

Court File No. 31-2205065
Court File No. 31-2205066

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

MARCH 8, 2017

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

**IN THE MATTER OF THE NOTICE OF INTENTION OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

MARCH 8, 2017

INTRODUCTION

1. This report (the “**Second Report**”) is filed by Richter Advisory Group Inc. (“**Richter**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in connection with the Notices of Intention to Make a Proposal (“**NOI**”) filed by MRP Retail Inc. (“**MRPR**”) and MRP Family Retail Inc. (“**MRPFR**”, and together with MRPR, the “**Companies**”).
2. On January 9, 2017 (the “**Filing Date**”), the Companies each filed an NOI under Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B.-3, as amended (the “**BIA**”) and Richter was appointed as Proposal Trustee under each NOI.
3. On February 8, 2017, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**February 8 Order**”) that, among other things, approved the administrative consolidation of the Companies’ NOI proceedings and extended the time within which the Companies are required to submit proposals to their creditors to March 25, 2017 (the “**Stay Period**”). A copy of the February 8 Order is attached hereto as **Appendix “A”**.

PURPOSE OF THIS REPORT

4. The purpose of this Second Report is to provide this Court with information pertaining to:
- (i) the primary activities of the Companies and the Proposal Trustee since February 2, 2017 (the date of the Proposal Trustee's first report to the Court (the "**First Report**")) to the date of this Second Report, including the Companies' dealings with its key stakeholders;
 - (ii) the Companies' secured creditors;
 - (iii) the Companies' actual receipts and disbursements for the period from January 9, 2017 to February 25, 2017, including a comparison of actual to forecast results;
 - (iv) the Companies' revised cash flow forecast for the period from February 26, 2017 to May 13, 2017;
 - (v) the terms of an Asset Purchase Agreement (the "**APA**") dated March 6, 2017, between the Companies and Pacific West Commercial Corporation ("**Pacific West**" or the "**Purchaser**") for the sale of substantially all of the Companies' assets (the "**Transaction**");
 - (vi) the Companies' request for an extension of the Stay Period to May 9, 2017; and
 - (vii) the Proposal Trustee's recommendation that this Court make order(s), as requested by the Companies;
 - (a) approving the APA and the Transaction, and authorizing the Companies to take steps necessary to complete the Transaction;
 - (b) vesting, upon the closing of the Transaction, all right, title and interest of the Companies in and to the Companies' assets subject to the APA (the "**Purchased Assets**") to the Purchaser free and clear of all liens, charges, security interests and other encumbrances other than Permitted Encumbrances as defined in the APA (the "**Approval and Vesting Order**");
 - (c) sealing the Offer Summary (as hereinafter defined), the unredacted version of the APA and the Schedule of Sale Proceeds (as hereinafter defined) until further order of the Court;

- (d) approving the payment, by the Companies, of a portion of the purchase price (the “**Purchase Price**”) for the Purchased Assets to the Canadian Imperial Bank of Commerce (“**CIBC**”) in respect of its secured loans to the Companies;
- (e) extending the Stay Period to May 9, 2017;
- (f) approving the Proposal Trustee’s fees and disbursements for the period from January 1, 2017 to February 24, 2017 and those of the Proposal Trustee’s counsel, Cassels Brock & Blackwell LLP (“**Cassels**”) for the period from January 1, 2017 to February 28, 2017; and
- (g) approving this Second Report and the activities of the Proposal Trustee described herein.

TERMS OF REFERENCE

- 5. In preparing this Second Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Companies’ representatives, the Companies’ books and records, and discussions with the Companies’ representatives and the Companies’ legal counsel. The Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. Future oriented financial information reported on or relied on in preparing this Second Report is based on management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.
- 6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

THE COMPANIES’ ACTIVITIES

- 7. Since the date of the First Report, the Companies activities have included, among other things:
 - (i) communicating with key suppliers to secure goods and services during the NOI proceedings and to address payment terms;
 - (ii) responding to calls and enquiries from creditors and other stakeholders regarding the NOI Proceedings;
 - (iii) reporting receipts and disbursements;
 - (iv) making payments to suppliers for goods and services received subsequent to the Filing Date;

- (v) consulting with the Proposal Trustee in connection with the preparation of the February 26 Cash Flow Forecast (as hereinafter defined);
- (vi) consulting and communicating with the Companies' legal counsel, Aird & Berlis LLP ("**Aird & Berlis**") and the Proposal Trustee on various matters in connection with the NOI proceedings; and
- (vii) negotiating and finalizing a revised letter of intent and, subsequently, the APA with the Purchaser.

THE PROPOSAL TRUSTEE'S ACTIVITIES

8. Since the date of the First Report, the Proposal Trustee's activities have included, among other things:
- (i) monitoring the Companies' business and financial affairs, including the review of receipts, disbursements and the Companies' performance relative its cash flow forecast;
 - (ii) attending at the Companies' premises periodically to meet with management and employees with respect to the NOI proceeds;
 - (iii) corresponding and communicating extensively with the Companies and Aird & Berlis LLP;
 - (iv) corresponding and communicating with CIBC and its advisors;
 - (v) responding to calls and enquiries from creditors, including employees, suppliers and other stakeholders regarding the Companies' NOI proceedings;
 - (vi) assisting the Companies with the preparation of the February 26 Cash Flow Forecast (as hereinafter defined);
 - (vii) assisting the Companies in their discussions / negotiations with the Purchaser regarding the terms of the revised letter of intent and APA; and
 - (viii) preparing this Second Report.

SECURED LENDERS

9. As detailed in the First Report, the Proposal Trustee understands that CIBC is a secured creditor of MRPR, owed approximately \$2.4 million, as at March 6, 2017, pursuant to a loan agreement dated September 16, 2015 (as amended, supplemented, restated or replaced from time to time). MRPFRR as well as M. Perlman Enterprises Inc. (“**MPE**”) and R. Perlman Enterprises Inc. (“**RPE**”, and together with CIBC and MPE, the “**Secured Lenders**”) have guaranteed the amounts owed to CIBC by MRPR. Although MRPFRR is only a guarantor of the CIBC credit facility, the operations of the Companies are integrated such that MRPFRR received all its operating funding indirectly from the CIBC facility, via intercompany advances from MRPR and / or payments made on its behalf by MRPR.
10. In addition to CIBC, the Proposal Trustee understands that MPE and RPE are also secured creditors of the Companies (MRPR only) owed approximately \$4.5 million (MPE approximately \$2.1 million and RPE approximately \$2.4 million), pursuant to various secured promissory notes.
11. Based upon the information provided to the Proposal Trustee, pursuant to various inter-creditor agreements between CIBC, MPE and RPE, CIBC appears to have first ranking security against the Companies’ assets, followed by MPE and RPE.
12. As noted in the First Report, the Proposal Trustee instructed Cassels to provide its opinion with respect to the validity and enforceability of the security granted by the Companies in favour of CIBC, MPE and RPE. According to a security opinion dated March 3, 2017 (the “**Security Opinion**”), Cassels is of the view that, subject to the usual and customary assumptions and qualifications included in the Security Opinion, the security granted in favour of CIBC is valid and enforceable against the Companies.
13. Cassels’ Security Opinion also notes that CIBC filed a registration under the *Personal Property Security Act* (Ontario) (the “**PPSA**”) on November 16, 1995 against MRPR (the “**Initial CIBC Registration**”). The Initial CIBC Registration contains the general collateral description “Reg. No. 900130092200886210 his expired [sic] due to a clerical error (F-1462)” (the “**Description**”). Under Section 46(2.1) of the PPSA, where a general collateral description is provided to limit the scope of the classification of collateral, unless otherwise indicated in the registration, a secured party may claim a security interest perfected by registration only in the class as limited. Given the nature of the general collateral description contained in the Initial CIBC Registration, Cassels has indicated that it is unlikely that a competing secured creditor could establish that the Description limits CIBC’s security interest. Furthermore, on January 6, 2017, CIBC filed a new registration under the PPSA against MRPR that does not contain any general collateral description.

14. In addition to CIBC, MPE and RPE, the Proposal Trustee is aware of other registrations against the Companies made pursuant to the PPSA in favour of Xerox Canada Ltd. (“**Xerox**”) in respect of certain office equipment, as well as both Sony BMG Music Canada Inc. (“**Sony**”) and Entertainment One Limited Partnership (“**Entertainment One**”, and collectively with Xerox and Sony, the “**Other PPSA Registrants**”) in respect of security for historic debts of a related business (Sunrise Records) previously operated by the Companies, which obligations are no longer outstanding. With respect to the Xerox registration, the Proposal Trustee understands that the equipment subject to the Xerox registration has been listed as an excluded asset in the APA and that a representative of the Companies or the Purchaser will be contacting Xerox in connection with the continued use or return of the collateral subject to the Xerox registration. The Proposal Trustee understands that the Other PPSA Registrants have been served with the Companies’ motion returnable March 13, 2017.

THE COMPANIES CASH FLOW FOR THE PERIOD JANUARY 9, 2017 TO FEBRUARY 25, 2017

15. The Proposal Trustee reported on the Companies’ cash flows for the period January 9, 2017 to January 28, 2017 in its First Report.
16. The Companies’ cash flow projection for the period January 29, 2017 to March 25, 2017 (the “**January 29 Cash Flow Forecast**”) was filed with the Court in support of the Companies’ motion returnable February 8, 2017.
17. A comparison of Companies’ budget to reported results for the 7-week period ending February 25, 2017 is summarized as follows:

Cash Flow Variance Analysis			
Reported Results vs. Cash Flow Forecast			
For the Period January 9, 2017 to February 25, 2017			
(\$000's)	Forecast	Reported	Variance
Cash Receipts	\$ 2,682	\$ 2,745	\$ 63
Disbursements			
Purchases	993	768	225
Payroll & Benefits	976	1,003	(27)
EHT/WSIB Payments	19	-	19
Rent	882	887	(5)
Interest and Charges	53	50	3
Net HST Payable (Receivable)	273	214	59
Professional Fees	200	138	62
Deposits	55	42	13
Other	289	233	56
Total Disbursements	\$ 3,740	\$ 3,335	\$ 405
Net Cash Flow	\$ (1,058)	\$ (590)	\$ 468
Opening Bank Balance	\$ (1,439)	\$ (1,439)	-
Closing Bank Balance	\$ (2,497)	\$ (2,029)	\$ 468

18. As reflected in the above summary table, the Companies reported negative cash flow of approximately \$590,000 and had an outstanding operating loan balance of approximately \$2 million as at February 25, 2017, which was approximately \$470,000 better than forecast.
19. The favourable cash flow variance of approximately \$470,000 is due, in part, to timing differences in the payment of certain expenses. However, approximately \$200,000 of this positive variance is a permanent difference due to lower than projected purchases to replenish inventory.
20. Since the Filing Date, the Company has been paying all suppliers based on negotiated terms or upon receipt of invoices.

