

Court File No. CV-25-00734339-00CL

**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 COMARK HOLDINGS INC.,
BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC.
AND RICKI'S FASHIONS INC.

APPLICANTS

**MOTION RECORD OF THE APPLICANTS
(Transaction Approval, DIP Assignment, Sales Process and Stalking Horse Motion
returnable February 4, 2025)**

January 30, 2025

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

Tracy Sandler (LSO# 32443N)
Tel: 416.862.5890
Email: tsandler@osler.com

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

Sean Stidwill (LSO# 71078J)
Tel: 416.862.4217
Email: sstidwill@osler.com

Sierra Farr (LSO# 87551D)
Tel: 416.862.6499
Email: sfarr@osler.com

Lawyers for the Applicants

TO: THE SERVICE LIST

Court File No.: CV-25-00734339-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
**COMARK HOLDINGS INC., BOOTLEGGER CLOTHING INC., CLEO FASHIONS
INC. AND RICKI'S FASHIONS INC.**

APPLICANTS

SERVICE LIST
(as at January 30, 2025)

<p>OSLER, HOSKIN & HARCOURT LLP 1 First Canadian Place 100 King Street West, Suite 6200 Toronto, Ontario M5X 1B8</p> <p>Tracy C. Sandler Tel: 416-862-4742 Email: tsandler@osler.com</p> <p>Shawn Irving Tel: 416-862-6485 Email: sirving@osler.com</p> <p>Sean Stidwill Tel: 416-862-4217 Email: ssidwill@osler.com</p> <p>Sierra Farr Tel: 416-862-6499 Email: sfarr@osler.com</p> <p><i>Lawyers for the Applicants</i></p>	<p>ALVAREZ & MARSAL CANADA INC. Royal Bank Plaza, South Tower 200 Bay Street, Suite 3501 Toronto, Ontario M5J 2J1</p> <p>Joshua Nevsky Tel: 416-847-5161 Email: jnevsky@alvarezandmarsal.com</p> <p>Sven Dedic Tel: 416-847-2711 Email: sdedic@alvarezandmarsal.com</p> <p>Connor Good Tel: 416-847-5181 Email: cgood@alvarezandmarsal.com</p> <p>Kevin Meng Tel: 416-847-5494 Email: kmeng@alvarezandmarsal.com</p> <p>Justin Karayannopoulos Tel: 416-847-5177 Email: jkarayannopoulos@alvarezandmarsal.com</p> <p><i>Monitor</i></p>
--	---

<p>GOODMANS LLP Bay Adelaide Centre - West Tower 333 Bay Street, Suite 3400 Toronto, Ontario M5H 2S7</p> <p>Brendan O'Neill Tel: 416-849-6017 Email: boneill@goodmans.ca</p> <p>Bradley Wiffen Tel: 416-597-4208 Email: bwiffen@goodmans.ca</p> <p>Josh Sloan Tel: 416-597-4127 Email: jsloan@goodmans.ca</p> <p><i>Lawyers for the Monitor</i></p>	<p>BLAKE, CASSELS & GRAYDON LLP Commerce Court West 199 Bay Street, Suite 4000 Toronto, Ontario M5L 1A9</p> <p>Milly Chow Tel: 416-863-2594 Email: milly.chow@blakes.com</p> <p>Aryo Shalviri Tel: 416-863-2962 Email: aryo.shalviri@blakes.com</p> <p>Caitlin McIntyre Tel: 416-863-4174 Email: caitlin.mcintyre@blakes.com</p> <p><i>Lawyers for the Canadian Imperial Bank of Commerce</i></p>
<p>CANADIAN IMPERIAL BANK OF COMMERCE 81 Bay Street, 20th Floor Toronto, Ontario M5J 0E7</p> <p>Nick Chan Fax: 416-304-4573 Email: nick.chan@cibc.com</p>	<p>9383921 CANADA INC. 650 West Georgia Street, Suite 2900 Vancouver, British Columbia V6B 4N8</p> <p>Email: inquiries@sternpartners.com</p>

<p>STIKEMAN ELLIOTT LLP Bay Adelaide Centre - West Tower 199 Bay Street Toronto, Ontario M5L 1B9</p> <p>Elizabeth Pillon Tel: 416-869-5623 Email: lpillon@stikeman.com</p> <p>Philip Yang Tel: 416-869-5593 Email: pyang@stikeman.com</p> <p><i>Lawyers for Tiger Asset Solutions Canada, ULC</i></p>	<p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, Ontario M5J 2T9</p> <p>Tony Gioia Tel: 416-865-3403 Email: tgioia@airdberlis.com</p> <p>Kyle Plunkett Tel: 416-865-3406 Email: kplunkett@airdberlis.com</p> <p>Graham Topa Tel: 416-865-4739 Email: gtopa@airdberlis.com</p> <p>Samantha Hans Tel: 437-880-6105 Email: shans@airdberlis.com</p> <p><i>Lawyers for 2625229 Ontario Inc. (operating as Putman Investments)</i></p>
<p>EXPORT DEVELOPMENT CANADA 150 Slater Street Ottawa, Ontario K1A 1K3</p> <p>Attention: Natalie Dokmajian Email: NDokmajian@edc.ca</p> <p>Attention: BCAP PCE Team Email: BCAP_PCE@edc.ca</p>	<p>CRSA GLOBAL LOGISTICS INC. 1275 Kingsway Avenue Port Coquitlam, British Columbia V3C 1S2</p> <p>Attention: Dave Legge Email: Dave.Legge@crsaglobal.com</p> <p>Attention: Landon Bibeau Email: Landon.Bibeau@oecgroup.ca</p>
<p>EULER HERMES CANADA 1155 René-Lévesque Blvd., Suite 2810 Montreal, Quebec H3B 2L2</p> <p>Attention: Sam Gullotti Email: sam.gullotti.col@allianz-trade.com</p>	<p>PUROLATOR INC. 2727 Meadowpine Boulevard Mississauga, Ontario L5N 0E1</p> <p>Attention: Kelly Sullivan Email: Kelly.K.Sullivan@purolator.com</p> <p>Attention: Temi Elesha Email: Temi.Elesha@purolator.com</p>

STERN PARTNERS INC. 650 West Georgia Street, Suite 2900 Vancouver, British Columbia V6B 4N8 Attention: Andrew Bull Email: inquiries@sternpartners.com	XEROX CANADA LTD. 2 Sheppard Avenue East, Suite 1200 Toronto, Ontario M2N 5Y7 Attention: Stephanie Grace Email: Stephanie.Grace@xerox.com
BOUTIQUE LA VIE EN ROSE INC. 3055 rue Viau Montreal, Quebec H1V 3J5 Attention: Céline Wuckelt Email: Celine.Wuckelt@lavieenrose.com	

PPSA Registrants¹

6879900 CANADA INC. 650 West Georgia Street, Suite 2900 Vancouver, British Columbia V6B 4N8 Email: inquiries@sternpartners.com	LEGATT NATIONAL LEASING 2207 Fairview St, P.O. Box 369 Burlington, Ontario L7R 3Y3 Email: mstanley@leggat.ca ; jhooper@leggat.ca
---	--

Landlords

TORYS LLP 79 Wellington Street West, Suite 3300, Toronto, Ontario M5K 1N2 David Bish Tel: 416-865-7353 E-mail: dbish@torys.com Adam Slavens Tel: 416-865-7333 E-mail: aslavens@torys.com <i>Lawyers for The Cadillac Fairview Corporation</i>	CAMELINO GALESSIERE LLP 65 Queen St W, Suite 440 Toronto, Ontario M5H 2M5 Linda Galessiere Tel: 416-306-3827 E-mail: lgalessiere@cglegal.ca Gustavo F. Camelino Tel: 416-306-3834 Email: gcamelino@cglegal.ca <i>Lawyers for Morguard, Cushman & Wakefield, SmartReit, RioCan, Ivanhoe Cambridge, Salthill, North American Development Group, and LaSalle</i>
--	---

¹ Section headings are for managing the Service List only.

<p>GARDINER ROBERTS LLP Bay Adelaide Centre – East Tower 22 Adelaide Street West, Suite 3600 Toronto, Ontario M5H 4E3</p> <p>S. Michael Citak Tel: 416-865-6706 Email: mcitak@grllp.com</p> <p><i>Lawyers for Crombie Developments Limited</i></p>	<p>FOGLER, RUBINOFF LLP Scotia Plaza 40 King Street West, Suite 2400 P.O. Box #215 Toronto, Ontario M5H 3Y2</p> <p>Vern W. DaRe Tel: 416-941-8842 Email: vdare@foglers.com</p> <p><i>Lawyers for Doral Holdings Limited</i></p>
<p>THORNTON GROUT FINNIGAN LLP 100 Wellington Street West, Suite 3200 Toronto, Ontario M5K 1K7</p> <p>D.J. Miller Tel: 416-304-0559 E-mail: djmiller@tgf.ca</p> <p><i>Lawyers for Oxford Properties Group</i></p>	<p>DENTONS CANADA LLP 250 Howe Street, 20th Floor Vancouver, British Columbia V6C 3R8</p> <p>Jordan Schultz Tel: 604-691-6452 E-mail: jordan.schultz@dentons.com</p> <p><i>Lawyers for CPP Westland Limited Partnership</i></p>
<p>BLANEY MCMURTRY LLP 1500 – 2 Queen Street East Toronto, Ontario M5C 3G5</p> <p>John C. Wolf Tel: 416-593-2994 E-mail: jwolf@blaney.com</p> <p>Brendan Jones Tel: 416-593-2997 E-mail: bjones@blaney.com</p> <p><i>Lawyers for QuadReal Property Group, BentallGreenOak (Canada) LP, bcIMC Realty Corporation, Hillside Centre Holdings Inc., Driftwood Mall Ltd., 5275 Investments Ltd., OPB Realty Inc., OPTrust Retail Inc., Bower Place Holdings Inc., 27253112 Canada Inc., 2973758 Canada Inc., Willowbrook Langley Holdings Inc., and PFS Retail Two Inc.</i></p>	<p>WITTEN LLP Suite 2500, Canadian Western Bank Place 10303 Jasper Avenue Edmonton, Alberta T5J 3N6</p> <p>Howard J. Sniderman, KC Tel: 780-441-3203 E-mail: hsniderman@wittenlaw.com</p> <p><i>Lawyers for Cameron Corporation</i></p>

<p>PRIME SITE PROPERTIES INC. 1101 Arthur Street West, Thunder Bay, Ontario P7E 5S2</p> <p>c/o Mirabelli Corporation 815 Norah Cresent, Thunder Bay Thunder Bay, Ontario P7C 5H9</p> <p>Attention: Adrian Mirabelli Email: info@mirabellicorp.com</p> <p><i>Landlord for Arthur Street Marketplace (1165 Arthur Street West, Thunder Bay, ON)</i></p>	<p>CENTRAL WALK WOODGROVE SHOPPING CENTRE INC. 370-4400 Hazelbridge Way, Richmond, British Columbia V6X 3R8</p> <p>Attention: Emma Humphrey Email: Emma.Humphrey@centralwalk.com</p> <p><i>Landlord for Woodgrove Centre (6631 Island Highway North, Nanaimo, BC)</i></p>
<p>CATARAQUI HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3</p> <p>Attention: Elina Towie Email: etowie@primarisreit.com</p> <p><i>Landlord for Cataraqui Town Centre (945 Gardiners Road, Kingston ON)</i></p>	<p>ANTHEM MINETT CARLINGWOOD HOLDINGS INC. Suite 1100, Bentail 4, Box 49200 1055 Dunsmuir Street Vancouver, British Columbia V7X 1K8</p> <p>Email: AR_Carlingwood@anthemproperties.com</p> <p><i>Landlord for Carlingwood Mall (2121 Carling Avenue, Ottawa ON)</i></p>
<p>PRIMARIS REAL ESTATE INVESTMENT TRUST 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3</p> <p>Attention: Elina Towie Email: etowie@primarisreit.com</p> <p><i>Landlord for Conestoga Mall (550 King Street North, Waterloo ON) and Sunridge Mall (2525 36th Street NE, Calgary, AB)</i></p>	<p>WESTCLIFF MANAGEMENT LTD. 2600-600 de Maisonneuve Boulevard West, Suite 2900 Montreal, Quebec H3A 3J2</p> <p>Email: info@westcliff.ca</p> <p><i>Landlord for Champlain Place (477 Paul Street, Dieppe, NB)</i></p>
<p>WBCS INC. 1 Water Street East, Mall Administration Office Cornwall, Ontario K6H 6M2,</p> <p>Attention: Property Manager Email: leodoucet@weavingbaskets.ca</p> <p><i>Landlord for Cornwall Square (1 Water Street East, Cornwall, ON)</i></p>	<p>MONTEZ (CORNER BROOK) INC. c/o Westcliff Management Ltd. 2600-600 de Maisonneuve Boulevard West, Montreal, Quebec H3A 3J2</p> <p>Email: lgreene@cornerbrookmall.com</p> <p><i>Landlord for Corner Brook Plaza (44 Maple Valley Road, Corner Brook, NL)</i></p>

<p>COUNTRY CLUB CENTRE LTD. c/o Northwest Properties 406-4190 Lougheed Highway Burnaby, British Columbia V5C 6A8 Email: reception@nwproperties.ca</p> <p><i>Landlord for Country Club Mall (3200 Island Hwy., Nanaimo, BC)</i></p>	<p>COTTONWOOD MALL LIMITED PARTNERSHIP c/o Warrington PCI Management #300-1030 West Georgia Street Vancouver, British Columbia V6E 2Y3 Email: AR@warringtonpci.com</p> <p><i>Landlord for Cottonwood Mall (45585 Luckakuck Way, Chilliwack, BC)</i></p>
<p>W.E. ROTH CONSTRUCTION LIMITED c/o Pioneer Property Management Ltd. 420, 10320 – 102 Avenue, Edmonton, Alberta, T5J 4A1 Email: office@dugganwellnesscentre.ca</p> <p><i>Landlord for Duggan Mall (6601 -48th Avenue, Camrose, AB)</i></p>	<p>DEVONSHIRE MALL HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com</p> <p><i>Landlord for Devonshire Mall (3100 Howard Avenue, Windsor ON)</i></p>
<p>TERRACAP INVESTMENTS (FRONTIER) INC. c/o Terracap Management Inc. 100 Sheppard Avenue East, Suite 502 Toronto, Ontario M2N 6N5 Email: qkroschinski@terracap.ca</p> <p><i>Landlord for Frontier Mall (11413 Railway Street East, North Battleford, SK)</i></p>	<p>11445006 ALBERTA LTD. c/o ONE Property Management Limited Partnership #200, 12420-104 Avenue NW, Edmonton, Alberta T5N 3Z9 Attention: Patrick Moore Email: patrick.moore@shape.ca</p> <p><i>Landlord for Emerald Hills Centre (5000 Emerald Hills Drive, Sherwood Park, AB)</i></p>
<p>1000688186 ONTARIO INC. c/o Halton Management Inc. 280 Guelph Street, Georgetown, Ontario L7G 4B1 Email: bharti@haltonmanagement.ca; info@haltonmanagement.ca</p> <p><i>Landlord for Georgetown Market Place (280 Guelph Street, Georgetown, ON)</i></p>	<p>1540709 ONTARIO LIMITED c/o Fishman Holdings North American Inc. 16775 Yonge Street, Suite 300 Newmarket, Ontario L3Y 8J4 Attention: Sharon Faul Email: sharon.faul@avisonyoung.com</p> <p><i>Landlord for Gateway Mall (1403 Central Avenue, Prince Albert, SK)</i></p>

<p>HANEY PLACE CENTRES LTD. c/o Lorval Developments Ltd. B520 – 20020 84 Avenue Langley, British Columbia V2Y 5K9 Email: haneyplaceaccounting@lorval.ca <i>Landlord for Haney Place (11900 Haney Place, Maple Ridge, BC)</i></p>	<p>HARVARD DIVERSIFIED ENTERPRISES INC. c/o Harvard Developments Corporation Suite 2000, 1874 Scarth Street, Regina, Saskatchewan S4P 4B3 Attention: Krista Bebeau Email: kbebeau@harvard.ca <i>Landlord for Grasslands @ Harbour Landing (4548 Gordon Road, Regina, SK)</i></p>
<p>11867865 CANADA INC. and 13711072 CANADA INC. c/o Knightstone Capital Management Inc. 701-240 Saint-Jacques Street West Montreal, Quebec H2Y 1L9 c/o 11867865 Canada Inc. 52 Gordon Crescent Westmount, Quebec H3Y 1M6 Email: jklaiman@canadianasset.com <i>Landlord for King's Crossing (97 Dalton Avenue, Kingston, ON)</i></p>	<p>KILDONAN PLACE LTD. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Kildonan Place (1555 Regent Avenue West, Winnipeg, MB)</i></p>
<p>LANSDOWNE MALL INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Lansdowne Place (645 Lansdowne Street West, Peterborough, ON)</i></p>	<p>EUROPRO (LAMBTON MALL) LP 130 Adelaide Street West, Suite 1100 P.O. Box 194 Toronto, Ontario M5H 3P5 Email: asamko@europro.ca <i>Landlord for Lambton Mall (1380 London Road, Sarnia ON)</i></p>

<p>HOOPP REALTY INC. and NSAHOPP MAYFLOWER INC. c/o McCor Management 21 St. Clair Avenue East, Suite 1201 Toronto, Ontario M4T 1L9</p> <p>Attention: Luc Corneli Email: lmahe@mccor.ca</p> <p><i>Landlord for Mayflower Mall (800 Grand Lake Road, Sydney, NS)</i></p>	<p>LINDSAY SQUARE MALL INC. c/o Davpart Inc. 4576 Yonge Street, Suite 700 Toronto, Ontario M2N 6N4</p> <p>Email: kakalr@davpart.com</p> <p><i>Landlord for Lindsay Square (401 Kent Street West, Lindsay, ON)</i></p>
<p>HOOPP REALTY INC. 55 City Centre Drive, Suite 800 Mississauga, Ontario L5B 1M3</p> <p>c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3</p> <p>Attention: Elina Towie Email: etowie@primarisreit.com</p> <p><i>Landlord for New Sudbury Shopping Centre (1349 Lasalle Boulevard, Sudbury, ON)</i></p>	<p>MEDICINE HAT MALL INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3</p> <p>Attention: Elina Towie Email: etowie@primarisreit.com</p> <p><i>Landlord for Medicine Hat Mall (3292 Dunmore Road SE, Medicine Hat, AB)</i></p>
<p>TRINITY NORTHUMBERLAND INC. c/o Trinity Property Services Inc. 77 Bloor Street West, Suite 1601 Toronto, Ontario M5S 1M2</p> <p>Attention: President Email: notices@trinity-group.com</p> <p>c/o Attention: Vice President Operations</p> <p><i>Landlord for Northumberland Mall (1111 Elgin Street West, Cobourg, ON)</i></p>	<p>WESTDALE CONSTRUCTION CO. LIMITED c/o Westdale Construction Co. Umltd 35 Lesmill Road York, Ontario M38 2T3</p> <p>Attention: Shopping Center Operations c/o Shopping Center Manager</p> <p>Email: tracir@westdaleproperties.com</p> <p><i>Landlord for Northgate Mall (489 Albert Street North, Regina, SK)</i></p>

<p>1663321 ONTARIO YARDS INC. and 1414614 ONTARIO INC. c/o Controlex 223 Colonnade Road South, Suite 100 Ottawa, Ontario K2E 7K3 Attention: Marty Moshman Email: mkoshman@controlex.ca <i>Landlord for Ottawa Trainyards P.C. (100 Trainyards Drive, Ottawa, ON)</i></p>	<p>ORCHARD PARK SHOPPING CENTRE HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Orchard Park Shopping Centre (2271 Harvey Avenue, Kelowna, BC)</i></p>
<p>PETER POND PORTFOLIO INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Peter Pond Shopping Centre (9713 Hardin Street, Fort McMurray, AB)</i></p>	<p>PARK PLACE MALL HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Park Place (501 – 1st Avenue South, Lethbridge, AB)</i></p>
<p>QUINTE MALL HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Quinte Mall (390 North Fort Street, Belleville, ON)</i></p>	<p>PLACE D'ORLEANS HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Place D'Orleans (110 Place D'Orleans Drive, Orleans, ON)</i></p>
<p>SHERWOOD PARK PORTFOLIO INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2720 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Sherwood Park Mall (2020 Sherwood Drive, Sherwood Park, AB)</i></p>	<p>REGENT MALL HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3 Attention: Elina Towie Email: etowie@primarisreit.com <i>Landlord for Regent Mall (1381 Regent Street, Fredericton, NB)</i></p>

<p>ST. ALBERT CENTRE HOLDINGS INC. c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3</p> <p>Attention: Elina Towie Email: etowie@primarisreit.com</p> <p><i>Landlord for St. Albert Centre (375 St. Albert Road, St. Albert, AB)</i></p>	<p>STONE ROAD MALL HOLDINGS INC. c/o Primaris Management Inc. 435 Stone Road, Guelph Ontario N1G 2X6</p> <p>c/o Primaris Management Inc. 181 Bay Street, Suite 2700 Toronto, Ontario M5J 2T3</p> <p>Attention: Elina Towie Email: etowie@primarisreit.com</p> <p><i>Landlord for Stone Road Mall (435 Stone Road West, Guelph, ON)</i></p>
<p>SM INTERNATIONAL HOLDINGS LTD. 293 Bay Street Sault Ste. Marie, Ontario P6A 1X3</p> <p>Email: info@ssmcoc.com</p> <p><i>Landlord for Station Mall (293 Bay Street, Sault Ste. Marie, ON)</i></p>	<p>VOISIN DEVELOPMENTS LIMITED c/o Sunrise Shopping Centre 101 Ira Needles Boulevard, Waterloo, Ontario N2J 3Z4</p> <p>Email: accounting@voisindevelopments.ca</p> <p><i>Landlord for Sunrise Shopping Centre (1400 Ottawa Street South, Kitchener, ON)</i></p>
<p>1865099 ONTARIO LIMITED 158 Dunlop Street East, Suite 201 Barrie, Ontario L4M 1B1</p> <p>c/o 1865099 Ontario Limited P.O. Box 982 Barrie, Ontario L4M 5E1</p> <p>Attention: Ashley Varcoe Email: ashleyvarcoe@rogers.com</p> <p><i>Landlord for Suncoast Mall (397 Bayfield Road, Goderich, ON)</i></p>	<p>PELLEX HOLDINGS LTD. c/o Crestwell Realty Inc. 6060-450 Southwest Marine Drive, Vancouver, British Columbia V5X 0C3</p> <p>Email: office@crestwell.com</p> <p><i>Landlord for Tamarack Shopping Centre (1500 Cranbrook Street North, Cranbrook BC)</i></p>

<p>102142508 SASKATCHEWAN CORP. c/o Canadian Real Estate Investment Trust 1 Springs Drive, Swift Current, Saskatchewan S9H 3X6 Email: Roxanne@becatax.com c/o Pyramid Property Management & Real Estate Services Attention: Terry Highet Email : info@pyramidproperty.ca <i>Landlord for Swift Current Mall (1 Springs Drive, Swift Current, SK)</i></p>	<p>THE INCC CORP. c/o Voisin Developments Limited 101 Ira Needles Boulevard, Waterloo, Ontario N2J 3Z4 Email: accounting@voisindevelopments.ca <i>Landlord for The Boardwalk at Ira Needles, (210 The Boardwalk, Kitchener, ON)</i></p>
<p>EUROPRO (TECUMSEH MALL) LP 310 Wilson Avenue, Toronto, Ontario M3H 1S8 Email: ktaylor@europro.ca <i>Landlord for Tecumseh Mall (7654 Tecumseh Road, Windsor, ON)</i></p>	<p>1451945 ONTARIO LIMITED AND TIMMINS SQUARE SHOPPING CENTRE INC. c/o Bayfield Property Management 40 Eglinton Avenue East, Suite 300 Toronto, Ontario M4P 3A2 Email: TimminsAdmin@bayfieldadvisors.com <i>Landlord for Timmins Square (1500 Riverside Drive, Timmins, ON)</i></p>
<p>VILLAGE SHOPPING CENTRE (2006) INC. c/o Plaza Group Management 527 Queen Street, Suite 200 Fredericton, New Brunswick E3B 1B8 Attention: Nathalie Lalonde Email: nathalie.lalonde@plaza.ca, info@plaza.ca <i>Landlord for The Village, (430 Topsail Road, St. John's, NL)</i></p>	<p>GULF & PACIFIC EQUITIES CORP. 300-1300 Bay Street, Toronto, Ontario M5R 3K8 Email: accounting@gpequities.com <i>Landlord for Tricity Mall (6503 51st Street, Cold Lake, AB)</i></p>

<p>CT REIT (TOTEM MALL) INC. c/o Edgcombe Realty Advisors Inc. 100-1090 Homer Street, Vancouver, British Columbia V6B 2M9</p> <p>Email: EFTadmin@ctreit.com</p> <p><i>Landlord for Totem Mall (9600 – 93rd Avenue, Fort St. John, BC)</i></p>	<p>G.C. WANETA PLAZA LTD. Suite 1100, Bentail 4, Box 49200, 1055 Dunsmuir Street Vancouver, British Columbia V7X 1K8</p> <p>Email: wanetaAR@anthemproperties.com</p> <p><i>Landlord for Waneta Plaza (8100 Rock Island Highway, Trail, BC)</i></p>
<p>MOUNTWATER CAPITAL CORP. c/o Artis Victoria Square Ltd. #306 - 1168 Hamilton Street, Vancouver, British Columbia V6B 2S2</p> <p>Email: accounting@mountwatercapital.com</p> <p><i>Landlord for Victoria Square (2223 Victoria Avenue East, Regina, SK)</i></p>	<p>WESTDELL DEVELOPMENT CORP. 1105 Wellington Road London, Ontario N6E 1V4</p> <p>Attention: Kathleen Tasani Email: ktasani@westdellcorp.com</p> <p>Attention: Jeff Wilson Email: jwilson@westdellcorp.com</p> <p><i>Landlord for Whiteoaks Mall (1105 Wellington Road South, London, ON)</i></p>
<p>WEST EDMONTON MALL PROPERTY INC. Suite 200, Phase III, West Edmonton Mall 8882-170 Street Edmonton, Alberta T5T 4M2</p> <p>Attention: Anita Hoy Email: Anita.Hoy@wem.ca</p> <p><i>Landlord for West Edmonton Mall (8882 – 170th Street, Edmonton, AB)</i></p>	<p>CANADIAN TIRE PROPERTIES INC. 2180 Yonge Street, Floor 15 Toronto, Ontario M4P 2V8</p> <p>c/o Parkland Mall Administration Office 227 Broadway Street East Yorkton, Saskatchewan S3N 3G7</p> <p>Attention: Jessica Farber Email: Jessica.Farber@ctreit.com</p> <p><i>Landlord for Parkland Mall Shopping Centre (277 Broadway Street East, Yorkton, SK)</i></p>
<p>LEYAD CORPORATION 1100 rue de Bleury Montreal, Quebec H2Z 1N4</p> <p>Email: gunli@leyad.ca</p> <p><i>Landlord for Wheeler Park Power Centre (177 Trinity Drive, Moncton, NB)</i></p>	<p>2467847 ONTARIO INC. (o/a Windsor Crossing Premium Outlets) 170 Industrial Parkway North, Unit A1 Aurora, Ontario L4G 4C3</p> <p>Email: manage-group@royalcourtyards.com</p> <p><i>Landlord for Windsor Crossing (1555 Talbot Road, Lasalle, ON)</i></p>

<p>FIRST MILTON SHOPPING CENTRES LIMITED and CALLOWAY REIT (MILTON) INC. c/o First Gulf Corporation 351 King Street East, 13th Floor Toronto, Ontario M5A 0L6</p> <p>Attention: Senior Vice President Retail Email: cdoan@firstgulf.com</p> <p><i>Landlord for Milton Crossroads (1250 Steeles Avenue East, Milton, ON)</i></p>	<p>HAMMER LP 75 Centennial Parkway North Hamilton, Ontario L8E 2P2</p> <p>c/o Cushman & Wakefield Asset Services ULC 161 Bay Street, Suite 1500, PO Box 602, Toronto, Ontario M5J 2S1</p> <p>Attention: Lori Stuart Email: LegalNotices@cushwake.com; lori.stuart@cushwake.com</p> <p><i>Landlord for Eastgate Square (75 Centennial Parkway North, Hamilton, ON)</i></p>
<p>CEC LEASEHOLDS INC. 1200 Waterfront Centre, 200 Burrard Street Vancouver, British Columbia V6C 3L6</p> <p>c/o Cushman & Wakefield Asset Services ULC 161 Bay Street, Suite 1500, PO Box 602, Toronto, Ontario M5J 2S1</p> <p>Email: LegalNotices@cushwake.com; eve.renaud@cushwake.com</p> <p><i>Landlord for Calgary Eaton Centre (CORE Shopping Centre) (751 – 3rd Street SW, Calgary, AB)</i></p>	<p>LONDONDERRY SHOPPING CENTRE INC. 243, 1 Londonderry Mall NW Edmonton, Alberta T5C 3C8</p> <p>c/o Cushman & Wakefield Asset Services ULC 161 Bay Street, Suite 1500, PO Box 602, Toronto, Ontario M5J 2S1</p> <p>Email: LegalNotices@cushwake.com; Marlene.Perrotta@cushwake.com</p> <p><i>Landlord for Londonderry Mall (1 Londonderry Mall NW, Edmonton, AB)</i></p>
<p>GARDEN CITY (WPG) LIMITED PARTNERSHIP c/o McCOR Management (MB) Inc. 400 – 2305 McPhillips Street Winnipeg, Manitoba R2V 3E1</p> <p>Attention: Rebecca Hyatt Email: rhhyatt@mccor.ca</p> <p><i>Landlord for Garden City Shopping Centre (2305 McPhillips Street, Winnipeg, MB)</i></p>	<p>PICCADILLY PLACE MALL INC. 2900 – 550 Burrard Street Vancouver, British Columbia V6C 0A3</p> <p>Attention: Lori Cymbaluk Email: lori.cymbaluk@jll.com</p> <p><i>Landlord for Piccadilly Mall (1151 -10th Avenue SW, Salmon Arm, BC)</i></p>

<p>DELOITTE MANAGEMENT SERVICES LP c/o Cushman & Wakefield ULC Bay Adelaide Centre East 8 Adelaide Street West, Suite 200 Toronto, Ontario M5H 0A9</p> <p>c/o Deloitte Management Services LP 2300-360 Main Street Winnipeg, Manitoba R3C 3Z3</p> <p>c/o 6644511 Canada Ltd. 8 Adelaide Street West, Suite 200 Toronto, Ontario M5H 0A9</p> <p>Attention: Fay Goveas Email: fay.goveas@ca.cushwake.com</p> <p><i>Sub-Landlord for cleo Corporate Office</i></p>	
--	--

Ministries / Government:

<p>MINISTRY OF FINANCE (ONTARIO) INSOLVENCY UNIT 6th Floor, 33 King Street West Oshawa, Ontario L1H 8H5</p> <p>Insolvency Unit Email: insolvency.unit@ontario.ca</p>	<p>ATTORNEY GENERAL OF CANADA Department of Justice Canada, National Litigation Sector Ontario Regional Office 120 Adelaide Street West, Suite #400 Toronto, Ontario M5H 1T1</p> <p>Fozia Chaudary Email: fozia.chaudary@justice.gc.ca</p> <p>Edward Park Email: Edward.Park@justice.gc.ca</p> <p>Vaughan Tratcher Email: Vaughan.Thatcher@justice.gc.ca</p> <p>General Intake Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</p> <p><i>Lawyers for His Majesty the King in Right of Canada as represented by the Minister of National Revenue</i></p>
--	--

<p>MINISTRY OF JUSTICE AND SOLICITOR GENERAL (ALBERTA) Legal Services 2nd Floor, Peace Hills Trust Tower 10011 – 109 Street Edmonton, Alberta T5J 3S8</p> <p>General Enquiries: Tel: 780-427-2711</p> <p>Email: ministryofjustice@gov.ab.ca tra.revenue@gov.ab.ca</p>	<p>MINISTRY OF THE ATTORNEY GENERAL (BRITISH COLUMBIA) Legal Services Branch, Revenue & Taxation PO Box 9280 Stn Prov Govt Victoria, British Columbia V8W 9J7</p> <p>Aaron Welch Legal Counsel Tel: 250.356.8589 E-mail: Aaron.Welch@gov.bc.ca</p> <p>Revenue and Taxation Group, Legal Services Branch AGLSBRevTaxInsolvency@gov.bc.ca</p>
<p>MINISTRY OF FINANCE (ALBERTA) The Tax and Revenue Administration 9811 – 109 Street Edmonton, Alberta</p> <p>General Enquiries Tel: 780.427.3044 E-mail: tra.revenue@gov.ab.ca</p>	<p>MANITOBA JUSTICE Civil Legal Services 301-310 Broadway Avenue Winnipeg, Manitoba R3C JL6</p> <p>Shelly Haner Email: shelley.haner@gov.mb.ca</p>
<p>MINISTRY OF THE ATTORNEY GENERAL (NOVA SCOTIA) 1690 Hollis Street PO Box 7 Halifax, Nova Scotia B3J 2L6</p> <p>General Enquiries: Tel: 902.424.4030 E-mail: justweb@gov.ns.ca</p>	<p>MINISTRY OF FINANCE (NOVA SCOTIA) 1690 Hollis Street PO Box 187 Halifax, Nova Scotia B3J 2N3</p> <p>General Inquiries: Email: FinanceWeb@novascotia.ca</p>

<p>MINISTRY OF FINANCE (MANITOBA) Taxation Division Room 101 – Norquay Building 401 York Avenue Winnipeg, Manitoba R3C 0P8 Email: MBTax@gov.mb.ca</p>	<p>MINISTRY OF THE ATTORNEY GENERAL (NEW BRUNSWICK) Chancery Place, 2nd Floor, Room: 2001 PO Box 6000 Fredericton, New Brunswick E3B 1E0 General Enquiries Tel: 506.462.5100 E-mail: justice.comments@gnb.ca Philippe Thériault Tel: 506.453.3460 E-mail: philippe.theriault2@gnb.ca</p>
<p>DEPARTMENT OF JUSTICE (SASKATCHEWAN) 355 Legislative Building Regina, Saskatchewan S4S 0B3 General Enquiries Tel: 306.787.5353 E-mail: jus.minister@gov.sk.ca</p>	<p>MINISTRY OF FINANCE (SASKATCHEWAN) 2350 Albert Street, 5th Floor Regina, Saskatchewan S4P 4A6 General Enquiries Tel: 306.787.6060 E-mail: fin.minister@gov.sk.ca</p>
<p>MINISTRY OF FINANCE (NEW BRUNSWICK) Chancery Place, PO Box 6000 Fredericton, New Brunswick E3B 5H1 General Enquiries Tel: 506.453.2451 E-mail: TB-CT@gnb.ca</p>	<p>DEPARTMENT OF JUSTICE AND PUBLIC SAFETY (NEWFOUNDLAND AND LABRADOR) PO Box 8700 St. John's, Newfoundland and Labrador A1B 4J6 General Enquiries Tel: 709.729.5902 E-mail: justice@gov.nl.ca</p>

<p>DEPARTMENT OF FINANCE (NEWFOUNDLAND AND LABRADOR) PO Box 8700, East Block Confederation Building St. John's, Newfoundland and Labrador A1B 4J6</p> <p>General Enquiries Tel: 709.729.3166 E-mail: finance@gov.nl.ca</p> <p>Minister's Office Tel: 418.729.3775 E-mail: financeminister@gov.nl.ca</p>	
--	--

Email Distribution List:

tsandler@osler.com; sirving@osler.com; ssidwill@osler.com; sfarr@osler.com;
jnevsky@alvarezandmarsal.com; sdedic@alvarezandmarsal.com;
cgood@alvarezandmarsal.com; kmeng@alvarezandmarsal.com;
jkarayannopoulos@alvarezandmarsal.com; boneill@goodmans.ca; bwiffen@goodmans.ca;
jsloan@goodmans.ca; milly.chow@blakes.com; aryo.shalviri@blakes.com;
caitlin.mcintyre@blakes.com; nick.chan@cibc.com; inquiries@sternpartners.com;
lpillon@stikeman.com; pyang@stikeman.com; tgioia@airdberlis.com;
kplunkett@airdberlis.com; gtopa@airdberlis.com; shans@airdberlis.com; NDokmajian@edc.ca;
BCAP_PCE@edc.ca; Dave.Legge@crsaglobal.com; Landon.Bibeau@oecgroup.ca;
sam.gullotti.col@allianz-trade.com; Kelly.K.Sullivan@purolator.com;
Temi.Elesha@purolator.com; Stephanie.Grace@xerox.com; Celine.Wuckelt@lavieenrose.com;
mstanley@leggat.ca; jhooper@leggat.ca; dbish@torys.com; aslavens@torys.com;
lgalessiere@cglegal.ca; gcamelino@cglegal.ca; mcitak@grllp.com; vdare@foglers.com;
djmiller@tgf.ca; jordan.schultz@dentons.com; jwolf@blaney.com; bjones@blaney.com;
hsniderman@wittenlaw.com; Emma.Humphrey@centralwalk.com; info@mirabellicorp.com;
AR_Carlingwood@anthemproperties.com; etowie@primarisreit.com; info@westcliff.ca;
lgreene@cornerbrookmall.com; leodoucet@weavingbaskets.ca; AR@warringtonpci.com;
reception@nwproperties.ca; office@dugganwellnesscentre.ca; patrick.moore@shape.ca;
gkroschinski@terracap.ca; sharon.faul@avisonyoung.com; bharti@haltonmanagement.ca;
info@haltonmanagement.ca; kbebeau@harvard.ca; haneyplaceaccounting@lorval.ca;
jklaiman@canadianasset.com; asamko@europro.ca; kakalr@davpart.com; lmahe@mccor.ca;
tracir@westdaleproperties.com; notices@trinity-group.com; mkoshman@controlex.ca;
info@ssmccoc.com; ashleyvarcoe@rogers.com; accounting@voisindevelopments.ca;
Roxanne@becatax.com; info@pyramidproperty.ca; office@crestwell.com; ktaylor@europro.ca;
nathalie.lalonde@plaza.ca; info@plaza.ca; TimminsAdmin@bayfieldadvisors.com;
EFTAdmin@ctreit.com; accounting@gpequities.com; accounting@mountwatercapital.com;
wanetaAR@anthemproperties.com; Anita.Hoy@wem.ca; Jessica.Farber@ctreit.com;
qunli@leyad.ca; ktasani@westdellcorp.com; jwilson@westdellcorp.com; manage-group@royalcourtyards.com;
cdoan@firstgulf.com; lori.stuart@cushwake.com;
LegalNotices@cushwake.com; eve.renaud@cushwake.com; rhyatt@mccor.ca;
Marlene.Perrotta@cushwake.com; lori.cymbaluk@jll.com; fay.goveas@ca.cushwake.com;
insolvency.unit@ontario.ca; fozia.chaudary@justice.gc.ca; Edward.Park@justice.gc.ca;
Vaughan.Thatcher@justice.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca;
ministryofjustice@gov.ab.ca; tra.revenue@gov.ab.ca; Aaron.Welch@gov.bc.ca;
AGLSBRevTaxInsolvency@gov.bc.ca; shelley.haner@gov.mb.ca; justweb@gov.ns.ca;
FinanceWeb@novascotia.ca; MBTax@gov.mb.ca; justice.comments@gnb.ca;
philippe.theriault2@gnb.ca; tra.revenue@gov.ab.ca; jus.minister@gov.sk.ca;
fin.minister@gov.sk.ca; TB-CT@gnb.ca; justice@gov.nl.ca; finance@gov.nl.ca;
financeminister@gov.nl.ca

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 COMARK HOLDINGS INC.,
BOOTLEGGERS CLOTHING INC., CLEO FASHIONS INC.
AND RICKI'S FASHIONS INC.

APPLICANTS

TABLE OF CONTENTS

Tab No.	Description		Page No.
1.	Notice of Motion dated January 30, 2025		23
2.	Affidavit of Shamsh Kassam sworn January 30, 2025		40
A.	Exhibit "A"	First Affidavit of Shamsh Kassam sworn January 6, 2025 (without exhibits)	77
B.	Exhibit "B"	Second Affidavit of Shamsh Kassam sworn January 16, 2025 (without exhibits)	134
C.	Exhibit "C"	Putman Term Sheet dated January 27, 2025	167
D.	Exhibit "D"	Eligible Lease List	176
E.	Exhibit "E"	Sale Process Letter dated January 30, 2025	180
F.	Exhibit "F"	Stalking Horse Term Sheet dated January 28, 2025	186
G.	Exhibit "G"	Pre-Filing Credit Assignment and Assumption Agreement agreed January 29, 2025 (signatures held in escrow)	196
H.	Exhibit "H"	DIP Assignment and Assumption Agreement agreed January 29, 2025 (signatures held in escrow)	212
3.	Draft Approval and Vesting and DIP Assignment Order		218
4.	Draft Stalking Horse Sale Process Approval Order		241

TAB 1

Court File No. CV-25-00734339-00CL

**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 COMARK HOLDINGS INC., BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

APPLICANTS

**NOTICE OF MOTION
(Transaction Approval, DIP Assignment, Sales Process and Stalking Horse)**

Comark Holdings Inc. ("**Comark**"), Ricki's Fashions Inc. ("**Ricki's**"), cleo fashions Inc. ("**cleo**"), and Bootlegger Clothing Inc. ("**Bootlegger**") (together, the "**Applicants**" or the "**Comark Group**") will make a Motion to a Judge presiding over the Commercial List on Tuesday, February 4, 2025 at 10 a.m., or as soon after that time as the Motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- ☐ In writing under subrule 37.12.1(1);
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location:

<https://ca01web.zoom.us/j/61804264297?pwd=MEpzRUtlUVB0UGc4eStsVGNTYmkxUT09> (Meeting ID: 618 0426 4297 Passcode: 057603)

THE MOTION IS FOR

1. An approval and vesting and DIP assignment order substantially in the form included at Tab 3 of the Motion Record (the “**Approval and Vesting and DIP Assignment Order**”), among other things:

- (a) approving an asset purchase agreement (the “**Putman APA**”) between cleo and Ricki’s (together, the “**Targets**”), as sellers, and 10011110197 Ontario Inc. (an affiliate of 2625229 Ontario Inc. (operating as Putman Investments)), as purchaser (the “**Putman Purchaser**”), and the transactions contemplated therein, pursuant to which the Putman Purchaser will acquire certain assets of the retail business of each of Ricki’s and cleo;
- (b) assigning certain leases of the Targets to the Putman Purchaser pursuant to section 11.3 of the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36 (the “**CCAA**”);
- (c) approving the transfer and assignment by Canadian Imperial Bank of Commerce (“**CIBC**”) to ParentCo of all of its rights, interests, and obligations as DIP Lender under and pursuant to the DIP Term Sheet and ARIO (including, but not limited to, the DIP Lender’s Charge) (the “**DIP Assignment and Assumption**”) and authorizing and empowering the Applicants to execute and deliver such documents as may be reasonably required in connection with the DIP Assignment and Assumption;

- (d) ordering that, upon delivery by the Monitor of a certificate (the “**Monitor’s Certificate**”) to the Targets, the Putman Purchaser, and the DIP Lender, certifying:
- (i) the Putman Purchaser has paid the cash consideration of the purchase price to the Monitor, on behalf of the Targets, pursuant to the Putman APA;
 - (ii) the Targets and the Putman Purchaser have each delivered written notice to the Monitor that all applicable conditions of closing under the Putman APA (other than delivery of the Monitor’s Certificate) have been satisfied and/or waived, as applicable; and
 - (iii) CIBC and ParentCo have each delivered written notice to the Monitor that all applicable conditions of closing under the Assignment and Assumption of Debt and Security Agreements (defined below) (other than delivery of the Monitor’s Certificate) have been satisfied and/or waived, as applicable;
- all of the Targets’ respective rights, title and interest in and to the assets acquired by the Putman Purchaser through the Putman Transaction (defined below) (the “**Purchased Assets**”) shall vest absolutely in the Putman Purchaser free and clear of and any and all Claims and Encumbrances, other than the Assumed Liabilities and Permitted Encumbrances (each as defined in the Putman APA); and
- (e) amending the title of these CCAA proceedings, following the delivery of the Monitor’s Certificate, to:

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 COMARK HOLDINGS INC.,
BOOTLEGGER CLOTHING INC., 9376208 CANADA INC.
AND 10959367 CANADA INC.

