



FORCE FILED

No. S235026
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985
c. C-44 and THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

AND

IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD.
AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

NOTICE OF APPLICATION
re ARIO

Name of applicant: The Petitioners, the Parties Listed on Schedule "A"

To: the Service List, attached hereto as Schedule "B" and those parties who have filed registrations in the personal property registries in British Columbia and Ontario.

TAKE NOTICE that an application will be made by the applicants to the presiding judge at the courthouse at 800 Smithe Street, Vancouver B.C. on July 27, 2023, at 9:00 am for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. An Amended and Restated Initial Order substantially in the form attached hereto as Schedule "C", which among other things, includes the following additional relief to that granted on July 17, 2023 (the "**Initial Order**"): W
 - (a) Extending the relief and the Stay Period to and including September 29, 2023;
 - (b) Amending and increasing the amount secured by the Administration Charge (as defined in the Initial Order) to \$750,000;
 - (c) Amending and increasing the amount secured by the Directors' Charge (as defined in the Initial Order) to \$1,000,000;

- (d) Elevating the priority of the Administration Charge and Directors' Charge in respect of the secured creditors who did not receive notice of the initial order hearing, but who have been provided notice of this application; and
 - (e) Adding Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky's Investments (Coquitlam) Ltd. (together, the "**Additional Petitioners**") as Petitioners to this proceeding.
2. Such other relief as this Honourable Court may deem just.

Part 2: FACTUAL BASIS

1. On July 17, 2023, Justice Fitzpatrick granted the Initial Order pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), granting, among other things, a stay of proceedings in favour of the Petitioners until the initial return date of July 27, 2023.
2. Since the granting of the Initial Order, the Petitioners have taken steps to notify their creditors and other stakeholders of these proceedings, and advance their restructuring under the *CCAA*. Those steps include, without limitation:
 - (a) meeting and working with Ernst & Young Inc., in its capacity as monitor of the Petitioners (the "**Monitor**") to facilitate the monitoring of the Petitioners' businesses and operations;
 - (b) continuing the businesses and operations of the Petitioners;
 - (c) analyzing the Petitioners' leases and contracts, and taking action to streamline the Petitioners' businesses in anticipation of formulating a plan or plans of compromise or arrangement:
 - (i) disclaiming one lease;
 - (ii) attempting to renegotiate, or otherwise planning to disclaim, two further leases;
 - (d) initiating discussions with the Petitioners' primary secured lender, the Canadian Western Bank ("**CWB**"), regarding the *CCAA* process with a view to discussing a plan or plans of compromise or arrangement;
 - (e) responding to requests for information from creditors and stakeholders; and
 - (f) communicating with key stakeholders, including but not limited to creditors, employees, suppliers and vendors.

Extension of Stay of Proceedings

3. The Petitioners are seeking to extend the Stay Period and other relief provided for in the Initial Order to September 29, 2023. The goal of the extension is to provide time to negotiate with stakeholders towards a plan or plans of compromise or arrangement. The claims process order sought by separate application is part of these efforts, as the claims filed will assist in determining what is feasible in this regard.
4. As evidenced in the projected cash flow attached to the first affidavit of André Joseph Bourque made July 16, 2023 (the “**First Bourque Affidavit**”), the Petitioners expect to be able to sustain their operations over the next 12 weeks.
5. While the Petitioners expect to be cash flow positive as a whole throughout the period of the proposed restructuring, some entities within the group may not be, and will require the support of others. As a result, the Petitioners will require payments from entities within the group to protect and preserve the value of their assets during the restructuring period.
6. In the time since granting the Initial Order, the Petitioners have been and are acting in good faith with due diligence to maximize the value to their stakeholders and respond to their concerns.

Increase of Charges and Priority Ranking of Charges

7. The Petitioners seek an increase in the amount of the Administrative Charge and the Director’s Charge and elevation of the priority of the Administrative Charge and the Directors’ Charge, in priority to all other encumbrances, including all other court-ordered charges and those secured creditors who were initially carved out of the charge, as follows:
 - (a) First – Administration Charge (to the maximum amount of \$750,000); and
 - (b) Second – Directors’ Charge (to the maximum amount of \$1,000,000).
8. Since the granting of the Initial Order, the Petitioners have provided notice to those entities that registered on or before the date of the Initial Order against any of the Petitioners in the British Columbia Personal Property Registry.
9. The Petitioners also provided notice to 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.
10. The Administration Charge will ensure that the Petitioners retain access to the professionals whose expertise and knowledge is required to pursue a restructuring under the CCAA.

