

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

S U P E R I O R C O U R T
(Commercial Division)

No.:

**IN THE MATTER OF THE RECEIVERSHIP
OF:**

JEANIOLOGIE INC., a legal person having its
domicile at 4951 Boul. de la Côte-Vertu,
Montréal, Québec, H4S 1E1

Debtor

-and-

ROYAL BANK OF CANADA, a chartered bank
having a place of business at 1 Place Ville-
Marie, Montréal, Québec, H3B 4S6

Applicant

-and-

FTI CONSULTING CANADA INC., a legal
person having a place of business at 915-1000,
Sherbrooke Street West, Montréal, Québec,
H3A 3G4

Proposed Receiver

APPLICATION FOR THE APPOINTMENT OF A RECEIVER
(Section 243 or, alternatively, 47 of the *Bankruptcy and Insolvency*
Act, R.S.C. 1985, c. B-3 ("*BIA*"))

**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN
COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL,
OR TO THE REGISTRAR OF THIS COURT, ROYAL BANK OF CANADA
RESPECTFULLY SUBMITS THE FOLLOWING:**

I. INTRODUCTION

1. By the present *Application for the Appointment of a Receiver* (the “**Application**”), the Applicant, Royal Bank of Canada (the “**Bank**” or “**RBC**”) seeks, *inter alia*, the appointment of FTI Consulting Canada Inc. (the “**Proposed Receiver**” or “**FTI**”) (Martin Franco, CPA, CIRP, LIT) to act as receiver to the property, assets, and undertakings of Jeaniologie Inc. (“**Jeaniologie**”) pursuant to an order substantially in the form of the draft receivership order communicated herewith as **Exhibit R-1** (the “**Receivership Order**”).¹
2. As will explained herein, Jeaniologie’s dire financial situation and negative cash flow are such that it faces a severe liquidity crisis and requires supplemental cash injections to carry on its operations, which the Bank is unwilling to fund for the reasons further detailed below, including, without limitation, the numerous defaults, breaches, false representations and forging of documents described herein. Together, these evidence a course of conduct and a blatant disregard on the part of Jeaniologie for its obligations towards the Bank.
3. Furthermore, the loan agreement extended by the Bank to Jeaniologie has expired, and all amounts owing to the Bank have therefore become due and payable as of December 1, 2025. These amounts remain unpaid as of the date of this Application despite numerous reimbursement requests issued by the Bank.
4. The Proposed Receiver’s pre-filing report analyzing the circumstances leading to this Application as well as Jeaniologie’s financial and operational difficulties (the “**Pre-Filing Report**”) will be communicated subsequently as **Exhibit R-2**.

II. THE PARTIES

5. RBC is a Canadian chartered bank duly constituted and having a place of business at 1 Place Ville-Marie, Montréal, Québec, H3B 4S6. In March 2024, RBC acquired assets, business, and undertakings of HSBC Bank Canada (“**HSBC**”).
6. HSBC had business dealings with Jeaniologie in the ordinary course. All rights and obligations of HSBC Bank Canada have been assumed by RBC, including those in respect of agreements and business dealings with Jeaniologie.
7. Established in 2002, Jeaniologie is a Montreal-based designer, manufacturer and importer of denim apparel that focuses on jeanswear, including brands like Foxy Jeans, Bauhaus, and Denim Society, offering products for men, women, and

¹ A copy of a redline document comparing the proposed Initial Order to the model receivership order is communicated herewith as **Exhibit R-1A**.

children. They also provide private label services and focus on accessible pricing.

8. Jeaniologie's registered head office is located at 4951 Boul. de la Côte-Vertu, Montréal, Québec, H4S 1E1, as appears from a copy of an extract of the Québec Enterprise Register communicated herewith as **Exhibit R-3**.
9. Jeaniologie's primary shareholders are Mr. Franco Di Zazzo and the Di Zazzo Family Trust. Mr. Di Zazzo is also the President of Jeaniologie (Exhibit R-3).

III. THE AGREEMENTS BETWEEN THE BANK AND JEANIOLOGIE

10. On February 24, 2020, HSBC and Jeaniologie entered into a facility letter with respect to an Operating Loan Facility and Foreign Exchange Facility. This facility letter was as amended, continued, and extended from time to time, including, without limitation, through letters dated July 13, 2021, November 19, 2021, January 7, 2022, February 22, 2022, and September 15, 2022, and came include a Post-Shipment Buyer Loan Facility, an Import Credit Facility, and a BDC Co-Lend Operating Capital Loan Facility (collectively, the "**Facility Letter**"). A copy of the Facility Letter is communicated herewith as **Exhibit R-4 en liasse**.
11. As is further described herein, the Facility Letter underwent various amendments, increases, and reductions over time but were once in the following total amounts (Exhibit R-4 *en liasse*):
 - (a) Operating Loan Facility: CAD 6,000,000;
 - (b) Import Credit Facility: CAD 10,000,000;
 - (c) BDC Co-Lend Facility: CAD 1,200,000;
 - (d) Post-Shipment Buyer Loan: USD 3,000,000;
 - (e) Foreign Exchange Facility: USD 5,789,473.
12. As of April 6, 2026, Jeaniologie was indebted to the Bank in an amount of at least \$6,598,471.19, excluding fees and interest (the "**Indebtedness**"), as appears from the statement of account communicated herewith as **Exhibit R-5**.
13. Jeaniologie's obligations toward the Bank are secured by a conventional hypothec without delivery charging the universality of Jeaniologie's movable property, corporeal or incorporeal, present and future (the "**Collateral**"), as appears from a copy of the movable hypothecs communicated herewith *en liasse* as **Exhibit R-6**.
14. Jeaniologie's obligations toward the Bank are also secured by a conventional hypothec without delivery charging Jeaniologie's accounts, term deposits and

credit balances at the Bank, as appears from a copy of the movable hypothec (Exhibit R-6 *en liasse*).