2. A sale process letter and stalking horse term sheet approval order substantially in the form included at Tab 4 of the Motion Record (the “**Stalking Horse Sale Process Approval Order**”), among other things:

- (a) approving the form of process letter prepared by the Monitor (the “**Process Letter**”) setting out the key milestones and bid requirements in respect of a sale of some or all of the Remaining Business (defined below);
- (b) authorizing and empowering the Applicants and the Monitor, and their respective affiliates, partners, directors, officers, employees, advisors, representatives, and agents (the “**Assistants**”), to engage in a sales process in accordance with the terms of the Process Letter, provided that the completion of any refinancing, restructuring, sale or reorganization transaction in respect of the Remaining Business will be subject to prior approval of the Court, and approving all actions taken by the Applicants, the Monitor and their Assistants *nunc pro tunc*;
- (c) authorizing the execution of the term sheet entered into between Warehouse One Clothing Ltd. (“**WarehouseOne**”) and the Applicants (the “**Stalking Horse Term Sheet**”);
- (d) approving the Stalking Horse Term Sheet to act as a stalking horse bid in accordance with the Process Letter;

- (e) authorizing and empowering the Applicants to negotiate and finalize a definitive agreement of purchase and sale (such definitive agreement being the “**Stalking Horse Purchase Agreement**”) with WarehouseOne, or its designated nominee (the “**Stalking Horse Purchaser**”), substantially on the terms set out in the Stalking Horse Term Sheet in respect of the Remaining Business; and
- (f) requiring the Monitor to post a copy of the finalized Stalking Horse Purchase Agreement to the Monitor’s website in respect of these CCAA proceedings and the Applicants to provide a copy of the Stalking Horse Purchase Agreement to the CCAA service list and to each participant in the Sales Process (defined and described below).

THE GROUNDS FOR THE MOTION ARE:¹

Background

3. On January 7, 2025, the Applicants were granted protection under the CCAA pursuant to an Initial Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”);

4. The Initial Order, among other things, (i) appointed Alvarez & Marsal Canada Inc. as monitor within these CCAA proceedings (the “**Monitor**”); (ii) granted a stay of proceedings against the Applicants, the Monitor, and their respective employees, directors, advisors, officers and representatives acting in such capacities for an initial 10-day period (the “**Initial Stay**”);

¹ Capitalized terms not otherwise defined have the meanings given to them in the Affidavit of Shamsh Kassam sworn January 30, 2025 (the “**Third Kassam Affidavit**”).

Period”); (iii) authorized the Applicants to borrow from CIBC, as interim lender (the “**Interim Lender**”), under the Applicants’ existing revolving facility (the “**CIBC Revolving Loan Facility**”) to fund the Applicants’ working capital requirements and other general corporate purposes, capital expenditures, and costs of these proceedings during the Initial Stay Period, subject to certain conditions; (iv) authorized, but did not require, the Applicants to pay certain pre-filing amounts, with the consent of the Monitor and the Interim Lender, consistent with the Cash Flow Forecast (as defined in the First Kassam Affidavit) or otherwise agreed to with the Interim Lender; and (v) granted priority charges over the Property;

5. At the comeback hearing held on January 17, 2025 (the “**Comeback Hearing**”), this Court granted the Amended and Restated Initial Order (the “**ARIO**”), among other things,

- (a) extending the stay of proceedings to May 15, 2025;
- (b) authorizing the Applicants to enter into the DIP Term Sheet in the maximum principal amount of \$18 million and granting the DIP Lender’s Charge;
- (c) authorizing the Applicants, with the support of the Monitor and the DIP Lender, to pursue offers for or avenues of restructuring, sale or reorganization of the Comark Group business or assets, in whole or in part;
- (d) approving the form of Merchandise Transfer Agreement, authorizing the Applicants and the Monitor to enter Merchandise Transfer Agreements with Overseas Vendors and perform their respective obligations under any Merchandise Transfer Agreement, and authorizing and approving any Merchandise Transfer Agreement executed by the Monitor and the Applicants prior to January 17, 2025; and

- (e) increasing the maximum amount secured by the Administration Charge to \$1 million and the maximum amount secured by the Directors' Charge to \$7.4 million;

6. At the Comeback Hearing, this Court also granted the Realization Process Approval Order, among other things,

- (a) approving a consulting agreement between the Applicants and Tiger Asset Solutions Canada, ULC (the “**Consultant**”) dated as of January 14, 2025 (as may be amended and restated in accordance with the terms of the Realization Process Approval Order, the “**Consulting Agreement**”), under which the Consultant is currently acting as exclusive consultant for the purpose of conducting a sale (the “**Sale**”) of the Retail Entities' merchandise and inventory (collectively, the “**Inventory**”) and goods, furniture, fixtures, equipment and/or improvements to real property (collectively, the “**FF&E**”) located at or in transit to the Applicants' Liquidating Stores (as defined in the Consulting Agreement) or at any Warehouse (as defined in the Consulting Agreement), or, in some cases, ordered by the Applicants following the commencement of the Sale;
- (b) approving the proposed sale guidelines (the “**Sale Guidelines**”) for the orderly realization of the Inventory and FF&E at the Applicants' Liquidating Stores; and
- (c) authorizing the Applicants, with the assistance of the Consultant, to undertake the Sale in accordance with the terms of the Realization Process Approval Order, the Consulting Agreement and the Sale Guidelines;

7. Since the Comeback Hearing, the Applicants, in consultation with the Monitor, have been working to, among other things, undertake the Sale, negotiate the delivery and retrieval of the Applicants' in-transit merchandise, liaise with the DIP Lender, and maintain the daily ordinary operations of the Applicants without service interruptions;

Approval and Vesting and DIP Assignment Order

(a) Putman Transaction

8. Shortly after the commencement of these CCAA proceedings, the Applicants received several outreaches and expressions of interest from parties potentially interested in acquiring certain of the Applicants' business and assets;

9. Pursuant to the authorization granted in the ARIO, the Applicants commenced preliminary discussions with the Putman Purchaser regarding a potential acquisition of the retail business and assets of each of Ricki's and cleo;

10. On January 29, 2025, Ricki's and cleo, with the consent of the Monitor and the DIP Lender entered into a term sheet with the Putman Purchaser (the "**Putman Term Sheet**");

11. The Putman Term Sheet was the only executable expression of interest received for the Ricki's and cleo assets;

12. Under the terms of the Putman Term Sheet, the Putman Purchaser will purchase (i) all inventory and merchandise owned by and in the possession of the Targets (the "**Target Merchandise**"), (ii) all owned FF&E located in the Targets' leased store locations, (iii) all IP owned by the Targets, including the trade names, and (iv) certain or all of the Targets' retail real

property leases (the “**Assumed Leases**”, with such stores related to the Assumed Leases being the “**Go-Forward Stores**”) for a purchase price of \$0.64 for each \$1.00 of Target Merchandise (plus tax);

13. The Putman Purchaser will offer employment to certain of the Targets’ retail level employees currently employed at the Go-Forward Stores, on substantially the same employment terms and conditions that such employees have with each of their respective Target employer;

14. The Putman APA has not yet been executed. The Applicants intend to serve a copy of the Putman APA on the CCAA service list shortly following its execution, in advance of the hearing of this motion;

15. The parties anticipate completing the transaction contemplated in the Putman Term Sheet (the “**Putman Transaction**”) by February 7, 2025 (or as otherwise extended by the Putman Purchaser in writing, up to a maximum of ten (10) days, beyond which any further extension will require the consent and agreement of the Targets) (the “**Closing Date**”);

16. The Monitor is supportive of the Putman Transaction and the Approval and Vesting and DIP Assignment Order;

(b) **Assignment of Leases for Go-Forward Stores**

17. For reasons of Expediency and convenience, the Applicants are seeking to effect the assignment of the Assumed Leases for the Go-Forward Stores to the Putman Purchaser pursuant to section 11.3 of the CCAA.

18. The leases for the Go-Forward Stores that the Putman Purchaser wishes to designate as Assumed Leases (the “**Eligible Leases**”) will only become Assumed Leases and be assigned to pursuant to section 11.3 of the CCAA where either (i) the Putman Purchaser has provided written confirmation to the Monitor that it will satisfy the cure costs and other lease terms in respect of the Assumed Lease; or (ii) the Putman Purchaser and the applicable landlord have provided written confirmation to the Monitor that they have reached consensual arrangements with respect to cure costs and the assignment of the Assumed Lease;

19. The Applicants and the Monitor are of the view that assigning the Assumed Leases pursuant to section 11.3 of the CCAA is reasonable in the circumstances;

20. The purchase price payable by the Putman Purchaser in the Putman Transaction is not dependent on the number of Assumed Leases ultimately assigned to the Putman Purchaser;

(c) **DIP Assignment**

21. It is a condition of the Stalking Horse Term Sheet (described below) that, concurrent with the closing of the Putman Transaction, (a) ParentCo shall have acquired and taken an assignment of the total remaining amounts owing to CIBC (or any assignee thereof) under the DIP Facility, the CIBC Revolving Loan Facility and the CIBC Term Loan Facility (for greater certainty excluding the BCAP Facility) (the “**Assigned Facilities**”), including principal, interest and Lender Expenses (as defined in the DIP Term Sheet) (the “**Outstanding Senior Secured Indebtedness**”) and related security documentation (other than the guarantee provided by EDC in favour of CIBC guaranteeing certain portions of the BCAP Facility), and shall have paid in full to CIBC an amount equal to the Outstanding Senior Secured Indebtedness then outstanding as of the closing of the

Putman Transaction (the “**Payment Amount**”); and (b) the BCAP Facility shall have been released or otherwise terminated in a manner satisfactory to the Stalking Horse Purchaser, in its discretion;

22. Accordingly, on January 30, 2025, CIBC, as Assignor, and ParentCo, as Assignee, agreed to two substantially similar agreements (the “**Assignment and Assumption of Debt and Security Agreements**”) wherein the Assignor has agreed to irrevocably assign its rights and obligations under the Assigned Facilities to the Assignee following receipt by CIBC of the Payment Amount;

23. Under the Assignment and Assumption of Debt and Security Agreements, the assignment of the Assigned Facilities becomes effective only upon delivery of the Monitor’s Certificate;

24. The Monitor and CIBC, in its current capacity as DIP Lender, support the Approval and Vesting and DIP Assignment Order;

Stalking Horse Sale Process Approval Order

25. While negotiating the Putman Term Sheet, the Applicants and the Monitor concurrently considered how best to pursue a transaction involving the remaining business or assets of the Applicants which are not included in the Putman Transaction (the “**Remaining Business**”).

26. Through discussions, ParentCo advised the Applicants that its affiliate, WarehouseOne, was interested in the opportunity and was willing to act as a stalking horse bidder;

(a) **Stalking Horse Term Sheet**

27. The Applicants and the Stalking Horse Purchaser entered into the Stalking Horse Term Sheet on January 28, 2025,;

28. Pursuant to the Stalking Horse Term Sheet, the Stalking Horse Purchaser expects to implement the transaction (the “**Stalking Horse Transaction**”) by purchasing 100% of the shares (or other equity ownership interests) of Bootlegger and/or one or more of the other members of the Comark Group (or their successor(s) by way of amalgamation or otherwise) (the “**Acquired Shares**”) and the Retained Assets (defined in the Stalking Horse Purchase Agreement) through a reverse vesting transaction (“**ARVO Transaction**”) in accordance with an approval and reverse vesting order (“**ARVO**”);

29. The Stalking Horse Purchaser is not prepared to proceed with a transaction involving the Remaining Business on an “asset sale” only basis;

30. The Stalking Horse Term Sheet provides for a purchase price in an amount equal to (i) the Outstanding Senior Secured Indebtedness on the closing date of the Stalking Horse Transaction; and (ii) the Retained Liabilities (as defined in the Stalking Horse Term Sheet), paid via a cash payment and retention of the Retained Liabilities. The Stalking Horse Purchaser would retain all retail employees at the Going Concern Stores and certain divisional employees on substantially the same employment terms and conditions;

31. The Stalking Horse Transaction is conditional on, among other things, the closing of the Putman Transaction by no later than February 17, 2025 and ParentCo having acquired and taken an assignment of the Outstanding Senior Secured Indebtedness and related security and other documentation concurrently with the closing of the Putman Transaction;

(b) **Sales Process**

32. To determine whether a transaction more favourable to the transaction contemplated by the Stalking Horse Term Sheet may be identified and completed, the Applicants and the Monitor have developed an expedited sales process (the “**Sales Process**”) to solicit interest in the Remaining Business as set out in the Process Letter;

33. The Sales Process is set out in the Process Letter;

34. The Process Letter will be sent by the Monitor to parties known to the Applicants and/or the Monitor as having interest, or potentially having interest, in the Remaining Business;

35. The Process Letter provides (i) an update on the Putman Term Sheet; (ii) a summary of the Stalking Horse Term Sheet; (iii) information with respect to the submission of a bid for the Remaining Business; and (iv) certain key milestones that have been established pursuant to the Process Letter;

36. Interested parties wishing to pursue a transaction for the Remaining Business must submit a non-binding expression of interest by no later than 5pm on February 20, 2025;

37. The Monitor and the Applicants are of the view that the Sales Process will fairly and adequately canvass the market for interest in the Remaining Business;

Other Grounds

38. The provisions of the CCAA, including section 11.02, and the inherent and equitable jurisdiction of this Honourable Court;

39. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

40. Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

41. The Affidavit of Shamsh Kassam, sworn January 6, 2025;

42. The Affidavit of Shamsh Kassam, sworn January 16, 2025;

43. The Affidavit of Shamsh Kassam, sworn January 30, 2025;

44. The Pre-Filing Report of the Proposed Monitor dated January 6, 2025;

45. The First Report of the Monitor, dated January 16, 2025;

46. The Second Report of the Monitor, to be filed; and

47. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

January 30, 2025

OSLER, HOSKIN & HARCOURT LLP

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

Tracy Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217

Email: ssidwill@osler.com

Sierra Farr (LSO# 87551D)

Tel: 416.862.6499

Email: sfarr@osler.com

Fax: 416.862.6666

Lawyers for the Applicants

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

Court File No. CV-25-00734339-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF COMARK HOLDINGS INC., BOOTLEGGER
CLOTHING INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

OSLER, HOSKIN & HARCOURT LLP

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

Tracy Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217

Email: ssidwill@osler.com

Sierra Farr (LSO# 87551D)

Tel: 416.862.6499

Email: sfarr@osler.com

Fax: 416.862.6666

Lawyers for the Applicants

TAB 2

Court File No. CV-25-00734339-00CL

**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 COMARK HOLDINGS INC., BOOTLEGGER
CLOTHING INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS
INC.

APPLICANTS

**AFFIDAVIT OF SHAMSH KASSAM
(Sworn January 30, 2025)**

I, Shamsh Kassam, of the City of Vancouver, in the Province of British Columbia, MAKE
OATH AND SAY:

1. I currently serve as Chief Executive Officer ("**CEO**") of Comark Holdings Inc. ("**Comark**"), Vice President of each of its subsidiaries, Ricki's Fashions Inc. ("**Ricki's**"), cleo fashions Inc. ("**cleo**") and Bootlegger Clothing Inc. ("**Bootlegger**") (together with Comark, the "**Applicants**" or the "**Comark Group**"), and a director of each of the Applicants. I am also a director and/or officer of a number of affiliated companies in a broader corporate group, including the parent company of Comark, 9383921 Canada Inc. ("**ParentCo**"), Warehouse One Clothing Ltd. ("**WarehouseOne**"), the Comark Group's logistics provider, Parian Logistics Inc. ("**Parian**") and others. As such, I have personal knowledge of the matters deposed to in this affidavit. Where I have relied on other sources of information, I have specifically referred to such sources and believe them to be true. In preparing this affidavit, I have consulted with legal, financial and other advisors to the Applicants and other members of the senior management teams of the Applicants. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

2. This affidavit is made in support of a motion by the Applicants for:

- (a) an approval and vesting and DIP assignment order (the “**Approval and Vesting and DIP Assignment Order**”), among other things:
 - (i) approving an asset purchase agreement (the “**Putman APA**”) between cleo and Ricki’s (together, the “**Targets**”), as sellers, and 10011110197 Ontario Inc. (an affiliate of 2625229 Ontario Inc. (operating as “**Putman Investments**”)), as purchaser (the “**Putman Purchaser**”), and the transactions contemplated therein, pursuant to which the Putman Purchaser will acquire certain assets of the retail business of each of Ricki’s and cleo;
 - (ii) assigning certain leases of the Targets to the Putman Purchaser pursuant to section 11.3 of the *Companies Creditors Arrangement Act, R.S.C., 1985, c. C-36* (the “**CCAA**”);
 - (iii) approving the transfer and assignment by Canadian Imperial Bank of Commerce (“**CIBC**”) to ParentCo of all of its rights, interests, and obligations as DIP Lender under and pursuant to the DIP Term Sheet and ARIO (including, but not limited to, the DIP Lender’s Charge) (the “**DIP Assignment and Assumption**”) and authorizing and empowering the Applicants to execute and deliver such documents as may be reasonably required in connection with the DIP Assignment and Assumption;
 - (iv) ordering that, upon delivery by the Monitor of a certificate (the “**Monitor’s Certificate**”) to the Targets, the Putman Purchaser, and the DIP Lender, certifying:

- (A) the Putman Purchaser has paid the cash consideration of the Purchase Price to the Monitor, on behalf of the Targets, pursuant to the Putman APA;
- (B) the Targets and the Putman Purchaser have each delivered written notice to the Monitor that all applicable conditions of closing under the Putman APA (other than delivery of the Monitor's Certificate) have been satisfied and/or waived, as applicable; and
- (C) CIBC and ParentCo have each delivered written notice to the Monitor that all applicable conditions of closing under the Assignment and Assumption of Debt and Security Agreements (defined below) (other than delivery of the Monitor's Certificate) have been satisfied and/or waived, as applicable;

all of the Targets' respective rights, title and interest in and to the Purchased Assets (defined below) shall vest absolutely in the Putman Purchaser free and clear of and any and all Claims and Encumbrances, other than the Assumed Liabilities and Permitted Encumbrances (each as defined in the Putman APA); and

- (v) amending the title of these CCAA proceedings, following the delivery of the Monitor's Certificate, to:

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 COMARK HOLDINGS INC.,

BOOTLEGGER CLOTHING INC., 9376208 CANADA INC.
AND 10959367 CANADA INC.

- (b) a sale process letter and stalking horse term sheet approval order (the “**Stalking Horse Sale Process Approval Order**”), among other things:
- (i) approving the form of process letter prepared by the Monitor (the “**Process Letter**”) setting out the key milestones and bid requirements in respect of a sale of some or all of the Remaining Business (defined below);
 - (ii) authorizing and empowering the Applicants and the Monitor, and their respective affiliates, partners, directors, officers, employees, advisors, representatives, and agents (the “**Assistants**”), to engage in a sales process in accordance with the terms of the Process Letter, provided that the completion of any refinancing, restructuring, sale or reorganization transaction in respect of the Remaining Business will be subject to prior approval of the Court, and approving all actions taken by the Applicants, the Monitor and their Assistants *nunc pro tunc*;
 - (iii) authorizing the execution of the Stalking Horse Term Sheet (defined below) by the Applicants;
 - (iv) approving the Stalking Horse Term Sheet to act as a stalking horse bid in accordance with the Process Letter;
 - (v) authorizing and empowering the Applicants to negotiate and finalize a definitive agreement of purchase and sale (such definitive agreement being the “**Stalking Horse Purchase Agreement**”) with WarehouseOne or its designated nominee (the “**Stalking Horse Purchaser**”) substantially on the

terms set out in the Stalking Horse Term Sheet in respect of the Remaining Business; and

- (vi) requiring the Monitor to post a copy of the finalized Stalking Horse Purchase Agreement to the Monitor's website and the Applicants to provide a copy of the Stalking Horse Purchase Agreement to the CCAA service list and each participant in the Sales Process (defined and described below).

3. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise, and do not represent amounts or measures prepared in accordance with ASPE or US GAAP.

4. This affidavit is organized in the follow sections:

A.	Overview of the Applicants' Activities since the Comeback Hearing	6
B.	Putman Transaction	10
(a)	Putman Term Sheet.....	11
(b)	Section 11.3 Assignment of Leases for Go-Forward Stores.....	18
(c)	Approval of the Putman Transaction	20
C.	Sale of Remaining Business.....	21
(a)	Process Letter.....	22
(b)	Stalking Horse Term Sheet	25
(c)	Approval of the Sales Process and Stalking Horse Bid	33
D.	Assignment and Assumption of Debt and Security	33
(a)	DIP Assignment and Assumption Approval.....	36

A. Overview of the Applicants' Activities since the Comeback Hearing

5. On January 7, 2025, the Applicants were granted protection under the CCAA pursuant to an Initial Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).

6. The Initial Order, among other things, (i) appointed Alvarez & Marsal Canada Inc. as monitor within these CCAA proceedings (the “**Monitor**”); (ii) granted a stay of proceedings against the Applicants, the Monitor, and their respective employees, directors, advisors, officers and representatives acting in such capacities for an initial 10-day period (the “**Initial Stay Period**”); (iii) authorized the Applicants to borrow from CIBC, as interim lender (the “**Interim Lender**”), under the Applicants’ existing revolving facility (the “**CIBC Revolving Loan Facility**”) to fund the Applicants’ working capital requirements and other general corporate purposes, capital expenditures, and costs of these proceedings during the Initial Stay Period, subject to certain conditions; (iv) authorized, but did not require, the Applicants to pay certain pre-filing amounts, with the consent of the Monitor and the Interim Lender, consistent with the Cash Flow Forecast (as defined in the First Kassam Affidavit (defined below)) or otherwise agreed to with the Interim Lender; and (v) granted priority charges over the Property.

7. In support of the application for the Initial Order, I swore an affidavit dated January 6, 2025 (the “**First Kassam Affidavit**”), which described, among other things, the events leading to the Applicants’ insolvency and their urgent need for relief under the CCAA. A copy of the First Kassam Affidavit (without exhibits) is attached hereto as **Exhibit “A”**. In support of the relief sought at the comeback hearing held on January 17, 2025 (the “**Comeback Hearing**”), I swore an affidavit dated January 16, 2025 (the “**Second Kassam Affidavit**”). A copy of the Second Kassam Affidavit (without exhibits) is attached hereto as **Exhibit “B”**. Capitalized terms

not otherwise defined herein have the meanings given to them in the First Kassam Affidavit and/or the Second Kassam Affidavit.

8. At the Comeback Hearing, this Court granted the Amended and Restated Initial Order (the “**ARIO**”), among other things, (i) extending the stay of proceedings to May 15, 2025; (ii) authorizing the Applicants to enter into the DIP Term Sheet in the maximum principal amount of \$18 million and granting the DIP Lender’s Charge; (iii) authorizing the Applicants, with the support of the Monitor and the DIP Lender, to pursue offers for or avenues of restructuring, sale or reorganization of the Comark Group business or assets, in whole or in part; (iv) approving the form of Merchandise Transfer Agreement, authorizing the Applicants and the Monitor to enter Merchandise Transfer Agreements with Overseas Vendors and perform their respective obligations under any Merchandise Transfer Agreement, and authorizing and approving any Merchandise Transfer Agreement executed by the Monitor and the Applicants prior to January 17, 2025; and (v) increasing the maximum amount secured by the Administration Charge to \$1 million and the maximum amount secured by the Directors’ Charge to \$7.4 million.

9. At the Comeback Hearing, this Court also granted the Realization Process Approval Order, among other things, (i) approving a consulting agreement between the Applicants and Tiger Asset Solutions Canada, ULC (the “**Consultant**”) dated as of January 14, 2025 (as may be amended and restated in accordance with the terms of the Realization Process Approval Order, the “**Consulting Agreement**”), under which the Consultant is currently acting as exclusive consultant for the purpose of conducting a sale (the “**Sale**”) of the Retail Entities’ merchandise and inventory (collectively, the “**Inventory**”) and goods, furniture, fixtures, equipment and/or improvements to real property (collectively, the “**FF&E**”) located at or in transit to the Applicants’ Liquidating Stores (as defined in the Consulting Agreement) or at any Warehouse

(as defined in the Consulting Agreement), or, in some cases, ordered by the Applicants following the commencement of the Sale; (ii) approving the proposed sale guidelines (the “**Sale Guidelines**”) for the orderly realization of the Inventory and FF&E at the Applicants’ Liquidating Stores; and (iii) authorizing the Applicants, with the assistance of the Consultant, to undertake the Sale in accordance with the terms of the Realization Process Approval Order, the Consulting Agreement and the Sale Guidelines.

10. Pursuant to the DIP Term Sheet, the Applicants were required to commence the Sale by no later than January 18, 2025. However, under the terms of the Consulting Agreement, the Consultant and the Applicants agreed that in the event that the Applicants identify one or more going concern transactions, including to any related party, for any of the Applicants’ businesses or any portion thereof, the Applicants are entitled to remove any of the Applicants’ Liquidating Stores from the Sale at any time prior to January 31, 2025 or upon giving 14-days written notice after January 31, 2025. The Applicants have the express right to terminate the Consulting Agreement in the event that they remove all of the Applicants’ Liquidating Stores from the Sale.

11. Since the granting of the ARIO and the Realization Process Approval Order, the Applicants, in close consultation and with the assistance of the Monitor, have been working in good faith and with due diligence to, among other things:

- (a) undertake the Sale, with the assistance of the Consultant, in accordance with the terms of the Realization Process Approval Order, the Consulting Agreement and the Sale Guidelines. On January 17th and 18th, 2025, after the granting of the Realization Process Approval Order, the Applicants and the Consultant commenced the Sale at substantially all of the Applicants’ Liquidating Stores;

- (b) pursue certain offers for and avenues of restructuring, sale and reorganization of the Comark Group business or assets, in accordance with the terms of the ARIO, including by negotiating and entering into a term sheet with the Putman Purchaser (the “**Putman Term Sheet**”) and the Stalking Horse Term Sheet (defined below) with the Stalking Horse Purchaser, and by developing the Process Letter, all in accordance with the terms of the ARIO;
- (c) negotiate the delivery and retrieval of the Applicants’ in-transit merchandise, including by entering into Merchandise Transfer Agreements in accordance with the terms of the ARIO. As of January 28, 2025, the Applicants had entered into Merchandise Transfer Agreements in respect of approximately \$5.4 million of in-transit inventory, at an aggregate cost of approximately \$1.7 million;
- (d) liaise with CIBC, in its capacity as DIP Lender, in respect of various matters in these CCAA proceedings, including the Putman Term Sheet, the Stalking Horse Term Sheet and the Assignment and Assumption of Debt and Security Agreements;
- (e) maintain the daily ordinary course operations of the Applicants business, with no service interruptions;
- (f) maintain daily liquidity and cash flow forecasts;
- (g) engage with the Applicants’ employees; and
- (h) respond to creditor and stakeholder inquiries regarding these CCAA proceedings.

B. Putman Transaction

12. As noted in the Second Kassam Affidavit, shortly after the commencement of these CCAA proceedings, the Applicants received several outreaches and expressions of interest from parties potentially interested in acquiring certain of the Applicants' business and assets. The Putman Purchaser was one such interested party.

13. In the ARIO, the Applicants were granted the authority to pursue offers for or avenues of refinancing, restructuring, sale or reorganization of the business or assets of the Applicants (a **"Going Concern Transaction"**), with any such Going Concern Transaction being subject to the consent of the DIP Lender and further Court approval. The authorization to pursue a Going Concern Transaction was designed to allow the Applicants and the Monitor to immediately commence testing the market to ascertain whether there may be one or more Going Concern Transactions that would generate more value for creditors and stakeholders than the Sale.

14. Pursuant to this authorization in the ARIO, the Applicants, with the consent of the Monitor and the DIP Lender, commenced preliminary discussions with the Putman Purchaser regarding the purchase of some or all of the Applicants' business or assets. After further discussion, the parties focused on a potential acquisition of the retail business and assets of each of Ricki's and cleo.

15. During the course of the negotiations, the Putman Purchaser and the Applicants each made it clear to the other that their support for a transaction involving the assets the Targets was conditional on a transaction being consummated on an expedited basis. This was due, in large part, because with each passing day, an increasing amount of the Targets' inventory was being liquidated as part of the Sale. In addition, any delay would necessarily extend the time by which the Applicants need to disclaim leases for the Liquidating Stores (defined below), and would

expose the Applicants to other additional costs and expenses. To that end, the transaction contemplated in the Putman Term Sheet (the “**Putman Transaction**”) was conditional on execution of the Putman Term Sheet on or before January 29, 2025.

16. After further negotiations with the assistance of the Monitor, on January 29, 2025, the Targets, with the consent of the Monitor and the DIP Lender, and in accordance with the ARIO, entered into the Putman Term Sheet with the Putman Purchaser, on the basis that it was the only executable expression of interest received for the Ricki’s and cleo assets.

(a) Putman Term Sheet

17. On this motion, the Applicants are seeking approval of the Putman APA substantially in accordance with the Putman Term Sheet. The Putman Term Sheet is attached hereto as **Exhibit “C”**. As of the date of this affidavit, the Putman APA has not yet been executed. The Applicants intend to serve a copy of the Putman APA on the CCAA service list shortly following its execution, in advance of the hearing of this motion.

18. The Putman Purchaser is an affiliate of Putman Investments which owns retail brands like *Toys “R” Us Canada*, *Babies “R” Us Canada*, *Sunrise Records*, *For Your Entertainment Ltd.*, *Northern Reflections Ltd.*, *David’s Tea* and *HMV*. In the Putman Term Sheet, the Putman Purchaser has stated that it has the capital resources available to complete the Putman Transaction and the completion of the Putman Transaction is not subject to any financing condition.

19. Further key terms of the Putman Term Sheet include the following:¹

- (a) Subject to the satisfaction of the conditions in the Putman Term Sheet, the Putman Purchaser will acquire the following assets (the “**Purchased Assets**”) free and clear of all encumbrances and on an “*as is, where is*” basis:
 - (i) all inventory and merchandise owned by and in the possession of each of the Targets wherever located, including, without limitation, all inventory and merchandise located within any and all of their respective leased locations in Canada (the “**Target Stores**”) and any owned inventory and merchandise, as may be located at the Parian warehouse (the “**Parian Warehouse**”), in transit to the Target Stores, or located at or in transit to the Parian Warehouse to be delivered to the Target Stores (collectively, the “**Target Merchandise**”);
 - (ii) all owned furnishings, trade fixtures, equipment (including owned IT and POS equipment), machinery, office supplies, and other personal property and fixed assets (the “**Target FF&E**”) located in the Target Stores;
 - (iii) all intellectual and industrial property owned by the Targets, including, without limitation, the trade names; and
 - (iv) certain or all of the Targets’ retail real property leases, to be confirmed by the Putman Purchaser prior to the Closing Date (defined below)

¹ All terms not defined herein are defined in the Putman Term Sheet. The below is intended to be a summary of the Putman Term Sheet only. Reference should be had to the Putman Term Sheet for the complete terms set out therein.

contemplated in the Putman APA (the “**Assumed Leases**”). The Target Stores relating to Assumed Leases are referred to as the “**Go-Forward Stores**”, and the Target Stores relating to leases that are not Assumed Leases are referred to in the Putman Term Sheet as the “**Liquidating Stores**”;

- (b) The aggregate purchase price for the Purchased Assets shall be equal to \$0.64 for each \$1.00 of Target Merchandise (the “**Purchase Price**”) plus any applicable sales or transfer taxes thereon. The Purchase Price is not conditional on the number of Assumed Leases assigned to the Putman Purchaser;
- (c) The Purchase Price shall be payable in two installments:
 - (i) within three (3) business days following the date of the acceptance of the Putman Term Sheet, the Putman Purchaser shall transfer to the Monitor, to be held in trust, \$3.0 million in cash (the “**Deposit**”), which Deposit shall be refundable (i) if the conditions of the Putman Term Sheet are not satisfied, other than if such failure to satisfy the applicable condition(s) is caused by the Putman Purchaser or any of its representatives, and the Putman Purchaser elects not to proceed with the Putman Transaction as a result of such conditions not being satisfied; or (ii) if the Targets fail to close the Putman Transaction, other than if such failure is caused by the Putman Purchaser or its representatives; and
 - (ii) the balance of the Purchase Price shall be payable in cash on the Closing Date;

- (d) The Putman Purchaser will offer employment to certain of the Targets' retail level employees currently employed at the Go-Forward Stores, on substantially the same employment terms and conditions that such employees have with each of their respective Target employer (the "**Offers**"). The Offers will recognize employees' original dates of service/tenure and provide for employment with the Putman Purchaser commencing on the Closing Date. Employees who accept their respective Offers will become employees of the Putman Purchaser (the "**Transferring Employees**") effective as of the Closing Date²;
- (e) At the Closing Date, the Putman Purchaser shall assume all liabilities relating to any Assumed Leases, including the assumption of any cure costs for amounts of rent or otherwise (unless otherwise waived by the applicable landlord to effect an assignment), payable in connection with the assignment of such Assumed Leases;
- (f) During the period between the Closing Date and an end date to be determined by the Targets and the Putman Purchaser, provided such end date is no later than 120 days following the Closing Date (the "**Transition Period**"), the Putman Purchaser shall enter into a transition services agreement or arrangement (a "**TSA**") with the Targets, pursuant to which the Putman Purchaser will agree to pay, reimburse or

² For clarity, and for the avoidance of any doubt, the employment of the Transferring Employees will transfer to the Purchaser as of the Closing Date and the Purchaser shall be responsible for any and all employer duties, obligations, liabilities, losses, damages, costs, and expenses in respect of the employment of such Transferring Employees from and after the Closing Date, including but not limited to any vacation pay in relation to the Transferring Employees accrued (but not paid) prior to the Closing Date. Retail level employees currently employed at each of the Go-Forward Stores who: (a) are not offered employment by the Purchaser or (b) are offered employment with the Purchaser but do not accept such Offers (collectively, the "**Non Transferring Employees**") will continue to work at their respective Go-Forward Stores until their separation date; provided that the Purchaser shall not be responsible for (i) any termination or severance costs associated with such Non-Transferring Employees, or (ii) any other Employee Costs, in each case, unless otherwise expressly agreed to.

cover the following costs and expenses during the Transition Period, as set out in the Putman Term Sheet (the “**TSA Costs**”):

- (i) all lease payments (including percentage rent, taxes, and common area maintenance costs, as applicable), utilities, maintenance, security and other operating costs relating to operating the Liquidating Stores;
- (ii) all Employee Costs (as defined therein) for the retail level employees for the Liquidating Stores, together with all Employee Costs for any Non-Transferring Employees until the closure of the applicable Liquidating Store;
- (iii) all shipping costs, freight, and duties associated with (i) any in-transit Target Merchandise and (ii) moving any Target Merchandise from the Liquidating Stores or the Warehouse to the Go-Forward Stores, or such other location as the Putman Purchaser may request;
- (iv) any costs associated with credit card fees, banking fees and shared services costs relating to the IT and POS equipment, provided such amount shall not exceed a weekly cap amount to be agreed by the parties, acting reasonably, based on anticipated sales volumes;
- (v) the costs associated with running the Parian Warehouse and the corporate overhead costs incurred by Parian related to the services provided by Parian to the Targets during the Transition Period provided that (i) such services will only be provided for an initial 30-day period, subject to up to three 30-day extensions upon no less than 10 days’ advance written notice by the

Purchaser prior to expiration of the then applicable 30-day period, and (ii) the costs for each 30-day period will be subject to a maximum amount of \$1.0 million. For any in-transit or other inventory that is received or handled by Parian after the expiry of the 30-day period, the Putman Purchaser shall pay Parian a handling fee at a price to be agreed to by the Targets and the Putman Purchaser, acting reasonably;

- (vi) from and after the Closing Date, all costs associated with the Consulting Agreement associated with or related to the Liquidating Stores;
- (vii) an allocation of the professional fees of the Monitor and the Monitor's counsel, based on the Liquidating Stores' share of sales, in comparison to the aggregate amount of sales of the Liquidating Stores, and the Bootlegger stores that remain in the CCAA proceedings; provided that, after the Closing Date, no share of the costs associated with the Applicants' legal counsel shall be allocated to the account of the Putman Purchaser; and provided further that any such amount to be payable by the Putman Purchaser shall not exceed an amount to be agreed to by the Targets and Purchaser acting reasonably; and
- (viii) all sales or transfer taxes payable in connection with the TSA Costs;
- (g) Cash proceeds from the sale of the Target Merchandise during the Transition Period, net of the TSA Costs, shall be property of the Putman Purchaser, and such cash proceeds shall constitute Purchased Assets;

- (h) The Targets and the Putman Purchaser agree to work cooperatively to establish a schedule for the issuance of lease disclaimers for each of the Liquidating Stores with the intention of maximizing overall value and minimizing the TSA Costs; and
- (i) During the period from the signing of the Putman Term Sheet through to the issuance of the proposed Approval and Vesting and DIP Assignment Order, and subject to the ARIO and the Realization Process Approval Order, each of the Targets agree to maintain the retail store leases in good standing, the Target Merchandise in good and salable condition, and the Target FF&E in good working condition.

20. The Putman Term Sheet provides that the Parties shall work diligently and in good faith to negotiate and settle the Putman APA (including the terms related to the Putman Purchaser's acquisition of the Purchased Assets and the TSA) and other ancillary agreements, which agreements will include the terms summarized in the Putman Term Sheet and such other representations, warranties, conditions, covenants, indemnities and other terms that are customary for transactions of this kind. As noted above, the Applicants intend to serve the Putman APA on the CCAA service list shortly after it has been executed and in advance of this motion.

21. The Putman APA will be subject to customary conditions, including (i) the Approval and Vesting and DIP Assignment Order being granted by this Court, in form and substance satisfactory to the Putman Purchaser; and (ii) any necessary approvals and third party consents relating to the Putman Transaction and the Purchased Assets being obtained or otherwise addressed in the Approval and Vesting and DIP Assignment Order.

22. The parties anticipate completing the Putman Transaction by February 7, 2025 (or otherwise extended by the Putman Purchaser in writing, up to a maximum of ten (10) days, beyond which any further extension will require the consent and agreement of the Targets) (the **“Closing Date”**).

23. The Monitor has advised the Applicants that it is supportive of each of Ricki’s and cleo entering into the Putman Term Sheet and negotiating the Putman APA on the terms of the Putman Term Sheet. As of the date of this affidavit, the Applicants and the Monitor have not received any other binding offers to purchase the assets or business of the Targets.

(b) Section 11.3 Assignment of Leases for Go-Forward Stores

24. In the proposed Approval and Vesting and DIP Assignment Order, the Applicants are seeking to effect the assignment of the Assumed Leases for the Go-Forward Stores to the Putman Purchaser pursuant to section 11.3 of the CCAA.

25. The bespoke manner by which this is proposed to be accomplished is as follows:

- (a) The Putman Purchaser has prepared a list of the Go-Forward Stores in respect of which it wishes to designate the applicable lease, occupancy agreement, licence or other agreement giving cleo and/or Ricki’s the right to occupy premises (the **“Eligible Lease List”**) as an Assumed Lease under the Putman Transaction (the **“Eligible Leases”**). The Eligible Lease List is attached hereto as **Exhibit “D”**.
- (b) As soon as possible after service of the motion record for this motion, the Putman Purchaser intends to send written notice to each of the landlords on the Eligible Lease List setting out the terms pursuant to which the Putman Purchaser would be prepared to assume the applicable Eligible Lease and requiring that an agreement

between the Putman Purchaser and the applicable landlord be entered into prior by a specified date (the “**Cure Cost Deadline**”).

- (c) In order for an Eligible Lease to become an Assumed Lease (and therefore subject to assignment under section 11.3 of the CCCA), either (i) the Putman Purchaser must have provided written confirmation to the Monitor that it will satisfy the cure costs and other lease terms in respect of the Assumed Lease; or (ii) the Putman Purchaser and the applicable landlord must have provided written confirmation to the Monitor that they have reached consensual arrangements with respect to cure costs, other lease terms and the assignment of such leases and other documents, in each case Cure Cost Deadline.
- (d) At present, all Eligible Leases on the Eligible Lease List are included in the draft Approval and Vesting and DIP Assignment Order. However, only Eligible Leases that have met the above criteria by the Cure Cost Deadline shall be included on Schedule “1” to the Monitor’s Certificate.
- (e) Upon delivery of the executed Monitor’s Certificate to the Putman Purchaser, the Targets and the DIP Lender, the leases listed on Schedule “1” will become “Assumed Leases” and assigned to the Putman Purchaser pursuant to section 11.3 of the CCAA.

