



**Second Report of  
KSV Restructuring Inc. as  
Information Officer of  
Revlon, Inc., Revlon Canada Inc.,  
Elizabeth Arden (Canada) Limited  
et al**

September 16, 2022

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COURT FILE NO.: CV-22-00682880-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF REVLON, INC., ALMAY, INC., ART & SCIENCE, LTD., BARI COSMETICS, LTD., BEAUTYGE BRANDS USA, INC., BEAUTYGE I, BEAUTYGE II, LLC, BEAUTYGE U.S.A., INC., BRANDCO ALMAY 2020 LLC, BRANDCO CHARLIE 2020 LLC, BRANDCO CND 2020 LLC, BRANDCO CURVE 2020 LLC, BRANDCO ELIZABETH ARDEN 2020 LLC, BRANDCO GIORGIO BEVERLY HILLS 2020 LLC, BRANDCO HALSTON 2020 LLC, BRANDCO JEAN NATE 2020 LLC, BRANDCO MITCHUM 2020 LLC, BRANDCO MULTICULTURAL GROUP 2020 LLC, BRANDCO PS 2020 LLC, BRANDCO WHITE SHOULDERS 2020 LLC, CHARLES REVSON INC., CREATIVE NAIL DESIGN, INC., CUTEX, INC., DF ENTERPRISES, INC., ELIZABETH ARDEN (CANADA) LIMITED, ELIZABETH ARDEN (FINANCING), INC., ELIZABETH ARDEN (UK) LTD., ELIZABETH ARDEN INVESTMENTS, LLC, ELIZABETH ARDEN NM, LLC, ELIZABETH ARDEN TRAVEL RETAIL, INC., ELIZABETH ARDEN USC, LLC, ELIZABETH ARDEN, INC., FD MANAGEMENT, INC., NORTH AMERICA REVSAL INC., OPP PRODUCTS, INC., PPI TWO CORPORATION, RDN MANAGEMENT, INC., REALISTIC ROUX PROFESSIONAL PRODUCTS INC., REVLON CANADA INC., REVLON CONSUMER PRODUCTS CORPORATION, REVLON DEVELOPMENT CORP., REVLON PROFESSIONAL HOLDING COMPANY LLC, REVLON GOVERNMENT SALES, INC., REVLON INTERNATIONAL CORPORATION, REVLON (PUERTO RICO) INC., RIROS CORPORATION, RIROS GROUP INC., RML, LLC, ROUX LABORATORIES, INC., ROUX PROPERTIES JACKSONVILLE, LLC, AND SINFULCOLORS INC.

APPLICATION OF REVLON, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

SECOND REPORT OF KSV RESTRUCTURING INC.  
AS INFORMATION OFFICER

SEPTEMBER 16, 2022

## 1.0 Introduction

1. On June 15 and 16, 2022, Revlon, Inc. and 50 affiliated debtors, including Revlon Canada Inc. ("Revlon Canada") and Elizabeth Arden (Canada) Limited ("Elizabeth Arden Canada") and jointly with Revlon Canada, the "Canadian Debtors") (collectively, the "Chapter 11 Debtors", and together with their non-debtor affiliates, "Revlon" or the "Company"), commenced proceedings by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings").

2. On June 15 and 16, 2022, the Chapter 11 Debtors filed several first day motions and the US Court entered interim and/or final orders in respect of such motions on June 16 and 17, 2022 (the “First Day Orders”).
3. On June 20, 2022, on application by the Foreign Representative, the Ontario Superior Court of Justice (Commercial List) (the “Ontario Court”) issued the following orders pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (“CCAA”):
  - a) the Initial Recognition Order (Foreign Main Proceeding), a copy of which is attached as Appendix “A”, which, *inter alia*, recognized the Chapter 11 Proceedings as a “foreign main proceeding” and recognized Revlon, Inc. (the “Foreign Representative”) as the “foreign representative”, as defined in section 45 of the CCAA, in respect of such proceedings, and granted stays of proceedings in favour of the Chapter 11 Debtors; and
  - b) the Supplemental Order (Foreign Main Proceeding) (the “Supplemental Order”), a copy of which is attached as Appendix “B” (without schedules), which, *inter alia*, appointed KSV Restructuring Inc. (“KSV”) as Information Officer (in such capacity, the “Information Officer”) with respect to the Chapter 11 Debtors, granted a stay of proceedings as set out therein, granted the Administration Charge and the DIP Charges (each as defined in the Supplemental Order) and recognized certain First Day Orders.
4. On July 22, 28 and 29, 2022, the US Court heard certain final hearings for certain First Day Motions that had been filed by the Chapter 11 Debtors and thereafter entered final orders in respect of such motions (the “Second Day Orders”).
5. Also on July 22, 2022, the US Court heard a motion seeking an Order (the “KERP Order”) approving the Chapter 11 Debtors’ key employee retention plan.
6. On June 17, 2022, the U.S. Court entered the Interim DIP Order, and this Court recognized that Order in the Supplemental Order on June 20, 2022.
7. On July 28 and 29 and August 1, 2022, a hearing took place to address the objections of certain stakeholders to the final DIP order. On August 2, 2022, the U.S. Court entered a final order approving the Chapter 11 Debtors’ entry into the DIP Facilities and granting related relief in the Chapter 11 Proceedings (the “Final DIP Order”).
8. On August 24, 2022, on application by the Foreign Representative, the Ontario Court issued the following orders, which, among other things:
  - a) recognized and enforced certain of the Second Day Orders entered by the US Court;
  - b) recognized and enforced the KERP Order entered by the US Court on July 25, 2022;
  - c) recognized and enforced the Final DIP Order; and



- d) amended the Supplemental Order to reflect the terms and conditions of the Final DIP Order (it had previously reflected the terms and conditions of the Interim DIP Order).
9. As discussed herein, on August 23, 2022, the Chapter 11 Debtors filed the Claims Bar Date Application, and on September 12, 2022, given that no objections were received to the Application, the US Court entered the Claims Bar Date Order. The Foreign Representative now seeks recognition of that order and related relief.
10. This report (“Report”) has been filed with the Ontario Court by KSV in its capacity as Information Officer.

## **1.1 Purposes of this Report**

1. The purposes of this Report are to:
  - a) provide an update on the Chapter 11 Proceedings and a summary of the Claims Bar Date Order for which recognition is being sought; and
  - b) recommend that this Court grant the relief being sought by the Foreign Representative, including recognizing the Claims Bar Date Order and granting the related relief, and approving this Report, the Information Officer’s First Report to Court dated August 22, 2022 (the “First Report”) and the Information Officer’s activities detailed therein.

## **1.2 Currency**

1. All currency references in this Report are to US dollars.

## **1.3 Defined Terms**

1. Capitalized terms not otherwise defined in this Report have the meanings given to them in the: (i) Affidavit of Robert M. Caruso sworn June 19, 2022 (the “Initial Affidavit”); (ii) Affidavit of Robert M. Caruso sworn August 18, 2022 (the “Second Affidavit”); and/or (iii) Affidavit of Robert M. Caruso sworn September 16, 2022 (the “Third Affidavit”), which was filed in support of this motion.

## **1.4 Restrictions**

1. In preparing this Report, the Information Officer has relied upon unaudited financial information prepared by the Chapter 11 Debtors’ representatives, the Chapter 11 Debtors’ books and records and discussions with the Chapter 11 Debtors’ Canadian counsel.

2. The Information Officer has not performed an audit or other verification of such information. An examination of the Chapter 11 Debtors' financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Chapter 11 Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
3. The Information Officer expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by the Information Officer in its preparation of this Report.

