvaruso; telephone conversation with A. Sherman; conversation with N. Avis; telephone call with [REDACTED]; telephone conversation with D. Bish; all emails re security review; review affidavit and report re security;	3,139.00

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Jan 29, 2020	N. Avis	0.35	Replying to emails from A. Taylor; reviewing the draft endorsements from D. Bish and M. Calvaruso.	175.00
Jan 29, 2020	M. Garneau	1.00	Meetings with Andie Lipetz to discuss file; conference call with Andie Lipetz and Ashley Taylor to discuss file; telephone conversation with Chris Fattey; various email correspondence.	1,025.00
Jan 29, 2020	A. Lipetz	3.67	Review documents and searches; call with A. Taylor; meeting with M. Garneau; emails to all local counsel; call with T. Watson.	2,165.30
Jan 29, 2020	B.J. Lorusso	0.27	Re: SFP Canada Ltd., obtained corporate profile report for A. Lipetz.	102.60
Jan 29, 2020	A.J. Taylor	3.25	Review revised Initial Order; emails re Initial Order; review and comment on draft affidavit; emails re affidavit; review draft Endorsement; emails re Endorsement; telephone call with M. Garneau and A. Lipetz re Security Review; telephone call with N. Avis re research;	3,493.75
Jan 29, 2020	A.J. Taylor	1.17	Telephone call with M. Wasserman and M. Calvaruso [REDACTED]; email to Richter re [REDACTED];	1,257.75
Jan 30, 2020	N. Avis	1.67	Calling W. Malik; reviewing emails; reviewing the sale guidelines and sharing them with M. Konyukhova; reviewing the Monitor's report; serving the Monitor's report.	835.00
Jan 30, 2020	M. Garneau	1.00	Various email correspondence and meetings with Andie Lipetz regarding security review and local agents.	1,025.00
Jan 30, 2020	M. Konyukhova	1.50	Review e-mails regarding comeback motion and materials; draft [REDACTED]; e-mails regarding [REDACTED]; review motion record and monitor's report.	1,350.00
Jan 30, 2020	A. Lipetz	1.33	Emails with A. Taylor; emails with C. Reagh; emails with F. Shawe; call with US counsel.	784.70
Jan 31, 2020	N. Avis	0.33	Meeting with A. Smirnova to discuss research with respect to [REDACTED].	165.00
Jan 31, 2020	A. Lipetz	2.00	Emails with local counsel and coordinate opinions; call with D. MacKenzie; emails with M. Garneau; email to A. Taylor.	1,180.00

Stikeman Elliott

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	2.66	\$500.00	\$1,330.00
M. Garneau	2.58	1,025.00	2,644.50
M. Konyukhova	1.50	900.00	1,350.00
A. Lipetz	8.50	590.00	5,015.00
B.J. Lorusso	0.27	380.00	102.60
A.J. Taylor	7.67	1,075.00	8,245.25
Professional Services			CA \$18,687.35
HST @ 13.0%			2,429.36
Total Professional Services and Taxes			CA \$21,116.71

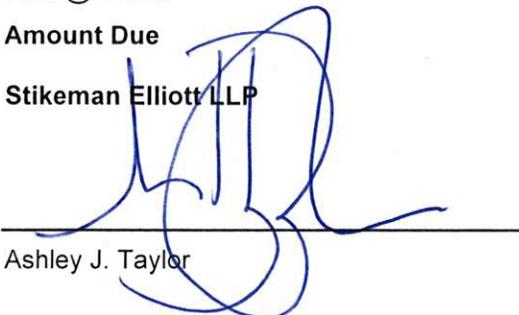
Stikeman Elliott

Account Summary

Invoice No. 5787488
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	18,687.35	0.00	\$18,687.35
HST @ 13.0%			2,429.36
Amount Due			<u>CA \$21,116.71</u>

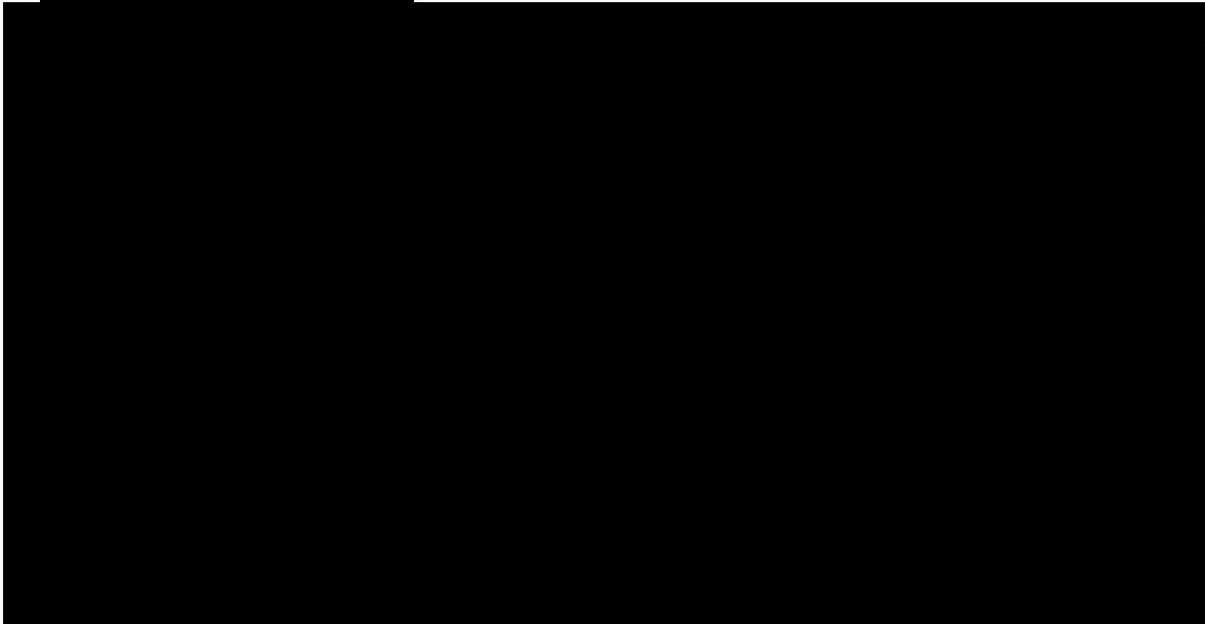
Stikeman Elliott LLP



Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5787488 when making payment.



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

February 10, 2020

File No. 1266971016
 Invoice No. 5791014

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to February 7, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Jan 31, 2020	M. Garneau	0.50	Various email correspondence regarding issues relating to local counsel opinions.	512.50
Jan 31, 2020	M. Konyukhova	1.58	Attend court hearing; e-mails regarding landlord issues; calls to landlords.	1,422.00
Jan 31, 2020	D.J. MacKenzie	0.50	Review [REDACTED] analysis; review opinion issues.	575.00
Feb 3, 2020	M. Garneau	0.50	Various email correspondence with Andie Lipetz and local counsel regarding security review.	512.50
Feb 3, 2020	A. Lipetz	1.33	Emails with Manitoba counsel; emails with Saskatchewan counsel; emails with F. Shaw; discussions with M. Garneau; emails with T. Watson; internal emails.	784.70
Feb 3, 2020	A. Smirnova	0.40	Review background documents and conduct research regarding [REDACTED].	140.00
Feb 3, 2020	A.J. Taylor	1.25	Telephone conversation with A. Sherman; conversation with M. Konyukhova re Motion; emails re [REDACTED]; all emails [REDACTED].	1,343.75

