



FORCE FILED

No. S-254287
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, as amended

and

IN THE MATTER OF OAK AND FORT CORP., 1282339 B.C. LTD.,
OAK AND FORT US GROUP, INC., OAK AND FORT ENTERPRISE (U.S.), INC.,
NYM MERGER HOLDINGS LLC and OAK AND FORT CALIFORNIA, LLC

PETITIONERS

NOTICE OF APPLICATION

Name of applicants: The Petitioners, Oak and Fort Corp., 1282339 B.C. Ltd., Oak and Fort US Group, Inc., Oak and Fort Enterprise (U.S.), Inc., NYM Merger Holdings LLC and Oak and Fort California, LLC

To: The Service List, a copy of which is attached hereto as **Schedule "A"**

TAKE NOTICE that an application will be made by the applicants to Madam Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on Monday, June 16, 2025 at 9:00 a.m. for the orders set out in Part 1 below.

The applicants estimate that the application will take 1 hour.

This matter is not within the jurisdiction of an associate judge.

Part 1 ORDERS SOUGHT

1. The Petitioners (also referred to herein as the "**O&F Group**"), Oak and Fort Corp. ("**O&F**"), 1282339 B.C. Ltd., Oak and Fort US Group, Inc. ("**O&F US**"), Oak and Fort Enterprise (U.S.), Inc. ("**Enterprise**"), NYM Merger Holdings LLC ("**NYM**") and Oak and Fort California, LLC (together with O&F US, Enterprise and NYM, the "**Foreign Subsidiaries**"), seek an

amended and restated initial order (“**ARIO**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in substantially the form attached as **Schedule “B”**, which amends and restates the relief under the order made June 6, 2025 (the “**Initial Order**”) and among other things:

- (a) extends the stay of proceedings in respect of the Petitioners to July 4, 2025;
- (b) increases the maximum amount secured by the Administration Charge from \$300,000 to \$500,000;
- (c) approves the creation of a directors and officers’ charge in the amount of \$3,400,000 (the “**D&O Charge**”);
- (d) approves the creation of an intercompany charge (the “**Intercompany Charge**” and together with the Administration Charge, the Interim Lender’s Charge, and the D&O Charge, the “**Charges**”) to secure the repayment of any advances from one company within the O&F Group to another company within the O&F Group during the pendency of the *CCAA* Proceedings; and
- (e) orders that the Charges shall be charges on the Property ranking ahead of all other claims and encumbrances save and except for the security interest of Royal Bank of Canada (“**RBC**”) in cash collateral in the possession of RBC.

2. The Petitioners may also seek such further relief as counsel may advise and this Honourable Court may permit.

3. Unless otherwise defined herein, all capitalized terms have the meanings ascribed thereto in Affidavit No. 1 of Min Gyoung Kang made June 6, 2025 (the “**First Kang Affidavit**”), the Affidavit No. 2 of Min Gyoung Kang made June 12, 2025 (the “**Second Kang Affidavit**” and together with the First Kang Affidavits, the “**Affidavits**”), or the Initial Order, as applicable.

Part 2 FACTUAL BASIS

Overview

4. On June 6, 2025, Justice Fitzpatrick granted the Initial Order under the CCAA. Pursuant to the Initial Order, the NOI Proceedings were taken up and continued into these CCAA Proceedings and KSV was appointed Monitor of the Petitioners. As detailed in the Affidavits, the Initial Order was of particularly limited scope due to the short time available to the O&F Group to commence these proceedings. The O&F Group brings the within Application for the ARIO now seeking broader relief under the CCAA.

5. As noted in the First Kang Affidavit, the O&F Group intends to identify and implement cost-reductions with the view of right-sizing operations and expenses, and pursue financing that will enable it to implement a comprehensive restructuring plan which allows it to emerge from these proceedings as a stronger business, for the benefit of all stakeholders.

6. The Petitioners are a group of privately-held companies that are engaged in the specialty retail business under the “Oak + Fort” brand through e-commerce websites and 42 retail stores in Canada and the United States. The O&F Group currently faces significant liquidity constraints and owes more than CAD \$25 million to creditors, including its secured creditors, suppliers and landlords.