## 2.0 Background

1. Revlon is a global leader in the beauty industry, with a portfolio of over 20 key brands, including the iconic Revlon and Elizabeth Arden brands, associated with thousands of products sold in approximately 150 countries. The Company offers an extensive array of beauty offerings, which it develops, manufactures, sells and markets across the globe.
2. The Canadian Debtors are direct or indirect wholly-owned subsidiaries of Revlon, Inc. and maintain registered head offices in Ontario. As of the Petition Date, there were approximately 102 employees of the Canadian Debtors, with 82 employed by Revlon Canada and 20 employed by Elizabeth Arden Canada. Of Revlon Canada's employee base, 19 were unionized members of UNIFOR (Local 323). Revlon Canada is the sponsor and administrator of the Affiliated Revlon Companies' Employees' Retirement Plan, a defined benefit and defined contribution pension plan (the "Canadian Pension Plan").
3. The Canadian Debtors rely on the Chapter 11 Debtors in the US for, among other things, (i) continued availability of the BrandCo Entities' intellectual property, including the ability to sell associated products into the Canadian marketplace, (ii) purchasing power and supplier relationships, (iii) financial, IT, human resources and administrative functions on the Company's Shared Service Center, which is based in the US, (iv) a centralized and integrated cash management system, which is based in the US, and (v) customer orders, which are processed and shipped from facilities in the US.
4. Further information concerning the Chapter 11 Debtors' background, corporate structure, prepetition capital structure/indebtedness and the events leading up to the Chapter 11 Proceedings is provided in the First Report, a copy of which (without appendices) is attached as Appendix "C", the Initial Affidavit, the Second Affidavit and the Third Affidavit. Accordingly, that information is not repeated in this Report. All materials filed with the Ontario Court in these proceedings are available on the Information Officer's case website at <https://www.ksvadvisory.com/experience/case/revlon>.

### 3.0 Update on Chapter 11 Proceedings

1. As described in the Third Affidavit, the Chapter 11 Debtors have continued to advance their restructuring objectives while operating in the ordinary course as contemplated in the Chapter 11 Cases.
2. As at the date of this Report, the Information Officer is not aware of any issues raised by Canadian stakeholders in respect of the Chapter 11 Proceedings or operational issues experienced by either of the Canadian Debtors resulting from the commencement of the Chapter 11 Proceedings.

### 4.0 Proposed Recognition of the Claims Bar Date Order

1. On September 12, 2022, the US Court entered the Claims Bar Date Order without a hearing as no objections were filed by the objection deadline. The Claims Bar Date Order, *inter alia*, establishes deadlines for filing proofs of claim for all creditors of the Chapter 11 Debtors, including Canadian creditors, approves the form and manner of notice (the “Notice”) to be carried out by Kroll Restructuring Administration LLC (“Kroll”) with respect to the bar dates, and grants related relief.
2. The deadlines to submit Proofs of Claim under the Claims Bar Date Order are as follows:
  - a) for all persons and entities with prepetition claims, including any prepetition claims against the Canadian Debtors, October 24, 2022 at 5:00 pm Eastern Time (the “General Bar Date”);
  - b) for all governmental units (including Canada Revenue Agency and provincial agencies), December 12, 2022 at 5:00 pm Eastern Time (the “Governmental Bar Date” and together with the General Bar Date, the “Bar Dates”);
  - c) for those with claims arising from the rejection of an executory contract or unexpired lease, the later of (a) the Bar Dates, or (b) any date the US Court may fix in the applicable order authorizing such rejection and, if no such date is provided, the date that is 30 days after the entry of the order; and
  - d) if the Chapter 11 Debtors amend or supplement the September 12, 2022 schedules of assets and liabilities and statement of financial affairs (the “Schedules”) filed earlier in the Chapter 11 Proceedings, any affected claimant that disputes such changes must file a Proof of Claim on or by the later of (i) the Bar Dates, as applicable, and (ii) 21 days after the date that notice of applicable amendment to the Schedules is served on the claimant.

3. At this time, the Foreign Representative is seeking recognition by the Ontario Court of the Claims Bar Date Order. The Information Officer considered the following in assessing the reasonableness of that request:
  - a) the Claims Bar Date Order provides for the claims against the Canadian Debtors to be addressed on the same basis as those against the US-based Chapter 11 Debtors;
  - b) the Claims Bar Date Order requires that Kroll provide notice and instructions regarding the Bar Dates by mailing the Notice and Proof of Claim form to known Claimants (which includes Canadian claimants) 5 days following entry of the Claims Bar Date Order, which occurred on September 12, 2022. It also provides that Kroll is to serve the Notice and Proof of Claim form by email on all parties who have consented to or are otherwise ordered to receive notice by email in the Chapter 11 Cases. As a result, the General Bar Date will occur nearly 40 days after the deadline to send the Notice to all known holders of potential claims against the Chapter 11 Debtors. This timing, including allowing for additional time for delivery of the Notice to Claimants in Canada who do not receive email notice, provides an appropriate amount of time for potential claimants to make inquiries and submit Proofs of Claim;
  - c) the Claims Bar Date Order requires that the Notice be published in two US publications (New York Times and USA Today) and *The Globe and Mail* (national edition) (the "Publication"), which Publication will occur in *The Globe and Mail* by no later than September 26, 2022;
  - d) the General Bar Date occurs approximately 30 days after the Publication, providing all unknown creditors with an appropriate amount of time to make inquiries and submit Proofs of Claim;
  - e) Proofs of Claim may be submitted by U.S. first class mail, overnight courier or other hand-delivery system, or electronically through an interface available on Kroll's website. This provides reasonable options for Canadian Claimants to submit Proofs of Claim;
  - f) the Bar Dates and procedures are consistent with typical claims process orders issued by the Ontario Court in the context of cross-border insolvency proceedings;
  - g) the Bar Date Order contemplates one comprehensive claims process for all creditors of the Chapter 11 Debtors, wherever they may be located; and
  - h) known Canadian creditors of the Chapter 11 Debtors have or will receive a claims package from Kroll.
4. Based on the foregoing, the Information Officer believes that the Claims Bar Date Order is fair and reasonable and recommends that the Ontario Court grant an order recognizing the Claims Bar Date Order.

#### 4.1 Claim related to the Canadian Pension Plan

1. As set out in the Third Affidavit, a potential conflict arises in respect of the filing of a claim relating to the Canadian Pension Plan. Claims of a pension plan would typically be filed by the administrator of the pension plan; however, here, Revlon Canada is both the employer and administrator of the Canadian Pension Plan. If Revlon Canada were to file a claim in its capacity as administrator of the Canadian Pension Plan, this debtor would be filing the claim against itself, which gives rise to a potential conflict of interest to be managed.
2. In order to address this issue, the Claims Bar Date Order and the proposed recognition order authorize and entitle the Financial Services Regulatory Authority of Ontario ("FSRA") to file one or more proofs of claim in the claims process contemplated by the Claims Bar Date Order, on behalf of the administrator of the Canadian Pension Plan in respect of any Canadian Pension Plan Claim.
3. The Information Officer is of view that the proposed resolution of the potential conflict is reasonable and appropriate for the following reasons:
  - a) the proposed provisions provide for the necessary protections that FSRA (or any party) would require in the context of filing such a claim(s) for this purpose;
  - b) FSRA has confirmed that this arrangement is acceptable to it;
  - c) it provides for a cost-effective and streamlined solution relative to any other alternative available in the circumstances; and
  - d) it will result in the filing of pension claims in accordance with the Claims Bar Date Order, and accordingly, preserves the interests of the beneficiaries of the Canadian Pension Plan.