26. The use of section 11.3 of the CCAA in this manner was designed by the Applicants and the Putman Purchaser, with input from the Monitor, in order to increase efficiency and convenience to all parties. As noted above, the Putman Transaction is being advanced on a compressed timeline to prevent further erosion of the Target Merchandise through the Sale, and to minimize other costs to the estate. The Applicants and the Monitor are of the view that the

process described herein is reasonable in the circumstances and will provide a fair and expeditious process for the assignment of Assumed Leases to the Putman Purchaser. The process ensures that a lease will only be assigned to the Putman Purchaser in circumstances where the Putman Purchaser has agreed to pay the cure costs in respect of such lease or has otherwise reached consensual arrangements with the applicable landlord. For clarity, the Applicants have no obligation under the Putman Term Sheet to seek to assign an Eligible Lease to the Putman Purchaser on an opposed basis and the purchase price payable by the Putman Purchaser is not dependent on the number of Assumed Leases ultimately assigned to the Putman Purchaser.

(c) Approval of the Putman Transaction

27. As noted above, the Putman Transaction is the only executable going concern transaction or restructuring alternative that has been identified for the Ricki's and cleo assets under the process set out in the ARIO.

28. The Putman Transaction provides significant benefits to the Applicants' stakeholders. Among other things:

- (a) the operations of each of Ricki's and cleo will be preserved and will continue to operate as a going concern business, though with a reduced operating footprint;
- (b) the Putman Transaction is supported by the DIP Lender and ParentCo, the most significant stakeholders of the Applicants in these CCAA proceedings;
- (c) the Putman Transaction will preserve employment for Transferring Employees with each of Ricki's and cleo;

- (d) the majority of contracts with vendors, trade creditors and other counterparties will continue in the normal course for the benefit of all parties thereto; and
- (e) on closing, limited matters relating to Ricki's and cleo will remain for the administration and wind-down of the CCAA proceedings.

29. I am advised that the Monitor supports the proposed Putman Transaction, and the Applicants' request for the Approval and Vesting and DIP Assignment Order. The Monitor's views and recommendations with respect to the Putman Transaction will be set forth in the Second Report of the Monitor, to be filed.

C. Sale of Remaining Business

30. As noted above, the proposed Putman Transaction is limited to certain assets of Ricki's and cleo. As such, during the course of negotiating the Putman Term Sheet, the Applicants and the Monitor were concurrently considering whether and how best to pursue a transaction involving the remaining business or assets of the Applicants which are not included in the Putman Transaction (the "**Remaining Business**"), including a transaction that could potentially preserve some or all of the Bootlegger business as a going concern. As part of this consideration, the Applicants reached out to ParentCo to determine whether it, or one of its affiliates, might be interested in acquiring the Bootlegger business and the rest of the Remaining Business (including its tax attributes) and, if so, whether it would be prepared to act as a stalking horse bidder in any sale process conducted in respect of same. ParentCo advised the Applicants that its affiliate, WarehouseOne, was interested in the opportunity and, following additional discussions, WarehouseOne indicated that it was willing to act as a stalking horse bidder.

31. The Applicants, in consultation with the Monitor, subsequently engaged in negotiations with WarehouseOne which, as described in greater detail below, ultimately culminated in the entering into a term sheet with WarehouseOne (the “**Stalking Horse Term Sheet**”). At the same time, the Applicants and the Monitor worked to develop an expedited sales process (the “**Sales Process**”) to solicit interest in the Remaining Business, as set out in the Process Letter, the purpose of which is to determine whether a transaction more favourable to the transaction contemplated by the Stalking Horse Term Sheet may be identified and completed.

(a) Process Letter

32. In the proposed Stalking Horse Sale Process Approval Order, the Applicants are seeking approval of the form of Process Letter attached thereto as **Exhibit “E”**. The Process Letter has been drafted by the Monitor, with input from the Applicants, pursuant to paragraph 12(f) of the ARIIO. The Process Letter will be sent to parties known to the Applicants and/or the Monitor as having interest, or potentially having interest, in the Remaining Business. Among other things, the Process Letter provides (i) an update on the Putman Term Sheet; (ii) a summary of the Stalking Horse Term Sheet; (iii) information with respect to the submission of a bid for the Remaining Business; and (iv) certain key milestones that have been established pursuant to the Process Letter.

33. As outlined in the Process Letter, the proposed Sales Process is structured on an expedited timeline. The Process Letter states that interested parties wishing to pursue a transaction for (a) the business or assets of Bootlegger, and/or (b) the remaining assets of cleo and Ricki’s available after the Putman Transaction (the “**Remaining Ricki’s/cleo Assets**”) must (i) execute a standard form of confidentiality agreement; and (ii) prepare and submit a non-binding expression of interest (“**EOI**”) by no later than 5:00 p.m. on February 20, 2025 (the

“EOI Bid Deadline”). Parties who sign the confidentiality agreement will be provided with access to a virtual data room.

34. In order to be a Qualified Bidder (as defined in the Process Letter) in relation to the assets subject to the Stalking Horse Transaction, the purchase price must provide cash sufficient to pay in full upon closing: (i) the Stalking Horse Purchase Price (as defined in the Process Letter); (ii) an incremental overbid amount of \$100,000; and (iii) an administrative reserve to wind-down the CCAA proceedings in an amount to be discussed with the Monitor. There is no minimum bid amount in relation to the Remaining Ricki’s/cleo Assets that are not purchased assets pursuant to the Stalking Horse Transaction. The Stalking Horse Purchaser is deemed to be a Qualified Bidder for the purposes of the Sales Process.

35. If one or more Qualified Bidders (in addition to the Stalking Horse Purchase Agreement) are identified in the Sales Process, the Monitor, in consultation with the Applicants, will establish a process and timing for the selection of the Successful Bid (defined below), which may (but is not required to) include an auction process. The Monitor will communicate the process timing and requirements to the Qualified Bidders. Any Successful Bid identified in the Sales Process (including the Stalking Horse Transaction, as applicable) will be subject to approval by the Court.

36. The Process Letter sets out the following key milestones in the Sales Process, which can be extended or modified by the Monitor in its discretion:

- (a) January 30, 2025: Formal Commencement of the Sales Process
- (b) February 20, 2025: EOI Bid Deadline
- (c) February 28, 2025: Selection of the “**Successful Bid**”

- (d) April 21, 2025: Outside date for closing of the transaction

37. The Applicants and the Monitor are of the view that the milestone dates set out in the Process Letter are reasonable in the circumstances, given that (i) the Sale is proceeding and, with each passing day, there is less Bootlegger inventory to include in a Going Concern Transaction involving the Remaining Business; (ii) the Applicants do not have sufficient liquidity under the Cash Flow Forecast to run a lengthier sales process; and (iii) it is a condition of the Stalking Horse Term Sheet that any sales process not exceed 30 days in duration.

38. The Process Letter sets out the following bid requirements for any EOI submitted:

- (a) Describe the proposed transaction structure, including an indication of (i) which of the Remaining Business the bidder is proposing to acquire or invest in; and (ii) whether the proposed transaction is to be implemented by way of an “asset vesting order”, “reverse vesting order” or an alternative structure;
- (b) State the cash consideration which the bidder would be prepared to pay and the valuation methodology used, including any working capital assumptions
- (c) Include details on the identity of the proposed purchaser, including background and financial information and advisors that have been or are expected to be retained by the proposed purchaser;
- (d) Include information about the intended sources and quantum of equity and debt financing for the transaction, evidence of the availability of such financing and details on any actions the bidder has taken to date to obtain funding commitment(s);

- (e) Describe the strategic rationale for the bidder's interest in Bootlegger and/or the Comark Group and their plans for the business going forward, including employment offers;
- (f) Describe the level of review and approval of the EOI presented;
- (g) Set out any conditions to closing that the bidder wishes to impose or any other terms and conditions required to complete the proposed transaction;
- (h) Outline any due diligence requirements the bidder would require to submit a binding proposal and the timeframe for remaining due diligence; and
- (i) Confirm that the bidder will bear its own costs and expenses in connection with the EOI and proposed transaction.

39. The Monitor and the Applicants are of the view that the Sales Process articulated in the Process Letter will fairly and adequately canvass the market for interest in the Remaining Business. Based on my knowledge of the Remaining Business, I am of the view that the timelines and bid requirements set out in the Process Letter are fair, reasonable and appropriate in the circumstances, and provide sufficient time to allow interested parties to participate in the Sales Process, while also limiting the degradation of the value of the Bootlegger inventory, and therefore the Remaining Business, through the Sale.

(b) Stalking Horse Term Sheet

40. As described above, following negotiations, the Applicants and the Stalking Horse Purchaser entered into the Stalking Horse Term Sheet on January 28, 2025. In the proposed Stalking Horse Sale Process Approval Order, the Applicants are seeking approval of the Stalking

Horse Term Sheet and the authorization and direction to enter into a Stalking Horse Purchase Agreement substantially on the terms set out in the Stalking Horse Term Sheet. A copy of the Stalking Horse Term Sheet is attached hereto as **Exhibit “F”**.³ The outside date for closing of this transaction (the “**Stalking Horse Transaction**”), if the Stalking Horse Transaction is selected as the Successful Bid in the Sales Process, is April 21, 2025.

41. The Stalking Horse Term Sheet sets out the key terms, conditions and timetable under which the Stalking Horse Purchaser will acquire the Bootlegger business, together with the tax attributes of the Comark Group and certain other related assets. Pursuant to the Stalking Horse Term Sheet, the Stalking Horse Purchaser expects to implement the Stalking Horse Transaction by purchasing 100% of the shares (or other equity ownership interests) of Bootlegger and/or one or more of the other members of the Comark Group (or their successor(s) by way of amalgamation or otherwise) (the “**Acquired Shares**”) and the Retained Assets (defined below) through a reverse vesting transaction (“**ARVO Transaction**”) in accordance with an approval and reverse vesting order (“**ARVO**”). The Stalking Horse Purchaser may, as a condition of closing, require that corporate steps be taken to effect the acquisition in a tax efficient manner and to acquire the Comark Group’s tax attributes.

42. The Stalking Horse Purchaser has advised that it is not prepared to proceed with a transaction involving the Remaining Business on an “asset sale” only basis.

43. Key terms of the Stalking Horse Term Sheet include the following:

³ All terms not defined herein are defined in the Stalking Horse Term Sheet. The below is intended to be a summary of the Stalking Horse Term Sheet only. Reference should be had to the Stalking Horse Term Sheet for the complete terms set out therein.

- (a) a purchase price calculated as follows (the “**Stalking Horse Purchase Price**”):
 - (i) an amount (the “**Cash Amount**”) equal to the Outstanding Senior Secured Indebtedness⁴ then outstanding on the closing date of the Stalking Horse Transaction (the “**Stalking Horse Closing Date**”), plus
 - (ii) an amount equal to the Retained Liabilities (defined below);
- (b) the Stalking Horse Purchaser will satisfy the Stalking Horse Purchase Price through
 - (i) a cash payment in the Cash Amount; and (ii) retention of the Retained Liabilities;
- (c) the “**Retained Assets**” will include the following assets as at the Stalking Horse Closing Date:
 - (i) all inventory and merchandise owned by Bootlegger wherever located, including all inventory and merchandise located within any and all of their respective leased locations in Canada (the “**Bootlegger Stores**”) and any owned inventory and merchandise, as may be located at the Parian Warehouse in transit to the Bootlegger Stores, or located at or in transit to the Parian Warehouse to be delivered to the Bootlegger Stores (collectively, the “**Bootlegger Merchandise**”), including any inventory and merchandise currently held or stored on any vessels or ships or at port in the possession and control of Bootlegger or its agents;

⁴ “**Outstanding Senior Secured Indebtedness**” is comprised of the total remaining amounts owing to CIBC (or any assignee thereof) under the DIP Facility, the CIBC Revolving Loan Facility and the CIBC Term Loan Facility (for greater certainty excluding the BCAP Facility), including principal, interest and Lender Expenses (as defined in the DIP Term Sheet). The Second Report of the Monitor will include the forecasted quantum of the Outstanding Senior Secured Indebtedness on the Stalking Horse Closing Date and the quantum will be communicated to interested parties through the Sales Process.

- (ii) all FF&E located in the Bootlegger Stores;
 - (iii) all intellectual and industrial property owned by Bootlegger;
 - (iv) Bootlegger's cash, prepaid assets and deposits;
 - (v) certain of the Comark Group's retail real property leases, to be confirmed by the Stalking Horse Purchaser no less than three (3) days prior to the Stalking Horse Closing Date (the "**Acquired Leases**" and the applicable retail stores at such leased locations, the "**Going Concern Stores**"), provided, however, that the Stalking Horse Purchaser agrees to retain no less than 25 such leases;
 - (vi) such assets of Comark designated by the Stalking Horse Purchaser no less than three (3) days prior to the Stalking Horse Closing Date; and
 - (vii) the Comark Group's tax losses and other attributes, as determined by the Stalking Horse Purchaser;
- (d) the "**Excluded Assets**" include all Target Merchandise sold under the Putman APA, all Comark Group leases other than the Acquired Leases, and any other designated assets as may be designated by the Stalking Horse Purchaser prior to the Stalking Horse Closing Date;
- (e) the "**Retained Liabilities**" include only the following liabilities (which the Stalking Horse Purchaser is prepared to retain), with all other liabilities being "**Excluded Liabilities**" under the ARVO Transaction:

- (i) liabilities from and after Stalking Horse Closing Date under all of the Acquired Leases, including the assumption or retention of any outstanding amounts of rent or other amounts outstanding under the Acquired Leases unless waived by the applicable landlord;
 - (ii) liabilities to the Retained Employees (as defined below), including obligations for wages, salaries, employee benefits and accrued vacation pay in respect of such employees from and after the Stalking Horse Closing Date;
 - (iii) all liabilities owed by Comark to ParentCo under the ParentCo Loan Agreement (defined in the First Kassam Affidavit) and such other intercompany liabilities as the Stalking Horse Purchaser may determine; and
 - (iv) all liabilities of Comark to persons set out in Appendix “A” of the Stalking Horse Term Sheet;
- (f) except as otherwise agreed by the Stalking Horse Purchaser and Bootlegger, the Stalking Horse Purchaser (through Bootlegger and/or one or more of the other members of the Comark Group) will retain all retail employees at the Going Concern Stores and certain divisional employees to be determined prior to the Stalking Horse Closing Date (the “**Retained Employees**”) on substantially the same terms and conditions. All other employees of the Comark Group will be terminated prior to the Stalking Horse Closing Date and all related liabilities and claims will be transferred to ResidualCo (as defined below);

- (g) the Stalking Horse Purchaser is willing to act as a stalking horse purchaser in the Sales Process for the Remaining Business established by the Monitor, on terms and conditions acceptable to the Stalking Horse Purchaser and not to exceed 30 days in duration;
- (h) the completion of the Stalking Horse Transaction is subject to the following conditions, among other things:
 - (i) negotiation of definitive documents (the “**Definitive Documents**”) on the terms set out in the Stalking Horse Term Sheet and such other representations, warranties, conditions, covenants, indemnities and other terms that are customary for transactions of this kind;
 - (ii) Bootlegger and/or one or more of the other members of the Comark Group not having any liabilities on the closing of the ARVO Transaction other than the Retained Liabilities;⁵
 - (iii) an ARVO granted by this Court acceptable to the Stalking Horse Purchaser, confirming that (i) all Excluded Liabilities have been expunged; and (ii) all Excluded Liabilities and Excluded Assets have vested in a company to be incorporated and added to the CCAA proceedings as an applicant (“**ResidualCo**”);
 - (iv) achievement of the following milestones:

⁵ For clarity, the BCAP Facility (to the extent it remains outstanding at Closing) and any related liabilities and claims (including through subrogation or otherwise) will be Excluded Liabilities.

- (A) Court Approval of Stalking Horse Term Sheet: no later than February 4, 2025;
 - (B) Commencement of Sales Process: no later than February 4, 2025;
 - (C) Execution of Definitive Documents: no later than February 18, 2025;
 - (D) Bid Deadline for Sales Process: March 6, 2025;
 - (E) Granting of the ARVO: no later than March 21, 2025; and
 - (F) Stalking Horse Closing Date: no later than April 21, 2025
- (v) closing of the Putman Transaction, as described above, and the TSA executed, substantially on the terms of the Putman Term Sheet, in each case by no later than February 17, 2025;
- (vi) concurrent with the closing of the Putman Transaction, ParentCo shall have acquired and taken an assignment of the Outstanding Senior Secured Indebtedness and related security and other documentation (other than the BCAP Facility, which is the subject of a Business Credit Availability Program (“BCAP”) guarantee provided by Export Development Canada (“EDC”) and such guarantee, the “**BCAP Guarantee**”, and other documentation related solely to the BCAP Facility) as at such date, and ParentCo shall have paid in full to CIBC an amount equal to the Outstanding Senior Secured Indebtedness then outstanding as of the closing of the Putman Transaction. The documentation shall, among other things, (i)

include a requirement for satisfactory evidence that EDC will, on closing of the Pre-Filing Credit Assignment and Assumption Agreement, waive any subrogation rights (which requirement has already been met and provided to the Stalking Horse Purchaser), (ii) provide that CIBC remains as administrative agent under the amended and restated credit agreement dated as of September 9, 2024, solely with respect to the BCAP Facility to the extent required to facilitate reimbursement to CIBC under the BCAP Guarantee and otherwise transfer and assign to 9383921 Canada Inc. all rights of the administrative agent and security agent under such credit agreement, and (iii) provide that (a) following closing of the assignment, the BCAP Facility will be unsecured, and (b) upon payment by EDC to CIBC under the BCAP Guarantee, the BCAP Facility will be terminated;

- (vii) completion of a pre-Closing reorganization of the Comark Group pursuant to which the Comark Group would amalgamate into the “**Stalking Horse Target**”;
- (viii) consent of the board of the Stalking Horse Purchaser and any other necessary approvals and third-party consents relating to the Stalking Horse Transaction; and
- (ix) the Stalking Horse Target not having any liabilities other than the Retained Liabilities upon completion of the ARVO Transaction;

(c) Approval of the Sales Process and Stalking Horse Bid

44. The Applicants are requesting that the proposed Stalking Horse Sale Process Approval Order be granted by this Court, and that the Applicants be authorized to negotiate and enter into the Stalking Horse Purchase Agreement in accordance with the terms of the Stalking Horse Term Sheet and the proposed Stalking Horse Sale Process Approval Order.

45. The Applicants are of the view that conducting the Sales Process, supported by the inclusion of the Stalking Horse Transaction, is both necessary and appropriate in the circumstances, as it will help demonstrate that good faith efforts have been made by the Applicants to sell or otherwise dispose of the assets of the Remaining Business to persons who are not related parties (in the event that a superior transaction does not emerge through the Sales Process), or it will identify a superior transaction for the Remaining Business which will maximize value for the benefit of all stakeholders, in either case ensuring a going concern outcome for some or all of the Bootlegger business.

D. Assignment and Assumption of Debt and Security

46. As noted above, it is a condition of the Stalking Horse Term Sheet that, (a) concurrent with the closing of the Putman Transaction, ParentCo shall have acquired and taken an assignment of the Outstanding Senior Secured Indebtedness and related security documentation (other than the BCAP Facility) as at such date, and shall have paid in full to CIBC an amount equal to the Outstanding Senior Secured Indebtedness then outstanding as of the closing of the Putman Transaction; and (b) upon payment to CIBC by EDC pursuant to the BCAP Guarantee, the BCAP Facility shall terminate.

47. To that end, on January 29, 2025, CIBC, as Assignor, and ParentCo, as Assignee, agreed to two substantially similar agreements – one regarding the assignment and assumption of the CIBC Revolving Loan Facility, the CIBC Term Loan Facility and related security from CIBC to ParentCo (the “**Pre-Filing Credit Assignment and Assumption Agreement**”) and one regarding the assignment and assumption of the DIP Facility and related security from CIBC to ParentCo (the “**DIP Assignment Agreement**” and together with the Pre-Filing Credit Assignment and Assumption Agreement, the “**Assignment and Assumption of Debt and Security Agreements**”). Copies of the Assignment and Assumption of Debt and Security Agreements are attached to this affidavit as **Exhibit “G”** and **“H”**, respectively.

48. The Assignment and Assumption of Debt and Security Agreements attached hereto are final other than the Payment Amount and the Principal Amount Assigned (each as defined in the Assignment and Assumption of Debt and Security Agreements). The amount of the Outstanding Senior Secured Indebtedness (and therefore the Payment Amount and the Principal Amount Assigned) changes daily as the liquidation proceeds from the Sale are received, such that it is not possible to calculate what the Outstanding Senior Secured Indebtedness will be on the Effective Date (defined below) at this time. The signatures of CIBC and ParentCo are currently held in escrow. The Parties confirmed their intent to release signatures from escrow upon agreement regarding the Payment Amount and the Principal Amount Assigned on the Effective Date, with such signatures becoming effective upon delivery of the Monitor’s Certificate.

49. The Assignor’s rights and obligations under the Assigned Facilities (as defined in the Assignment and Assumption of Debt and Security Agreements) will be irrevocably assigned to the Assignee following receipt by CIBC of the Payment Amount, with such assignment becoming effective only upon delivery of the Monitor’s Certificate (the “**Effective Date**”).

50. In connection with this assignment, the Assignee (i) shall be vested with the all the rights, powers, privileges and duties of the Assignor; and (ii) take assignment of all claims, suits, causes of action and any other right of the Assignor in relation to the Assigned Facilities (as permitted by applicable law). Except as otherwise set out in the Assignment and Assumption of Debt and Security Agreement, on the Effective Date, the Assignor is discharged from its duties and obligations under the Assigned Facilities. The Assignee shall have no liability or responsibility for actions taken or omissions by the Assignor prior to the Effective Date.

51. Under the proposed structure, and in accordance with the DIP Term Sheet, the Applicants will use the proceeds from the Putman Transaction to pay down (i) first, the CIBC Revolving Loan Facility, in full, (ii) second, the DIP Facility, with any proceeds from the Putman Transaction that remain once the CIBC Revolving Loan Facility is paid in full, and (iii) third, the CIBC Term Loan Facility, with any proceeds from the Putman Transaction that remain once the DIP Facility is paid in full. Concurrently, ParentCo will take assignment of the Outstanding Senior Secured Indebtedness, which will include any outstanding amounts under the CIBC Revolving Loan Facility, the CIBC Term Loan Facility and the DIP Facility (as reduced by the proceeds of the Putman Transaction) and shall pay CIBC an amount equal to the Outstanding Senior Secured Indebtedness.⁶ Through this assignment, CIBC (both in its role as existing DIP Lender and as the Applicants' senior secured lender) will, in effect, be repaid in full (with the exception of the BCAP Facility) and the Applicants' Outstanding Senior Secured Indebtedness will now be owed to ParentCo. If selected as the Successful Bid and approved by the Court, the

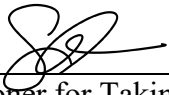
⁶ The CIBC Term Loan Facility will be retired by application of the cash collateral held by CIBC under the existing cash collateral agreement as between ParentCo and CIBC dated August 7, 2020.

proceeds from the Stalking Horse Transaction will then be used to repay such indebtedness now owing to ParentCo.

(a) DIP Assignment and Assumption Approval

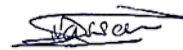
52. As part of the Approval and Vesting and DIP Assignment Order, the Applicants are requesting that they be authorized and empowered to execute and deliver or make amendments to such documents as may be reasonably required in connection with the Assignment and Assumption of Debt and Security Agreements. I am advised by the Monitor and believe that the Monitor and CIBC, in its current capacity as DIP Lender, support the Approval and Vesting and DIP Assignment Agreement.

SWORN BEFORE ME over videoconference this 30th day of January, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant is located in the City of Vancouver, in the Province of British Columbia, while the commissioner is located in the City of Toronto, in the Province of Ontario.



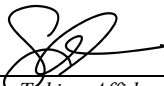
Commissioner for Taking Affidavits
(or as may be)

Sierra Farr (LSO#87551D)



Shamsh Kassam

This is Exhibit “A” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

Court File No.

**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 COMARK HOLDINGS INC., BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

APPLICANTS

**AFFIDAVIT OF SHAMSH KASSAM
(Sworn January 6, 2025)**

I, Shamsh Kassam, of the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SAY:

1. This affidavit is made in support of an Application by Comark Holdings Inc. ("**Comark**"), Ricki's Fashions Inc. ("**Ricki's**"), cleo fashions Inc. ("**cleo**") and Bootlegger Clothing Inc. ("**Bootlegger**") (together, the "**Applicants**" or the "**Comark Group**") for relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

2. I currently serve as Chief Executive Officer ("**CEO**") of Comark, Vice President of each of Ricki's, cleo and Bootlegger, and a director of each of the Applicants. I am also a director and/or officer of a number of affiliated companies in a broader corporate group, including ParentCo (defined below), Parian (defined below) and others. As such, I have personal knowledge of the matters deposed to in this Affidavit. Where I have relied on other sources of information, I have specifically referred to such sources and believe them to be true. In preparing this Affidavit, I have consulted with legal, financial and other advisors to the Applicants and other members of the senior

management teams of the Applicants. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

3. As described in greater detail below, the Applicants are seeking, among other relief, the following as part of the proposed Initial Order:

- (a) a stay of proceedings against the Applicants, the Monitor (defined below), and the Applicants' respective employees, directors, advisors, officers and representatives acting in such capacities for an initial 10-day period (the "**Initial Stay Period**");
- (b) authorization to borrow from the Interim Lender (defined below) under the CIBC Revolving Loan Facility (defined below) to fund the Applicants' working capital requirements and other general corporate purposes, capital expenditures, and costs of these proceedings during the Initial Stay Period, provided such (i) such Interim Borrowings (defined below) are made in accordance with the Cash Flow Forecast (defined below) and (ii) each Interim Borrowing is subject to prior approval pursuant to a draw request in form and substance satisfactory to the Interim Lender, accompanied by such supporting documentation as the Interim Lender may request, and subject to the requirements set out in the Initial Order;
- (c) authorization (but not the requirement) to pay certain pre-filing amounts, with the consent of the Monitor and Interim Lender, consistent with the Cash Flow Forecast or otherwise agreed to with the Interim Lender, to key participants in the Applicants' distribution network, and to other critical suppliers, if required; and

(d) the granting of the following priority charges (collectively, the “**Charges**”) over the Property (as defined in the Initial Order), listed in the following order of priority:

(i) an Administration Charge (defined below) in the maximum amount of \$750,000;

(ii) an Interim Lender’s Charge (defined below);¹

(iii) security granted with respect to the CIBC Credit Facilities (defined below);²
and

(iv) a Directors’ Charge (defined below) in the maximum amount of \$6.2 million;

4. If the proposed Initial Order is granted, the Applicants intend to bring a motion within 10 days of the granting of the Initial Order (the “**Comeback Hearing**”) seeking an Amended and Restated Initial Order (“**ARIO**”), among other things, extending the stay of proceedings and

¹ The Interim Lender’s Charge will rank *pari passu* with the security granted with respect to the CIBC Credit Facilities.

² The security granted with respect to the CIBC Credit Facilities will rank *pari passu* with the Interim Lender’s Charge.

granting other customary Comeback Hearing relief, including increasing the maximum amount secured by the Administration Charge and the Directors' Charge.

5. In addition, while the Applicants and their shareholders continue to assess next steps, the Applicants currently intend to bring a motion or motions to be heard concurrently with the Comeback Hearing, or shortly thereafter, seeking this Court's approval of:

- (a) a debtor-in-possession loan facility (the "**DIP Facility**") which will, among other things, be secured by a super-priority charge ranking in priority to all Charges and other encumbrances over the Property, other than the Administration Charge;
- (b) a consulting agreement (the "**Consulting Agreement**") to be entered into between the Applicants and a liquidation consultant (the "**Consultant**");
- (c) proposed sale guidelines (the "**Sale Guidelines**") for the orderly liquidation of the inventory and furniture, fixtures and equipment ("**FF&E**") located at or in transit to Ricki's store locations, cleo store locations, and some or all Bootlegger store locations, and inventory located at the Distribution Centre (defined below), through sales to be conducted in accordance with the terms of the Sale Guidelines, the Consulting Agreement and the proposed liquidation order; and
- (d) an expedited sale and investment solicitation process ("**SISP**") for the remaining assets or business of the Applicants.

6. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise, and do not represent amounts or measures prepared in accordance with ASPE or US GAAP.

7. This affidavit is organized in the follow sections:

A.	Introduction.....	7
B.	Corporate Structure of the Applicants	12
(a)	The Comark Group	12
(b)	Comark Investments Limited Partnership	13
C.	Chief Place of Business	14
D.	The Businesses of the Applicants	14
(a)	The Canadian Apparel Retail Industry	14
(b)	Ricki's, cleo and Bootlegger.....	15
(c)	Leases and Retail Stores	17
(i)	Store Formats and Locations	17
(ii)	Landlords for Retail Premises.....	18
(iii)	Retail Lease Provisions.....	19
(iv)	Current Status of Retail Leases.....	20
(v)	Office and Warehouse Space.....	21
(d)	Merchandising and Sourcing	21
(e)	Distribution and Shared Services.....	23
(f)	Other Shared Services.....	25
(g)	E-Commerce Businesses.....	25
(h)	Employees.....	26
(i)	Employee Benefit Plans.....	28
(i)	Loyalty Programs, Gift Cards and Return Policies.....	28
(j)	Cash Management System.....	29
(k)	Outstanding Litigation	31
E.	The Financial Position of the Applicants.....	32
(a)	Assets	32
(b)	Liabilities	33
(c)	Revenue.....	33
(d)	Debt and Credit Facilities	35
(i)	Summary of the Applicants' Secured Debt and Credit Facilities	35
(ii)	Secured Debt and Credit Facilities	35
(e)	Trade Creditors	41
(f)	PPSA Registrations.....	42
F.	The Urgent Need for Relief under the CCAA	43

(a)	Lasting Impacts of COVID-19.....	43
(b)	2021 Cyber Incident.....	44
(c)	Supplier Issues and Delays	45
(d)	Industry Impacts.....	46
(e)	Poor Sales Performance	47
(f)	Decreased Borrowing Base	47
(g)	2024 Internal Restructuring	48
G.	Relief Sought	49
(a)	Stay of Proceedings.....	49
(b)	Interim Financing.....	50
(c)	Monitor	51
(d)	Administration Charge.....	52
(e)	Directors’ and Officers’ Protection.....	52
(f)	Payments During this CCAA Proceeding.....	54
H.	Relief to be Sought at the Comeback Hearing.....	54
I.	Conclusion	55

A. Introduction

8. The Applicants are large Canadian specialty apparel retailers with a nationally recognized portfolio of banners and exclusive private label brands. The Applicants consist of Comark, a privately-held corporation, and its three direct subsidiaries: Ricki's, cleo, and Bootlegger (together, the "**Retail Entities**"). As of the date of this affidavit, the Retail Entities have 221 store locations, comprised of: 75 Ricki's stores, 54 cleo stores, 53 Bootlegger stores, and 39 Combo Stores (defined below). All of these stores are located in Canada. Each of the Retail Entities also has an online store.

9. In June 2020, the Comark Group filed for and obtained CCAA protection due to, among other things, the effects of the COVID-19 pandemic on the Comark Group's businesses, including government mandated lockdowns for weeks and months at a time, and a need to right-size its balance sheet (the "**2020 CCAA Proceedings**"). Through the 2020 CCAA Proceedings, the Retail Entities closed approximately 30 of their underperforming stores and re-negotiated the remainder of their retail leases with landlords. The 2020 CCAA Proceedings also included an internal organizational restructuring, whereby Comark's corporate head office (previously located in Mississauga, Ontario) and Bootlegger's corporate head office (previously located in Richmond, British Columbia) were moved to Winnipeg, Manitoba, consolidating their office space and workforce with Ricki's corporate head office and the Distribution Centre. This organizational restructuring also included the consolidation and outsourcing of a number of corporate services to Parian Logistics Inc. ("**Parian**"), a related entity, to achieve cost-savings and improve efficiencies. Following such consolidation, Parian provides each of the Retail Entities with critical services, including warehousing logistics, finance and accounting support, IT services, HR support, and other services.

10. In July 2020, the reorganized Comark Group was sold to an entity controlled by its principal shareholder through a court-approved reverse vesting transaction and the Comark Group emerged from CCAA protection in August 2020 with approximately 280 go-forward stores.

11. Following the 2020 CCAA Proceedings, the Comark Group believed it was poised for success. However, as set out in greater detail below, the Comark Group has experienced a series of issues and challenges over the past four years which have negatively impacted profitability and strained liquidity, including (i) the long-lasting effects of the COVID-19 pandemic (in particular, the effect on the Comark Group's overseas vendor supply network) which issues continued after the Comark Group emerged from the 2020 CCAA Proceedings in August 2020, (ii) a 2021 Cyber Incident (defined below) which significantly disrupted business operations and created long-lasting inventory management issues, (iii) the introduction into the market and consumer uptake of certain ultra low-cost fashion retailers, and (iv) recent supply chain and vendor issues which caused material delays in the receipt of seasonal merchandise, resulting in lower than anticipated sales for each of the Retail Entities. As a result, the Applicants' businesses have not recovered to the level they were operating at prior to the COVID-19 pandemic and the post-restructuring success that the Comark Group had planned for has failed to materialize. For fiscal year-to-date 2025³ (nine month period ending November 23, 2024), the Applicants have experienced negative EBITDA of approximately \$16.1 million, a decline of approximately \$5.7 million or 56% compared to the same period last year.

12. Since the 2020 CCAA Proceedings, Comark's parent company, ParentCo (defined below), and ParentCo's shareholders have supported the Comark Group's businesses, contributing

³ The Comark Group's fiscal year-end is the last Saturday in February. Fiscal year 2025 runs from February 2024 to the last Saturday of February 2025.

approximately \$35.5 million to the businesses through various secured intercompany loans from ParentCo, provided pursuant to the ParentCo Loan Facility (defined below). The Comark Group, with the support of ParentCo and its shareholders, have implemented various cost reduction and restructuring initiatives to preserve capital, streamline their business operations, and address their liquidity position. Unfortunately, despite the financial support from ParentCo and the expense reduction initiatives, the Comark Group's financial and operational performance has continued to struggle as a result of the supply delays and other issues noted above.

13. The negative cash flow and working capital issues have caused a significant strain on the Borrowing Base (as defined in the CIBC Credit Agreement) under Comark Group's existing senior secured revolving credit facility provided by Canadian Imperial Bank of Commerce ("**CIBC**"). As a result, the Applicants are currently in breach of certain financial covenants under the CIBC Credit Agreement. On January 5, 2025, the Applicants and ParentCo received demand and acceleration notices from CIBC's counsel (the "**CIBC Demands**"). The CIBC Demands declare the entire balance outstanding under the CIBC Credit Facilities immediately due and payable and demand repayment. As a result of the CIBC Demands, Comark is unable to obtain further advances under the CIBC Credit Agreement.

14. The Applicants' cash flow and liquidity constraints have also resulted in significant arrears owing to vendors. As at December 24, 2024, the Comark Group owed approximately \$61 million in accounts payable and accrued liabilities, including: (i) approximately \$44 million owing to merchandise vendors; (ii) approximately \$2.2 million owing to landlords in respect of outstanding rent;⁴ (iii) approximately \$4.2 million owing to Parian, (iv) approximately \$2.0 million owing in

⁴ As of January 3, 2025, the Applicants owe approximately \$4.7 million to landlords in respect of outstanding rent.

respect of duties and freight; and (v) approximately \$8.6 million owing to other trade vendors. The Applicants also owe approximately \$57 million to ParentCo. The Applicants do not have sufficient funds to pay these outstanding amounts. Certain vendors have stopped shipping new merchandise and have stated that they are not willing to commence production for summer and fall product merchandise. Certain other vendors have issued statements of claim in recent weeks against the Applicants in Ontario and Manitoba seeking payment of outstanding amounts and damages. While ParentCo is supportive of the Applicants' businesses and has provided over \$35 million in secured funding since 2020, of which \$15 million was advanced in the current fiscal year, it is unwilling to advance any further funding to the Applicants.

15. Due to its poor liquidity position, over the past several months, the Retail Entities have deferred rent payments to some landlords, making payments over the course of the month instead of on the first of the month. However, as the liquidity position of the Retail Entities continued to deteriorate, in November 2024, the Retail Entities did not pay percentage rent to certain landlords, and, to date, have not paid the majority of rent (fixed or percentage) to landlords for December 2024 and have not paid any rent to any landlords for the month of January 2025. Should the Initial Order be granted, the Applicants plan to make rent payments in the normal course in semi-monthly installments, in accordance with the Cash Flow Forecast (as defined below) and the proposed Initial Order.

16. In light of their current financial crisis, the Applicants urgently require a stay of proceedings granted under the CCAA and other related relief. The Applicants intend to use the breathing room afforded by the CCAA to engage with their principal stakeholders and to advance a process to address their current financial circumstances and maximize the value of their businesses. At present, this is likely to include (i) a liquidation of all inventory and FF&E owned

by Ricki's that is located at or in transit to all of the Ricki's retail stores or at the Distribution Centre (the "**Ricki's Liquidation**") and an orderly wind-down of the Ricki's business, (ii) a liquidation of all inventory and FF&E owned by cleo that is located at or in transit to all of the cleo retail stores or at the Distribution Centre (the "**cleo Liquidation**") and an orderly wind-down of the cleo business, (iii) a right-sizing of the Bootlegger retail store footprint by disclaiming leases for underperforming Bootlegger stores and a liquidation of some or all of the inventory and FF&E owned by Bootlegger that is located at or in transit to the Bootlegger retail stores or at the Distribution Centre (the "**Bootlegger Liquidation**"); and (iv) a potential sale of the remaining business or assets of the Applicants, including intellectual property, leases and other assets of the Applicants, through a court-supervised SISP.

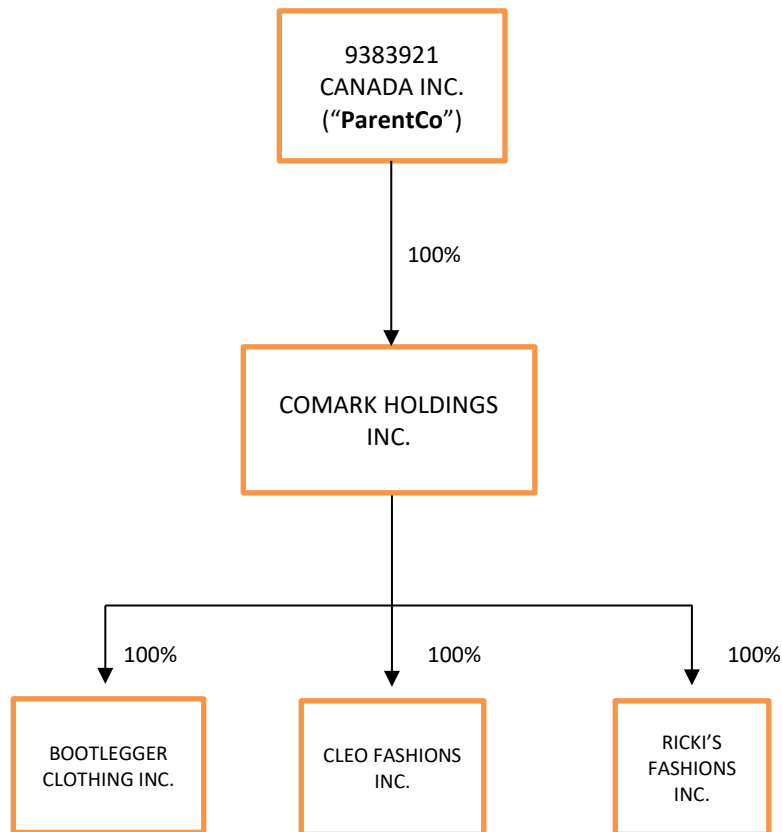
17. Discussions are underway between CIBC and the Applicants regarding the provision of debtor-in-possession ("**DIP**") financing on a super priority basis to the Applicants. The Applicants anticipate that they will seek approval of a DIP facility at or commensurate with the Comeback Hearing. In the interim, during the Initial Stay Period, CIBC has confirmed that it is prepared to act as Interim Lender and will permit the Applicants to continue to borrow under the existing CIBC Revolving Loan Facility provided (i) such Interim Borrowings are made in accordance with an agreed-upon two-week cash flow forecast (the "**Cash Flow Forecast**"), and (ii) each Interim Borrowing is subject to prior approval pursuant to a draw request in form and substance satisfactory to the Interim Lender, accompanied by such supporting documentation as the Interim Lender may request, and subject to the requirements set out in the Initial Order;

B. Corporate Structure of the Applicants

(a) The Comark Group

18. Comark is a privately-held corporation governed by the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (“**CBCA**”). The Comark Group businesses have been in operation in Canada since 1976.

19. Comark operates three retail businesses through its three direct subsidiaries, Ricki’s, cleo and Bootlegger. All of the Applicants are CBCA corporations with their registered head office in Vancouver, British Columbia. 9383921 Canada Inc. (“**ParentCo**”) is the direct parent company of Comark and is not an Applicant in these CCAA proceedings. ParentCo’s ultimate parent company has three shareholders. A chart showing the organizational structure of the Applicants is set out below.



20. As is common in privately-held companies that form part of a private-equity investment portfolio, Comark pays an affiliate of ParentCo a yearly management fee of \$250,000 as payment for certain governance, finance, legal, tax, IT, insurance and benefits advice and support as well as other strategic support services. The management fee is paid on a quarterly basis.

(b) Comark Investments Limited Partnership

21. Prior to November 2024, the Retail Entities were each limited partners in a limited partnership, the Comark Investments Limited Partnership ("**Comark LP**"). Comark LP earned income by investing funds borrowed through an intercompany loan from an affiliate of ParentCo in interest-bearing investments and distributed this income to the Retail Entities through advances to the Retail Entities, which advances were subsequently repaid by way of distribution. The Retail

Entities used these funds to repay the intercompany loans owed to Comark, and, in turn, Comark used these funds to repay a portion of the loans owed to ParentCo.

22. In November 2024, the affiliate of ParentCo demanded repayment of the loaned amount. After the final distribution of interest to the Retail Entities, Comark LP was wound up in December 2024.

C. Chief Place of Business

23. The chief place of business of the Applicants is Ontario. The largest number of the Retail Entities' leased stores are in Ontario (86 of 221 stores), the largest number of the Retail Entities' Retail Employees (defined below) are in Ontario (approximately 40% of all employees), and cleo's head office is in Ontario. Moreover, the Retail Entities generate the largest number of sales in Ontario (approximately 30% of all sales are from Ontario, compared to 21% in Alberta, 11% in British Columbia and 38% in all other provinces).

D. The Businesses of the Applicants

(a) The Canadian Apparel Retail Industry

24. In Canada, clothing and accessories retail stores generated aggregate sales revenue of approximately \$3.6 billion in September 2024.⁵ The Canadian retail apparel industry is highly competitive. The Retail Entities' major competitors include *American Eagle*, *Shein*, *Temu*, *Amazon*, *Guess*, *The Bay*, *Northern Reflections*, *Laura*, and *Reitmans*.