15. Franco Di Zazzo has guaranteed Jeaniologie's obligations towards the Bank up to the amount of CA\$ 1,500,000, as it appears from a copy of the guarantee agreement communicated herewith as **Exhibit R-7**.
16. With the exception of certain receivables serving as security in favour of Fédération des Caisses Desjardins du Québec ("**Desjardins**"), the Bank is the first-ranking secured creditor in respect of the Collateral, as appears from extracts of the Register of Personal and Movable Real Rights (the "**RPMRR**") communicated herewith as **Exhibit R-8**.

IV. EVENTS LEADING TO THE PRESENT APPLICATION

(i) Forbearance Agreements & Initial Refinancing Efforts

17. Beginning early 2023, HSBC expressed its dissatisfaction to Jeaniologie and Mr. Di Zazzo regarding a substantial number of defaults under the Facility Letter, including the following (Exhibit R-9 *infra*):
 - (a) Balances outstanding under the Operating Loan Facility were in excess of the maximum limits provided therein;
 - (b) Certain loans under the Post-Shipment Buyer Loan Facility were delinquent;
 - (c) The Borrower's September 2022 financial reporting demonstrated a financial-ratio breach under the Facility Letter;
 - (d) The amounts outstanding under the Facility Letter were in excess of the Margin Requirement;
 - (e) The Receivables Financing Agreement was in an over-advanced position.
18. On February 24, 2023, in light of the abovementioned defaults, HSBC, Jeaniologie and Mr. Di Zazzo entered into a forbearance agreement (the "**Forbearance Agreement**") providing, amongst other things, that Jeaniologie would secure replacement financing allowing for HSBC's position to be reimbursed (the "**Replacement Financing**"), with a firm commitment letter to be delivered in April 2023, as appears from a copy of the Forbearance Agreement communicated herewith as **Exhibit R-9** (Schedule B **under seal**).
19. At the time of the Forbearance Agreement, total indebtedness was CA\$9,807,033.74 and US\$6,437,853.22 (Exhibit R-9).

20. The Forbearance Agreement also provided for a gradual reduction in the maximum limit to the Operating Loan Facility and the Import Credit Facility over the course of 2023 from \$13.5 million to \$10.5 million (Exhibit R-9).
21. On April 3, 2023, HSBC gave Jeaniologie notice that it was in default of its obligation under the Forbearance Agreement to provide HSBC with lender term sheets for the purposes of obtaining Replacement Financing by the March 31, 2023, deadline therein, which constituted a Forbearance Default under the Forbearance Agreement (Exhibit R-10 *infra*).
22. On April 5, 2023, HSBC, Jeaniologie and Mr. Di Zazzo entered into a First Amended and Restated Forbearance Agreement, extending the deadline to provide HSBC with lender term sheets to May 15, 2023. It was subsequently amended on April 28, 2023, and May 2, 2023 (as amended, the “**A&R Forbearance Agreement**”). A copy of the A&R Forbearance Agreement is communicated herewith *en liasse* as **Exhibit R-10**.
23. At the time of the A&R Forbearance Agreement, total indebtedness had been reduced to CA\$7,914,983.62 and US\$5,775,231.51.
24. The A&R Forbearance Agreement also:
 - (a) terminated the Receivables Financing Agreement;
 - (b) terminated the Foreign Exchange Facility; and
 - (c) prohibited further withdrawals from the Post-Shipment Buyer Loan Facility.
25. On May 16, 2023, HSBC gave Jeaniologie notice that it breached the A&R Forbearance Agreement by failing to provide HSBC with lender term sheets for the purpose of obtaining replacement financing by May 15, 2023 (Exhibit R-11 *infra*).
26. That same day, HSBC extended the deadline for Jeaniologie to provide the Bank with lender term sheets to June 16, 2023, as it appears from a copy of the May 16, 2023, amendment letter communicated herewith as **Exhibit R-11**.
27. On May 30, 2023, HSBC, Jeaniologie and Mr. Di Zazzo entered into a Second Amended and Restated Forbearance Agreement (the “**Second A&R Forbearance Agreement**”), which *inter alia* reduced the maximum limit of the Import Credit Facility, as appears from a copy of the Second A&R Forbearance Agreement communicated herewith as **Exhibit R-12** (Schedule B under seal).
28. At the time of the Second A&R Forbearance Agreement, total indebtedness was CA\$8,467,350.75 and US\$4,747,843.62 (Exhibit R-12).