#### 5.0 Approval of Information Officer Reports and Activities

1. The Information Officer also supports the Foreign Representative's request to approve this Report and the First Report and the Information Officer's activities detailed therein. The First Report was served on August 22, 2022.

#### 6.0 Conclusion and Recommendation

1. Based on the foregoing, the Information Officer recommends that this Court grant the relief being sought by the Foreign Representative.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC. AS  
INFORMATION OFFICER OF REVLON, INC., REVLON CANADA INC.,  
ELIZABETH ARDEN (CANADA) LIMITED ET AL  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**



Court File No.: CV-22-00682880-00CL

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

THE HONOURABLE )  
JUSTICE CONWAY )  
MONDAY, THE 20<sup>TH</sup>  
DAY OF JUNE, 2022

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

AND IN THE MATTER OF REVLON, INC., ALMAY, INC., ART & SCIENCE, LTD., BARI COSMETICS, LTD., BEAUTYGE BRANDS USA, INC., BEAUTYGE I, BEAUTYGE II, LLC, BEAUTYGE U.S.A., INC., BRANDCO ALMAY 2020 LLC, BRANDCO CHARLIE 2020 LLC, BRANDCO CND 2020 LLC, BRANDCO CURVE 2020 LLC, BRANDCO ELIZABETH ARDEN 2020 LLC, BRANDCO GIORGIO BEVERLY HILLS 2020 LLC, BRANDCO HALSTON 2020 LLC, BRANDCO JEAN NATE 2020 LLC, BRANDCO MITCHUM 2020 LLC, BRANDCO MULTICULTURAL GROUP 2020 LLC, BRANDCO PS 2020 LLC, BRANDCO WHITE SHOULDERS 2020 LLC, CHARLES REVSON INC., CREATIVE NAIL DESIGN, INC., CUTEX, INC., DF ENTERPRISES, INC., ELIZABETH ARDEN (CANADA) LIMITED, ELIZABETH ARDEN (FINANCING), INC., ELIZABETH ARDEN (UK) LTD., ELIZABETH ARDEN INVESTMENTS, LLC, ELIZABETH ARDEN NM, LLC, ELIZABETH ARDEN TRAVEL RETAIL, INC., ELIZABETH ARDEN USC, LLC, ELIZABETH ARDEN, INC., FD MANAGEMENT, INC., NORTH AMERICA REVSale INC., OPP PRODUCTS, INC., PPI TWO CORPORATION, RDN MANAGEMENT, INC., REALISTIC ROUX PROFESSIONAL PRODUCTS INC., REVLON CANADA INC., REVLON CONSUMER PRODUCTS CORPORATION, REVLON DEVELOPMENT CORP., REVLON PROFESSIONAL HOLDING COMPANY LLC, REVLON GOVERNMENT SALES, INC., REVLON INTERNATIONAL CORPORATION, REVLON (PUERTO RICO) INC., RIROS CORPORATION, RIROS GROUP INC., RML, LLC, ROUX LABORATORIES, INC., ROUX PROPERTIES JACKSONVILLE, LLC, AND SINFULCOLORS INC.

APPLICATION OF REVLON, INC. UNDER SECTION 46 OF THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED

**INITIAL RECOGNITION ORDER**  
**(FOREIGN MAIN PROCEEDING)**

**THIS APPLICATION**, made by Revlon, Inc. in its capacity as the foreign representative (the "**Foreign Representative**") of Revlon, Inc., Almay, Inc., Art & Science, Ltd.,

Bari Cosmetics, Ltd., Beautyge Brands USA, Inc., Beautyge I, Beautyge II, LLC, Beautyge U.S.A., Inc, BrandCo Almay 2020 LLC, BrandCo Charlie 2020 LLC, BrandCo CND 2020 LLC, BrandCo Curve 2020 LLC, BrandCo Elizabeth Arden 2020 LLC, BrandCo Giorgio Beverly Hills 2020 LLC, BrandCo Halston 2020 LLC, BrandCo Jean Nate 2020 LLC, BrandCo Mitchum 2020 LLC, BrandCo Multicultural Group 2020 LLC, BrandCo PS 2020 LLC, BrandCo White Shoulders 2020 LLC, Charles Revson Inc., Creative Nail Design, Inc., Cutex, Inc., DF Enterprises, Inc., Elizabeth Arden (Canada) Limited, Elizabeth Arden (Financing), Inc., Elizabeth Arden (UK) Ltd., Elizabeth Arden Investments, LLC, Elizabeth Arden NM, LLC, Elizabeth Arden Travel Retail, Inc., Elizabeth Arden USC, LLC, Elizabeth Arden, Inc., FD Management, Inc., North America Revsale Inc., OPP Products, Inc., PPI Two Corporation, RDEN Management, Inc., Realistic Roux Professional Products Inc., Revlon Canada Inc., Revlon Consumer Products Corporation, Revlon Development Corp., Revlon Professional Holding Company LLC, Revlon Government Sales, Inc., Revlon International Corporation, Revlon (Puerto Rico) Inc., Riros Corporation, Riros Group Inc., RML, LLC, Roux Laboratories, Inc., Roux Properties Jacksonville, LLC, and SinfulColors Inc. (collectively, the “**Chapter 11 Debtors**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an Order substantially in the form enclosed in the Application Record, was heard this day by judicial videoconference via Zoom at Toronto, Ontario.

**ON READING** the Notice of Application, the affidavit of Robert M. Caruso affirmed June 19, 2022, filed,

**AND UPON BEING ADVISED** by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) (the “**Supplemental Order**”) is being sought,

**AND UPON HEARING** the submissions of counsel for the Foreign Representative, and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Marleigh Dick affirmed June 20, 2022:



## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **FOREIGN REPRESENTATIVE**

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the “foreign representative” as defined in section 45 of the CCAA of the Chapter 11 Debtors in respect of the cases commenced in the United States Bankruptcy Court for the Southern District of New York by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (collectively, the “**Foreign Proceeding**”).

## **CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING**

3. **THIS COURT DECLARES** that the centre of main interests for each of the Chapter 11 Debtors is the United States of America and that the Foreign Proceeding is hereby recognized as a “foreign main proceeding” as defined in section 45 of the CCAA.

## **STAY OF PROCEEDINGS**

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against the Chapter 11 Debtors under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
- (b) further proceedings in any action, suit or proceeding against the Chapter 11 Debtors are restrained; and
- (c) the commencement of any action, suit or proceeding against the Chapter 11 Debtors is prohibited.

## **NO SALE OF PROPERTY**

5. **THIS COURT ORDERS** that, except with leave of this Court, each of the Chapter 11 Debtors is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

## **GENERAL**

6. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, KSV Restructuring Inc., in its capacity as information officer, shall cause to be published a notice once a week for two consecutive weeks, in the Globe and Mail (National Edition) regarding the issuance of this Order and the Supplemental Order.

7. **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 of America, to give effect to this Order and to assist the Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Chapter 11 Debtors and the Foreign Representative and their respective counsel, 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.