⁵ Statistics Canada, Retail sales, by industry – Seasonally adjusted. Online: <https://www150.statcan.gc.ca/n1/daily-quotidien/241122/t002a-eng.htm>.

25. The competitive retail and, in particular, retail apparel industry in Canada has undergone significant changes in the past decade. This includes the entry of new low-cost retail concepts and new advertising models, the significant growth of online shopping, and an increase in both the frequency and level of discounts offered by retailers through promotions delivered to customers in-store and online. As a result of these changes, many Canadian retailers, including apparel retailers, have experienced financial challenges and have filed for protection under the CCAA, including *Reitmans*, *Aldo*, *Aeropostale*, *American Apparel*, *Mexx*, *Forever XXI*, *Target Canada*, *Express*, *Sears Canada*, *Nordstrom Canada* and *Ted Baker Canada*, among others.

26. The unprecedented closure of brick and mortar stores for months due to COVID-19 and resulting production and global supply chain delays has also had extraordinary effects on the profitability and viability of apparel retailers across North America. The COVID-19 pandemic, and resulting supply chain issues experienced by apparel retailers, had lasting impacts on the retail apparel industry including the types of products purchased and the changing shopping habits of consumers.

(b) Ricki's, cleo and Bootlegger

27. The Retail Entities' stores sell predominantly exclusive private label merchandise. Their product mix includes work attire and casual clothing for Canadian men and women over the age of 25. The Retail Entities operate different brands under the operating companies Ricki's, cleo and Bootlegger, each of which has a distinctive brand identity, target market, and loyal customer base:

- (a) **Ricki's** – Ricki's was founded in 1939 and acquired by Comark's predecessor company in 1982. Ricki's stores provide contemporary everyday work attire and casual clothing and accessories to Canadian women in their late twenties and early

thirties. Almost all of the products sold at Ricki's are company-branded and include a selection of tops, sweaters, pants, dresses, blouses, blazers, outerwear, denim and accessories. Ricki's merchandise consists of both core products (approximately 50%) and seasonal goods (approximately 50%).

- (b) **cleo** – cleo's predecessor, Irene Hill, was founded in 1958 and acquired by Comark's predecessor company in 1979. In 1994, Irene Hill was rebranded to cleo. The cleo brand provides work wear and casual clothing for women over the age of 45. cleo is the largest retailer of women's petite merchandise in Canada, based on number of stores. Petite clothing currently accounts for approximately 45% of cleo's merchandise. Product lines are primarily sold under the cleo company brand, including tops, bottoms and dresses that can be worn casually or for work. cleo's merchandise consists of both core products (approximately 25%) and seasonal goods (approximately 75%).
- (c) **Bootlegger** – Bootlegger was founded in 1971 and acquired by Comark's predecessor company in 1980. Bootlegger is a retailer of denim, other casual apparel, and accessories for men and women between the ages of 35 and 55. Approximately two-thirds of merchandise at Bootlegger is company-branded, while one-third is third-party branded, including brands such as Levi's, Silver Jeans and Kismet. Bootlegger's merchandise consists of both core product (approximately 60%) and seasonal goods (approximately 40%).

28. The Retail Entities also have a significant e-commerce presence in Canada for all three operating companies, discussed further below.

(c) **Leases and Retail Stores**

(i) **Store Formats and Locations**

29. The typical format for the Retail Entities' retail stores is a strategically located store in a mall or shopping centre. The average store size is approximately 3,800 square feet.

30. As of the date of this affidavit, the Applicants conduct business through 221 total store locations in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick and Newfoundland and Labrador. All of the retail operations are conducted in leased premises. The Applicants do not own any real property. Generally, Ricki's stores are leased by Ricki's, cleo stores are leased by cleo and Bootlegger stores are leased by Bootlegger. However, in a number of instances the Retail Entities operate two or three stores under a single lease (the "Combo Stores").

31. The Retail Entities' 221 total stores consist of 75 Ricki's stores, 54 cleo stores, 53 Bootlegger stores, 20 Ricki's/cleo Combo Stores, 16 Ricki's/Bootlegger Combo Stores, and 3 Ricki's/Bootlegger/cleo Combo Stores.

32. The following chart sets out the Retail Entities' current store locations by Province:

Province	Number of Ricki's Store Locations	Number of cleo Store Locations	Number of Bootlegger Store Locations	Number of Ricki's/ cleo Combo Store Locations	Number of Ricki's/ Bootlegger Combo Store Locations	Number of Ricki's/ cleo/ Bootlegger Combo Store Locations	Total
<i>British Columbia</i>	9	6	14	-	2	1	32
<i>Alberta</i>	18	10	13	2	5	1	49
<i>Saskatchewan</i>	6	4	6	1	4	-	21
<i>Manitoba</i>	5	4	3	1	-	-	13
<i>Ontario</i>	31	24	11	15	5	1	87
<i>New Brunswick</i>	2	2	2	1	-	-	7
<i>Nova Scotia</i>	2	-	2	-	-	-	4
<i>Newfoundland</i>	2	4	2	-	-	-	8
<i>Total</i>	75	54	53	20	16	3	221

33. The terms of the Retail Entities' retail leases vary. Some leases require payment of fixed rent, other leases require payment of rent based on a percentage of the retail location's sales, and some leases require a combination of both. The term remaining on each of the Retail Entities' retail leases varies from lease to lease. The Retail Entities have the right to extend the term of some leases on the terms and conditions provided in such leases. Some of the Retail Entities' extension rights provide for a fixed basic rent during the extension term and others provide that the basic rent shall be reset upon the commencement of the extension term to the current fair market rent.

(ii) Landlords for Retail Premises

34. A majority of the Retail Entities' leases are with large third-party landlords, whose subsidiaries own malls and shopping centres across Canada.

35. The 13 landlord groups that lease the largest number of stores to the Retail Entities are set out below, with such landlords accounting for 154 of the Retail Entities' 221 retail stores. The remaining 67 retail stores are leased from 40 different landlords, with each landlord leasing three or fewer retail stores to the Retail Entities. As noted above, some leases are for Combo Stores.

Landlord Group	Number of Retail Store Locations
<i>Morguard</i>	28
<i>Primaris Retail REIT</i>	28
<i>BentallGreenOak (Canada) LP</i>	14
<i>Cadillac Fairview</i>	13
<i>Cushman & Wakefield Asset Services Inc.</i>	13
<i>SmartCentres</i>	11
<i>Primaris Management Inc.</i>	10
<i>RioCan</i>	10
<i>Oxford</i>	7
<i>Jones Lang LaSalle Real Estate Services, Inc.</i>	6
<i>Salthill Capital</i>	5
<i>QuadReal</i>	5
<i>Cushman & Wakefield Asset Services ULC</i>	4
<i>Other</i>	67
Total	221

(iii) Retail Lease Provisions

36. Typical of retail store leases in Canada, the Retail Entities' leases generally contain provisions that impact store operations, including:

- (a) *Going-Out-of-Business Sale Restrictions*: Most of the Retail Entities' retail leases contain restrictions that relate to going out of business sales in one form or another,

including in most cases blanket prohibitions on “bankruptcy sales”, “going out of business sales”, “liquidation sales”, and other similar terms.

- (b) *Operating Covenants*: Most of the Retail Entities’ retail leases contain operating covenants that require the Applicants to continuously occupy and operate in the leased premises, with various levels of detail. Most leases require the Retail Entities to continue to operate the entire leased premises and operate at hours specified by the landlord.

(iv) Current Status of Retail Leases

37. Due to the Applicants’ recent financial challenges, described in further detail below, the Retail Entities delayed rent payments to some of their landlords for the months of October and November 2024. In October 2024, all delayed rent payments were made within the month, such that there were no rental arrears outstanding past 30 days. However, as the financial situation of the Applicants continued to deteriorate, the Retail Entities did not pay percentage rent to certain of their landlords for the month of November 2024, did not pay the majority of rent (percentage or fixed) to their landlords for the month of December 2024, and did not make any rent payments that came due on January 1, 2025. At present, the Retail Entities currently owe approximately \$4.7 million in arrears to their landlords. The proposed Initial Order provides that, until a lease is disclaimed or consensually terminated:

- (a) all fixed rent will be paid (i) for rent incurred and relating to the Initial Stay Period, forthwith upon approval of the Initial Order, (ii) for rent incurred and relating to the remainder of January, forthwith upon approval of the DIP Facility, and (iii)

thereafter twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears).

- (b) all percentage rent regarding revenues incurred during the period from and including the date of the Initial Order shall be calculated and paid in accordance with the terms of the applicable pre-existing arrangement.

(v) Office and Warehouse Space

38. In addition to the retail locations, the Applicants also lease two buildings which serve as the Applicants' corporate and banner headquarters and contain the warehouse space for the Comark Group businesses. The Applicants lease a portion of an approximately 400,000 square foot building in Winnipeg, Manitoba on a per square foot basis from Parian. Parian is 100% directly owned by ParentCo and provides warehousing, distribution and e-commerce fulfillment services to the Retail Entities and certain other related entities. The building leased from Parian serves as Comark's corporate headquarters, houses the head offices of Ricki's and Bootlegger and contains the distribution centre for the Applicants (the "**Distribution Centre**"), providing warehouse space to each of the Retail Entities. cleo also sub-sub-leases premises in an office building in Mississauga, Ontario, which houses cleo's head office.

(d) Merchandising and Sourcing

39. As set out above, the Applicants are a leading retailer of private label and branded specialty apparel. Bootlegger sells a variety of branded merchandise, including *Levi's*, *Silver Jeans* and *Kismet*. Ricki's and cleo also sell a small amount of branded merchandise, along with private label products.

40. The Retail Entities offer private label products under each of the Ricki's, cleo and Bootlegger banners. The private label products provide consumers with an enhanced value proposition, and thereby represent a significant percentage of the Applicants' total sales and gross profit.

41. The Retail Entities source private label products from factories primarily based in China and Bangladesh to take advantage of lower costs. As at November 23, 2024, approximately 82% of the Retail Entities' unit purchases were sourced from foreign manufacturers, and these purchases are typically made in U.S. dollars. The remaining 18% of purchases are sourced in North America.

42. Each of the Retail Entities enters purchase orders directly with third party vendors in order to purchase inventory. While certain vendors supply inventory to all three Retail Entities, the Retail Entities also have unique vendors. For overseas manufacturers, title to the inventory typically transfers when it is shipped from the port of origin overseas and papers are received by the Canadian Retail Shippers' Association ("CRSA"). The CRSA is a cooperative logistics venture of Canadian retailers and retail suppliers used by the Retail Entities to combine direct import volumes from Asia and procure ocean freight, manage purchase orders, consolidate and deconsolidate loads and deliver shipments to retailers. Use of the CRSA reduces the Retail Entities' shipping and logistics costs.

43. The Retail Entities typically pay vendors directly in accordance with the arrangement between the Retail Entity and the vendor. The Retail Entities' Bangladesh vendors are paid via a power of attorney ("POA") arrangement. Under the POA arrangements, upon presentation of an original endorsed Forwarder's Cargo Receipt ("FCR") the Retail Entities (or their third-party transportation provider) take possession of the goods at the destination port. These arrangements

have now been discontinued and any payments in respect of POAs for pre-filing goods will be stayed under the proposed Initial Order.

(e) Distribution and Shared Services

44. The flow of inventory from the Retail Entities' manufacturers to the Retail Entities' brick and mortar retail stores and the Retail Entities' ability to fulfill orders placed online is dependent on the services provided by Parian. Parian provides warehousing, distribution and e-commerce fulfillment services to each of Ricki's, cleo and Bootlegger from the Distribution Centre in Winnipeg, Manitoba.

45. Parian provides its distribution services to the Applicants pursuant to a master services agreement dated June 4, 2018 (the "**Master Services Agreement**") and Statements of Work ("**SOW**") for each Retail Entity dated June 4, 2018 (and amended November 1, 2020 and March 1, 2021). Pursuant to the SOWs, Parian agreed to provide the Retail Entities with a certain amount of storage space in the Distribution Centre as well as all services required for the warehousing and handlings of goods, including inbound shipping, storage, order picking and handling, order loading, coordination of customer service functions, and inventory management (together with the distribution services provided under the Master Services Agreement, the "**Parian Services**"). At no time does title to the Retail Entities' inventory transfer to Parian.

46. The Applicants share the Parian Services, including access to the Distribution Centre and the use of the Salesforce e-commerce platform, with certain other Parian customers, who are each an affiliate of the Applicants.

47. Each month, Parian invoices each of its customers for the Parian Services on a cash-settled basis (i.e., all invoices are settled in cash, as opposed to recorded as an intercompany

payable/receivable). Such invoices, unless disputed, must be paid in accordance with the terms of the invoice. The costs of the Parian Services are shared between its customers, with invoices generally including (i) a monthly fixed fee based on an average cost per square foot of storage space in the Distribution Centre, (ii) an operating cost fee based on a fixed share of all Parian's operating costs, including Parian employee wages, and (iii) a variable share of Parian's additional costs, including costs for store distribution and handling, e-commerce distribution and handling, depreciation, and corporate support (each determined per month based on the volume of Parian Services provided to the company during that month). In 2024, the Applicants paid Parian approximately \$24.6 million in respect of the Parian Services. The amounts paid to Parian are consistent with or more favourable than prevailing market prices.

48. As of December 24, 2024, the Applicants owe Parian approximately \$4.2 million in arrears. The Applicants' failure to pay these amounts to Parian has put significant financial strain on Parian, as Parian has already incurred these costs but has not been reimbursed. The significant arrears owing to Parian is imperiling Parian's ability to satisfy its own payroll obligations and limiting Parian's ability to provide services to its other customers which is, in turn, affecting their respective businesses. Any disruptions of Parian's services could jeopardize the continued operation of the Applicants' business during these CCAA proceedings.

49. It is therefore crucial for Parian's continued operations that Parian continue to be paid in respect of the Parian Services that it provides to the Applicants during these CCAA proceedings, which account for the majority of Parian's business. Moreover, continued services from Parian are essential to the Applicants' businesses and it is anticipated that payments for such services will continue throughout the CCAA proceeding.

50. The majority of products destined for sale at one of the Retail Entities' stores are transported to the Distribution Centre from either Canadian or foreign vendors.

51. The Retail Entities transport products to their stores and customers through third-party transportation companies. The Retail Entities do not have their own transportation capability. Purolator is the Retail Entities' primary third-party transportation provider that transports products from the Distribution Centre to retail stores. Canada Post is the Retail Entities' primary third-party transportation provider that transports products for online orders from the Distribution Centre to customers' homes. The Retail Entities are invoiced directly for their usage of Purolator or Canada Post services and pay those invoices directly in the ordinary course.

(f) Other Shared Services

52. Certain of the IT services used by the Applicants, including services provided by Microsoft, Salesforce, Telus, and Thales, are provided pursuant to agreements with an affiliate of ParentCo at preferred rates to the Applicants (the "**IT Services**"). The cost of the IT Services are passed on to the Applicants and other affiliated companies on a cash-settled basis. As at December 24, 2024, the Applicants owe approximately \$53,000 in arrears in respect of the IT Services.

(g) E-Commerce Businesses

53. The Retail Entities each currently have an omni-channel retailing platform with e-commerce, mobile and programs such as "ship-to-store" in order to provide a seamless customer experience. Each banner operates a consumer direct website under the domain names www.rickis.com, www.bootlegger.com, and www.cleo.ca. The products offered online by each of the Retail Entities are typically the same as the products offered in store, with a small proportion of online-exclusive items, such as additional colours of products.

54. Customers shopping on the websites are able to access and purchase a variety of products for delivery or in-store pick-up at a store location. All orders placed online are fulfilled through the Distribution Centre.

55. The Retail Entities' e-commerce platforms are hosted through Salesforce.com, Inc. ("**Salesforce**"). Without the services provided by Salesforce, the Retail Entities would not be able to operate their e-commerce businesses.

56. As of October 31, 2024, online sales account for 17.8% of company-wide sales and 17.2% of company-wide gross profit for fiscal year-to-date 2025. The percentage of sales through e-commerce varies by Retail Entity. 7.3% of Bootlegger's sales occur through its website, whereas 24.8% of Ricki's sales occur through its website and 18.5% of cleo's sales occur through its website. It is anticipated that the Applicants will discontinue e-commerce sales for each of the Retail Entities shortly after the issuance of the proposed Initial Order.

(h) Employees

57. As of December 17, 2024, the Retail Entities had approximately 2056 hourly and salaried employees across Canada. Comark does not have any employees.

58. Each of the Retail Entities has its own leadership team which consists of a President and General Merchandising Manager and key senior management personnel responsible for banner-specific planning, online sales, in-store sales, marketing, store operations, and product development. Approximately 41, 29, and 22 of these employees work for the corporate headquarters of Ricki's, Bootlegger and cleo, respectively (collectively, the "**Head Office Employees**"), as follows:

Province	Number of cleo Head Office Employees	Number of Ricki's Head Office Employees	Number of Bootlegger Head Office Employees
<i>British Columbia</i>	-	1	2
<i>Alberta</i>	1	2	4
<i>Saskatchewan</i>	-	-	1
<i>Manitoba</i>	-	32	19
<i>Ontario</i>	21	5	3
<i>New Brunswick</i>	-	1	-
Total	22	41	29

59. Apart from the Head Office Employees, the vast majority of the Retail Entities' workforce consists of retail employees (the "**Retail Employees**"). None of the Retail Employees are unionized. As of December 17, 2024, the Retail Entities had approximately 1,964 Retail Employees (474 full-time and 1,490 part-time) distributed as follows:

Province	Number of cleo Store Employees	Number of Ricki's Store Employees	Number of Bootlegger Store Employees	Number of Combo Store Employees	Total Number of Retail Employees
<i>British Columbia</i>	41	82	109	27	259
<i>Alberta</i>	67	183	141	73	464
<i>Saskatchewan</i>	41	40	49	40	170
<i>Manitoba</i>	34	55	29	11	129
<i>Ontario</i>	239	248	91	186	764
<i>New Brunswick</i>	19	17	15	12	63
<i>Nova Scotia</i>	-	26	14	-	40
<i>Newfoundland</i>	30	27	18	-	75
Total	471	678	466	349	1964

60. A typical retail store is staffed with 5 to 10 hourly employees, with additional coverage during holidays and peak selling periods. The staff includes both full and part-time sales associates and a store manager.

(i) Employee Benefit Plans

61. All employees of the Applicants are compensated through base salary or hourly wages and company-paid benefits. In addition, some employees are eligible to receive bonuses. The Applicants also provide group health and dental benefits, as well as life and disability insurance benefits, to their employees through Canada Life.

(i) Loyalty Programs, Gift Cards and Return Policies

62. Each of the Retail Entities offers a unique loyalty program to customers (the “**Loyalty Programs**”), which can be obtained in any Ricki’s, cleo or Bootlegger store, or through their websites. By signing up for a Loyalty Program, a customer can receive discounts and points for frequent purchases, which can be redeemed for merchandise credit. Membership in the Loyalty Programs is free.

63. Customers of the Retail Entities can purchase Retail Entity-specific gift cards (“**Gift Cards**”) in-store or online, to be redeemed for merchandise. The Gift Cards are managed by a third party pursuant to the Stored Value Card Agreement with Valuelink LLC dated May 24, 2006, as amended. Collectively, as of November 23, 2024, there is approximately \$2.6 million of net outstanding liability in respect of Gift Cards.

64. Each of the Retail Entities offer the same return policy. Returns of in-store purchases are accepted within 45 days of the purchase date, and returns of online orders are accepted within 45

days of the order ship date. Returns of in-store and online orders can be made at any Retail Entity's stores, and online orders can also be shipped back to the respective Retail Entity.

65. The Applicants are seeking in the proposed Initial Order that they be authorized, with the consent of the Proposed Monitor, to continue to offer the Loyalty Programs and honour credits obtained under the Loyalty Programs until January 17, 2025. The Applicants are also seeking to honour gift cards sold by the Retail Entities prior to the date of filing of these CCAA proceedings (the "**Filing Date**") until January 17, 2025. The Applicants will not be selling any further gift cards for the Retail Entities on or after the Filing Date and returns for any products purchased from any of the Retail Entities will not be honoured after January 17, 2025 (although exchanges will be accepted after this date for an additional period of time).

(j) Cash Management System

66. The Applicants maintain a centralized cash management system which is administered by Parian on behalf of Comark (the "**Comark Cash Management System**") to deal with cash management, collections, disbursements and intercompany payments for all of the Applicants. This allows Parian, on behalf of Comark, to facilitate cash forecasting and reporting and to monitor the collection and disbursement of funds. Parian reviews and monitors account activity on a daily basis, including the accounts payable systems and the weekly cash flow forecasts of each banner.

67. The Applicants have bank accounts with all the major Canadian banks: CIBC, Toronto Dominion Bank, Bank of Montreal, Royal Bank of Canada, and the Bank of Nova Scotia. CIBC is the Applicants' main collection and disbursement bank. All other bank accounts (the "**Local Store Accounts**") are utilized to facilitate store deposits, which are swept on a semi-weekly basis to a collections account held at CIBC (the "**Concentrator Account**").

68. The Applicants currently have thirteen bank accounts with CIBC of which nine are Canadian dollar bank accounts and four are U.S. dollar accounts (collectively, the “**Bank Accounts**”). An overview of the Applicants’ Bank Accounts is as follows:

- (a) one Canadian dollar Concentrator Account that receives store deposits from local CIBC store deposit accounts automatically and from the Local Store Accounts twice weekly by telephone transfer;
- (b) one Canadian dollar payroll account used to facilitate payroll for all Bootlegger, Ricki’s, and cleo employees;
- (c) four Canadian dollar bank accounts used to facilitate payments relating to benefits programs for Bootlegger, Ricki’s, cleo, and Comark;
- (d) one Canadian dollar disbursement account to facilitate all non-payroll and non-benefits disbursements;
- (e) two Canadian dollar operating accounts for Comark. Monthly interest and quarterly principal payments of the CIBC Term Loan Facility are automatically applied against the CIBC Revolving Loan Facility. One operating account is used to make draws on the CIBC Revolving Loan Facility. The other operating account is used for payment of USD currency purchases, remittance of garnishment cheques and depositing of sundry cheques; and
- (f) four U.S. dollar disbursement accounts held by Comark for itself and for Ricki’s, cleo, and Bootlegger. These accounts are used to facilitate U.S. dollar payments to vendors. The Applicants utilize the foreign exchange services of Corpay to

facilitate certain of these transactions by sending the Canadian dollar equivalent amounts of any U.S. dollar disbursements required to Corpay, who subsequently deposits the equivalent U.S. dollar amount in the Comark U.S. dollar disbursement account.

69. Cash activity in the Concentrator Account is reviewed and reconciled by Parian's sales audit and banking associates, under the supervision and oversight of the Comark Group. Parian's accounting department then reviews and reconciles all other CIBC bank accounts.

70. The Applicants are exposed to foreign exchange risk because a large portion of their disbursements (foreign product purchases) are made in U.S. dollars while all sales are received in Canadian dollars. As a result, the Applicants use forward and options contracts with Corpay to mitigate and hedge against exchange rate fluctuations between the Canadian and U.S. dollar.

71. The Applicants are seeking in the proposed Initial Order that they be permitted to continue to use the Comark Cash Management System.

(k) Outstanding Litigation

72. The Applicants are subject to ongoing litigation. The Applicants carry customary and appropriate insurance to mitigate the risk of litigation on its ongoing operations.

73. In December 2024, Statements of Claim were issued in Manitoba and Ontario against the Applicants by several of their overseas vendors. Such claims seek relief for breach of contract, payment of outstanding amounts and damages plus interest and costs.

E. The Financial Position of the Applicants

74. A copy of the Applicants' consolidated audited annual financial statements as of February 24, 2024 are attached as Exhibit "A" to this affidavit. These are the most recent set of annual audited financial statements prepared by the Applicants.

75. In addition, a copy of the Applicants' unaudited balance sheet and fiscal year-to-date income statement for the period ended November 23, 2024 is attached as Exhibit "B" to this affidavit. Certain information contained in this unaudited balance sheet is summarized below.

(a) Assets

76. As at November 23, 2024, the assets of the Applicants had a book value of approximately \$83.5 million and consisted of the following (rounded to the nearest thousand Canadian dollar):

Current Assets: \$66,305,000	
Cash and Cash Equivalent	\$3,522,000
Accounts Receivable	\$494,000
Derivative Asset	\$417,000
Inventories	\$58,091,000
Prepaid Expenses and Deposits	\$3,781,000
Non-Current Assets: \$17,576,000	
Property and Equipment	\$17,576,000
Total Assets	\$83,464,000

(b) Liabilities

77. As at November 23, 2024, the liabilities of the Applicants had a book value of approximately \$168.5 million and consisted of the following (rounded to the nearest thousand Canadian dollar):

Current Liabilities: \$69,030,000	
Trade Accounts Payable	\$44,100,000
Other Accounts Payable and Accrued Liabilities	\$22,243,000
Deferred Revenue	\$2,585,000
Deferred Inducements	\$519,000
Other Current Liabilities	(\$416,900)
Non-Current Liabilities: \$99,091,000	
Bank Indebtedness	\$39,879,000
Long-term Debt	\$2,622,000
Due to Shareholders	\$56,590,000
Total Liabilities	\$168,121,000

(c) Revenue

78. The Applicants revenue, cash flows, adjusted EBITDA and net earnings have each experienced a decline in fiscal year-to-date 2025 as compared to the same period in fiscal year 2024. In fiscal year-to-date 2025 (period ending November 23, 2024), the Applicants' total net sales were \$130.7 million (a decline of \$19 million or 13% compared to the same period last year); adjusted EBITDA was negative \$16.1 million (a decline of \$5.7 million or 56% compared to the

same period last year); and net earnings was negative \$21.0 million (a decline of \$6.5 million or 45% compared with the same period last year).

79. Ricki's has historically been the most profitable of the three Retail Entities and has made up the majority of the Comark Group's net earnings. However, all three of the Retail Entities have experienced a general decline in sales in fiscal year-to-date 2025. As compared to the same period last year, Bootlegger experienced a decline in sales of \$5.6 million or 15.0%, Ricki's experienced a decline in sales of \$9.5 million or 14.2%, and cleo experienced a decline in sales of \$3.8 million or 8.4%.

80. For fiscal year-to-date 2025, the Applicants have also experienced an overall decline in store level cash flow of \$7.1 million or 50%, compared to prior years.

81. The continued strengthening of the U.S. dollar relative to the Canadian dollar has added significant strain on the Applicants' businesses. Most of the Retail Entities' merchandise is purchased in U.S. dollars, with merchandise necessarily being priced in stores and online competitively in Canadian dollars. Accordingly, given the weakness of the Canadian dollar relative to the U.S. dollar, the Retail Entities pay relatively more for their inventory purchased in U.S. dollars, negatively impacting their profit margin.

(d) Debt and Credit Facilities

(i) Summary of the Applicants' Secured Debt and Credit Facilities

<i>Borrower</i>	<i>Lender</i>	<i>Type</i>	<i>Amount Outstanding</i>	<i>Guarantors</i>
Comark	CIBC	CIBC Credit Agreement	Term Loan Facility- \$2.4M Revolving Loan Facility –\$23.7M BCAP Loan Facility - \$6.25M	Ricki's cleo Bootlegger ParentCo ⁶ Export Development Canada (“ EDC ”) ⁷
Comark	ParentCo	Secured Intercompany Debt	\$57M	Ricki's cleo Bootlegger
Ricki's	Comark	Secured Intercompany Debt	\$49.4M	None
cleo	Comark	Secured Intercompany Debt	\$37.8M	None
Bootlegger	Comark	Secured Intercompany Debt	\$29.5M	None

(ii) Secured Debt and Credit Facilities

(A) CIBC Amended and Restated Credit Agreement

82. CIBC is the main operating lender to the Comark Group pursuant to an amended and restated credit agreement between CIBC and Comark dated as of September 9, 2024 (the “**CIBC**

⁶ ParentCo is only a guarantor of the CIBC Term Loan Facility (defined below).

⁷ EDC is only a guarantor of the BCAP Loan Facility (defined below) for the lesser of (i) 80% of the BCAP Loan Facility, and (ii) CAD \$5 million, plus, in either case, accrued and unpaid interest for a maximum of 120 days.

Credit Agreement”). A copy of the CIBC Credit Agreement is attached to this affidavit as Exhibit “C”.

83. Pursuant to the CIBC Credit Agreement, CIBC committed three facilities to Comark (together, the “**CIBC Credit Facilities**”):

- (a) a term loan facility in the principal amount of \$3.4 million (the “**CIBC Term Loan Facility**”);
- (b) a revolving loan facility in an amount of up to \$30 million (the “**CIBC Revolving Loan Facility**”), which was temporarily increased to \$35 million during the period commencing on September 9, 2024 and ending on December 31, 2024, and which includes a \$3 million sublimit for letters of credit; and
- (c) a Business Credit Availability Program (“**BCAP**”) facility in an amount of up to \$6.25 million (the “**BCAP Loan Facility**”).

84. The CIBC Revolving Loan Facility is used for working capital and other general corporate purposes. The CIBC Term Loan Facility in the original principal amount of \$6.4 million was fully advanced on the original date of the CIBC Credit Agreement in August 2020 and the proceeds were used to repay a portion of a separate credit agreement between CIBC and a predecessor of Comark. The BCAP Loan Facility provided additional liquidity to the Comark Group to finance its operations in accordance with the EDC BCAP Guarantee Program, which was established for the purpose of assisting businesses affected by the economic impacts of the COVID-19 pandemic. The BCAP Loan Facility was established by CIBC pursuant to the CIBC Credit Agreement (and CIBC is the lender in respect thereof), though EDC has guaranteed the lesser of (i) 80% of the BCAP Loan Facility, and (ii) CAD \$5 million (plus, in either case, accrued and unpaid interest for

a maximum of 120 days) in favour of CIBC, subject to and in accordance with the terms of a separate guarantee agreement between EDC and CIBC.

85. The maximum amount available for borrowing under the CIBC Revolving Loan Facility is subject to a borrowing base formula linked to, among other things, the value of certain of the Comark Group's accounts receivable, inventory on hand and inventory in-transit (subject to certain reserves that CIBC may establish from time to time) established pursuant to the terms of the CIBC Credit Agreement. Accordingly, borrowing availability under the CIBC Revolving Loan Facility fluctuates from month to month, with a maximum availability cap of \$30 million (which was temporarily increased to \$35 million during the period commencing on September 9, 2024 and ending on December 31, 2024).

86. Under the CIBC Term Loan Facility and the CIBC Revolving Loan Facility, Comark is permitted to elect to borrow funds as a Canadian Prime Rate Loan, Base Rate Loan, SOFR Loan or CORRA Loan (each as defined in the CIBC Credit Agreement), subject, in some cases, to CIBC's approval. Comark may elect to borrow funds under the BCAP Loan Facility as a Canadian Prime Rate loan or a CORRA Loan. Comark has elected to borrow funds as a Canadian Prime Rate Loan.

87. Loans under the CIBC Credit Agreement bear interest at the applicable interest rate plus an applicable margin determined in accordance with the following table:

	CORRA Loan or SOFR Loan Applicable Margin	Canadian Prime Loan or Base Rate Loan Applicable Margin
Revolving Loan	3.00%	1.50%
Term Loan	4.50%	3.00%

BCAP Loan	3.5% (CORRA Loan only)	2.00% (Canadian Prime Loan only)
-----------	------------------------	----------------------------------

88. The default rate of interest is an additional 2.00% on each facility.

89. The obligations under the CIBC Credit Facilities are secured by all present and after-acquired undertaking, property and assets of Comark pursuant to a general security agreement dated August 7, 2020 (the “**CIBC GSA**”). A copy of the CIBC GSA is attached to this affidavit as Exhibit “D”.

90. The CIBC Credit Facilities are also guaranteed on a secured basis by Ricki’s, cleo and Bootlegger. ParentCo provided a guarantee of the CIBC Term Loan Facility obligations under the CIBC Credit Agreement limited in recourse solely to and secured by the shares of Comark held by ParentCo and \$2.5 million in cash collateral. The relevant guarantee documents, all dated August 7, 2020, are attached to this affidavit as Exhibits “E”, “F”, “G” and “H”. As noted above, the BCAP Loan Facility is also guaranteed by EDC pursuant to a separate guarantee agreement between CIBC and EDC.

91. The CIBC Credit Agreement includes certain financial covenants, including an obligation to maintain a minimum, cumulative consolidated net income, subject to certain adjustments over specified periods of time.

92. Comark was in breach of the Minimum EBITDA covenant in August, September, October and November 2024 and will be in breach in December 2024.

93. As of January 2, 2025, the amount outstanding under the CIBC Revolving Loan Facility is approximately \$23.7 million, which amount fluctuates daily. As of January 2, 2025, the amount

outstanding under the CIBC Term Loan Facility is \$2.4 million. The CIBC Term Loan Facility has been cash collateralized with \$2.5 million from ParentCo, which currently exceeds the CIBC Term Loan Facility balance. The amount outstanding under the BCAP Loan Facility is approximately \$6.25 million.

94. As set out above, CIBC issued the CIBC Demands on January 5, 2025, thereby accelerating amounts outstanding under the CIBC Credit Agreement, declaring such amounts immediately due and payable and demanding payment. As a result of the CIBC Demands, the Applicants have no further access to funding under the CIBC Credit Agreement, absent the granting of the relief requested herein in respect of Interim Borrowings. Copies of the CIBC Demands are attached to this affidavit as Exhibit “I”, “J”, “K”, “L”, and “M”.

(B) Secured Intercompany Debt

a. ParentCo Loan Facility

95. ParentCo, as lender, is party to a Sponsor Loan Agreement with Comark, as borrower, dated as of August 7, 2020 (the “**ParentCo Loan Facility**”). A copy of the loan agreement for the ParentCo Loan Facility is attached to this affidavit as Exhibit “N”. Pursuant to the ParentCo Loan Facility, ParentCo agreed to make loan advances to Comark, with the initial loan advance being in the principal amount of \$25.4 million. Pursuant to a Subordination, Postponement, and Standstill Agreement dated August 7, 2020, ParentCo’s security interest is subordinated and postponed in favour of CIBC.

96. As of January 3, 2025, approximately \$57 million is outstanding under the ParentCo Loan Facility. The ParentCo Loan Facility provides for a fixed interest rate of 1% per year plus a non-

compounding participating interest at a rate of up to the lesser of 11% and the amount of free cash (subject to certain reserves and restrictions) generated by Comark.

97. The obligations under the ParentCo Loan Facility are secured by the property and assets of Comark pursuant to a general security agreement dated August 7, 2020 (the “**ParentCo GSA**”). A copy of the ParentCo GSA is attached to this affidavit as Exhibit “O”. The ParentCo Loan Facility is also guaranteed on a secured basis by Ricki’s, cleo and Bootlegger, which guarantees are attached to this affidavit as Exhibits “P”, “Q” and “R”, respectively.

98. The ParentCo Loan Facility requires Comark to comply with the terms of the CIBC Credit Agreement. As a result, a default under the CIBC Credit Agreement also constitutes an event of default under the ParentCo Loan Facility.

b. Retail Entity Facilities

99. Comark, as lender, is also party to individual secured intercompany loan agreements with each of Ricki’s, cleo and Bootlegger dated January 30, 2021, February 1, 2021, and February 1, 2021, respectively (the “**Retail Entity Facilities**”). The Retail Entity Facilities are all substantially in the same form and subordinated and postponed in favour of the CIBC Credit Facilities and ParentCo Loan Facility. Copies of the Retail Entity Facility loan agreements are attached to this affidavit as Exhibits “S”, “T” and “U”.

100. The Retail Entity Facilities are revolving facilities under which Comark may, in its discretion, make advances. As of November 23, 2024, \$49.4 million is outstanding under the Ricki’s Retail Entity Facility, \$37.8 million is outstanding under the cleo Retail Entity Facility, and \$29.5 million is outstanding under the Bootlegger Retail Entity Facility.

101. The interest rates for the Retail Entity Facilities provide for an interest rate equal to the CDOR rate (as defined in the Retail Entity Facilities).

102. Each of Ricki's, cleo and Bootlegger has provided Comark with a general security agreement (collectively, the "**Retail Entity GSAs**") securing the obligations under its respective Retail Entity Facility. Copies of these Retail Entity GSAs are attached to this affidavit as Exhibit "V", "W" and "X".

103. The Retail Entity Facilities require the Retail Entities to comply with the financial covenants under the CIBC Credit Agreement. As a result, a default in respect of such covenants under the CIBC Credit Agreement also constitutes an event of default under the Retail Entity Facilities.

(e) Trade Creditors

104. As at December 24, 2024, the Applicants had approximately \$61 million in outstanding accounts payable and accrued liabilities. Of this amount, approximately \$44 million is owing to merchandise vendors (\$36 million of which is owing to trade creditors located outside of North America).

105. In order to preserve capital, the Applicants have taken steps to reduce expenditures and preserve liquidity, including pausing payments to trade creditors or cancelling orders for future inventory. In order to ensure the continuity of the Retail Entities' supply chain during these CCAA proceedings, the Applicants are seeking in the proposed Initial Order to be authorized, but not required, to pay certain pre-filing amounts owing to key participants in the Applicants' distribution network, and to other critical suppliers with the consent of the Monitor and the Interim Lender and in accordance with the Cash Flow Forecast or otherwise as may be agreed with the Interim Lender.

(f) PPSA Registrations

106. In addition to registrations made in respect of the secured indebtedness described above, and as set out in the personal property registration searches against the Applicants for Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Ontario, and Saskatchewan attached as Exhibits “Y”, “Z”, “AA”, “BB”, “CC”, “DD”, “EE” and “FF”, respectively:

- (a) there are legacy registrations under the *Personal Property Security Act* (British Columbia) against each of the Retail Entities in favour of 6879900 Canada Inc., which relate to the now wound-up Comark LP structure referenced above;
- (b) there are legacy registrations against some of the Applicants by predecessor entities of the Applicants in connection with intercompany arrangements that are no longer relevant; and
- (c) There are registrations under the *Personal Property Security Act* (Alberta) and *Personal Property Security Act* (Ontario) against Comark in favour of Leggat National Leasing. The Alberta registration indicates a collateral classification of serial goods with a serial number of 4T1S11BK7NU063845 (2022 Toyota Camry; MV – Motor Vehicle). The Ontario registration indicates collateral classifications of Consumer Goods and Motor Vehicle with a VIN number of 4T1S11BK7NU065739 (2022 Toyota Camry), amount secured of \$41,767 and no general collateral description.

F. The Urgent Need for Relief under the CCAA

(a) Lasting Impacts of COVID-19

107. The Retail Entities were hard hit by the closure of their stores during the COVID-19 pandemic. Brick and mortar stores shut entirely, and the Retail Entities struggled to pivot to online sales, in part because all of the Retail Entities' inventory was trapped in their stores.

108. As a result of these challenges, the Comark Group filed for CCAA protection in June 2020 in order to inject working capital into and restructure their businesses.⁸ In July 2020, the Comark Group was sold to an entity controlled by its principal shareholder through a reverse vesting transaction (structured in this manner primarily to preserve significant tax attributes). The Comark Group emerged from CCAA protection in August 2020.

109. Even after emerging from the 2020 CCAA Proceedings, the COVID-19 pandemic continued to place significant strain on the Applicants' businesses. In November 2020, the Retail Entities' brick and mortar stores in Manitoba and Ontario closed for the second time due to COVID-19 related shutdowns and remained closed into 2021. During this period, the Retail Entities lost out on Black Friday and Christmas sales and did not gain those sales back at the same level through e-commerce. Further, COVID-19 outbreaks at the Distribution Centre and at vendor sites in 2020 and 2021 caused product and shipment delays contributing to missed seasonal windows, as discussed in further detail below.

⁸ The predecessor corporation of Comark (Comark Inc.) also applied for and was granted CCAA protection in March 2015, pursuant to which an affiliate of ParentCo purchased the Comark business by way of an Asset Purchase Agreement in July 2015.

(b) 2021 Cyber Incident

110. On November 23, 2021, the Applicants were the victim of a sophisticated ransomware cyber attack (the “**Cyber Incident**”). For approximately two days, the Retail Entities’ retail stores and e-commerce platform were closed in their entirety. For a few days after this, the retail stores were able to open but accepted only cash payments. For three weeks, until December 13, 2021, internal systems, including all inventory, were entirely unavailable. The businesses were unable to move any inventory into sellable locations until such inventory could be accounted for, significantly disrupting the operations of the Applicants.

111. During this period, the Distribution Centre was unable to ship inventory to the retail stores. Inventory shipments in late November and early December of each year contain a substantial portion of seasonal items which are targeted for sale during the critical holiday season. Because of the delayed arrival of inventory, heavy promotional activity was required in order to sell seasonal items beyond their ideal or targeted window. Markdowns were significantly higher in the post-Cyber Incident period as compared to the previous year, resulting in a reduced profit margin for the Retail Entities. It is estimated that brick and mortar stores lost approximately \$8.2 million in revenue due to the Cyber Incident alone.

112. For e-commerce sales, shipments to the Retail Entities’ customers were unable to be processed for several weeks. Inventory was also unable to be updated online and made available for purchase. When systems were available and inventory count complete, e-commerce orders were prioritized.

113. While customers received notification of the Cyber Incident on each of the Retail Entities’ websites and social media accounts, the centralized customer service function was without system

access and order visibility during this period, significantly hampering the ability to service customer needs. This complicated both channels' ability to sell and impacted consumer confidence.

114. The Retail Entities regained full capability to sell products by December 13, 2021. However, the effects of the Cyber Incident extended far beyond this time period. All of the companies' internal processes and systems, including the Applicants' history and critical path, were lost or compromised through the Cyber Incident and, as these systems were not recovered, they had to be rebuilt.

(c) Supplier Issues and Delays

115. As a result of the COVID-19 pandemic and the Cyber Incident, as well as industry-wide supply-chain disruptions, delays to certain production orders occurred. From 2020 to 2022, most products received from the Retail Entities' suppliers were significantly delayed and arrived outside of the targeted seasonal time periods.

116. As discussed above, a large portion of the Retail Entities' businesses are comprised of seasonal clothing items. Consumers usually only purchase these items during a specific time period each year, and seasonal items sold outside of this time period typically must be marked down significantly to drive sales and clear inventory.

117. As a result, when orders for seasonal items arrive outside of their targeted time frame, markdowns are applied to the products, negatively impacting profitability. Alternatively, if it is clear that the seasonal items will not arrive in time for the required period, the production order may need to be cancelled, and any profit from those seasonal items will be lost entirely.

118. Even after some products began to arrive on time in 2022, other items were still delayed and collections were out of sequence, such that seasonal goods from different periods began to collide, creating a peak of inventory and forcing markdowns.

