



SUPERIOR COURT OF JUSTICE

**ENDORSEMENT**

COURT FILE NO.: CV-25-00734339-00CL DATE: May 15 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: In the Matter of a Plan of Compromise of Arrangement of 2688182 Alberta Inc

BEFORE: Justice Cavanagh

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

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**For Defendant, Respondent, Responding Party, Other :**

Name of Person Appearing	Name of Party	Contact Info
Bradley Wiffen	Lawyer for the Monitor	<a href="mailto:bwiffen@goodmans.ca">bwiffen@goodmans.ca</a>
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- [1] On January 7, 2025, Comark Holdings Inc. ("Comark"), and its subsidiaries, 10959367 Canada Inc. (formerly, Ricki's Fashions Inc.) ("Old Ricki's"), 9376208 Canada Inc., (formerly, cleo fashions Inc.) ("Old cleo") and Bootlegger Clothing Inc. ("Bootlegger") (together with Comark, the "Comark Group"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA," and the within proceedings the "CCAA Proceedings") pursuant to an initial order (the "Initial Order") of Ontario Superior Court of Justice (Commercial List) (the "Court"). Alvarez & Marsal Canada Inc. ("A&M") was appointed as monitor within the CCAA Proceedings (the "Monitor").
- [2] The CCAA Proceedings are nearly complete, and substantially all of the Comark Group's business has been sold pursuant to two Court-approved Going Concern Transactions (defined below):
- a. On February 4, 2025, the Court granted an approval and vesting order (the "AVO", and the transaction authorized therein, the "Putman Transaction") authorizing the sale of certain assets of the retail business of each of Old Ricki's and Old cleo to 1001110197 Ontario Inc. (the "Putman Purchaser"), which closed on February 19, 2025.
  - b. On March 21, 2025, the Court granted an approval and reverse vesting order (the "ARVO"), pursuant to which all of the issued and outstanding shares of Comark were acquired by 16751598 Canada Inc. (the "Purchaser") through a reverse vesting transaction (the "Bootlegger Transaction"), which closed on April 22, 2025. On the closing date of the Bootlegger Transaction, by operation of the ARVO, the Comark Group entities ceased to be applicants, and 2688182 Alberta Inc. (the "Applicant") became the sole Applicant in these CCAA Proceedings.
- [3] The Applicant therefore seeks an order (the "Expansion of Monitor's Powers and CCAA Termination Order"), which will, among other things:
- a. authorize the Monitor to exercise expanded powers in respect of the Applicant to facilitate the administration of the Applicant's business, property and estate and the completion of the CCAA Proceedings;
  - b. authorize the Applicant to make an assignment in bankruptcy pursuant to the Bankruptcy and Insolvency Act and empower the Monitor, or such other licensed insolvency trustee as may be engaged by the Applicant, to file any such assignment for and on behalf of the Applicant; authorize the Applicant to make an assignment in bankruptcy pursuant to the Bankruptcy and Insolvency Act and empower the Monitor, or such other licensed insolvency trustee as may be engaged by the Applicant, to file any such assignment for and on behalf of the Applicant;
  - c. provide a mechanism for the termination of these CCAA Proceedings, including the discharge of the Monitor;
  - d. grant certain releases in respect of the CCAA Proceedings;

- e. approve the reports of the Monitor filed in these CCAA Proceedings (the "Monitor's Reports") and the activities of the Monitor referred to therein, along with the fees and disbursements of the Monitor and its legal counsel, Goodmans LLP ("Goodmans"); and
- f. extend the period of the CCAA stay of proceedings (the "Stay of Proceedings") to the earlier of (i) the date on which the Monitor serves a certificate (the "Termination Certificate") on the Service List certifying that all matters to be attended to in connection with the CCAA Proceedings have been completed (the "CCAA Termination Time"), or (ii) August 15, 2025.

[4] The facts are more fully set out in the Affidavit of Shamsh Kassam and the Fourth Report of the Monitor.

***Should the Monitor be granted expanded powers?***

- [5] The Applicant seeks to expand the current powers of the Monitor in order to, among other things, oversee the remaining business and winddown activities of the Applicant. The Monitor's expanded powers will authorize and empower, but not require, the Monitor to take any and all actions and steps in the name of and on behalf of the Applicant to facilitate the administration of the Applicant's business, property, operations, affairs, and estate, along with various other powers required to oversee the remaining business and winddown activities of the Applicant.
- [6] I am satisfied that granting these expanded powers to the Monitor is necessary and appropriate in the circumstances and should be approved. The expansion of the Monitor's powers is an efficient arrangement which will avoid unnecessary duplication of costs and expenditures and facilitate the completion of remaining matters in an orderly and efficient manner. The Monitor, by virtue of its involvement since the outset of the CCAA Proceedings, has a high degree of familiarity with the Applicant and its current circumstances and has the capacity and resources to assist the Applicant with the completion of the well-defined and limited scope of activity which remains to be completed over the coming months. In contrast, if the expanded powers are not granted, the Applicant will be unable to conduct the resolution of the CCAA Proceedings, as it no longer has any directors, officers or employees.

