

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

N : 500-11-055629-188

DATE : October 14, 2021

PRESIDING : THE HONOURABLE CHANTAL TREMBLAY, J.S.C.

IN THE MATTER OF THE RECEIVERSHIP OF :

2964-3277 QUÉBEC INC.

Debtor

and

RICHTER ADVISORY GROUP INC

Petitioner/Receiver

and

CANADIAN IMPERIAL BANK OF COMMERCE

and

**COMMISSION DES NORMES, DE L'ÉQUITÉ, DE LA SANTÉ ET DE LA SÉCURITÉ
DU TRAVAIL**

and

FEDI MELKI

Mis en cause

**ORDER (I) TERMINATING THE RECEIVERSHIP, (II) DISCHARGING THE
RECEIVER, (III) TERMINATING, RELEASING AND DISCHARGING
SUPER-PRIORITY CHARGES, (IV) GRANTING THIRD-PARTY
RELEASES, (V) AUTHORIZING THE REMITTANCE OF CERTAIN
FUNDS AND (VI) APPROVING RELATED RELIEF**

1. **CONSIDERING** Richter Advisory Group Inc.'s application, in its capacity of court-appointed receiver (the "**Receiver**") of 2964-3277 Québec Inc., doing business as Carpet Art Deco (the "**Debtor**"), entitled *Application for an Order (i) Terminating the Receivership, (ii) Discharging the Receiver, (iii) Terminating, Releasing and Discharging Super-Priority Charges, (iv) Granting Third-Party Releases, (v) Authorizing the Remittance of Certain Funds and (vi) Approving related Relief* (the "**Application**");
2. **CONSIDERING** the provisions of the *Amended Order for an Administrative Charge, a Directors and Officers Charge, a Key Employee Incentive Program* issued by this Court on March 13, 2019 (the "**Amended Charges Order**") in the course of the *Notice of Intention to Make a Proposal* proceedings commenced by the Debtor on November 29, 2018 (the "**Filing Date**") under the relevant provisions of the *Bankruptcy and Insolvency Act, RSC 1985, c B-3* ("**BIA**");
3. **CONSIDERING** the *Order Appointing a Receiver* issued by this Court on May 28, 2019 (the "**Receivership Order**");
4. **CONSIDERING** the provisions of the BIA;
5. **CONSIDERING** the representations of counsel made by videoconference during the hearing on the Application;

FOR THESE REASONS, THE COURT:

6. **GRANTS** the Application;

A. SERVICE

7. **DECLARES** that the notices given for the presentation of the Application are proper and sufficient and further **DECLARES** that the Receiver is relieved of any other requirements for service of the Application;

B. DEFINITIONS

8. **DECLARES** that, unless otherwise indicated, the capitalized terms defined in this Order shall have the meanings ascribed thereto in the Amended Charges Order;

C. APPROVAL OF RECEIVER'S ACTIONS AND ACTIVITIES

9. **ORDERS** and **DECLARES** that the actions and activities of the Receiver as regards the Debtor described in the *First Report of the Receiver* dated July 21, 2021 are hereby approved;

D. TERMINATION OF THE RECEIVERSHIP PROCEEDINGS

10. **ORDERS** and **DECLARES** that, except as expressly provided in this Order, the receivership proceedings initiated under the BIA as regards the Debtor (the "**Receivership Proceedings**") shall be terminated;

E. DISCHARGE OF THE RECEIVER

11. **ORDERS** and **DECLARES** that, subject to the terms of this Order, the Receiver is discharged as the receiver of all of the Debtor's present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof;

12. **ORDERS** that, notwithstanding its discharge herein, (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all orders made in the Debtor's NOI proceedings and Receivership Proceedings, including all approvals, protections and stays of proceedings in favour of Richter Advisory Group Inc. in its capacity as Receiver;

13. **ORDERS** and **DECLARES** that no action, demand, claim, complaint or other proceedings shall be commenced or filed against the Receiver in any way arising out of or related to its capacity, decisions, actions or conduct as Receiver, except with prior leave of this Court and on prior written notice to the Receiver, the whole as provided in the Receivership Order dated May 28, 2019, and such further order securing, as security for costs, the full judicial and reasonable extrajudicial costs of the Receiver in connection with any proposed action or proceedings as the Court hearing such motion for leave to proceed may deem just and appropriate;

F. TERMINATION, RELEASE AND DISCHARGE OF SUPER-PRIORITY CHARGES

14. **ORDERS** that the Administrative Charge, the D&O Charge and the KEIP Charge shall be terminated, released and discharged without any other act or formality;

G. RELEASE

15. **ORDERS** that the director of the Debtor, Mr. Fadi Melki (the "**Released Party**"), shall be forever irrevocably and unconditionally released and discharged from any and all obligations and liabilities that the Released Party may incur as a director of the Debtor after the Filing Date (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably, unconditionally and forever waived, discharged, released, cancelled and barred as against the Released Party, and the commencement, prosecution, continuation or assertion, whether directly, indirectly, derivatively or otherwise, by any person of any Released Claims against the Released Party, whether before a court, administrative tribunal, arbitrator, other dispute resolver or otherwise, shall

be permanently restrained and enjoined; provided, however, that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim against the Released Party which would be incurred as a result of the Released Party's gross or intentional fault;

H. REMITTANCE OF FUNDS

16. **AUTHORIZES** the Receiver to remit to the Canadian Imperial Bank of Commerce the sum of \$398,378 currently held "in trust" by the Receiver for the purpose of securing obligations, if any, under the Administration Charge and D&O Charge, minus any payments to be remitted in respect of the *Wage Earner Protection Program Act* as well as the fees and expenses incurred by the Receiver and the Receiver's legal counsel in connection with the NOI proceedings and the Receivership Proceedings;

I. GENERAL PROVISIONS

17. **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;

18. **DECLARES** that the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada or elsewhere, for orders which aid and complement this Order;

19. **REQUESTS** the aid and recognition of any Court and administrative body in any Province of Canada and any Canadian federal court or administrative body, and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order, including the registration of this Order in any office of public record by any such court or administrative body or by any person affected by the Order;

20. **ORDERS** the provisional execution of this Order notwithstanding appeal and without security;

21. **THE WHOLE**, without judicial costs.



CHANTAL TREMBLAY, J.S.C.

Mtre. Joseph Reynaud
Mtre. Vincent Lanctôt-Fortier
Stikeman Elliott s.e.n.c.r.l., s.r.l.
Attorneys for the Receiver

Mtre. Alain Tardif
McCarthy Tétrault s.e.n.c.r.l., s.r.l.
Attorney for Canadian Imperial Bank of Commerce

Mtre. Manon Lafrance
Mtre. Claire-France Mercier
Pineault avocats CNESST
Attorneys for the Commission des normes, de l'équité, de la santé et de la sécurité du travail

Mtre. Marc Duchesne
Mtre. Audrey Belhumeur
Borden Ladner Gervais LLP
Attorneys for Mr. Fadi Melki

Hearing date : October 6, 2021