THE SALE PROCESS

21. As noted in the First Report, in late 2016 as a result of the Companies' continuing losses, the Companies' management determined it prudent to consider various strategic options, including the potential sale of the Companies or their assets.
22. In order to determine third parties' interest in acquiring and / or investing in the Companies' business or assets, Richter, in consultation with the Companies, developed a process to market the Companies assets to third parties (the "**Sale Process**"). Key aspects of the Sale Process and its results are summarized as follows:
 - (i) commencing in early December 2016, Richter, in consultation with the Companies, assembled and contacted a list of thirty two (32) potential interested parties, which included both strategic and financial purchasers (collectively, the "**Potential Interested Parties**");
 - (ii) Potential Interested Parties were required to execute a confidentiality agreement ("**CA**") in order to receive additional information, including access to an electronic data room that contained financial and other information relevant to the Companies' business. A total of eight (8) parties expressed interest with seven (7) executing the CA;
 - (iii) the Potential Interested Parties that executed the CA were provided access to an electronic data room containing financial and other information relevant to the Companies business and assets to assist the parties in their due diligence;

- (iv) throughout the Sale Process, Richter facilitated due diligence by the Potential Interested Parties, including updating the data room with current financial and other information, as required;
 - (v) Potential Interested Parties were required to submit a letter of intent (“**LOI**”) for the purchase of and / or investment in the Companies’ business and / or assets before 5:00 p.m. (Eastern Standard Time) on January 12, 2017 (the “**Offer Deadline**”);
 - (vi) on January 27, 2017, following considerable discussions / negotiations, the Companies executed a LOI submitted by the Purchaser that was conditional on, among other things, the Purchaser obtaining satisfactory rent concessions in respect of the Companies’ leased retail store locations. The LOI provided the Purchaser a limited exclusivity period to consult with certain of the landlords for the Companies’ leased retail store locations to determine whether the required rent concessions could be obtained; and
 - (vii) on February 14, 2017, following considerable discussions / negotiations, the Companies and the Purchaser executed a revised LOI that, ultimately, formed the basis for the APA and the Transaction.
23. The Proposal Trustee has prepared a schedule summarizing / comparing the offers received by the Companies / Proposal Trustee prior to the Offer Deadline (the “**Offer Summary**”). In the event that this Court grants the Approval and Vesting Order, but the Transaction does not close, the Proposal Trustee is of the view that efforts to remarket the Purchased Assets may be impaired if the Offer Summary and the unredacted APA, which are filed separately with the Court as **Confidential Appendices “1”** and **“2”**, respectively, are made public at this time. In the circumstances, the Proposal Trustee believes that it is appropriate for the Offer Summary and the unredacted APA to be filed with the Court on a confidential basis and sealed until further order of this Court.

THE TRANSACTION

24. The Purchaser is a strategic purchaser that is a member of the Stern group of companies, which are involved in a wide range of businesses, including multi-location retailing. The Stern group’s current retail investments include controlling interests in five (5) national retailers: Warehouse One Clothing, Urban Barn, Bootlegger, cleo and Ricki’s as well as one (1) regional retailer, Suzanne’s.

25. The key elements of the Transaction are as follows (a redacted copy of the APA is attached as Exhibit "C" to the affidavit of R. Perlman sworn March 6, 2017 and filed in support of the Companies' motion returnable March 13, 2017):

- (i) the Purchaser is acquiring, as a going concern, on an "as is, where is" basis, substantially all of the Companies' business and assets;
- (ii) the consideration for the Transaction includes a cash payment and the assumption, by the Purchaser, of certain obligations of the Companies, as noted in Article 3 of the APA. The cash payment (the "**Cash Consideration**") to be made by the Purchaser on the closing of the Transaction is subject to certain working capital adjustments for the value of (i) inventory, (ii) pre-paid rents, and (iii) any deposits for the purchase of inventory, as at the Closing Date (as hereinafter defined);
- (iii) the Purchaser is to pay a deposit (the "**Deposit**") to be held in trust by the Proposal Trustee. The Proposal Trustee confirms that the Purchaser has paid the Deposit;
- (iv) the Transaction is scheduled to close two (2) business days after the granting of the Approval and Vesting Order (March 15, 2017, the "**Closing Date**") or such other date as agreed to by the parties with the consent of the Proposal Trustee, but no later than March 17, 2017;
- (v) the Purchaser will have 30 days from the Closing Date (the "**Designation Deadline**") to inform the Companies of those contracts (including real property leases) to which the Companies are a party that the Purchaser wishes to assume. From and after the Closing Date until the earlier of the Designation Date or the date on which the applicable contract is either assigned to the Purchaser or otherwise terminated / disclaimed in accordance with section 4.2 of the APA (the "**Interim Period**"), the Purchaser shall pay to the Companies an amount equal to all costs incurred by the Companies arising under the contracts and / or leases to which the Companies are a party as well as certain other post-filing liabilities of the Companies, as noted in Article 3 of the APA. During the Interim Period, the Companies shall remain in possession of leased premises, retain employees and continue to operate under existing contracts and leases pending final determination by the Purchaser of those retail locations, employees and agreements it wishes to assume;

- (vi) following notice by the Purchaser to the Companies that the Purchaser wishes to obtain an assignment of a contract or lease, the APA provides that both parties shall use reasonable commercial efforts to obtain the consents or approvals to such assignment, if any are required. The APA also contemplates that should the Purchaser and / or the Companies not be able to negotiate consensual assignments of contracts or leases the Purchaser wishes to assume, an order of the Court will be sought approving the assignment, to the Purchaser, of the Companies' rights and obligations under such contracts and / or leases (the "**Assignment Order**");
 - (vii) the Proposal Trustee has been advised by the Purchaser that the Purchaser intends to offer employment to the majority of the Companies' employees. Prior to the Designation Date, the Purchaser shall determine those employees of the Companies to whom it will offer employment;
 - (viii) the landlord for the Companies' head office / warehouse (the "**Premises**"), which is a party related to the Companies, will permit the Purchaser to occupy the Premises for a period of up to twelve (12) months following the Closing Date (the "**Head Office Occupancy Period**") on a rent-free basis, provided that the Purchaser pay all occupation costs during that portion of the Head Office Occupancy Period the Purchaser remains in occupation of the Premises;
 - (ix) the Purchaser is to pay a portion of the professional costs incurred by the Companies in obtaining any extension of the Stay Period beyond the Designation Deadline or any required Assignment Order; and
 - (x) the Transaction is conditional on a number of factors, including that there has been no material adverse change to the Companies' business or the Purchased Assets prior to the Closing Date and the Court issuing the Approval and Vesting Order.
26. Upon the waiver or satisfaction of the conditions precedent, the Proposal Trustee will file a certificate with the Court confirming that the Transaction has been completed to the satisfaction of the Proposal Trustee and confirming the closing of the sale for the Purchased Assets.
27. The Proposal Trustee is of the view that the Transaction satisfies the factors to be considered, pursuant to Section 65.13(4) of the BIA. In particular, the Proposal Trustee is of the view that:
- (i) the Sale Process leading to the Transaction was reasonable in the circumstances and carried out with the approval and assistance of Richter and / or the Proposal Trustee;

- (ii) the Companies' limited liquidity substantially eliminates the opportunity to further market the Companies' business and / or assets for sale without putting the Transaction at risk and potentially impairing recoveries. Prior to the Filing Date, the Companies' continuing losses virtually eliminated the Companies' cash balances. Other than the continued funding provided by CIBC pursuant to the forbearance agreement entered into with the Companies, the Companies are unlikely to source additional funding from a third party and, even if they could, in the Proposal Trustee's view, such funding would likely be very limited and expensive;
- (iii) the further marketing of the Companies' assets would not likely result in greater realizations, as the market has been appropriately canvassed and all likely bidders have already been provided with an opportunity to bid for the assets;
- (iv) the Transaction represents the best and highest offer received by the Companies for the Purchased Assets and the short time-frame to closing will eliminate ongoing operating costs;
- (v) the Transaction would be more beneficial to the Companies' creditors as compared to the alternatives, which may result in the liquidation of the Companies' assets;
- (vi) the Transaction provides for the Companies' continued operation;
- (vii) the Transaction represents the best opportunity to maximize recoveries for creditors and provides the greatest benefit to all stakeholders (including employees, customers, suppliers, etc.), as it results in the continuity of the business; and
- (viii) the Secured Lenders support the Transaction.

DISPOSITION OF SALE PROCEEDS

- 28. As noted previously in this Second Report, the Purchased Assets are subject to the security interests of CIBC, MPE and RPE.
- 29. The Cash Consideration from the Transaction will be sufficient to satisfy the Companies' secured indebtedness to CIBC and provide partial repayment of the Companies' secured indebtedness to MPE and RPE.

30. In accordance with section 65.13(8) of the BIA, the Court, in approving the Transaction, must be satisfied that the Companies can and will make the payments that would be required to be made under paragraphs 60(1.3)(a) and 60(1.5)(a) of the BIA had a proposal been approved (i.e. amounts to be paid to employees and former employees pursuant to section 136(1)(d) of the BIA and any unpaid prescribed pension plan amounts (collectively, the “**Super Priority Amounts**”).
31. As noted in paragraph 25(vii), the Proposal Trustee understands that the Purchaser intends to offer employment to the majority of the Companies’ employees. Based on discussions with the Purchaser and a review of the Companies’ books and records, the estimated amounts to be paid to those employees not being offered employment by the Purchaser on account of wages, unpaid expenses and vacation pay incurred subsequent to the Filing Date as well as any Super Priority Amounts, are not anticipated to exceed \$45,000. MRPR also sponsors a defined contribution pension plan for two (2) employees (the “**Pension Plan**”). MRPR’s defined annual contribution to the Pension Plan is \$3,500 for each employee - \$7,000 in aggregate per pension year. The employee beneficiaries do not contribute to the Pension Plan. The Pension Plan’s year end is August 31 and contributions for the current year have not been made. The estimated Super Priority Amounts owing for current period Pension Plan contributions are not anticipated to exceed \$5,000.
32. After making provision for payment of the Super Priority Amounts, the Companies are seeking approval to repay all of the Companies’ indebtedness to CIBC. Attached as **Confidential Appendix “3”** is a schedule providing an estimate of the Cash Consideration remaining after consideration of the Super Priority Amounts and payment of the secured amounts owing to CIBC (the “**Schedule of Sale Proceeds**”). For the same reasons as detailed in paragraph 23 of this Second Report, the Proposal Trustee believes it appropriate for the Schedule of Sale Proceeds to be filed with the Court on a confidential basis and sealed until further order of this Court.
33. As shown in the Schedule of Sale Proceeds , the Cash Consideration (and other amounts accruing due to the Companies post-closing) remaining after accounting for the Super Priority Amounts and payment of the secured amounts owing to CIBC are estimated to exceed the Companies’ post-closing financial obligations, which are primarily limited to professional fees associated with the Companies’ NOI proceedings.
34. Based on the above and Cassels’ Security Opinion, the Proposal Trustee respectfully recommends that this Honourable Court approve the Companies’ request to distribute a portion of the Cash Consideration to CIBC up to the full amount of its secured claim against the Companies (the “**CIBC Distribution**”). MRPFRR will contribute to the CIBC Distribution in an amount to be determined by the Companies with the approval of the Proposal Trustee.