29. On June 20, 2023, HSBC extended the deadline for Jeaniologie to provide HSBC with lender term sheets to July 10, 2023 (Exhibit R-13 *infra*).
 30. The Second A&R Forbearance Agreement was subsequently amended on June 29, 2023, and July 17, 2023, in order to make modifications to the maximum limits under the Operating Loan Facility and the Import Credit Facility, as appears from a copy of the June 29, 2023 and July 17, 2023, amendment letters communicated herewith *en liasse* as **Exhibit R-13**.
 31. On August 1, 2023, HSBC, Jeaniologie and Mr. Di Zazzo entered into a First Amending Agreement to the Second Amended and Restated Forbearance Agreement (the “**First Amending Agreement**”), which extended the deadline for Jeaniologie to provide HSBC with firm commitment letters from financial institutions for the purpose of Replacement Financing to August 31, 2023, and moved the Termination Date from July 31, 2023, to September 30, 2023. A copy of the First Amending Agreement is communicated herewith as **Exhibit R-14**.
 32. The deadline to provide firm commitment letters from financial institutions and the Termination Date under the forbearance agreement was subsequently extended on several more occasions, as appears from the amendment letters communicated herewith as **Exhibit R-15 en liasse**.
 33. On March 13, 2024, HSBC, Jeaniologie, and Mr. Di Zazzo entered into a Third Amended and Restated Forbearance Agreement, which set the termination date to August 31, 2024 (Exhibit R-16 *infra*).
 34. On August 2, 2024, the Bank extended the Termination Date to September 30, 2024, as it appears from a copy of an August 2, 2024, amendment letter communicated herewith as **Exhibit R-16**.
- (ii) *An Attempted Change in Approach*
35. On September 26, 2024, the Bank, Jeaniologie and Mr. Di Zazzo entered into a Fourth Amended and Restated Forbearance Agreement (the “**Fourth A&R Forbearance Agreement**”), as appears from a copy of the same communicated herewith as **Exhibit R-17** (Schedule B **under seal**).
 36. In the Fourth A&R Forbearance Agreement, it was acknowledged that “*despite the many representations made as to the Borrower's ability to obtain Replacement Financing since the Initial Defaults over two years ago, no Replacement Financing has been secured*” (Exhibit R-17).
 37. As such, the Fourth A&R Forbearance Agreement provided that:

- (a) A new business plan for the company was to be provided by November 1, 2024; and
 - (b) repayment obligations under the same could now be satisfied by eliminating all Margin Deficits (as defined thereunder) by the Termination Date, which was extended to November 30, 2024.
- 38. Jeaniologie also covenanted that no further principal payments would be on the BDC Co-Lend Operating Capital Loan Facility (Exhibit R-17).
- 39. At the time of the Fourth A&R Forbearance Agreement, total indebtedness was CA\$8,784,811.02 and US\$4,221,089.41 (Exhibit R-17).
- 40. On November 21, 2024, the Bank extended the Termination Date to January 15, 2025, as it appears from a copy of a November 21, 2024, amendment letter, communicated herewith as **Exhibit R-18**.
- 41. Unfortunately, throughout this period, Jeaniologie failed to adhere to the Fourth A&R Forbearance Agreement notably in that it failed to abide by the limits set forth for the various facilities and adhere to the cash-flow projections prescribed, including via many excesses and bulge requests (Exhibit R-19 *infra*).
- 42. On January 15, 2025, the Bank, Jeaniologie and Mr. Di Zazzo entered into a First Amendment to the Fourth Amended and Restated Forbearance Agreement (the "**First Amendment**"), by which Jeaniologie undertook to give the Bank a duly executed binding offer of financing for the Replacement Financing by March 31, 2025, and which extended the Termination Date to May 2, 2025, as appears from a copy of the First Amendment communicated herewith as **Exhibit R-19** (Schedule A under seal).
- 43. At the time of the First Amendment to the Fourth A&R Forbearance Agreement, total indebtedness was CA\$7,319,353 and US\$5,191,539 (Exhibit R-19).
- 44. On February 5, 2025, the Bank issued Jeaniologie a letter of default reiterating several Forbearance Defaults under the First Amendment, including:
 - (a) The Indebtedness and the Obligations (as defined in the First Amendment) under the Operating Loan Facility were to be reduced to CAD 9,000,000.00 by no later than January 17, 2025, which did not occur;
 - (b) The Indebtedness and the Obligations under the Operating Loan Facility were to be reduced to CAD 8,500,000.00 by no later than January 31, 2025, which did not occur;
 - (c) There were consistent excesses above the limit set forth for the Operating Loan Facility as well as the limit for the aggregate of the Operating Loan Facility and the Import Credit Facility;

- (d) Monthly financial results had not been remitted since the month of July 2024; and
- (e) Weekly reporting on the progress of a refinancing with Desjardins had not been received,

as appears from a copy of the letter of default communicated herewith as **Exhibit R-20**.

- 45. On April 7, 2025, despite its increasing dissatisfaction and the new Forbearance Defaults, the Bank agreed to extend the deadline for Replacement Financing to April 18, 2025. It also requested that Jeaniologie deliver the financial statements for the fiscal year ending in October 2024 to the Bank by no later than April 11, 2025, as it appears from a copy of a April 7, 2025, amendment letter, communicated herewith as **Exhibit R-21**.
- 46. On April 30, 2025, the Bank agreed to amend the First Amendment by:
 - (a) Extending the Termination Date to June 15, 2025;
 - (b) Extending the deadline for giving the Bank a duly executed binding offer of financing for the Replacement Financing to May 15, 2025;
 - (c) Extending the deadline for the closing of the Replacement Financing agreements to June 13, 2025;
 - (d) Extending the deadline for Jeaniologie to deliver to the Bank proof of the extension of the existing guarantee agreements with Investissement Québec in respect of the Facility Letter and Security Documents to May 2, 2025;

as appears from a copy of a April 30, 2025, amendment letter, communicated herewith as **Exhibit R-22**.