11. The Directors' Charge will indemnify the Petitioners' directors and officers over its assets, properties and undertakings in respect of liabilities they may incur as directors and officers of the Petitioners during these proceedings, up to a maximum amount of \$1,000,000.
12. The quantum of the Directors' Charge is less than the monthly payroll cycle and sales tax liability.
13. The Petitioners do not have insurance policies in respect of their directors and officers' potential liabilities. Therefore, the Directors' Charge is necessary in respect of potential director and officer liabilities during this CCAA proceeding.
14. The quantum of the Directors' Charge is fair and reasonable in the circumstances.

Additions to Schedule "A"

15. There were three entities in the Joseph Richard Group that were not included in the Initial Order because their directors had not signed resolutions approving the CCAA proceedings.
16. Since the granting of the Initial Order, those directors have signed authorizations approving the CCAA. Those entities are: Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky's Investments (Coquitlam) Ltd.
17. Each of the Additional Petitioners is a guarantor on one or more CWB Facilities, as evidenced in the First Bourque Affidavit and, specifically:
 - (a) Townhall Holdings (South Surrey) Ltd. is a guarantor on both CWB Facilities;
 - (b) Townhall Holdings (Coquitlam) Ltd. is a guarantor on the 2018 CWB Facilities' and
 - (c) Micky's Investments (Coquitlam) Ltd. is a guarantor on both CWB Facilities.
18. The Petitioners are of the view that it is necessary to add the Additional Petitioners as Petitioners in this CCAA proceeding. Each of the Additional Petitioners satisfies the requirements for CCAA relief in their own right, namely they are a debtor company with debts greater than \$5,000,000.

Part 3:LEGAL BASIS

1. The Petitioners rely on:
 - (a) the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, in particular ss. 2, 3, 10, 11, 11.02, 11.03, 11.51, and 11.52;
 - (b) the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 ("BIA"), in particular s. 2;

- (c) the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (“**BC BCA**”);
- (d) the *Supreme Court Civil Rules*, B.C. Reg 168/2009 (the “**Rules**”), in particular Rules 1-3, 8-1, 13-1; and 22-5(8);
- (e) the inherent and equitable jurisdiction of this Court; and
- (f) such further and other legal basis as counsel may advise and this Court may allow.

Extension of the Stay of Proceedings is Appropriate

2. Subsection 11.02(2) of the *CCAA* provides that the Petitioners may apply for an extension of the stay of proceedings for a period that the court considers necessary on any terms that the court may impose. Subsection 11.02(3) of the *CCAA* provides that the court shall not make the order extending the stay of proceedings unless:
 - (a) the applicant satisfies the court that circumstances exist that make the order appropriate; and
 - (b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence
3. In determining whether the appropriate circumstances exist to extend the stay, the court should inquire whether the order sought advances the remedial purpose of the *CCAA* - avoiding the social and economic losses resulting from liquidation of an insolvent company.

North American Tungsten Corporation Ltd. (Re), 2015 BCSC 1376 at para 25, citing *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 at para 70

4. When granting an extension, it is a prerequisite for the petitioners to provide evidence of what it intends to do to demonstrate to the court and stakeholders that extending the proceedings will advance the purpose of the *CCAA*. The debtor company must show that it has at least “a kernel of a plan”.

Azure Dynamics Corporation (Re), 2012 BCSC 781, at para 13.

5. Extending the relief granted by the Initial Order, including the Stay Period, is appropriate and necessary to provide time to:
 - (a) properly propose a plan or plans of compromise or arrangement to their creditors; and

- (b) undertake and complete a claims process, which itself will assist the Petitioners in formulating their plan.
6. The Petitioners have at least “a kernel of a plan”. They are engaging with their secured creditors with a view to a compromise or renegotiation of terms. They are negotiating and engaging with key suppliers and stakeholders. They are working with the Monitor and their advisors to prepare a plan to propose to creditors. They have also started streamlining their businesses and assessing what
7. It is appropriate to extend the Stay Period until September 29, 2023, because:
- (a) the Petitioners have acted and continue to act in good faith and with due diligence, including by taking steps to advance the restructuring;
 - (b) there is a realistic prospect of a successful restructuring; and
 - (c) the period requested is needed to assess claims and negotiate with stakeholders towards proposing a plan.