THE COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY PERIOD TO MAY 9, 2017

35. The current Stay Period expires on March 25, 2015. The Companies are seeking an extension of the Stay Period to May 9, 2017.
36. As the January 29 Cash Flow Forecast only covers the period to March 25, 2017, the Companies, with the assistance of the Proposal Trustee, have prepared a revised forecast of the Companies' receipts and disbursements for the period February 26, 2017 to May 13, 2017 (the "**February 26 Cash Flow Forecast**"). A copy of the February 26 Cash Flow Forecast is attached hereto as **Appendix "B"** and is summarized below:

Cash Flow Forecast	
For the Period February 26, 2017 to May 13, 2017	
(\$000's)	
Receipts	
Sales Receipts	\$ 1,064
Expense Reimbursements	2,503
	<u>3,567</u>
Disbursements	
Purchases	324
Payroll & Benefits	1,381
EHT/WSIB Payments	56
Rent	1,440
Interest and Charges	40
Net HST Payable (Receivable)	(8)
Professional Fees	270
Other	486
Total Disbursements	<u>\$ 3,989</u>
Net Cash Flow	\$ (422)

37. The major changes in the underlying assumptions in the February 26 Cash Flow Forecast as compared to the January 29 Cash Flow Forecast are as follows:
- (i) the Transaction is scheduled to close the week ending March 18, 2017;
 - (ii) the amounts owing to CIBC, as at the Closing Date, are projected to be paid by the Companies out of the Cash Consideration; and

- (iii) following the Closing Date, in accordance with the APA, the Purchaser will provide funding to the Companies to satisfy ongoing operating expenses, including employee payroll costs, lease expenses, and other costs during the extension of the Stay Period, if granted.
38. The February 26 Cash Flow Forecast (and the Schedule of Sale Proceeds) indicates that, subsequent to the Closing Date, the Companies will have sufficient liquidity to fund both any remaining operating costs and the costs of these NOI proceedings during the extension of the Stay Period, if granted.
39. The Trustee is of the view that the extension of the Stay Period is appropriate in the circumstances and supports the Companies request for an extension of the Stay Period for the following reasons:
- (i) the Companies have acted and are acting in good faith and with the due diligence;
 - (ii) it will allow the Transaction, if approved, sufficient time to close and provide the Purchaser with additional time, as required by the APA, to consider which of the Companies' employees the Purchaser will offer employment as well as which of the Companies' agreements / contracts (including real property leases) the Purchaser wishes to assume; and,
 - (iii) the granting of the extension should not prejudice any employee or creditor, as the Companies are projected to have sufficient funds to pay for post-filing services and supplies.

PROPOSAL TRUSTEE'S AND ITS COUNSEL'S FEES AND EXPENSES

40. The Proposal Trustee and Cassels have maintained detailed records of their professional time and costs. The Proposal Trustee is seeking the approval of its fees and disbursements from the period January 1, 2017 to February 25, 2017 and those of Cassels for the period from January 1, 2017 to February 28, 2017 (the "**Periods**") in connection with the performance of their duties in these NOI proceedings.
41. The total fees of the Proposal Trustee during the Periods amount to \$137,230.00, together with expenses and disbursements in the amount of \$2,475.75 (both excluding GST/HST) (collectively, the "**Proposal Trustee Fees and Disbursements**"). The time spent by Proposal Trustee's personnel during the Periods is more particularly described in the Affidavit of A. Sherman (the "**Sherman Affidavit**"), sworn March 8, 2017 in support hereof and attached as **Appendix "C"** to this report. The Sherman Affidavit includes a summary of the personnel, hours, and hourly rates charged by the Proposal Trustee in respect of the within proceedings for the Periods.

42. The total fees for services provided by Cassels during the Periods amount to \$20,774.06, together with expenses and disbursements in the amount of \$1,271.50 (both excluding GST/HST) (collectively, the “**Cassels’ Fees and Disbursements**”). The time spent by Cassels personnel during the Periods is more particularly described in the Affidavit of L. Ellis (the “**Ellis Affidavit**”) sworn March 3, 2017 in support hereof and attached as **Appendix “D”** to this report. Included in the Ellis Affidavit is a summary of the personnel, hours, and hourly rates charged by Cassels in respect of the within proceedings for the Periods.
43. The Proposal Trustee respectfully submits that the Proposal Trustee Fees and Disbursements and the Cassels’ Fees and Disbursements are fair and reasonable in the circumstances and have been properly incurred. Accordingly, the Proposal Trustee now seeks approval of the Proposal Trustee Fees and Disbursements and the Cassels’ Fees and Disbursements.

CONCLUSION AND RECOMMENDATIONS

44. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court issue an order or orders granting the relief detailed in paragraph 4(vii) of this Second Report.

All of which is respectfully submitted this 8th day of March, 2017.

Richter Advisory Group Inc.
in its capacity as Proposal Trustee of
MRP Retail Inc. and MRP Family Retail Inc.

Per:



Adam Sherman, MBA, CIRP, LIT

APPENDIX “A”

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) WEDNESDAY, THE 8th DAY
)
JUSTICE MYERS) OF FEBRUARY, 2017



**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

ORDER

THIS MOTION, made by MRP Retail Inc. (“MRPR”) and MRP Family Retail Inc. (“MRPFR” and, together with MRPR, the “Companies”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Companies, including the Affidavit of Roy Perlman sworn February 1, 2017 and the exhibits thereto, on reading the First Report to the Court of Richter Advisory Group Inc., in its capacity as proposal trustee (the “Proposal Trustee”) in the Companies’ *Bankruptcy and Insolvency Act* (the “BIA”) proposal proceedings (collectively, the “Proposal Proceedings”) dated February 3, 2017 (the “First Report”), and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee, counsel for Canadian Imperial Bank of Commerce and no one else appearing although properly served as appears from the affidavit of Daphne Porter, sworn February 1, 2017, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing 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.

APPROVAL OF ACTIVITIES

2. **THIS COURT ORDERS** that the First Report be and is hereby approved and the activities of the Proposal Trustee described therein be and are hereby approved;

ADMINISTRATIVE CONSOLIDATION

3. **THIS COURT ORDERS** that the Proposal Proceedings of MRPR (Estate Number 31-2205066) and MRPFR (Estate Number 31-2205065) are hereby administratively consolidated and the Proposal Proceedings are hereby authorized and directed to continue under the following title of proceedings, *nunc pro tunc*:

Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

4. **THIS COURT ORDERS** that all further materials in the Proposal Proceedings shall be filed with the Court only in the MRPFR Estate and Court File, being Estate/Court File Number 31-2205065.

EXTENSION OF TIME

5. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including March 25, 2017.

SERVICE AND NOTICE

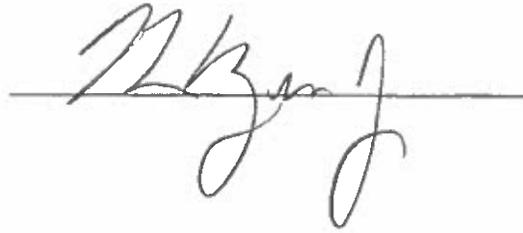
6. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “E-Service Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the E-Service Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toro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

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

GENERAL

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Companies, the Proposal Trustee 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 provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any

foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to be "R. Z. J.", written over a horizontal line.

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

FEB 08 2017

PER / PAR:

Handwritten initials or a signature mark, possibly "A", written in black ink.

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at Toronto

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, ON M5J 2T9

Sam Babe (LSUC # 49498B)
Tel: (416) 865-7718
Fax: (416) 863-1515
E-mail: sbabe@airdberlis.com

Lawyers for the MRP Retail Inc. and MRP Family Retail Inc.

APPENDIX “B”

MRP Retail Inc. / MRP Family Retail Inc.

Cash Flow Projection

(in \$000s)

Week Ending	4-Mar-17	11-Mar-17	18-Mar-17	25-Mar-17	1-Apr-17	8-Apr-17	15-Apr-17	22-Apr-17	29-Apr-17	6-May-17	13-May-17	TOTAL
Receipts												
Sales Receipts	346	420	297	-	-	-	-	-	-	-	-	1,064
Expense Reimbursement	-	-	132	166	672	165	181	174	187	645	181	2,503
	346	420	429	166	672	165	181	174	187	645	181	3,567
Disbursements												
Purchases	162	162	-	-	-	-	-	-	-	-	-	324
Payroll & Benefits	120	120	136	120	120	120	136	128	120	120	136	1,381
EHT/WSIB Payments	18	-	-	-	17	-	-	-	22	-	-	56
Rent	480	-	-	-	480	-	-	-	-	480	-	1,440
Interest and Charges	13	1	10	2	10	1	1	2	1	1	1	40
Net HST Payable (Receivable)	-	-	-	(8)	-	-	-	-	14	-	(14)	(8)
Professional fees	50	50	50	15	15	15	15	15	15	15	15	270
Other	44	44	44	44	44	44	44	44	44	44	44	485
	887	378	240	173	687	180	196	189	215	660	183	3,989
Net Cash Flow	(541)	42	188	(7)	(15)	(15)	(15)	(15)	(29)	(15)	(1)	(422)

APPENDIX “C”

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

**IN THE MATTER OF THE PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.
OF THE CITY OF TORONTO**

IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF ADAM SHERMAN

I, Adam Sherman, of the city of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Vice President of Richter Advisory Group Inc. (“Richter”) and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. On January 9, 2017 (the “Filing Date”), MRP Retail Inc. (“MRPR”) and MRP Family Retail Inc. (“MRPFR” and, together with MRPR, the “Companies”) each filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to the provisions of section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “BIA”) and Richter consented to act as proposal Trustee (the “Proposal Trustee”).
3. On February 8, 2017, the Ontario Superior Court of Justice (Commercial List) issued an order that, among other things, approved the administrative consolidation of the Companies’ NOI proceedings and extended the time within which the Companies are required to submit proposal to their creditors to March 25, 2017.
4. During the NOI proceedings, the Proposal Trustee has provided services and incurred disbursements, in the amount of \$137,230 (inclusive of a \$14,000 courtesy discount) and \$2,475.75, respectively (excluding harmonized sales tax (“HST”)) in the period from January 1, 2017 to February 24, 2017 (the “Period”) with respect to services provided. The Proposal Trustee’s invoices include work undertaken by the Proposal Trustee to, among other things, support the Companies in their preparations for the filing of their respective NOIs, assisting the Companies in carrying out a sales process for the Companies’ business and / or assets, including assisting with the negotiation of an Asset Purchase Agreement for the sale of substantially all of the Companies’ assets. Attached hereto and marked as Exhibit “A” to this my Affidavit is a summary of all invoices rendered by the Proposal Trustee on a periodic basis during the Period (the “Accounts”).