119. In an effort to limit production issues and reduce the continued stain on the Applicants' balance sheet, in 2023 the Applicants re-evaluated all future collections and cancelled production orders that were not expected to drive profitability. Where vendor payments had been missed, these vendors were placed on payment plans and the Applicants engaged in daily or weekly meetings with these vendors to encourage continued production.

120. Unfortunately, international conflict in the Red Sea, protests at certain of the vendors' factories in Bangladesh, and rail and port strikes in 2024 all caused additional delays and resulted in further strained vendor relationships and lost sales. This, in turn, placed increased financial pressure on the Applicants' businesses. Where the Applicants were unable to make payments, certain vendors have refused to order fabrics, held items at port or refused to transfer titles to the items until such payment had been made. This has compounded the Applicants' issues with seasonal delays, in turn affecting the Applicants' financial position.

121. As noted above, in December 2024, several of the Applicants' vendors served the Applicants with Statements of Claim in Ontario and Manitoba, seeking payment of outstanding amounts and damages.

(d) Industry Impacts

122. In addition to the above-noted issues, the Applicants have faced certain retail industry challenges over the past four years that have contributed to the financial strain on the businesses. Namely, a difficult economic environment combined with the introduction and consumer uptake

of certain ultra low-cost fashion retailers, including Shein and Temu, have placed significant financial pressure on traditional fashion retailers. Consumer needs have also changed as the COVID-19 pandemic led to increased remote work and a decreased need for workwear clothing, which previously made up a sizeable portion of the Applicants' businesses.

(e) Poor Sales Performance

123. Each of the above issues and challenges have contributed to the Applicants' businesses experiencing poor sales performance over the past several years. In fiscal year 2024 (ending February 24, 2024), the Applicants significantly underperformed expectations, generating sales and EBITDA of \$200 million and negative \$21.2 million, respectively.

124. In fiscal year-to-date 2025, the Applicants have experienced a decline in cash flows of \$7.1 million or 50% compared to the same period last year and have a net loss of over \$21.0 million due to a combination of poor sales performance (trending 10% below last year) and the vendor delays and other issues described above.

(f) Decreased Borrowing Base

125. In addition to the negative cash flow and working capital issues, a recent third-party inventory appraisal (completed pursuant to the CIBC Credit Agreement) resulted in a 4% reduction of the maximum amount available to be borrowed under the CIBC Revolving Loan Facility, further reducing the Applicants' liquidity over the last few months.

126. The Applicants are also in breach of certain financial covenants under the CIBC Credit Agreement and CIBC has demanded payment and accelerated the amounts owing under the CIBC Credit Agreement.

127. The Applicants' liquidity constraints and reduced availability under the CIBC Credit Agreement have resulted in significant amounts owing to vendors, including: (i) approximately \$4.2 million owing to Parian, the Applicants' warehouse distribution and shared service provider, as of December 24, 2024, pursuant to the Master Services Agreement; (ii) in excess of \$8 million owing to domestic merchandise vendors; (iii) in excess of \$36 million owing to foreign merchandise vendors; (iv) approximately \$57 million owing to ParentCo; (v) in excess of \$1.8 million owing to the Canadian Border Services Agency; and (vi) approximately \$8.6 million owing to other trade vendors. As noted above, the Retail Entities also delayed rent payments to some landlords for the months of October 2024, did not make percentage rent payments to certain of their landlords for November 2024, did not pay the majority of their rent (percentage or fixed) to their landlords in December 2024, and did not pay any rent to any landlords in January 2025.

(g) 2024 Internal Restructuring

128. In early 2024, the Applicants executed an internal restructuring initiative in an effort to save costs and improve their liquidity position. The Applicants reduced full time employee headcount, terminated or renegotiated technology contracts and reduced the marketing budget as part of these restructuring initiatives.

129. The Applicants also realized efficiencies by automating certain aspects of their warehouse through the use of a Bombay Sorter, a flat sorter used for high-speed automated sortation of small lightweight items.

130. Through these cost saving initiatives, the Applicants have saved the businesses approximately \$6 million. However, this has not been enough to right-size the businesses and stabilize relationships with vendors.

G. Relief Sought

131. Notwithstanding their best efforts to reduce expenses, preserve capital and improve profitability, the Applicants' liquidity position continues to rapidly deteriorate, particularly during the traditionally slower post Christmas retail seasons. Overall, the Applicants' negative cash flow and working capital issues have caused a strain on the Borrowing Base. As described above, the Applicants received the CIBC Demands from CIBC's counsel on January 5, 2025 declaring all amounts outstanding under the CIBC Credit Facilities immediately due and payable and demanding repayment. Without access to additional funding, the Applicants cannot pay their obligations (including payroll) in the ordinary course. While ParentCo has been supportive of the Applicants' businesses, including by providing over \$35 million in secured loans to the Comark Group since 2020 (of which \$15 million was advanced in the current fiscal year), it is unwilling to advance any further funding to the Applicants. The Applicants are unable to meet their liabilities as they become due and are therefore insolvent.

132. Following a review of the Applicants' performance described above, the evaluation of the impact on the Applicants, and the careful consideration of all options and alternatives, the board of directors of Comark has determined that, in its business judgement, and based on advice of its professional advisors, it is in the best interest of the Applicants' businesses and their stakeholders to file for CCAA protection.

(a) Stay of Proceedings

133. The Applicants are insolvent and urgently require a broad stay of proceedings and other CCAA protections to obtain the breathing space and emergency funding required to determine next steps. At the present time, the next steps will likely consist of, among other things, (i)

conducting the Ricki's Liquidation and an orderly wind-down of the Ricki's business, (ii) conducting the cleo Liquidation and an orderly wind-down of the cleo business, (iii) right-sizing the Bootlegger retail store footprint by disclaiming leases for underperforming Bootlegger stores and conducting the Bootlegger Liquidation, and (iv) a potential sale of the remaining business or assets of the Applicants, including intellectual property, leases and other assets of the Applicants, through a court-supervised sale process. The Applicants are concerned that certain of their landlords may attempt to exercise self-help remedies as a result of the missed or delayed payments, including locking out the Retail Entities from their retail stores. It would be detrimental to the Applicants and their stakeholders if proceedings were commenced, or rights or remedies executed against the Applicants.

(b) Interim Financing

134. Interim financing is needed on an urgent basis during the Initial Stay Period to provide stability and fund operations for a limited period of time and preserve the Applicants' businesses while they consider next steps in these proceedings. This interim financing is necessary and designed explicitly to preserve value to the benefit of the Applicants' stakeholders.

135. As set out above, as a result of the CIBC Demands, the Applicants no longer have access to funds under the CIBC Credit Agreement. In order to avoid an abrupt shutdown of their businesses, CIBC, as interim lender (the "**Interim Lender**") has advised the Applicants that it is prepared to permit Comark to continue to borrow under the existing CIBC Revolving Loan Facility during the Initial Stay Period pursuant to the CIBC Credit Agreement (each, an "**Interim Borrowing**" and collectively, the "**Interim Borrowings**"), provided (i) such Interim Borrowings are made in accordance with an agreed-upon Cash Flow Forecast, and (ii) each Interim Borrowing is subject to prior approval pursuant to a draw request in form and substance satisfactory to the

Interim Lender, accompanied by such supporting documentation as the Interim Lender may request, and subject to the requirements set out in the Initial Order;

136. Based on the Cash Flow Forecast, this Interim Borrowing arrangement is expected to provide the Applicants with sufficient liquidity to continue their business operations during the Initial Stay Period.

137. This Interim Borrowing arrangement is proposed to be secured by a Court-ordered charge (the “**Interim Lender’s Charge**”) on all of the present and future assets, property and undertaking of the Applicants (the “**Property**”). The Interim Lender’s Charge will not secure any obligation that exists before the Initial Order is made. The Interim Lender’s Charge will have priority over all other security interests, charges and liens, except the Administration Charge. Given the current financial circumstances of the Applicants, the Interim Lender has indicated that it is not prepared to advance funds without the security of the Interim Lender’s Charge, including the proposed priority thereof.

(c) Monitor

138. It is proposed that Alvarez & Marsal Canada Inc. (“**A&M**”) will act as Monitor (the “**Proposed Monitor**”) in the CCAA proceedings if the proposed Initial Order is issued. A&M has consented to act as the Monitor of the Applicants. A copy of the Proposed Monitor’s consent is attached as Exhibit “GG”.

139. The Applicants, with the assistance of A&M, have prepared the Cash Flow Forecast, as required by the CCAA, which will be appended to the Proposed Monitor’s pre-filing report, which shows that the Applicants can continue operations during the proposed Initial Stay Period with access to the Interim Borrowings.

140. I understand that A&M will file an initial pre-filing report with the Court as Proposed Monitor in conjunction with the Applicants' request for relief under the CCAA.

(d) Administration Charge

141. In connection with its appointment, it is proposed that the Monitor, along with its counsel and counsel to the Applicants, will be granted a Court-ordered charge on all of the Property as security for their respective fees and disbursements relating to services rendered in connection with this CCAA proceeding up to a maximum amount of \$750,000 (the "**Administration Charge**"). The Administration Charge is proposed to have priority over all other charges and security interests.

142. The Applicants will propose that the Administration Charge be increased to \$1 million at the Comeback Hearing.

(e) Directors' and Officers' Protection

143. A successful restructuring of the Applicants will only be possible with the continued participation of their respective directors (the "**Directors**"), management and employees. These personnel are essential to the viability of the Applicants' continuing business and the preservation of enterprise value.

144. I am advised by Tracy Sandler of Osler, Hoskin Harcourt LLP, the Applicants' counsel, and believe that, in certain circumstances, directors can be held liable for certain obligations of a company owing to employees and government entities, which may include unpaid accrued wages; unpaid accrued vacation pay; termination and severance obligations; and unremitted sales, goods and services, and harmonized sales taxes. The Applicants estimate, with the assistance of the

Proposed Monitor, that these obligations may amount to as much as approximately \$6.2 million during the Initial Stay Period.

145. It is my understanding that the Applicants' present and former directors and officers are not beneficiaries under any liability insurance policies and, as such, I believe that there is no coverage against the potential liability that the directors and officers could incur in relation to this CCAA proceeding.

146. In light of the complexity and scope of the overall enterprise and the potential liabilities, the directors and officers have indicated to the Applicants that their continued service and involvement in this proceeding is conditional upon: (i) the granting of an Order under the CCAA which grants a charge in favour of the directors and officers of the Applicants in the initial amount of \$6.2 million on the Property (the "**Directors' Charge**"); and (ii) the subsequent increase of the Directors' Charge to \$7.4 million at the Comeback Hearing. The Directors' Charge would act as security for indemnification obligations for the Directors' and officers' potential liabilities as set out above. The Directors' Charge is proposed to be subordinate to the proposed Administration Charge, the Interim Lender's Charge, and the existing security granted with respect to the CIBC Credit Facilities. The Directors' Charge is necessary so that the Applicants may benefit from their directors' and officers' experience with the businesses and the retail apparel industry and so that its directors and officers can guide the Applicants' restructuring efforts during these CCAA proceedings.

(f) Payments During this CCAA Proceeding

147. During the course of these CCAA proceedings, the Applicants intend to make payments for goods and services supplied post-filing in the ordinary course as set out in the Cash Flow Forecast and as permitted by the proposed Initial Order.

148. The Applicants expect third parties with contractual arrangements with the Applicants to continue to provide goods and services in accordance with the proposed Initial Order. However, in order to ensure uninterrupted business operations during these CCAA proceedings, the Applicants are proposing in the Initial Order that they be authorized, but not required, with the consent of the Monitor and the Interim Lender and in accordance with the Cash Flow Forecast or otherwise as may be agreed to with the Interim Lender, to make certain payments, including payments owing in arrears, to certain critical third parties that provide services that are integral to the Applicants' ability to operate during these proceedings. These third parties include key logistics or supply chain providers, customs brokers and clearing houses, and providers of credit and debit processing services.

149. Similarly, the Applicants are proposing that they be authorized, with the consent of the Monitor and the Interim Lender, in accordance with the Cash Flow Forecast or otherwise agreed to with the Interim Lender, to continue to make certain payments in respect of the critical Parian Services provided by Parian to the Applicants and in respect of certain IT Services.

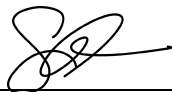
H. Relief to be Sought at the Comeback Hearing

150. As noted above, if the Initial Order is granted, the Applicants intend to seek the ARIO and various other relief at the Comeback Hearing. The Applicants intend to deliver a supplementary affidavit in advance of the Comeback Hearing.

I. Conclusion

151. I am confident that granting the proposed Initial Order sought by the Applicants is in the best interests of the Applicants and their stakeholders. Without the relief requested, including the stay of proceedings discussed above, the Applicants will experience a sudden and abrupt shutdown of their businesses and other enforcement action taken by creditors, which would significantly harm the Applicants' businesses and significantly impair the realizable value of their assets. Granting the requested stay of proceedings will give the Applicants the breathing space and emergency funding required to determine and pursue next steps, including the Ricki's Liquidation, the cleo Liquidation, the Bootlegger Liquidation and a potential sale of the remaining assets or business of the Applicants.

SWORN BEFORE ME over videoconference this 6th day of January, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant is located in the City of Vancouver, in the Province of British Columbia, while the commissioner is located in the City of Toronto, in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Sierra Farr (LSO#87551D)



Shamsh Kassam

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 COMARK HOLDINGS INC., BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

Ontario

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF SHAMSH KASSAM

OSLER, HOSKIN & HARCOURT LLP

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

Tracy Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217

Email: ssidwill@osler.com

Sierra Farr (LSO# 87551D)

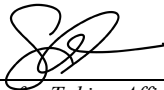
Tel: 416.862.6499

Email: sfarr@osler.com

Fax: 416.862.6666

Lawyers for the Applicants

This is Exhibit “B” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

Court File No. CV-20-00642013-00CL

**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 COMARK HOLDINGS INC., BOOTLEGGER
CLOTHING INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS
INC.

APPLICANTS

**AFFIDAVIT OF SHAMSH KASSAM
(Sworn January 16, 2025)**

I, Shamsh Kassam, of the City of Vancouver, in the Province of British Columbia, MAKE
OATH AND SAY:

1. I currently serve as Chief Executive Officer ("**CEO**") of Comark Holdings Inc. ("**Comark**"), Vice President of each of its subsidiaries, Ricki's Fashions Inc. ("**Ricki's**"), cleo fashions Inc. ("**cleo**") and Bootlegger Clothing Inc. ("**Bootlegger**") (together with Comark, the "**Applicants**" or the "**Comark Group**"), and a director of each of the Applicants. I am also a director and/or officer of a number of affiliated companies in a broader corporate group, including the parent company of Comark ("**ParentCo**"), the Comark Group's logistics provider, Parian Logistics Inc. ("**Parian**") and others. As such, I have personal knowledge of the matters deposed to in this Affidavit. Where I have relied on other sources of information, I have specifically referred to such sources and believe them to be true. In preparing this Affidavit, I have consulted with legal, financial and other advisors to the Applicants and other members of the senior management teams of the Applicants. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

2. This affidavit is made in support of a motion by the Applicants for:

- (a) an Amended and Restated Initial Order (“**ARIO**”), among other things:
 - (i) extending the stay of proceedings until May 15, 2025;
 - (ii) authorizing the Applicants to enter into the DIP Term Sheet (defined below) and borrow under the DIP Facility (defined below) in the maximum principal amount of \$18 million, and granting the DIP Lender’s Charge (defined below);
 - (iii) authorizing the Applicants, with the support of the Monitor (defined below) and the DIP Lender (defined below), to pursue offers for or avenues of restructuring, sale or reorganization of the Comark Group business or the Property (defined below), in whole or in part, including pursuant to any solicitation process letter establishing bid procedures as may be determined by the Applicants and the Monitor, in consultation with the DIP Lender, for circulation to potentially interested parties identified by the Applicants and the Monitor, provided that completion of any such refinancing, restructuring, sale or reorganization transaction will be subject to Court approval (except as otherwise permitted by paragraph 12(a) of the ARIO or by the Realization Process Approval Order (defined below));
 - (iv) approving the form of Merchandise Transfer Agreement (defined below), authorizing the Applicants and the Monitor to enter Merchandise Transfer Agreements with Overseas Vendors (defined below) and perform their respective obligations under any Merchandise Transfer Agreement, and

authorizing and approving any Merchandise Transfer Agreement executed by the Monitor and the Applicants prior to the January 17, 2025; and

- (v) increasing the maximum amount secured by the Administration Charge to \$1 million and the maximum amount secured by the Directors' Charge to \$7.4 million;
- (b) A realization process approval order (the “**Realization Process Approval Order**”), among other things:
 - (i) approving a consulting agreement between the Applicants and Tiger Asset Solutions Canada, ULC (the “**Consultant**”) dated as of January 14, 2025 (as may be amended and restated in accordance with the terms of the Realization Process Approval Order, the “**Consulting Agreement**”), under which the Consultant will act as exclusive consultant for the purpose of conducting a sale (the “**Sale**”) of the Retail Entities’ (defined below) merchandise and inventory (collectively, the “**Inventory**”) and goods, furniture, fixtures, equipment and/or improvements to real property (collectively, the “**FF&E**”) located at or in transit to the Applicants’ Liquidating Stores (defined below) or at any Warehouse (as defined in the Consulting Agreement), or, in some cases, ordered by the Applicants following the commencement of the Sale;
 - (ii) approving the proposed sale guidelines (the “**Sale Guidelines**”) for the orderly realization of the Inventory and FF&E at the Liquidating Stores; and

- (iii) authorizing the Applicants, with the assistance of the Consultant, to undertake the Sale in accordance with the terms of the Realization Process Approval Order, the Consulting Agreement and the Sale Guidelines.

3. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise, and do not represent amounts or measures prepared in accordance with ASPE or US GAAP.

4. This affidavit is organized in the follow sections:

A.	Overview of the Applicants' Activities since the Initial Order	5
(a)	Communication with Key Stakeholders	7
(i)	Landlords	7
(ii)	Employees	8
(iii)	Overseas Vendors and CRSA	9
(iv)	Other Stakeholders	12
B.	Realization Process and Consulting Agreement	12
(a)	Process for Identifying the Consultant	12
(b)	The Sale	13
(c)	Realization Process Approval Order	20
C.	Amended and Restated Initial Order	22
(a)	DIP Financing	22
(b)	Authorization to Pursue a Transaction	28
(c)	Increase to the Administration Charge and Directors' Charge	30
(d)	Extension of Stay Period	30

A. Overview of the Applicants' Activities since the Initial Order

5. On January 7, 2025, the Applicants were granted protection under the *Companies' Creditors Arrangement Act*, RSC 1985 c C-36 (the "**CCAA**") pursuant to an Initial Order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). A copy of the Initial Order is attached hereto as **Exhibit "A"**. A copy of the endorsements of Justice Cavanagh issued in connection with the Initial Order are attached hereto as **Exhibits "B" and "C"**.

6. In support of the application for the Initial Order, I swore the affidavit dated January 6, 2025 (the "**Initial Affidavit**"), which described, among other things, the events leading to the Applicants' insolvency and their urgent need for relief under the CCAA. A copy of my Initial Affidavit (without exhibits) is attached hereto as **Exhibit "D"**. Capitalized terms not otherwise defined herein have the meanings given to them in the Initial Affidavit.

7. The Initial Order, among other things, (i) appointed Alvarez & Marsal Canada Inc. as monitor within these CCAA proceedings (the "**Monitor**"); (ii) granted a stay of proceedings against the Applicants, the Monitor, and their respective employees, directors, advisors, officers and representatives acting in such capacities for an initial 10-day period (the "**Initial Stay Period**"); (iii) authorized the Applicants to borrow from CIBC, as interim lender (the "**Interim Lender**"), under the Applicants' existing revolving facility (the "**CIBC Revolving Loan Facility**") to fund the Applicants' working capital requirements and other general corporate purposes, capital expenditures, and costs of these proceedings during the Initial Stay Period, subject to certain conditions; (iv) authorized, but did not require, the Applicants to pay certain pre-filing amounts, with the consent of the Monitor and the Interim Lender, consistent with the Cash Flow Forecast (as defined in the Initial Affidavit) or otherwise agreed to with the Interim Lender; and (v) granted priority charges over the Property.

8. Since the granting of the Initial Order, the Applicants, in close consultation and with the assistance of the Monitor, have been working in good faith and with due diligence to, among other things:

- (a) stabilize the businesses and operations of the Applicants as part of these CCAA proceedings to enable the Applicants to continue operating their retail store business and e-commerce business;
- (b) advise their stakeholders, including landlords, employees, logistics suppliers, merchandise vendors, and others, of the granting of the Initial Order;
- (c) negotiate the DIP Term Sheet with the Interim Lender;
- (d) develop the Sale Guidelines and finalize arrangements with the Consultant for the orderly realization of the Applicants' Inventory and FF&E;
- (e) engage with critical stakeholders; and
- (f) respond to numerous creditor and stakeholder inquiries regarding these CCAA proceedings.

9. In accordance with the Initial Order:

- (a) on January 7, 2025, the Monitor posted the Initial order and related application materials on the Monitor's website at <https://www.alvarezandmarsal.com/ComarkRetail> (the "**Monitor's Website**");

- (b) the Monitor arranged for publication of a notice in *The Globe and Mail* (Nation Edition) containing the information prescribed under the CCAA, with such notice being published on January 10, 2025 and January 17, 2025; and
- (c) on January 14, 2025, the Monitor sent a notice to, among others, all of the Applicants' known creditors who had claims over \$1,000, including all known international creditors. Additionally, on January 15, 2025, the Monitor made publicly available on the Monitor's Website a list containing the names and addresses of those creditors and the estimated amounts of their claims (subject to the exclusions required by the Initial Order).

10. On January 7, 2025, a Case Center database was established for these CCAA proceedings and all counsel currently on the CCAA service list have been granted access thereto. A copy of the Initial Order and the Applicants' application materials were uploaded to the Case Center database that same day.

(a) Communication with Key Stakeholders

(i) Landlords

11. On January 7, 2025, counsel to the Applicants sent letters to all known landlords of the Applicants' retail stores (the "**Landlords**"), at their most recent email addresses contained in the Applicants' books and records, advising that the Applicants had applied for and been granted an Initial Order under the CCAA, providing a link to the Monitor's Website and directing the recipient to the Initial Order. The letters further advised that:

- (a) payments of rent and other amounts outstanding under leases immediately prior to the effective time of the Initial Order have been stayed pursuant to the Initial Order,

and amounts payable in respect of rent after the effective time of the Initial Order will be paid by the Applicants in accordance with the Initial Order; and

- (b) all vendors, including landlords, must continue honouring existing contractual obligations.

12. The Applicants, through their counsel, also circulated draft Sale Guidelines for the proposed Sale to certain Canadian counsel who represent a significant number of the Landlords for their review and subsequently engaged in discussions with such counsel, along with counsel to the Monitor, with respect to the proposed Sale Guidelines and certain other issues raised by landlords' counsel regarding the Initial Order and the proposed ARIO.

(ii) Employees

13. In addition to the Landlords and Overseas Vendors (described below), the Applicants completed the following outreach to their employees promptly after obtaining the Initial Order:

- (a) on January 7, 2025, meetings were conducted with the corporate office leadership teams of Ricki's, cleo and Bootlegger (collectively, the "**Retail Entities**") advising of the Applicants' decision to file for CCAA protection, the issuance of the Initial Order, and the expected impact of the Initial Order on the Retail Entities' respective businesses;
- (b) on January 7, 2025, meetings were conducted with the store leadership teams of the Retail Entities, including district managers and store managers, to advise of the Applicants' decision to file for CCAA protection, the issuance of the Initial Order, and the expected impact of the Initial Order on the Retail Entities' respective stores and operations;

- (c) the store managers, in turn, held townhall meetings that same day at their respective store locations to advise store-level employees of the Applicants' decision to file for CCAA protection, the issuance of the Initial Order, and the expected impact of the Initial Order on the Retail Entities; and
- (d) on January 8, 2025, all employees of the Retail Entities were sent a follow-up email re-iterating the above information regarding the CCAA Proceedings and enclosing a Frequently Asked Questions document (the "**Employee FAQs**") addressing common employee issues and concerns. Employees of the Retail Entities were also provided with a copy of the press release issued in connection with the CCAA proceedings.

14. The Employee FAQs have since been posted on the applicable internal intranet site for each of the respective Retail Entities to ensure employees' ease of reference during these CCAA proceedings. The Retail Entities intend to supplement the Employee FAQs with answers to additional questions frequently received from impacted employees.

15. District managers of the Retail Entities have also been provided with a Customer Frequently Asked Questions document (the "**Customer FAQs**") to distribute to the stores in their respective districts. The Customer FAQs are intended to facilitate employees' ability to respond to questions received from customers during the CCAA proceedings.

(iii) Overseas Vendors and CRSA

16. As described in the Initial Affidavit, the Retail Entities source approximately 82% of their merchandise from factories primarily based in China and Bangladesh (the "**Overseas Vendors**").

17. Prior to these CCAA proceedings, the Overseas Vendors were paid either via a power of attorney (“**POA**”) arrangement (for vendors in Bangladesh) or via wire payments (for vendors in China). Under both arrangements, the Canadian Retail Shippers’ Association (“**CRSA**”), a cooperative logistics venture of Canadian retailers and retail suppliers used by the Applicants to help reduce shipping and logistics costs, would release inventory to the Retail Entities (or their third-party transportation provider) at the port of entry only upon presentation of an original endorsed Forwarder’s Cargo Receipt (“**FCR**”). The services provided by CRSA are integral to the Applicants’ ability to operate during these CCAA proceedings.

18. Certain of the Retail Entities’ merchandise is currently in-transit on cargo ships or being held at the port of entry. To ensure uninterrupted business operations during these CCAA proceedings, the Applicants have reached an agreement with the CRSA that will ensure the continuation of their services and release of inventory in the normal course, all in accordance with the authority granted in the Initial Order and the consent of the Monitor and the Interim Lender.

19. Despite the agreement with the CRSA, the Retail Entities have not been able to retrieve a sizeable portion of their in-transit merchandise because certain Overseas Vendors have refused to provide the required FCR to the Retail Entities, purportedly due to the outstanding arrears owing to them. Prior to the commencement of these CCAA proceedings, the Applicants owed approximately \$36 million to Overseas Vendors.

20. Since the granting of the Initial Order, the Applicants, with the consent of the Monitor and the Interim Lender, have entered into arrangements with a number of Overseas Vendors for the timely release of merchandise and/or FCRs in consideration for the payment of some portion of the pre-filing arrears, all in accordance with the Initial Order.

21. To help facilitate negotiations with the Overseas Vendors who are refusing or may in the future refuse to release FCRs and/or merchandise, the Applicants, with the assistance of the Monitor and with the consent of the Interim Lender, have drafted a template form of agreement (the “**Merchandise Transfer Agreement**”), a copy of which is attached to this affidavit as **Exhibit “E”**. In the proposed ARIIO, the Applicants are seeking approval of the form of Merchandise Transfer Agreement, the authorization to enter into further arrangements with Overseas Vendors substantially in the form of the Merchandise Transfer Agreement, and the approval of Merchandise Transfer Agreements executed prior to January 17, 2025. Under the Merchandise Transfer Agreement, the parties agree to the following procedure:

- (a) Within two business days of the date of the applicable Merchandise Transfer Agreement, the Overseas Vendor shall deliver to the Monitor the original FCR and such other documents as necessary to enable the applicable Retail Entity to take possession of the inventory (the “**Transfer Documentation**”). The Monitor shall then notify the parties that it holds the Transfer Documentation in escrow (the “**Documentation Notice**”).
- (b) No later than one business day following the Documentation Notice, the applicable Retail Entity shall make a cash payment to the Overseas Vendor in the amount set out in the Merchandise Transfer Agreement (the “**Release Payment**”).
- (c) No later than one business day following receipt of the Release Payment, the Overseas Vendor shall notify the applicable Retail Entity and the Monitor that it has received the Release Payment (the “**Payment Notice**”).
- (d) Following the Payment Notice, the Monitor shall release the Transfer Documentation to the applicable Retail Entity.

22. The Merchandise Transfer Agreement provides that, (a) in the event that the Retail Entity does not effectuate the Release Payment, the Monitor shall release the Transfer Documentation to the Overseas Vendor; and (b) in the event that the Release Payment is paid out but the Overseas Vendor does not issue the Payment Notice, the Applicants and the Monitor shall be entitled to seek relief from this Court on an urgent basis.

(iv) Other Stakeholders

23. The Monitor and the Applicants have also engaged in discussions with certain other logistics providers and critical service providers to ensure uninterrupted business operations during these CCAA proceedings.

B. Realization Process and Consulting Agreement

24. In order to maximize the value of their assets, the Applicants are seeking the Court's approval of:

- (a) the Consulting Agreement, a copy of which is attached hereto as **Exhibit "F"**; and
- (b) the Sale Guidelines, which are attached as Exhibit "B" to the Consulting Agreement.

(a) Process for Identifying the Consultant

25. Pursuant to the authority set out in the Initial Order, the Monitor reached out to two potential third-party liquidators that are well known in the industry, indicating that the Monitor, on behalf of the Applicants, was seeking bids in connection with the realization of some or all of the Retail Entities' Inventory and FF&E, and, if interested in participating in a request for proposals process, they should execute and return a non-disclosure agreement (the "**NDA**"). Upon

receipt of an executed NDA by the Monitor, each third-party liquidator was given access to a populated data room including financial and operational details about the Applicants and the Inventory. Both potential liquidators signed an NDA. The liquidators were then asked to provide their bids. The bids were reviewed and discussed among the Applicants, the Monitor and the Interim Lender. After negotiations with Tiger Asset Solutions Canada, ULC (“**Tiger**”), in consultation with the Monitor and with the consent of the Interim Lender, Tiger, as Consultant, and the Applicants entered into the Consulting Agreement on January 14, 2025.

26. Tiger was selected by the Applicants based on, among other things, its in-depth expertise and knowledge of the Applicants’ business, merchandise, and store operations (having recently conducted a third-party appraisal of the Applicants’ inventory on behalf of CIBC), and its extensive experience conducting retail liquidations in Canada (including *Nordstrom Canada*, *GNC*, *Bed, Bath and Beyond*, *Chico’s*, *Gymboree*, *Canadian Shoe Outlet*, *Stokes*, *Scotch and Soda*, *Sears Canada*, *Scholars Choice*, *Maison Ethier*, and *Payless Canada*). The Applicants have concluded that: (i) the Consultant’s services are necessary for a seamless and efficient large-scale store closing process and to maximize the value of the Inventory and FF&E; and (ii) the Consultant is qualified and capable of performing the required tasks in a value-maximizing manner.

(b) The Sale

27. Given the Applicants’ limited liquidity and ongoing carrying costs, the Applicants are seeking approval of an orderly realization of the Retail Entities’ Inventory and FF&E as soon as possible in order to maximize recoveries and limit operating costs, and to ensure that the Retail Entities can exit from the Liquidating Stores as soon as practicable.

28. The proposed realization of the Inventory and FF&E is currently contemplated to run for no longer than 16 weeks following the Sale Commencement Date (defined below), which date can

be extended or abridged by the Applicants and the Consultant, in consultation with the Monitor and the DIP Lender. Key terms of the Consulting Agreement include:

- (a) the Consultant is appointed as exclusive liquidator for purposes of conducting the Sale;
- (b) the Sale will commence on a date agreed to by the Applicants and the Consultant following the granting of the Realization Process Approval Order (the “**Sale Commencement Date**”) and conclude no later than 16 weeks following such Sale Commencement Date (the “**Sale Termination Date**” and the period between the Sale Commencement Date and the Sale Termination Date, the “**Sale Term**”). It is currently anticipated that the Sale will commence no later than January 18, 2025, with the Sale commencing at most stores on January 17, 2025, should the Realization Process Approval Order be approved;
- (c) at present, the Applicants intend to conduct the Sale at substantially all of the Retail Entities’ stores. As such, all such stores are listed as “**Liquidating Stores**” at Exhibit “A-1” to the Consulting Agreement. Importantly, the Applicants have the right under the Consulting Agreement to amend the list of Liquidating Stores (by removing store locations from Exhibit “A-1”) at any time on or prior to January 31, 2025 or upon giving 14-days written notice after January 31, 2025;
- (d) all sales during the Sale Term will be final with no returns or exchanges accepted or allowed following the Sale Commencement Date;

- (e) the Liquidating Stores will accept cash, and credit and debit cards, during the Sale. Gift cards will not be accepted by the Applicants after 12:01a.m. on January 17, 2025;
- (f) the Consultant, in collaboration with the Applicants, shall recommend staffing levels for the Liquidating Stores and appropriate incentive programs, if any, for the Liquidating Store's employees, which will be approved in advance by the Applicants in consultation with the Monitor and the DIP Lender (provided that payments under any such incentive program shall be the Applicants' responsibility);
- (g) as consideration for its services in accordance with the Consulting Agreement, the Consultant is entitled to a fee with respect to Inventory sold at the Liquidating Stores during the Sale Term of 2.0% of the gross receipts from sales of Inventory during the Sale Term (excluding sales taxes) (the "**Merchandise Fee**");
- (h) the Applicants are responsible for all expenses of the Sale, including (without limitation) all operating expenses of the Liquidating Stores, and all of the Consultant's reasonable and documented out-of-pocket expenses incurred pursuant to an aggregate budget established in connection with the transactions contemplated under the Consulting Agreement (the "**Expense Budget**"), which is attached as Exhibit "C" to the Consulting Agreement. Without the written consent of the Applicants, in consultation with the Monitor and the DIP Lender, the Expense Budget shall not exceed \$3,842,223, including legal costs of the Consultant;
- (i) concurrently with the execution of, and as a condition to the Consultant's obligations under the Consulting Agreement, the Applicants are required to fund

\$475,000 (the “**Special Purpose Payment**”) to the Consultant on account of any final amounts owing by the Applicants until the Final Reconciliation (defined below), or upon further order of the Court. The proposed Realization Process Approval Order approves the payment of the Special Purpose Payment *nunc pro tunc* and orders and declares that the Special Purpose Payment shall be and remain free of all claims and encumbrances (including the Charges and deemed trusts) of creditors and other stakeholders of the Applicants;

- (j) the Consultant undertakes to sell during the Sale Term, on an “as is where is” basis, the FF&E located at or in the Liquidating Stores. The Consultant is entitled to a commission from the sale of all such FF&E equal to 15% of the gross proceeds of the sale of such FF&E (excluding sales taxes) (the “**FF&E Fee**”). The Applicants are responsible for all reasonable and documented out-of-pocket costs and expenses incurred by the Consultant in connection with the sale of FF&E;
- (k) During the Sale Term, all accounting matters (including, without limitation, the determination of the Merchandise Fee, Sale Costs, Supervisor Costs, FF&E Fee, FF&E Costs (each as defined in the Consulting Agreement) and all other fees, expenses, or other amounts reimbursable or payable thereunder) are to be reconciled by the Applicants and the Consultant, in consultation with the Monitor, on every Wednesday for the prior calendar week and the amounts determined to be owing for such prior calendar week pursuant to such reconciliation shall be paid as soon as reasonably practicable in accordance with the DIP Budget (as defined in the DIP Term Sheet) but in all cases not more than 10 days following completion of such reconciliation;

- (l) the Applicants and the Consultant, in consultation with the Monitor and the DIP Lender, will complete a final reconciliation and settlement of all amounts payable pursuant to the Consulting Agreement, including, without limitation, the determination of the Merchandise Fee, Sale Costs, Supervisor Costs, FF&E Fee, FF&E Costs and all other fees, expenses, or other amounts reimbursable or payable under the Consulting Agreement (the “**Final Reconciliation**”), no later than 20 days following the earlier of: (a) the Sale Termination Date for the last Liquidating Store; or (b) the date upon which the Consulting Agreement is terminated in accordance with its terms; and
- (m) to the extent there is any Inventory remaining on the Sale Termination Date (the “**Remaining Inventory**”), if requested by the Applicants, such Remaining Inventory will be sold on behalf of the Applicants or otherwise disposed of by the Consultant as directed by the Applicants, in consultation with the Monitor.

29. As note above, as of the date of swearing this Affidavit, the Applicants intend to conduct the Sale at all of the Liquidating Stores. However, the Consultant and the Retail Entities have agreed that in the event of one or more going concern transactions, including to any related party, for any of the Applicants’ businesses or any portion thereof, the Applicants are entitled to remove any Liquidating Stores from the Sale in accordance with the Consulting Agreement and the parties shall work cooperatively and in good faith to modify the transactions contemplated thereunder appropriately. Among other things, the Merchandise Fee and the FF&E fee will not apply to any Inventory or FF&E included in the applicable going concern transaction(s) once the applicable Liquidating Store is removed from Exhibit “A-1” to the Consulting

Agreement. The Applicants have the express right to terminate the Consulting Agreement in the event that they remove all Liquidating Stores from the Sale.

30. The Applicants intend to continue the sale of goods via their webstores or e-commerce websites (collectively, the “**Websites**”). Any goods sold by the Applicants via any Websites during the Sale Term until and including January 31, 2025 shall be deemed excluded from the definition of Merchandise in the Consulting Agreement and not subject to the Merchandise Fee. In the event that the Applicants decide to continue the sale of goods via their Websites for the period from and after February 1, 2025, the Merchandise Fee shall apply to such sales.

31. The Consulting Agreement is expressly subject to, among other things, approval of this Court. The Sale set out in the Consulting Agreement and the Sale Guidelines has been designed by the Applicants and the Consultant, in consultation with the Monitor and with the consent of the DIP Lender. I am of the view that engaging the Consultant to assist with the Sale will produce better results than attempting to realize on the Inventory and FF&E without the assistance of the Consultant.

32. The Consulting Agreement is subject to the Sale Guidelines attached as Exhibit “B” to the Consulting Agreement. The Sale Guidelines stipulate, among other things, that the Sale will be conducted in accordance with the terms of the leases for the Liquidating Stores (the “**Leases**”) during each Liquidating Store’s normal hours of operation. The Sale Guidelines may be amended on a store-by-store basis by agreement of the applicable Retail Entity, the Consultant, and the applicable Landlord. The Sale Guidelines also include the following key terms:

- (a) the Sale shall be conducted so that each Liquidating Store remains open during its normal hours of operation provided for in its respective Lease, until the earlier of
 - (i) the applicable Sale Termination Date and (ii) the date on which such Lease is

disclaimed in accordance with the ARIO and CCAA or otherwise consensually terminated by the applicable Retail Entity or Retail Entities and Landlord;

- (b) the Sale shall end on the Sale Termination Date, which shall be no later than April 30, 2025;
- (c) 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;
- (d) notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Liquidating Stores as an “everything on sale”, “everything must go”, “store closing” and/or similar theme sale at the Liquidating Stores;
- (e) the Consultant shall be entitled to include additional merchandise in the Sale; provided that: (i) the additional merchandise is owned by an Applicant, is currently in the possession of, or in the control of, an Applicant (including in any Warehouse used by an Applicant), or is ordered from an existing supplier in respect of the Applicants’ existing SKUs (as defined in the Consulting Agreement) by or on behalf of an Applicant, including merchandise currently in transit to an Applicant (including any Warehouse used by an Applicant) or a Liquidating Store; and (ii) the additional merchandise is of the type and quality typically sold in the Liquidating Stores and consistent with any restriction on usage of the Liquidating Stores set out in the applicable Leases;

- (f) at the conclusion of the Sale and after the seven days following the Sale, which shall in no event be later than May 7, 2025 (the “**FF&E Removal Period**”), the Consultant shall arrange that the premises for each Liquidating Store are in “broom-swept” and clean condition, and shall arrange that the Liquidating Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted;
- (g) the Retail Entities provide notice, including for purposes of the ARIO, to the Landlords of the Retail Entities and the Consultant’s intention to sell and remove FF&E from the Liquidating Stores; and
- (h) the Retail Entities and the Consultant shall not conduct any auctions of Inventory or FF&E at any of the Liquidating Stores.

33. I am advised by Ms. Tracy C. Sandler of Osler, Hoskin and Harcourt LLP, counsel to the Applicants, that the Sale Guidelines are substantially similar to those which have been granted in respect of Canadian stores in other Canadian retail insolvencies, including *Nordstrom Canada*, *Mastermind Toys*, and *Ted Baker*.

(c) Realization Process Approval Order

34. The proposed Realization Process Approval Order requested by the Applicants, among other things:

- (a) approves, authorizes and ratifies the Consulting Agreement, the Sale Guidelines and the transactions contemplated thereunder;

- (b) authorizes the Applicants, with the assistance of the Consultant, to conduct the Sale in accordance with the terms of the Realization Process Approval Order, the Consulting Agreement and the Sale Guidelines, and to advertise the Sale within the Liquidating Stores in accordance with the Sale Guidelines;
- (c) authorizes the Applicants, with the assistance of the Consultant, to market and sell the Inventory and FF&E in accordance with the Sale Guidelines and the Consulting Agreement, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims; and
- (d) grants certain protections from liability in favour of the Consultant, including that:
 - (i) the Consultant shall not be deemed to be an owner or in possession, care, control or management of the Liquidating Stores or any Warehouse, of the assets located therein or associated therewith or of the Applicants' employees located at the Liquidating Stores, any Warehouse or any other property of the Applicants;
 - (ii) 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; and
 - (iii) the Consultant shall bear no responsibility for any liability whatsoever relating to Claims (as defined in the Realization Process Approval Order) of customers, employees and any other persons arising from events occurring at the Liquidating Stores during and after the Sale Term or at any

Warehouse, 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, supervisors, independent contractors, agents or other representatives, or otherwise in accordance with the Consulting Agreement.

35. I am advised by the Monitor and believe that the Monitor supports the proposed Consulting Agreement, the Sale Guidelines, including the proposed timeline, and the Applicants' request for the Realization Process Approval Order.

C. Amended and Restated Initial Order

(a) DIP Financing

36. Pursuant to the Initial Order, the Applicants were granted interim funding from the Interim Lender under the CIBC Revolving Loan Facility during the Initial Stay Period (the “**Interim Borrowings**”). The Interim Borrowings are secured by a Court-ordered charge (the “**Interim Lender's Charge**”) on all of the present and future assets, property and undertakings of the Applicants (the “**Property**”) and by certain cash collateral and shares of Comark pledged by ParentCo. The Interim Borrowings mature on January 17, 2025.

37. Since the granting of the Initial Order, CIBC (the “**DIP Lender**”) has agreed to provide additional funding to Comark, as Borrower, during these CCAA proceedings under a senior secured, super priority, debtor-in-possession, revolving credit facility (the “**DIP Facility**”) on the terms set out in a term sheet agreed to between the Borrower, the Retail Entities and ParentCo as

Guarantors, and the DIP Lender (the “**DIP Term Sheet**”). A copy of the final executed DIP Term Sheet is attached hereto as **Exhibit “G”**.

