

SUPREME COURT
 OF BRITISH COLUMBIA
 VANCOUVER REGISTRY
 MAY 14 2024
 ENTERED

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-36F

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
(SUBSTITUTION OF MONITOR AND INCREASED INTERIM FINANCING)

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)))
BEFORE)	THE HONOURABLE)	May 9, 2024
)	MADAM JUSTICE FITZPATRICK))
)))

ON THE APPLICATION OF the Petitioners coming on for hearing at Vancouver, British Columbia on this date; AND ON HEARING Tevia Jeffries, counsel for the Petitioners, and those other counsel listed in Schedule "B"; AND UPON READING the materials filed; 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. The time for service of the Petitioners' Notice of Application dated May 6, 2024, for this order is hereby abridged such that it is properly returnable today, and service thereof upon any interested party other than those listed on the Service List (as defined in the Amended and Restated Initial Order made July 27, 2023 (the "ARIO")) is hereby dispensed with.

2. All capitalized terms used in this Order but not defined have the meaning set out in ARIO.

STAY EXTENSION

3. The Stay Period with respect to the Petitioners and the Non-Petitioner Entities listed in Schedule A is extended up to and including August 30, 2024.

DISCHARGE OF ORIGINAL MONITOR

4. Effective immediately, Ernst & Young Inc. (“EY”) be and is discharged as monitor of the Petitioners and, other than the completion of such matters as may be required to fulfill any outstanding statutory, court-ordered or other duties, EY shall have no further duties, obligations or responsibilities as monitor of the Petitioners.
5. Notwithstanding any provision in this Order, EY is entitled to take such steps and actions as it deems necessary to address any matters ancillary or incidental to its capacity as monitor of the Petitioners, and, for greater certainty, in completing such ancillary or incidental matters, EY shall continue to have the benefit of the provisions of the CCAA and all orders made in these proceedings related to EY’s appointment as monitor, including all approvals, protections and stays of proceedings in favour of EY in its previous capacity as monitor of the Petitioners. Such ancillary matters include, without limitation, leave to seek orders on notice to the Service List approving the fees and disbursements of EY and its counsel and approving EY’s activities as monitor.
6. The protections afforded to EY pursuant to any orders of this Court in these proceedings, the CCAA or otherwise at law continue to apply and this order shall not affect, vary, derogate from, limit or amend such provisions. For greater clarity, such protections do not apply to claims or liability arising out of fraud, wilful misconduct or gross negligence.

APPOINTMENT OF MONITOR

7. MNP Ltd. is hereby appointed pursuant to the CCAA as the monitor (in such capacity, 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 in the ARIO, and the Petitioners and its shareholders, officers, directors and assistants shall advise the

Monitor of all material steps taken by the Petitioners pursuant to the ARIO or any other order in these proceedings, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with such assistance as may be necessary to enable the Monitor to adequately carry out the Monitor's functions.

8. The ARIO be and is amended to delete paragraph 31 and to, *mutatis mutandis*, substitute MNP Ltd. in place of EY as the Monitor in each instance, including paragraphs 30, 32, 33 and 34 of the ARIO.

ENHANCED MONITOR'S POWERS

9. The Monitor is authorized and empowered, but not required, to exercise any powers the Monitor deems appropriate which may be properly exercised by a board of directors or any officer of the Petitioners, on behalf of and in the name of the Petitioners, including, without limitation, the power to:
 - (a) report to Canadian Western Bank in its capacity as interim lender under the order made August 30, 2023 (the "**Interim Lender**"), with such financial and other information and on a basis to be agreed to with the Interim Lender;
 - (b) monitor, review and direct the Petitioners' receipts and disbursements and implement such measures of control as the Monitor deems reasonably necessary to ensure the appropriate monitoring and control of the Petitioners' expenses and disbursements;
 - (c) perform any actions or take any steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Petitioners, including, without limitation, such documents as may be necessary in relation to the interim financing approved in these proceedings or issuing notices of disclaimer pursuant to section 32 of the CCAA;
 - (d) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities on behalf of, and in the name

of, the Petitioners, as the Monitor deems necessary or appropriate to assist with the exercise of its powers and duties or those of the Petitioners;