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Feb 4, 2020	M. Garneau	0.75	[REDACTED]; Meetings with Andie Lipetz and Ashley Taylor to discuss file; various email correspondence.	768.75
Feb 4, 2020	A. Lipetz	0.50	Emails with Manitoba counsel; call with T. Watson.	295.00
Feb 4, 2020	A. Smirnova	1.63	Review background documents and conduct research [REDACTED].	570.50
Feb 4, 2020	A.J. Taylor	2.17	Draft letter to Mackinac Partners; draft emails to Osler and Tory's; conversation with M. Garneau re Security review;	2,332.75
Feb 4, 2020	T. Watson	1.52	Review background materials.	896.80
Feb 5, 2020	N. Avis	0.67	Reviewing emails; conducting research with respect to the [REDACTED].	335.00
Feb 5, 2020	M. Garneau	0.42	Meeting with Andie Lipetz to discuss file; various email correspondence regarding security review.	430.50
Feb 5, 2020	A. Lipetz	0.33	Emails with F. Shaw; emails with A. Taylor and Ohio counsel; discussions with M. Garneau.	194.70
Feb 5, 2020	A. Smirnova	2.25	Conduct research regarding [REDACTED].	787.50
Feb 5, 2020	A.J. Taylor	0.67	Emails in Security Opinion; telephone conversation with J. MacDonald and S. Stidwill re Order; telephone conversation re [REDACTED].	720.25
Feb 5, 2020	T. Watson	0.50	Review security agreement and ancillary documents.	295.00
Feb 6, 2020	N. Avis	0.43	Researching [REDACTED] under the CCAA.	215.00
Feb 6, 2020	M. Garneau	0.33	Various email correspondence and meeting with Andie Lipetz to discuss file.	338.25
Feb 6, 2020	A. Smirnova	3.50	Conduct research regarding [REDACTED].	1,225.00
Feb 6, 2020	A.J. Taylor	2.42	Emails re Monitor's inquiries; emails [REDACTED]; emails re Security Review; telephone conversation with P. Patel; draft email;	2,601.50
Feb 7, 2020	N. Avis	0.60	Reviewing emails; conducting research; meeting with A. Smirnova.	300.00
Feb 7, 2020	M. Garneau	0.75	Meeting with Andie Lipetz to discuss file; various email correspondence regarding report on security review from certain loan counsel.	768.75
Feb 7, 2020	A. Smirnova	0.20	Discussion with N. Avis, conducting research regarding [REDACTED].	70.00
Feb 7, 2020	A.J. Taylor	0.83	[REDACTED]; emails re [REDACTED].	892.25

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Feb 7, 2020	T. Watson	0.23	[REDACTED]; telephone conversation with [REDACTED]; Review ancillary documents.	135.70

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	1.70	\$500.00	\$850.00
M. Garneau	3.25	1,025.00	3,331.25
M. Konyukhova	1.58	900.00	1,422.00
A. Lipetz	2.16	590.00	1,274.40
D.J. MacKenzie	0.50	1,150.00	575.00
A. Smirnova	7.98	350.00	2,793.00
A.J. Taylor	7.34	1,075.00	7,890.50
T. Watson**	2.25	590.00	1,327.50

Professional Services	CA \$19,463.65
BCPST @ 7.0%	92.93
HST @ 13.0%	2,530.28
Total Professional Services and Taxes	CA \$22,086.86

Charges Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Photocopies	54.75		54.75
Total Charges	54.75	0.00	54.75
HST @ 13.0%			7.12
Total Charges and Taxes			CA \$61.87

Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Corporate Search N/T		3.45	3.45
Corporate Search	18.49		18.49
Total Disbursements	18.49	3.45	21.94
HST @ 13.0%			2.40
Total Disbursements and Taxes			CA \$24.34

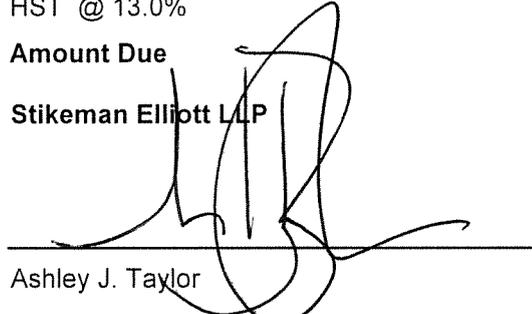
Stikeman Elliott

Account Summary

Invoice No. 5791014
 File No. 1266971016
 Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	19,463.65	0.00	\$19,463.65
BCPST @ 7.0%			92.93
HST @ 13.0%			2,530.28
Charges	54.75	0.00	54.75
HST @ 13.0%			7.12
Disbursements	18.49	3.45	21.94
HST @ 13.0%			2.40
Amount Due			<u>CA \$22,173.07</u>

Stikeman Elliott LLP

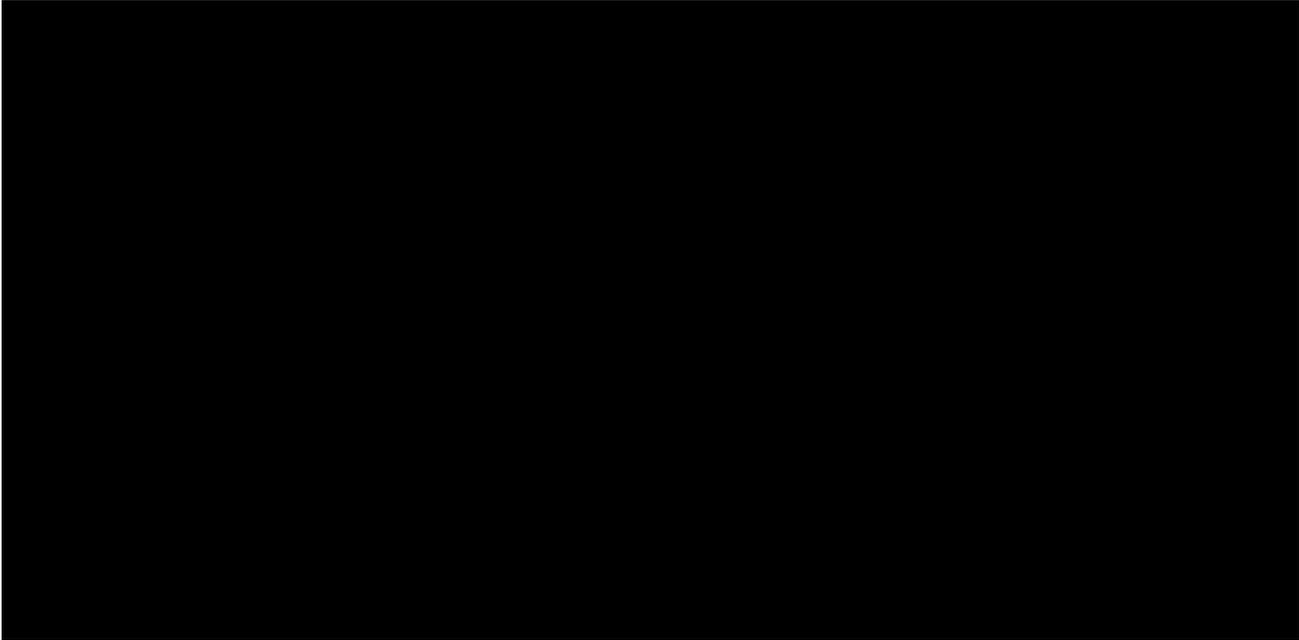


 Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
 Please quote our File number and/or Invoice number 126697.1016/5791014 when making payment.