7. Since June 6, 2025, the O&F Group, with the assistance of its legal counsel, the Monitor, and the CRO, has taken steps to advance its restructuring, including, among other things:

- (a) advising and engaging with vendors, suppliers, landlords and other creditors regarding the CCAA Proceedings and the O&F Group’s business during these proceedings;
- (b) continuing to advance discussions on interim financing with the lender it had been negotiating with prior to the commencement of the proceedings, while also seeking to identify potential alternative sources of such financing;
- (c) obtaining provisional relief from the U.S. Bankruptcy Court in the Chapter 15 Proceedings;

- (d) negotiating the terms of post-filing supply agreements with certain critical suppliers; and
- (e) continuing to operate and manage the business and operations of the O&F Group in the ordinary course.

8. The activities undertaken by the O&F Group since this Court granted the Initial Order are detailed in the Second Kang Affidavit.

Extension of the Stay Period

9. The O&F Group seeks an extension of the Stay Period by approximately three weeks to July 4, 2025 (the “**Stay Extension**”) to provide time to finalize an interim financing term sheet while continuing to assess and implement restructuring options. The O&F Group expects that such strategy will include, among other things, negotiations with landlords for improved lease terms or early lease termination on mutually agreeable terms, as applicable. If necessary the O&F Group may close unprofitable locations and disclaim the applicable leases.

Administration Charge

10. The O&F Group seeks to amend the Administration Charge by: (a) increasing the amount of the charge from \$300,000 to \$500,000, and (b) elevating the Administration Charge such that it ranks in priority to the claims of all other creditors other than RBC with respect to cash collateral in its possession.

11. The proposed amendments to the Administration Charge reflect the potential exposure of the beneficiaries of the charge in anticipation of a longer stay extension to be sought on the next application and a more robust restructuring process to be undertaken by the Petitioners in the coming months.

Interim Financing and Interim Lender’s Charge

12. O&F has received an interim financing term sheet from the lender it was negotiating with prior to the commencement of these proceedings. O&F continues to negotiate that term sheet,

while concurrently seeking alternative sources of interim financing. It is anticipated that the Petitioners will be seek approval of an interim financing terms sheet at the next hearing.

Directors and Officers' Charge

13. The O&F Group further seeks the D&O Charge to secure an indemnity in favour of the Directors and Officers in respect of liabilities they may incur (while acting in their current capacities) during the *CCAA* Proceedings.

14. The O&F Group has maintained insurance policies in respect of the potential liabilities of, among other parties, the Directors and Officers. However, such policies contain exclusions and policy limits, and there is potential for insufficient coverage in respect of potential claims against the Directors and Officers during the course of these proceedings.

15. The proposed amount of the D&O Charge, being the amount of \$3,400,000, has been calculated based on the estimated exposure of the Directors and Officers for unremitted employee wages and source deductions which may be incurred by the O&F Group under Canadian and U.S. law during any two-week period, and has been reviewed by the Monitor and the CRO. The Petitioners believe the quantum of the charge to be fair and reasonable in the circumstances.

Intercompany Charge

16. The O&F Group expects that, during the pendency of the *CCAA* Proceedings, and consistent with historical practices, inter-company transfers of funds (most likely, to be transferred by the Foreign Subsidiaries to O&F) will be required from time to time.

17. Accordingly, the O&F Group seeks the creation of an Intercompany Charge, which is proposed to be a charge over the Property of the net payee entity of the Foreign Subsidiaries in favour of the net payor entity for the net aggregate amount of any inter-company transfers. The O&F Group seeks the Intercompany Charge to safeguard the interests of the stakeholders of a net payor entity (or entities) for inter-company transactions made during these proceedings.

The Priorities of Charges

18. The relativity priority of the Charges over the Property is proposed as follows:

- (a) the Administration Charge – up to the amount of CAD \$500,000;
- (b) the D&O Charge – up to the amount of CAD \$3,400,000; and
- (c) the Intercompany Charge.

Part 3 LEGAL BASIS

19. The Petitioners rely on the following:

- (a) the *CCAA*;
- (b) the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“*BIA*”);
- (c) *Supreme Court Civil Rules* of British Columbia;
- (d) the inherent jurisdiction of this Honourable Court; and
- (e) such further and other legal basis as counsel may advise and this Honourable Court may permit.