The Charges are Necessary and Appropriate

Administration Charge

8. The Petitioners seek an order increasing the amount secured by the Administration Charge to \$750,000 to secure the collective fees and disbursements incurred by legal counsel to the Petitioners, the Monitor and legal counsel to the Monitor.
9. Section 11.52 of the *CCAA* provides that the court may grant a priority charge in respect of certain professional fees and expenses in proceedings under the *CCAA*. The factors to consider in determining whether to approve an administration charge include:
- (a) the size and complexity of the businesses being restructured;
 - (b) the proposed role of the beneficiaries of the charge;
 - (c) whether there is an unwarranted duplication of roles;
 - (d) whether the quantum of the proposed charge appears to be fair and reasonable;
 - (e) the position of the secured creditors likely to be affected by the charge; and
 - (f) the position of the Monitor.

CCAA, section 11.52;
Re Canwest Publishing Inc. / Publications Canwest Inc.,
 (“**Canwest Publishing**”) 2010 ONSC 222 at para. 54

10. Without this priority afforded to professional advisor fees, the objectives of the *CCAA* would be frustrated because professionals would be unlikely to risk offering their services without any assurance of ultimately being paid. Specifically, a failure to provide protection for professional fees will “result in the overwhelming likelihood that the *CCAA* proceedings would come to an abrupt halt, followed, in all likelihood, by bankruptcy proceedings.”

Re Timminco Ltd., 2012 ONSC 506 at para. 66

11. The Petitioners’ businesses require the expertise, knowledge, and continuing participation of the proposed beneficiaries of the administration charge in order to carry out a restructuring. The Administration Charge is necessary to ensure their continued assistance and participation in these proceedings.
12. The quantum of the proposed Administration Charge was determined in consultation with the Monitor and is fair and reasonable in light of the significant size and complexity of the business and the scope of the proposed restructuring. It is not expected that there will be duplication of the role of the beneficiaries of the administrative charge.
13. Since the granting of the Initial Order, the Petitioners have provided notice to secured creditors who did not have notice of the initial order hearing.

Directors’ Charge

14. The Petitioners seek an increase in the amount secured by the directors’ charge to \$1,000,000 to secure the indemnity of the Petitioners’ directors and officers.
15. The Court has jurisdiction to grant a “charge relating to directors’ and officers” indemnification on a priority basis pursuant to section 11.51 of the *CCAA*, provided that notice has been given to affected secured creditors and the Court is satisfied with the amount of the charge and that the charge will not provide coverage for wilful misconduct or gross negligence.

CCAA, section 11.51

Re Canwest Global Communications Corp.,
2009 CarswellOnt 6184, [2009] O.J. No.

4286 (Sup. Ct.), at para. 46

Canwest Publishing, supra, at paras. 56-57

16. Since the granting of the Initial Order, the Petitioners have provided notice to secured creditors who did not have notice of the initial order hearing.
17. The continued participation of the directors in the management of the Petitioners is essential to continuing operations and preserving enterprise value while the Petitioners work to implement and carry out a plan of compromise or arrangement.
18. The proposed quantum of the Directors’ Charge as reasonable in the circumstances.

The CCAA applies to the Additional Petitioners

19. The *CCAA* applies in respect of a “debtor company” or “affiliated debtor companies” when the total amount of claims against the debtor or its affiliates exceeds five million dollars (\$5,000,000).

CCAA, ss. 2 and 3

20. A “debtor company” includes any company that is bankrupt or insolvent. Insolvency is defined in the *BIA*, which provides that an insolvent person (i) is for any reason unable to meet their obligations as they generally become due; or (ii) has ceased paying their current obligations in the ordinary course of business as they become due; or (iii) the aggregate of whose property is not, at fair valuation, sufficient, or, if disposed of at a fairly-conducted sale under legal process, would not be sufficient to enable payment of all their obligations, due and accruing due.

CCAA s. 2, *BIA*, s. 2

21. Each of the Additional Petitioners is a “company” incorporated under either the *BC BCA* or the *ON BCA*. The definition of “company” includes a company incorporated under an Act of the legislature of a province.

CCAA s. 2

22. Under the *CCAA*, companies are affiliated companies if:

- (a) one of them is the subsidiary of the other;
- (b) both are subsidiaries of the same company; or
- (c) each of them is controlled by the same person.