  
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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED Court File No: CV-22-00682880-00CL

AND IN THE MATTER OF REVLON, INC. et al

APPLICATION OF REVLON, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

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*Ontario*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**  
Proceeding commenced at Toronto

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**INITIAL RECOGNITION ORDER  
(FOREIGN MAIN PROCEEDING)**

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## **Appendix “B”**



Court File No.: CV-22-00682880-00CL

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

THE HONOURABLE )  
JUSTICE CONWAY )  
 )  
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MONDAY, THE 20<sup>TH</sup>  
DAY OF JUNE, 2022

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

AND IN THE MATTER OF REVLON, INC., ALMAY, INC., ART & SCIENCE, LTD., BARI COSMETICS, LTD., BEAUTYGE BRANDS USA, INC., BEAUTYGE I, BEAUTYGE II, LLC, BEAUTYGE U.S.A., INC., BRANDCO ALMAY 2020 LLC, BRANDCO CHARLIE 2020 LLC, BRANDCO CND 2020 LLC, BRANDCO CURVE 2020 LLC, BRANDCO ELIZABETH ARDEN 2020 LLC, BRANDCO GIORGIO BEVERLY HILLS 2020 LLC, BRANDCO HALSTON 2020 LLC, BRANDCO JEAN NATE 2020 LLC, BRANDCO MITCHUM 2020 LLC, BRANDCO MULTICULTURAL GROUP 2020 LLC, BRANDCO PS 2020 LLC, BRANDCO WHITE SHOULDERS 2020 LLC, CHARLES REVSON INC., CREATIVE NAIL DESIGN, INC., CUTEX, INC., DF ENTERPRISES, INC., ELIZABETH ARDEN (CANADA) LIMITED, ELIZABETH ARDEN (FINANCING), INC., ELIZABETH ARDEN (UK) LTD., ELIZABETH ARDEN INVESTMENTS, LLC, ELIZABETH ARDEN NM, LLC, ELIZABETH ARDEN TRAVEL RETAIL, INC., ELIZABETH ARDEN USC, LLC, ELIZABETH ARDEN, INC., FD MANAGEMENT, INC., NORTH AMERICA REVSAL INC., OPP PRODUCTS, INC., PPI TWO CORPORATION, RDN MANAGEMENT, INC., REALISTIC ROUX PROFESSIONAL PRODUCTS INC., REVLON CANADA INC., REVLON CONSUMER PRODUCTS CORPORATION, REVLON DEVELOPMENT CORP., REVLON PROFESSIONAL HOLDING COMPANY LLC, REVLON GOVERNMENT SALES, INC., REVLON INTERNATIONAL CORPORATION, REVLON (PUERTO RICO) INC., RIROS CORPORATION, RIROS GROUP INC., RML, LLC, ROUX LABORATORIES, INC., ROUX PROPERTIES JACKSONVILLE, LLC, AND SINFULCOLORS INC.

APPLICATION OF REVLON, INC. UNDER SECTION 46 OF THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED

**SUPPLEMENTAL ORDER  
(FOREIGN MAIN PROCEEDING)**

**THIS APPLICATION**, made by Revlon, Inc. in its capacity as the foreign representative (the "**Foreign Representative**") of Revlon, Inc., Almay, Inc., Art & Science, Ltd.,

Bari Cosmetics, Ltd., Beautyge Brands USA, Inc., Beautyge I, Beautyge II, LLC, Beautyge U.S.A., Inc, BrandCo Almay 2020 LLC, BrandCo Charlie 2020 LLC, BrandCo CND 2020 LLC, BrandCo Curve 2020 LLC, BrandCo Elizabeth Arden 2020 LLC, BrandCo Giorgio Beverly Hills 2020 LLC, BrandCo Halston 2020 LLC, BrandCo Jean Nate 2020 LLC, BrandCo Mitchum 2020 LLC, BrandCo Multicultural Group 2020 LLC, BrandCo PS 2020 LLC, BrandCo White Shoulders 2020 LLC, Charles Revson Inc., Creative Nail Design, Inc., Cutex, Inc., DF Enterprises, Inc., Elizabeth Arden (Canada) Limited, Elizabeth Arden (Financing), Inc., Elizabeth Arden (UK) Ltd., Elizabeth Arden Investments, LLC, Elizabeth Arden NM, LLC, Elizabeth Arden Travel Retail, Inc., Elizabeth Arden USC, LLC, Elizabeth Arden, Inc., FD Management, Inc., North America Revsale Inc., OPP Products, Inc., PPI Two Corporation, RDEN Management, Inc., Realistic Roux Professional Products Inc., Revlon Canada Inc., Revlon Consumer Products Corporation, Revlon Development Corp., Revlon Professional Holding Company LLC, Revlon Government Sales, Inc., Revlon International Corporation, Revlon (Puerto Rico) Inc., Riros Corporation, Riros Group Inc., RML, LLC, Roux Laboratories, Inc., Roux Properties Jacksonville, LLC, and SinfulColors Inc. (collectively, the “**Chapter 11 Debtors**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an Order substantially in the form enclosed in the Application Record, was heard this day by judicial videoconference via Zoom at Toronto, Ontario.

**ON READING** the Notice of Application, the affidavit of Robert M. Caruso affirmed June 19, 2022 (the “**Caruso Affidavit**”), filed,

**AND UPON HEARING** the submissions of counsel for the Foreign Representative, and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Marleigh Dick affirmed June 20, 2022, and on reading the consent of KSV Restructuring Inc. to act as the information officer:

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.



2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Caruso Affidavit.

### **INITIAL RECOGNITION ORDER**

3. **THIS COURT ORDERS** that the provisions of this Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of June 20, 2022 (the “**Recognition Order**”), provided that in the event of a conflict between the provisions of this Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

### **RECOGNITION OF FOREIGN ORDERS**

4. **THIS COURT ORDERS** that the following orders of the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) made in the Foreign Proceeding (as defined in the Recognition Order) (the “**Foreign Orders**”) are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

- (a) *Order (I) Authorizing Revlon, Inc. to Act as Foreign Representative, and (II) Granting Related Relief* (the “**Foreign Representative Order**”);
- (b) *Order (A) Directing Joint Administration of Chapter 11 Cases and (B) Granting Related Relief* (the “**Joint Administration Order**”);
- (c) *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* (the “**Interim DIP Order**”);
- (d) *Interim Order (A) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Services, (B) Determining Adequate Assurance of Payment for Future Utility Services, (C) Establishing Procedures for Determining Adequate*

- Assurance of Payment, and (D) Granting Related Relief (the “**Interim Utilities Order**”);*
- (e) *Interim Order Approving Notification and Hearing Procedures for Certain Transfers of Common Stock or Options, Declarations of Worthlessness with respect to Common Stock and Claims Against the Debtors (the “**Interim NOL Order**”);*
- (f) *Interim Order (A) Authorizing the Payment of Certain Prepetition Taxes and Fees and (B) Granting Related Relief (the “**Interim Taxes Order**”);*
- (g) *Interim Order (I) Authorizing the Debtors to (A) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief (the “**Interim Wages Order**”);*
- (h) *Interim Order (A) Authorizing the Debtors to Continue and Renew their Surety Bond Program and (B) Granting Related Relief (the “**Interim Surety Bond Order**”);*
- (i) *Interim Order (I) Authorizing the Debtors to Pay Prepetition Claims of (A) Lien Claimants, (B) Import Claimants, (C) 503(B)(9) Claimants, (D) Foreign Vendors, and (E) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders and (III) Granting Related Relief (the “**Interim Vendor Order**”); and*
- (j) *Interim Order (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief (the “**Interim Cash Management Order**”);*
- (k) *Interim Order (A) Authorizing the Debtors to Maintain and Administer their Existing Customer Programs and Honor Certain Prepetition Obligations Related*



*Thereto and (B) Granting Related Relief (the “Interim Customer Programs Order”);*

- (l) *Interim Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Supplement, Modify, or Purchase Insurance Coverage, (C) Continue to Pay Brokerage Fees, (D) Honor the Terms of the Premium Financing Agreement and Pay Premiums Thereunder, (E) Enter into New Premium Financing Agreements in the Ordinary Course of Business, and (II) Granting Related Relief (the “Interim Insurance Order”); and*
- (m) *Order (I) Authorizing and Approving the Appointment of Kroll Restructuring Administration LLC as Claims and Noticing Agent to the Debtors and (II) Granting Related Relief (the “Kroll Retention Order”),*

(copies of which are attached as Schedules “A” to “M” hereto, respectively);

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

#### **APPOINTMENT OF INFORMATION OFFICER**

5. **THIS COURT ORDERS** that KSV Restructuring Inc. is hereby appointed as an officer of this Court (the “**Information Officer**”), with the powers and duties set out herein.