38. Based on the Updated Cash Flow Forecast, the DIP Facility is expected to provide the Applicants with sufficient liquidity to continue their business operations during these CCAA proceedings while completing the Sale described above for the benefit of the Applicants and their stakeholders.

39. The proposed DIP Facility includes the following commercial terms.¹ All defined terms below are defined in the DIP Term Sheet:

- (a) **Facility size:** up to a maximum amount of \$18 million.
- (b) **Outside Date for Maturity:** May 30, 2025
- (c) **Conditions precedent to DIP advances:** (i) each DIP Party executing and delivering the DIP Term Sheet and any other documents required by the DIP Lender; (ii) all representations and warranties of the DIP Parties under the DIP Term Sheet being true and correct in all material respects; (iii) the Court issuing the ARIO and Realization Process Approval Order, in form and substance satisfactory to the DIP Lender no later than January 17, 2025; (iv) no Event of Default having occurred; (v) the DIP Advance not causing the aggregate amount of all outstanding DIP Advances to (A) exceed the Maximum Amount or (B) be greater than the amount shown for the total aggregate DIP Advances in the DIP Budget; (vi) the aggregate DIP Exposure and the outstanding principal under the CIBC Revolving

¹ The below is intended to be a summary of the DIP Term Sheet only. Reference should be had to the DIP Term Sheet for the complete terms set out therein.

Loan Facility not exceeding an amount equal to the Borrowing Base; (vii) the continuation of the DIP Parties' cash management arrangements being approved by the ARIO; (viii) the DIP Parties making all necessary or advisable registrations and taking all other steps in applicable jurisdictions to evidence and give effect to the DIP Lender's Charge; (ix) there being no Liens ranking *pari passu* with or in priority to the DIP Lender's Charge other than the Permitted Priority Liens; (x) there being no order of the Court that contravenes the DIP Term Sheet, DIP Credit Agreement (if any) or any DIP Financing Credit Documents; (xi) the DIP Lender having received the Guarantee Amendment Documents from ParentCo; (xii) Comark having delivered an Advance Request in respect of such DIP Advance and all applicable Variance Reports in accordance with the DIP Term Sheet; (xiii) beginning on the week commencing on January 19, 2025, (A) for the period commencing on January 12, 2025 and ending the week prior to such DIP Advance Request the Actual Cumulative Receipts shall be equal to or greater than the "Minimum Cumulative Receipts" (as set out in Schedule "G" to the DIP Term Sheet), and (B) for the period commencing on January 12, 2025 and ending the week prior to such DIP Advance Request the Actual Cumulative Disbursements shall be equal to or less than the "Maximum Cumulative Disbursements" (as set out in Schedule "G" to the DIP Term Sheet); and (xiv) the sum of the aggregate principal amount outstanding under the CIBC Revolving Loan Facility (after giving effect to any repayment of the Interim Borrowings from the proceeds of such DIP Advance), less any repayment of the principal amount of the Pre-Filing Credit Agreement from sources other than DIP Advances plus the aggregate principal amount outstanding under the DIP Facility shall not exceed \$24 million.

- (d) **Mandatory Payments:** proceeds received by a DIP Party in respect of Accounts, and any instruments or Property received by a DIP Party for any Collateral, less \$100,000 to indefeasibly pay the DIP Financing Obligations and Obligations in the following order: (A) first, the Obligations in respect of the CIBC Revolving Loan Facility, including the Interim Borrowings, until Repaid in Full, (B) second, the DIP Financing Obligations, until Repaid in Full, (C) third, the Obligations in respect of the CIBC Term Loan Facility (as defined in the Initial Affidavit), until Repaid in Full, and (D) fourth, the Obligations in respect of the BCAP Loan Facility, to be applied in accordance with the waterfall set out in the CIBC Credit Agreement, until Repaid in Full. The Proceeds shall be promptly turned over to the DIP Lender with proper assignments or endorsements by deposit to the Blocked Accounts. If at any time the total amount of DIP Advances exceeds the Maximum Amount (any such excess being referred to as a “**Currency Excess Amount**”), then the Borrowers shall immediately pay the DIP Lender an amount equal to the Currency Excess Amount, and, for greater certainty, the obligation to make such payment shall form part of the DIP Financing Obligations secured by the DIP Lender’s Charge. If at any time, any account of the DIP Parties is in an overdraft position (any such amount in overdraft being the “**Overdraft Amount**”), then the Borrower shall immediately pay the DIP Lender an amount equal to the Overdraft Amount and, for greater certainty, the obligation to make such payment shall form part of the DIP Financing Obligations secured by the DIP Lender’s Charge.
- (e) **Commitment Fee:** 1.5% of the Maximum Amount, which is fully earned on execution of the DIP Term Sheet and shall be due and payable immediately in two instalments: (i) 0.25% of the Maximum Amount (being an amount equal to

\$45,000), shall be due and payable on the date of the First Advance (as defined in the DIP Term Sheet), and (ii) 1.25% of the Maximum Amount (being an amount equal to \$225,000), shall be immediately due and payable on May 2, 2025.

- (f) **Interest:** 10% *per annum* for DIP Advances denominated in Canadian Dollars or U.S. Dollars, compounded monthly and payable monthly in arrears in cash on the first Business Day of each month, with the first payment being made on February 1, 2025. Upon the occurrence and during the continuation of an Event of Default, all overdue amounts shall bear interest at the applicable interest rate plus 2% *per annum* payable on demand in arrears in cash.
- (g) **Events of Default:** (i) failure of the Borrower to pay principal, interest or other amounts when due pursuant to the DIP Term Sheet; (ii) failure of the Borrower to deliver, by no later than January 17, 2025, the DIP Budget; (iii) failure of the DIP Parties to perform or comply with any term pursuant to the DIP Term Sheet; (iv) any representation or warranty by the DIP Parties made in the DIP Term Sheet proving to be incorrect or misleading in any material respect; (v) issuance of any court order (A) dismissing or terminating these CCAA proceedings, (B) lifting the stay of proceedings in these CCAA proceedings for various reasons, (C) terminating the Sale prior to its completion, (D) granting any other Lien that is in priority to or *pari passu* with the DIP Lender's Charge; (E) modifying the DIP Term Sheet without the written consent of the DIP Lender, and (F) modifying any Court Order without the written consent of the DIP Lender; (vi) the expiry without further extension of the stay of proceedings provided for in the ARIO; (vii) the termination of the Sale prior to its completion, without the consent of the DIP Lender; (viii) a

Borrowing Base Report, Variance Report, Realization Process Report or Updated DIP Budget not being delivered when due under the DIP Term Sheet; (ix) (A) Actual Cumulative Receipts of the DIP Parties for the period commencing January 19, 2025 and ending at the end of any week are less than the “Minimum Cumulative Receipts” for such week, or (B) Actual Cumulative Disbursements of the DIP Parties for the period commencing January 19, 2025 and ending at the end of any week are more than the “Maximum Cumulative Disbursements” for such week; (x) filing by any DIP Party of any motion or proceeding that, among other things, is not consistent with any provision of the DIP Term Sheet; (xi) the making by the DIP Parties of a payment of any kind that is not permitted by the DIP Term Sheet; (xii) a default under or a revocation, termination or cancellation of any Material Contract; (xiii) denial or repudiation by the DIP Parties of the legality, validity, binding nature or enforceability of the DIP Term Sheet; (xiv) any Person seizing or levying upon any Collateral or exercising any right of distress, execution, foreclosure or similar enforcement process against any material portion of the Collateral; (xv) the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of \$500,000 in the aggregate, against any Collateral; (xvi) the principal amount of outstanding DIP Advances exceeding the Maximum Amount; (xvii) the occurrence of any “Default” or “Event of Default” under the CIBC Credit Agreement, other than the Existing Events of Default; or (xviii) any Milestone set forth on Schedule “D” of the DIP Term Sheet not being satisfied.

40. The Applicants have also agreed to the following Milestone Dates, as set out at Schedule “D” to the DIP Term Sheet, which can be extended or waived with the express prior written consent

of the DIP Lender: (i) on January 17, 2025, if granted by this Court, the ARIO shall be issued and entered, (ii) on January 17, 2025, the parties shall execute and deliver all applicable DIP Financing Credit Documents (as defined in the DIP Term Sheet); (iii) on January 18, 2025, the Sale shall commence, (iv) on March 1, 2025, all outstanding Obligations (as defined in the DIP Term Sheet) under the CIBC Revolving Loan Facility shall be repaid in full, and (v) on April 27, 2025, the Sale shall be completed.

41. The DIP Facility is proposed to be secured by a Court-ordered super-priority charge (the “**DIP Lender’s Charge**”) on the Property, and by certain cash collateral and shares of Comark pledged by ParentCo. The DIP Lender’s Charge will not secure any obligation that exists before the ARIO is made. The DIP Lender’s Charge will have priority over all other security interests, charges and liens, except the Administration Charge and other Permitted Priority Liens (as defined in the DIP Term Sheet). The DIP Lender’s Charge will rank in priority to the Interim Lender’s Charge (which will terminate upon repayment in full of the Interim Borrowings in accordance with the ARIO and the DIP Term Sheet) and the security granted with respect to the CIBC Credit Facilities. Given the current financial circumstances of the Applicants, the DIP Lender has indicated that it is not prepared to advance funds without the security of the DIP Lender’s Charge, including the proposed priority thereof.

42. I understand that the Monitor is supportive of the approval of the DIP Term Sheet and the granting of the DIP Lender’s Charge.

(b) Authorization to Pursue a Transaction

43. Since the commencement of these CCAA proceedings, the Applicants have received outreaches and expressions of interest from several interested parties for the acquisition of certain of the Applicants’ business and assets. The Applicants, with the consent of the Monitor, are seeking

the authority in the proposed ARIO to pursue offers for or avenues of refinancing, restructuring, sale or reorganization of the business or assets of the Applicants (a “**Transaction**”). Any such Transaction will be subject to the DIP Lender’s consent.

44. Should the ARIO be granted, the Monitor intends to reach out forthwith to parties known to the Monitor and/or the Applicants who have expressed interest or may be interested in the business or assets of the Applicants. Depending on the level and nature of interest expressed, the Monitor may, in its reasonable judgment, establish a solicitation process letter setting out bid procedures (including minimum proposal requirements, key milestones, and successful bid selection criteria) as may be determined by the Applicants and Monitor with the consent of the DIP Lender. If such bid procedures are established, the Monitor will clearly communicate such procedures to the potentially interested parties identified by the Applicants and the Monitor. Depending on the level of interest, the Monitor may, in its reasonable judgment, directly negotiate a Transaction with a potential acquirer, in lieu of a formal sales process. To the extent a Transaction results, it will be subject to prior approval of this Court.

45. The Applicants do not have sufficient liquidity under the Updated Cash Flow Forecast or funding under the DIP Budget to run a more formal sales process. The funding in the DIP Budget is conditional on the Applicants commencing the Sale by no later than January 18, 2025, as any delay will further erode the Applicants’ financial position.

46. The authorization to pursue a Transaction on an accelerated process as described herein would give the Applicants and the Monitor the flexibility to pursue all value-maximizing avenues for the assets of the Applicants, while concurrently conducting the Sale (with the ability to remove some or all of the Liquidating Stores from the Sale). This flexible and expedited process would benefit the Applicants’ creditors and stakeholders generally by allowing the Applicants and the

Monitor to test the market to ascertain whether there may be a going concern transaction or transactions that would generate more value for creditors and stakeholders than the Sale. I understand that the DIP Lender has advised that it supports the Applicant and the Monitor engaging in discussions with potential interested parties in the manner described above.

(c) Increase to the Administration Charge and Directors' Charge

47. The Administration Charge is described at paragraphs 141 to 142 of my Initial Affidavit. The Initial Order approved the Administration Charge in the amount of \$750,000, which was sized only to reflect fees and disbursements expected to be incurred or paid by the Applicants' counsel, the Monitor and Monitor's counsel during the Initial Stay Period. With the concurrence of the Monitor, the Applicants are now seeking to increase the Administration Charge to \$1 million. I understand that the DIP Lender does not object to the proposed increase to the Administration Charge.

48. The Directors' Charge is described at paragraphs 143 to 146 of my Initial Affidavit. The Initial Order approved the Directors' Charge for the initial Stay Period in the amount of \$6.2 million. With the concurrence of the Monitor, the Applicants are now seeking to increase the Directors' Charge to \$7.4 million. I understand that the DIP Lender does not object to the proposed increase to the Directors' Charge.

(d) Extension of Stay Period

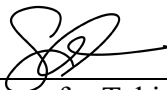
49. The Applicants are seeking to extend the stay of proceedings granted in the Initial Order (the "**Stay Period**") up to and including May 15, 2025. The extension of the Stay Period is necessary and appropriate in the circumstances to permit the Applicants, with the assistance of the Consultant and under the oversight of the Monitor, to conduct the Sale in accordance with the

Consulting Agreement and Sale Guidelines, while concurrently pursuing a going concern transaction or transactions for some or all of the Applicants' business or assets.

50. I believe that the Applicants have acted, and continue to act, in good faith and with due diligence in these CCAA proceedings. As described above, the Applicants have given notice of these CCAA proceedings to stakeholders including, most significantly, their Landlords and employees. In consultation with the Monitor, the Applicants have engaged, and will continue engaging, in discussions with their stakeholders as these CCAA proceedings progress.

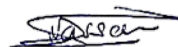
51. The cash flow projections prepared by the Monitor (the "**Updated Cash Flow Forecast**") demonstrate that, subject to this Court's approval of the DIP Facility and DIP Lender's Charge in the form requested in the proposed ARIO, the Applicants will have access to sufficient liquidity to fund operations during the requested extension of the Stay Period. The Monitor has expressed its support for the extension of the Stay Period to May 15, 2025.

SWORN BEFORE ME over videoconference this 16th day of January, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant is located in the City of Vancouver, in the Province of British Columbia, while the commissioner is located in the City of Toronto, in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Sierra Farr (LSO#87551D)



Shamsh Kassam

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

Court File No: CV-20-00642013-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF COMARK HOLDINGS INC., BOOTLEGGER CLOTHING
INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF SHAMSH KASSAM

OSLER, HOSKIN & HARCOURT LLP

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

Tracy Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217

Email: ssidwill@osler.com

Sierra Farr (LSO# 87551D)

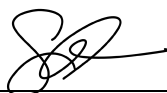
Tel: 416.862.6499

Email: sfarr@osler.com

Fax: 416.862.6666

Lawyers for the Applicants

This is Exhibit “C” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

January 27, 2025

PRIVATE & CONFIDENTIAL

cleo fashions Inc. and Ricki's Fashions Inc.

c/o Osler, Hoskin & Harcourt LLP

100 King Street West

1 First Canadian Place, Suite 6200

Toronto, Ontario M5X 1B8

Attention: Tracy Sandler

- and -

Alvarez & Marsal Canada Inc.

200 Bay Street

Toronto, Ontario M5X 1B8

Attention: Josh Nevsky

Goodmans LLP

Bay Adelaide Centre - West Tower

333 Bay Street, Suite 3400

Toronto, ON M5H 2S7

Attention: Bradley Wiffen and Brendan O'Neill

Dear Sirs:

Re: Proposal to Purchase Certain Assets and Acquire Certain Real Property Leases of cleo fashions Inc. ("Cleo") and Ricki's Fashions Inc. ("Ricki's" and together with Cleo, the "Targets")

We refer to our recent discussions with Alvarez & Marsal Canada Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of each of Comark Holdings Inc. ("**Comark**"), Bootlegger Clothing Inc. ("**Bootlegger**"), Cleo and Ricki's (collectively, the "**Applicants**"), appointed pursuant to the Initial Order granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on January 7, 2025, regarding the purchase of certain assets of the retail business of each of the Targets as part of the Applicants' insolvency proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Proceedings**").

The proposed acquisition of assets contemplated herein is referred to as the "**Transaction**", and Purchaser (as hereinafter defined) and the Targets are referred to collectively as the "**Parties**".

This letter of intent (the "**Letter**") is intended to be legally binding, subject to approval of the Court, in accordance with its terms.

1. Acquisition of Assets and Purchase Price

Subject to the satisfaction of the conditions described in this Letter, at the closing of the Transaction, the undersigned (the "**Purchaser**"), an affiliate of 2625229 Ontario Inc. (operating as Putman Investments), will acquire the following assets (collectively, the "**Purchased Assets**"), free and clear of all encumbrances and on an "*as is, where is*" basis:

- (i) all inventory and merchandise owned by and in the possession of each of the Targets wherever located, including, without limitation, inventory and merchandise located within any and all of their respective leased locations in Canada (collectively, the “**Stores**”) and any owned inventory and merchandise, as may be located at the Parian Logistics Inc. (“**Parian**”) warehouse (the “**Warehouse**”) in transit to the Stores, or located at or in transit to the Warehouse to be delivered to the Stores (collectively the “**Merchandise**”);
- (ii) all owned furnishings, trade fixtures, equipment (including owned IT and POS equipment), machinery, office supplies, and other personal property and fixed assets (collectively, “**FF&E**”) located in the Stores;
- (iii) all intellectual and industrial property owned by the Targets and any and all forms of protection having equivalent or similar effect anywhere in the world and all rights therein as recognized under the laws of Canada, United States, and/or any other countries or jurisdictions, whether registered or unregistered and including rights in and to trademarks, copyrights, trade names, technology, data servers, website, domain names, customer list, etc.; and
- (iv) certain or all of the Targets’ retail real property leases, to be confirmed by the Purchaser prior to the execution of Definitive Documents (as defined below) (the “**Assumed Leases**”). Those Stores relating to Assumed Leases are referred to herein as “**Go-Forward Stores**”, and those Stores relating to leases that are not Assumed Leases are referred to herein as “**Liquidating Stores**”.

Purchase Price

The aggregate purchase price for the Purchased Assets shall be an amount equal to CDN\$0.64 for each CDN\$1.00 of the Targets’ Merchandise (the “**Purchase Price**”) *plus* any applicable sales or transfer taxes thereon, payable as follows:

- (i) within three (3) business days following the date of written acceptance by the Targets of this Letter, the Purchaser shall transfer to the Monitor, to be held in trust, CDN\$3,000,000 in cash (the “**Deposit**”) by wire transfer of immediately available funds to be credited to the Purchase Price, which Deposit shall be (a) refundable if any of the conditions set forth in Section 3 of this Letter are not satisfied, other than if such failure to satisfy the applicable condition(s) is caused by the Purchaser or any of its representatives, and the Purchaser elects not to proceed with the Transaction as a result of such conditions not being satisfied and (b) refundable if the Targets fail to close the Transaction, other than if such failure is caused by the Purchaser or any of its representatives (and, for greater certainty, the Deposit shall be non-refundable and released to the Targets if the failure to satisfy the applicable condition(s) or to close the Transaction is caused by the Purchaser or its representatives); and
- (ii) the balance of the Purchase Price shall be payable in cash on the Closing Date (as defined in Section 2 below).

In addition:

- (i) the Purchaser will offer employment to certain of the Targets' retail level employees currently employed at each of the Go-Forward Stores, on substantially the same employment terms and conditions that such employees have with each of their respective Target employer (the "**Offers**"). The Offers will recognize employees' original dates of service/tenure and provide for employment with the Purchaser commencing on the Closing Date. Employees who accept their respective Offers will become employees of the Purchaser (such employees, the "**Transferring Employees**") effective as of the Closing Date. For clarity, and for the avoidance of any doubt, the employment of the Transferring Employees will transfer to the Purchaser as of the Closing Date and the Purchaser shall be responsible for any and all employer duties, obligations, liabilities, losses, damages, costs, and expenses in respect of the employment of such Transferring Employees from and after the Closing Date, including but not limited to any vacation pay in relation to the Transferring Employees accrued (but not paid) prior to the Closing Date. Retail level employees currently employed at each of the Go-Forward Stores who: (a) are not offered employment by the Purchaser or (b) are offered employment with the Purchaser but do not accept such Offers (collectively, the "**Non-Transferring Employees**") will continue to work at Go-Forward Stores until their respective separation dates; provided that the Purchaser shall not be responsible for (i) any termination or severance costs associated with such Non-Transferring Employees, or (ii) any other Employee Costs, in each case, unless otherwise expressly agreed to herein;
- (ii) the Purchased Assets shall be sold and delivered to the Purchaser free and clear of all liens, claims, charges and encumbrances ("**Encumbrances**") pursuant to an Approval Order (as herein defined);
- (iii) at Closing Date, the Purchaser shall assume all liabilities relating to any Assumed Leases, including the assumption of any cure costs for amounts of rent or otherwise (unless otherwise waived by the applicable landlord to effect an assignment), payable in connection with the assignment of such Assumed Leases;
- (iv) for the period commencing on the Closing Date and ending on a date to be determined by the Parties, provided such end date is no later than 120 days from the Closing Date (the "**Transition Period**"), the Purchaser shall enter into a transition services agreement or arrangement with the Targets (a "**TSA**") pursuant to which the Purchaser will agree to pay, reimburse or cover all of the following costs and expenses during the Transition Period (collectively, "**TSA Costs**"):
 - a. all lease payments (including percentage rent, taxes and common area maintenance costs, as applicable), utilities, maintenance, security, and other operating costs related to operating the Liquidating Stores;
 - b. all Employee Costs (as defined below) for the retail level employees for the Liquidating Stores, together with all Employee Costs for any Non-Transferring Employees until the closure of the applicable Liquidating Store. For the purposes of this Letter, "**Employee Costs**" is defined as all employment costs, expenses, and obligations payable to, or on behalf of, employees arising during the Transition Period under any contract of employment or by operation of law (whether arising pursuant to statute or common law), but shall exclude, for greater certainty, any

termination or statutory or common law severance amounts payable to any Non-Transferring Employee. For greater certainty, the Employee Costs include costs associated with or stemming from all payroll costs such as salary, wages, bonuses, commissions, overtime pay, vacation pay, public holiday pay, workers' compensation, employment taxes or other payroll taxes, fines, penalties or surcharges, costs under any employee benefit plans, disability plans, or retirement plans arising, accrued, or payable during the Transition Period. Notwithstanding the foregoing, the Purchaser agrees that the Employee Costs shall also include up to a maximum of CDN\$400,000 in statutory termination and severance entitlements incurred during the Transition Period (even if such costs are not payable until after the Transition Period expires)¹;

- c. all shipping costs, freight and duties associated with (i) any in-transit Merchandise and (ii) moving any Merchandise from the Liquidating Stores or the Warehouse to the Go-Forward Stores, or such other location as the Purchaser may request;
- d. any costs associated with credit card fees, banking fees and shared services costs relating to the IT and POS equipment including costs of services required by the Purchaser during the Transition Period that are provided by Parian and/or Comark's principal shareholder; provided such amount shall not exceed a weekly cap amount to be agreed to by Targets and Purchaser acting reasonably;
- e. the costs associated with running the Warehouse and the corporate overhead costs incurred by Parian related to the services provided by Parian to the Targets during the Transition Period, provided that (i) such services will only be provided for an initial 30-day period, subject to up to three 30-day extensions upon no less than 10 days' advance written notice by the Purchaser prior to expiration of the then applicable 30-day period, and (ii) the costs for each 30-day period will be subject to a maximum amount of CDN\$1,000,000. For any in-transit or other inventory that is received or handled by Parian after the expiry of the 30-day period, Purchaser shall pay Parian a handling fee at a price to be agreed to by Targets and Purchaser acting reasonably;
- f. from and after the Closing Date, all costs associated with the consulting agreement between the Applicants and Tiger Asset Solutions Canada, ULC associated with or related to the Targets' Liquidating Stores;
- g. an allocation of the professional fees of the Monitor and the Monitor's counsel, based on the Liquidating Stores' share of sales, in comparison to the aggregate amount of sales of the Liquidating Stores and the Bootlegger stores that remain in the CCAA proceedings; provided that, after the Closing Date, no share of the costs associated with the Applicant's legal counsel shall be allocated to the account of the Purchaser; and
- h. all sales or transfer taxes payable in connection with the TSA Costs.

¹ The terms and requirements to pay any statutory termination entitlements shall be set out in a side letter agreement or other Definitive Agreement between the Parties, and acknowledged by the Monitor.

- (v) the Purchaser shall ensure that the permitted uses outlined in the Assumed Leases are maintained and adhered to from and after the Closing Date;
- (vi) cash proceeds from the sale of Merchandise that occurs during the Transition Period, net of the TSA Costs set out in Section (iv) above, shall be the property of the Purchaser, and such cash proceeds shall constitute Purchased Assets and be included in the Purchased Assets. Purchaser shall be solely liable to collect and remit any sales taxes or other transfer taxes paid or payable on the sale of the Merchandise. The Monitor agrees to make weekly distributions of the net proceeds to the Purchaser after accounting for (a) the applicable TSA Costs for such week, and (b) a reasonable reserve amount to be established by the Monitor for estimated future TSA Costs, such reserve not to exceed an aggregate amount to be agreed to by the Parties; and
- (vii) in the event that the Targets are asked to provide POS and banking services to the Purchaser beyond 90 days after the Closing Date pursuant to the TSA, the Purchaser shall, commencing on the 91st day after the Closing Date, pay to Parian a service fee equal to 3% of the cash proceeds collected on behalf of the Targets.

The Targets and the Purchaser agree to work cooperatively to establish a schedule for the issuance of lease disclaimers for each of the Liquidating Stores with the intention of maximizing overall value and minimizing the TSA Costs detailed above.

The Purchaser agrees to co-operate with the Targets and the Monitor in determining mutually satisfactory allocations of the Purchase Price, as between the Purchased Assets within five (5) business days of the Closing Date.

2. Proposed Definitive Agreement.

As soon as reasonably practicable after the execution of this Letter, the Parties shall commence to negotiate a definitive purchase agreement relating to Purchaser's acquisition of the Purchased Assets, and the TSA (together, the "**Definitive Agreements**"). The Definitive Agreements will include the terms summarized in this Letter and such other representations, warranties, conditions, covenants, indemnities and other terms that are customary for transactions of this kind. Among other things, the Definitive Agreements will provide that closing of the Transaction will be subject to the following conditions, among others: (i) the Approval Order (as defined in Section 3 below) shall have been granted, in form and substance satisfactory to Purchaser, acting reasonably and (ii) any necessary approvals and third party consents relating to the Transaction and the Purchased Assets have been obtained or otherwise addressed in the Approval Order. Immediately upon signing this Letter, Purchaser's counsel will prepare, and the Parties will work diligently and in good faith to negotiate and settle, the Definitive Agreements and all ancillary agreements including, without limitation, (a) a bill of sale and general conveyance with respect to the Merchandise and FF&E and (b) an omnibus lease assignment agreement with respect to the Assumed Leases, with a view to completing the transaction (the "**Closing**") the earlier of: (A) February 7, 2025 (or as otherwise extended by the Purchaser in writing, up to a maximum of ten (10) days, beyond which any further extension will require the consent and agreement of the

Targets) or (B) within one (1) business day of the expiry of the appeal period for Approval Order (the “**Closing Date**”).

3. Conditions.

The Parties’ obligations to close the proposed Transaction will be subject to customary conditions, including:

- (i) the boards of directors of each of Targets approving the Transaction, and, as applicable, the lenders of the Targets approving the Transaction;
- (ii) the Parties’ execution of the Definitive Agreement and the ancillary agreements, including settling the commercial terms of the TSA and TSA Costs for the Stores;
- (iii) the receipt of any regulatory approvals, including any necessary stock exchange, securities commission or other similar such regulatory approvals; and
- (iv) the receipt of a satisfactory order or orders from the Court, (A) approving and vesting title to the Purchased Assets to the Purchaser free and clear of Encumbrances, and (B) assigning the Assumed Leases and any other assigned contract to the Purchaser (collectively, the “**Approval Order**”).

The Purchaser has the capital resources available to complete the proposed acquisition and the completion of the proposed transaction is not subject to any financing condition.

4. Covenants of the Vendor.

During the period from the signing of this Letter through the receipt of the Approval Order, and subject to the Amended and Restated Initial Order and the Realization Process Order made in the CCAA Proceedings, each of the Targets will maintain the Store leases in good standing, the Merchandise in good and salable condition, and the FF&E in good working condition (normal wear and tear excepted).

5. Termination.

This Letter will automatically terminate and be of no further force and effect upon the earliest to occur of (a) execution of the Definitive Agreements by the Purchaser and the Targets, (b) mutual written agreement of the Purchaser and the Targets, and (c) the failure to execute the Definitive Agreements and obtain the Approval Order on or before 11:59 p.m. Toronto time on February 7, 2025 (or as otherwise extended by the Purchaser up to a maximum of ten (10) days, beyond which any further extension will require the consent and agreement of the Targets). Notwithstanding anything in the previous sentence, each of Section 8, Section 9 and Section 12 shall survive the termination of this Letter and the termination of this Letter shall not affect any rights any Party has with respect to the breach of this Letter by another Party prior to such termination.

6. Expiration.

This offer contained herein will remain in effect until 12:01 a.m., Toronto time, on January 29, 2025, unless accepted or rejected by the Targets in writing, or withdrawn by the Purchaser in writing before that time.

7. Governing Law.

This Letter shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

8. Confidentiality.

This Letter is highly confidential to the Parties and their representatives and the Parties hereby acknowledge and reaffirm the continued effectiveness of the existing confidentiality agreement dated January 7, 2025 entered into between the Purchaser and the Applicants. The Parties hereby agree that the terms and conditions of this Letter shall be held in strict confidence and may not be disclosed or distributed to any party, in whole or in part, other than the Court, in connection with the CCAA Proceedings, without the prior written consent of the Parties, provided that the Applicants shall be permitted to provide this Letter to: (a) CIBC and its advisors; and (b) upon request, the Applicants' landlords and their respective counsel, in each case in connection with advancing, structuring and implementing the Transaction.

The terms of any public announcement of the execution by the Parties hereto of this Letter or the substance of the Transaction shall be mutually agreed by the Parties unless one of the Parties is advised by its legal counsel that such public announcement is legally required and the other party is unable or unwilling to provide its consent to the terms of such public announcement prior to the time at which the disclosing party, on the advice of its legal counsel, is legally obliged to make such announcement. In such circumstance, the disclosing party shall provide the disclosure that it is advised by its legal counsel it is required to make on such terms as have been approved by its legal counsel, having regard to the provisions of this Section 8.

9. Assignment.

No Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties, except that the Purchaser may assign any of its rights and delegate any of its obligations under this Agreement to any creditworthy subsidiary or affiliate of the Purchaser and may collaterally assign its rights hereunder to any financial institution or operating lender providing financing for the Transaction.

10. No Third-Party Beneficiaries.

Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or permitted assigns, any rights, benefits or remedies under, or by reason of, this Letter.

11. Expenses.

The Parties will each pay their own transaction expenses, including the fees and expenses of financial, legal and other advisors, incurred in connection with the proposed Transaction, including any broker's or finder's fees and expenses incurred in connection with the Transaction, other than those costs that the Purchaser has agreed to pay during the Transition Period as set out herein.

12. Binding Agreement.

This Letter reflects the intention of the Parties and, upon acceptance, shall give rise to legally binding and enforceable obligations in accordance with its terms.

13. Execution.

This Letter may be executed in counterparts and delivered electronically, including in portable document format (PDF). Each counterpart shall be deemed to be an original and all of which together shall constitute one agreement. The headings of the various sections of this Letter have been inserted for reference only and shall not be deemed to be a part of this Letter.

If you agree with the terms set forth above and desire to proceed with the proposed Transaction on that basis, please sign this Letter in the space provided below and return an executed copy to the attention of Douglas Robert Putman via e-mail at doug@putmaninvestments.com.

Sincerely,

10011110197 ONTARIO INC.

By: 

Doug Putman
Director

The terms of this Letter are acknowledged, approved and accepted on this 29 th day of January, 2025 by:

cleo fashions Inc.

By: 

Name: Shamsh Kassam
Title: Authorized Signatory

Ricki's Fashions Inc.

By: 

Name: Shamsh Kassam
Title: Authorized Signatory

This is Exhibit “D” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

ELIGIBLE LEASE LIST

No.	Mall	Banner/Store
1.	ABERDEEN MALL	cleo
2.	AVALON MALL	cleo
3.	AVALON MALL	Ricki's
4.	BAYSHORE SHOPPING CENTRE	Ricki's
5.	BILLINGS BRIDGE PLAZA, ON	Ricki's
6.	BOWER PLACE	Ricki's
7.	BRAMALEA CITY CENTRE	cleo
8.	BRAMALEA CITY CENTRE	Ricki's
9.	BRANDON SHOPPERS MALL	cleo
10.	BRANDON SHOPPERS MALL	Ricki's
11.	BURLINGTON MALL	cleo
12.	BURLINGTON NORTH P.C.	Ricki's and Cleo combo
13.	CALGARY EATON CENTRE	Ricki's
14.	CALGARY MARKET MALL	cleo
15.	CALGARY MARKET MALL	Ricki's
16.	CAMBRIDGE CENTRE	cleo
17.	CARLINGWOOD MALL	cleo
18.	CATARAQUI TOWN CENTRE	cleo
19.	CHAMPLAIN PLACE	cleo
20.	COQUITLAM CENTRE	cleo
21.	CORNWALL SQUARE	cleo
22.	CROSSIRON MILLS	cleo
23.	CROSSIRON MILLS	Ricki's
24.	DEVONSHIRE MALL	cleo
25.	DEVONSHIRE MALL	Ricki's
26.	DURHAM CENTRE	Ricki's
27.	Eastgate Square	Ricki's and Cleo combo
28.	E-comm	cleo
29.	E-comm	Ricki's
30.	EDMONTON CITY CENTRE EAST	cleo
31.	Edmonton N.E. Power Centre	Ricki's and Cleo combo
32.	EMERALD HILLS CENTRE	Ricki's
33.	ERIN MILLS TOWN CENTRE	cleo
34.	GARDEN CITY SHOPPING CENTRE	Ricki's
35.	GEORGETOWN MARKET PLACE	cleo
36.	Grasslands @ Harbour Landing	Ricki's
37.	HALIFAX SHOPPING CENTRE	cleo
38.	HALIFAX SHOPPING CENTRE	Ricki's
39.	HAMILTON SOUTHEAST PC, ON	Ricki's and Cleo combo
40.	HILLSIDE CENTRE	cleo
41.	HILLSIDE CENTRE	Ricki's
42.	INTERCITY MALL	Ricki's

43.	KILDONAN PLACE	Ricki's
44.	King's Crossing	cleo
45.	KINGSWAY MALL	cleo
46.	KINGSWAY MALL	Ricki's
47.	LANSDOWNE PLACE	cleo
48.	LAWSON HEIGHTS	cleo
49.	LAWSON HEIGHTS	Ricki's
50.	LIMERIDGE MALL	cleo
51.	LYNDEN PARK MALL	cleo
52.	LYNDEN PARK MALL	Ricki's
53.	MARKET MALL	cleo
54.	MASONVILLE PLACE	cleo
55.	MAYFIELD COMMON	Ricki's
56.	MAYFLOWER MALL	Ricki's
57.	MEDICINE HAT MALL	Ricki's and Cleo combo
58.	MICMAC MALL	Ricki's
59.	MIDTOWN PLAZA	cleo
60.	MIDTOWN PLAZA	Ricki's
61.	MILTON CROSSROADS	cleo
62.	MILTON CROSSROADS	Ricki's
63.	NEW SUDBURY SHOPPING CENTRE	cleo
64.	NORTHGATE MALL	cleo
65.	ORCHARD PARK SHOPPING CENTRE	Ricki's
66.	ORCHARD PARK SHOPPING CENTRE	cleo
67.	OSHAWA CENTRE	cleo
68.	OTTAWA TRAINYARDS P.C.	cleo
69.	OTTAWA TRAINYARDS P.C.	Ricki's
70.	PARK PLACE	cleo
71.	PARK PLACE	Ricki's
72.	PARKLAND MALL	cleo
73.	PEN CENTRE	cleo
74.	PETER POND SHOPPING CENTRE	Ricki's
75.	PINE CENTRE MALL	Ricki's
76.	POLO PARK SHOPPING CENTRE	cleo
77.	POLO PARK SHOPPING CENTRE	Ricki's
78.	PRAIRIE MALL	Ricki's
79.	QUINTE MALL	cleo
80.	QUINTE MALL	Ricki's
81.	REGENT MALL	cleo
82.	Seaway Mall	Ricki's and Cleo combo
83.	SEVEN OAKS SHOPPING CENTRE	cleo
84.	SEVEN OAKS SHOPPING CENTRE	Ricki's
85.	SHERWOOD PARK MALL	cleo
86.	SMART CENTRE BARRIE SOUTH	Ricki's and Cleo combo
87.	SOUTH EDMONTON COMMON	cleo

88.	SOUTH EDMONTON COMMON	Ricki's
89.	SOUTH TRAIL CROSSING	Ricki's
90.	SOUTHCENTRE MALL	cleo
91.	SOUTHCENTRE MALL	Ricki's
92.	SOUTHLAND MALL	cleo
93.	SOUTHLAND MALL	Ricki's
94.	ST. LAURENT SHOPPING CENTRE	cleo
95.	ST. LAURENT SHOPPING CENTRE	Ricki's
96.	ST. VITAL CENTRE	Ricki's
97.	ST. VITAL CENTRE	cleo
98.	STATION MALL	cleo
99.	SUNRIDGE MALL	cleo
100.	SUNRISE SHOPPING CENTRE	Ricki's and Cleo combo
101.	TD CENTRE	cleo
102.	THE VILLAGE	cleo
103.	UPPER CANADA MALL	cleo
104.	WEST EDMONTON MALL	cleo
105.	WESTLAND MARKET MALL	cleo
106.	WHITEOAKS MALL	cleo
107.	WILLOWBROOK MALL	Ricki's
108.	WINDSOR CROSSING	Ricki's and Cleo combo
109.	WOODGROVE CENTRE	cleo
110.	WOODGROVE CENTRE	Ricki's
111.	The Core	cleo

This is Exhibit “E” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

January 30, 2025

Re: The Comark Group – Sale Process Letter (“Process Letter”)

On January 7, 2025, Comark Holdings Inc. (“**Comark**”), Bootlegger Clothing Inc. (“**Bootlegger**”), cleo fashions Inc. (“**cleo**”), and Ricki’s Fashions Inc. (“**Ricki’s**”) (collectively, the “**Comark Group**” or the “**Applicants**”) commenced proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to an initial order (as amended and restated, the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. as monitor (in such capacity, the “**Monitor**”).

On January 17, 2025, the Comark Group obtained an amended and restated initial order (the “**ARIO**”), which, among other things, authorized the Applicants and the Monitor pursuant to paragraph 12(f) of the ARIO to pursue all offers for or avenues of refinancing, restructuring, selling or reorganizing the Business or Property, in whole or part, pursuant to any solicitation process letter establishing bid procedures (including minimum proposal requirements, key milestones, and successful bid selection criteria) as may be determined by the Applicants and Monitor in consultation with the DIP Lender, for circulation to potentially interested parties identified by the Applicants and the Monitor (the “**Sale Process**”).

On January 17, 2025, the Court also granted a Realization Process Approval Order authorizing the Comark Group to conduct a sale of the Applicants’ merchandise and furniture, fixtures and equipment (the “**Realization Process**”). The Realization Process is currently ongoing.

Further information regarding the CCAA proceedings, including a copy of the ARIO, can be accessed [here](#). Capitalized terms used herein but not defined have the meanings given to them in the ARIO.

This Process Letter is being provided pursuant to paragraph 12(f) of the ARIO to provide interested parties with:

- (i) an update on the Sale Process to date, including certain transactions that have been entered into by the Comark Group, as described below;
- (ii) information with respect to the submission of a bid pursuant to this Process Letter for the remaining assets of the Comark Group, and more particularly the business and assets of Bootlegger, and other leases and other assets that may be available in respect of certain Ricki’s, cleo and Bootlegger locations (all as may be discussed in more detail with the Monitor); and
- (iii) certain key milestones that have been established pursuant to this Process Letter.

For purposes of this Process Letter, please be advised that:

- (i) on January 29, 2025, Ricki’s and cleo entered into a definitive term sheet with a third-party for the sale of the business and certain assets of Ricki’s and cleo (the “**Ricki’s/cleo Transaction**”). The Ricki’s/cleo Transaction includes the sale of the inventory, FF&E, intellectual property and certain retail store leases of Ricki’s and cleo, and assumption of certain obligations of Ricki’s and cleo. Subject to Court approval, this transaction is scheduled to close on or around February 7, 2025. Accordingly, it is expected that only

certain assets of Ricki's and cleo will remain available for purchase in this next phase of the Sale Process (the "**Remaining Ricki's/cleo Assets**"); and

- (ii) on January 28, 2025, the Comark Group entered into a stalking horse term sheet with Warehouse One Clothing Ltd. (the "**Stalking Horse Purchaser**"), an affiliate of the Comark Group, for the sale of the business and certain assets of Bootlegger, together with certain remaining assets of the Comark Group (the "**Stalking Horse Term Sheet**"). The Stalking Horse Term Sheet contemplates the Stalking Horse Purchaser purchasing the inventory, FF&E, intellectual property and at least 25 retail store leases of Bootlegger, and assumption of certain other assets and liabilities of Bootlegger and the Comark Group (the "**Stalking Horse Transaction**").

The Comark Group and the Stalking Horse Purchaser are in the process of negotiating and finalizing a definitive agreement of purchase and sale on substantially the terms of the Stalking Horse Term Sheet (the "**Stalking Horse Purchase Agreement**"). Participants in the Sale Process will be provided with a copy of the Stalking Horse Purchase Agreement once it is executed.

As set out in the Stalking Horse Term Sheet, the purchase price payable by the Stalking Horse Bidder for the purchased assets described therein (the "**Stalking Horse Purchase Price**") is equal to: (i) a cash payment equal to the Outstanding Senior Secured Indebtedness (as defined in the Stalking Horse Term Sheet) on the closing date of the Stalking Horse Transaction; and (ii) an amount equal to the Retained Liabilities (as defined in the Stalking Horse Term Sheet), to be satisfied through the retention of such Retained Liabilities. The quantum of the Outstanding Senior Secured Indebtedness will fluctuate from time to time and will not be known with certainty until the closing date of the Stalking Horse Transaction (to the extent that it is the successful bid in the Sale Process). Interested parties should refer to the cash flow forecast included in the Second Report of the Monitor filed in the CCAA proceedings for the estimated range of the Outstanding Senior Secured Indebtedness during the period February 28, 2025 to March 14, 2025. Interested parties can also address questions with respect to the Stalking Horse Purchase Price to the Monitor.

Interested parties wishing to pursue a transaction for (i) the business or assets of Bootlegger, and/or (ii) the Remaining Ricki's/cleo Assets are required to (i) execute a standard form of confidentiality agreement, and (ii) prepare and submit a non-binding Expression of Interest ("**EOI**"). Parties who sign the confidentiality agreement will be provided with access to a data room established for the purposes of the Sale Process.