Exhibit “A”



Richter Advisory Group Inc.
in its capacity as Proposal Trustee *in re*
the Proposal of MRP Retail Inc. and MRP Family Retail Inc.

Statement of Accounts

Invoice #	Period	Fees Incurred	Discount	Fees Charged	Disbursements	Sub total	HST	Total
20401591	January 1, 2017 to January 30, 2017	97,829.00	(10,000.00)	87,829.00	2,475.75	90,304.75	11,739.62	102,044.37
20401603	January 28, 2017 to February 3, 2017	18,173.50	(2,000.00)	16,173.50	-	16,173.50	2,102.55	18,276.05
20401638	February 6, 2017 to February 10, 2017	12,728.50	(1,000.00)	11,728.50	-	11,728.50	1,524.71	13,253.21
20401657	February 13, 2017 to February 17, 2017	11,812.00	(1,000.00)	10,812.00	-	10,812.00	1,405.56	12,217.56
20401665	February 21, 2017 to February 24, 2017	10,687.00	-	10,687.00	-	10,687.00	1,389.31	12,076.31
Total		151,230.00	(14,000.00)	137,230.00	2,475.75	139,705.75	18,161.75	157,867.50

Exhibit “B”

A handwritten signature in black ink, consisting of a series of fluid, connected strokes that appear to be a stylized name or initials.

RICHTER

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Date: 02/06/2017
Invoice No.: 20401591
Engagement No.: 2020792
Payment Terms: Due on Receipt

Professional services rendered to January 27, 2017	\$ 97,829.00
Disbursements	2,475.75
	<hr/>
	100,304.75
Less: Courtesy Discount	(10,000.00)
Sub-Total	<hr/> 90,304.75
GST/HST #885435842 RT0001	11,739.62
Total	<hr/> 102,044.37
Less: funds on account	(8,404.37)
Total Due	<hr/> CAD 93,640.00

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20401591
Date: 02/06/2017



Fees

Name	Hours	Rate	Amount
Adam Sherman	75.80	\$ 625.00	\$ 47,375.00
Ann Stremski	8.80	185.00	1,628.00
Carol O'Donnell	1.90	250.00	475.00
Gilles Benchaya	22.50	625.00	14,062.50
Soazig Bourgine	14.60	185.00	2,701.00
Wuji Mahmood	90.25	350.00	31,587.50
	<u>213.85</u>		<u>\$ 97,829.00</u>

Disbursements

Adam Sherman			\$ 2,475.75
			<u>\$ 2,475.75</u>

Invoice No.: 20401591
Date: 02/06/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
01/02/2017	Gilles Benchaya Update call re filing.	1.00	\$ 625.00	\$ 625.00
01/02/2017	Adam Sherman Emails with Stern. Emails with the Company re computer software, small co., etc. Emails with Richter team re revised cash flow projection.	0.80	625.00	500.00
01/03/2017	Gilles Benchaya Update re various matters, including Stern.	1.00	625.00	625.00
01/03/2017	Wuji Mahmood Call with Stern team and A. Sherman re transaction and additional information requests. Call with management and A. Sherman re cash flow and next steps. Update cash flow to January 7, 2017. Work on presentation for bank.	8.25	350.00	2,887.50
01/03/2017	Adam Sherman Emails with A&B re various matters, including corp. profile reports. Finalize cash flow projection. Emails with the Company. Emails/call with Stern. Call with the Company/A&B. Emails/discussions with Richter team.	4.00	625.00	2,500.00
01/04/2017	Gilles Benchaya Review updated cashflow and bank package. Update call with counsel to discuss status and options.	2.00	625.00	1,250.00
01/04/2017	Wuji Mahmood Compilation of information for filing, including discussions with the Company and Richter team. Work on presentation for bank.	5.75	350.00	2,012.50
01/04/2017	Adam Sherman Emails with the Company re recent sales, trademarks, customer list, etc. Emails with Aird & Berlis re forbearance agreement, etc. Call with the Company. Review/update CIBC report. Emails/discussions with Richter team.	4.50	625.00	2,812.50
01/05/2017	Ann Stremski Edit and import creditor list. Communication with W. Mahmood.	3.40	185.00	629.00
01/05/2017	Soazig Bourguine File (2) set up in Ascend, preparation of initial documents, multiple communications with W. Mahmood.	3.00	185.00	555.00
01/05/2017	Soazig Bourguine Changes to creditor list.	0.50	185.00	92.50
01/05/2017	Gilles Benchaya	1.50	625.00	937.50

Invoice No.: 20401591
Date: 02/06/2017



Date	Name and Description	Hours	Rate	Amount
01/05/2017	Call with Stern and update with A. Sherman on status of filing. Wuji Mahmood Call with Stern re value and next steps. Compilation and review of information for filing of NOI. Work on restructuring proposal for bank. Preparation of notice of offer deadline communication.	6.50	350.00	2,275.00
01/05/2017	Adam Sherman Emails/discussions with Richter team re CIBC report, filing docs, etc. Finalize CIBC report, including emails with CIBC re same. Emails/call with the Company. Emails with A&B. Call with Stern.	4.50	625.00	2,812.50
01/06/2017	Ann Stremski Verify, edit and update creditor list. Communication with W. Mahmood and S. Bourgine.	5.00	185.00	925.00
01/06/2017	Soazig Bourgine Updates to list of creditors, including email to W. Mahmood.	1.50	185.00	277.50
01/06/2017	Soazig Bourgine Changes to list of Creditors (format).	0.30	185.00	55.50
01/06/2017	Gilles Benchaya Further update on filing, review of bank docs and status of filing.	1.00	625.00	625.00
01/06/2017	Wuji Mahmood Call with Bank re restructuring plan and go forward. Compilation and review of information for filing of NOIs.	6.25	350.00	2,187.50
01/06/2017	Adam Sherman Finalize offer deadline notice. Call with CIBC re restructuring plan. Emails with A&B re CIBC, etc. Emails with Cassels. Finalize filing docs and communication plan. Emails/call with the Company re communication plan, filing docs, next steps, etc.	5.00	625.00	3,125.00
01/07/2017	Wuji Mahmood Assisting account access (data room) for S. Kassam of Stern.	0.50	350.00	175.00
01/08/2017	Gilles Benchaya Various queries from shareholders on landlords, filing, communication, etc.	1.00	625.00	625.00
01/09/2017	Carol O'Donnell Preparation of filing of NOIs, communications with A. Sherman.	0.60	250.00	150.00
01/09/2017	Soazig Bourgine	1.00	185.00	185.00

Invoice No.: 20401591
Date: 02/06/2017



Date	Name and Description	Hours	Rate	Amount
	Efiling of NOIs, communication with OSB and with A. Sherman.			
01/09/2017	Soazig Bourguine Ascend update with certificate number for NOI filings..	0.30	185.00	55.50
01/09/2017	Gilles Benchaya Update call with A. Sherman, including discussion on value for Stern offer and NOI filing issues. Call with Oberfeld re filing and lease disclaimers.	3.00	625.00	1,875.00
01/09/2017	Wuji Mahmood Exchange of documents for NOI filing with Richter team. Provide Company's counsel with lease info re disclaimers. Respond to interested parties. Update cash flow. Assistance for data room access.	4.25	350.00	1,487.50
01/09/2017	Adam Sherman Finalize NOI filing docs. Emails/discussions with Richter team. Emails from OSB confirming NOI. Attendance at the Company, including meetings with staff re NOI. Emails/calls with creditors. Emails/calls with the Company/A&B. Emails/call with Stern.	6.00	625.00	3,750.00
01/10/2017	Gilles Benchaya Update on disclaimers, follow up, call with Oberfeld and discussions with K. Rosenstein and A. Sherman re timing of offers.	1.50	625.00	937.50
01/10/2017	Wuji Mahmood Work on supplementary list, responses to Hilco re interest.	2.00	350.00	700.00
01/10/2017	Adam Sherman Emails/discussions with Richter team. Attendance at the Company, including meetings with staff re various matters. Emails/calls with creditors. Emails with the Company/A&B. Meeting with MRP/Stern, including store visit. Emails/call with Cassels.	6.00	625.00	3,750.00
01/11/2017	Carol O'Donnell Update supplementary list, prepare creditor mailing.	0.70	250.00	175.00
01/11/2017	Gilles Benchaya Update on insurance, Stern offer. Call with A. Chelminski re potential offer, review of NDA to AC, followup call with AC re queries.	2.50	625.00	1,562.50
01/11/2017	Wuji Mahmood Updating of cash flow and review of disbursements. Issuance of NDA to Continental Capital and Point-Zero. Various calls with creditors.	4.25	350.00	1,487.50