#### **NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY**

6. **THIS COURT ORDERS** that until such date as this Court may order (the “**Stay Period**”) no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Chapter 11 Debtors, or their employees or representatives acting in such capacities, or affecting their business (the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), except with the written consent of the Chapter 11 Debtors or with leave of this Court, and any and all

Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

7. **THIS COURT ORDERS** that, without limiting the stay of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Chapter 11 Debtors or their employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Chapter 11 Debtors or leave of this Court, provided that nothing in this Order shall (a) prevent the assertion of or the exercise of rights and remedies outside of Canada, (b) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (c) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (d) prevent the filing of any registration to preserve or perfect a security interest, or (e) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH RIGHTS**

8. **THIS COURT ORDERS** that 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, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

### **ADDITIONAL PROTECTIONS**

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, 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 Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors 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.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and 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.

#### **OTHER PROVISIONS RELATING TO INFORMATION OFFICER**

12. **THIS COURT ORDERS** that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court periodically with respect to the status of these proceedings and the status of the Foreign Proceeding, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;

- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall 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 Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and
- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (a) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceeding, (b) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (c) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (a) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (b) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the



Information Officer. The Information Officer 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 Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors are hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on such terms as such parties may agree.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. **THIS COURT ORDERS** that Canadian counsel to the Chapter 11 Debtors, the Information Officer and counsel to the Information Officer, shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property in Canada, which charge shall not exceed an aggregate amount of C\$1,500,000 as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 21 and 23 hereof.

#### **INTERIM FINANCING**

20. **THIS COURT ORDERS** that (i) the Term DIP Agent, for and on behalf of itself and the Term DIP Lenders (each as defined in the Interim DIP Order) shall be entitled to the benefit

of and is hereby granted a charge (the “**DIP Term Charge**”), (ii) the ABL DIP Agent, for and on behalf of itself and the ABL DIP Lenders (each as defined in the Interim DIP Order) shall be entitled to the benefit of and is hereby granted a charge (the “**DIP ABL Charge**”), and (iii) the Intercompany DIP Lenders (as defined in the Interim DIP Order) shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Intercompany Charge**”, and together with the DIP Term Charge and the DIP ABL Charge, the “**DIP Charges**”) on the Property in Canada, in each case, consistent with the liens and charges created by the Interim DIP Order, provided however that, with respect to the Property in Canada, the DIP Charges shall have the priority set out in paragraphs 21 and 23 hereof, and further provided that, the DIP Charges shall not be enforced except with leave of this Court on notice to those parties on the service list established for these proceedings.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

21. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Charges (collectively, the “**Charges**”), as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum of C\$1,500,000); and
- (b) Second – DIP Term Charge, DIP ABL Charge, and DIP Intercompany Charge, each having and subject to the relative priority of liens as set forth in the Interim DIP Order on the Property in Canada.

22. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

23. **THIS COURT ORDERS** that the Charges (as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.



24. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Charges.

25. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit 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 *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (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, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (i) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (ii) 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
- (iii) the payments made by the Chapter 11 Debtors to the Chargees 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.

26. **THIS COURT ORDERS** that the Charges created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtors’ interest in such real property leases.

## SERVICE AND NOTICE

27. **THIS COURT ORDERS** that any employee of any of the Chapter 11 Debtors who is sent a notice of termination of employment shall be deemed to have received such notice by no later than 8:00 a.m. Eastern Standard/Daylight Time on the fourth day following the date any such notice is sent, if such notice is sent by ordinary mail, expedited parcel or registered mail to the individual's address as reflected in the Chapter 11 Debtors' books and records; provided, however, that any notice of termination of employment that is sent to an employee of a Chapter 11 Debtor by electronic message to the individual's email address as last shown in the Chapter 11 Debtors' books and records shall be deemed to have been received 24 hours after the time such electronic message was sent, notwithstanding the mailing of any notices of termination of employment.

28. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: [www.ksvadvisory.com/experience/case/revlon](http://www.ksvadvisory.com/experience/case/revlon).

29. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol or the CCAA and the regulations thereunder is not practicable (including as a result of COVID-19), the Chapter 11 Debtors, the Foreign Representative and the Information Officer 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, facsimile transmission or electronic transmission to the Chapter 11 Debtors' creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown on the books and records of the Chapter 11 Debtors and that any



such service or distribution shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Standard/Daylight Time (or on the next business day following the date of forwarding thereof if sent on a non-business day); (b) the next business day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern Standard/Daylight Time; or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

30. **THIS COURT ORDERS** that the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Chapter 11 Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

#### **GENERAL**

31. **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

32. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

33. **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 of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and 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 Chapter 11

Debtors, the Foreign Representative and the Information Officer, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel and agents in carrying out the terms of this Order.

34. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that the Guidelines for Communication and Cooperation between Courts in Cross-Border Insolvency Matters issued by the Judicial Insolvency Network and adopted by this Court and the U.S. Bankruptcy Court and attached as Schedule “N” hereto (the “**JIN Guidelines**”), are hereby adopted by this Court for the purposes of these recognition proceedings.

36. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days’ notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel, 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.

37. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

A handwritten signature in blue ink, appearing to read "Conway J.", is written above a horizontal line.

## **Appendix “C”**



**First Report of  
KSV Restructuring Inc. as  
Information Officer of  
Revlon, Inc., Revlon Canada Inc.,  
Elizabeth Arden (Canada) Limited  
et al**

August 22, 2022

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COURT FILE NO.: CV-22-00682880-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF REVLON, INC., ALMAY, INC., ART & SCIENCE, LTD., BARI COSMETICS, LTD., BEAUTYGE BRANDS USA, INC., BEAUTYGE I, BEAUTYGE II, LLC, BEAUTYGE U.S.A., INC., BRANDCO ALMAY 2020 LLC, BRANDCO CHARLIE 2020 LLC, BRANDCO CND 2020 LLC, BRANDCO CURVE 2020 LLC, BRANDCO ELIZABETH ARDEN 2020 LLC, BRANDCO GIORGIO BEVERLY HILLS 2020 LLC, BRANDCO HALSTON 2020 LLC, BRANDCO JEAN NATE 2020 LLC, BRANDCO MITCHUM 2020 LLC, BRANDCO MULTICULTURAL GROUP 2020 LLC, BRANDCO PS 2020 LLC, BRANDCO WHITE SHOULDERS 2020 LLC, CHARLES REVSON INC., CREATIVE NAIL DESIGN, INC., CUTEX, INC., DF ENTERPRISES, INC., ELIZABETH ARDEN (CANADA) LIMITED, ELIZABETH ARDEN (FINANCING), INC., ELIZABETH ARDEN (UK) LTD., ELIZABETH ARDEN INVESTMENTS, LLC, ELIZABETH ARDEN NM, LLC, ELIZABETH ARDEN TRAVEL RETAIL, INC., ELIZABETH ARDEN USC, LLC, ELIZABETH ARDEN, INC., FD MANAGEMENT, INC., NORTH AMERICA REVSale INC., OPP PRODUCTS, INC., PPI TWO CORPORATION, RDen MANAGEMENT, INC., REALISTIC ROUX PROFESSIONAL PRODUCTS INC., REVLON CANADA INC., REVLON CONSUMER PRODUCTS CORPORATION, REVLON DEVELOPMENT CORP., REVLON PROFESSIONAL HOLDING COMPANY LLC, REVLON GOVERNMENT SALES, INC., REVLON INTERNATIONAL CORPORATION, REVLON (PUERTO RICO) INC., RIROS CORPORATION, RIROS GROUP INC., RML, LLC, ROUX LABORATORIES, INC., ROUX PROPERTIES JACKSONVILLE, LLC, AND SINFULCOLORS INC.

