

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO.: 500-11-055629-188
ESTATE NO.: 41-2449058

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

(*Bankruptcy and Insolvency Act*, R.S.C. 1985,
c. B-3)

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:

2964-3277 QUÉBEC INC. ("CARPET ART
DECO")

Insolvent Person

-and-

RICHTER ADVISORY GROUP INC.

Trustee

-and-

ORIENTAL WEAVERS INTERNATIONAL SAE, a
corporation organized under the laws of the Egypt
with its registered office or a place of business at 8
Zakaria Khalil Street, Helipolis, Cairo, Egypt

Petitioner

-and-

CANADIAN IMPERIAL BANK OF COMMERCE

Secured Creditor/ Impleaded Party

**DE BENE ESSE MOTION TO LIFT THE STAY OF PROCEEDINGS
AND FOR ADDITIONAL RELIEF**

(ss. 69.4, 183 (1.1) and 197 of the *Bankruptcy and Insolvency Act*; Rule 11 of the *Bankruptcy and
Insolvency General Rules*)

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN
COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTREAL, THE PETITIONER
SUBMITS AS FOLLOWS:

I. INTRODUCTION

1. The Petitioner, Oriental Weavers International SAE ("**Oriental Weavers**"), hereby requests that this Court declare that sections 69 and following of the BIA do not apply or, in the alternative, that they no longer operate in its respect, such that it may commence proceedings to recognize and enforce its **proprietary rights** in certain goods being held without right by the Insolvent Person, 2964-3277 Québec Inc. ("**Carpet Art Deco**"), in addition to the interim relief necessary to preserve its rights during the course of these proceedings.

II. THE FACTS

2. Oriental Weavers is an Egypt-based manufacturer of home textiles, including carpets and rugs.
3. Between February 18 and August 8, 2018, Oriental Weavers sold and delivered certain goods to Carpet Art Deco for total cost of US \$2,576,770.05, (the "**Goods**"), as notably appears from a series of invoices (the "**Invoices**"), communicated herewith as **Exhibit P-1**, en liasse.
4. The Invoices include overdue invoices, whose outstanding amounts total US\$ 2,136,750.75 (the "**Overdue Invoices**").
5. Carpet Art Deco, has without justification, refused or omitted to pay the Overdue Invoices as they became due, thereby substantially depriving Oriental Weavers of that to which it is entitled to under the related agreements of sale.
6. On or about November 21, 2018, Carpet Art Deco, through its representatives, indicated that it would not be paying any outstanding amounts owing to Oriental Weavers, such that the other Invoices in an amount US\$ 440,019.30 (the "**Other Invoices**") would not be paid as they became due.
7. On November 23, 2018, counsel for Oriental Weavers served a notice upon Carpet Art Deco declaring that, due to Carpet Art Deco's fundamental breach of its contractual obligations, "the agreements of sale related to all Invoices, are immediately terminated, resolved and avoided in accordance with the *United Nations Convention on Contracts for the International Sale of Goods* [the "**CISG**"] and the applicable provisions of domestic law", as appears from the Notice of Avoidance and Resolution and its proof of service by bailiff, communicated herewith as **Exhibit P-2**.
8. The Notice of Avoidance and Resolution (P-2) further demanded that Carpet Art Deco immediately remit the Goods to Oriental Weavers.
9. Yet, in spite of having no right to continue possessing the Goods, Carpet Art Deco did not respond to the Notice of Avoidance and Resolution, nor has it returned the Goods to Oriental Weavers.
10. Approximately one week later, on November 29, 2018 Carpet Art Deco filed a Notice of Intention to Make a Proposal under section 50.4 of the *Bankruptcy and Insolvency Act* (the "**NOI**") and Richter Advisory Group Inc. was appointed Trustee (the "**Trustee**").