Pursuant to this Process Letter, any EOI must be received by the Monitor by no later than **5:00pm Eastern Time on February 20, 2025** ("**EOI Bid Deadline**").

Key Milestones

The following table sets out the key milestones for the Sale Process, which can be extended or modified by the Monitor in its discretion:

Date	Milestone
January 30, 2025	Formal Commencement of the Sale Process
February 4, 2025	Court Hearing scheduled for the approval of (i) the Ricki's/cleo Transaction and (ii) the Sale Process contemplated hereby, including the Stalking Horse Transaction as a stalking horse bid

Date	Milestone
February 20, 2025	EOI Bid Deadline
February 28, 2025	Selection of the successful bid
April 21, 2025	Outside date for closing of the transaction (the “ Outside Date ”)

Bid Requirements

Your EOI must comply with the following requirements and must be signed by a senior officer with the authority to submit such an EOI. Your EOI should reflect the best and most attractive basis upon which you would make an offer based on the information available to you and should include, in reasonable detail, the following:

1. **Structure:** Provide a description of proposed transaction structure, including an indication: (i) which of Bootlegger’s and the Comark Group’s remaining assets you are proposing to acquire or invest in, including a description of such assets or shares to be purchased and, liabilities (if any) to be assumed; and (ii) whether the proposed transaction is to be implemented by way of an “asset vesting order”, “reverse vesting order” or an alternative structure.
2. **Consideration:** State the cash consideration, expressed in Canadian dollars, which you will be prepared to pay and the valuation methodology you have used, including any working capital assumptions.

In order to be a Qualified Bidder (as defined below) in the Sale Process in relation to the assets subject to the Stalking Horse Transaction, your purchase price must, at a minimum, provide cash sufficient to pay in full upon closing: (i) the Stalking Horse Purchase Price; (ii) an incremental overbid amount of \$100,000; and (iii) an administrative reserve to wind-down the CCAA proceedings in an amount to be discussed with the Monitor. There is no minimum bid amount in relation to the Remaining Ricki’s/cleo Assets that are not purchased assets pursuant to the Stalking Horse Transaction.

3. **Purchaser:** Please include details on the identity of the proposed purchaser, including background and financial information and advisors that have been or are expected to be retained by the proposed purchaser. Please include the identity of the purchaser’s material shareholders along with any entity or person that will be sponsoring, participating in or benefiting from the proposed transaction. If the purchaser will be a newly formed entity, please identify the entity or entities that will provide backstops in the form of a guarantee and/or equity commitment letter and describe the nature of such arrangement(s).
4. **Financing:** Your EOI provides written evidence that will allow the Monitor, in consultation with the Applicants, to make a reasonable business judgment as to your ability to consummate the proposed transaction within the timeframe contemplated by the Sale Process. Such information should include, among other things, the intended sources and quantum of equity and debt financing for the transaction, evidence of the availability of such financing (e.g., any received term sheets or indications of interest, including associated conditions and timing requirements or internal resources), and details on any actions you have taken to date to obtain funding commitment(s).

5. **Strategy:** Describe the strategic rationale for your interest in Bootlegger and/or the Comark Group and your plans for the business going forward. If applicable, please provide relevant information regarding the anticipated offers of employment to current employees and management.
6. **Approvals:** Describe the level of review and approval your EOI has received by senior officers/directors of your organization, as well as a description of any additional corporate, board, unitholder, shareholder, investment committee, regulatory or other material approvals that would be required prior to your submission of a definitive binding proposal. Your EOI should also provide the expected timeframe for obtaining such approvals.
7. **Closing Conditions:** Set out any conditions to closing that you wish to impose or any other terms and conditions that would be required in order to complete the proposed transaction. Transactions must be structured so as to be capable of closing by no later than the Outside Date set out above. Your ability to close the proposed transaction in advance of the Outside Date will be a factor to be considered by the Monitor in assessing your proposed transaction.
8. **Due Diligence:** Provide a detailed outline of any due diligence requirements that you would require to submit a binding proposal and the timeframe you would require to complete any remaining due diligence.
9. **Fees and Expenses:** Confirm that you will bear your own costs and expenses (including legal and advisor fees) in connection with the EOI and proposed transaction.
10. **Other:** Please set out any other factors you believe may be relevant to the Monitor and the Applicants in evaluating your EOI.

Bid Submission

Interested parties wishing to pursue a transaction for the business and assets of Bootlegger, and/or the Remaining Ricki's/cleo Assets, are asked to submit a non-binding EOI before the EOI Bid Deadline to the attention of:

Josh Nevsky
Managing Director
jnevsky@alvarezandmarsal.com

Justin Karayannopoulos
Director
jkarayannopoulos@alvarezandmarsal.com

Following the EOI Bid Deadline, the Monitor, in consultation with the Applicants, shall assess the EOIs received. If the Monitor determines that an EOI constitutes a qualified bid pursuant to the requirements of this Process Letter (each, a “**Qualified Bid**”), then the participant who submitted the EOI will be deemed to be qualified to continue to participate in the Sale Process (in that capacity a “**Qualified Bidder**”) and the Monitor will notify each participant that has been selected as a Qualified Bidder. The Stalking Horse Bidder is deemed to be a Qualified Bidder for all purposes of the Sale Process.

In the event that no participants are selected as a Qualified Bidder, or the Monitor has determined in its reasonable business judgment that it would not be appropriate to select any Qualified Bidders, the Monitor will, as soon as reasonably possible, declare the Stalking Horse Bidder as the successful bidder with respect to the assets subject to the Stalking Horse Purchase Agreement. Any successful bid(s) identified in the Sale

Process (including the Stalking Horse Transaction, as applicable) will be subject to approval by the Court in the CCAA proceedings.

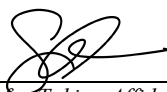
If one or more Qualified Bids (in addition to the Stalking Horse Transaction) are received in the Sale Process, the Monitor, in consultation with the Applicants, will establish a process and timing for the selection of the successful bid, which may (but is not required to) include an auction process. The process and timing for the selection of the successful bid will be communicated to Qualified Bidders.

Neither the Monitor nor the Applicants, nor their respective affiliates or advisors, assume any liability or obligation whatsoever to any interested party in connection with the Sale Process, including, but not limited to, as a result of the rejection of any or all of the bids, the acceptance of another party's bid or the amendment or termination of the Sale Process and, for further clarity, the Monitor and the Applicants expressly reserve the right at any time, with or without providing notice or reasons, to do any of the foregoing. No party will be entitled for any reason (including, without limitation, any modification of the Sale Process contemplated herein) to reimbursement for any costs or expenses incurred in reliance upon the Sale Process procedures described in this letter, as such procedures may be modified from time to time. No finder's fees, commissions, expenses or other compensation will be paid by the Applicants, their affiliates or their advisors to agents, consultants, advisors or other intermediaries of any party. The Applicants, their affiliates and their advisors reserve the right to amend any information which has been made available to interested parties whether by way of addition, deletion, amendment or otherwise.

Pursuant to the confidentiality agreement, under no circumstances are you permitted to contact any of the Applicants' executives, employees, directors, shareholders, affiliates, lenders, customers, suppliers, vendors or service providers with respect to any transaction unless consented to by the Applicants or the Monitor. All communications or inquiries regarding the Sale Process or any other matters, relating to this letter should be directed to the Monitor.

We appreciate your interest and look forward to receiving your EOI.

This is Exhibit “F” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

January 27, 2025

Alvarez & Marsal Canada Inc.
200 Bay Street
Toronto, Ontario
M5X 1B8

Attention: Joshua Nevsky, Senior Vice President
Email: jnevsky@alvarezandmarsal.com

Dear Sir:

Re: *Companies' Creditors Arrangement Act* ("CCAA") proceedings before the Ontario Superior Court of Justice (Commercial List) ("Court") of Comark Holdings Inc. ("Comark"), Bootlegger Clothing Inc. ("Bootlegger"), cleo fashions Inc. ("cleo") and Ricki's Fashions Inc. ("Ricki's", and collectively with Comark, Bootlegger and cleo, the "Comark Group")

This term sheet ("**Term Sheet**") sets out the key terms, conditions and timetable under which Warehouse One Clothing Ltd. or one of its affiliates (the "**Buyer**") is interested in acquiring the Bootlegger business ("**Business**") together with the tax attributes of the Comark Group and related assets. This Term Sheet is intended to be legally binding, subject to approval of the Court, in accordance with its terms.

This Term Sheet has been put forward on the understanding and assumption that the liquidation approved by the Court in the Comark Group's CCAA proceedings will conclude prior to closing of the ARVO Transaction (as defined below) ("**Closing**", and the date on which Closing occurs, the "**Closing Date**"), and, to the extent the liquidation extends beyond Closing, the transaction structure, steps, and required documentation described herein may require modification.

1. **Purchase Price.**

- (a) Subject to the terms and conditions of this Term Sheet, the Buyer is prepared to acquire the Business and tax attributes of the Comark Group for a purchase price ("**Purchase Price**") calculated as follows:
 - (i) an amount (the "**Cash Amount**") equal to the Outstanding Senior Secured Indebtedness (as defined below) then outstanding on the Closing Date; plus
 - (ii) an amount equal to the Retained Liabilities (as defined below).
- (b) For the purposes of calculating the Purchase Price, "**Outstanding Senior Secured Indebtedness**" shall be comprised of the total remaining amounts owing to Canadian Imperial Bank of Commerce (or any assignee thereof) ("**Senior Lender**") under the DIP Facility, the Revolving Credit and the Term Credit (for greater certainty excluding the BCAP Facility) (as such terms are defined in the DIP

Financing Term Sheet dated January 15, 2025, between Canadian Imperial Bank of Commerce (“CIBC”), as lender, (“**DIP Lender**”) and Comark, as borrower, approved by the Court in the Comark Group’s CCAA proceedings and as may be assigned (the “**DIP Term Sheet**”), including principal, interest and Lender Expenses (as defined in the DIP Term Sheet), but excluding any fees of the DIP Lender’s financial advisor arising following approval by the Court of this Term Sheet.

- (c) The Buyer or its nominee(s) would satisfy the full Purchase Price on Closing by (i) a cash payment in the Cash Amount, and (ii) retention of the Retained Liabilities.

2. **Transaction.**

- (a) **Structure:** The Buyer expects that it or its nominee(s) would implement the transaction by purchasing 100% of the shares (or other equity ownership interests) of the Target(s) (as defined below) (the “**Acquired Shares**”) and the retained assets listed below through a reverse vesting transaction (“**ARVO Transaction**”) in accordance with the ARVO (as defined below). The Buyer may, as a condition to closing the ARVO Transaction, require that corporate steps be taken to effect the acquisition in a tax efficient manner and to acquire the Comark Group’s tax attributes. As used herein, “**Target(s)**” means Bootlegger and/or one or more of the other members of the Comark Group (or their successor(s) by way of amalgamation or otherwise). For clarity, the Buyer may acquire the Business indirectly through an acquisition of the shares of Comark.
- (b) **Retained Assets:** The retained assets of the Business will include the following assets at Closing (collectively, the “**Retained Assets**”):
 - (i) all inventory and merchandise owned by Bootlegger wherever located, including inventory and merchandise located within any and all of its leased locations in Canada (collectively, the “**Bootlegger Stores**”) and any owned inventory and merchandise, as may be located at the Parian Logistics Inc. (“**Parian**”) warehouse (the “**Warehouse**”) in transit to the Bootlegger Stores, or located at or in transit to the Warehouse to be delivered to the Bootlegger Stores (collectively, the “**Merchandise**”), which, for greater certainty, includes any inventory and merchandise currently held or stored on any vessels or ships or at port in the possession and control of Bootlegger or its agents;
 - (ii) all Bootlegger owned furnishings, trade fixtures, equipment (including owned IT and POS equipment), machinery, office supplies, and other personal property and fixed assets currently located in the Bootlegger stores;
 - (iii) all intellectual and industrial property owned by Bootlegger and any and all forms of protection having equivalent or similar effect anywhere in the world and all rights therein as recognized under the laws of Canada, United States, and/or any other countries or jurisdictions, whether registered or

unregistered and including rights in and to trademarks, copyrights, trade names, technology, data servers, website, domain names, customer list, etc.;

- (iv) Bootlegger's cash, prepaid assets and deposits;
 - (v) certain of the Comark Group's retail real property leases, to be confirmed by the Buyer no less than 3 days prior to Closing (the "**Acquired Leases**" and the applicable retail stores at such leased locations, the "**Going Concern Stores**"), provided, however, that Buyer agrees to retain no less than 25 such leases;
 - (vi) such assets of Comark as Buyer may designate no less than 3 days prior to Closing; and
 - (vii) the Comark Group's tax losses and other attributes to be determined by the Buyer.
- (c) Excluded Assets: The excluded assets include all cleo and Ricki's merchandise and inventories (whether on-hand and in-transit), all Comark Group leases other than the Acquired Leases, and any other assets as may be designated by Buyer prior to Closing.
- (d) Retained Liabilities: The Buyer (through the Target(s)) is prepared to retain only the following liabilities of the members of the Comark Group (and all other liabilities would be excluded liabilities under the ARVO Transaction):
- (i) liabilities from and after Closing under all of the Acquired Leases, including the assumption or retention of any outstanding amounts of rent or other amounts outstanding under the Acquired Leases unless waived by the applicable landlord;
 - (ii) liabilities to the Retained Employees (as defined below), including obligations for wages, salaries, employee benefits and accrued vacation pay in respect of such employees from and after Closing;
 - (iii) all liabilities owed by Comark to 9383921 Canada Inc. pursuant to the Sponsor Loan Agreement dated August 7, 2020 (as may have been amended, restated, supplemented, or otherwise modified from time to time), which are in the amount of no less than \$57 million, and related security documentation and such other intercompany liabilities as Buyer may determine; and
 - (iv) all liabilities of Comark Group to those persons set out on Appendix "A" hereto
- (collectively, the "**Retained Liabilities**").
- (e) Employees: Except as otherwise agreed by Buyer and Bootlegger (including to the extent Buyer or one of its affiliates makes offers of employment to Bootlegger

employees), the Buyer (through the Target) will retain all retail employees at the Going Concern Stores and certain divisional employees to be determined prior to Closing (“**Retained Employees**”). Such employment will continue on substantially the same employment terms and conditions as such employees currently have with Bootlegger. All other employees of the Comark Group will be terminated prior to Closing and all related liabilities and claims will be transferred to Residual Co (as defined below).

- (f) Stalking Horse Transaction: The Buyer is willing to act as a stalking-horse purchaser in a sale and investment solicitation process (“**SISP**”) for Bootlegger established by Alvarez & Marsal Canada Inc., in its capacity as Court-appointed monitor (in such capacity, the “**Monitor**”), on terms and conditions acceptable to the Buyer and not to exceed 30 days in duration.
3. Consent. Standard board approval of the Buyer would be required prior to the completion of the proposed ARVO Transaction; however, the board of the Buyer has been involved in the review of this potential opportunity and the preparation of this Term Sheet. As such, we would expect such approval to be forthcoming.
 4. No Financing Condition. The Purchase Price is not subject to any financing conditions and would be financed by Buyer using existing cash resources.
 5. Conditions. The completion of this proposed acquisition would be subject to the following conditions:
 - (a) Purchase Agreement: Negotiation of an acceptable definitive purchase agreement (“**Definitive Agreement**”), which may be a share subscription agreement or share purchase agreement, as determined by the Buyer, and such ancillary agreements as may be reasonably required by the Buyer. The Definitive Agreement will include the terms summarized in this Term Sheet and such other representations, warranties, conditions, covenants, indemnities and other terms that are customary for transactions of this kind.
 - (b) Excluded Liabilities: Target shall not have any liabilities on the Closing of the ARVO Transaction other than the Retained Liabilities. For clarity, the BCAP Facility (to the extent it remains outstanding at Closing) and any related liabilities and claims (including through subrogation or otherwise) will be excluded liabilities.
 - (c) Consent: Any necessary approvals and third-party consents relating to the ARVO Transaction, the Acquired Shares, and the Retained Assets shall have been obtained or otherwise addressed in the ARVO (as defined below).
 - (d) Approval Order: An approval and reverse vesting order (“**ARVO**”) of the Court, satisfactory in form and substance to the Buyer, confirming that (i) all liabilities of the members of the Comark Group other than the Retained Liabilities have been expunged, and (ii) all such liabilities, together with all excluded assets, have vested in a company to be incorporated and added to the CCAA proceedings as an

applicant (“**Residual Co**”), which shall not have been stayed, vacated or varied without the Buyer’s consent. For clarity, Buyer is not prepared to proceed with a transaction in respect of Bootlegger on an “asset sale” only basis.

- (e) Timing: Achievement of the following milestones:
 - (i) *Execution of Term Sheet*: no later than January 28, 2025;
 - (ii) *Court Approval of the Term Sheet*: no later than February 4, 2025;
 - (iii) *Commencement of the SISP*: no later than February 4, 2025;
 - (iv) *Execution of Definitive Agreement*: no later than February 18, 2025;
 - (v) *Bid Deadline for the SISP*: March 6, 2025;
 - (vi) *Granting of the ARVO*: no later than March 21, 2025; and
 - (vii) *Closing Date*: no later than April 21, 2025.
 - (f) Sale of cleo and Ricki’s: The Transaction shall have been completed and the TSA shall have been executed (each as defined in that certain letter agreement dated as of the date hereof between 10011110197 Ontario Inc., cleo, and Ricki’s (the “**Putman LOI**”)), substantially on the terms set forth in the Putman LOI, in each case by no later than February 17, 2025.
 - (g) Assignment of CIBC Indebtedness: Concurrent with closing of the Transaction contemplated by the Putman LOI (as described above), 9383921 Canada Inc. shall have acquired and taken an assignment of the Outstanding Senior Secured Indebtedness and related security and other documentation (other than the guarantee provided by Export Development Canada (“**EDC**”) in favour of CIBC guaranteeing certain portions of the BCAP Facility (the “**EDC Guarantee**”) and other documentation related solely to the EDC Guarantee) as at such date, and shall have paid in full to CIBC an amount equal to the Outstanding Senior Secured Indebtedness then outstanding as at closing of the Transaction contemplated by the Putman LOI (as described above). The assignment documentation shall, among other things (i) include a requirement for EDC to deliver to 9383921 Canada Inc. a waiver of all subrogation rights and claims under the EDC Guarantee, (ii) provide that CIBC remains as administrative agent under the amended and restated credit agreement dated as of September 9, 2024, solely with respect to the BCAP Facility to the extent required to facilitate reimbursement to CIBC under the EDC Guarantee and otherwise transfer and assign to 9383921 Canada Inc. all rights of the administrative agent and security agent under such credit agreement, and (iii) provide that (x) following closing of the assignment, the BCAP Facility will be unsecured, and (y) upon payment by EDC to CIBC under the EDC Guarantee, the BCAP Facility will be terminated.
6. Due Diligence. As an affiliate of each of the members of the Comark Group, the Buyer will not need to undertake any material diligence of the Comark Group.

7. **Free and Clear; As-is, Where-is.** Subject to the granting of the ARVO, the Buyer will acquire the Acquired Shares, Retained Assets, and Retained Liabilities free and clear of all liens, claims, charges, and encumbrances and on an “as-is, where-is” basis.
8. **Termination.** This Term Sheet will automatically terminate and be of no further force and effect upon the earliest to occur of (a) execution of the Definitive Agreement by the Buyer and the Comark Group, (b) mutual written agreement of the Buyer and the Comark Group, with the consent of the Monitor and (c) the failure to execute the Definitive Agreement and obtain the ARVO on or before 11:59 p.m. Toronto time on April 21, 2025 (or as otherwise extended by the Buyer and the Comark Group). Notwithstanding anything in the previous sentence, each of Section 9, Section 10 and Section 12 shall survive the termination of this Term Sheet and the termination of this Term Sheet shall not affect any rights any party has with respect to the breach of this Term Sheet by another party prior to such termination.
9. **Governing Law:** This Term Sheet shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
10. **Assignment:** No party may assign any of its rights or delegate any of its obligations under this Term Sheet without the prior written consent of the other parties, except that the Buyer may assign any of its rights and delegate any of its obligations under this Term Sheet to any subsidiary or affiliate of the Buyer and may collaterally assign its rights hereunder to any financial institution or operating lender providing financing for the ARVO Transaction.
11. **No Third-Party Beneficiaries.** Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon any person or entity other than the parties and their successors or permitted assigns, any rights, benefits or remedies under, or by reason of, this Term Sheet.
12. **Binding Agreement.** This Term Sheet reflects the intention of the Parties and, upon acceptance, shall give rise to legally binding and enforceable obligations in accordance with its terms, provided, for clarity, that the completion of the ARVO Transactions contemplated by this Term Sheet is subject in all respects to the execution and delivery of a Definitive Agreement acceptable to the parties.
13. **Execution.** This Term Sheet may be executed in counterparts and delivered electronically, including in portable document format (PDF). Each counterpart shall be deemed to be an original and all of which together shall constitute one agreement. The headings of the various sections of this Term Sheet have been inserted for reference only and shall not be deemed to be a part of this Term Sheet.

If the foregoing terms and conditions are acceptable to the Comark Group and the Monitor, please return a countersigned copy of this Term Sheet on or before January 28, 2025.

We are interested in the possibility of acquiring the Business and tax attributes of the Comark Group and are available at any time to discuss our proposal. If you have questions, please contact me at paul.reid@warehouseone.com or at 204.885.4200 (ext. 1107).

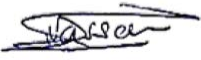
Yours truly,

Paul Reid

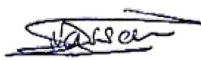
Paul Reid
Authorized Signatory

The terms of this Term Sheet are acknowledged, approved and accepted on this 28 day of January, 2025 by:

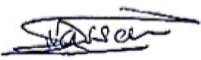
Comark Holdings Inc.

By: 
Name: Shamsh Kassam
Title: Authorized Signatory


Bootlegger Clothing Inc.

By: 
Name: Shamsh Kassam
Title: Authorized Signatory

cleo fashions Inc.

By: 
Name: Shamsh Kassam
Title: Authorized Signatory

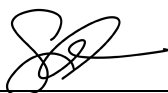
Ricki's Fashions Inc.

By: 
Name: Shamsh Kassam
Title: Authorized Signatory

APPENDIX “A”**Specified Retained Liabilities**

- Parian Logistics Inc.
- Warehouse One Clothing Ltd.
- Highgate Capital

This is Exhibit “G” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

ASSIGNMENT AND ASSUMPTION OF DEBT AND SECURITY

Dated: _____, 2025

(the “**Assignment and Transfer Agreement**”)

Reference is made to the amended and restated credit agreement dated September 9, 2024 (as amended, modified, supplemented and in effect from time to time, the “**Credit Agreement**”), among Comark Holdings Inc., (the “**Borrower**”), as borrower, the Lenders named therein, and Canadian Imperial Bank of Commerce, as Agent (the “**Agent**” and, in its capacity as agent and lender under the Credit Agreement with respect to the assignment of the Assigned Interest (as defined below) and the Pre-Filing Security (as defined below), the “**Assignor**”). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

In connection with the Credit Agreement, the Credit Parties and 9383921 Canada Inc. (herein the “**Assignee**”), in its capacity as limited recourse guarantor, granted guarantees and certain security including those security documents set out in Schedule 1 hereto (collectively, the “**Pre-Filing Security Documents**”) in favour of the Assignor (as defined below) pursuant to the terms of the Security Documents. In connection with the Pre-Filing Security Documents, the Assignor has also filed certain lien filings, filings made at the Canadian Intellectual Property Office and other registrations or filings against the Credit Parties and the Assignee, including those set out in Schedule 2 hereto (collectively, the “**Pre-Filing Security Filings**” and, together with the Pre-Filing Security Documents, the “**Pre-Filing Security**”).

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor (subject to Section 7 hereof), and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor (subject to Section 7 hereof), as of the date of receipt by the Assignor of the Payment Amount (as defined and set forth in Schedule 3)(such date of receipt being the “**Effective Date**”), all of the Assignor’s rights, title and interest (the “**Assigned Interest**”) in to and under the Credit Agreement, the Revolving Credit and Term Credit and the Loan Documents related thereto (together, the “**Assigned Facilities**” and each an “**Assigned Facility**”) but specifically excluding for certainty the BCAP Facility.
2. For the avoidance of doubt, the Assignor hereby assigns all of its rights and obligations, both as agent and lender, under each of the Revolving Credit and the Term Credit to the Assignee and the Assignor retains all of its rights and obligations, both as administrative agent and lender, under the BCAP Facility (but only to the extent necessary in order to facilitate any payment or demand under the EDC BCAP Guarantee in connection with the BCAP Facility).
3. Notwithstanding any term or provision in the Credit Agreement or any Pre-Filing Security Document, following the Effective Date, (i) the BCAP Facility shall not be included for purposes of determining the definition of “Required Lenders” (as such term is defined and used in the Credit Agreement) or for any other consent requirements, other than consent requirements which relate specifically and exclusively to the terms of the BCAP Facility and the EDC BCAP Guarantee, including, without limitation, any terms or requirements relating to the enforcement of the EDC BCAP Guarantee, and (ii) any requirement for the consent of the “Agent” as set forth in the Credit Agreement or any Pre-Filing Security

Document, shall mean and refer to the consent of the Assignee, other than any consent relating to the enforcement of the EDC BCAP Guarantee.

4. Each of the Assignee, Assignor and the Borrower acknowledges and agrees that the BCAP Facility and the Assignor's rights and obligations both as agent and lender under the BCAP Facility shall be automatically terminated and the Assignor shall have resigned as Agent under the BCAP Facility (with immediate effect) upon receipt by the Assignor of the Guaranteed Amount (as defined in the EDC BCAP Guarantee) from EDC. The Assignor agrees that it shall notify the Borrower in writing promptly following receipt by the Assignor of the Guaranteed Amount.
5. In connection with the assignment of the Assigned Interest set forth in Section 1 hereof, the Assignor, in its capacity as agent under the Credit Agreement and the Pre-Filing Security, upon the receipt of the Payment Amount, hereby assigns the Pre-Filing Security as follows:
 - a. The Assignor hereby irrevocably sells, transfers and assigns to the Assignee, and the Assignee hereby irrevocably assumes from the Assignor (i) all of the rights, obligations, title and interest, present and future, of the Assignor in and to the Pre-Filing Security and the Assignee is hereby vested with all the rights, powers, privileges and duties of the Assignor thereunder and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor against any Person, whether known or unknown, arising under or in connection with the Pre-Filing Security or any other documents or instruments delivered pursuant thereto or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above.
 - b. Except as otherwise set out in this Agreement in so far as it relates to obligations related to the discharge, termination, assignment or transfer of the Pre-Filing Security, the Assignor is hereby discharged from its duties and obligations under the Pre-Filing Security, and shall have no further rights, powers, privileges or duties as agent under the Pre-Filing Security.
 - c. The Assignee shall have no liability or responsibility for any actions taken or omissions by the Assignor arising prior to the date hereof in connection with the Loan Documents or the Pre-Filing Security. The Assignor shall have no liability or responsibility for any actions taken or omissions made by the Assignee arising after the date hereof in connection with the Loan Documents or the Pre-Filing Security, as the same may be amended, modified, supplemented or amended and restated from time to time from and after the date hereof, provided that any indemnity or like provision in the Loan Documents or any Security Documents relating to the Assigned Interest or the Pre-Filing Security, as applicable, shall continue to enure to the Assignor's benefit as to any actions taken or omitted to be taken by it while it was party to such Loan Documents or Security Documents.
 - d. For the avoidance of doubt, (i) the Assignor shall retain all rights, title and interest, present and future under any documentation provided by Export Development Canada in favour of the Assignor, including, without limitation, the EDC BCAP Guarantee; and (ii) the BCAP Facility shall be unsecured effective upon the Effective Date. Prior to the

Effective Date the Assignor agrees to provide the Assignee with evidence satisfactory to the Assignee (acting reasonably) that Export Development Canada will waive its rights of subrogation under the EDC BCAP Guarantee.

- e. The Assignor hereby authorizes the Assignee, or any of its respective counsel or agents to make and effect such financing change statements, financing statement amendments, notices of releases or any similar notices with the Canadian Intellectual Property Office, and/or filings as may be necessary or advisable to reflect the assignment and transfer by the Assignor to the Assignee of all of the rights, title and interests of the Assignor under the Pre-Filing Security, as contemplated in this Section 5.
 - f. The Assignor covenants and agrees to (i) promptly deliver all possessory collateral in its possession relating to the Pre-Filing Security to the Assignee and (ii) execute all such further documents as may be reasonably requested by the Assignee or its legal counsel to give full effect, as of the date hereof, to (x) the assignment and transfer of the rights, title and interests of the Assignor as aforesaid, or (y) the termination or discharge of some or all of the Pre-Filing Security to the extent requested by the Assignee.
6. Notwithstanding the security assignment set forth in Section 5 hereof, the Assignor acknowledges and agrees that, (a) immediately following receipt by the Assignor of the Payment Amount, (i) the Bank Act Security shall be terminated, released and discharged by the Assignor, and (ii) the 938 Guarantee and related pledge agreement and cash collateral agreement shall be terminated, released and discharged by the Assignor, (b) as soon as practicable following the receipt by the Assignor of the Payment Amount each Blocked Account Agreement with Canadian Imperial Bank of Commerce as the account bank shall be terminated by the Assignor, and (c) the Assignor shall prepare and file any documentation required to discharge all registrations related to the Pre-Filing Security described in clauses (a) and (b) of this Section 6.
7. The Assignor (i) represents and warrants that it is legally authorized to enter into this Assignment and Transfer Agreement, (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement, any Security Document or any other instrument, document or agreement executed in conjunction therewith (collectively the **"Ancillary Documents"**) or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any Security Document, any Collateral thereunder or any of the Ancillary Documents furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any guarantor or the performance or observance by the Borrower or any guarantor of any of its respective obligations under the Credit Agreement, any Security Document or any of the Ancillary Documents furnished pursuant thereto.
8. The Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Transfer Agreement; (ii) confirms that it has received a copy of the Credit Agreement, together with the copies of the most recent financial statements of the Borrower, and such other documents and information as it has deemed appropriate to make its own credit analysis; (iii) agrees that it will, independently and without reliance

upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; and (iv) authorizes the Agent to take such action as agent to exercise such powers under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto, in all cases solely as it relates to the Agent facilitating payment, demand or enforcement of the EDC BCAP Guarantee;

9. RESERVED.
10. Notwithstanding Section 9.4 of the Credit Agreement, each of the Agent, the Assignor and the Borrower hereby consent to the assignment set forth herein (which includes, for the avoidance of doubt, a consent to the assignment to an Affiliate of the Borrower, notwithstanding Section 9.4(iv) of the Credit Agreement), waive any requirement for the Assignee to deliver to the Agent an Administrative Questionnaire and waive any requirement to pay the processing and recordation fee of \$3,500.
11. From and after the Effective Date, the Borrower shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee.
12. The Assignor, in its remaining capacity as Agent with respect to the BCAP Facility, acknowledges and agrees that, from and after the Effective Date, the Agent shall not receive any fees in connection with its role as Agent with respect to the administration of the BCAP Facility or otherwise under the Credit Agreement.
13. From and after the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and the Security Agreement and, to the extent provided in this Assignment and Transfer Agreement, have the rights and obligations of a Lender thereunder, and (ii) the Assignor shall, to the extent provided in this Assignment and Transfer Agreement, relinquish its rights and be released from its obligations under the Credit Agreement and the Security Documents.
14. This Assignment and Transfer Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
15. This Assignment and Transfer Agreement may be executed in one or more counterparts by facsimile transmission, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same agreement.

Schedule 1 to Assignment and Transfer Agreement**PRE-FILING SECURITY DOCUMENTS**

1. General security agreement dated as of August 7, 2020 granted by 12132968 Canada Ltd. (being the predecessor entity to the Borrower, as such security was confirmed pursuant to a confirmation and reaffirmation agreement provided by the Borrower) in favour of the Agent.
2. Pledge of equity interests dated as of August 7, 2020 granted by the Borrower in favour of the Agent in respect to the equity interests in the Guarantors.
3. Intellectual property security agreement dated as of August 7, 2020 granted by the Borrower in favour of the Agent.
4. Unlimited guarantee and indemnity dated as of August 7, 2020 granted by Bootlegger Clothing Inc. in favour of the Agent.
5. General security agreement dated as of August 7, 2020 granted by Bootlegger Clothing Inc. in favour of the Agent.
6. Intellectual property security agreement dated as of August 7, 2020 granted by Bootlegger Clothing Inc. in favour of the Agent.
7. Bank Act security dated as of August 7, 2020 granted by Bootlegger Clothing Inc. in favour of the Agent.
8. Unlimited guarantee and indemnity dated as of August 7, 2020 granted by cleo fashions Inc. in favour of the Agent.
9. General security agreement dated as of August 7, 2020 granted by cleo fashions Inc. in favour of the Agent.
10. Intellectual property security agreement dated as of August 7, 2020 granted by cleo fashions Inc. in favour of the Agent.
11. Bank Act security dated as of August 7, 2020 granted by cleo fashions Inc. in favour of the Agent.
12. Unlimited guarantee and indemnity dated as of August 7, 2020 granted by Ricki's Fashions Inc. in favour of the Agent.
13. General security agreement dated as of August 7, 2020 granted by Ricki's Fashions Inc. in favour of the Agent.
14. Intellectual property security agreement dated as of August 7, 2020 granted by Ricki's Fashions Inc. in favour of the Agent.
15. Bank Act security dated as of August 7, 2020 granted by Ricki's Fashions Inc. in favour of the Agent.

Schedule 2 to Assignment and Transfer Agreement**PRE-FILING SECURITY FILINGS****1. CIPO REGISTRATIONS**

Certain notices of interest in favour of Canadian Imperial Bank of Commerce with respect to the following intellectual property:

A. Trademarks, trademark registrations, and pending applications

Trademark	Status	App. No.
27639	Registered	1261445
71	Registered	1259093
BIG SEVEN	Registered	1122867
CLOTHES LINE	Registered	0531638
COMARK	Registered	0485783
CONTROL YOURSELF	Registered	1326606
CROWN & DESIGN	Registered	0838769
D'ALLAIRD'S	Registered	0438106
DOCKSIDE ADVENTURE	Registered	0575379
WEAR & DESIGN	TMA366674	
FUEL LOGO	Registered	0846568
GET IT ON	Registered	1110130
IRENE HILL & DESIGN	Registered	0459470
JEAN MACHINE	Registered	0374639
jeanmachine perfect fit & DESIGN	Registered TMA915055	1595722
JUST PETITES & DESIGN	Registered	0480241
LINKS DESIGN	Registered	0538511
MAD ENGINE	Registered TMA621591	1114317
MASTERS OF DENIM & DESIGN	Registered TMA828242	1461909
Renewal	TMA828124	1477815
NOVA & Design	Registered	1686394
OFF BROADWAY	Registered	0482598
RADIUS	Registered	0567166
ROBINSON'S	Registered	0653562
WE ARE DENIM	Registered	0760259
WORTH GETTING	Registered	1120165

<u>YDE</u>	Registered	1211368
<u>BOOTLEGGER</u>	Registered	0433200
<u>BOOTLEGGER</u>	Registered	1335425
<u>BOOTLEGGER SPEAKEASY</u>	Registered	1482494
<u>Bootlegger Weekend &</u>	Registered	1791274
<u>BRODY & DESIGN</u>	Registered	0617092
<u>CAKE</u>	Registered	1271840
<u>CAPE COMFORT CLOTHING</u>	Registered	0610782
<u>DISTILLERY APPAREL</u>	Registered	1477332
<u>KISMET</u>	Registered	1261296
<u>Life In Denim</u>	Registered	1791449
<u>NATURAL RESOURCES</u>	Registered	0672939
<u>OAKLAND</u>	Registered	0738258
<u>OAKLAND & DESIGN</u>	Registered	0647509
<u>PELICAN COVE</u>	Registered	0632895
<u>R.W.BRODY& SONS</u>	Registered	0537590
<u>R.W. BRODY & SONS &</u>	Registered	0537589
<u>RIZER</u>	Registered	0717871
<u>TEMPERANCE</u>	Registered	1482493
<u>True North Denim</u>	Published	1904806
<u>ACCESSORY PLACE</u>	Registered	0730926
<u>CLEO</u>	Registered	0780499
<u>CLEO EASY CASUAL STYLE</u>	Registered	0880395
<u>CLEO JUST RIGHT</u>	Registered	1222717
<u>CLEO PETITES</u>	Registered	1204240
<u>cleo Signature</u>	Registered	1852313
<u>FIND YOUR FIT</u>	Registered	1228695
<u>Custom Fit Waist</u>	Pending	1915107
<u>FASHION THAT WORKS</u>	Registered	1427491
<u>Fit Solutions</u>	Pending	1910033
<u>INSTANT OUTFIT</u>	Registered	1758968
<u>INSTANT SMOOTH</u>	Registered	1758957
<u>MANNEQUIN</u>	Registered	0538701
<u>REVOLUTION BY RICKI'S</u>	Registered	1406750
<u>RICKI'S</u>	Registered	0478974
<u>RICKI'S DESIGN</u>	Registered	0478975
<u>WORKWEAR ESSENTIALS</u>	Registered	1536177

B. Trade Names

Registered Business Name	Province
COMARK SERVICES	ALBERTA
COMARK SERVICES	BRITISH COLUMBIA
IRENE HILL	BRITISH COLUMBIA
OFF BROADWAY	BRITISH COLUMBIA
COMARK SERVICES	MANITOBA
COMARK SERVICES	NEW BRUNSWICK
COMARK SERVICES	ONTARIO
D'ALLAIRD'S	ONTARIO
IRENE HILL	ONTARIO
JUST. PETITES	ONTARIO
OFF BROADWAY	ONTARIO
BOOTLEGGER	ALBERTA
BOOTLEGGER	BRITISH COLUMBIA
CAPE COMFORT CLOTHING COMPANY	BRITISH COLUMBIA
BOOTLEGGER	MANITOBA
BOOTLEGGER	NEW BRUNSWICK
BOOTLEGGER	NORTHWEST TERRITORIES
BOOTLEGGER	NOVA SCOTIA
BOOTLEGGER	ONTARIO
BOOTLEGGER	P.E.I.
BOOTLEGGER	SASKATCHEWAN
CLEO	ALBERTA
CLEO	BRITISH COLUMBIA
CLEO	MANITOBA
CLEO PETITES	MANITOBA
CLEO	NEW BRUNSWICK
CLEO	NOVA SCOTIA
CLEO PETITES	NOVA SCOTIA
ACCESSORY PLACE	ONTARIO
CLEO	ONTARIO
CLEO PETITES	ONTARIO
CLEO	QUEBEC
CLEO	SASKATCHEWAN

RICKI'S	ALBERTA
RICKI'S	BRITISH COLUMBIA
RICKI'S	MANITOBA
RICKI'S	NEW BRUNSWICK
RICKI'S	NOVA SCOTIA
RICKI'S	ONTARIO
RICKI'S	P.E.I.
RICKI'S	SASKATCHEWAN

2. PPSA FILINGS

Province	Secured Party	Debtor	PPSA File/Registration Number
British Columbia	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	RICKI'S FASHIONS INC	387275M
British Columbia	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING (2017) INC BOOTLEGGER CLOTHING INC	780709K
British Columbia	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC	387193M
British Columbia	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	CLEO FASHIONS INC	387197M
British Columbia	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	12132958 CANADA LTD COMARK HOLDINGS INC	387188M

Province	Secured Party	Debtor	PPSA File/Registration Number
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE	CLEO FASHIONS INC.	15082027131
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	CLEO FASHIONS INC.	20080631516
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	CLEO FASHIONS INC.	20080631597
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC. RICKI'S FASHIONS INC. COMARK SERVICES INC. COMARK HOLDINGS INC. 10647080 CANADA INC.	15082027107
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	RICKI'S FASHIONS INC.	20080631536
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	RICKI'S FASHIONS INC.	20080631625
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE	COMARK HOLDINGS INC. COMARK SERVICES INC.	15082027164
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE	COMARK HOLDINGS INC. COMARK SERVICES INC.	18052843059

Province	Secured Party	Debtor	PPSA File/Registration Number
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE	COMARK HOLDINGS INC. COMARK SERVICES INC.	18052843095
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	12132958 CANADA LTD. COMARK HOLDINGS INC. COMARK HOLDINGS INC.	20080631479
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	12132958 CANADA LTD. COMARK HOLDINGS INC. COMARK HOLDINGS INC.	20080631564
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC. BOOTLEGGER CLOTHING (2017) INC.	18052441515
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC. BOOTLEGGER CLOTHING (2017) INC.	18052441524
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	20080631493
Alberta	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	20080631576
Manitoba	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	RICKI'S FASHIONS INC.	202012594005
Manitoba	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	201809063106

Province	Secured Party	Debtor	PPSA File/Registration Number
Manitoba	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	BOOTLEGGER CLOTHING INC.	202012591707
Manitoba	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	CLEO FASHIONS INC.	202012593602
Manitoba	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	COMARK HOLDINGS INC.	202012586606
Saskatchewan	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	301769435
Saskatchewan	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	BOOTLEGGER CLOTHING INC.	302065591
Saskatchewan	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	CLEO FASHIONS INC.	302065592
Saskatchewan	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	12132958 CANADA LTD. COMARK HOLDINGS INC.	302065590
Saskatchewan	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	RICKI'S FASHIONS INC.	302065594
Ontario	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	BOOTLEGGER CLOTHING INC.	764479665
Ontario	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING (2017) INC.	739726353
Ontario	CANADIAN IMPERIAL BANK OF COMMERCE	9371443 CANADA INC. COMARK SERVICES INC. BOOTLEGGER CLOTHING INC. RICKI'S FASHIONS INC.	709090758
Ontario	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	CLEO FASHIONS INC.	764479674
Ontario	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	12132958 CANADA LTD.	764479656

Province	Secured Party	Debtor	PPSA File/Registration Number
		COMARK HOLDINGS INC.	
Ontario	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	RICKI'S FASHIONS INC.	764479683
Nova Scotia	CANADIAN IMPERIAL BANK OF COMMERCE	RICKI'S FASHIONS INC.	33172966
Nova Scotia	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	29412822
Nova Scotia	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	33172875
Nova Scotia	CANADIAN IMPERIAL BANK OF COMMERCE	CLEO FASHIONS INC.	33172925
Nova Scotia	CANADIAN IMPERIAL BANK OF COMMERCE	COMARK HOLDINGS INC.	33172461
New Brunswick	CANADIAN IMPERIAL BANK OF COMMERCE	RICKI'S FASHIONS INC.	34014480
New Brunswick	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	30630214
New Brunswick	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	34014423
New Brunswick	CANADIAN IMPERIAL BANK OF COMMERCE	CLEO FASHIONS INC.	34014456
New Brunswick	CANADIAN IMPERIAL BANK OF COMMERCE	COMARK HOLDINGS INC.	34014035
Newfoundland	CANADIAN IMPERIAL BANK OF COMMERCE	RICKI'S FASHIONS INC.	18108464
Newfoundland	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	15965536
Newfoundland	CANADIAN IMPERIAL BANK OF COMMERCE	BOOTLEGGER CLOTHING INC.	18108407
Newfoundland	CANADIAN IMPERIAL BANK OF COMMERCE	CLEO FASHIONS INC.	18108415

Province	Secured Party	Debtor	PPSA File/Registration Number
Newfoundland	CANADIAN IMPERIAL BANK OF COMMERCE	COMARK HOLDINGS INC.	18108225

Schedule 3 to Assignment and Transfer Agreement**CREDIT FACILITIES**

Name of Assignor: Canadian Imperial Bank of Commerce

Name of Assignee: 9383921 Canada Inc.