The Remedial Objective of the CCAA

20. The Court’s analysis of this Application is guided by the overarching objective of the *CCAA*: to enable companies to compromise or otherwise restructure their debts to avoid the devastating social and economic effects of insolvency by preserving their business in a manner intended to cause the least amount of harm to a debtor company, its stakeholders and the communities in which it carries on business. The *CCAA* is remedial legislation which should be given a broad and liberal interpretation. Section 11, in particular, provides this Court broad and flexible authority to make the orders necessary to achieve these objectives. All of the relief sought in the within Application furthers the objectives of the *CCAA*.

CCAA, s 11.

Ted Leroy Trucking [Century Services] Ltd, Re, 2010 SCC 60, [2010] 3 SCR 379 at paras 18-19, 70.

Lehndorff General Partner Ltd, Re, [1993] OJ No 14 (ONCJ), 17 CBR (3d) 24 at para 5.

North American Tungsten Corp (Re), 2015 BCSC 1376 [*North American Tungsten*] at paras 25, 27.

Extension of the Stay Period

21. The Initial Order provides for a stay of proceedings to and including June 16, 2025.

22. Pursuant to the section 11.02(2) of the *CCAA*, the Court may extend this initial stay period for any period that the Court considers necessary provided that (a) the extension sought is appropriate in the circumstances; and (b) the Petitioners have acted and are acting in good faith and with due diligence. In determining whether it is appropriate to extend a stay of proceedings, courts consider whether doing so will advance the remedial purpose of the *CCAA*.

CCAA, s 11.02(2).

North American Tungsten at paras 25-29.

23. The O&F Group seeks the Stay Extension to, among other things, continue negotiations with potential interim lenders, analyze the viability and profitability of its retail locations, and determine and implement its restructuring strategy. The contemplated restructuring will include discussions with landlords regarding improved lease terms or early lease termination, as applicable, and may in some instances involve a disclaimer of leases.

24. As summarized above at paragraph 7, since the issuance of the Initial Order, the O&F Group has acted and continues to act in good faith and with diligence to advance its restructuring. The Stay Extension is reasonable and appropriate in the circumstances, and necessary to enable the O&F Group to continue to pursue its restructuring plan.

25. The Petitioners have sufficient liquidity to meet their obligations and carry on business operations through the proposed extension period of approximately three weeks, to July 4, 2025.

Administration Charge

26. Section 11.52 of the *CCAA* provides this Court with jurisdiction to increase the amount and elevate the priority of the Administration Charge. In particular, the Court has express authority to order that such charge “rank in priority over the claim of any secured creditor” provided that affected secured creditors are provided notice of the application for such order. As such, the

Petitioners proposed amendments to the Administration Charge are consistent with the remedial purpose of the *CCAA*, and fall squarely within the Court's jurisdiction.

CCAA, s 11.52.

27. The proposed increase to the amount of the Administration Charge reflects the expected fees and expenses of the professional advisors who are involved in these proceedings (being the O&F Group's legal counsel, the Monitor, the Monitor's legal counsel, and the CRO) over the course of a longer stay extension to be sought on the next application and in anticipation of a more robust restructuring process to be undertaken by the Petitioners in the coming months. The increased amount is fair and reasonable in light of the number of beneficiaries, and the scope and complexity of the proposed restructuring, and is necessary to ensure the continued and effective participation of the charge beneficiaries, whose involvement is required for the continuation of the *CCAA* Proceedings.

28. The Petitioners also propose that the Administration Charge will take priority over the claims of all of their pre-filing secured creditors, with the exception of RBC in respect of cash collateral presently in RBC's possession, and brings this Application on notice to these parties.

D&O Charge

29. Section 11.51 of the *CCAA* empowers this Court to grant a charge over the assets of a debtor company with respect to directors and officers' indemnification on a priority basis, provided that (a) notice has been given to affected secured creditors, (b) the Court is satisfied with the amount of the proposed charge, and (c) the proposed charge does not provide coverage for the wilful misconduct or gross negligence.

CCAA, s 11.51.

Canwest Global at paras 45-46.

Canwest Publishing Inc (Re), 2010 ONSC 222, [2010] OJ No 188 at paras 56-57.