11. Later on November 29, 2018, counsel for Oriental Weavers wrote to counsel for Carpet Art Deco and the Impleaded Party, the Canadian Imperial Bank of Commerce (“CIBC”), as well as the Trustee:
 - a. reiterating the contents of the November 23, 2018 Notice of Avoidance and Resolution;
 - b. demanding that Carpet Art Deco remit the Goods to Oriental Weavers, and that, in the interim, it confirm that the Goods will not be sold or otherwise disposed of, unless agreed to by Oriental Weavers or ordered by the Court;
 - c. demanding that Carpet Art Deco confirms in writing that the proceeds from any related sale or disposition of the Goods having occurred on or after the date of the Notice on November 23, 2018 be deposited in a separate account in trust with the Trustee,

as appears from the correspondence communicated herewith as **Exhibit P-3**;

12. On November 29, 2018, Oriental Weavers received correspondence from the Trustee advising that Carpet Art Deco, with the assistance of the Trustee, was conducting an expedited sale process to solicit offers from parties interested in acquiring its assets and/or business, whereby the deadline for any interested party to submit a binding offer is December 19, 2018, as appears from the correspondence and the Terms and Conditions to the Sales Process, communicated herewith as **Exhibit P-4**.
13. Apparently, Carpet Art Deco’s objective is to proceed with a transaction with an interested party by December 21, 2018 and seek the consent of its two major secured creditors (CIBC and BDC), as well as the authorization of this Honourable Court to proceed with an eventual transaction on or about December 21, 2018.
14. On November 30, 2018, after certain discussions and exchanged email correspondence, the Carpet Art Deco, the Trustee and the CIBC ultimately refused Oriental Weavers’ requests, stating that the recourses against the goods in question are stayed as a result of the filing of the NOI, as notably appears from said exchanged email correspondence , communicated herewith as **Exhibit P-5**.

III. THE STAY OF PROCEEDINGS DOES NOT APPLY TO ORIENTAL WEAVER’S PROPRIETARY CLAIM

15. Through its November 23, 2018 Notice of Avoidance and Resolution, Oriental Weavers validly declared the sales of the Goods to be terminated, resolved and avoided, such that it had the immediate right to restitution of the Goods.
16. Indeed, article 64(1) (a) of the CISG provides “[t]he seller may declare the contract avoided if the failure by the buyer to perform any of his obligations under the contract or this Convention amounts to a fundamental breach of contract [...]”.
17. Article 81 of the CISG provides, in turn, that “[...] [a]voidance of the contract releases both parties from their obligations under it, subject to any damages which may be due [...] [a] party who has performed the contract either wholly or in part may claim restitution

from the other party of whatever the first party has supplied or paid under the contract. If both parties are bound to make restitution, they must do so concurrently.”

18. To the extent that it applies in addition to or, in conjunction with, the CISG, Article 1605 of the *Civil Code of Québec* provides that “[a] contract may be resolved or resiliated without judicial action where the debtor is in default by operation of law for failing to perform his obligation or where he has failed to perform it within the time set in the demand putting him in default.”
19. In turn, Article 1606 of the *Civil Code of Québec* provides that “[a] contract which is resolved is deemed never to have existed; each party is, in such a case, bound to restore to the other the prestations he has already received.”
20. Thus, as of the service the Notice of Avoidance and Resolution notice on November 23, 2018, Carpet Art Deco had the obligation to give restitution of the Goods to Oriental Weavers.
21. Indeed, as of November 23, 2018, Carpet Art Deco had no right or title to the Goods and Oriental Weavers has a valid proprietary claim to the Goods.
22. Said proprietary claim is not a “claim provable in bankruptcy” and is therefore not stayed pursuant to sections 69 and following of the BIA, and Oriental Weaver seeks a declaration to that effect.