Invoice No.: 20401591
Date: 02/06/2017



Date	Name and Description	Hours	Rate	Amount
01/11/2017	Adam Sherman Emails/discussions with Richter team. Emails/calls with creditors re NOI filing, continued supply, etc. Emails/calls with the Company re various matters. Emails/call with A&B. Emails/calls with potential interested parties.	5.50	625.00	3,437.50
01/12/2017	Soazig Bourgine Documents for mailing to creditors (labels, supplementary lists (service providers, landlords).	1.00	185.00	185.00
01/12/2017	Soazig Bourgine Supplementary list by email, including emails to A. Sherman, and W. Mahmood.	0.30	185.00	55.50
01/12/2017	Soazig Bourgine Preparation of labels, etc re creditor mailing.	0.50	185.00	92.50
01/12/2017	Gilles Benchaya Calls from media re filing, status call. Review and update on Stern offer with A. Sherman.	3.00	625.00	1,875.00
01/12/2017	Wuji Mahmood Preparation of filing cash flow and update for transaction scenario and preparation of prescribed forms. Call with Canada Post re service. Update of supplementary lists.	4.50	350.00	1,575.00
01/12/2017	Adam Sherman Emails/discussions with Richter team. Emails/calls with creditors re NOI filing, continued supply, etc. Emails/calls with the Company/A&B re various matters. Calls with potential interested parties. Email from Pacific West re Expression of Interest.	5.50	625.00	3,437.50
01/13/2017	Soazig Bourgine Email to A. Sherman, and W. Mahmood re file matters.	0.10	185.00	18.50
01/13/2017	Gilles Benchaya Update on offers. Call with Oberfeld re lease portfolio, projected savings, etc. Review, provided updated lease info to Oberfeld.	2.50	625.00	1,562.50
01/13/2017	Wuji Mahmood Provide Point-Zero access to data room. Compilation of lease information requested for lease review. Work on cash flow and prescribed reports.	4.75	350.00	1,662.50
01/13/2017	Adam Sherman Emails/call with the Company/A&B/Cassels re Pacific West Expression of Interest. Emails/discussions with Richter team. Emails/calls with creditors re NOI, etc.	3.50	625.00	2,187.50

Invoice No.: 20401591
Date: 02/06/2017



Date	Name and Description	Hours	Rate	Amount
01/16/2017	Carol O'Donnell Review and supervision of creditor mailing, including discussions with A. Sherman and S. Bourgine.	0.60	250.00	150.00
01/16/2017	Soazig Bourgine Revisions to creditor notices, including email to A. Sherman.	0.20	185.00	37.00
01/16/2017	Soazig Bourgine Changes to supplier labels.	0.50	185.00	92.50
01/16/2017	Soazig Bourgine Efiling notices, mailing, website set up and posting.	2.00	185.00	370.00
01/16/2017	Soazig Bourgine Preparation of affidavits, of mailing postage forms, efilng.	0.50	185.00	92.50
01/16/2017	Gilles Benchaya Review Oberfeld analysis and discussion with client.	1.00	625.00	625.00
01/16/2017	Wuji Mahmood Update cash flow and email to Richter team. Negotiations re deposit agreement. Review of security searches and follow-up with Company re results. Finalize creditor notice. Email of notice to J. Friesen.	6.25	350.00	2,187.50
01/16/2017	Adam Sherman Emails with A&B. Emails/discussions with Richter team. Revise/finalize creditor notice. Emails/call with CIBC. Emails with Cassels. Review Oberfeld report. Emails/call with Company/counsel. Emails/call with Stern. Emails/calls with creditors.	4.50	625.00	2,812.50
01/17/2017	Soazig Bourgine Preparation of affidavits, of mailing postage forms, efilng.	1.50	185.00	277.50
01/17/2017	Wuji Mahmood Update cash flow for actuals. Exchanges with La Marque re claim amount. Discussions with K. Hammerschlag re Western Glove. Call with Purolator re NOI. Return various creditor calls.	4.25	350.00	1,487.50
01/17/2017	Adam Sherman Emails/call with Stern. Emails/calls with creditors. Emails/discussions with Richter team.	2.50	625.00	1,562.50
01/18/2017	Gilles Benchaya Update call re status of Stern transaction with A. Sherman and K. Rosenstein.	1.00	625.00	625.00

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Date: 02/06/2017



Date	Name and Description	Hours	Rate	Amount
01/18/2017	Wuji Mahmood Calls with various creditors re NOI. Calls with MRP, SecondClothing and La Marque re balance differences. Respond to Cundari re process. Update cash flow for filing purposes.	6.75	350.00	2,362.50
01/18/2017	Adam Sherman Attendance at the Company. Emails/calls with creditors. Calls with Stern. Emails/dscusions with Richter team. Emails/calls with the Company/A&B. Review/comment on cash flow/reports.	4.00	625.00	2,500.00
01/19/2017	Ann Stremski Communications with A. Sherman and W. Mahmood re cash flow.	0.20	185.00	37.00
01/19/2017	Soazig Bourgine Cash flow efiled with OSB, email to M. Millar.	0.50	185.00	92.50
01/19/2017	Gilles Benchaya Review of cash flow.	0.50	625.00	312.50
01/19/2017	Wuji Mahmood Discussions with K. Hammerschlag re various creditor claims. Calls and emails with TBGN re claim discrepancy.	3.25	350.00	1,137.50
01/19/2017	Adam Sherman Finalize/sign cash flow/reports. Email to Western Glove re demand to repossess goods. Emails/calls with A&B re Stern LOI, etc. Calls/emails with creditors. Emails/discussions with Richter team. Call with Stern. Emails/calls with the Company.	3.00	625.00	1,875.00
01/20/2017	Wuji Mahmood Calls with various creditors re NOI and discussions with Company re terms of certum supply/service agreements.	2.75	350.00	962.50
01/20/2017	Adam Sherman Emails/calls with creditors. Emails/call with the Company. Emails with A&B re Stern LOI. Emails/call with Stern re LOI, etc. Emails/discussions with Richter team.	2.00	625.00	1,250.00
01/23/2017	Soazig Bourgine Discussion with W. Mahmood re employees.	0.10	185.00	18.50
01/23/2017	Wuji Mahmood Draft court report. Calls and correspondance with Company and various creditors, including employees, Horizon Utilities and Stingray.	6.25	350.00	2,187.50
01/23/2017	Adam Sherman	1.50	625.00	937.50

Invoice No.: 20401591
Date: 02/06/2017



Date	Name and Description	Hours	Rate	Amount
01/24/2017	Call with Stern re LOI, including email from Stern re revised LOI. Emails/call with the Company. Emails/calls with A&B. Emails with Richter team. Wuji Mahmood	4.25	350.00	1,487.50
01/24/2017	Draft court report. Monitor results for week ended January 21. Call with the Company/A&B re LOI response. Calls with various creditors including Western Glove, Kitchener-Wilmot Hydro and Coverall. Adam Sherman	2.00	625.00	1,250.00
01/25/2017	Call with the Company, A&B and Cassels re revised LOI. Emails/calls with Stern. Call with Stern and A&B. Emails with Richter team. Calls with creditors. Emails with A&B. Soazig Bourgine	0.50	185.00	92.50
01/25/2017	Website update, including email to A. Sherman. Email to W. Mahmood re creditor mailing. Wuji Mahmood	4.75	350.00	1,662.50
01/25/2017	Draft court report. Review of financial reconciliation for week prepared by Company and calls with Company. Email with Richter team re creditor mailing. Adam Sherman	3.00	625.00	1,875.00
01/26/2017	Email from A&B re further revised LOI. Emails/calls with Stern. Emails/calls with the Company and A&B. Emails/discussions with Richter team. Ann Stremski	0.20	185.00	37.00
01/26/2017	Verify fax and forward to W. Mahmood. Soazig Bourgine	0.10	185.00	18.50
01/26/2017	Email to W. Mahmood re return to sender (individuals). Wuji Mahmood	1.50	350.00	525.00
01/26/2017	Respond to creditors including Yoga Jeans, landlords, and TBGN. Adam Sherman	2.50	625.00	1,562.50
01/27/2017	Emails with the Company, A&B and Cassels re LOI. Several emails/calls with A&B re extension, LOI, etc. Several emails/calls with Stern re LOI. Emails with CIBC re update. Emails/discussions with Richter team. Wuji Mahmood	3.25	350.00	1,137.50
01/27/2017	Respond to various creditor enquiries. Draft court report. Review of documents from A&B. Adam Sherman	5.50	625.00	3,437.50

Invoice No.: 20401591
Date: 02/06/2017



Date	Name and Description	Hours	Rate	Amount
	Attendance at the Company, including meetings with D. Perlman/N. Armstrong. Several calls with Stern/A&B re LOI. Several calls/emails with Stern/A&B re LOI. Email from A&B re motion material. Emails/calls with the Company re LOI. Review/update report.			
01/30/2017	Soazig Bourguine Update of Guess Canada address in Ascend, email to W. Mahmood.	0.20	185.00	37.00
Fees Total		213.85		\$ 97,829.00
Date	Name and Description	Hours	Rate	Amount
01/16/2017	Adam Sherman 01/16/2017: 14 pages X 225 copies @ \$0.10 ; Notice to creditors of intention to make a proposal			\$ 315.00
01/16/2017	Adam Sherman 01/16/2017: 14 pages X 585 copies @ \$0.10 ; Notice to creditors of intention to make a proposal			819.00
01/16/2017	Adam Sherman 01/16/2017: Postage: Notice to creditors of intention to make a proposal			373.65
01/16/2017	Adam Sherman 01/16/2017: Postage: Notice to creditors of intention to make a proposal			968.10
Disbursements Total				\$ 2,475.75

Invoice No.: 20401591
Date: 02/06/2017



Remittance Form

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Invoice Summary

Sub-Total	90,304.75
GST/HST #885435842 RT0001	11,739.62
Total	102,044.37
Less: funds on account	(8,404.37)
Total Due	CAD 93,640.00

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques

Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

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

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Date: 02/08/2017
Invoice No.: 20401603
Engagement No.: 2020792
Payment Terms: Due on Receipt

Professional services rendered to February 3, 2017		\$ 18,173.50
Less Courtesy Discount		(2,000.00)
	Sub-Total	<hr/> 16,173.50
	GST/HST #885435842 RT0001	2,102.55
	Total Due	<hr/> CAD \$ 18,276.05

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20401603
Date: 02/08/2017



Fees

Name	Hours	Rate	Amount
Adam Sherman	16.30	\$ 625.00	\$ 10,187.50
Soazig Bourgine	0.60	185.00	111.00
Wuji Mahmood	22.50	350.00	7,875.00
	<hr/>		
	39.40		\$ 18,173.50