- 47. On June 13, 2025, the Bank extended the Termination Date to June 30, 2025, and extended the deadline for the closing of the Replacement Financing to June 30, 2025, as appears from a copy of a June 13, 2025, amendment letter communicated herewith as **Exhibit R-23**.

(iii) Amended & Restated Loan Agreement & New Defaults

- 48. On May 12, 2025, Jeaniologie and Desjardins entered into a *Factoring Agreement* whereby Desjardins was permitted to purchase the company's accounts receivable owing by certain account debtors (the "**Factoring Agreement**"). Desjardins was also granted a priority rank over such accounts, and specifically receivables arising from the sale of goods to Wal-Mart Canada

Corp. RBC assigned its prior ranking security in respect of such property to Desjardins (Exhibit R-8; Exhibit R-24 *infra*).

49. The terms and conditions of the respective security of RBC and Desjardins in connection with the foregoing property are set out in an *Intercreditor Agreement* dated July 3, 2025, a copy of which is communicated herewith as **Exhibit R-24**.
50. The proceeds generated by the Factoring Agreement were used *inter alia* to pay down amounts owing to the Bank under the Facility Letter.
51. On June 27, 2025, the Bank, Jeaniologie and Mr. Di Zazzo entered into an amended and restated loan agreement (the "**Loan Agreement**"), providing that all credit facilities thereunder would be repaid before October 31, 2025, as appears from a copy of the Loan Agreement communicated herewith as **Exhibit R-25**.
52. On August 15, 2025, the Bank agreed to extend the deadline under the Loan Agreement for full repayment to December 1, 2025, as appears from a copy of the amendment letter, communicated herewith as **Exhibit R-26**.
53. On August 22, 2025, the Bank issued Jeaniologie a notice (the "**August 22 Notice**"), advising that, since August 19, 2025, Jeaniologie had been in excess of the limits set forth for the RBP Loan (as defined thereunder) with a then-current excess greater than CAD 110,000, which constituted an Event of Default under the Loan Agreement, as it appears from a copy of the August 22 Notice communicated herewith as **Exhibit R-27**.
54. Jeaniologie had agreed to be in compliance with the borrowing limited by August 29, 2025 (Exhibit R-27). This did not occur.
55. On September 22, 2025, the Bank issued Jeaniologie a letter (the "**September 22 Reservation of Rights Letter**") in which it reserved all of its rights and recourses against Jeaniologie and Mr. Di Zazzo with respect to the following defaults under the Loan Agreement:
 - (a) Jeaniologie was in material excess of the limits set forth in the RBP Loan as well as the Borrowing Limit (as defined under the Loan Agreement) on several occasions since the issuance of the August 22 Notice and was not in full compliance with RBP Loans limit and Borrowing Limit by August 29, 2025, contrary to what Jeaniologie had agreed. Indeed, there was a limit excess of CAD 157,534.83 at that time;
 - (b) There was a borrowing base excess of CAD 7,000.00 based on reporting to August 31, 2025, compared to the actual borrowing on September 9, 2025; and

- (c) Over that month, several cheques issued by Jeaniologie had been returned for reason of insufficient funds, including one to Revenu Québec on September 16, 2025;

as appears from a copy of the September 22 Reservation of Rights Letter communicated herewith as **Exhibit R-28**.

- 56. On October 9, 2025, the Loan Agreement was amended in order to provide for a USD 2,200,000 unsecured loan from Flexport Capital, LLC, as appears from a copy of the October 9, 2025, amendment letter (the "**October 9 Amendment Letter**") communicated herewith as **Exhibit R-29**.
- 57. On November 6, 2025, the Bank gave Jeaniologie notice that the Loan Agreement would expire on December 1, 2025 (the "**November 6 Notice**"), pursuant to its terms and in light of the following additional defaults thereunder:
 - (a) Jeaniologie was in material excess of the limits set forth for the RBP Loan as well as the Borrowing Limit on several occasions since the issuance of the August 22 Notice of Default and September 22 Letter of Reservation of Rights. In addition, numerous payments had to be returned, including payroll in several instances; and
 - (b) Over the past months, several cheques issued by Jeaniologie have been returned for reason of insufficient funds;

as it appears from a copy of the November 5 Notice communicated herewith as **Exhibit R-30**.

- 58. On November 21, 2026, Jeaniologie advised the Bank that it had obtained a firm commitment letter from the Canadian Imperial Bank of Commerce ("**CIBC**"). Upon receipt of the letter in question (the "**CIBC Letter**"), however, it was revealed that the offer was not in fact firm, the whole as appears from the correspondence and CIBC Letter communicated herewith *en liasse* as **Exhibit R-31**.
- 59. On November 26, 2026, it came to the Bank's attention that communications between itself and Jeaniologie had been altered in discussions between the latter and Dayforce Inc. ("**Dayforce**"), a payroll-services provider, in order for Jeaniologie to obtain further credit in connection with said services, the whole as appears from the exchanges communicated herewith *en liasse* as **Exhibit R-32**.
- 60. On December 1, 2025, the Bank provided Jeaniologie notice that the Loan Agreement expired. In that letter, the Bank also advised that:
 - (a) Jeaniologie had altered RBC communications to obtain credit from Dayforce, constituting a total and irredeemable breach of the Bank's trust;

- (b) Jeaniologie misrepresented to the Bank that it had received a firm commitment letter from CIBC; but
- (c) Nevertheless, the Bank agreed to refrain from enforcing its rights under the Loan Agreement and related security documents until December 16, 2025, subject to receiving a firm commitment letter from CIBC providing for a full and complete repayment of any and all amounts owing to the Bank by no later than February 10, 2026,

as appears from a copy of the December 1, 2025, letter of expiry, communicated herewith as **Exhibit R-33**.