CCAA, s. 3(2)

23. In the context of the *CCAA*, the definition of “insolvent person” includes a company that is “reasonably expected to run out of liquidity within a reasonable proximity of time as compared with the time reasonably required to implement a restructuring.”

Re Stelco Inc., 2004 CarswellOnt 1211 (Sup. Ct. J. (Commercial List))
at para. 26, leave to appeal to C.A. ref’d 2004 CarswellOnt 2936,
leave to appeal to S.C.C. ref’d, CarswellOnt 5200

24. The Additional Petitioners are related companies and collectively with the Petitioners owe approximately \$40 million including CWB debt, tax owing, landlord arrears and vendor payables. The Additional Petitioners are also insolvent as they cannot pay their debts as they become due, and are vulnerable to demand by CWB.

25. The Additional Petitioners are managed by the same team as the Petitioners; they are liable on the same CWB facilities; and they have presented themselves to the public as being part of the same related group of companies. Procedural consolidation will allow for the costs of one proceeding to be borne between all of the Petitioners, increasing the possible recovery for stakeholders. As procedural consolidation will not effect a consolidation of the assets and property of each of the Petitioners, there will be no prejudice to creditors by allowing procedural consolidation.
26. Procedural consolidation is permitted under the CCAA and is also permitted by BC Supreme Court Rule 22-5(8) by order of the court.
27. The Additional Petitioners have complied with their obligations under section 10(2) of the *CCAA* which requires the following documentation:
 - (a) a statement indicating, on a weekly basis, the projected cash flow of the debtor company;
 - (b) a report containing the prescribed representations of the debtor company regarding the preparation of the cash-flow statement; and
 - (c) copies of all financial statements, audited or unaudited, prepared during the year before the application or, if no such statements were prepared in that year, a copy of the most recent such statement.

Part 4: MATERIAL TO BE RELIED ON

1. Initial Order of Justice Fitzpatrick, granted July 17, 2023;
2. Affidavit #1 of André Joseph Bourque, made July 16, 2023;
3. Affidavit #2 of André Joseph Bourque, made July 24, 2023;
4. Affidavit #1 of Joanne Yalong, made on July 21, 2023;
5. First Report of the Monitor, to be filed
6. Petition of the Applicants, filed July 17, 2023; and
7. Such further and other materials as counsel may advise and this Honourable Court may permit.

The applicant estimates that the application will take 30 minutes.

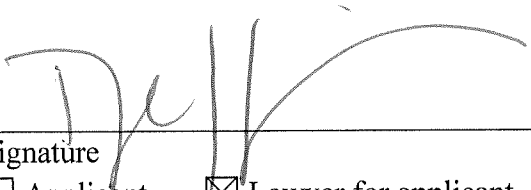
This matter is not within the jurisdiction of a master. This application has been scheduled to be heard before Justice Fitzpatrick on July 27, 2023, at 9:00 am by Trial Scheduling.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to the 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: *July 24, 2023*



 Signature
 Applicant Lawyer for applicant
Rebecca M. Morse/Tevia R.M. Jeffries

THIS NOTICE OF APPLICATION is prepared and delivered by the firm Farris LLP, Barristers & Solicitors, whose place of business and address for service is 2500 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. Telephone: (604) 684-9151. Facsimile: (604) 661-9349. **Attention: Rebecca M. Morse/Tevia R.M. Jeffries**

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:

Dated:

Signature of

Judge **Master**

Appendix

[The following information is provided for data collection purposes only and is of no legal effect.]

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
- other

SCHEDULE "A" - LIST OF PETITIONERS

1138279 B.C. Ltd.
1164312 B.C. Ltd.
Ad Prolem Capital Investments Ltd.
Clover 67 Private Dining Room Ltd.
Edith & Arthur Public House Ltd.
Joseph Bourque Investments Ltd.
Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
JRG Canteen Virtual Kitchen Ltd.
JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
JRG Foodhall (Vancouver) Ventures Ltd.
JRG Glass House Estates Winery Ltd.
JRG Ledgeview Holdings Ltd.
JRG Steveston Hotels Ltd.
JRG Systems Ltd.
JRG Whiskey Charlie Cafe, Pitt Meadows Ltd.
Livelyhood Public House Ltd.
Lowercase Capital Consulting Ltd.
Micky's Investments (Coquitlam) Ltd.
Monkey See Tiki Bar Ltd.
Oak & Thorne Public House Ltd.
Oceanside Yacht Club And Public House Ltd.
S & L Kitchen & Bar Holdings Abbotsford Ltd.
S & L Kitchen & Bar Holdings Langley Ltd.
S & L Kitchen & Bar Holdings South Surrey Ltd.
Steveston Hospitality Services Ltd.
Sudo Asian Kitchen Holdings (Langley) Ltd.
The Italian Osteria and Cheese Bar Ltd.
The Phat Bird Public House Ltd.
The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.
Townhall Holdings (Chilliwack) Ltd.