Invoice No.: 20401603
Date: 02/08/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
01/28/2017	Adam Sherman Emails with Stern, A&B and Cassels re proposed landlord communication. Emails with the Company re Stern request to meet with certain employees.	0.50	\$ 625.00	\$ 312.50
01/29/2017	Adam Sherman Emails with Stern re landlord communication, employee meeting. Emails with the Company re employee meeting.	0.30	625.00	187.50
01/29/2017	Adam Sherman Emails with Stern re landlord communication, employee meeting. Emails with the Company re employee meeting. Review, revise and update Trustee report.	2.70	625.00	1,687.50
01/30/2017	Wuji Mahmood Drafting of Report; Calls with Company re: creditors; Calls and emails with creditors.	5.25	350.00	1,837.50
01/30/2017	Adam Sherman Emails/calls with Stern re deposit, landlord communications, etc. Emails with A&B re extension motion. Emails/discussions with Richter team. Emails with the Company. Update Trustee's report, including email to A&B/Cassels. Call with CIBC.	2.80	625.00	1,750.00
01/31/2017	Wuji Mahmood Drafting of Report; Calls with Company re: Stern request and creditors; Calls and emails with creditors.	4.25	350.00	1,487.50
01/31/2017	Adam Sherman Emails/calls with Stern re landlord communications, etc. Email with A&B re comments on Trustee report, comments on motion material, Perlman security, etc. Emails/discussions with Richter team. Review revised cash flow. Update Trustee report.	2.50	625.00	1,562.50
02/01/2017	Wuji Mahmood Drafting of Court report. Calls with Company and creditors.	3.25	350.00	1,137.50
02/01/2017	Adam Sherman Emails with Cassels re Trustee report. Update Trustee report. Emails from A&B/Company re affidavit. Emails with the Company re Moneris. Email from A&B re service of motion record. Emails/discussions with Richter team. Emails with Stern/landlords.	2.00	625.00	1,250.00
02/02/2017	Wuji Mahmood	5.50	350.00	1,925.00

Invoice No.: 20401603
Date: 02/08/2017

E

Date	Name and Description	Hours	Rate	Amount
02/02/2017	Drafting of Court report and bank presentation and discussions with A. Sherman re same. Adam Sherman Emails with the Company re Trustee report and revised cash flow. Finalize Trustee report, including email/call with Cassels re same. Emails/calls with creditors. Emails with the Company re invoicing. Emails with Stern/landlords.	2.50	625.00	1,562.50
02/03/2017	Soazig Bourguine Communication with W. Mahmood.	0.10	185.00	18.50
02/03/2017	Soazig Bourguine Website posting of Report & Motion, efilng	0.50	185.00	92.50
02/03/2017	Wuji Mahmood Drafting of bank presentation and discussions with A. Sherman re same.	4.25	350.00	1,487.50
02/03/2017	Adam Sherman Emails/calls with Stern/landlords. Emails/discussions with Richter team. Calls/emails with Moneris, including email to Company. Review/revise bank update. Emails with the Company and counsel re landlord update. Emails/calls with creditors.	3.00	625.00	1,875.00
Fees Total		39.40		\$ 18,173.50

Invoice No.: 20401603
Date: 02/08/2017



Remittance Form

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Invoice Summary

Sub-Total		\$ 16,173.50
GST/HST #885435842 RT0001		2,102.55
Total Due	CAD	\$ 18,276.05

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

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

T. 416.488.2345

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Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Date: 02/15/2017
Invoice No.: 20401638
Engagement No.: 2020792
Payment Terms: Due on Receipt

Professional services rendered to February 10, 2017		\$ 12,728.50
Less : Courtesy Discount		(1,000.00)
		<hr/>
Sub-Total		11,728.50
GST/HST #885435842 RT0001		1,524.71
		<hr/>
Total Due	CAD	\$ 13,253.21

T. 416.488.2345

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20401638
Date: 02/15/2017



Fees

Name	Hours	Rate	Amount
Adam Sherman	13.00	\$ 625.00	\$ 8,125.00
Anthony Dalfio	2.90	525.00	1,522.50
Soazig Bourgine	0.10	185.00	18.50
Wuji Mahmood	8.75	350.00	3,062.50
	<u>24.75</u>		<u>\$ 12,728.50</u>

Invoice No.: 20401638
Date: 02/15/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
02/06/2017	Wuji Mahmood Call with management re: Moneris issue; Review of information received re: monitoring;	2.25	\$ 350.00	\$ 787.50
02/06/2017	Adam Sherman Emails with CIBC. Emails/calls with Stern. Landlord communications. Emails with the Company re Yorkdale/Hillrest stores, Moneris, Stern, etc. Emails/discussions with Richter team.	2.00	625.00	1,250.00
02/07/2017	Wuji Mahmood Calls with creditors re notices; correspondance with A. Sherman re: leases; Correspondance re: creditor deposit; Correspondance with Company re: due diligence information request;	3.25	350.00	1,137.50
02/07/2017	Adam Sherman Emails/discussions with Stern. Landlord communications. Emails/discussions with Richter team. Emails with the Company re Moneris, Stern, extension hearing, Yorkdale/Hillcrest stores, etc. Emails with Cassels re Court.	2.00	625.00	1,250.00
02/08/2017	Soazig Bourgine Email to A. Sherman, W. Mahmood re Extension Order	0.10	185.00	18.50
02/08/2017	Wuji Mahmood Review of insurance information and correspondance with Stern; Call with Recommerce Group; Correspondance with Company re: extension of insurance coverage.	2.00	350.00	700.00
02/08/2017	Adam Sherman Attendance in Court re extension hearing. Email from A&B re Order. Emails/calls with Stern. Landlord communications. Emails/discussions with Richter team. Emails with the Company re Yorkdale/Hillcrest stores, insurance, Stern, etc.	2.50	625.00	1,562.50
02/09/2017	Adam Sherman Emails/calls with Stern. Emails/call with Oberfeld. Landlord communications, including call with counsel for Cadillac. Review and update Stern lease concession summary. Emails/discussions with Richter team. Emails with the Company re Stern, leases, etc.	3.00	625.00	1,875.00
02/09/2017	Anthony Dalfio	2.70	525.00	1,417.50

Invoice No.: 20401638
Date: 02/15/2017



Date	Name and Description	Hours	Rate	Amount
02/10/2017	Review email updates on rent concession status, prepare initial analysis of rent concessions achieved to date. Review Stern analysis, update rent concession analysis, email to A. Sherman.			
02/10/2017	Wuji Mahmood Calls and emails with creditors.	1.25	350.00	437.50
02/10/2017	Adam Sherman Emails/calls with Stern. Landlord communications. Update Stern lease concession summary. Emails/discussions with Richter team. Emails/calls with the Company re Stern, leases, etc. Emails/discussions with A&B. Emails with Oberfeld. Emails with creditors.	3.50	625.00	2,187.50
02/10/2017	Anthony Dalfio Emails from A. Sherman, update rent concession analysis for additional updates received, email to A. Sherman.	0.20	525.00	105.00
Fees Total		<hr/> 24.75	<hr/> 525.00	<hr/> \$ 12,728.50

Invoice No.: 20401638
Date: 02/15/2017



Remittance Form

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Invoice Summary

Professional Fees		\$ 12,728.50
Less: Courtesy Discount		(1,000.00)
Sub-Total		\$ 11,728.50
GST/HST #885435842 RT0001		1,524.71
Total Due	CAD	\$ 13,253.21

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Cheques Payable to: Richter Advisory Group Inc.
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

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

T. 416.488.2345

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Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal

RICHTER

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Date: 02/23/2017
Invoice No.: 20401657
Engagement No.: 2020792
Payment Terms: Due on Receipt

Professional services rendered to February 17, 2017	\$ 11,812.00
Less: Courtesy Discount	(1,000.00)
Sub-Total	<hr/> 10,812.00
GST/HST #885435842 RT0001	1,405.56
Total Due	<hr/> CAD \$ 12,217.56

T. 416.488.2345

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Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: 20401657
Date: 02/23/2017



Fees

Name	Hours	Rate	Amount
Adam Sherman	14.50	\$ 625.00	\$ 9,062.50
Soazig Bourgine	0.20	185.00	37.00
Wuji Mahmood	7.75	350.00	2,712.50
	<u>22.45</u>		<u>\$ 11,812.00</u>

Invoice No.: 20401657
Date: 02/23/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
02/13/2017	Wuji Mahmood Monitoring for week ending February 11; Discussions with K. Hammerschlag re: Oshawa Tenant Allowance and health plan; Gathering of insurance information requested by Stern.	3.25	\$ 350.00	\$ 1,137.50
02/13/2017	Adam Sherman Emails with A&B / Cassels re draft APA, Stern, etc. Emails with the Company re Oshawa Tenant Allowance, Stern, etc. Emails with Oberfeld re Cataraqui store. Emails/discussions with Richter team. Emails/calls with Stern.	2.50	625.00	1,562.50
02/14/2017	Wuji Mahmood Monitoring for week ending February 11; Call with Hiep Vu Photography re: unpaid account and continued use of materials.	2.50	350.00	875.00
02/14/2017	Adam Sherman Emails/calls with Primaris re Cataraqui store. Emails/calls with A&B re Stern LOI, etc. Emails/calls with the Company re Stern, Cataraqui store, and other matters. Emails/calls with Stern re deal terms.	3.00	625.00	1,875.00
02/15/2017	Wuji Mahmood Review of Oshawa Tenant Allowance materials and call with Jennifer Wood re same.	1.00	350.00	350.00
02/15/2017	Adam Sherman Emails with the Company, A&B, Cassels re Stern deal. Emails/calls with A&B re LOI extension, including review/comments on same. Emails/calls with Stern.	3.00	625.00	1,875.00
02/16/2017	Wuji Mahmood Correspondance with Canadian Springs re: continuation of services.	0.50	350.00	175.00
02/16/2017	Adam Sherman Emails with Stern/A&B re LOI extension, including review of draft APA, call with A&B re same.	3.00	625.00	1,875.00
02/17/2017	Soazig Bourgine Communications re: retruned creditor notices.	0.20	185.00	37.00
02/17/2017	Wuji Mahmood Call with Brantford Power re: various matters in connection with the NOI, process going forward, etc.	0.50	350.00	175.00
02/17/2017	Adam Sherman	3.00	625.00	1,875.00

Invoice No.: 20401657
Date: 02/23/2017



Date	Name and Description	Hours	Rate	Amount
	Conference call with Stern (and its counsel)/A&B re proposed deal structure. Emails with A&B re Stern. Emails/calls with the Company re various matters. Emails/call with Stern. Conference call with the Company/A&B re Stern update. Email from A&B re APA.			
Fees Total		<u>22.45</u>		<u>\$ 11,812.00</u>

Invoice No.: 20401657
Date: 02/23/2017



Remittance Form

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Invoice Summary

Fees			11,812.00
Less: Courtesy Discount			(1,000.00)
	Sub-Total		\$ 10,812.00
	GST/HST #885435842 RT0001		1,405.56
	Total Due	CAD	\$ 12,217.56

