

File No. CI 20-01-26627

THE QUEEN'S BENCH
Winnipeg Centre

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER
PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT,
R.S.C., C.B-3, AS AMENDED, AN SECITON 55
OF THE COURT OF QUEEN'S ENCH ACT,
C.C.S.M., C. C280, AS AMENDED

BETWEEN:

WHITE OAK COMMERCIAL FINANCE, LLC,

Applicant,

- and -

NYGARD HOLDINGS (USA) LIMITED, NYGARD INC., FASHION
VENTURES, INC., NYGARD NY RETAIL, LLC., NYGARD
ENTERPRISES LTD., NYGARD PROPERTIES LTD., 4093879
CANADA LTD., 4093887 CANADA LTD., and NYGARD
INTERNATIONAL PARTNERSHIP,

Respondents.

AFFIDAVIT OF GREG FENSKE
AFFIRMED this 12th day of March, 2020

LEVENE TADMAN GOLUB LAW CORPORATION

Barristers and Solicitors
700 - 330 St. Mary Avenue
Winnipeg, MB R3C 3Z5

WAYNE M. ONCHULENKO
Telephone No. (204) 957-6402
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File No.113885/WMO

QB BOX 105

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AFFIDAVIT OF GREG FENSKE

I, **GREG FENSKE**, of the City of Winnipeg, in the Province of
Manitoba, AFFIRM:

1. I am the Director of Systems for the Nygard Group of Companies
(hereinafter "Nygard") and as such have personal knowledge of the
facts and matters which are hereinafter deposed to be me except

where same are stated to be based on information and belief, and which I believe to be true.

2. Please find attached the Borrowing Base Certificate (hereinafter "BBC") which was forward to Faber on March 11, 2020. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of said BBC.

3. I make this Affidavit *bona fide*.

AFFIRMED before me at the)
City of Winnipeg, in the)
Province of Manitoba this 12TH)
day of March, 2020)
)
)
)
_____)
A Barrister-at-Law in and for the)
Province of Manitoba.)



GREG FENSKE

This is Exhibit "A" referred to in the
Affidavit of Greg Fenske

Affirmed before me at the City of
Winnipeg, this 12th day of March,
2020



Notary Public in and for
the Province of Manitoba

Wayne M. Onchulenko
Barrister & Solicitor duly admitted and
entitled to practice as such in Nunavut
700-330 St. Mary Avenue
Winnipeg, MB R3C 3Z5

Borrowing Base Certificate to White Oak Commercial Finance, LLC

Borrower **Nygaard Holdings (USA) Limited**

As of 3/7/2020, unless otherwise noted

Amount of Revolving Credit Facility: **\$40,000,000 (USD)**

Lender **N White Oak Commercial Finance, LLC ("WOCF")**

Pursuant to the Loan, Security and Guaranty Agreement (the "Agreement") dated (capitalized terms used herein without definition have the same meanings herein as are assigned to them in such Agreement)

Current C		1.3727	SACP Participation
Accounts Receivable			40.00%
			\$ 16,000,000
	Trade AR - Beginning Balance (in USD)	\$ 16,636,359	\$ 6,654,544
	Additions to Trade AR	\$ 5,456,510	\$ 2,182,604
	Deductions to Trade AR	\$ 5,679,584	\$ 2,271,834
A1	Total Trade AR - Ending Balance (in USD)	\$ 16,413,286	\$ 6,565,314
B1	Total Trade AR ineligible accounts	\$ 5,091,794	\$ 2,036,718
	Net amount of Trade AR Eligible Accounts (A1-B1)	\$ 11,321,491	\$ 4,528,597
	Advance Rate on Trade AR Eligible Accounts	90%	90%
	Total Trade AR Availability	\$ 10,189,342	\$ 4,075,737
	Dilution Reserve	\$ 735,897	\$ 294,359
	Total Trade AR Availability - after Dilution Reserve	\$ 9,453,445	\$ 3,781,378
	Credit Card AR - Beginning Balance (in USD)	\$ 358,794	\$ 143,518
	Additions to Credit Card AR	\$ -	\$ -
	Deductions to Credit Card AR	\$ -	\$ -
A2	Total Credit Card AR - Ending Balance (in USD)	\$ 358,794	\$ 143,518
B2	Total Credit Card ineligible accounts	\$ -	\$ -
	Net amount of Credit Card Eligible Accounts [A2-B2]	\$ 358,794	\$ 143,518
	Advance Rate on Credit Card Eligible Accounts	93%	93%
	Total Credit Card AR Availability	\$ 331,885	\$ 132,754
	Total Accounts Receivable Availability (in USD)	\$ 9,785,330	\$ 3,914,132
Inventory			
	Aggregate amount of inventory at Cost (Combined in USD)	\$ 49,116,149	\$ 19,646,460
	Total Ineligibles	\$ 5,398,966	\$ 2,159,587
	Net amount of Eligible Inventory at Cost	\$ 43,717,183	\$ 17,486,873
	Advance Rate on Eligible Inventory - NOLV	58.7%	58.7%
	Eligible Inventory - NOLV	\$ 26,013,264	\$ 10,405,305
	Advance Rate - 90% of NOLV	90%	90%
	Available Inventory - 90% of NOLV	\$ 23,411,937	\$ 9,364,775
	Shrinkage Reserve	\$ 176,641	\$ 70,656
	Total Net Inventory Formula Availability	\$ 23,235,296	\$ 9,294,119
	Collateral base (Available Accounts Receivable, Available Inventory, ar	\$ 33,020,626	\$ 13,208,251
Reserves			
	Sales Tax Reserve (Collected amounts Due as of 01/28/20)	\$ 154,372	\$ 61,749
	Sales Tax on Open Canadian AR not previously excluded (13%)	\$ 499,532	\$ 199,813
	Priority Payables at Source	\$ 203,706	\$ 81,482
	WEPPA Reserve (Based on 706 FTE @ \$2,000 (CAD) each	\$ 1,028,630	\$ 411,452
	WEPPA Reserve (Based on 748 PT @ \$1,000 (CAD) each	\$ 544,911	\$ 217,965
	Gift Card Payable	\$ 1,123,994	\$ 449,597
	GMD Accrual (Gross Margin Protection)	\$ -	\$ -
	Brokerage and Freight Payable	\$ 1,246,814	\$ 498,726