30. The Petitioners seek a directors and officers' charge in the amount of \$3,400,000 as security for their indemnification obligations for liabilities imposed upon their directors and

officers, on notice to the secured creditors. The proposed amount of the charge, which has been determined in consultation with the Monitor and the CRO, corresponds with the estimated exposure of Directors and Officers for unremitted employee wages and source deductions during any two-week period. In this instance, the continued participation of the experienced Directors and Officers is critical to the restructuring, and their retention will ensure stabilization and ongoing business operations during these proceedings. The D&O Charge will also provide assurances to the O&F Group's employees that obligations for accrued wages will be satisfied.

31. The D&O Charge is essential to the successful restructuring of the O&F Group, and should be granted by this Court.

Intercompany Charge

32. While the intercompany flow of funds between and among the O&F Group (namely, from the Foreign Subsidiaries to O&F) has historically not been treated as loans, the contemplated Intercompany Transactions can be analogized to interim financing given the potential requirement to repay such funds if so ordered by this Court. Accordingly, this Court's jurisdiction to grant an interim lender's charge pursuant to section 11.2(1) of the *CCAA* likewise empowers this Court to grant the proposed Intercompany Charge.

33. Furthermore, courts have also relied section 11 of the *CCAA* (which provides courts with the broad power to make any order as they may consider appropriate) to approve intercompany charges so as to secure repayment of intercompany advances. Indeed, where a group of debtor companies' business operations have been funded in part through intercompany advances in the ordinary course, the courts have approved intercompany charges to protect the stakeholders of the lending entities.

Performance Sports Group Ltd, Re, 2016 ONSC 6800 at para 34.

Walter Energy Canada Holdings, Inc (Re), 2016 BCSC 107 at paras 65-67.

Price Group Holdings Inc et al, 2024 ONSC 2026 at pars 39-42.

34. The proposed Intercompany Charge is appropriate in the circumstances. It is consistent with the overarching objective of maintaining the status quo for the Oak + Fort enterprise, while

safeguarding the interests of the Foreign Subsidiaries' creditors from inadvertent inequities or changes to the priorities and rights of the O&F Group's various stakeholders. The Intercompany Charge sought by the Petitioners should be granted.

Part 4 MATERIAL TO BE RELIED ON

35. Affidavit No. 1 of Min Gyoung Kang made on June 6, 2025.
36. Affidavit No. 2 of Min Gyoung Kang made on June 12, 2025.
37. The Pre-Filing Report of the Proposed Monitor, filed on June 6, 2025.
38. The First Report of the Monitor, to be filed.
39. Such further and other materials as counsel may advise and this Honourable Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application,

- (a) file an Application Response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed Application Response;

- (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
- (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated: 12-Jun-2025



Signature of Lawyer for Applicants,
Kibben Jackson

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs of Part 1 of
this Notice of Application

☐ with the following variations and additional terms:

.....
.....
.....

Date:

.....
Signature of ☐ Judge ☐ Associate
Judge

The Solicitors for the Petitioners are Fasken Martineau DuMoulin LLP, whose office address and address for delivery is 550 Burrard Street, Suite 2900, Vancouver, BC V6C 0A3 Telephone: +1 604 631 3131 Facsimile: +1 604 631 3232 E-mail: kjackson@fasken.com (Reference: Kibben Jackson/329904.00020)

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ none of the above

SCHEDULE "A"

SERVICE LIST

No. S-254287
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, as amended**

and

**IN THE MATTER OF OAK AND FORT CORP., 1282339 B.C. LTD.,
OAK AND FORT US GROUP, INC., OAK AND FORT ENTERPRISE (U.S.), INC.,
NYM MERGER HOLDINGS LLC and OAK AND FORT CALIFORNIA, LLC**

PETITIONERS

SERVICE LIST

(As at June 12, 2025)