Townhall Holdings (Coquitlam) Ltd.
Townhall Holdings (Maple Ridge) Ltd.
Townhall Holdings (South Surrey) Ltd.
Townhall Holdings Ltd.
Whiskey Charlie Holdings Ltd.

Non-Petitioner Entities:

Blank Canvas Catering Ltd.
JRG Queens LRS Ventures Ltd.
JRG Chilliwack Holdings Ltd.
JRG Growth Ventures Ltd.
JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.

SCHEDULE "B" – SERVICE LIST

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985
c. C-44 and THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD.
AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

SERVICE LIST
As of: July 21, 2023

Petitioners

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dboere@farris.com; lferguson@farris.com;
smacallister@farris.com

Bank of Montreal

**Counsel: William L. Roberts & Kimia
Jalivand**
Lawson Lundell LLP
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kjalilvand@lawsonlundell.com

Ernst & Young, (Monitor)

Counsel: David Gruber
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Canadian Western Bank

Counsel: Lisa Heibert
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Email: lheibert@fasken.com

His Majesty the King in Right of Canada

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**His Majesty the King in Right of the
Province of British Columbia**

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Department of Justice

**Counsel: Yianni Pappas-Acreman, Angela
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Bodkin, A Division of Bennington Financial
Corp.
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One West Leasing Ltd.
1885 Clark Drive
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One West Auto Ltd. DBA Vancouver
Mitsubishi
1885 Clark Drive
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Preston Auto Lease Ltd.
19990 Langley Bypass
Langley, B.C. V3A 4Y1

Royal Bank of Canada
626 Sixth Avenue, 2nd Floor
New Westminster B.C. V3M 6Z2, Canada

Prospera Credit Union
18722 Fraser Highway
Surrey, B.C. V3S 7Y4, Canada

Arbutus Capital Leasing Ltd.
1530 - 355 Burrard Street
Vancouver, B.C. V6C 2G8, Canada

Royal Bank of Canada
32nd Floor, 1055 West Georgia Street
Vancouver, B.C. V6E 3N5, Canada

Receivables Management Office –
Cynthia Sylvester
6th Floor-1802 Douglas Street
Victoria, B.C. V8T 4K6, Canada

BMW Canada Inc.
50 Ultimate Drive, Richmond Hill
Ontario, L4S 0C8, Canada

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Victoria, B.C. V8W 9V8, Canada

Receivables Management Office - Cindy Cathcart
1802 Douglas Street, 6th Floor
Victoria, B.C. V8T 4K6, Canada

Xerox Canada Ltd.
#500 20 York Mills Rd, BOX 700
Toronto, Ontario, M2P 2C2, Canada

Receivables Management Office - Laura Cruz
1802 Douglas Street, 6th Floor
Victoria, B.C. V8T 4K6, Canada

Rieding Projects Ltd.
c/o Richards Buell Sutton LLP
700 – 401 W. Georgia Street
Vancouver, BC V6B 5A1

Attention: Ryan A. Shaw

Receivables Management - Desiree Morin
1802 Douglas St., 6th Floor
Victoria, B.C. V8T 4K6, Canada

Receivables Management Office - Alana Lowery
1802 Douglas Street, 6th Floor,
Victoria, B.C. V8T 4K6, Canada

Connect First Credit Union Ltd.
200, 2850 Sunridge Blvd NE Calgary
Alberta T1Y 6G2

0911110 BC Ltd.
215-13737-72 Avenue
Surrey, B.C. V3W 2P2, Canada

BRP Investment Limited
Attention: Brad Martyniuk
Email: bradmartyniuk@telus.net

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SCHEDULE "C" – DRAFT ORDER

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985
c. C-44 and THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF THE JOSEPH RICHARD HOSPITALITY GROUP LTD.
AND THOSE PARTIES LISTED ON SCHEDULE "A"**

