



Court File No. CV-23-00709610-00CL

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

THE HONOURABLE MR.

)

TUESDAY, THE 19TH

JUSTICE CAVANAGH

)

DAY OF DECEMBER, 2023

)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MAV
BEAUTY BRANDS INC., MARC ANTHONY COSMETICS LTD., MARC ANTHONY US
HOLDINGS, INC., MARC ANTHONY COSMETICS USA, INC., MAC PURE HOLDINGS, INC.,
MAV MIDCO HOLDINGS, LLC, RENPURE, LLC, ONESTA HAIR CARE, LLC and THE MANE
CHOICE HAIR SOLUTION LLC

Applicants

ORDER

(Stay Extension, Expanded Monitor Powers and Related Relief)

THIS MOTION, made by MAV Beauty Brands Inc., Marc Anthony Cosmetics Ltd., Marc Anthony US Holdings, Inc., Marc Anthony Cosmetics USA, Inc., MAC Pure Holdings, Inc., MAV Midco Holdings, LLC, Renpure, LLC, Onesta Hair Care, LLC, and The Mane Choice Hair Solution LLC, (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things: (a) extending the Stay Period until June 21, 2024; (b) expanding the powers of the Monitor (as defined below) to permit the orderly wind-down of these CCAA proceedings (the "**CCAA Proceedings**"); (c) terminating and releasing certain of the Court-ordered priority charges; (d) granting certain releases; and (e) granting certain related relief, was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Laurel MacKay-Lee sworn December 7, 2023 and the Exhibits thereto (the "**Third MacKay-Lee Affidavit**"), the Second Report of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the Court-appointed monitor of the Applicants (the "**Monitor**") dated December 14, 2023 (the "**Second Report**"), and on hearing the submissions

of counsel for the Applicants, counsel for the Monitor, counsel for the DIP Lenders and other counsel as listed on the Participant Information Form, no one else appearing for any party although duly served as appears on the affidavit of service of Philip Yang, as filed,

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Amended and Restated Initial Order of the Honourable Mr. Justice Cavanagh dated November 24, 2023 (the “**ARIO**”), the Approval, Vesting and Distribution Order of the Honourable Mr. Justice Cavanagh dated November 24, 2023 (the “**AVO**”) or the Third MacKay-Lee Affidavit, as applicable.

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended to and including June 21, 2024.

EXPANSION OF THE MONITOR’S POWERS

4. **THIS COURT ORDERS** that in addition to the powers and duties of the Monitor set out in the ARIO or any other Order of this Court in these CCAA Proceedings, the Monitor shall be and is hereby authorized and empowered, but not required, to:

- (a) cause the Applicants to take, or take on behalf of, and in the name of the Applicants, any and all actions and steps, and execute any and all documents and writings, on behalf of, and in the name of, the Applicants, under the Purchase Agreement, the Transition Services Agreement, the Escrow Agreement and any other ancillary agreement to the Purchase Agreement to facilitate any post-closing matters, including, without limitation;

- (i) taking any and all actions and steps in connection with determining the post-closing adjustments contemplated pursuant to the Purchase Agreement;
 - (ii) taking any and all actions and steps in connection with the transition services contemplated pursuant to the Transition Services Agreement; and
 - (iii) taking any and all actions and steps in connection with holding and releasing the funds contemplated pursuant to the Escrow Agreement;
- (b) take any and all actions and steps, and execute any and all documents and writings, on behalf of, and in the name of, the Applicants to facilitate the performance of any ongoing obligations of the Applicants;
- (c) meet and consult with the former management and directors of the Applicants, and the management and directors of the Purchasers, and their respective affiliates and advisors, with respect to the carrying out of the Monitor's powers and obligations under this Order or any other Order of this Court in these CCAA Proceedings;
- (d) exercise any and all powers which may be properly exercised by the boards of directors of the Applicants, and such actions taken by the Monitor are hereby authorized without requiring any further action or approval by any person, including any former directors or officers of the Applicants;
- (e) execute any and all administrative filings, including accounting, tax and financial reporting functions, on behalf of, and in the name of, the Applicants, in each case based solely upon information in the Applicants' books and records, and provided that the Monitor shall incur no liability or obligation to any person with respect to such filings, reporting, statements and records;
- (f) cause the Applicant to remit or file, or take such actions necessary for the preparation and remittance or filing of, on behalf of and in the name of the Applicants, (i) any tax returns; and (ii) the Applicants' employee-related remittances, T4 statements and records of employment for the Applicants' former employees; in any case, based solely upon the information in the Applicants'

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 documentation;