Monitor's Website: <https://www.ksvadvisory.com/experience/case/oakandfort>

Fasken Martineau DuMoulin LLP 2900 – 550 Burrard Street Vancouver, BC V6C 0A3 Attention: Kibben Jackson Lisa Hiebert Tiffany Bennett Email: kjackson@fasken.com lhiebert@fasken.com tbennett@fasken.com <i>Counsel for the Petitioners</i>	KSV Restructuring Inc. 220 Bay Street, Suite 1300 Toronto, ON M5J 2W4 Attention: Noah Goldstein Murtaza Tallat Dean Perlman Email: ngoldstein@ksvadvisory.com mtallat@ksvadvisory.com dperlman@ksvadvisory.com <i>The Monitor</i>
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<p>Bennett Jones LLP 2500 Park Place, 666 Burrard Street Vancouver, BC V6C 2X8</p> <p>Attention: Sean Zweig Jesse Mighton Andrew Froh</p> <p>Email: zweigs@bennettjones.com mightonj@bennettjones.com froha@bennettjones.com</p> <p><i>Counsel for the Monitor</i></p>	<p>Reflect Advisors, LLC 4705 Benton Smith Road Nashville, TN 37215</p> <p>Attention: Adam Zalev Yaara Avitzur Darcy Eveleigh</p> <p>Email: azalev@reflectadvisors.com yavitzur@reflectadvisors.com develeigh@reflectadvisors.com</p> <p><i>Chief Restructuring Officer</i></p>
<p>Secured Creditors</p>	
<p>Business Development Bank of Canada 1133 Melville Street, Suite 1500 Vancouver, BC V6E 4E5</p> <p>Attention: Sundeep Sihota</p> <p>Email: sundeep.sihota@bdc.ca</p>	<p>WebBank (Shopify) 100 Shockoe Slip, 2nd Floor Richmond, VA 23219</p> <p>Email: capital-support@shopify.com</p>
<p>Royal Bank of Canada 36 York Mills Road, 4th Floor Toronto, ON M2P 0A4</p>	<p>Shopify Inc. 151 O'Connor Street, Ground Floor Ottawa, ON K2P 2L8</p> <p>Email: contract_notices@shopify.com</p>
<p>De Lage Landen Financial Services Canada Inc. 5046 Mainway, Unit 1 Burlington, ON L7L 5Z1</p>	<p>Ford Credit Canada Leasing PO Box 2400 Edmonton, AB T5J 5C7</p>

<p>Kornfeld LLP 1100 One Bentall Centre 505 Burrard Street, Box 11 Vancouver, BC V7X 1M5</p> <p>Attention: Douglas Hyndman</p> <p>Email: dhyndman@kornfeldllp.com</p> <p><i>Counsel for Business Development Bank of Canada</i></p>	
<p>Landlords</p>	
<p>Torys LLP 79 Wellington St. W. 30th Floor (deliveries) / 33rd Floor (reception) Box 270, TD South Tower Toronto, ON M5K 1N2</p> <p>Attention: David Bish</p> <p>Email: dbish@torys.com</p> <p><i>Counsel for Cadillac Fairview</i></p>	<p>Camelino Galessiere LLP 65 Queen Street West Suite 440 Toronto, ON M5H 2M5</p> <p>Attention: Linda Galessiere</p> <p>Email: lgalesiere@cglegal.ca</p> <p><i>Counsel for various landlords</i></p>
<p>Whitelaw Twining 2400 - 200 Granville Street Vancouver, BC V6C 1S4</p> <p>Attention: John Fiddick</p> <p>Email: jfiddick@wt.ca</p> <p><i>Counsel for Low Tide Properties Ltd.</i></p>	

Government Entities	
Canada Revenue Agency Surrey National Verification and Collection Centre 9755 King George Boulevard Surrey, BC V3T 5E1 Tel: (866) 891-7403 (833) 697-2389	Department of Justice Canada British Columbia Regional Office 900 - 840 Howe Street Vancouver, BC V6Z 2S9
Ministry of Attorney General PO Box 9280 Stn Prov Govnt Victoria, BC V8W 9J7 Email: AGLSBRevTaxInsolvency@gov.bc.ca	

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SCHEDULE “B”

DRAFT ORDER

No. S-254287
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, as amended

and

IN THE MATTER OF OAK AND FORT CORP., 1282339 B.C. LTD.,
OAK AND FORT US GROUP, INC., OAK AND FORT US ENTERPRISE (U.S.), INC.,
NYM MERGER HOLDINGS LLC AND OAK AND FORT CALIFORNIA, LLC

PETITIONERS

ORDER MADE AFTER APPLICATION
(Amended and Restated Initial Order)