Stikeman Elliott



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

February 18, 2020

File No. 1266971016
 Invoice No. 5792551

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to February 14, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Feb 9, 2020	M. Garneau	0.25	Various email correspondence regarding security opinions from local agents.	256.25
Feb 10, 2020	M. Garneau	0.75	Meeting with Andie Lipetz to discuss file and update on security review; various email correspondence regarding update from local agents.	768.75
Feb 11, 2020	M. Garneau	0.25	Meeting with Andie Lipetz to discuss file.	256.25
Feb 11, 2020	A.J. Taylor	0.25	Emails re [REDACTED];	268.75
Feb 12, 2020	M. Garneau	0.33	Meeting with Andie Lipetz to discuss file.	338.25
Feb 12, 2020	A. Smirnova	5.20	Conducting research re: [REDACTED].	1,820.00
Feb 13, 2020	M. Garneau	0.75	Conference call with McDonald Hopkins; telephone conversation with Michael Dyck to discuss Alberta security; meetings with Andie Lipetz to discuss file.	768.75
Feb 14, 2020	M. Garneau	0.50	Various email correspondence regarding security review including Alberta and Ohio input.	512.50

Stikeman Elliott

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
M. Garneau	2.83	\$1,025.00	\$2,900.75
A. Smirnova	5.20	350.00	1,820.00
A.J. Taylor	0.25	1,075.00	268.75
Professional Services			CA \$4,989.50
HST @ 13.0%			648.64
Total Professional Services and Taxes			CA \$5,638.14

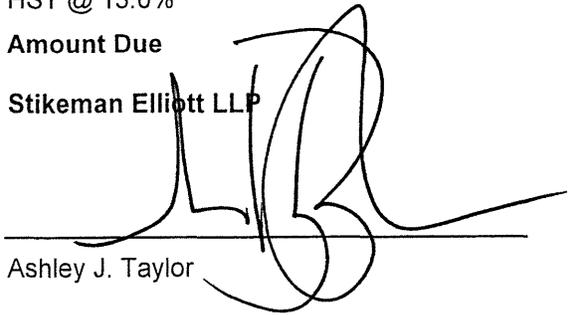
Stikeman Elliott

Account Summary

Invoice No. 5792551
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	4,989.50	0.00	\$4,989.50
HST @ 13.0%			648.64
Amount Due			<u>CA \$5,638.14</u>

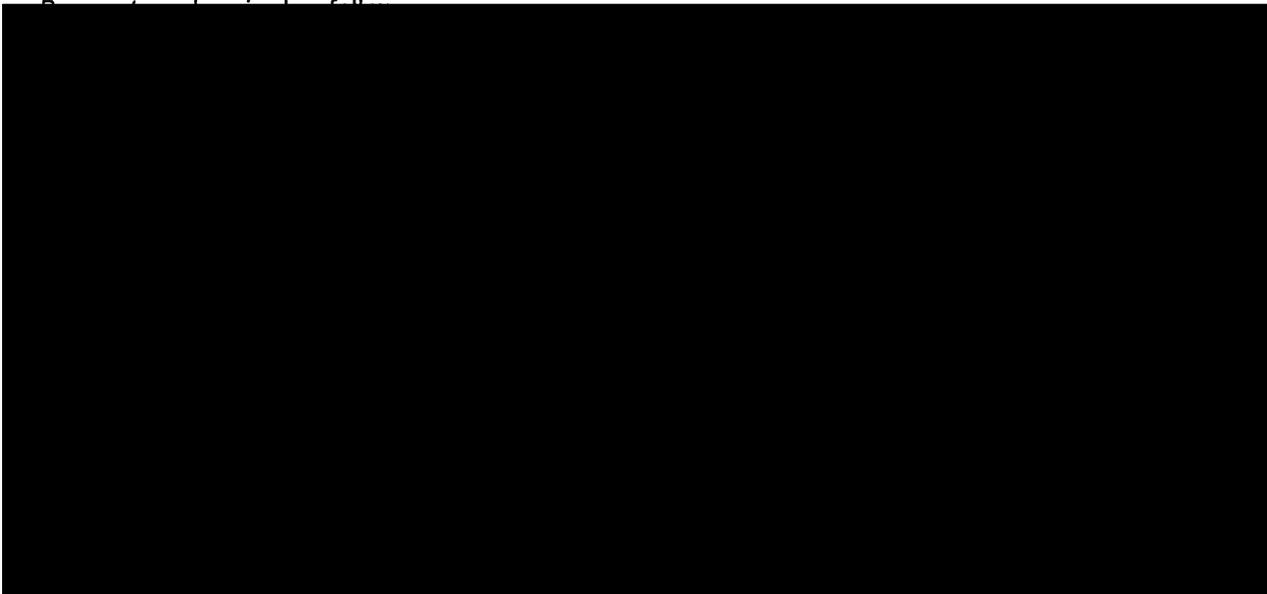
Stikeman Elliott LLP



Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5792551 when making payment.



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

February 24, 2020

File No. 1266971016
 Invoice No. 5793285

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to February 21, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Feb 14, 2020	M.L. Dyck	0.75	Review General Security Agreement and registration; note regarding security review.	750.00
Feb 16, 2020	M. Garneau	0.17	Various email correspondence with Saskatchewan local agent.	174.25
Feb 17, 2020	M. Garneau	0.08	Various email correspondence with Ohio local agent.	82.00
Feb 18, 2020	M. Garneau	0.42	Meeting with Andie Lipetz to discuss file; various email correspondence regarding Ohio security opinion.	430.50
Feb 18, 2020	A.J. Taylor	0.92	Telephone conversation with M. Wasserman; telephone conversation with A. Sherman and P. Patel; emails re Osler;	989.00
Feb 19, 2020	M. Garneau	0.58	Various email correspondence with Ashley Taylor and Andie Lipetz regarding security review.	594.50
Feb 19, 2020	A.J. Taylor	1.67	Review letter re [REDACTED]; telephone conversation with M. Calvaruso; telephone conversation with	1,795.25

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
			D. Bish; review [REDACTED]; emails with Richters; telephone conversation with A. Lipetz re security opinion;	
Feb 20, 2020	N. Avis	2.90	Conducting research; reviewing emails from A. Smirnova.; drafting a research summary.	1,450.00
Feb 20, 2020	A.J. Taylor	1.25	Review [REDACTED]; emails re security review;	1,343.75
Feb 21, 2020	N. Avis	1.50	Conducting research and drafting a research summary re: [REDACTED].	750.00
Feb 21, 2020	A.J. Taylor	2.33	Review cases re Security; emails re Security review; telephone conversation with P. Hamilton [REDACTED]; email from L. Ellis;	2,504.75

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	4.40	\$500.00	\$2,200.00
M.L. Dyck	0.75	1,000.00	750.00
M. Garneau	1.25	1,025.00	1,281.25
A.J. Taylor	6.17	1,075.00	6,632.75
Professional Services			CA \$10,864.00
HST @ 13.0%			1,412.32
Total Professional Services and Taxes			CA \$12,276.32