- (g) consult with the Canada Revenue Agency (the “**CRA**”) with respect to any issues arising in respect of these CCAA Proceedings, and act as an authorized representative of the Applicants and/or their affiliates in respect of dealings with the CRA, and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of the Applicants and/or their affiliates that the CRA may require in order to confirm the Monitor’s appointment as an authorized representative for such purposes;
- (h) have the authority to sign such agreements, instruments and other documents on behalf of the Applicants as the Monitor deems appropriate, whether in the Monitor’s name or in the name of and on behalf of the Applicants, including, without limitation, tax returns and tax filings;
- (i) engage, retain or terminate the services of, or cause the Applicants to engage, retain or terminate the services of, any officer, employee, consultant, agent, representative, advisor, or other persons or entities;
- (j) enter into any agreement or disclaim any agreements on behalf of the Applicants;
- (k) cause the Applicants to claim, or to claim on behalf of, and in the name of, the Applicants, any and all insurance refunds or tax refunds, rebates or other amounts, including refunds of harmonized sales taxes, to which the Applicants are entitled;
- (l) receive, collect and take control of all Property and assets owned or hereafter owned or owing to the Applicants (i) which are not Purchased Assets for and on behalf of the Applicants and to sell or dispose of such Property and assets in accordance with Orders of this Court; and (ii) which are Purchased Assets for and on behalf of the Purchasers to provide such Property and assets to the Purchasers as applicable;

- (m) conduct, supervise and direct the commencement or continuation of any process or effort to recover any Property or other assets of the Applicants and their affiliates;
- (n) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Applicants on behalf of, and in the name of, the Applicants;
- (o) take control of the existing bank accounts of the Applicants (the “**Bank Accounts**”) and the funds credited thereto or deposited therein, including, but not limited to, closing any or all Bank Accounts, subject to the Transition Services Agreement, and/or transferring any funds received into the Bank Accounts (i) which are not Purchased Assets to accounts held by the Monitor for and on behalf of the Applicants, or (ii) which are Purchased Assets to the Purchasers, subject to the Transition Services Agreement;
- (p) open new bank accounts on behalf of or for the benefit of the Applicants, including, without limitation, to hold the Wind-Down Reserve;
- (q) hold the Wind-Down Reserve in an account of the Monitor on behalf of the Applicants, and pay or cause to be paid from the Wind-Down Reserve, in the name of and on behalf of the Applicants, or in its own name, the Wind-Down Costs (as defined in the DIP Agreement). Subject to further Order of this Court, the Monitor shall have the sole discretion to administer the Wind-Down Reserve in accordance with this Order and any other Order of this Court in these CCAA Proceedings. The only Claims or Encumbrances that shall attach to the Wind-Down Reserve are the Administration Charge and those Claims and Encumbrances set forth in paragraph 7 of the AVO, other than those Charges released pursuant to this Order. Any amounts remaining in the Wind-Down Reserve on the date that these CCAA Proceedings are terminated pursuant to a further Order of this Court shall be distributed to the Lenders pursuant to the AVO;
- (r) cause the Applicants to make, or make on behalf of, and in the name of, the Applicants, the “Distributions” (as defined in the AVO) authorized by this Court pursuant to the AVO;

- (s) cause the Applicants to take, or take on behalf of, and in the name of, the Applicants, any and all actions and steps, and execute any and all documents and writings, on behalf of, and in the name of, the Applicants, and seek any additional orders, to facilitate the winding-down, dissolution or liquidation of the Applicants, including in connection with the termination of these CCAA Proceedings, including without limitation, withdrawing the Applicants from qualification in any jurisdiction to do business and executing, acknowledging or filing all necessary or appropriate certificates or other documents with the appropriate governmental agency or unit on behalf of the Applicants;
- (t) assign the Applicants, or cause the Applicants to be assigned, into bankruptcy, and A&M is authorized and empowered, but not directed, to act as trustee in bankruptcy of each of the Applicants;
- (u) have full and complete access to all books, records, data, including data in electronic form, and other financial documents of the Applicants in the Applicants' possession or control and the same access as the Sellers under the Purchase Agreement to any books and records no longer in the Applicants' control or possession;
- (v) provide instruction to counsel to the Applicants on behalf of the Applicants in connection with the wind-down or post-closing matters related to the Transaction;
- (w) apply to this Court, on its own behalf or on behalf of the Applicants, for advice and directions or any further order that the Monitor considers necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court; and
- (x) take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and, in each case where the Monitor takes any action or steps, or signs or enters into any documentation, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Applicants, and without interference from any person.