BEFORE THE HONOURABLE)
JUSTICE FITZPATRICK) JUNE 16, 2025
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on this 16th day of June, 2025 (the “**Order Date**”); **AND ON HEARING** Kibben Jackson, Tiffany Bennett, and Samantha Mitchell, articling student, counsel for the Petitioners, and those other counsel listed on **Schedule “A”** hereto; **AND UPON READING** the application material filed, including the First Affidavit of Min Gyoung Kang made affirmed June 6, 2025 (the “**First Kang Affidavit**”), the Second Affidavit of Min Gyoung Kang affirmed June 12, 2025, the consent of KSV Restructuring Inc. (“**KSV**”) to act as Monitor, the Pre-Filing Report of the Proposed Monitor dated June 6, 2025, and the First Report of the Monitor dated [●]; **AND PURSUANT TO** the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), the *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. This Amended and Restated Initial Order (“**ARIO**”) amends and restates the Initial Order of this Court made in these proceedings on June 6, 2025 (the “**Initial Order**”).

SERVICE

2. The time for service of the Notice of Application and the materials filed in support of the application for this ARIO (collectively, the “**Application**”) is hereby abridged such that service of the Application is declared to be good and sufficient and the Application is properly returnable today, and further service thereof is thereby dispensed, except as otherwise expressly stated in this ARIO.

JURISDICTION

3. Each of the Petitioners is a company to which the CCAA applies.

CONTINUANCE UNDER THE CCAA

4. The proposal proceedings commenced by the Petitioners under Division I of the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended (the “**BIA**”), on June 2 and 3, 2025 (as applicable for each entity, the “**Filing Date**”) by:

- (a) Oak and Fort Corp. under Estate No.: 11-3231322 (June 2, 2025);
- (b) 1282339 B.C. Ltd. under Estate No.: 11-3231319 (June 2, 2025);
- (c) Oak and Fort US Group, Inc. under Estate No.: 11-3231324 (June 2, 2025);
- (d) Oak and Fort Enterprise (U.S.), Inc. under Estate No.: 11-3231323 (June 2, 2025);
- (e) NYM Merger Holdings LLC under Estate File No.: 11-3231408 (June 3, 2025);
and
- (f) Oak and Fort California, LLC under Estate No.: 11-3231410 (June 3, 2025)

(collectively, the “**NOI Proceedings**”)

are hereby taken up and continued under the CCAA. The NOI Proceedings shall have no further force or effect, and are hereby terminated save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Petitioners during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, the approval of the Monitor’s and its counsel’s fees and disbursements and approval of the Monitor’s activities in this proceeding shall be deemed approval of the fees, disbursements and activities of KSV in its capacity as the proposal trustee of the Petitioners (in such capacity, the “**Proposal Trustee**”) and the fees and disbursements of the Proposal Trustee’s counsel in the NOI Proceedings. Notwithstanding the Proposal Trustee’s discharge, the termination of the NOI Proceedings or any other provision of this Order or any Order made under the CCAA, nothing herein shall affect, vary, derogate from, limit or amend, and KSV and its counsel shall continue to have the benefit of, any and all of the rights, approval and protections in favour of the Proposal Trustee and its counsel at law or pursuant to the BIA or any subsequent Order of this Court.

PLAN OF ARRANGEMENT

5. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

6. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”) and continue to carry on their business (the “**Business**”) in the ordinary course, or as otherwise agreed by the Monitor, and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such

other persons (collectively, “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as the Petitioners deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

7. The Petitioners shall be entitled to continue to utilize the cash management system currently in place as described in the Kang Affidavit or, with the prior written consent of the Monitor, replace it with another substantially similar cash management system (the “**Cash Management System**”), and any present or future bank providing the Cash Management System (i) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioners of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) are hereby authorized to continue to maintain, service, and administer the Petitioners’ bank accounts, without interruption and in the ordinary course of business consistent with historical practices, and to receive, process, honor, and pay, to the extent of available funds, any and all cheques, drafts, wires, credit card payments, and automated clearing house transfers issued and drawn on the Petitioners’ bank accounts after the Filing Date by the holders or makers thereof, as the case may be; (iii) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioners, pursuant to the terms of the documentation applicable to the Cash Management System and (iv) shall be, in their capacities as providers of the Cash Management System, unaffected creditors under any plan of compromise or arrangement (the “**Plan**”) with regard to any claims or expenses they may suffer or incur in connection with the provision of the Cash Management System.