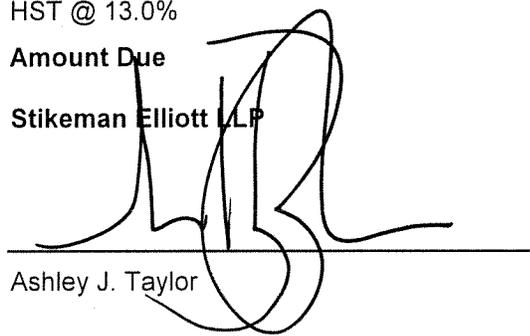
Stikeman Elliott

Account Summary

Invoice No. 5793285
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	10,864.00	0.00	\$10,864.00
HST @ 13.0%			1,412.32
Amount Due			<u>CA \$12,276.32</u>

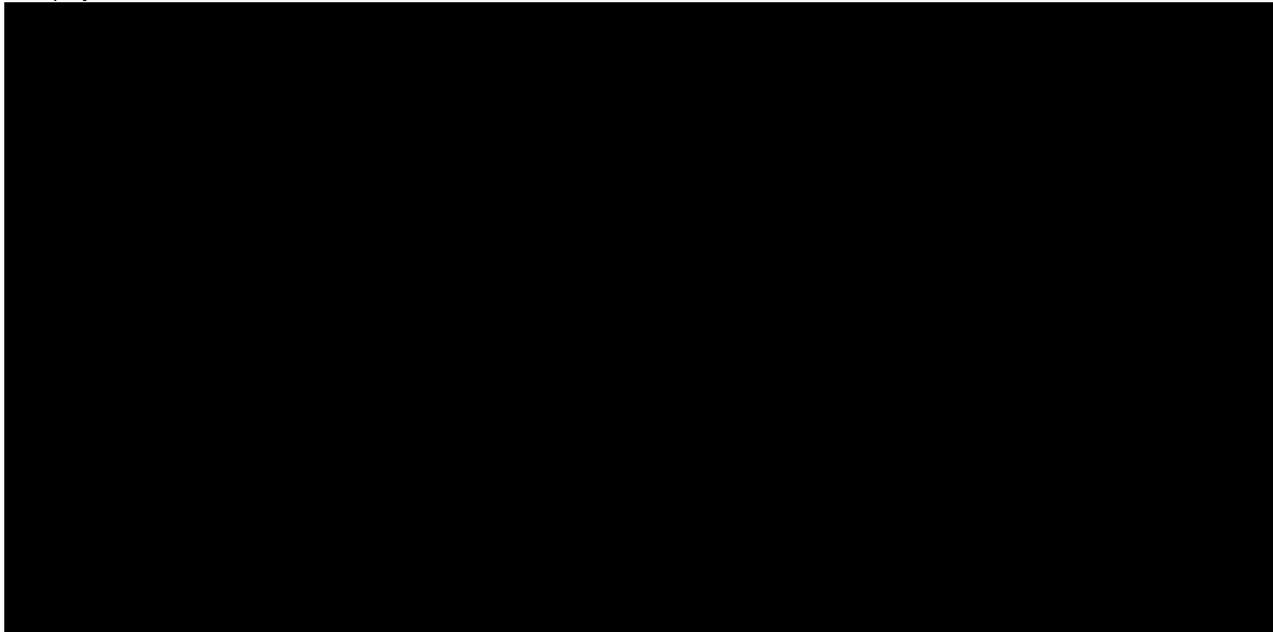
Stikeman Elliott LLP



Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5793285 when making payment.



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

March 2, 2020

File No. 1266971016
 Invoice No. 5794461

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to February 29, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Feb 19, 2020	A. Lipetz	1.33	Internal discussions; emails with Ohio counsel; emails with F. Shaw; call with A. Taylor; discussion with M. Garneau.	784.70
Feb 21, 2020	M. Garneau	0.33	Various email correspondence regarding New Brunswick and Saskatchewan matters.	338.25
Feb 21, 2020	A. Lipetz	0.50	Emails with local counsel.	295.00
Feb 24, 2020	N. Avis	0.90	Discussing the file with A. Taylor; meeting (via phone) with the Monitor).	450.00
Feb 24, 2020	M. Garneau	1.25	Meetings with Andie Lipetz, Ashley Taylor and Alina Smirnova to discuss file; to consider relevant provisions of PPSA regarding security for third party obligations; various email correspondence.	1,281.25
Feb 24, 2020	A. Lipetz	0.67	Review file notes; meeting with M. Garneau and A. Taylor.	395.30
Feb 24, 2020	A. Smirnova	2.33	Conducting research re: [REDACTED] [REDACTED]	815.50

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Feb 24, 2020	A.J. Taylor	3.17	Emails re [REDACTED]; Review Second Report; draft response; emails re Ohio Engagement; review Security Agreement; conversation with N. Avis re Security Review; meeting with M. Garneau and A. Lipetz re Security Opinion; call re [REDACTED];	3,407.75
Feb 25, 2020	A. Smirnova	0.25	Conducting research re: [REDACTED];	87.50
Feb 25, 2020	A.J. Taylor	0.50	Telephone conversation with M. Wasserman re Security; conversation with D. Bish re Security Review; emails re PPSA/Security Review;	537.50
Feb 26, 2020	A.J. Taylor	0.17	Consider [REDACTED];	182.75
Feb 28, 2020	A.J. Taylor	0.25	Emails re American Greetings;	268.75

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	0.90	\$500.00	\$450.00
M. Garneau	1.58	1,025.00	1,619.50
A. Lipetz	2.50	590.00	1,475.00
A. Smirnova	2.58	350.00	903.00
A.J. Taylor	4.09	1,075.00	4,396.75
Professional Services			CA \$8,844.25
HST @ 13.0%			1,149.75
Total Professional Services and Taxes			CA \$9,994.00

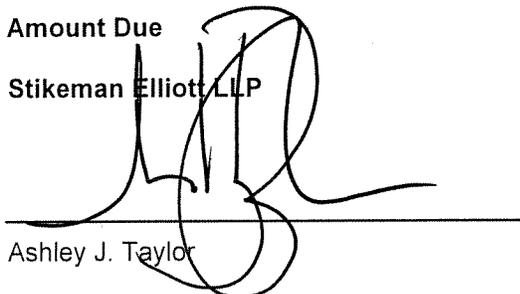
Stikeman Elliott

Account Summary

Invoice No. 5794461
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	8,844.25	0.00	\$8,844.25
HST @ 13.0%			1,149.75
Amount Due			<u>CA \$9,994.00</u>

Stikeman Elliott LLP



Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5794461 when making payment.



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

March 27, 2020

File No. 1266971016
 Invoice No. 5797272

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to March 27, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Feb 7, 2020	A. Lipetz	0.50	Emails with local counsel; discussions with T. Watson.	295.00
Feb 10, 2020	A. Lipetz	1.17	Emails with F. Shaw; summary of security opinion status per jurisdiction to A. Taylor; emails with M. Garneau.	690.30
Feb 13, 2020	A. Lipetz	0.67	Emails with M. Kaczka; call with M. Kaczka and M. Garneau.	395.30
Feb 21, 2020	P.E. Hamilton	0.33	Occupied with A. Taylor.	396.00
Feb 25, 2020	M. Garneau	0.42	Various email correspondence with Ashley Taylor and Alina Smirnova regarding ██████████	430.50
Feb 25, 2020	P.E. Hamilton	0.33	██████████ and other matters.	396.00
Feb 27, 2020	M. Garneau	0.17	Telephone call with A. Taylor.	174.25
Mar 3, 2020	M. Garneau	0.17	Various email correspondence regarding Ohio security review.	512.50
Mar 3, 2020	M. Garneau	0.50	Meeting with Andie Lipetz to discuss file; various email correspondence regarding security review opinion.	989.00
Mar 3, 2020	A.J. Taylor	0.92	Telephone conversation with A. Sherman; telephone conversation with P.	989.00