APPLICATION OF REVLON, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

FIRST REPORT OF KSV RESTRUCTURING INC.  
AS INFORMATION OFFICER

AUGUST 22, 2022

## 1.0 Introduction

1. On June 15 and 16, 2022, Revlon, Inc. and 50 affiliated debtors (collectively, the "Chapter 11 Debtors", and together with their non-debtor affiliates, "Revlon" or the "Company"), including Revlon Canada Inc. ("Revlon Canada") and Elizabeth Arden (Canada) Limited ("Elizabeth Arden Canada" and jointly with Revlon Canada, the "Canadian Debtors"), commenced proceedings by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings").

2. On June 16, 2022, the Chapter 11 Debtors filed several first day motions and the US Court entered orders in respect of such motions on June 16 and 17, 2022 (the “First Day Orders”), including the following:
  - a) Foreign Representative Order, which appointed Revlon, Inc. as the Foreign Representative of the Chapter 11 Debtors (the “Foreign Representative”);
  - b) Joint Administration Order;
  - c) Interim DIP Order;
  - d) Interim Utilities Order;
  - e) Interim NOL Order;
  - f) Interim Taxes Order;
  - g) Interim Wages Order;
  - h) Interim Surety Bond Order;
  - i) Interim Vendor Order;
  - j) Interim Cash Management Order;
  - k) Interim Customer Programs Order;
  - l) Interim Insurance Order; and
  - m) Kroll Retention Order.<sup>1</sup>
  
3. On June 20, 2022, on application by the Foreign Representative, the Ontario Superior Court of Justice (Commercial List) (the “Ontario Court”) issued the following orders pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (“CCAA”):
  - a) the Initial Recognition Order (Foreign Main Proceeding), a copy of which is attached as Appendix “A”, which, inter alia, recognizes the Chapter 11 Proceedings as a “foreign main proceeding” and recognizes the Foreign Representative as the “foreign representative”, as defined in section 45 of the CCAA, in respect of such proceedings, and stays all proceedings against the Chapter 11 Debtors; and

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<sup>1</sup> The Kroll Retention Order retained Kroll in a limited capacity as claims and noticing agent. Kroll has applied for retention as the Chapter 11 Debtors’ valuation advisor and that retention has not yet been approved.



- b) the Supplemental Order (Foreign Main Proceeding) (the “Supplemental Order”), a copy of which is attached as Appendix “B” (without schedules), which, inter alia, appoints KSV Restructuring Inc. (“KSV”) as Information Officer (in such capacity, the “Information Officer”) with respect to the Chapter 11 Debtors, grants a stay of proceedings as set out therein, grants the Administration Charge and the DIP Charges (each as defined in the Supplemental Order) and recognizes the First Day Orders.
4. On July 22, 2022, the US Court heard certain second day motions that had been filed by the Chapter 11 Debtors and entered orders in respect of such motions (the “Second Day Orders”).
5. Also on July 22, 2022, the US Court heard a motion (the “KERP Motion”) seeking an Order (the “KERP Order”) approving the Chapter 11 Debtors’ key employee retention plan (the “Revlon Retention Plan”).
6. On July 28 and 29 and August 1, 2022, a hearing took place to approve the entry of a final order approving the Debtors’ entry into the DIP Facilities and to address the objections of certain key stakeholders to such final order (the “DIP Hearing”). On August 2, 2022, the U.S. Court entered an order approving the Debtors’ entry into the DIP Facilities on a final basis and granting related relief in the Chapter 11 Proceedings (the “Final DIP Order”).
7. This report (“Report”) has been filed with the Canadian Court by KSV in its capacity as Information Officer.

## **1.1 Purposes of this Report**

1. The purposes of this Report are to:
  - a) provide an update on the Chapter 11 Proceedings and a summary of the US Court Orders for which recognition is being sought from this Court, including the KERP Order and the Final DIP Order;
  - b) provide the Information Officer’s commentary on the reasonableness of the Foreign Representative’s request that this Court recognize the Final DIP Order; and
  - c) recommend that this Court grant the relief being sought by the Foreign Representative.

## **1.2 Currency**

1. All currency references in this Report are to US dollars.



### 1.3 Defined Terms

1. Capitalized terms not otherwise defined in this Report have the meanings given to them in the: (i) Affidavit of Robert M. Caruso sworn June 19, 2022 (the “Initial Affidavit”); the Affidavit of Robert M. Caruso sworn August 18, 2022 (the “Second Affidavit”), which was filed in support of this motion; and/or (iii) the Final DIP Order.

### 1.4 Restrictions

1. In preparing this Report, the Information Officer has relied upon unaudited financial information prepared by the Chapter 11 Debtors’ representatives, the Chapter 11 Debtors’ books and records and discussions with the Chapter 11 Debtors’ Canadian counsel.
2. The Information Officer has not performed an audit or other verification of such information. An examination of the Chapter 11 Debtors’ financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Chapter 11 Debtors’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
3. The Information Officer expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by the Information Officer in its preparation of this Report.

## 2.0 Background

1. Revlon is a global leader in the beauty industry, with a portfolio consisting of over 20 key brands, including the iconic Revlon and Elizabeth Arden brands, associated with thousands of products sold in approximately 150 countries. The Company offers an extensive array of beauty offerings, which it develops, manufactures, sells and markets across the globe.
2. All of the Chapter 11 Debtors, including the Canadian Debtors, are direct or indirect wholly-owned subsidiaries of Revlon, Inc. The Chapter 11 Debtors are each incorporated or established under US law, with the exception of the Canadian Debtors and two other foreign debtors. The Canadian Debtors were incorporated in Canada and maintain registered head offices in Ontario.
3. As of the Petition Date, of the approximately 2,823 employees employed by the Chapter 11 Debtors, 102 were employees of the Canadian Debtors, with 82 employed by Revlon Canada and 20 employed by Elizabeth Arden Canada. Of Revlon Canada’s employee base, 19 were unionized members of UNIFOR (Local 323). Revlon Canada is the sponsor and administrator of the Affiliated Revlon Companies Employees’ Retirement Plan, a defined benefit and defined contribution pension plan.

4. Based on the materials filed in the Chapter 11 Proceedings and the Ontario Court, including the Initial Affidavit and the Second Affidavit, the Canadian Debtors' operations are completely integrated with those of the Chapter 11 Debtors in the US, and, as of the Petition Date, made up 6.7% of Revlon's revenues. The Canadian Debtors rely on the Chapter 11 Debtors in the US for, among other things, (i) continued availability of the BrandCo Entities' intellectual property, including the ability to sell associated products into the Canadian marketplace, (ii) purchasing power and supplier relationships, (iii) financial, IT, human resources and administrative functions on the Company's Shared Service Center, which is based in the US, (iv) a centralized and integrated cash management system, which is based in the US, and (v) customer orders, which are processed and shipped from facilities in the US.
5. Further information concerning the Chapter 11 Debtors' background, corporate structure, prepetition capital structure and indebtedness and the events leading up to the Chapter 11 Proceedings is provided in the Initial Affidavit. Accordingly, that information is not repeated in this Report. All materials filed with the Ontario Court are available on the Information Officer's website at <https://www.ksvadvisory.com/experience/case/revlon>.