***Should the CCAA Proceedings be terminated?***

- [7] With the closing of the Putman Transaction and Bootlegger Transaction, the Comark Group and the Applicant have achieved their stated purpose of maximizing the value of the Comark Group. The Applicant is accordingly seeking an Order that approves, among other things, the termination of these CCAA Proceedings, the termination of the Charges, and the discharge of A&M as the Monitor upon the service of the Termination Certificate, and authorization for the Applicant to make an assignment in bankruptcy pursuant to the BIA from or after the filing of the Termination Certificate.
- [8] I am satisfied that the proposed Expansion of Monitor's Powers and CCAA Termination Order is appropriate in the circumstances and provides for an effective and appropriate process whereby the CCAA Proceedings may be terminated.

***Should the requested releases be approved?***

[9] The proposed Expansion of Monitor's Powers and CCAA Termination Order provides that, upon termination of the CCAA Proceedings, the Released Parties shall be released from any and all liability that they may have, now or in the future, in connection with the CCAA Proceedings and/or with respect to their respective conduct in the CCAA Proceedings, including any actions taken by A&M or Goodmans following the CCAA Termination Time with respect to the Applicant or the CCAA Proceedings (as defined in the proposed Order, the "Released Claims"), provided that the Released Claims shall not include any claim or liability determined to be the result of gross negligence, wilful misconduct or fraud (the "Releases").

[10] The Court has the jurisdiction to make orders approving the Releases.

[11] In determining whether third party releases in a CCAA proceeding should be approved, the Court must ask: (i) whether the parties to be released were necessary and essential to the restructuring of the debtor; (ii) whether the claims to be released are rationally connected to the purpose of the restructuring and necessary for it; (iii) whether the restructuring could succeed without the releases; (iv) whether the parties being released contributed to the restructuring; and (v) whether the releases benefit the debtors as well as the creditors generally. It is not necessary for each of these factors to apply in order for a release to be granted. See *Lydian International Limited (Re)*, 2020 ONSC 4006, at para. 54.

[12] I am satisfied that the proposed Releases satisfy these factors. I accept that the Released Parties have made significant and, at times, essential contributions to the CCAA Proceedings, including by achieving a successful going concern outcome for a substantial portion of the business operated by the Comark Group through the Putman Transaction and the Bootlegger Transaction. The proposed Releases are important to facilitate the release of the court-ordered Charges in favour of the Released Parties in connection with the termination of the CCAA Proceedings. Further, the proposed Releases are appropriately limited in scope, and do not apply in respect of any claim or liability arising out of gross negligence, willful misconduct, or fraud on the part of the Released Parties. The Releases will provide finality to the CCAA Proceedings in an efficient manner. The Monitor supports granting the proposed releases.

***Should the Monitor's Reports and activities, along with the fees and disbursements of the Monitor and its legal counsel be approved?***

[13] I am satisfied that the Monitors' Reports and activities should be approved, as the Monitor has acted reasonably and in good faith throughout these CCAA Proceedings.

[14] I am satisfied that the fees and disbursements of the Monitor and its legal counsel should be approved.

***Should the stay of proceedings be extended?***

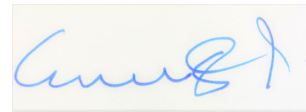
[15] Pursuant to section 11.02 of the CCAA, the court may grant an extension of a stay of proceedings where: (a) circumstances exist that make the order appropriate; and (b) the debtor company satisfies the court that it has acted, and is acting, in good faith and with due diligence. There is no statutory time limit on how long a stay of proceedings can be extended.

[16] The Stay of Proceedings currently expires on May 15, 2025. The Applicant requests that the Stay of Proceedings be extended to the earlier of the CCAA Termination Time or August 15, 2025, for the following reasons: (a) additional time is required to complete the remaining Wind-Down Activities (as defined in the Fourth Report), including reporting and reconciliation activities through to the completion of the Transition Period under the Putman Transaction; (b) the Wind-Down Reserve held by the Monitor is sufficient to fund the remaining costs of these CCAA Proceedings; (c) the remaining creditors of the Applicant will not be prejudiced by the proposed extension of the Stay Period; and; (d) the Applicant continues to act with good faith and with due diligence.

[17] The Monitor supports the extension of the Stay of Proceedings.

[18] I am satisfied that the requested stay extension should be granted.

[19] Order to issue in form of Order signed by me today.



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CAVANAGH, J

Date: May 15, 2025