- (e) perform such other functions or duties, and enter into any agreements or incur any obligations, on behalf of, and in the name of, the Petitioners, as the Monitor considers necessary or desirable in order to facilitate or assist in the Petitioners' restructuring, including the sale of all or any part of the Petitioners' Property, the distribution of any net proceeds of sale of the Property (the "Proceeds") or any other related activities;
- (f) exercise any rights of the Petitioners, including, where desirable, on behalf of, and in the name of, the Petitioners;
- (g) initiate, defend, continue, settle or compromise any and all Proceedings now pending or hereafter instituted with respect to the Petitioners, the Property or the Proceeds, on behalf of, and in the name of, the Petitioners, including such appeals or applications for judicial review in respect of any order or judgment pronounced in any such Proceeding;
- (h) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Petitioners that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Petitioners (which may be a representative of the Monitor) for such purposes;
- (i) claim on behalf of, and in the name of, the Petitioners any and all insurance refunds or tax refunds to which any of the Petitioners is entitled;
- (j) file, or take such actions as may be necessary for the preparation and filing of:
(i) any tax returns; and (ii) the Petitioners' employee-related remittances, T4 statements and records of employment for the Petitioners' former employees, in either case, based solely upon the information in the Petitioners' books and records and on the basis that the Monitor shall incur no liability or obligation to any person

with respect to such returns, remittances, statements, records or other documents;
and

(k) perform such other duties as are authorized by this Order or by this Court from time to time including, where desirable, on behalf of, and in the name of, the Petitioners (collectively, the “**Monitor’s Powers**”).

10. Where the Monitor exercises any of the Monitor’s Powers, it shall be the sole Person authorized to exercise such powers, to the exclusion of all other Persons, and no director or officer of the Petitioners shall incur any liability for any decisions of the Monitor acting under such authority.
11. The Petitioners and their current and former shareholders, directors, agents and representatives shall cooperate fully with the Monitor in the exercise of its powers and discharge of its duties and obligations under this Order or any other order of this Court.
12. Notwithstanding anything in this Order, the Monitor shall not take possession of the Property or Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.
13. No provision of this Order is intended, or shall be deemed to appoint the Monitor as an officer, director or employer of any of the Petitioners.

NEW ADMINISTRATION CHARGE

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

15. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.
16. The Monitor and its counsel shall be entitled to the benefit of and are hereby granted a charge (the “**New Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$250,000, 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 New Administration Charge shall have the priority set out in paragraph 19 of this Order. For greater clarity, the New Administration Charge does not secure fees or disbursements of EY, counsel to EY or counsel to the Petitioners, unless any such fees or disbursements are incurred with the express consent of the Monitor.

NEW INTERIM FINANCING

17. The Petitioners are authorized and empowered, on terms mutually agreeable to the Interim Lender and the Monitor, each acting reasonably, to borrow up to an additional \$250,000 (\$750,000 in principal in aggregate), plus fees, costs and interest payable in accordance with the Interim Financing Credit Agreement (as defined in the order of this Court made August 30, 2023 (the “**Financing Order**”)), and the Definitive Documents (as defined in the Financing Order) (the “**Increased Financing**”), as may be amended from time to time in accordance with its terms and the terms of this Order, without further Order of the Court.
18. The Financing Order shall continue to apply to the Increased Financing, without further Order of the Court, and the Interim Financing Charge (as defined in the Financing Order) shall secure all amounts owing by the Petitioners to the Interim Lender, up to the maximum principal amount of \$750,000, plus interest, fees and expenses payable pursuant to the Interim Financing Credit Agreement.

PRIORITY OF CHARGES UNDER ORDERS IN THESE PROCEEDINGS

19. The priorities of the New Administration Charge, the Administration Charge, the Intercompany Charge the Directors' Charge and the Interim Financing Charge shall be as follows:

First: New Administration Charge (\$250,000);

Second: Interim Financing Charge (to the maximum principal amount of \$750,000);

Third: Intercompany Charge; and

Fourth: Directors' Charge (to a maximum amount of \$1,000,000).

20. The definition of Charges in the ARIO be and is amended to be, collectively, the New Administration Charge, the Intercompany Charge, the Directors' Charge and the Interim Financing Charge, and the definition of Chargees in the ARIO be and is amended to include the beneficiaries of such Charges. The ARIO be and is amended, *mutatis mutandis*, to apply to the New Administration Charge and the Interim Financing Charge.

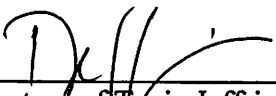
GENERAL

21. Nothing in the ARIO or 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.
22. 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.

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

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 Tevia Jeffries
Lawyer for the Petitioners

Holmes ACJ
Fitzpatrick-T
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.
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
Tevia Jeffries	Petitioners
David Gruber	Monitor – Ernst & Young
William Roberts	Bank of Montreal
Kibben Jackson, Lisa Hiebert, Mishaal Gill	Canadian Western Bank
Aaron Welch	Ministry of Attorney General
Lance Williams & Ashley Bowron	MNP