



Court File No. 35-1844150
Estate No. 35-1844150

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

THE HONOURABLE) FRIDAY, THE 14th
JUSTICE) DAY OF MARCH, 2014

IN THE MATTER OF THE PROPOSAL OF
BOGDON & GROSS FURNITURE COMPANY LIMITED
OF THE TOWN OF WALKERTON
IN THE PROVINCE OF ONTARIO

**ORDER
(Re: Transfer Proceedings to Toronto, Amend SISP)**

THIS MOTION, made by Bogdon & Gross Furniture Company Limited (the “Debtor”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 1985, c B-3, as amended (the “BIA”) was heard this day at the Court House, 80 Dundas Street, London, Ontario, N6A 6A3.

ON READING the Affidavit of Adam Hofmann sworn March 12, 2014 and the Exhibits thereto (the “Hofmann Affidavit”) and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Debtor, no one appearing for any of the other parties on the service list, although duly served as appears from the Affidavit of Service of ~~Nadia Gatta~~ ^{Shallon Garrafa} sworn March 13, 2014, and on being advised that the Proposal Trustee consents to the relief sought herein;

and counsel for Springwater Mills Ltd. *Jey*

SERVICE

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

TRANSFER OF PROCEEDINGS

2. **THIS COURT ORDERS** that these proceedings are hereby transferred to the bankruptcy district of Toronto.

AMENDMENT OF SISP

3. **THIS COURT ORDERS** that the Sale and Investor Solicitation Process approved pursuant to and attached as Schedule "B" to the Order of the Honourable Madam Justice Thorburn dated March 6, 2014 is amended, replaced and restated with the revised SISP attached as **Schedule "A"** to this Order (the "**SISP**").

GENERAL

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective 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 Debtor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

5. **THIS COURT ORDERS** that each of the Debtor and the Proposal Trustee 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 that the Proposal Trustee 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.~~

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SCHEDULE "A" – REVISED SISP

SISP SCHEDULE

	Event	Timing
1.	Motion to approve sale process and investment solicitation process (the "SISP"), extend stay of proceedings, grant administration charge and DIP charge.	March 6, 2014
2.	The Proposal Trustee and the Company will contact potential purchasers (as identified by the Company and the Proposal Trustee)	Immediately - commencing upon court approval of SISP
3.	Information pertaining to this opportunity will be posted on the Proposal Trustee's website, which will include: <ul style="list-style-type: none"> • Invitation for Expressions of Interest letters from prospective offerees, and • Confidentiality Agreement. 	On or before March 21, 2014
4.	The Proposal Trustee, with the assistance of the Company, will prepare and circulate information to potential offerees	On or before March 21, 2014
5.	Advertise the SISP in <i>The Globe & Mail</i> (National Edition), as well as such local, industry and other publications as considered appropriate by the Proposal Trustee	On or before March 21, 2014
6.	Deadline for submitting Expression of Interest Letters	March 31, 2014
7.	Deadline for submitting Binding Offers	April 14, 2014
8.	Selection of successful bidder and motion to seek court approval of agreement of purchase and sale and obtain a vesting order	April 28, 2014
9.	Close sale to successful purchaser(s)	On or before May 5, 2014
10.	Proposal Trustee to return all deposits other than that tendered pursuant to the successful offer	On or before May 12, 2014

for

EXPRESSION OF INTEREST AND BID PROCEDURES

Below are the procedures (the “**SISP Procedures**”) for expressing interest and submitting bids that will be employed for the sale of substantially all of the property, assets and undertaking of Bogdon & Gross Furniture Company Limited (the “**Assets**”, and the “**Company**”, respectively).

Step 1: Expression of Interest

- The Company, with the assistance of the Proposal Trustee, will:
 - prepare a list identifying potential purchasers and investors (“**Potential Offerees**”), and
 - prepare a document (the “**Teaser Letter**”) summarizing the opportunity,
- The Company, with the assistance of the Proposal Trustee, will contact the Potential Offerees and other parties that come to its attention.
- The Teaser Letter and other information pertaining to the opportunity will be posted on the Proposal Trustee’s website:
http://www.zeifmans.ca/index.php/insolvency_file/bogdon-gross-furniture-company-ltd/
- A notice will be published in the national edition of *The Globe and Mail* newspaper and, at the discretion of the Proposal Trustee (with the assistance of the Company), in trade and local publications.
- A party that is interested purchasing the Assets or making an investment in the Company must deliver to the Proposal Trustee by no later than 5:00 p.m. on March 31, 2014 (the “**EOI Deadline**”) a letter expressing such interest (an “**EOI**”).