PETITIONERS

ORDER MADE AFTER APPLICATION

(AMENDED AND RESTATED INITIAL ORDER)

))
))
))
BEFORE)	THE HONOURABLE JUSTICE)
)	FITZPATRICK)
))
))

July 27, 2023

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 17th day of July, 2023 (the "**Order Date**"); AND ON HEARING Tevia Jeffries and Rebecca Morse, counsel for the Petitioners, and those other counsel listed on Schedule "B" hereto; AND UPON READING the material filed, including the First Affidavit of André Joseph Bourque made July 16, 2023 (the "**First Bourque Affidavit**"), the Second Affidavit of André Joseph Bourque made July 24, 2023, and the consent of Ernst & Young Inc. to act as Monitor; AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia 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 amends and restates the Initial Order (the “**Initial Order**”) of this Court made in these proceedings on July 17, 2023 (the “**Order Date**”).
2. The time for service and filing of the Notice of Application is hereby abridged and validated such that this Notice of Application is properly returnable today and hereby dispenses with further service thereof.

ADDITION OF PETITIONERS

3. Each of Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky's Investments (Coquitlam) Ltd. are added as Petitioners to this proceeding.
4. Schedule “A” to the Initial Order is hereby amended by adding each of Townhall Holdings (South Surrey) Ltd., Townhall Holdings (Coquitlam) Ltd., and Micky's Investments (Coquitlam) Ltd.

JURISDICTION

5. Each Petitioner is a company to which the CCAA applies. The Non-Petitioner Entities listed in Schedule “A” hereof shall enjoy the benefits of the protection and authorizations provided by this Order, including the stay of proceedings provided in paragraph 19 of this Order, and shall enjoy the protection and authorizations provided any other order which may be made by this Court in these proceedings.
6. These CCAA proceedings are consolidated in respect of the Petitioners and as such consolidation shall be for administrative purposes only and shall not effect a consolidation of the assets and property of each of the Petitioners including, without limitation, for the purposes of any Plan (as defined below) that may be thereafter proposed.

PLAN OF ARRANGEMENT

7. 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

8. 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 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 they deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

9. The Petitioners shall be entitled to continue to utilize the central cash management system currently in place as described in the First Bourque Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System 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, 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 shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

10. The Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order 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 Order 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”);
- (b) all outstanding or future amounts related to honouring customer obligations, including customer pre-payments, deposits, gift cards, rewards programs, and other customer loyalty programs, offers and benefits, in each case incurred in the ordinary course of business and consistent with existing policies and procedures;
- (c) 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 or any subsidiaries or affiliated companies of the Petitioners are domiciled;
 - (ii) any litigation in which the Petitioners are named as a party or is otherwise involved, whether commenced before or after the Order Date; and
 - (iii) any related corporate matters; and
- (d) with the consent of the Monitor, amounts owing for goods or services supplied to the Petitioners prior to the date of this Order by third-party suppliers or service providers, if, in the opinion of the Petitioners, following consultation with the Monitor, that the payment to such supplier or service provider is critical to the continued operation of the Petitioners.

11. 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 Order 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 exceeding \$25,000 shall be approved by the Monitor;
- (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioners' obligations incurred prior to the Order Date); and
- (c) fees and disbursements of the kind referred to in paragraph 10(c) which may be incurred after the Order Date.

12. 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 Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order 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.

13. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) 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 Order Date. On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

14. 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 Order 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, trust, mortgages, liens, charges or encumbrances upon or in respect of any of their Property, nor become a guarantor or surety, 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 Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

15. 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 \$25,000 in any one transaction or \$100,000 in the aggregate; and
- (b) 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**”).

16. 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 disclaims 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.

17. 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 their obligation to mitigate any damages claimed in connection therewith.

18. 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 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

19. Until and including September 29, 2023, or such later date as this Court may 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 the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

20. 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 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.

21. Nothing in this Order, including paragraphs 19 and 20, shall: (i) empower the Petitioners to carry on any business which the Petitioners 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.