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

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Payable to: Richter Advisory Group Inc.
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www.richter.ca

Toronto, Montreal

RICHTER

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Date: 02/28/2017
Invoice No.: DRAFT
Engagement No.: 2020792
Payment Terms: Due on Receipt

Professional services rendered to February 24, 2017		\$ 10,687.00
Sub-Total		<u>10,687.00</u>
GST/HST #885435842 RT0001		1,389.31
Total Due	CAD	<u>\$ 12,076.31</u>

T. 416.488.2345

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Bay Wellington Tower
Toronto ON M5J 2T3
www.richter.ca

Toronto, Montreal



Invoice No.: DRAFT
Date: 02/28/2017



Fees

Name	Hours	Rate	Amount
Adam Sherman	12.00	\$ 625.00	\$ 7,500.00
Soazig Bourgine	0.20	185.00	37.00
Wuji Mahmood	9.00	350.00	3,150.00
	<u>21.20</u>		<u>\$ 10,687.00</u>

Invoice No.: DRAFT
Date: 02/28/2017



Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
02/21/2017	Wuji Mahmood Monitoring for week ending February 18. Correspondance with Company and Stern re: information request for inventory and purchases. Internal communications re: undeliverable creditor notice.	3.75	\$ 350.00	\$ 1,312.50
02/21/2017	Adam Sherman Attendance at the Company, including meeting with Management/Stern re various matters. Emails with A&B. Emails/discussions with Richter team. Emails/calls with Stern. Emails with the Company.	3.50	625.00	2,187.50
02/22/2017	Wuji Mahmood Finalize monitoring for week ending February 18. Correspondance with Stern and the Company re: inventory and purchase orders, including review of documents in connection sith same.	2.25	350.00	787.50
02/22/2017	Adam Sherman Emails/calls with the Company. Emails/calls with Stern re APA, leases, etc. Emails with A&B re update. Email from Stern attaching revised APA.	1.50	625.00	937.50
02/23/2017	Soazig Bourgine Communications re: undeliverable creditor notices.	0.20	185.00	37.00
02/23/2017	Wuji Mahmood Review of inventory reports and discussions with D. Perlman re: Stern questions. Compilation of contracts for APA.	2.00	350.00	700.00
02/23/2017	Adam Sherman Review Stern's revised APA, including discussion with A&B/Cassels re same. Emails/calls with the Company re various matters. Emails/calls with Stern re leases, APA, etc. Emails/discussions with Richter team.	3.50	625.00	2,187.50
02/24/2017	Wuji Mahmood Various calls with Company re: APA items and contracts/agreements.	1.00	350.00	350.00
02/24/2017	Adam Sherman Emails with the Company re various matters. Emails/calls with A&B. Conference call with Stern (and its counsel)/A&B/Cassels re APA. Conference call with the Company/A&B re APA, etc. Emails/calls with Stern. Emails/discussions with Richter team.	3.50	625.00	2,187.50

Invoice No.: DRAFT
Date: 02/28/2017



Date	Name and Description	Hours	Rate	Amount
Fees Total		21.20		\$ 10,687.00

Invoice No.: DRAFT
Date: 02/28/2017



Remittance Form

MRP Retail Inc.
135 Sparks Ave.
Scarborough, ON M2H 2S5

Invoice Summary

Sub-Total		\$ 10,687.00
GST/HST #885435842 RT0001		1,389.31
Total Due	CAD	\$ 12,076.31

Payment Options

Wire Transfer

Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATT
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR

Email payment details, including invoice number and amount paid to:
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Payable to: Richter Advisory Group Inc.
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Toronto, Montreal

Exhibit “C”



Richter Advisory Group Inc.
in its capacity as Proposal Trustee *in re*
the Proposal of MRP Retail Inc. and MRP Family Retail Inc.

Exhibit "C"

Statement of Accounts

<u>Staff Member</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Amount</u>
Senior Vice President			
A. Sherman	131.60	625	82,250.00
G. Benchaya	22.50	625	14,062.50
Vice President			
A. Dalfio	2.90	525	1,522.50
Senior Associate			
W. Mahmood	138.25	350	48,387.50
Administration			
S. Bourgine	15.70	185	2,904.50
C. O'Donnell	1.90	250	475.00
A. Stremski	8.80	185	1,628.00
Total	321.65		151,230.00
			(14,000.00)
Total Fees Charged			137,230.00
Blended average hourly rate		426.64	

APPENDIX “D”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL
OF MRP RETAIL INC. AND MRP FAMILY RETAIL INC.

AFFIDAVIT OF LARRY ELLIS
(sworn March 3, 2017)

I, Larry Ellis, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Partner with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel to Richter Advisory Group Inc. in its capacity as proposal trustee ("**Proposal Trustee**") of MRP Retail Inc. ("**MRPR**") and MRP Family Retail Inc. ("**MRPF**" and together with MRPR, the "**Companies**"). As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. Between January 1, 2017 and February 28, 2017 Cassels charged fees and disbursements in the aggregate amount of \$22,045.56 plus applicable Harmonized Sales Tax. Attached as **Exhibit "A"** are true copies of these invoices.
3. Attached hereto and marked as **Exhibit "B"** is a summary of the lawyers whose services are reflected on the invoices, including, year of call, hourly rate, and a summary of the total fees and hours billed.

4. Further, attached as **Exhibit "C"** is a summary of each invoice together with a calculation of the average hourly billing rates for the lawyers whose services are reflected thereon. The average hourly billed rate for this period of the engagement is \$417.15.

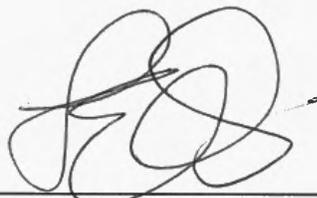
5. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged for the provision of similar services by other legal firms in the Toronto market.

6. This affidavit is made in support of a motion to, among other things, seek approval of the foregoing fees and disbursements as fair and reasonable.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on the 3rd day of March, 2017.



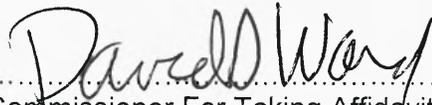
Commissioner for Taking Affidavits



LARRY ELLIS

TAB A

This is **Exhibit "A"** referred to in the affidavit of **LARRY ELLIS** sworn before me in the City of Toronto, in the Province of Ontario, this 3rd day of March, 2017.

A handwritten signature in cursive script, appearing to read "David D. Wong". The signature is written in black ink and is positioned above a horizontal dotted line.

.....
A Commissioner For Taking Affidavits



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: ADAM SHERMAN
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
EMAIL: ASHERMAN@RICHTER.CA

Date: 02/09/17
Our File #: 047265-00009
Invoice #: 2007310
HST/GST #: R121379572

**Re: Restructuring Of Jean Machine, MRP Retail Inc. And
MRP Family Retail Inc.**

**TO PROFESSIONAL SERVICES RENDERED up to and including JANUARY 31, 2017, as described
below:**

Date		Description	Hours
01/06/17	LCE	Review emails from Adam Sherman and follow up by ordering necessary searches to complete security reviews;	0.30
01/09/17	LCE	Review Certificates issued by OSB and file; review emails from Adam Sherman and Ken Rosenstein regarding the status of the forbearance agreement;	0.20
01/10/17	LCE	Review executed forbearance agreement and consider same in light of restructuring context; email to Harvey Chaiton regarding the loan and security documents; review note from Megan Mossip and attached security documents;	1.50
01/11/17	LCE	Review note from Adam Sherman regarding the service interruption email and provide comment; call with client to discuss status of offers update and to provide advice;	0.50

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Cassels Brock & Blackwell LLP

2100, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3C2
Tel: 416.869.5300 Fax: 416.360.8877 www.casselsbrock.com

Date		Description	Hours
01/12/17	LCE	Review email from Justin Johnston confirming return to service; review update to offers provided for by client and consider strategies available to advance sale; call with client to discuss sales strategies; review draft term sheet and consider strategies to assist in completing transaction;	1.10
01/13/17	LEL	Jean Machine; Review proposed sale terms and background documents; conference call with company and trustee to discuss offer and next steps;	1.80
01/13/17	LCE	Meeting with client and review of term sheet; discuss and consider strategies to close deal; call with all hands to consider next steps to close transaction;	0.60
01/16/17	LCE	Review rent savings analysis and consider same in context of strategies to close transaction; review emails during the day from the company and the client in connection with strategies to close the transaction; participate on call with client to discuss deal points and next steps;	1.00
01/18/17	LCE	Review and consider emails from client and from Ken Rosenstein regarding update on sales negotiation; review updated cash flow projections and trustee's report on same; review update email from Adam Sherman regarding sale of company;	0.80
01/20/17	LCE	Review executed cash flow document and emails from Sam Babe and Ken Rosenstein regarding draft LOI documents; review latest draft of the Letter of Intent and consider strategies to close;	0.70
01/21/17	LCE	Review update from Suhuyini regarding security review and provide direction;	0.30
01/23/17	SHA	Engaged in security review and preparation of opinion.	6.60

Date		Description	Hours
01/23/17	RJ	Submit due diligence searches for MRP Retail and report on same to working group; receive corporate profiles, certificates of status, and business names list and provide to working group with status reports; submit additional searches for PPSA searches; confirm no extra-provincial registrations across Canada; email correspondence from and to working group all re same; receive bank act, bankruptcy and writ searches, review and forward same to working	1.80
01/23/17	LCE	Review updated letter of intent and consider legal advice regarding same; review note from Malcolm Perlman regarding severance issues and other LOI related issues;	0.40
01/24/17	RJ	Receive remaining search results for Provincial bankruptcy and ON litigation searches, review and provide same to working group with overview of same;	0.70
01/24/17	SHA	Engaged in security review and preparation of opinion.	0.80
01/24/17	LCE	Review draft of the security opinion and provide direction;	0.30
01/25/17	ASC	Complete PPSA summary for S. Abudulai;	1.20
01/25/17	ROG	Review of Canadian trademark and copyright databases, correspondence to S. Abudulai reporting results;	1.10
01/25/17	LCE	Review updated Letter of Intent and changes made thereto;	0.40
01/26/17	LCE	Review blackline revisions to Letter of Intent; review email from Shawn Lewis setting out suggested revisions to Letter of Intent and discuss same with client;	0.40
01/27/17	LCE	Work to book court time and review email and draft order/affidavit in support of first extension motion; review multiple emails during the day in connection with the letter of intent and changes made to complete the document;	1.70
01/28/17	SHA	Engaged in preparation of security review letter.	0.80