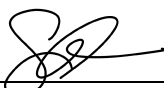
Payment Amount: \$ [•]¹

[NTD: Debt amounts to be confirmed]

Assigned Facility	Principal Amount Assigned	Percentage Assigned of Facility (Shown as a percentage of aggregate original principal amount of all Lenders)
Revolving Credit	\$•	100%
Term Credit		100%
Total:	<u>\$•</u>	

¹ NTD: In addition to any accrued unpaid legal and financial advisory fees, Payment will include an estimate for post-closing costs in connection with any discharges.

This is Exhibit “H” referred to in the Affidavit of SHAMSH KASSAM sworn by SHAMSH KASSAM of the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 30, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SIERRA FARR

(LSO# 87551D)

ASSIGNMENT AND ASSUMPTION OF DEBT AND SECURITY

Dated: _____, 2025

(the “**Assignment and Transfer Agreement**”)

Reference is made to the DIP Financing Term Sheet dated as of January 15, 2025 (as amended, modified, supplemented and in effect from time to time, the “**DIP Term Sheet**”), among Comark Holdings Inc., (the “**Borrower**”), as borrower, certain affiliates of the Borrower, and Canadian Imperial Bank of Commerce (the “**Assignor**”), as lender. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the DIP Term Sheet.

In connection with the DIP Term Sheet, a DIP Financing Charge as set forth in the DIP Term Sheet was granted by Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) over the Collateral of the DIP Parties (the “**DIP Security Charge**”). In addition, 9383921 Canada Inc. (herein the “**Assignee**”) granted a limited recourse guarantee and certain pledge and cash collateral security in favour of the Assignor (together with the DIP Security Charge, the “**DIP Security**”). In connection with the DIP Security, the Assignor has also filed certain lien filings against the DIP Parties and the Assignee.

Reference is made to the assignment and assumption of debt and security dated as of January [•], 2025 (the “**Credit Agreement Assignment Agreement**”), among the Canadian Imperial Bank of Commerce (the “**Agent**”), as assignor, and 9383921 Canada Inc., as assignee, with respect to certain interests under the amended and restated credit agreement dated September 9, 2024 (as amended, modified, supplemented and in effect from time to time, the “**Pre-Filing Credit Agreement**”), among, *inter alios*, Comark Holdings Inc. as borrower, and the Agent, as agent.

1. Subject to receiving approval from the CCAA Court with respect to the transfer and assignment of the Assigned Interest contemplated herein and concurrently with the transfer and assignment contemplated in the Credit Agreement Assignment Agreement, the Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor (subject to Section 5 hereof), and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor (subject to Section 5 hereof), as of the date of receipt by the Assignor of the Payment Amount (as defined and set forth in Schedule 1)(such date of receipt being the “**Effective Date**”), all of the Assignor’s rights title and interest (the “**Assigned Interest**”) in to and under the DIP Term Sheet and the DIP Facility (the “**Assigned Facility**”).
2. Each of the Assignor and the Assignee acknowledges and agrees that, immediately prior to receipt of the Payment Amount, the remaining unpaid balance of the Commitment Fee shall become immediately due and payable by the Borrower. For the avoidance of doubt, immediately following the foregoing acceleration of the Commitment Fee, the remaining balance of the Commitment Fee (being an amount equal to \$225,000) shall form part of the DIP Financing Obligations.
3. In connection with the assignment of the Assigned Interest set forth in Section 1 hereof, the Assignor, in its capacity as lender under the DIP Term Sheet and the DIP Security, upon the receipt of the Payment Amount, hereby assigns the DIP Security as follows:

- a. The Assignor hereby irrevocably sells, transfers and assigns to the Assignee, and the Assignee hereby irrevocably assumes from the Assignor (i) all of the rights, obligations, title and interest, present and future, of the Assignor in and to the DIP Security and the Assignee is hereby vested with all the rights, powers, privileges and duties of the Assignor thereunder and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor against any Person, whether known or unknown, arising under or in connection with the DIP Security or any other documents or instruments delivered pursuant thereto or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above.
 - b. Except as otherwise set out in this Agreement in so far as it relates to obligations related to the discharge, termination, assignment or transfer of the DIP Security, the Assignor is hereby discharged from its duties and obligations under the DIP Security, and shall have no further rights, powers, privileges or duties under the DIP Security.
 - c. The Assignee shall have no liability or responsibility for any actions taken or omissions by the Assignor arising prior to the date hereof in connection with the DIP Term Sheet or the DIP Security. The Assignor shall have no liability or responsibility for any actions taken or omissions made by the Assignee arising after the date hereof in connection with the DIP Term Sheet or the DIP Security, as the same may be amended, modified, supplemented or amended and restated from time to time from and after the date hereof, provided that any indemnity or like provision in the DIP Term Sheet or any DIP Security relating to the Assigned Interest or the DIP Security, as applicable, shall continue to enure to the Assignor's benefit as to any actions taken or omitted to be taken by it while it was party to the DIP Term Sheet or the DIP Security.
 - d. The Assignor hereby authorizes the Assignee, or any of its respective counsel or agents to make and effect such financing change statements, financing statement amendments, notices of releases or any similar notices with the Canadian Intellectual Property Office, and/or filings as may be necessary or advisable to reflect the assignment and transfer by the Assignor to the Assignee of all of the rights, title and interests of the Assignor under the DIP Security, as contemplated in this Section 3.
 - e. The Assignor covenants and agrees to (i) promptly deliver all possessory collateral in its possession relating to the DIP Security to the Assignee and (ii) execute all such further documents as may be reasonably requested by the Assignee or its legal counsel to give full effect, as of the date hereof, to (x) the assignment and transfer of the rights, title and interests of the Assignor as aforesaid, or (y) the termination or discharge of some or all of the DIP Security to the extent requested by the Assignee.
4. Notwithstanding the security assignment set forth in Section 3 hereof, the Assignor acknowledges and agrees that, immediately following receipt by the Assignor of the Payment Amount, the limited recourse guarantee provided by the Assignee in connection with the DIP Facility and the related pledge agreement and cash collateral agreement shall be terminated, released and discharged by the Assignor, and the Assignor shall prepare and file any documentation required to discharge all registrations related to the security granted by the Assignee in connection with the DIP Facility.

5. The Assignor (i) represents and warrants that it is legally authorized to enter into this Assignment and Transfer Agreement, (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the DIP Term Sheet, any DIP Security or any other instrument, document or agreement executed in conjunction therewith (collectively the **"Ancillary Documents"**) or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the DIP Term Sheet, any DIP Security, any Collateral thereunder or any of the Ancillary Documents furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any guarantor or the performance or observance by the Borrower or any guarantor of any of its respective obligations under the DIP Term Sheet, any DIP Security or any of the Ancillary Documents furnished pursuant thereto.
6. The Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Transfer Agreement; (ii) confirms that it has received a copy of the DIP Term Sheet, together with the copies of the most recent financial statements of the Borrower, and such other documents and information as it has deemed appropriate to make its own credit analysis; and (iii) agrees that it will, independently and without reliance upon the Assignor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the DIP Term Sheet.
7. RESERVED.
8. In accordance with Section 34 of the DIP Term Sheet, the Assignor consents to the assignment set forth herein and the Assignee confirms such assignment.
9. From and after the Effective Date, the Borrower shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee.
10. From and after the Effective Date, (i) the Assignee shall be a party to the DIP Term Sheet and, to the extent applicable, any DIP Security, and, to the extent provided in this Assignment and Transfer Agreement, have the rights and obligations of a lender thereunder, and (ii) the Assignor shall, to the extent provided in this Assignment and Transfer Agreement, relinquish its rights and be released from its obligations under the DIP Term Sheet and any DIP Security.
11. This Assignment and Transfer Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
12. This Assignment and Transfer Agreement may be executed in one or more counterparts by facsimile transmission, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same agreement.

Schedule 1 to Assignment and Transfer Agreement**DIP FACILITY**

Name of Assignor: Canadian Imperial Bank of Commerce

Name of Assignee: 9383921 Canada Inc.

Payment Amount: \$ [•]¹

[NTD: Debt amounts to be confirmed]

Assigned Facility	Principal Amount Assigned	Percentage Assigned of Facility (Shown as a percentage of aggregate original principal amount of all Lenders)
DIP Facility	\$•	100%
Total:	<u>\$•</u>	100%

¹ NTD: Payment Amount will include an estimate for post-closing costs in connection with any discharges.

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

Court File No: CV-25-00734339-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF COMARK HOLDINGS INC., BOOTLEGGER CLOTHING
INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF SHAMSH KASSAM

OSLER, HOSKIN & HARCOURT LLP

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

Tracy Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217

Email: sstidwill@osler.com

Sierra Farr (LSO# 87551D)

Tel: 416.862.6499

Email: sfarr@osler.com

Fax: 416.862.6666

Lawyers for the Applicants

TAB 3

Court File No. CV-25-00734339-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	TUESDAY, THE 4 TH
)	
JUSTICE CAVANAGH)	DAY OF FEBRUARY 2025

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 COMARK HOLDINGS INC.,
 BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC.
 AND RICKI'S FASHIONS INC.

APPROVAL AND VESTING AND DIP ASSIGNMENT ORDER

THIS MOTION, made by Comark Holdings Inc. ("**Comark**"), Bootlegger Clothing Inc., cleo fashions Inc. and Ricki's Fashions Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (i) approving the Asset Purchase Agreement dated January [31], 2025 (including the exhibits and schedules attached thereto, the "**Purchase Agreement**") between cleo fashions Inc. ("**cleo**") and Ricki's Fashions Inc. ("**Ricki's**"), as vendors (together with cleo, collectively the "**Vendors**" and each a "**Vendor**"), and 10011110197 Ontario Inc. (the "**Purchaser**"), as purchaser, a copy of which is attached as Schedule "A" hereto, and the transactions contemplated therein (collectively, the "**Transactions**"), (ii) transferring to and vesting in the Purchaser all of the applicable Vendor's right, title and interest in and to the Purchased Assets (as defined in the Purchase Agreement) free and clear of all Claims and Encumbrances (each as defined below) other than Assumed Liabilities and Permitted Encumbrances (each as defined in the Purchase Agreement), (iii) approving an assignment of the rights and obligations of the DIP Lender under

the DIP Term Sheet from Canadian Imperial Bank of Commerce (“**CIBC**”) to 9383921 Canada Inc. (“**938 Canada**”), (iv) assigning the Assumed Leases (as defined below) to the Purchaser pursuant to section 11.3 of the CCAA, and (v) granting related relief, was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants, the affidavit of Shamsh Kassam sworn January 30, 2025, and the exhibits attached thereto (the “**Third Kassam Affidavit**”), the Second Report of Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor (in such capacity, the “**Monitor**”) dated January [●], 2025, and on hearing the submissions of counsel for the Applicants, the Monitor, the Purchaser, CIBC, 938 Canada, and such other counsel that were present and wished to be heard, no one else appearing although duly served as appears from the affidavit of service of [●], sworn January [●], 2025,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record 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, unless otherwise stated herein, all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement or the Amended and Restated Initial Order of this Court dated January 17, 2025 (the “**ARIO**”), as applicable.

TRANSACTION APPROVAL

3. **THIS COURT ORDERS** that the Purchase Agreement and the Transactions are hereby approved, and the execution of the Purchase Agreement and any agreements contemplated

thereunder and ancillary documents related thereto by each of the Vendors is hereby authorized, ratified, confirmed and approved. The Vendors are authorized to make such minor amendments to the Purchase Agreement and any agreements contemplated thereunder as the Vendors and the Purchaser, with the consent of the Monitor and the DIP Lender, may deem necessary or appropriate, and/or such amendments as the Vendors and the Purchaser may agree and as the Purchase Agreement expressly permits in accordance with its terms (provided that, unless otherwise expressly permitted under the Purchase Agreement, such amendments do not negatively alter or impact the consideration that the Vendors and/or their applicable stakeholders will benefit from as part of the Transactions). The Vendors and the Monitor are hereby authorized and empowered to perform their respective obligations under the Purchase Agreement and any agreements contemplated thereunder and any ancillary documents related thereto, as applicable. The Vendors and the Monitor are hereby authorized and empowered to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, the conveyance of the Purchased Assets to the Purchaser and the provision of any transition services pursuant to the Purchase Agreement.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Vendors to proceed with and complete the Transactions, and that no shareholder, unitholder, member, partner, director or other approval shall be required in connection therewith other than to the extent contemplated by the Purchase Agreement.

5. **THIS COURT ORDERS** that, upon the delivery by the Monitor of a Monitor's certificate (the "**Monitor's Certificate**") to the Vendors, the Purchaser and the DIP Lender (the time of such delivery, the "**Effective Time**") substantially in the form attached as Schedule "C" hereto, all of each Vendor's right, title and interest in and to the Purchased Assets, as applicable, shall be deemed

to be transferred to and shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, rights of distraint, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other Order of this Court in these CCAA proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Personal Property Security Act* (Alberta), *Personal Property Security Act* (British Columbia), *Personal Property Security Act* (Manitoba), *the Personal Property Security Act* (New Brunswick), *Personal Property Security Act, 1993* (Saskatchewan), *Personal Property Security Act* (Nova Scotia), *Personal Property Security Act* (Newfoundland and Labrador) or any other personal or movable property registration system (all of which are collectively referred to as the “**Encumbrances**”), other than the Assumed Liabilities and Permitted Encumbrances, and that all Claims and Encumbrances other than the Assumed Liabilities and Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby irrevocably and forever expunged, released and discharged as against the Purchased Assets.

6. **THIS COURT ORDERS** that upon the registration in the Canadian Intellectual Property Office of a copy of this Order and the Monitor’s Certificate, the applicable Registrar is hereby directed to transfer all of the applicable Vendor’s right, title and interest in and to the intellectual property owned by it constituting Purchased Assets to the Purchaser, free and clear of all Claims and Encumbrances other than any Permitted Encumbrances, and the applicable Registrar is hereby

further directed to cancel, discharge, delete and expunge all security agreements recorded as against such intellectual property.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), each Vendor and the Monitor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in each of the Vendors' records pertaining to the Transferring Employees, subject to and in accordance with the terms and conditions of the Purchase Agreement. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable laws. The Purchaser shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by each such Vendor.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA proceedings;
- (b) any applications for a bankruptcy order or a receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), as amended (the "BIA"), or any other applicable legislation in respect of any of the Applicants and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment into bankruptcy under the BIA made in respect of any of the Applicants,

the Purchase Agreement and the Transactions, including, without limitation, the transfer and vesting of the Purchased Assets to and in the Purchaser pursuant to this Order, (i) shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants and shall not be void or voidable by creditors of any of the Applicants, nor shall they constitute nor

be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, and (ii) shall not constitute or be deemed to be oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS** that (a) on or after the Effective Time, each of the Vendors is hereby permitted to execute and file articles of amendment or such other documents or instruments as may be required to change its legal name, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective without any requirement to obtain shareholder, unitholder, manager, member, partner, director or any other similar consent or approval; and (b) upon the official change to the legal name of a Vendor, the name of such Vendor in the within title of proceeding shall be deleted and replaced with the new legal name of such Vendor, and any document filed thereafter in this proceeding (other than the Monitor's Certificate) shall be filed using such revised title of proceeding.

ASSIGNMENT OF ASSUMED LEASES

10. **THIS COURT ORDERS** that, at the Effective Time, but subject to paragraph 14, all of the rights and obligations of each Vendor under, to and in connection with, the leases, occupancy agreements, licences and other agreements (in each case including all associated or related agreements, schedules, appendices, addenda, amendments, supplements, extensions, restatements, assignments, or other modifications made or entered into from time to time, "**Lease Documents**") giving cleo or Ricki's, as applicable, the right to occupy premises at the shopping centres set out on Schedule "1" to the executed Monitor's Certificate (the "**Assumed Leases**") shall be assigned, conveyed, transferred to, and assumed by, the Purchaser pursuant to section 11.3 of the CCAA, and such assignment is valid and binding upon all of the counterparties to the Assumed Leases,

notwithstanding any restriction, condition or prohibition contained in any such Assumed Leases relating to the assignment thereof, including without limiting the generality of the foregoing, any transfer restrictions or provisions relating to a change of control or requiring the consent of, or notice for any period in advance of the assignment to, any party to such Assumed Leases, subject to the satisfaction or resolution between the applicable counterparty to such Assumed Lease and Purchaser of all monetary defaults.

11. **THIS COURT ORDERS** that, at the Effective Time, but subject to paragraph 14, each Vendor's right, title and interest in and to the applicable Assumed Leases shall vest absolutely in the Purchaser free and clear of all Claims and Encumbrances other than Assumed Liabilities and Permitted Encumbrances, provided that, except as set out in paragraphs 10 and 12 of this Order and as may otherwise be agreed by the Purchaser and the applicable counterparty to an Assumed Lease, nothing in this Order shall affect the rights and remedies of such counterparty under or in respect of an Assumed Lease.

12. **THIS COURT ORDERS** that, at the Effective Time, the Assumed Leases shall remain in full force and effect and each counterparty to the Assumed Leases is prohibited from exercising any right or remedy under such Assumed Lease, and shall be forever barred, enjoined, and estopped from taking any such action (including, without limitation, any right of set off against the Purchaser in respect of defaults having occurred before the Effective Time) solely by reason of:

- (a) any circumstance that existed or event that occurred on or prior to the Effective Time that would have entitled such counterparty to the Assigned Lease to enforce those rights or remedies or which caused an automatic termination to occur;
- (b) any defaults arising from the insolvency of the Applicants;

- (c) the commencement of these CCAA proceedings;
- (d) any defaults and/or recapture rights which arise upon the assignment of the Assumed Leases to the Purchaser; or
- (e) any of the Vendors having breached a non-monetary obligation under any of the Assumed Leases, unless, with respect to any Assumed Lease: (A) any such non-monetary default arises or continues after the Assumed Lease is assigned to the Purchaser; (B) such non-monetary default is capable of being cured by the Purchaser; and (C) the Purchaser has failed to remedy the default after having received notice of such default pursuant to the terms of the applicable Assumed Lease,

and the counterparties under the respective Assumed Leases are hereby deemed to waive any defaults or events of default relating thereto, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under an Assumed Lease shall be deemed to have been rescinded and of no further force or effect. For greater certainty, and without limiting the foregoing, no counterparty under an Assumed Lease shall rely on a notice of default or notice of termination sent prior to the Effective Time as grounds for terminating or seeking relief or damages against the Purchaser under any Assumed Lease.

13. **THIS COURT ORDERS** that, at the Effective Time, except as expressly set out to the contrary in any agreement between the Purchaser and the applicable counterparty under an Assumed Lease, the Purchaser shall be entitled to all of the rights and benefits and subject to all of the obligations and restrictions as tenant pursuant to the terms of the Assumed Leases and registrations thereof and may enter into and upon and hold and have quiet enjoyment of such

premises contemplated by the Assumed Leases (in each case, without prejudice to the Purchaser's right to extend or renew such term) and, if applicable, any renewals thereof, for Purchaser's own use and benefit, all in accordance with the terms of the applicable Assumed Leases, without any interruption from the Vendors, the counterparties under the Assumed Leases, or any person whomsoever claiming through or under any of the Vendors or the counterparties under the Assumed Leases.

14. **THIS COURT ORDERS** that (I) only the shopping centres and associated banners set out on Schedule "B" to this Order may be included in Schedule "1" to the executed Monitor's Certificate delivered to the Purchaser, Vendors, and DIP Lender at the Effective Time, and (II) Schedule "1" to the executed Monitor's Certificate may only include shopping centres and associated banners for premises occupied by cleo or Ricki's, as applicable, with respect to which either (i) Purchaser has provided written confirmation to the Monitor that it will satisfy all applicable Cure Costs and other lease terms in respect of the applicable Assumed Leases; or (ii) Purchaser and the applicable counterparty have provided written confirmation to the Monitor that they have reached consensual arrangements with respect to Cure Costs, other lease terms, and the assignment of the applicable Assumed Leases. Other than in respect of any such Cure Cost amounts (including, for clarity, any such amount agreed by the Purchaser and the applicable counterparty through consensual arrangements), the Purchaser shall not be liable for any amounts or monetary obligations of any kind due or accrued in respect of such Assumed Leases arising or relating to the period prior to the Effective Time except to the extent provided in the Purchase Agreement or any agreement contemplated thereunder. All amounts payable under (i) and (ii), above, to the counterparties under the Assumed Leases shall be paid by the Purchaser within two business days following the Effective Time unless otherwise agreed by the Purchaser and the applicable counterparty on prior written notice to the Monitor.

15. **THIS COURT ORDERS** that nothing in this Order shall derogate from the obligations of the Purchaser to assume the Assumed Leases and to perform the Purchaser's obligations under such Assumed Leases following the Effective Time, and nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of any of the Assumed Leases which are assigned to the Purchaser except as expressly set out to the contrary in any agreement among the Purchaser and the applicable counterparty under the Assumed Lease.

TITLE OF PROCEEDINGS

16. **THIS COURT ORDERS** that, following the Effective Time, the title of these CCAA proceedings shall be hereby amended to the following:

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 COMARK HOLDINGS INC.,
 BOOTLEGGER CLOTHING INC., 9376208 CANADA INC.
 AND 10959367 CANADA INC.

DISTRIBUTION

17. **THIS COURT AUTHORIZES AND DIRECTS** the Monitor, forthwith following the Effective Time, to distribute the cash proceeds of the Purchase Price, to CIBC, in its capacity as DIP Lender immediately prior to the Effective Time, as a mandatory payment in accordance with, and subject to the terms of, section 18 of the DIP Term Sheet, provided that the \$100,000 holdback requirement set out in section 18 of the DIP Term Sheet will not apply to such distribution.

ASSIGNMENT OF DIP FINANCING

18. **THIS COURT ORDERS** that the transfer and assignment by CIBC to 938 Canada of all of CIBC's rights, interests, and obligations as DIP Lender under and pursuant to the DIP Term

Sheet and ARIO (including, but not limited to, the DIP Lender's Charge, but excluding, for clarity, the right to receive a distribution under paragraph 17 of this Order) (the "**DIP Assignment**") is hereby approved, and, effective as at the Effective Time, all rights, interests, and obligations of CIBC in and to the DIP Term Sheet and under the ARIO (excluding, for clarity, the right to receive a distribution under paragraph 17 of this Order) shall be transferred and assigned to 938 Canada in accordance with definitive assignment documentation executed by CIBC, 938 Canada, and Comark (the "**DIP Assignment Agreement**"). Execution of the DIP Assignment Agreement by Comark is hereby authorized, ratified, confirmed and approved.

19. **THIS COURT ORDERS** that the DIP Assignment shall be completed concurrently with the transfer and assignment by CIBC to 938 Canada of CIBC's rights, interests and obligations under the Pre-Filing Credit Agreement in respect of the Revolving Credit and the Term Credit (as those terms are defined in the DIP Term Sheet) pursuant to definitive assignment documentation executed by CIBC, 938 Canada, and Comark (the "**Debt Assignment Agreement**"). Execution of the Debt Assignment Agreement by Comark is hereby authorized, ratified, confirmed and approved.

20. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver or make amendments to such documents as may be reasonably required in connection with the DIP Assignment Agreement and the Debt Assignment Agreement, including, for clarity, such credit agreements, mortgages, charges, hypothecs and security documents,

guarantees and other definitive documents as are contemplated by the DIP Term Sheet or as may be required by 938 Canada.

ADDITIONAL PROVISIONS

21. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

22. **THIS COURT ORDERS** that the Monitor and its counsel may rely on written notice from (a) the Vendors and the Purchaser regarding the satisfaction or waiver of conditions to closing under the Purchase Agreement; (b) the Purchaser and the counterparties under the Assumed Leases regarding the matters set out in paragraph 14, above, and (c) 938 Canada and CIBC regarding the satisfaction or waiver of conditions to closing under the DIP Assignment Agreement and the Debt Assignment Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

GENERAL

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

24. **THIS COURT ORDERS** that the Applicants, the Purchaser, 938 Canada, CIBC 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 powers and duties under this Order, as applicable, or in the interpretation or application of this Order.

25. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal or regulatory or administrative body having jurisdiction in Canada or in the United States, 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 and 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.

26. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

27. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry or filing.

SCHEDULE “A”**PURCHASE AGREEMENT**

(see attached)

[Note to Finalization: Executed Purchase Agreement to be inserted upon execution and updated form of Order to be served on the Service List prior to Court attendance]

SCHEDULE “B”

ELIGIBLE LEASE DOCUMENTS

Only Lease Documents in respect of the following shopping mall and associated banner locations are eligible to become Assumed Leases in accordance with the Purchase Agreement and paragraph 14 of the Order, provided, for clarity, no Lease Document will become an Assumed Lease unless and until the applicable shopping mall and associated banner is included on Schedule “1” to the executed Monitor’s Certificate delivered to the Purchaser, Vendors and the DIP Lender.

No.	Mall	Banner/Store
1.	ABERDEEN MALL	cleo
2.	AVALON MALL	cleo
3.	AVALON MALL	Ricki's
4.	BAYSHORE SHOPPING CENTRE	Ricki's
5.	BILLINGS BRIDGE PLAZA,ON	Ricki's
6.	BOWER PLACE	Ricki's
7.	BRAMALEA CITY CENTRE	cleo
8.	BRAMALEA CITY CENTRE	Ricki's
9.	BRANDON SHOPPERS MALL	cleo
10.	BRANDON SHOPPERS MALL	Ricki's
11.	BURLINGTON MALL	cleo
12.	BURLINGTON NORTH P.C.	Ricki's and Cleo combo
13.	CALGARY EATON CENTRE	Ricki's
14.	CALGARY MARKET MALL	cleo
15.	CALGARY MARKET MALL	Ricki's
16.	CAMBRIDGE CENTRE	cleo
17.	CARLINGWOOD MALL	cleo
18.	CATARAQUI TOWN CENTRE	cleo
19.	CHAMPLAIN PLACE	cleo
20.	COQUITLAM CENTRE	cleo
21.	CORNWALL SQUARE	cleo
22.	CROSSIRON MILLS	cleo
23.	CROSSIRON MILLS	Ricki's
24.	DEVONSHIRE MALL	cleo
25.	DEVONSHIRE MALL	Ricki's
26.	DURHAM CENTRE	Ricki's
27.	Eastgate Square	Ricki's and Cleo combo
28.	E-comm	cleo
29.	E-comm	Ricki's
30.	EDMONTON CITY CENTRE EAST	cleo
31.	Edmonton N.E. Power Centre	Ricki's and Cleo combo
32.	EMERALD HILLS CENTRE	Ricki's
33.	ERIN MILLS TOWN CENTRE	cleo

34.	GARDEN CITY SHOPPING CENTRE	Ricki's
35.	GEORGETOWN MARKET PLACE	cleo
36.	Grasslands @ Harbour Landing	Ricki's
37.	HALIFAX SHOPPING CENTRE	cleo
38.	HALIFAX SHOPPING CENTRE	Ricki's
39.	HAMILTON SOUTHEAST PC, ON	Ricki's and Cleo combo
40.	HILLSIDE CENTRE	cleo
41.	HILLSIDE CENTRE	Ricki's
42.	INTERCITY MALL	Ricki's
43.	KILDONAN PLACE	Ricki's
44.	King's Crossing	cleo
45.	KINGSWAY MALL	cleo
46.	KINGSWAY MALL	Ricki's
47.	LANSDOWNE PLACE	cleo
48.	LAWSON HEIGHTS	cleo
49.	LAWSON HEIGHTS	Ricki's
50.	LIMERIDGE MALL	cleo
51.	LYNDEN PARK MALL	cleo
52.	LYNDEN PARK MALL	Ricki's
53.	MARKET MALL	cleo
54.	MASONVILLE PLACE	cleo
55.	MAYFIELD COMMON	Ricki's
56.	MAYFLOWER MALL	Ricki's
57.	MEDICINE HAT MALL	Ricki's and Cleo combo
58.	MICMAC MALL	Ricki's
59.	MIDTOWN PLAZA	cleo
60.	MIDTOWN PLAZA	Ricki's
61.	MILTON CROSSROADS	cleo
62.	MILTON CROSSROADS	Ricki's
63.	NEW SUDBURY SHOPPING CENTRE	cleo
64.	NORTHGATE MALL	cleo
65.	ORCHARD PARK SHOPPING CENTRE	Ricki's
66.	ORCHARD PARK SHOPPING CENTRE	cleo
67.	OSHAWA CENTRE	cleo
68.	OTTAWA TRAINYARDS P.C.	cleo
69.	OTTAWA TRAINYARDS P.C.	Ricki's
70.	PARK PLACE	cleo
71.	PARK PLACE	Ricki's
72.	PARKLAND MALL	cleo
73.	PEN CENTRE	cleo
74.	PETER POND SHOPPING CENTRE	Ricki's
75.	PINE CENTRE MALL	Ricki's
76.	POLO PARK SHOPPING CENTRE	cleo
77.	POLO PARK SHOPPING CENTRE	Ricki's
78.	PRAIRIE MALL	Ricki's

79.	QUINTE MALL	cleo
80.	QUINTE MALL	Ricki's
81.	REGENT MALL	cleo
82.	Seaway Mall	Ricki's and Cleo combo
83.	SEVEN OAKS SHOPPING CENTRE	cleo
84.	SEVEN OAKS SHOPPING CENTRE	Ricki's
85.	SHERWOOD PARK MALL	cleo
86.	SMART CENTRE BARRIE SOUTH	Ricki's and Cleo combo
87.	SOUTH EDMONTON COMMON	cleo
88.	SOUTH EDMONTON COMMON	Ricki's
89.	SOUTH TRAIL CROSSING	Ricki's
90.	SOUTHCENTRE MALL	cleo
91.	SOUTHCENTRE MALL	Ricki's
92.	SOUTHLAND MALL	cleo
93.	SOUTHLAND MALL	Ricki's
94.	ST. LAURENT SHOPPING CENTRE	cleo
95.	ST. LAURENT SHOPPING CENTRE	Ricki's
96.	ST. VITAL CENTRE	Ricki's
97.	ST. VITAL CENTRE	cleo
98.	STATION MALL	cleo
99.	SUNRIDGE MALL	cleo
100.	SUNRISE SHOPPING CENTRE	Ricki's and Cleo combo
101.	TD CENTRE	cleo
102.	THE VILLAGE	cleo
103.	UPPER CANADA MALL	cleo
104.	WEST EDMONTON MALL	cleo
105.	WESTLAND MARKET MALL	cleo
106.	WHITEOAKS MALL	cleo
107.	WILLOWBROOK MALL	Ricki's
108.	WINDSOR CROSSING	Ricki's and Cleo combo
109.	WOODGROVE CENTRE	cleo
110.	WOODGROVE CENTRE	Ricki's
111.	The Core	cleo

SCHEDULE “C”

FORM OF MONITOR’S CERTIFICATE

Court File No. CV-25-00734339-00CL

**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 COMARK HOLDINGS INC.,
BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC.
AND RICKI’S FASHIONS INC. (collectively, the
“**Applicants**”)

MONITOR’S CERTIFICATE

RECITALS

1. Pursuant to the Initial Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated January 7, 2025 (as amended and restated on January 17, 2025, and as may be further amended, restated or supplemented from time to time), the Applicants were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and Alvarez & Marsal Canada Inc. was appointed as the monitor (the “**Monitor**”).

2. Pursuant to an Approval and Vesting and DIP Assignment Order (the “**Order**”) of the Court dated February 4, 2025, the Court *inter alia*, (i) approved the Asset Purchase Agreement dated January [31], 2025 (including the exhibits and schedules attached thereto, the “**Purchase Agreement**”) between cleo fashions Inc. (“**cleo**”) and Ricki’s Fashions Inc. (together with cleo, the “**Vendors**”) and 10011110197 Ontario Inc. (the “**Purchaser**”), a copy of which is attached as

Schedule “A” to the Order, and the transactions contemplated therein (collectively, the “**Transactions**”), (ii) provided for the transfer to and the vesting in the Purchaser of all of the Vendors’ right, title and interest in and to the Purchased Assets free and clear of all Claims and Encumbrances other than Assumed Liabilities and Permitted Encumbrances, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Vendors, the Purchaser and the DIP Lender of this certificate (the “**Monitor’s Certificate**”), (iii) approved an assignment of the rights and obligations of the DIP Lender under the DIP Term Sheet from Canadian Imperial Bank of Commerce (“**CIBC**”) to 9383921 Canada Inc. (“**938 Canada**”), and (iv) ordered the assignment of the Assumed Leases to the Purchaser pursuant to Section 11.3 of the CCAA.

3. Pursuant to the Order, the Monitor may rely on written notice from (a) the Vendors and the Purchaser regarding satisfaction or waiver of conditions to closing under the Purchase Agreement; (b) the Purchaser and the counterparties under the Assumed Leases regarding the matters set out in paragraph 14 of the Order, and (c) 938 Canada and CIBC regarding the satisfaction or waiver of conditions to closing under the DIP Assignment Agreement and the Debt Assignment Agreement.

4. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Order or Purchase Agreement, as applicable.

THE MONITOR HEREBY CERTIFIES the following:

1. The Purchaser has paid the cash proceeds of the Purchase Price to the Monitor, on behalf of Vendors, pursuant to the Purchase Agreement;

2. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions of closing under the Purchase Agreement (other than delivery of the Monitor's Certificate) have been satisfied and/or waived, as applicable;
3. CIBC and 938 Canada have each delivered written notice to the Monitor that all applicable conditions of closing under the DIP Assignment Agreement and the Debt Assignment Agreement (other than delivery of the Monitor's Certificate) have been satisfied and/or waived, as applicable;
4. With respect to each shopping mall and associated banner listed on Schedule "1" to this Monitor's Certificate, (I) such shopping mall and associated banner is listed on Schedule "B" to the Order, and (II) either (i) Purchaser has provided written confirmation to the Monitor that it will satisfy all applicable Cure Costs and all other lease terms in respect of the applicable Assumed Lease; or (ii) Purchaser and the applicable counterparty to the applicable Assumed Lease have provided written confirmation to the Monitor that they have reached consensual arrangements with respect to Cure Costs, other lease terms, and the assignment of such Assumed Lease, and
5. The Effective Time is deemed to have occurred at [TIME] on [DATE], 2025.

This Monitor's Certificate was delivered by the Monitor at _____ on _____, 2025.

**ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Monitor of the
Applicants, and not in its personal capacity**

SCHEDULE “1” TO THE MONITOR’S CERTIFICATE**ASSUMED LEASES**

[Note to Finalization: Executed Monitor’s Certificate to include only shopping centres and associated banners set out on Schedule “B” to the Order where either (i) Purchaser has provided written confirmation to the Monitor that it will satisfy all applicable Cure Costs and other lease terms; or (ii) Purchaser and the applicable counterparty have provided written confirmation to the Monitor that they have reached consensual arrangements with respect to Cure Costs, other lease terms, and the assignment of the applicable Lease Documents]

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED Court File No: CV-25-00734339-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF COMARK HOLDINGS INC., BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

APPROVAL AND VESTING AND DIP ASSIGNMENT ORDER

OSLER, HOSKIN & HARCOURT LLP

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

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217

Email: sstidwill@osler.com

Sierra Farr (LSO# 87551D)

Tel: 416.862.6499

Email: sfarr@osler.com

Fax: 416.862.6666

Lawyers for the Applicants

TAB 4

Court File No. CV-25-00734339-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	TUESDAY, THE 4 TH
)	
JUSTICE CAVANAGH)	DAY OF FEBRUARY, 2025

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 COMARK HOLDINGS INC.,
BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC. AND
RICKI'S FASHIONS INC.

STALKING HORSE SALE PROCESS APPROVAL ORDER

THIS MOTION, made by Comark Holdings Inc., Bootlegger Clothing Inc., cleo fashions Inc. and Ricki's Fashions Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, (i) approving the sale process letter attached as Appendix "E" to the Third Kassam Affidavit (as defined below) (the "**Process Letter**"), (ii) approving the term sheet between the Applicants and Warehouse One Clothing Ltd. (the "**Stalking Horse Purchaser**") dated January 28, 2025 (the "**Stalking Horse Term Sheet**"), a copy of which is attached as Appendix "F" to the Third Kassam Affidavit, to act as a stalking-horse bid in the Sale Process (as defined in the Process Letter), and (iii) granting certain related relief, was heard this day via videoconference.

ON READING the Motion Record of the Applicants, the affidavit of Shamsh Kassam sworn January 30, 2025, and the exhibits thereto (the "**Third Kassam Affidavit**"), the Second Report of Alvarez & Marsal Canada Inc. in its capacity as monitor (the "**Monitor**") dated January [●], 2025, and on hearing the submissions of counsel for the Applicants, the Monitor, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of [●], sworn January [●], 2025.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record 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 capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Process Letter, the Third Kassam Affidavit, or the Amended & Restated Initial Order of this Court dated January 17, 2025 (the “ARIO”), as applicable.

APPROVAL OF PROCESS LETTER AND SALE PROCESS

3. **THIS COURT ORDERS** that the Process Letter is hereby approved and the Applicants and Monitor, and their respective affiliates, partners, directors, officers, employees, advisors, representatives and agents (collectively, “**Assistants**”), are hereby authorized and empowered to implement the Sale Process set out therein, as such process may be modified by the Monitor from time to time, in consultation with the Applicants and in accordance with the Process Letter. The Applicants, the Monitor and their Assistants are hereby authorized and directed to perform their respective obligations and to take any and all actions as may be necessary or desirable to implement and carry out the Sale Process in accordance with the ARIO, this Order, and the Process Letter, provided that completion of any refinancing, restructuring, sale or reorganization transaction resulting from the Sale Process will be subject to prior approval of this Court.
4. **THIS COURT ORDERS** that all actions taken by the Applicants, the Monitor and their respective Assistants in implementing and carrying out the Sale Process prior to the date of this Order be and are hereby approved *nunc pro tunc*.
5. **THIS COURT ORDERS** that the Applicants, the Monitor and their respective Assistants shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Sale Process, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of the Applicants or the Monitor, as applicable, in carrying out the Sale Process, as determined by this Court.

6. **THIS COURT ORDERS** that, in conducting the Sale Process, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO, and any other Order of this Court in the within proceeding.

APPROVAL OF STALKING HORSE TERM SHEET

7. **THIS COURT ORDERS** (a) the execution of the Stalking Horse Term Sheet by the Applicants is hereby authorized *nunc pro tunc*, (b) that the Stalking Horse Term Sheet is approved to act as a stalking horse bid in accordance with the Process Letter, and (c) that the Applicants are hereby authorized and empowered to negotiate and finalize a definitive agreement of purchase and sale with the Stalking Horse Purchaser (such definitive agreement being the “**Stalking Horse Purchase Agreement**”) substantially on the terms set out in the Stalking Horse Term Sheet, with such amendments as may be acceptable to each of the parties thereto, with the approval of the Monitor; provided that, nothing herein approves the sale and the vesting of any Property to the Stalking Horse Purchaser (or any of its designees) pursuant to the Stalking Horse Term Sheet and that the approval of any Stalking Horse Purchase Agreement or sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the transaction set out in the Stalking Horse Term Sheet is declared to be the successful bidder in the Sale Process.

8. **THIS COURT ORDERS** that, as soon as reasonably practicable following the Applicants and the Stalking Horse Purchaser executing the Stalking Horse Purchase Agreement, the Monitor shall post a copy thereof on its website, and the Applicants shall:

- (a) serve a copy thereof on the Service List; and
- (b) provide a copy thereof to each Participant (as defined below), excluding from the public record any confidential information that the Applicants and the Stalking Horse Purchaser, with the consent of the Monitor, agree should be redacted.

PROTECTION OF PERSONAL INFORMATION

9. **THIS COURT ORDERS** that Pursuant to section 7(3)(e) of the *Canada Personal Information Protection and Electronic Documents Act*, and any similar legislation in any other applicable jurisdictions, the Applicants or the Monitor and their respective Assistants are hereby

authorized and permitted to disclose and transfer to Sale Process participants that are party to a non-disclosure agreement with the Applicants or Monitor (each, a “**Participant**”) and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Sale Process (a “**Transaction**”). Each Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to the Participant’s evaluation for the purpose of effecting a Transaction, and, if a Participant does not complete a Transaction, shall return all such information to the Applicants or the Monitor, or, in the alternative, destroy all such information and provide confirmation of its destruction to the Applicants and Monitor.

GENERAL

10. **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 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.

11. **THIS COURT ORDERS** that each of the Applicants 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.

12. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry or filing.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED Court File No: CV-25-00734339-00CL
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF COMARK HOLDINGS INC.,
BOOTLEGGER CLOTHING INC., CLEO FASHIONS INC. and RICKI'S FASHIONS INC.

Applicants

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**STALKING HORSE SALE PROCESS APPROVAL
ORDER**

OSLER, HOSKIN & HARCOURT LLP

1 First Canadian Place, P.O. Box 50
Toronto, ON M5X 1B8
Fax: 416.862.6666

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Shawn Irving (LSO# 50035U)

Tel: 416.862.4733
Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217
Email: sstidwill@osler.com

Sierra Farr (LSO# 87551D)

Tel: 416.862.6499
Email: sfarr@osler.com

Lawyers for the Applicants

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

Court File No: CV-25-00734339-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF COMARK HOLDINGS INC., BOOTLEGGER CLOTHING
INC., CLEO FASHIONS INC. AND RICKI'S FASHIONS INC.

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

Proceeding commenced at Toronto

**MOTION RECORD OF THE APPLICANTS
(Motion returnable February 4, 2025)**

OSLER, HOSKIN & HARCOURT LLP

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

Tracy Sandler (LSO# 32443N)

Tel: 416.862.5890

Email: tsandler@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Sean Stidwill (LSO# 71078J)

Tel: 416.862.4217

Email: sstidwill@osler.com

Sierra Farr (LSO# 87551D)

Tel: 416.862.6499

Email: sfarr@osler.com

Lawyers for the Applicants