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, 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 that 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 Order 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 Order 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

Order 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 \$1,000,000, as security for the indemnity provided in paragraph 26 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 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 Petitioners' 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. Ernst & Young Inc. 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 their powers and discharge of their 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 their prescribed rights and obligations under the CCAA, is hereby directed and empowered 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) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (d) 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;

- (e) 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 their duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of their powers and performance of their obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

31. The Monitor 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 their 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 or control 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*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection 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 are 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 their appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on their part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

35. The Monitor, counsel to the Monitor, if any, 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 and, in addition, the Petitioners are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioners, retainers in the amounts of \$75,000 respectively to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

36. The Monitor and their legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and their legal counsel are hereby referred to a judge of the British Columbia Supreme Court 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.

37. The Monitor, counsel to the Monitor, if any, 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 \$750,000, 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 38 and 40 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First – Administration Charge (to the maximum amount of \$750,000);

Second – Directors’ Charge (to the maximum amount of \$1,000,000).

39. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge and the Directors’ Charge (collectively, the “**Charges**”) shall not be required, and that the Charges 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.

40. 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 for those claims contemplated by section 11.8(8) of the CCAA.

41. 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 obtains the prior written consent of the Monitor and the beneficiaries of the Administration Charge and the Director's Charge.

42. The Administration Charge and the Director's Charge 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 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 it is 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.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioners' interest in such real property leases.

SERVICE AND NOTICE

44. The Monitor shall (i) without delay, publish in the *Vancouver Sun* a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioners of more than \$1000, and (C) 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.

45. 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 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.

46. 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 their website at: www.ey.com/ca/jrg.

47. 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 from time to time, and the Monitor shall post a copy of all prescribed materials on their website at: www.ey.com/ca/jrg.

48. Notwithstanding paragraphs 45 and 47 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

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

50. 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.

51. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, 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, 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, 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.

52. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order 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.

53. 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 and when the Petitioners determines that such a filing is appropriate.

54. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

55. 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 such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

56. 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.

57. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

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

A. 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

Lawyer for Petitioners

Rebecca M. Morse/Tevia Jeffries

By the Court

Registrar

SCHEDULE "A" - LIST OF PETITIONERS

1138279 B.C. Ltd.
1164312 B.C. Ltd.
Ad Prolem Capital Investments Ltd.
Clover 67 Private Dining Room Ltd.
Edith & Arthur Public House Ltd.
Joseph Bourque Investments Ltd.
Joseph Richard Hospitality Group Ltd.
Joseph Richard Investments Ltd
Joseph Richard IP Holdings Ltd.
Joseph Richard Management Ltd.
JRG Canteen Virtual Kitchen Ltd.
JRG Clover Station LRS Ltd.
JRG Cloverdale Holdings Ltd.
JRG Cloverdale Ventures Ltd.
JRG Foodhall (Vancouver) Ventures Ltd.
JRG Glass House Estates Winery Ltd.
JRG Ledgeview Holdings Ltd.
JRG Steveston Hotels Ltd.
JRG Systems Ltd.
JRG Whiskey Charlie Cafe, Pitt Meadows Ltd.
Livelyhood Public House Ltd.
Lowercase Capital Consulting Ltd.
Micky's Investments (Coquitlam) Ltd.
Monkey See Tiki Bar Ltd.
Oak & Thorne Public House Ltd.
Oceanside Yacht Club And Public House Ltd.
S & L Kitchen & Bar Holdings Abbotsford Ltd.
S & L Kitchen & Bar Holdings Langley Ltd.
S & L Kitchen & Bar Holdings South Surrey Ltd.
Steveston Hospitality Services Ltd.
Sudo Asian Kitchen Holdings (Langley) Ltd.
The Italian Osteria and Cheese Bar Ltd.
The Phat Bird Public House Ltd.
The Study Public House Ltd.
Townhall Holdings (Abbotsford) Ltd.
Townhall Holdings (Chilliwack) Ltd.

Townhall Holdings (Coquitlam) Ltd.
Townhall Holdings (Maple Ridge) Ltd.
Townhall Holdings (South Surrey) Ltd.
Townhall Holdings Ltd.
Whiskey Charlie Holdings Ltd.

Non-Petitioner Entities:

Blank Canvas Catering Ltd.
JRG Queens LRS Ventures Ltd.
JRG Chilliwack Holdings Ltd.
JRG Growth Ventures Ltd.
JRG Published Holdings Ltd.
JRG Whip Holdings Ltd.

Schedule "B"

(List of Counsel)

Counsel	Party
Rebecca Morse & Tevia Jeffries	Petitioners
David Gruber	Monitor - Ernst & Young Inc.
Will Roberts & Kimia Jalilvand	Bank of Montreal