Vaughan DC Rent Reserve (Monthly Rent * 1.5)	\$	-	\$	-
Retail Rent Reserve (4 Weeks Rent for 170 stores)	\$	1,019,888	\$	407,955
Total Reserves	\$	5,821,846	\$	2,328,739
Available Collateral after Reserves	\$	27,198,780	\$	10,879,512
Loan		Total in USD		
Canadian Sublimit (CAD)	\$	4,000,000	\$	1,600,000
Beginning CAD Revolver Outstanding	\$	-	\$	-
Collections	\$	-	\$	-
Adjustments / payoff	\$	(284,582)	\$	(113,833)
Ending Revolver Outstanding - Before Advance	\$	(284,582)	\$	(113,833)
Excess (Deficit) / Availability - Before Today's Borrowing	\$	4,284,582	\$	1,713,833
Today's Borrowing request	\$	-	\$	-
Revolver Outstanding - After Advance	\$	(284,582)	\$	(113,833)
Revolver Outstanding - After Advance - in USD	\$	(207,316)	\$	(82,926)
Excess (Deficit) / Availability - After Today's Borrowing:	\$	4,284,582	\$	1,713,833
Excess (Deficit) / Availability - After Today's Borrowing - in USD:	\$	3,121,281	\$	1,248,512
Commitment - \$40,000,000 (USD) - Outstanding Canadian Balance (A)	\$	40,207,316	\$	16,082,926
Beginning Revolver Outstanding	\$	24,632,877	3/11/2020	\$ 9,853,151
Collections	\$	-		\$ -
Adjustments/ payoff	\$	24,632,877		\$ 9,853,151
Ending Revolver Outstanding - Before Advance	\$	24,632,877		\$ 9,853,151
Less: Availability Reserve - 10% of Loan Balance	\$	2,442,556		\$ 977,022
Less: Closing Costs/Fees	\$	-		
Less: Mastercard collateral	\$	-		
Less: LC Collateral	\$	-		
Excess (Deficit) / Availability - Before Today's Borrowing	\$	330,663		\$ 132,265
Today's Borrowing request	\$	-		\$ -
Revolver Outstanding - After Advance	\$	24,632,877		\$ 9,853,151
Excess (Deficit) / Availability - After Today's Borrowing:	\$	330,663	\$ 453,801	\$ 132,265
Total Outstanding Commitment in USD	\$	24,425,561		\$ 9,770,224

Certification Dated 3/11/2020

Re: the Agreement

Reference is made to the Agreement. Capitalized terms used herein meanings given to such terms in the Agreement

Pursuant to Section of the Agreement, the undersigned Senior Officer of the Company hereby certifies that as of the close of business on, the Borrowing Base is as presented above, and the information set forth on the exhibits attached hereto is true, complete and correct as of such date.

- 1) -The description of Eligible Accounts and Eligible inventory and the values assigned thereto are true and correct.
- 2) - All of the representations and warranties contained in the Agreement or in any loan documents are true and correct.
- 3) - Borrower is in compliance with all existing loan covenants.
- 4) - No event has occurred, or would result from advances made in connection herewith, that constitutes an Event of Default
- 5) - Borrower will supply additional reports and financial information as reasonably requested by WOOF.

Executed and delivered by its Senior Officer this the day of 3/11/2020

Borrower's Name: *Kevin Carner, signed with approval for Greg Fenske -*

[Signature]
signature
GREG FENSKE - DIRECTOR
name, title, date of signature