8. The Petitioners shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the Filing Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Filing Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation

policies and arrangements existing at the time incurred (collectively “Wages”); and

- (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to the Petitioners’ restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of: (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners are domiciled; (ii) any litigation in which any of the Petitioners is named as a party or is otherwise involved, whether commenced before or after the Filing Date; and (iii) any related corporate matters.

9. Except as otherwise provided herein, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers’ insurance), maintenance and security services, provided that any capital expenditure shall be approved by the Monitor;
- (b) all obligations incurred by the Petitioners after the Filing Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Filing Date (including those under purchase orders outstanding at the Filing Date but excluding any interest on the Petitioners’ obligations incurred prior to the Filing Date); and
- (c) fees and disbursements of the kind referred to in paragraph 8(b) which may be incurred after the Filing Date.

10. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Filing Date, or where such Sales Taxes accrued or were collected prior to the Filing Date but not required to be remitted until on or after the Filing Date; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

11. Until such time as a real property lease is disclaimed in accordance with the CCAA or subject to further Order of this Court, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease, but, for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Petitioners or the making of this Order) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioners and the landlord from time to time (“**Rent**”), for the period commencing from and including the Filing Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Filing Date shall also be paid.

12. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of their creditors as of the Filing Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trusts, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become guarantors or sureties, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to their customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Filing Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

13. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of their Business or operations and commence marketing efforts in respect of any of their redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$2,000,000 in the aggregate;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor or further order of this Court, any of their arrangements or agreements of any nature whatsoever and with whomsoever, whether oral or written, as the Petitioners deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing for their Business or Property, in whole or part,

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

14. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days’ notice to the other parties. If the Petitioners disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners’ claim to the fixtures in dispute.

15. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours’ prior written notice; and (b) at the effective time of the disclaimer, the

landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

16. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the “**Relevant Enactment**”), the Petitioners, in the course of these proceedings, are permitted to, and hereby shall, disclose personal information of identifiable individuals in their possession or control to stakeholders, their advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement any plan of compromise or arrangement (the “**Plan**”) or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

17. Until and including July 4, 2025, or such later date as this Court may subsequently order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

18. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

19. Except with the written consent of the Petitioners and the Monitor or pursuant to a further order of this Court, no Person shall be entitled to set off any amounts that: (i) are or may become due to any of the Petitioners in respect of obligations arising prior to the date hereof against any amounts that are or may become due from any of the Petitioners in respect of obligations arising after the Filing Date; or (ii) are or may become due from any of the Petitioners in respect of obligations arising prior to the Filing Date against any amounts that are or may become due to any of the Petitioners in respect of obligations arising on or after the Filing Date, provided that nothing in this Order shall prejudice any position or arguments of any Person who may subsequently seek an order of this Court permitting it to effect any such setoff.

20. Nothing in this Order, including paragraphs 18 and 19, shall: (i) empower the Petitioners to carry on any business which they are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim

for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

21. The granting of this Order, the Application and any affidavits and other materials filed in support of the Application shall not, in and of themselves, constitute a default or failure to comply by the Petitioners under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.

NO INTERFERENCE WITH RIGHTS

22. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract or agreement, licence or permit in favour of or held by the Petitioners except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

23. During the Stay Period, all Persons having oral or written agreements with the Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioners are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Petitioners and the Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Filing Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

24. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Filing Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioners on or after the Filing Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

25. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

26. The Petitioners shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

27. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$3,400,000, as security for the indemnity provided in paragraph 26 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 42 and 44 herein.

28. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Petitioner’s directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 26 of this Order.

APPOINTMENT OF MONITOR

29. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

30. The Monitor, in addition to its prescribed rights and obligations under the CCAA and applicable law, and without altering in any way the obligations of the Petitioners in this CCAA proceeding, is hereby empowered, but not required, to:

- (a) monitor the Petitioners’ receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Petitioners in their preparation of cash flow statements;
- (d) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (e) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) perform such other duties as are required by this Order or by this Court from time to time; and
- (i) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance by the Monitor of any statutory obligations

(collectively, the "**Monitor's Powers**").