Step 2: Due Diligence

- A party that delivers an EOI to the Proposal Trustee on or before the EOI Deadline will be referred herein as an “**Interested Party**” and are collectively referred to as “**Interested Parties**”.
- Interested Parties who execute a confidentiality agreement (a “**CA**”) in a form satisfactory to the Proposal Trustee will have an opportunity to perform due diligence, including reviewing information in a virtual data room and touring the Facility.
- The Company, with the assistance of the Proposal Trustee, will facilitate diligence efforts by, among other things, responding to questions and coordinating tours of the Facility.

Step 3: Binding Offers

- Interested Parties must submit offers no later than 5:00 p.m. on April 14, 2014 (the “**Bid Deadline**”).

- Interested Parties seeking to acquire the assets will be able to refer to a template asset purchase agreement (“**APA**”) that will be posted in the data room. Interested Parties seeking to purchase the Assets must submit offers in the form of the APA, with any changes black-lined against the APA (a “**Bid**”).
- A Bid shall:
 - Include a refundable cash deposit in in the form of a wire transfer (to a bank account specified by the Proposal Trustee) or such other form of deposit as is acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to 10% (the “**Deposit**”) of the purchase price or investment amount. The Deposit will either (i) be applied to satisfy the purchase price; or (ii) be forfeited to the Company in the event that the Successful Bidder (defined below) breaches its obligations pursuant to an Accepted Bid (defined below);
 - Disclose of the identity of each entity (including its ultimate shareholders) that will be bidding for the Assets or otherwise participating in a Bid and the complete terms of any such participation;
 - Provide evidence satisfactory to the Proposal Trustee of financing sufficient to close a transaction within the timelines detailed in these procedures;
 - Be irrevocable until 45 days after the date of the Bid Deadline; and
 - In the case of a Bid where the consideration payable is in the form other than cash or the assumption of liabilities of the Company, the Bidder must include a detailed description of the form of consideration as well as sufficient financial information relating thereto, to enable the Company and the Proposal Trustee to assess the value and liquidity of the consideration.
- The Proposal Trustee will determine in its sole discretion if a Bid meets the above criteria. A Bid that meets the above requirements will be considered a “**Qualified Bid**” and each Bidder that submits a Qualified Bid will be considered a “**Qualified Bidder**”.
- The Proposal Trustee, in its sole discretion, will determine which Qualified Bid (or Qualified Bids) is (or are) successful (the “**Accepted Bid**”), and the Company will enter into a binding Asset Purchase Agreement on substantially the same terms as the APA (as amended by the Accepted Bid and subject to further negotiations between the Company and the Qualified Bidder) with the Qualified Bidder (the “**Successful Bidder**”).
- The Proposal Trustee shall give written notice to all Qualified Bidders of the identity of the Successful Bidder and the next highest or next best Qualified Bid (the “**Back-up Bid**”).

- The Proposal Trustee will have the sole right to value any non-cash consideration, including the assumption of liabilities, offered in any Bid to determine whether it represents the best or highest Bid at any time.
- The Successful Bidder agrees to do all such things as are reasonably required for the Company and the Proposal Trustee to obtain Court approval of the Accepted Bid within seven (7) days of the Company's acceptance of the Accepted Bid.
- If the Successful Bidder fails to close a purchase transaction within ten (10) days after Court approval (or such date that may otherwise be mutually agreed upon between the Company, the Proposal Trustee and the Successful Bidder), the Proposal Trustee shall be authorized but not required to deem that (a) the Successful Bidder has breached its obligations pursuant to the APA, and (b) has forfeited its Deposit to the Company, and (c) the Company will be authorized to enter into a transaction with a party who has submitted the Back-up Bid.
- For greater certainty, Interested Parties and Qualified Bidders shall be responsible for their own fees and costs relating to their investigation and/or closing or any transaction under these procedures.
- The Proposal Trustee may make such minor amendments to the SISP Procedures as may be necessary or desirable.

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PROCEEDING COMMENCED AT
LONDON

ORDER

(Re: Transfer Proceedings to Toronto, Amend SISP)

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