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Mar 11, 2020	M. Garneau	0.25	Patel; telephone conversation with M. Calvaruso; telephone conversation with A. Lipetz; emails re Security Review; Various email correspondence regarding security review and related opinions.	256.25
Mar 12, 2020	M. Garneau	0.25	Various email correspondence with Andie Lipetz regarding security review opinion.	256.25
Mar 12, 2020	M. Obee Tower	0.20	Discussion with Andie Lipetz regarding security review opinion.	180.00
Mar 13, 2020	M. Garneau	0.75	Review of draft security review opinion and telephone conversation with Andie Lipetz to discuss opinion.	768.75
Mar 16, 2020	M. Garneau	0.33	Various email correspondence regarding local counsel opinions.	338.25
Mar 17, 2020	M. Garneau	0.58	Various email correspondence regarding local counsel security; review opinions; conference call with Andie Lipetz and Ashley Taylor to discuss file.	594.50
Mar 17, 2020	A.J. Taylor	0.75	Conference call with M. Garneau and A. Lipetz re security opinion; telephone conversation with M. Calvaruso; emails with Richter;	806.25
Mar 18, 2020	M. Garneau	0.17	Various email correspondence with Andie Lipetz.	174.25
Mar 19, 2020	N. Avis	0.40	Corresponding with A. Zeldin and A. Taylor.	200.00
Mar 20, 2020	N. Avis	0.48	Reviewing an email from A. Taylor; communicating with A. Zeldin; calling A. Lipetz.	240.00
Mar 20, 2020	M. Garneau	0.42	Various email correspondence with Andie Lipetz and local counsel regarding to finalize security review opinions.	430.50
Mar 23, 2020	N. Avis	0.02	Reviewing emails.	10.00
Mar 23, 2020	M. Garneau	0.50	Various email correspondence regarding security review opinions including Ohio opinion.	512.50
Mar 23, 2020	A. Lipetz	2.50	Emails with A. Taylor; call and discussions with M. Garneau; emails with local counsel; review local counsel opinions and provide comments.	1,475.00
Mar 23, 2020	A.J. Taylor	1.42	Review and comment on draft stay extension materials (Affidavit, Motion Material, Order); emails with Richter; Emails about opinion;	1,526.50
Mar 24, 2020	N. Avis	0.87	Meeting with Richters via phone conference; reviewing the Monitor's report.	435.00
Mar 24, 2020	M. Garneau	0.58	Various email correspondence with Andie Lipetz and Ashley Taylor regarding	594.50

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
			security review opinions and related PPSA searches.	
Mar 24, 2020	A. Lipetz	1.00	Review revised Saskatchewan opinion; emails with A. Taylor and M. Garneau; emails with local counsel.	590.00
Mar 24, 2020	A.J. Taylor	5.42	Emails with C. Burr re Security Review; review draft opinion; all emails re Opinion; review draft Monitor's Report; conference call with Richter re Report; Review revised Motion Materials;	5,826.50
Mar 25, 2020	M. Garneau	0.75	Telephone conversation with Ashley Taylor and Andie Lipetz to discuss security review opinion and monitor's report; review of excerpts of Ohio opinion and monitor's report; Various email correspondence.	768.75
Mar 25, 2020	A. Lipetz	0.83	Call with A. Taylor and M. Garneau; emails with local counsel; emails with A. Taylor.	489.70
Mar 25, 2020	A.J. Taylor	2.75	Emails re KERP; telephone conversation with M. Garneau and A. Lipetz re Security Opinion; telephone conversation with P. Patel [REDACTED]; telephone conversation with M. Calvaruso re KERP; Review and revised - revised report; emails re Report;	2,956.25
Mar 26, 2020	A.J. Taylor	1.67	Review revised motion materials; Revise Report; All emails; telephone conversation with C. Burr re Security Review and Stay Extension Motion;	1,795.25
Mar 27, 2020	N. Avis	0.68	Serving the Monitor's report and subsequently evaluating how to file the Monitor's report with the Court.	340.00

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>
N. Avis	2.45	\$500.00
M. Garneau	5.67	1,025.00
P.E. Hamilton	0.66	1,200.00
A. Lipetz	6.67	590.00
M. Obee Tower	0.20	900.00
A.J. Taylor	12.93	1,075.00

Stikeman Elliott

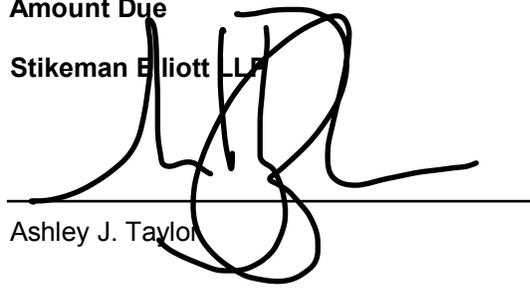
Professional Services	CA \$25,843.80
HST @ 13.0%	3,359.69
Total Professional Services and Taxes	CA \$29,203.49

Account Summary

Invoice No. 5797272
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	25,843.80	0.00	\$25,843.80
HST @ 13.0%			3,359.69
Amount Due			<u>CA \$29,203.49</u>

Stikeman Elliott LLP

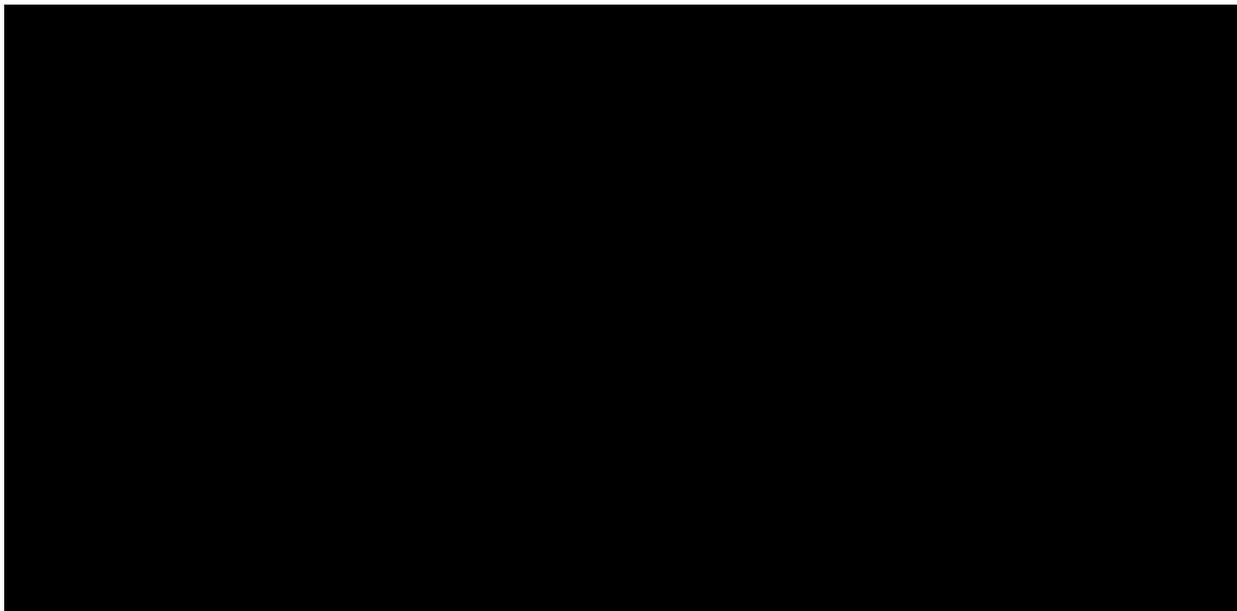


Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5797272 when making payment.