### **3.0 Update on Chapter 11 Proceedings**

1. As described in the Second Affidavit, the Chapter 11 Debtors have continued to advance their restructuring objectives while operating in the ordinary course. Key updates regarding the Chapter 11 Proceedings include the following:
  - a) on June 24, 2022, the US Trustee appointed an official committee of unsecured creditors in the Chapter 11 Proceedings (the "UCC"), comprised of seven members. The UCC, its counsel, financial advisor and investment banker are now actively engaged in the Chapter 11 Proceedings. There are no creditors of the Canadian Debtors on the UCC;
  - b) the Chapter 11 Debtors' operations have been funded in accordance with the terms of the Interim DIP Order and the Final DIP Order;
  - c) the Company's management team is in regular dialogue with stakeholders, including the Canadian Debtors' stakeholders, to ensure operations continue in the ordinary course;
  - d) the Chapter 11 Debtors have implemented a global communication strategy to address inbound inquiries from current and former employees; and
  - e) the Company has implemented numerous corporate governance changes in connection with the Chapter 11 Cases, as described in the First Day Declaration.

2. In respect of the Chapter 11 Proceedings in Canada:
  - a) according to the Canadian Debtors, Canadian stakeholders have been generally supportive of the Chapter 11 Proceedings;
  - b) the Canadian Debtors have operated on a cash-flow positive basis since the commencement of these proceedings, up to and including August 5, 2022, and their operations continue to be funded through intercompany advances from the US, as described in the Initial Affidavit;
  - c) the Information Officer has established a line of communication with management of the Canadian Debtors, including reporting monthly financial results of the Canadian operations to the Information Officer so that it can monitor the performance of the Canadian operations;
  - d) the Information Officer established a case website and published a notice in The Globe and Mail on June 29, 2022 and July 6, 2022, as required under Paragraph 6 of the Initial Recognition Order; and
  - e) as at the date of this Report, the Information Officer is not aware of any issues raised by Canadian stakeholders in respect of the Chapter 11 Proceedings or operational issues experienced by either of the Canadian Debtors resulting from the commencement of the Chapter 11 Proceedings.

#### **4.0 Proposed Recognition of the Final DIP Order**

1. Pursuant to the Interim DIP Order recognized by the Ontario Court on June 20, 2022, the Chapter 11 Debtors were authorized, on an interim basis, to enter into:
  - a) a senior secured priming post-petition asset-based revolving credit facility in the aggregate principal amount of \$400 million (the “ABL DIP Facility”);
  - b) a senior secured priming post-petition term loan credit facility in the aggregate principal amount of \$575 million (of which \$375 million was available to draw upon entry of the Interim DIP Order), with an incremental uncommitted facility in the amount of \$450 million (the “Term DIP Facility”); and
  - c) a superpriority junior secured debtor-in-possession intercompany credit facility provided for in the Interim DIP Order (the “Intercompany DIP Facility”) (collectively the “DIP Facilities”).
2. The Canadian Debtors were guarantors under the prepetition US ABL Facility and BrandCo Facilities and granted security over substantially all of their respective assets to secure such facilities. Accordingly, the Interim DIP Order, as recognized by the Supplemental Order of the Ontario Court, authorized the Canadian Debtors to similarly guarantee the DIP Facilities and provide security for their respective obligations. Certain of the other features of the ABL DIP Facility and the Term DIP Facility are summarized in the table below.

	<b>Term DIP Facility</b>	<b>ABL DIP Facility</b>
Borrower	Revlon Consumer Products Corporation ("RCPC")	
Guarantors	The Chapter 11 Debtors other than the Borrower, including Revlon Canada and Elizabeth Arden Canada (consistent with the prepetition BrandCo Facilities)	The Chapter 11 Debtors, including Revlon Canada and Elizabeth Arden Canada (consistent with the prepetition US ABL Facility), other than the Borrower and the BrandCo Entities
Amount	Aggregate principal amount not to exceed \$1.025 billion, of which \$575 million is committed. \$375 million was available immediately upon entry of the Interim DIP Order	\$400 million, consisting of (i) \$270 million in LIFO ABL DIP Commitments, of which \$109 million was deemed to be drawn automatically upon entry of the Interim DIP Order to satisfy the outstanding Prepetition LIFO ABL Obligations; and (ii) \$130 million of SISO ABL DIP Loans, with the entire amount deemed drawn automatically upon entry of the Interim DIP Order to satisfy the outstanding Prepetition SISO ABL Obligation
Interest Rate	SOFR + 7.75% (with a 1.00% SOFR floor)	LIFO ABL DIP Loans: ABR + 2.50% (with a 1.5% ABR floor)  SISO ABL DIP Loans: ABR + 4.75% (with a 2.75% ABR floor)
Closing Fee	An upfront fee of 1.00% of the aggregate principal amount of each Term DIP Lender's Term DIP Commitment  A backstop fee of 1.50% of the aggregate Term DIP Commitments  An exit fee of 1.00% payable upon acceleration, prepayment or repayment of the Term DIP Loans	A closing fee of 1% of the aggregate Tranche A DIP ABL Commitments as of the Petition Date  A commitment fee of 0.50% per annum of the Tranche A ABL DIP Commitments  A collateral management fee of 1.00% per annum on the average daily aggregate principal amount of outstanding LIFO ABL DIP Loans  An exit fee of 0.50% on each of the LIFO ABL DIP Loans and the SISO ABL DIP Loans payable upon acceleration, prepayment or repayment of such loans
Security	The Term DIP Facility is secured by liens on substantially all assets and property of the Chapter 11 Debtors, including the Canadian Debtors	The ABL DIP Facility is secured by liens on substantially all assets and property of the Chapter 11 Debtors, including the Canadian Debtors, other than the BrandCo Entities
Roll-Up	N/A	Upon entry of the Interim DIP Order, (i) the outstanding amount of the Prepetition LIFO ABL Obligations were rolled up in accordance with the ABL DIP Term Sheet; and (ii) the outstanding amount of the Prepetition SISO ABL Obligations were converted into ABL DIP Loans in accordance with the ABL DIP Credit Agreement
Events of Default	Usual and customary events of defaults for debtor-in-possession facilities of this type and purpose	

	<b>Term DIP Facility</b>	<b>ABL DIP Facility</b>
Remedies upon Default	Upon the occurrence of an Event of Default and seven days' prior written notice, each DIP Agent may exercise all rights and remedies available under the DIP Documents or applicable law, unless the U.S. Court orders otherwise.	