5. **THIS COURT ORDERS** that the banks and/or financial institutions which maintain the Applicants' Cash Management System (which includes for the avoidance of doubt, each of the Bank Accounts) are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Applicants in connection with such Cash Management System, and for such purpose the Monitor and its representatives are empowered and shall be permitted to execute documents for or on behalf of and in the name of any of the Applicants and shall be empowered to add and remove persons having signing authority with respect to the Applicants' Cash Management System.

6. **THIS COURT ORDERS** that the banks and/or financial institutions maintaining 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 in accordance with the instructions of the Monitor for and on behalf of the Applicants and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such banks and/or financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

PROTECTIONS OF THE MONITOR

7. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor is not and shall not be, or be deemed to be, a director, officer or employee of the Applicants.

8. **THIS COURT ORDERS** that, without limiting the provisions of the ARIO or any other Order of this Court in these CCAA Proceedings, the Monitor shall not take, or be deemed to have taken, possession or control of the Property or the Business of the Applicants or any part thereof.

9. **THIS COURT ORDERS** that the Monitor shall be entitled to rely on the books and records of the Applicants without independent investigation.

10. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities set out in the ARIO and any other Order of this Court, and all such indemnities, charges, protections

and priorities shall apply and extend to the Monitor and the fulfillment of its duties and the carrying out of the provisions of this Order and exercising any powers granted to it hereunder.

11. **THIS COURT ORDERS** that nothing in this Order, and nothing done by the Monitor in carrying out its duties hereunder, shall constitute or result in, or be deemed to constitute or result in, the Monitor being an employer, successor employer, responsible person, operator, officer, director, employee, receiver, trustee (unless assignments in bankruptcy are filed as contemplated by paragraph 4(t) hereof), assignee, liquidator, administrator, legal representative, receiver-manager or agent of the Applicants, in each case, within the meaning of any statute, regulation or rule of law, or equity, for any purpose whatsoever.

12. **THIS COURT ORDERS** that the Monitor shall not be liable for any employment-related liabilities of the Applicants, including any successor employer liabilities as provided for in section 11.8(1) of the CCAA. Nothing in this Order shall cause the Monitor to be liable for any employment-related liabilities of the Applicants, including wages, severance pay, termination pay, vacation pay, and pension, retirement or benefit obligations, or amounts, in each case whether arising under statute, contract, common law or otherwise. Without limiting the foregoing, the Monitor shall not, as a result of this Order, or with respect to anything done pursuant to its powers pursuant to this Order, be (a) deemed to be the “administrator” of any of the Applicants’ savings or retirement plans; (b) liable for any associated liabilities or costs of the Applicants; or (c) liable for the actions or inactions of any person instructed by the Monitor, or otherwise appointed, in connection with the Applicants’ savings or retirement plans.

13. **THIS COURT ORDERS** that any payments or distributions by the Monitor pursuant to this Order or any other Orders in these CCAA Proceedings, from the Wind-Down Reserve or otherwise (collectively, the “**Distributions**”), will be deemed to have been made by the Applicants, and any such Distributions shall not constitute a “distribution” by the Monitor, including legal counsel, and the Monitor shall not constitute a “legal representative”, “representative” or a “responsible representative” of the Applicants or “other person” for purposes of Section 159 of the *Income Tax Act* (Canada), Section 117 of the *Taxation Act*, 2007 (Ontario), Section 270 of the *Excise Tax Act* (Canada), Sections 46 and 86 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial, state or territorial tax legislation (collectively, the “**Statutes**”), and the Monitor in causing or assisting the Applicants to make any Distribution in accordance with this Order, or any other Orders in these CCAA

Proceedings, is not “distributing”, nor shall it be considered to have “distributed”, such funds for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for causing or assisting the Applicants in making any Distributions in accordance with this Order, or any other Orders in these CCAA Proceedings, or failing to withhold amounts, ordered or permitted hereunder or any other Orders in these CCAA Proceedings, and the Monitor shall not have any liability for any of the Applicants’ tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against the Monitor under or pursuant to the Statutes or otherwise at law arising as a result of the Distributions contemplated in this Order, and any claims of such nature are hereby forever barred.

14. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA, as an officer of this Court, under the ARIO or any other Order of this Court, the Monitor shall not incur any liability or obligation as a result of carrying out the provisions of this Order, save for gross negligence or wilful misconduct on its part, and the Monitor shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any person from and after the date of this Order, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on its part.

15. **THIS COURT ORDERS** that the power and authority granted to the Monitor by virtue of this Order shall, if exercised, be paramount to the power and authority of the Applicants with respect to such matters and, in the event of a conflict between the terms of this Order and those of the ARIO or any other Order of this Court, the provisions of this Order shall govern.