Date		Description	Hours
01/28/17	LCE	Review emails from client and Ken Rosenstein during the day in connection with proposed communication to landlord;	0.20
01/30/17	ASC	Complete PPSA summary and Litigation summary for S. Abudulaj;	0.70
01/30/17	LCE	Review draft court report prepared by client and note comments; review execution version of the Letter of Intent;	1.50
01/31/17	LCE	Review Perlman security documents and provide direction to Suhuyini regarding same;	0.70

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>	<u>Discounted Rate</u>	<u>Discounted Fee</u>
Amanda Scolieri	1.90	175.00	332.50	112.42	213.59
Larry Ellis	12.60	625.00	7,875.00	401.49	5,058.82
Leonard Loewith	1.80	430.00	774.00	276.23	497.21
Rosemarie Gelntis	1.10	235.00	258.50	150.96	166.06
Rosina Jagore	2.50	240.00	600.00	154.17	385.43
Suhuyini Abudulai	8.20	480.00	3,936.00	308.35	2,528.45
Our Fee before discount:				13,776.00	
Less: Courtesy Discount on Fees:				<u>(4,926.44)</u>	
Our Fee					8,849.56
HST on Fees					<u>1,150.44</u>
Total Fees & Tax					<u>\$ 10,000.00</u>

This is our account herein
Cassels Brock & Blackwell LLP



Larry Ellis
E&OE



For payment by wire, please send funds to:

Bank of Nova Scotia

Address: 44 King St. West; Toronto, Ontario; M5H 1H1

Bank #: 002

Transit #: 47696

CDN Account #: 00739-11

SWIFT CODE: NOSCCATT

ABA Routing #: 026 002 532

Reference: Please include the lawyer's name and the invoice number

For payment by **VISA**, **American Express** or **MasterCard**, please either:

- contact our Accounts Receivable department at 416-869-5727 and provide the information below;
- email the information below to CreditCard@casselsbrock.com; or,
- fill in the information below and fax it to Accounts Receivable at 416- 640-3141.

VISA American Express MasterCard

Card Number: _____

Expiry Date (MM/YY): _____ / _____

Name on Card: _____

Our Invoice Number(s): _____

Amount Paid: _____

Our File Number(s): _____

Daytime Phone Number: _____

Cardholder Signature



CASSELS BROCK
LAWYERS

RICHTER ADVISORY GROUP INC.
ATTN: ADAM SHERMAN
181 BAY STREET, BAY WELLINGTON TOWER
SUITE 3320
TORONTO, ON M5J 2T3
EMAIL: ASHERMAN@RICHTER.CA

Date: 03/03/17
Our File #: 047265-00009
Invoice #: 2008624
HST/GST #: R121379572

**Re: Restructuring Of Jean Machine, Mrp Retail Inc. And
Mrp Family Retail Inc.**

TO PROFESSIONAL SERVICES RENDERED up to and including February 28, 2017, as describe
below:

Date		Description	Hours
02/01/17	LCE	Continue review of court report; review and respond to emails from client in connection with the Court report;	0.40
02/01/17	LCE	Review first report and email client to confirm no comments on same; review motion record of company in preparation for court appearance;	1.20
02/02/17	LCE	Review motion record of the debtor in connection with extension motion; review final draft of report circulate to company and consider legal test for approval of extension;	0.50
02/02/17	LCE	Review final court report and provide instruction for service tomorrow morning;	0.60
02/03/17	LCE	Review correspondence in connection with Perlman security and consider information required to complete review; communication with Suhuyini to provide direction;	0.40

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Date		Description	Hours
02/03/17	LCE	Review emails in connection with additional information request to complete security review; telephone conversation with client in connection with service; follow up to provide instruction to ensure service is completed;	0.70
02/04/17	LCE	Review email from Sam Babe in connection with delivery of additional materials;	0.20
02/06/17	LCE	Review email from Sam Babe in connection with provision of additional security information and information in connection with other secured parties;	0.20
02/07/17	LCE	Review update from Adam Sherman in connection with Landlord to go she Asian's; follow-up call with Adam Sherman to receive update;	0.30
02/08/17	LCE	Prepare for and attend in court for hearing to extend stay of proceedings;	1.00
02/09/17	LCE	Review email from David Bish and consider appropriate next steps to address concerns; .2	0.20
02/10/17	LCE	Review update from Adam Sherman in connection with Landlord negotiation as well as responding to emails from the debtor company;	0.50
02/13/17	LEL	Review and provide comments on LOI and asset purchase agreement; meeting with L. Ellis to discuss; Call with S. Babe to discuss revisions and outstanding sections; correspondence providing comments;	5.70
02/13/17	LCE	Review draft of asset purchase agreement and provide to Len together with instruction for review; compare asset purchase agreement to letter of intent; provided vice to all parties in connection with extension of letter of intent;	2.00
02/14/17	LCE	Review email from Malcolm in connection with amendment to purchase price to reflect loss of Store and review follow-up emails in connection with same; review draft amendment to the letter of intent;	0.50

Date		Description	Hours
02/22/17	LCE	Review email from Sam Babe sending out purchasers counsel's comments to purchase agreement; review black line of agreement and consider revisions;	1.10
02/23/17	LEL	Conference call with company counsel and monitor to review comments to APS;	1.10
02/23/17	LCE	Participate on call with Team to discuss revisions to document and appropriate response;	0.90
02/24/17	LEL	Conference call with purchaser's counsel, monitor and company counsel re APS;	1.60
02/24/17	LCE	Review form of landlord consent together with certain schedules to purchase agreement; participate on call with all parties to assist in advancing the purchase agreement;	1.20
02/26/17	LCE	Review revised purchase agreement and consider same; review comments from that are in connection with same; review updated list of diligence required for delivery to purchaser;	0.70
02/27/17	LCE	Review black line of purchase agreement together with the pension plan document;	0.50
02/28/17	LCE	Review email setting out strategy prepared by Adam Sherman in connection with care costs;	0.20

Time Summary

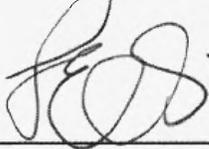
<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Larry Ellis	13.30	625.00	8,312.50
Leonard Loewith	8.40	430.00	<u>3,612.00</u>
Our Fee			11,924.50
HST on Fees			<u>1,550.19</u>
Total Fees and Tax			13,474.69

Disbursements

Disbursements may include long distances telephone charges, facsimile charges, corporate and other search related charges, delivery charges, service of material charges, copies and filing fees in connection with your matter, together with any other disbursements we make on your behalf.

Total Taxable Disbursements	1,271.50
Total Tax on Disbursements	165.30
	<hr/>
Total Disbursements and Tax	<u>1,436.80</u>
Total Fees, Disbursements & Tax	<u>\$ 14,911.49</u>

This is our account herein
Cassels Brock & Blackwell LLP



Larry Ellis
E&OE



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- fill in the information below and fax it to Accounts Receivable at 416- 640-3141.

VISA
 American Express
 MasterCard

Card Number: _____

Expiry Date (MM/YY): _____ / _____

Name on Card: _____

Our Invoice Number(s): _____

Amount Paid: _____

Our File Number(s): _____

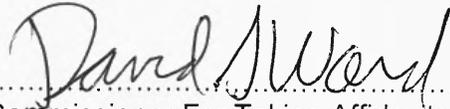
Daytime Phone Number: _____

Cardholder Signature

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TAB B

This is **Exhibit "B"** referred to in the affidavit of **LARRY ELLIS** sworn before me in the City of Toronto, in the Province of Ontario, this 3rd day of March, 2017.

A handwritten signature in cursive script, appearing to read "David Ward". The signature is written in black ink and is positioned above a horizontal dotted line.

A Commissioner For Taking Affidavits

EXHIBIT "B"

Summary of Lawyers Services per Invoice Issued

Invoice No. 2007310 (for the period from January 1, 2017 – January 31, 2017)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
2004	Larry Ellis	\$401.49	\$5,058.82	12.60
2009	Suhuyini Abudulai	\$308.35	\$2,528.45	8.20
2014	Leonard Loewith	\$276.23	\$497.21	1.80
	Rosemarie Gelntis	\$150.96	\$166.06	1.10
	Amanda Scolieri	\$112.42	\$385.43	1.90
	Rosina Jagore	\$154.17	\$213.59	2.50
Actual Fees Incurred			\$8,849.56	
Total Fees Billed with HST			\$10,000.00	28.10

Invoice No. 2008619 (for the period from February 1, 2017 – February 28, 2017)

Year of Call	Lawyer	Billed Rate (\$)	Fees Billed (\$)	Hours Worked
2004	Larry Ellis	\$625.00	\$8,312.50	13.30
2014	Leonard Loewith	\$430.00	\$3,612.00	8.40
Actual Fees Incurred			\$11,924.50	
Total Fees Billed with HST			\$13,474.69	21.70

TAB C

This is **Exhibit "C"** referred to in the affidavit of **LARRY ELLIS** sworn before me in the City of Toronto, in the Province of Ontario, this *3rd* day of March, 2017.

David Ward

A Commissioner For Taking Affidavits

EXHIBIT "C"

Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
For the period January 1, 2017 to February 28, 2017

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
Inv. # 2007310 (January 1-31, 2017)	\$8,849.56	\$nil	\$1,150.44	\$10,000.00	28.10	\$314.93
Inc.# 2008619 (February 1-28, 2017)	\$11,924.50	\$1,271.50	\$1,715.49	\$14,911.49	21.70	\$549.52
TOTAL	\$20,774.06	\$1,271.50	\$2,865.93	\$24,911.49	49.80	\$417.15

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL
OF MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at TORONTO

AFFIDAVIT OF LARRY ELLIS

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Larry Ellis LSUC #: 49313K
Tel: 416.869.5406
Fax: 416.640.3004
lellis@casselsbrock.com

Lawyers for Richter Advisory Group Inc., Proposal Trustee

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

Court File Nos. 31-2205065
31-2205066

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT TORONTO

**SECOND REPORT OF RICHTER ADVISORY
GROUP INC., IN ITS CAPACITY AS TRUSTEE
UNDER THE NOTICES OF INTENTION TO MAKE
A PROPOSAL OF MRP RETAIL INC. AND MRP
FAMILY RETAIL INC.**

CASSELS BROCK & BLACKWELL LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

LARRY ELLIS LSUC #49313K
Tel: 416.869.5406
Fax: 416.640.3004
lellis@casselsbrock.com

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