Stikeman Elliott



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

May 13, 2020

File No. 1266971016
 Invoice No. 5813586

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to May 10, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Mar 12, 2020	A. Lipetz	1.67	Draft opinion; email to M. Garneau.	985.30
Mar 16, 2020	A. Lipetz	0.33	Emails with local counsel.	194.70
Mar 17, 2020	A. Lipetz	1.00	Emails with local counsel; call with A. Taylor and M. Garneau.	590.00
Apr 20, 2020	A.J. Taylor	0.25	Telephone conversation with M. Calvaruso re Distributions	268.75
Apr 22, 2020	N. Avis	0.47	Conference call with A. Taylor and the Monitor.	235.00
Apr 22, 2020	A.J. Taylor	0.58	Conference call	623.50
Apr 24, 2020	A.J. Taylor	0.33	Telephone conversation with M. Calvaruso re Termination Motion; email Richters; email to C. Burr	354.75
Apr 28, 2020	N. Avis	1.25	Conducting research with respect to [REDACTED] for A. Taylor.	625.00
Apr 28, 2020	A.J. Taylor	0.17	Emails with N. Avis re [REDACTED];	182.75
Apr 29, 2020	N. Avis	0.93	Replying to A. Taylor's email re: [REDACTED]; reviewing emails from A. Taylor and C.	465.00

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Apr 29, 2020	A.J. Taylor	0.50	Burr. Emails re [REDACTED]	537.50
May 6, 2020	N. Avis	0.98	Conference call with A. Taylor and the Monitor.	490.00
May 6, 2020	A.J. Taylor	2.17	Emails re [REDACTED]; Review [REDACTED] analysis; conference call with Richters; telephone conversation with M. Calvaruso; telephone conversation with C. Burr	2,332.75
May 8, 2020	A.J. Taylor	0.17	Emails re Court Date	182.75

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	3.63	\$500.00	\$1,815.00
A. Lipetz	3.00	590.00	1,770.00
A.J. Taylor	4.17	1,075.00	4,482.75
Professional Services			CA \$8,067.75
HST @ 13.0%			1,048.81
Total Professional Services and Taxes			CA \$9,116.56

Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Telephone	1.12		1.12
Total Disbursements	1.12	0.00	1.12
HST @ 13.0%			0.15
Total Disbursements and Taxes			CA \$1.27

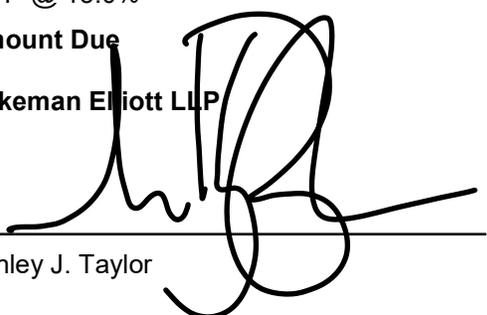
Stikeman Elliott

Account Summary

Invoice No. 5813586
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	8,067.75	0.00	\$8,067.75
HST @ 13.0%			1,048.81
Disbursements	1.12	0.00	1.12
HST @ 13.0%			0.15
Amount Due			<u>CA \$9,117.83</u>

Stikeman Elliott LLP

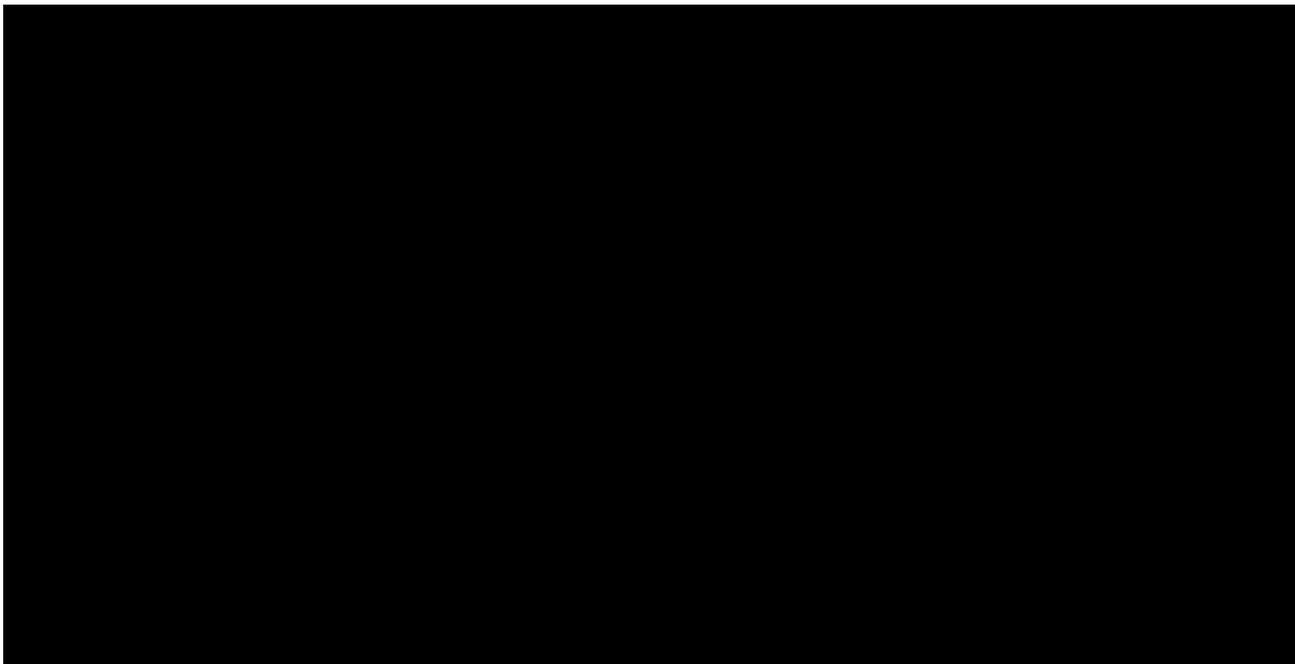


Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5813586 when making payment.

Stikeman Elliott



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

June 4, 2020

File No. 1266971016
 Invoice No. 5817637

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to May 31, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
May 12, 2020	A.J. Taylor	0.67	Emails re [REDACTED]; emails re Information requests;	720.25
May 13, 2020	N. Avis	0.07	Reviewing correspondence from the Monitor.	35.00
May 21, 2020	N. Avis	0.18	Speaking with C. Thompson to prepare a fee affidavit; reviewing the Monitor's report.	90.00
May 21, 2020	A.J. Taylor	0.50	All emails re CCAA Termination Motion	537.50
May 22, 2020	N. Avis	0.85	Reviewing the Monitor's report and sending comments to A. Taylor; reviewing emails from C. Burr and A. Taylor.	425.00
May 22, 2020	A.J. Taylor	0.17	Telephone conversation with M. Calvaruso re [REDACTED];	182.75
May 25, 2020	N. Avis	0.72	Reviewing the fee affidavit; corresponding with A. Taylor re: the fee affidavit.	360.00
May 25, 2020	A.J. Taylor	0.33	Telephone M. Calvaruso; emails with Richters;	354.75