31. The Monitor shall not take possession of the Property or Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

32. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act* and the *British Columbia Environmental Management Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. The Monitor shall provide any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

34. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ENGAGEMENT OF CRO

35. The Petitioners are hereby authorized, *nunc pro tunc*, to engage Reflect Advisors, LLC (the “**CRO**”) as Chief Restructuring Officer on the terms of the engagement letter attached as Exhibit “B” to the Kang Affidavit.

ADMINISTRATION CHARGE

36. The Monitor, counsel to the Monitor and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis.

37. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

38. The Monitor, the CRO, counsel to the Monitor and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioners’ restructuring. The Administration Charge shall have the priority set out in paragraphs 42 and 44 hereof.

INTERCOMPANY CHARGE

39. The Petitioners are hereby authorized and empowered to receive funds (each such receipt an “**Intercompany Transaction**”) funds from any one or more of the other Petitioners (collectively, the “**Transferor Petitioners**”) in order to finance the continuation of the business of the Petitioners and the preservation of the Property, provided that such Intercompany

Transaction does not bear interest and is not subject to repayment until and unless so ordered by the Court.

40. The Transferor Petitioners, or any of them, shall be entitled to the benefit of and are hereby granted a charge (the “**Intercompany Charge**”) on the Property of the recipients of funds to any such Intercompany Transaction (collectively, the “**Transferee Petitioners**”) as security for the repayment, if required, of funds transferred under an Intercompany Transaction. The Intercompany Charge shall have the priority set out in paragraphs 42 and 44 hereof.

41. The claims of the Transferor Petitioners, or any of them, in respect of the Intercompany Transactions shall be treated as unaffected and shall not be compromised pursuant to any Plan or these proceedings, however, the exercise of any recourse by the Transferor Petitioners, or any of them, in connection with an Intercompany Transaction or the Intercompany Charge shall be subject to the stay of Proceedings set out herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

42. The priorities of the Administration Charge, the Directors’ Charge and the Intercompany Charge, as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$500,000);
- (b) Second – Directors’ Charge (to the maximum amount of \$3,400,000); and
- (c) Third – Intercompany Charge.

43. Any security documentation evidencing, or the filing, registration or perfection of the Administration Charge, the Directors’ Charge and the Intercompany Charge (collectively, the “**Charges**”) shall not be required, and the Charge shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

44. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person, save and except the claims of the Royal Bank of Canada (“**RBC**”) in respect of its security interest in the cash collateral in its possession, as detailed at paragraph 45 of the First Kang Affidavit.

45. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge and the Director’s Charge.

46. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Petitioners of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

- (c) the payments made by the Petitioners pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

47. Any Charge created by this Order shall only be a Charge in the Petitioners' interest in any real property leases.

SERVICE AND NOTICE

48. The Monitor shall (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) post a copy of this Order on its website at: <https://www.ksvadvisory.com/experience/case/oakandfort> (the "**Case Website**"), and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

49. The Petitioners and the Monitor are at liberty to serve 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 electronic transmission (including by e-mail) to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic 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.

50. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be

maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on the Case Website.

51. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List.

52. Notwithstanding paragraphs 49 and 51 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

53. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

54. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioners, the Business or the Property.

55. **THIS COURT REQUESTS** the aid and recognition of other Canadian and foreign Courts, tribunals, and regulatory or administrative bodies, including any court or administrative tribunal of any federal or State Court or administrative body in the United States of America (each a “**Foreign Court**”), to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

56. Each of the Petitioners and the Monitor is at liberty and is hereby authorized and empowered to apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioners to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

57. THIS COURT DECLARES that, without prejudice to the determination to be made by any Foreign Court as to the Petitioners' centre of main interest, this Court has jurisdiction over the Petitioners on the basis that the Petitioners' centre of main interest is Vancouver, British Columbia, Canada.

58. The Petitioners may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if the Petitioners determine that such a filing is appropriate.

59. The Petitioners are at liberty to apply for such further interim or interlocutory relief as they deem advisable within the time limited for Persons to file and serve Responses to the Petition.

60. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of a Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

61. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

62. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

63. This Order and all its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Kibben Jackson
Lawyer for the Petitioners

BY THE COURT

REGISTRAR

Schedule "A"**Appearance List**

Counsel Name	Party Represented
Jesse Mighton and Andrew Froh	KSV Restructuring Inc.