- 61. On December 17, 2025, the Bank agreed to extend the deadline for providing a firm commitment letter to January 15, 2026, as appears from a copy of the December 17, 2025, letter (the "**December 17 Letter**") communicated herewith as **Exhibit R-34**.
- 62. On January 21, 2026, given Jeaniologie's failure to secure a firm commitment letter by the deadline prescribed in the December 17 Letter, the Bank extended the deadline to February 13, 2026, conditional upon receiving a firm commitment letter pursuant to an accepted term sheet submitted by the Bank of Nova Scotia (the "**Scotiabank Term Sheet**"), which still required an appraisal, field exams, and year-end financials to close. The firm commitment letter was to provide for a full and complete repayment of any and all amounts owing to the Bank by no later than February 27, 2026, the whole as appears from a copy of a January 20, 2026, letter (the "**January 21 Letter**") from the Bank communicated herewith as **Exhibit R-35**.
- 63. In the January 21 Letter, the Bank also warned Jeaniologie that it could not and would not continuously extend the deadline to receive a firm commitment letter or for repayment of the indebtedness. The Bank also noted that the Borrower remained in default, *inter alia*, because (Exhibit R-35):
 - (a) borrowing-base and financial-statement reporting was past due; and
 - (b) Jeaniologie had repeatedly been in excess of the CAD 5,500,000.00 operating limit.
- 64. On February 13, 2026, the deadline for providing a firm commitment letter expired without Jeaniologie having secured one. On February 24 and 26, 2026, Jeaniologie advised the Bank that due diligence with respect to the Scotiabank Term Sheet was ongoing as it awaited an inventory appraisal (the "**Inventory Appraisal**"), draft year-end financials, and field exams by Jade ABL.
- 65. On February 27, 2026, the Bank advised Jeaniologie that, as a result of a notice of insufficient funds received in connection with a personal cheque from Franco Di Zazzo deposited by Jeaniologie with the Bank on February 24, 2026 (the "**NSF**

Cheque"), there would be a five (5) business-day hold on all cheque deposits moving forward, the whole as appears from a copy of the correspondence communicated herewith as **Exhibit R-36**.

66. On March 2, 2026, the Bank agreed to extend the deadlines for the provision of the Inventory Appraisal to March 6, 2026, the draft year-end financial statements to March 13, 2026, and the field-exam report to March 20, 2026, the whole with a view to obtaining a firm commitment letter by no later than March 31, 2026, that would allow the full repayment of any and all amounts owing to the Bank by no later than April 15, 2026, as it appears from a copy of the March 2, 2026, letter (the "**March 2 Letter**") communicated herewith as **Exhibit R-37**.
67. On March 6, 10, and 11, 2026, the Bank contacted Jeaniologie by email noting irregular deposit activity, including having received no deposits or minimal deposits from key accounts such as Winners, Giant Tiger, and Warehouse One notwithstanding these accounts being listed as outstanding for periods exceeding 60 or 90 days. These communications went without adequate response from Jeaniologie, the whole as appears from a copy of the correspondence communicated herewith as **Exhibit R-38**.
68. On March 12, 2026, Jeaniologie advised the Bank by email that there were significant arrears owing by Jeaniologie to tax authorities in respect of deductions at source and Quebec sales tax, the whole as appears from the correspondence communicated here with as **Exhibit R-39**.
69. On March 16, 2026, in light of the foregoing defaults and additional defaults noted since the March 2 Letter, the Bank issued a letter declaring the Loan Agreement to be terminated along with any obligation to advance further funds, and declaring the indebtedness, all interest accrued and unpaid thereon and all other outstanding obligations of Jeaniologie and Mr. Di Zazzo to be forthwith due and payable, and requiring the repayment in full of the indebtedness immediately, the whole as appears from a copy of the March 16, 2026, letter (the "**March 16 Letter**") communicated herewith as **Exhibit R-40**.
70. In the March 16 Letter, the Bank noted, in particular, the following additional defaults *inter alia*:
 - (a) Contrary to the March 2, 2026, letter, Jeaniologie failed to deliver the Inventory Appraisal and the draft financial statements by the respective deadlines prescribed therein;
 - (b) Contrary to the Loan Agreement and the October 9 Amendment Letter, Jeaniologie granted a security interest in the Collateral to Flexport Capital LLC in connection with a \$2.2 million financing, as appears from the conventional hypothec without delivery in the principal amount of \$3

million published on February 2, 2026, in the RPMRR under registration number 26-0119445-0001; and

- (c) A prior notice of exercise of a hypothecary right was published against the Collateral by BDC on February 25, 2026, under RPMRR registration number 26-0227649-0001, in respect of a conventional hypothec without delivery in the principal amount of \$960,000 published March 16, 2022, under registration number 22-0266490-0001.
71. Together with the March 16 Letter, the Bank enclosed a notice of intention to enforce a security pursuant to section 244 of the *BIA* and a prior notice of the exercise of a hypothecary right pursuant to the *Civil Code of Québec* (collectively, the “**Prior Notices**”), as appears from copies of the same communicated herewith as **Exhibit R-41 en liasse**.
72. The Prior Notices were duly served by bailiff on Jeaniologie on March 16, 2026, and published in the RPMRR on March 17, 2026, the whole as appears from the service report and publication reports in respect of the same communicated herewith *en liasse* as **Exhibit R-42**.
73. The notice periods set out at law in respect of the Prior Notices will have expired prior to the date this Application is presentable.