3. In addition to the ABL DIP Facility and the Term DIP Facility, the Intercompany DIP Facility provides for guarantees from certain of the Chapter 11 Debtors, including the Canadian Debtors, and for liens on substantially all assets and property of those Chapter 11 Debtors. Pursuant to the existing license agreements between RCPC and the BrandCo Entities, RCPC is required to make cash payments for the use of the BrandCo Entities' intellectual property. Pursuant to the Intercompany DIP Facility, when such royalty payments come due to the BrandCo Entities, such amounts will accrue under the Intercompany DIP in lieu of a cash payment by RCPC to the BrandCo Entities. Accruing royalty payments under the Intercompany DIP Facility in lieu of making cash payments will provide the Chapter 11 Debtors with sufficient liquidity to operate in the ordinary course without requiring additional liquidity under the DIP Facilities (estimated at approximately \$9 million per month). The Intercompany DIP Facility does not include any covenants or fees, maintains an interest rate of ABR + 6.75% (with a 1% ABR floor), which is to be paid in kind, and matures on the same date as the Term DIP Facility. The Intercompany DIP Facility ranks subordinate to the Term DIP Facility.
4. In the weeks following the issuance of the Interim DIP Order, the DIP Hearing was held to determine whether the U.S. Court should approve the Final DIP Order. The US Court also heard objections<sup>2</sup> from the UCC and the agent for the "first-in, last-out" tranche of the Prepetition ABL Credit Facility at the DIP Hearing. Representatives of the Information Officer attended the DIP Hearing by telephone. On August 2, 2022, the US Court entered the Final DIP Order.
5. At this time, the Foreign Representative is seeking recognition by the Ontario Court of the Final DIP Order, which is required pursuant to the terms of the DIP Facilities. The Information Officer considered the following in determining the reasonability of the DIP Facilities and whether the Ontario Court should recognize the Final DIP Order:
  - a) the Information Officer was advised that the only assets of the Canadian Debtors that were previously unencumbered were immaterial and standard carve-outs in creditor agreements. Accordingly, the security granted by the Canadian Debtors under the DIP Facilities is consistent with the security that was in place prior to the Chapter 11 Proceedings;

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<sup>2</sup> The DIP Hearing objections are summarized in the Second Affidavit (Paragraph 22). No objections were raised with respect to security registrations in Canada. As a result, and since the Interim DIP has been approved, no independent security opinion was obtained by the Information Officer in respect of the request in this motion related to the Final DIP Order.

- b) the Information Officer compared the economic terms of the DIP Facilities to other DIP loans approved by Canadian courts in CCAA proceedings commenced between 2020 and 2022. The comparison is attached as Appendix “C”. Based on the Information Officer’s analysis, the cost of the DIP Facilities is within the range of DIP financings approved by the Ontario Court in CCAA and other formal insolvency proceedings;
  - c) the terms of the Final DIP Order contained several additional or amended provisions<sup>3</sup> from the terms of the Interim DIP Order. These alterations did not change the quantum, priority or other substantive features or commercial terms of the DIP Facilities from those that have already been approved by the US Court and recognized by the Ontario Court pursuant to the Interim DIP Order; and
  - d) funding from the DIP Facilities is required to maintain existing operations of the Chapter 11 Debtors, pay employees and fund the Chapter 11 Proceedings while the Chapter 11 Debtors work to develop and implement a restructuring plan, which is in the best interests of all stakeholders, including the Canadian Debtors’ stakeholders.
6. Based on the foregoing, the Information Officer does not believe that any creditor of the Canadian Debtors will be materially prejudiced by the Ontario Court’s recognition of the Final DIP Order. To the contrary, they will benefit as it will allow the Canadian Debtors to continue to operate, which will enhance value and assist the Chapter 11 Debtors to advance the restructuring process. Accordingly, the Information Officer believes that recognition of the Final DIP Order is reasonable and appropriate in the circumstances.
7. The Foreign Representative is also seeking amendments to the Supplemental Order to reflect the terms of the Final DIP Order. The Information Officer believes these amendments are required so that the terms of the Supplemental Order are consistent with the Final DIP Order (rather than the Interim DIP Order).

## 5.0 Other US Court Orders Proposed to be Recognized by the Ontario Court<sup>4</sup>

- 1. The Foreign Representative is seeking recognition from this Court of the following US Court Orders (the “Second Day Orders”):
  - a) the Final Utilities Order, which prohibits utility providers from altering, refusing or discontinuing services to the Chapter 11 Debtors;

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<sup>3</sup> The key differences between the Interim DIP Order and Final DIP Order are summarized in the Second Affidavit (Paragraph 24).

<sup>4</sup> Capitalized terms not otherwise defined in this section of the Report have the meanings given to them in the applicable US Court Order.



- b) the Final NOL Order, which approves notification and hearing procedures for certain transfers and declarations of worthlessness with respect to common stock and claims against the Chapter 11 Debtors;
  - c) the Final Taxes Order, which authorizes the Chapter 11 Debtors to remit certain prepetition taxes, subject to certain limitations;
  - d) the Final Wages Order, which authorizes the continuation of certain of the Chapter 11 Debtors' prepetition employee obligations in the ordinary course of business, subject to certain limitations;
  - e) the Final Surety Bond Order, which authorizes the Chapter 11 Debtors to continue and renew their existing surety bond program in the ordinary course of business, subject to certain limitations;
  - f) the Final Vendors Order, which authorizes the payment of certain prepetition vendor obligations to critical vendors and lien claimants, subject to certain limitations;
  - g) the Final Cash Management Order, which, among other things, authorizes the continued operation of the Chapter 11 Debtors' cash management system;
  - h) the Final Customer Programs Order, which authorizes the Chapter 11 Debtors to continue to maintain and administer certain customer programs and honour prepetition obligations on account thereof, subject to certain limitations;
  - i) the Final Insurance Order, which authorizes the Chapter 11 Debtors to continue prepetition insurance coverage and satisfy prepetition obligations related thereto;
  - j) the OCP Order, which authorizes the Chapter 11 Debtors to continue to retain and pay certain professionals;
  - k) the Kroll Retention Order, which authorizes the Chapter 11 Debtors to employ and retain Kroll Restructuring Administration LLC as Administrative Advisor; and
  - l) the KERP Order, which approves the Revlon Retention Plan comprised of retention payments of up to \$15.375 million to non-insider employees, including two employees of the Canadian Debtors.
2. The Second Affidavit provides further background information on the Second Day Orders, including the basis on which the Foreign Representative is seeking Ontario Court recognition thereof. The Information Officer has reviewed these orders and the contents of the Second Affidavit and communicated with Canadian counsel to the Foreign Representative for additional clarifications.

3. Based on that review and the clarifications provided, it is the Information Officer's view that the Foreign Representative's motion for recognition of the Second Day Orders is reasonable and appropriate for the following reasons:
  - a) the Second Day Orders are consistent with the integrated nature of the Chapter 11 Debtors' operations in the US and Canada and Canadian creditors are proposed to receive the same treatment as US creditors in each of the Second Day Orders;
  - b) the KERP Order includes two employees of the Canadian Debtors. The Information Officer has reviewed the terms of the Revlon Retention Plan, which appear reasonable and consistent with other retention plans approved by US and Canadian courts in the context of cross-border restructuring proceedings;
  - c) the other Second Day Orders are more procedural/administrative in nature and are largely standard form orders approved and recognized in most cross-border restructuring proceedings with the objective of enhancing the prospect that the Chapter 11 Debtors can continue to operate in the normal course during the Chapter 11 Proceedings. Various limitations reflected in the Second Day Orders provide additional disclosure to or require the consent of the UCC and counsel to the Ad Hoc Group of BrandCo Lenders, which provides additional oversight over the proceedings by those groups; and
  - d) no Canadian stakeholders objected to the Second Day Orders in the Chapter 11 Proceedings, and in particular, no Canadian utility providers were "Objecting Utilities" (as defined in the Final Utilities Order) who were held by the US Court not to be bound by the terms of the Final Utilities Order.

## 6.0 Conclusion and Recommendation

1. Based on the foregoing, the Information Officer recommends that this Court grant the relief being sought by the Foreign Representative.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC. AS  
INFORMATION OFFICER OF REVLON, INC., REVLON CANADA INC.,  
ELIZABETH ARDEN (CANADA) LIMITED ET AL  
AND NOT IN ITS PERSONAL CAPACITY**