



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

THE HONOURABLE
JUSTICE HAINEY

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FRIDAY THE 25TH

DAY OF SEPTEMBER, 2020

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
MENDOCINO CLOTHING COMPANY LTD.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by KSV Kofman Inc., in its capacity as proposal trustee (the "Proposal Trustee") of Mendocino Clothing Company Ltd. (the "Debtor"), for an order, among other things, extending the time for the Debtor to file a proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA") and authorizing and directing the Proposal Trustee, following completion of the Transaction (as defined in the approval and vesting order dated as of the date hereof), to pay the net proceeds of distribution to the Toronto-Dominion Bank ("TD Bank"), net of any reserves considered necessary by the Proposal Trustee to pay the outstanding fees, costs and other obligations related to these proceedings, was heard this day virtually by Zoom videoconference due to the COVID-19 crisis.

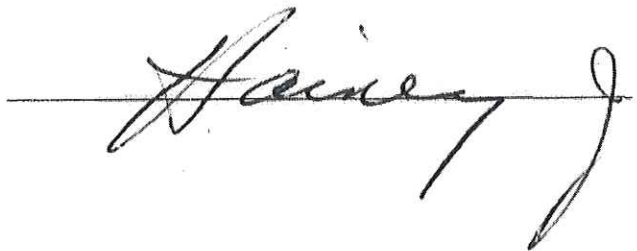
ON READING the Motion Record of the Proposal Trustee, the Second Report and on hearing the submissions of counsel for the Proposal Trustee and the Debtor, no one else appearing for any other person on the service list, although served as evidenced by the Affidavit of Liberty Thorpe sworn September 17, 2020, filed,

1. **THIS COURT ORDERS** that the time for service of the Proposal Trustee's Motion Record is hereby abridged and validated and the manner of service of the Notice of Motion and Motion Record is hereby validated, so that the motion is properly returnable today, and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the Debtor to file a proposal is hereby extended to October 28, 2020.

3. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized and directed, following the completion of the Transaction (as defined in the approval and vesting order dated as of the date hereof), to pay the net proceeds of distribution to the Toronto-Dominion Bank ("**TD Bank**") up to the amount owing to TD Bank, net of (i) any reserves considered necessary by the Proposal Trustee to pay the outstanding fees, costs and other obligations related to these proceedings or payable in respect of such proceeds; and (ii) amounts to be held back to fund the bankruptcy of the Debtor including for the administration of claims under the *Wage Earner Protection Program*.

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Proposal Trustee, the Debtor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, and the Debtor as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee, the Debtor and their agents in carrying out the terms of this Order.

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to read "A. J. [unclear]".

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF MENDOCINO CLOTHING COMPANY LTD.,
A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO

Court File No.: 31-2658047

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

Proceeding commenced at Toronto

ORDER

September 25, 2020

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2

Mario Forte LSO#: 27293F

**Tel: 416.597.6477
Fax: 416.597.3370**

**Lawyers for KSV Kofman Inc.,
Proposal Trustee**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Jennifer Stam LSO#: 46735J

**Tel: +1 416.202.6707
Fax: +1 416.216.3930**

**Lawyers for KSV Kofman Inc.,
Proposal Trustee**