V. JEANIOLOGIE’S INDEBTEDNESS

74. The most significant creditors of Jeaniologie are:
- (a) RBC;
 - (b) Fédération des Caisses Desjardins du Québec (“**Desjardins**”);
 - (c) Investissement Québec (“**IQ**”);
 - (d) Business Development Bank of Canada (“**BDC**”); and
 - (e) Flexport Capital LLC (“**Flexport**”).
75. Jeaniologie is indebted to the Bank pursuant to the Loan Agreement (Exhibit R-25). Under the Loan Agreement, the Bank extended to Jeaniologie the following credit facilities:
- (a) Facility #1: CAD \$5,510,969.86 (the “**Operating Loan Facility**”);
 - (b) Facility #2: USD \$343,057.43 (this has since been revoked);
 - (c) Credit card: CAD \$49,695.67

- (d) Co-lend loan: CAD \$560,955.83.
76. The total amount outstanding under the Loan Agreement in principal and interest as of April 6, 2026, was \$6,598,471,19 (Exhibit R-5).
77. Jeaniologie's obligations under the Loan Agreement are secured by, *inter alia* (Exhibit R-6 *en liasse*; Exhibit R-8):
- (a) A first ranking security over all of Jeaniologie's present and future or after-acquired moveable property; and
 - (b) A first ranking security over all of Jeaniologie's cash, credit balances and deposit instruments (collectively, the "**RBC Security**").
78. In addition to the RBC Security, Jeaniologie has granted the following security over its assets, property, undertaking, which hypothecs, excepting the Desjardins security, rank after the RBC Security (Exhibit R-8):
- (a) A movable hypothec published by IQ in the principal amount of \$300,000, published in the RDPRM on December 6, 2018, under number 18-1348103-0001. Said hypothec is subject to a cessation of rank in favor of RBC, published at the RDPRM on April 14, 2020, under number 20-0335332-0001, as well as a cessation of rank in favour of Desjardins, published in the RDPRM on June 25, 2025, under number 25-0806526-0001;
 - (b) A movable hypothec published by IQ in the principal amount of \$600,000, published in the RDPRM on March 11, 2020, under number 20-0255200-0001. Said hypothec is subject to an assignment of rank in favour of Desjardins, published at the RDPRM on June 25, 2025, under number 25-0806526-0001;
 - (c) A movable hypothec published by BDC in the principal amount of \$960,000, published in the RDPRM on March 16, 2022, under number 22-0266490-0001. Said hypothec is subject to an assignment of rank in favour of Desjardins published at the RDPRM on June 25, 2025, under number 25-0806526-0002. A prior notice of sale under judicial authority was registered against this hypothec on February 25, 2026, under number 26-0227649-0001;
 - (d) A movable hypothec published by IQ in the principal amount of \$750,000, published in the RDPRM on August 24, 2022, under number 22-0931097-0001. Said hypothec is subject to an assignment of rank in favour of Desjardins, published at the RDPRM on June 26, 2025, under number 25-0806526-0001;

- (e) A movable hypothec published by Desjardins in the principal amount of \$10,000,000, published in the RDPRM on June 10, 2025, under number 25-0737464-0001. Said hypothec benefits from an assignment of rank by IQ, published at the RDPRM on June 25, 2025, under number 25-0806526-0001; an assignment of rank by BDC, published at the RDPRM on June 25, 2025, under number 25-0806526-0002; and RBC, published at the RDPRM on July 4, 2025, under number 25-0850397-0001; and
- (f) A movable hypothec published by Flexport in the principal amount of \$3,000,000, published in the RDPRM on February 2, 2026 under number 26-0119445-0001.

79. As mentioned at paragraph 49 above, RBC and Desjardins are also parties to the Intercreditor Agreement with respect to their above security interests (Exhibit R-26).

VI. RELIEF SOUGHT

(i) Appointment of a Receiver

- 80. As explained above, Jeaniologie is indebted towards the Bank in an amount that exceeds \$6,598,471.19 (Exhibit R-5).
- 81. Additionally, as mentioned above, the Loan Agreement has expired, with all amounts owed to the Bank thereunder having fallen due and payable on December 1, 2025.
- 82. As appears from the foregoing, the Bank has acted in good faith and in a transparent manner towards Jeaniologie and has supported Jeaniologie in its refinancing efforts for over three years, including by entering into no fewer than four amended and restated forbearance agreements, numerous amendment letters, and, ultimately, a new loan agreement with extended deadlines.
- 83. Nevertheless, despite the Bank's extensive patience and flexibility, Jeaniologie has repeatedly failed to meet the deadlines set for it, including failing to obtain Replacement Financing within the timeframes agreed upon, and has failed to respect the limits set out in the credit facilities extended to it by the Bank. Jeaniologie has also been in excess of the authorized limit, almost on a daily, but certainly weekly, basis, totally contrary to its undertakings.
- 84. Indeed, the Bank has lost all confidence in Jeaniologie and its management as a result of Jeaniologie's conduct throughout the course of the parties' relationship, which conduct is described in greater detail in Section IV hereof and includes, without limitation, that Jeaniologie:

- (a) altered written communications between Jeaniologie and RBC in discussions with Dayforce in order to obtain further credit, which conduct constitutes a total and irremediable breach of the Bank's trust;
 - (b) misrepresented to the Bank that it had received a firm commitment letter from CIBC, which proved to be totally inaccurate;
 - (c) repeatedly failed to comply with the borrowing limits set out in the Facility Letter, the Forbearance Agreement (and its various amendments), and the Loan Agreement, including through consistent and material excesses over the limits set forth for the Operating Loan Facility, the Borrowing Limit, and the aggregate facility limits;
 - (d) repeatedly failed to meet its financial reporting obligations, including by failing to remit monthly financial results, borrowing-base reports, compliance certificates, and annual financial statements within the prescribed deadlines;
 - (e) issued numerous cheques that were returned for reason of insufficient funds over the course of the relationship, including a cheque to Revenu Québec and the NSF Cheque deposited on February 24, 2026;
 - (f) contrary to the Loan Agreement and the October 9 Amendment Letter, granted a security interest in the Collateral to Flexport Capital LLC, without the Bank's knowledge or consent, in connection with a \$2.2 million financing;
 - (g) allowed unpaid tax arrears in respect of deductions at source and Quebec sales tax to accumulate, which it only disclosed to the Bank on March 12, 2026;
 - (h) failed to provide sufficient explanation for suspicious accounts-receivable activity with respect to amounts owing for periods exceeding 60 and 90 days for several key accounts, including Winners, Giant Tiger, and Warehouse One;
 - (i) allowed a prior notice of the exercise of a hypothecary right to be published against the Collateral by BDC, evidencing the deterioration of Jeaniologie's financial position and the risk to the Bank's security; and
 - (j) is clearly insolvent given that it is unable to meet its obligations as they become due.
85. As a result of the foregoing, and in light of Jeaniologie's conduct described herein, the Bank justifiably fears that, without having the Proposed Receiver take appropriate measures to protect and dispose of the Collateral, the Bank's

security position will be further jeopardized. Indeed, Jeaniologie's conduct demonstrates a pattern that is incompatible with Jeaniologie continuing to manage and deal with the Collateral without independent oversight.

86. The appointment of a receiver is both just and convenient in the circumstances, in order to preserve what remains of the Collateral for the benefit of the Bank and all of Jeaniologie's stakeholders.

(ii) Administration Charge

87. The Applicant's counsel (Davies Ward Phillips & Vineberg LLP) and the Proposed Receiver (FTI) (together, the "**Professionals**") are essential to the successful completion of these proceedings. Without the involvement of the Professionals and their expertise and knowledge, it is unlikely that the maximization of the value of the assets contemplated by these proceedings will be successful and in the interests of the Jeaniologie's creditors and stakeholders.

88. Given the foregoing, the Applicant is requesting a super-priority charge on the Property in favor of the Professionals up to the amount of \$100,000.00 (the "**Administration Charge**").

89. The foregoing is necessary to secure the professional fees and expenses of the Professionals for work performed both before and after the date commencement of these proceedings, which charge shall have the priority described in the Receivership Order (Exhibit R-1).

90. The Professionals have advised the Applicant that they are willing to provide or continue to provide professional services only if they are protected by priority charges in the amount of the Administration Charge.

91. The amount of the Administration Charge was calculated in collaboration with the Proposed Receiver, and it is respectfully submitted that the Administration Charge is just and convenient in the circumstances and consistent with other similar administration charges previously ordered by this Court in similar cases.

(iii) Interim Financing and Charge

92. In order to fund these proceedings, the Applicant has agreed to make available funding in the amount of \$1,000,000.00 pursuant to and in accordance with the terms and conditions of the Interim Financing Term Sheet communicated herewith under seal as **Exhibit R-43**.

93. The Interim Financing Term Sheet provides for an aggregate amount of \$1 million to be borrowed by the Proposed Receiver, on behalf of Jeaniologie, pursuant to the interim facility thereunder (the "**Interim Facility**"). It is respectfully

submitted that the terms of the Interim Financing Term Sheet are just and convenient in the circumstances.

94. It is also submitted that a priority charge on the Property securing the Interim Facility (the “**Interim Financing Charge**”) in the amount of \$1,200,000.00 should be approved at the hearing of this Application.
95. The Interim Financing Term Sheet will subsequently be amended to include a cash flow to be followed, under the supervision of the Proposed Receiver, which cash flow will be prepared by the Proposed Receiver and namely include, without limitation, payments necessary for these proceedings.

(iv) Requirement that Jeaniologie and its Representatives Cooperate

96. The Receivership Order requires Jeaniologie, Mr. Di Zazzo, and any other directors, officers, employees, agents and representatives of the company to, amongst other things, cooperate with the Proposed Receiver in the exercise of its powers under the Receivership Order (Exhibit R-1).
97. Given the facts alleged herein, there is reasonable apprehension that obtaining such cooperation from Jeaniologie and its representatives cannot be taken for granted.
98. By way of example, the Proposed Receiver has, for two weeks, been attempting to organize a visit to Jeaniologie’s premises in view of the impending receivership. Mr. Di Zazzo has declined to attend such tours for various reasons – often at the last minute and with little explanation (Exhibit R-2).
99. As such, it is submitted that an order compelling the cooperation of Jeaniologie and its representatives with the Proposed Receiver is just and convenient in the circumstances.