Stikeman Elliott

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	1.82	\$500.00	\$910.00
A.J. Taylor	1.67	1,075.00	1,795.25
Professional Services			CA \$2,705.25
HST @ 13.0%			351.68
Total Professional Services and Taxes			CA \$3,056.93

Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
On-Line Search	145.64		145.64
Total Disbursements	145.64	0.00	145.64
HST @ 13.0%			18.93
Total Disbursements and Taxes			CA \$164.57

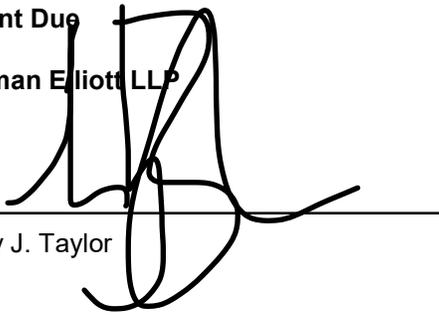
Stikeman Elliott

Account Summary

Invoice No. 5817637
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	2,705.25	0.00	\$2,705.25
HST @ 13.0%			351.68
Disbursements	145.64	0.00	145.64
HST @ 13.0%			18.93
Amount Due			<u>CA \$3,221.50</u>

Stikeman Elliott LLP

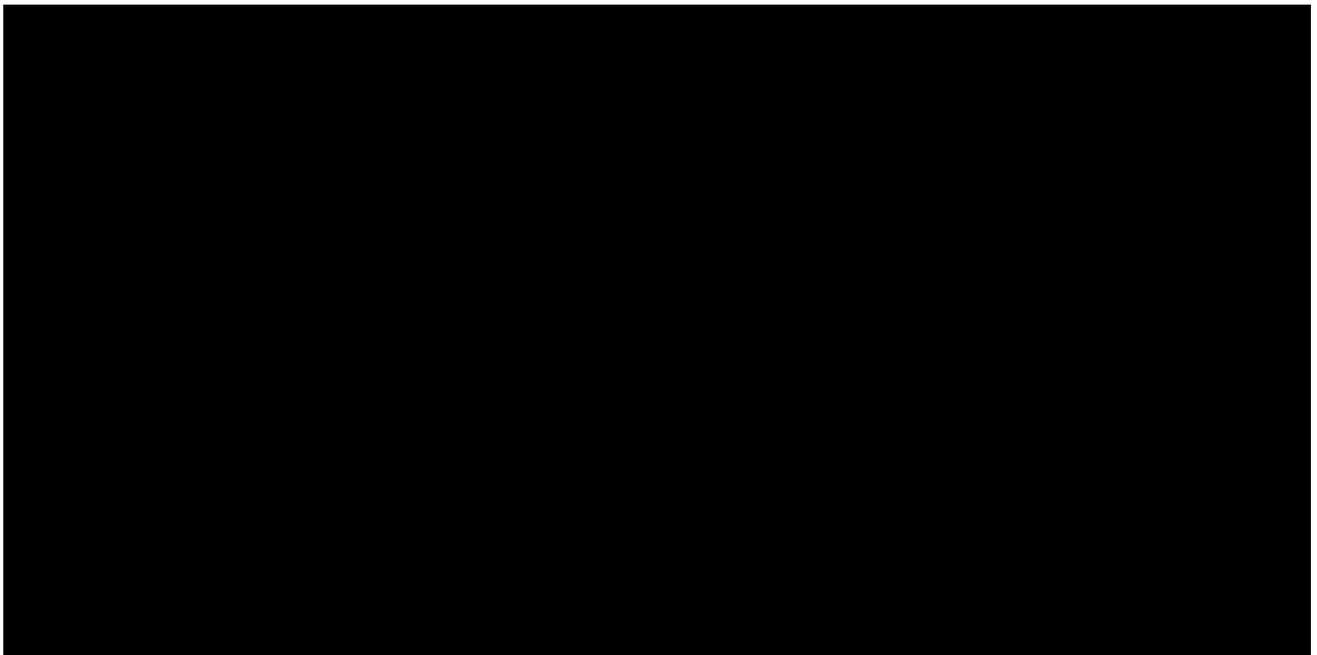


Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5817637 when making payment.

Stikeman Elliott



Stikeman Elliott

Stikeman Elliott LLP
 Barristers & Solicitors
 5300 Commerce Court West
 199 Bay Street
 Toronto, ON Canada M5L 1B9

Main: 416 869 5500
 Fax: 416 947 0866
 www.stikeman.com

GST / HST No. 1214111360001
 QST No. 1018978624

Account

June 22, 2020

File No. 1266971016
 Invoice No. 5819632

Richter Advisory Group Inc.
 Bay Wellington Tower
 181 Bay Street
 Suite 3510
 Toronto, ON M5J 2T3

Attention: Adam Sherman

For Professional Services Rendered in connection with SFP Canada Ltd. (dba Papyrus) for the period up to June 22, 2020.

Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Jun 3, 2020	N. Avis	0.37	Phone call with the Monitor and A. Taylor.	185.00
Jun 3, 2020	A.J. Taylor	2.58	All emails re [REDACTED]; review letter; review draft Complaint; conference; conference call with UCC; call with Richter; call with Osler;	2,773.50
Jun 4, 2020	A.J. Taylor	0.92	All emails re distributions; telephone conversation with C. Burr; review complaint;	989.00
Jun 5, 2020	A.J. Taylor	0.17	Telephone conversation with M. Calvaruso	182.75
Jun 8, 2020	N. Avis	0.48	Call with the Monitor and A. Taylor.	240.00
Jun 8, 2020	A.J. Taylor	4.42	Review Report re [REDACTED]; telephone conversation with M. Calvaruso re CRO; Call with Richter; Review and revise draft report;	4,751.50
Jun 9, 2020	A.J. Taylor	0.92	Revise Draft Report; emails re complaint	989.00
Jun 10, 2020	A.J. Taylor	3.83	Revise report; telephone conversation with C. Burr; telephone conversation with M. Calvaruso	4,117.25
Jun 11, 2020	A.J. Taylor	2.17	Revise report; all emails re [REDACTED]	2,332.75

Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>	<u>Amount</u>
Jun 12, 2020	A.J. Taylor	0.25	██████████;	268.75
Jun 15, 2020	A.J. Taylor	0.25	Telephone conversation with R. Gayda re UCC Complaint	268.75
Jun 18, 2020	N. Avis	0.02	Reviewing correspondence from A. Taylor;	10.00
Jun 18, 2020	A.J. Taylor	0.67	Emails re UCC; telephone call with M. Calvaruso; emails with N. Avis;	720.25
Jun 19, 2020	N. Avis	1.27	Reviewing SFP Canada's motion materials with a view to ensuring they conform with the Monitor's Fourth Report.	635.00
Jun 19, 2020	A.J. Taylor	0.17	Emails re Motion	182.75
Jun 20, 2020	N. Avis	0.05	Reviewing correspondence from A. Taylor re: mark-ups of various documents in connection with the forthcoming motion; revising the Monitor's Report.	25.00
Jun 20, 2020	A.J. Taylor	3.25	All emails re Report, Affidavit and Order; review draft Notice of Motion; review draft affidavit; review draft order;	3,493.75
Jun 22, 2020	N. Avis	0.37	Call with A. Zeldin to discuss ██████████; corresponding with A. Taylor re: draft Monitor's report; circulating the draft Monitor's report.	185.00
Jun 22, 2020	A.J. Taylor	2.25	Review draft settlement; Revise draft report; Emails with N. Avis;	2,418.75