COOPERATION WITH THE MONITOR

16. **THIS COURT ORDERS** that the Purchasers and the Applicants, and their respective advisors and their current and former officers, directors, agents and representatives, shall reasonably co-operate with the Monitor in the exercise of its powers pursuant to this Order or any other Order of this Court in these CCAA Proceedings, and shall provide the Monitor with such reasonable assistance as the Monitor may request from time to time to enable the Monitor to carry out and discharge its powers as set out in this Order or any other Order of this Court in these CCAA Proceedings.

RELEASES

17. **THIS COURT ORDERS** that the directors and officers of the Applicants as of December 8, 2023 (collectively, the “**Released Parties**”) shall be irrevocably released and forever discharged from any and all present and future claims (including, without limitation, claims for contribution and indemnity, liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupment of debts, sums of money, expenses, accounts, liens, taxes, recoveries and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based upon any act or omission, transaction, dealing or other occurrence existing or taking place prior to the date hereof in any way relating to, arising out of, or in respect of (a) these CCAA Proceedings, the Purchase Agreement and the Transaction and any other matters that were raised in these CCAA Proceedings; and (b) acting in their capacity as a director or officer of an Applicant, provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim: (i) resulting from gross negligence or wilful misconduct, (ii) that is not permitted to be released pursuant to section 5.1(2) of the CCAA, and (iii) that is an Insured Claim (as defined below) (collectively, the “**Released Claims**”).

18. **THIS COURT ORDERS** that nothing in this Order shall affect the Ontario Securities Commission’s (“**OSC**”) rights and ability to pursue any investigation, take any action, exercise any discretion or commence any proceeding in respect of the Applicants under *the Securities Act* (Ontario), RSO 1990, c. S.5 (the “**Securities Act**”) or *Commodity Futures Act*, R.S.O. 1990, c. C.20 (the “**CFA**”) other than in connection with the enforcement of a payment ordered by the OSC prior to the date of the Initial Order dated November 14, 2023 (the “**Filing Date**”). In addition, nothing in this Order shall release any claims by the OSC which may be advanced pursuant to the Securities Act or CFA against the Released Parties. For greater certainty, nothing in this Order is intended to or shall: (a) encroach on the jurisdiction of the OSC in the matter of regulating the conduct of market participants other than in connection with the enforcement of a payment ordered by the OSC prior to the Filing Date; or (b) vary or amend paragraphs 49 and 50 of the Amended and Restated Initial Order pertaining to Relief from Reporting Obligations. Further, nothing in this Order shall constitute or be construed as an admission by the OSC that the court has jurisdiction over matters that are within the exclusive jurisdiction of the OSC under the Securities Act and CFA.

19. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against a Released Party in any way related to a Released Claim except with the prior leave of this Court on at least seven days' prior written notice to the Released Party.

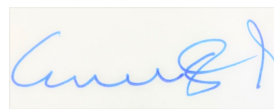
20. **THIS COURT ORDERS** that, notwithstanding anything in this Order, or any other Order made in these CCAA Proceedings, any person shall be permitted to continue an action, application or other proceeding in respect of any claim or liability which is an insured claim under an insurance policy maintained by the Applicants (the "**Insured Claims**") to the point of determination of liability of the Released Parties, as applicable. The claimant in respect of an Insured Claim shall be entitled to recover solely from any proceeds under the insurance policies of the Applicants, to the extent available in respect of any such Insured Claims, and the recovery of such Insured Claims shall be solely limited to such proceeds, without any other rights of enforcement or recovery as against any of the Applicants or the Released Parties.

21. **THIS COURT ORDERS** that the D&O Charge, the DIP Lenders Charge and the Transaction Fee Charge are hereby terminated, released and discharged.

GENERAL

22. **THIS COURT ORDERS** that the Applicants and the Monitor may apply for advice and directions with respect to any matters arising from or under this Order, and for assistance and further order of this Court with respect to supplementation or variation of this Order.

23. **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 Applicants and the Monitor and their 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their agents in carrying out the terms of this Order.



Digitally signed
by Mr. Justice
Cavanagh

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF MAV BEAUTY BRANDS INC., MARC ANTHONY COSMETICS LTD., MARC ANTHONY US HOLDINGS, INC., MARC ANTHONY COSMETICS USA, INC., MAC PURE HOLDINGS, INC., MAV MIDCO HOLDINGS, LLC, RENPURE, LLC, ONESTA HAIR CARE, LLC and THE MANE CHOICE HAIR SOLUTION LLC

Applicants

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

PROCEEDING COMMENCED AT TORONTO

**ORDER
(Stay Extension, Expanded Monitor Powers
and Related Relief)**

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