(v) Stay of Proceedings against Jeaniologie and the Property

100. Jeaniologie’s business involves a vast constellation of stakeholders to whom it is obligated in the normal course and, as described herein, Jeaniologie’s creditors have already taken steps to attempt to enforce their security interests.
101. As such, the Receivership Order seeks a stay of proceedings against or affecting the business and commercial activities of Jeaniologie or the Property, which will prevent a run on the assets of Jeaniologie with a view to ensuring the orderly liquidation of the Property (Exhibit R-1).

(vi) *Sealing Confidential Documents*

102. Certain exhibits filed in support of this Application contain commercially sensitive information related to the affairs of Jeaniologie.
103. It is respectfully submitted that the confidentiality of such information should be preserved and that it should be ordered that Schedule B of **Exhibit R-9**, Schedule B of **Exhibit R-12**, Schedule B of **Exhibit R-17**, Schedule A of **Exhibit R-19**, and **Exhibit R-43** be kept confidential until further order of this Court.
104. Sealing the information and documents in question will cause no prejudice to any other creditors, as the information will nevertheless be filed with this Court and may be made available to said creditors upon execution of a confidentiality agreement or undertaking.

VII. CONCLUSIONS

105. For the reasons set out above, the Bank respectfully seeks the immediate appointment of a receiver to the assets, property, and undertakings of Jeaniologie.
106. The Bank proposes that FTI, through its representative, Martin Franco, CPA, CIRP, LIT, act as receiver.
107. The Proposed Receiver is qualified to act as receiver in this matter, as it holds a licence to act as trustee under the BIA. As will be set out in the Pre-Filing Report, the Proposed Receiver supports the relief sought herein (**Exhibit R-2**).
108. Considering the urgency of the situation, the Bank respectfully submits that the notice given for the presentation of the Application is proper and sufficient.
109. In light of the forgoing, the present Application is well founded in fact and law.

WHEREFORE THE APPLICANT REQUESTS THAT THIS HONOURABLE COURT:

- [1] **GRANT** the present *Application for the Appointment of a Receiver* (the "**Application**");
- [2] **ISSUE** an order appointing FTI Consulting Canada Inc. as receiver substantially in the form of the draft Order communicated herewith as **Exhibit R-1**;
- [3] **ISSUE** any other relief that this Court considers appropriate in the circumstances;

- [4] **ORDER** the provisional execution of the order(s) to be issued on the present application notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;
- [5] **THE WHOLE** with costs.

Montreal, April 7, 2026



DAVIES WARD PHILLIPS & VINEBERG LLP

Attorneys for Royal Bank of Canada

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No.:

SUPERIOR COURT
(Commercial Division)

**IN THE MATTER OF THE
RECEIVERSHIP OF:**

JEANIOLOGIE INC.

Debtor/Respondent

-and-

THE ROYAL BANK OF CANADA

Applicant

-and-

FTI CONSULTING CANADA INC.

Proposed Receiver

AFFIDAVIT OF ANDREW O'COIN

I, the undersigned, Andrew O'Coin, Senior Director, Special Loans & Advisory Services, practicing at 20 King Street West, Toronto, Province of Ontario, M5H 1C4, solemnly affirm the following:

1. I am a duly authorized representative of the Applicant, the Royal Bank of Canada;
2. All the facts alleged in this *Application for the Appointment of a Receiver* are true to the best of my knowledge.

AND I HAVE SIGNED:

Signed by:

Andrew O'Coin

B4C1324859AA494...

Andrew O'Coin

SOLEMNLY AFFIRMED before me in Montréal, Province of Québec, on this 7th day of April 2026, by Andrew O'Coin, whose oath was taken in Toronto, Province of Ontario, the whole by technological

Signé par :

Laurence Lessard-Bolduc

AC664B66100545F...

Commissioner for Oaths for the Province of Québec and for outside the Province of Québec



CANADA

PROVINCE OF QUEBEC
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-and-

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Applicant

-and-

FTI CONSULTING CANADA INC.

Proposed Receiver

**NOTICE OF PRESENTATION
Commercial Practice Division
Courtroom 16.10**

To: Service List

TAKE NOTICE that the *Application for the Appointment of a Receiver* will be presented for hearing on, April 9, 2026, at 9 am, or the earliest availability, in courtroom 16.10 of the Montreal Courthouse located at 1 Notre-Dame Street East, in the City of Montreal, Province of Quebec, or as soon as notice may be served.

16.10

[**Rejoignez la réunion maintenant**](#)

Participez à l'appel par téléphone

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Inviter quelqu'un à prendre part à une conversation sur un appareil en visioconférence

Clé du locataire : teams@teams.justice.gouv.qc.ca

Numéro de vidéo : 119 365 370 3

DO GOVERN YOURSELF ACCORDINGLY.

Montreal, April 7, 2026

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No. 500-11-
SUPERIOR COURT
(Commercial Division)
District of Montréal

JEANIOLOGIE INC.

Debtor/Respondent

and

ROYAL BANK OF CANADA

Applicant

and

FTI CONSULTING CANADA INC.

Proposed Receiver

**APPLICATION FOR THE APPOINTMENT OF A
RECEIVER, AFFIDAVIT OF ANDREW O'COIN
AND NOTICE OF PRESENTATION**

ORIGINAL

DAVIES

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