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
N. Avis	2.56	\$500.00	\$1,280.00
A.J. Taylor	21.85	1,075.00	23,488.75
Professional Services			CA \$24,768.75
HST @ 13.0%			3,219.94
Total Professional Services and Taxes			CA \$27,988.69

Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Cash Received		-4,500.44	-4,500.44
Miscellaneous N/T		4,500.44	4,500.44
Telephone	3.58		3.58

Stikeman Elliott

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Total Disbursements	3.58	0.00	3.58
HST @ 13.0%			0.47
Total Disbursements and Taxes			CA \$4.05

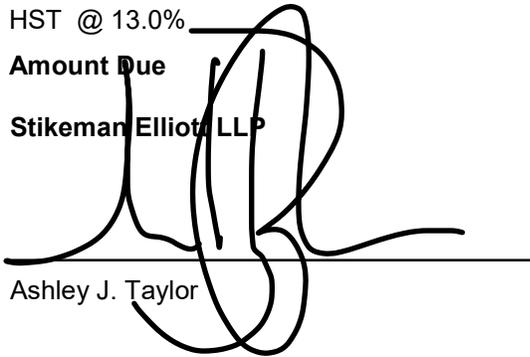
Stikeman Elliott

Account Summary

Invoice No. 5819632
File No. 1266971016
Re: SFP Canada Ltd. (dba Papyrus)

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	24,768.75	0.00	\$24,768.75
HST @ 13.0%			3,219.94
Disbursements	3.58	0.00	3.58
HST @ 13.0%			0.47
Amount Due			<u>CA \$27,992.74</u>

Stikeman Elliott LLP

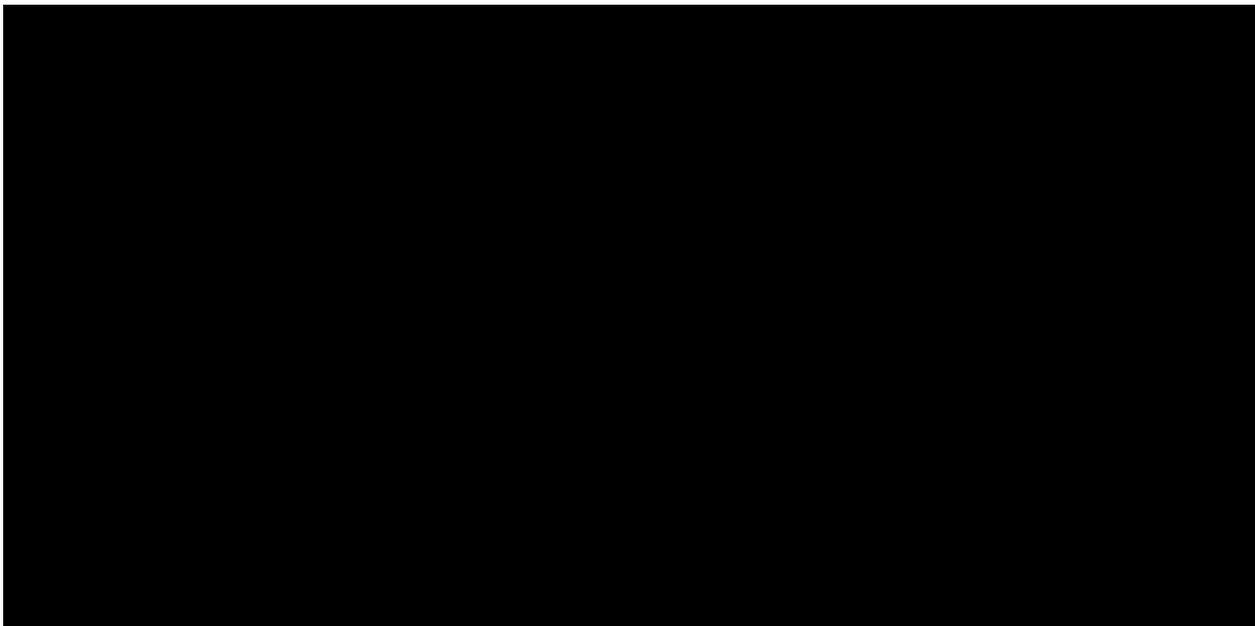


Ashley J. Taylor

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 126697.1016/5819632 when making payment.

Stikeman Elliott



This is
EXHIBIT "B"
referred to in the Affidavit of
ASHLEY TAYLOR
sworn on June 24, 2020.

DocuSigned by:

Nicholas Ains

2C12EFAB5242430...

Commissioner for Taking Affidavits

EXHIBIT "B"**Summary of Stikeman Elliott LLP's Invoices for
Services Rendered from January 15, 2020 to June 22, 2020**

Invoice No.	Date	Fee	Expenses	HST	BCT	Total
5786682	January 27, 2020	26,374.00	452.19	3,487.41		30,313.60
5787488	February 3, 2020	18,687.35		2,429.36		21,116.71
5791014	February 10, 2020	19,463.65	76.69	2,539.80	92.93	22,173.07
5792551	February 18, 2020	4,989.50		648.64		5,638.14
5793285	February 24, 2020	10,864.00		1,412.32		12,276.32
5794461	March 2, 2020	8,844.25		1,149.75		9,994.00
5797272	March 27, 2020	25,843.80		3,359.69		29,203.49
5813586	May 13, 2020	8,067.75	1.12	1,048.96		9,117.83
5817637	June 4, 2020	2,705.25	145.64	370.61		3,221.50
5819632	June 22, 2020	24,768.75	3.58	3,220.41		27,992.74
TOTAL		\$150,608.30	\$679.22	\$19,666.95	\$92.93	\$171,047.40

This is
EXHIBIT "C"
referred to in the Affidavit of
ASHLEY TAYLOR
sworn on June 24, 2020.

DocuSigned by:

Nicholas Davis

2C12EFAB5242430...

Commissioner for Taking Affidavits

EXHIBIT "C"**Summary of Stikeman Elliott LLP's Invoices for
Services Rendered from January 15, 2020 to June 22, 2020**

Name	Position	Hourly Rate	Hours	Total
P. Hamilton	Partner	1,200.00	0.66	792.00
D. MacKenzie	Partner	1,150.00	0.50	575.00
A. Taylor	Partner	1,075.00	88.06	94,664.50
M. Garneau	Partner	1,025.00	17.16	17,589.00
M. Dyck	Partner	1,000.00	0.75	750.00
M. Obee Tower	Partner	900.00	0.20	180.00
M. Konyukhova	Partner	900.00	3.08	2,772.00
T. Watson	Associate	590.00	2.25	1,327.50
A. Lipetz	Associate	590.00	22.83	13,469.70
N. Avis	Associate	500.00	25.74	12,870.00
A. Smirnova	Associate	350.00	15.76	5,516.00
Clerk		380.00	0.27	102.60

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 SFP CANADA LTD.

Court File No.: CV-20-634980-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF ASHLEY TAYLOR
(SWORN JUNE 24, 2020)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Ashley Taylor LSO# 39932E
Tel: 416.869-5236
Email: ataylor@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for Richter Advisory Group Inc.,
in its Capacity as Monitor

**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 SFP CANADA LTD.**

Court File No: CV-20-634980-00CL

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

Proceeding commenced at Toronto

**REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS MONITOR**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO #39932E
Tel: (416) 869-5236

Nicholas Avis LSO# 76781Q
Tel: (416) 869-5504
Fax: (416) 861-0445

Lawyers for Richter Advisory Group Inc., in its
Capacity as Monitor