IV. ALTERNATIVELY, THE STAY OF PROCEEDINGS SHOULD BE LIFTED

23. If this Court finds that Oriental Weaver’s proprietary claim in the Goods is stayed pursuant to sections 69 and following of the BIA, then Oriental Weaver seeks an order lifting the stay.
24. In light of its clear right to the Goods, Oriental Weavers is likely – if not certain – to be materially prejudiced by the continued operation of sections 69 and following of the BIA, notably in light of Carpet Art Deco’s declared intention to conduct an expedited sale process of its assets.
25. Should Oriental Weavers be prevented from commencing proceedings to recognize and enforce its proprietary claim in the Goods, it will have been irremediably deprived of its property rights.
26. It would be fundamentally unjust to allow Carpet Art Deco to continue to sell the Goods, which do not belong to it, to the detriment Oriental Weavers, which had an existing proprietary claim to the Goods prior to the filing of the NOI.
27. It is therefore equitable to issue a declaration lifting any applicable stay of proceedings.

V. ADDITIONAL RELIEF SOUGHT

28. In order to give full effect to the lifting of the stay of proceedings and to adequately preserve Oriental Weavers’ rights and the *status quo*, Oriental Weavers seeks the following additional relief:

- a. An order requiring Carpet Art Deco to provide Oriental Weavers with a full inventory and accounting of the Goods it continues to possess, within seven (7) days of the judgment on the present Motion;
- b. An order to the effect that the proceeds from any sale of the Goods described in the Invoices filed as Exhibit P-1 carried out by Carpet Art Deco from November 23, 2018 until the date of the present order be placed in a separate trust account under the supervision of the Trustee, Richter Advisory Group Inc. until Oriental Weavers' proceedings to recognize and enforce its rights in said Goods are adjudicated on a final basis, including any appeals;
- c. An order declaring that the proceeds from any sale of the Goods described in the Invoices filed as Exhibit P-1 carried out by 2964-3277 Québec Inc. (Carpet Art Deco) from November 23, 2018 until the date of the present order held in trust pursuant to the present order shall stand in the place and stead of the Good, such that Oriental Weavers' will have the same rights and priorities to these proceeds as it would have had in the Goods;
- d. An order to the effect that Carpet Art Deco may not to sell or otherwise dispose of the Goods described in the Invoices filed as Exhibit P-1 until Oriental Weavers' proceedings to recognize and enforce its rights in said Goods are adjudicated on a final basis, including any appeals; Or, in the alternative, and order allowing Carpet Art Deco to sell the Goods described in the Invoices filed as Exhibit P-1 until Oriental Weavers' proceedings to recognize and enforce its rights in said Goods are adjudicated on a final basis, including any appeals, on the conditions that :
 - any such sales be carried out solely in the ordinary course of business and for a price no lower than the cost of their acquisition;
 - Carpet Art Deco deposits the proceeds from any such sale or disposition in a separate trust account under the supervision of the Trustee, Richter Advisory Group Inc. and that any such proceeds not be disbursed without a further Court Order; and
 - the proceeds held in trust shall stand in the place and stead of the Goods, such that Oriental Weavers will have the same rights and priorities to these proceeds as it would have had in the Goods;
- e. An order reserving the rights of Oriental Weavers under section 81 of the *Bankruptcy and Insolvency Act* with respect to the Goods described in the Invoices filed as Exhibit P-1 and any proceeds from any sale of said goods, in the event of the bankruptcy of Carpet Art Deco before Oriental Weavers' proceedings to recognize and enforce its rights are adjudicated on a final basis, including any appeals;
- f. Due to the urgent nature of the relief sought, an order abridging the deadlines for the service, filing and presentation of the present Motion.

29. Oriental Weavers reserves the right to amend the present Motion, notably insofar as legal costs in virtue of section 197 BIA are concerned.

FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

ORDER that the time for service of the present Motion be abridged and that the Motion is properly presentable and **DECLARE** that the service of the Motion constitutes good and sufficient service on all persons and **DECLARE** that all parties are relieved of any requirement for service of the Motion;

DECLARE that sections 69 *ff.* of the Bankruptcy and Insolvency Act do not operate in respect of Oriental Weavers International SAE such that it may commence proceedings to recognize and enforce its proprietary rights in the Goods described in the Invoices filed as Exhibit P-1, or, in the alternative, **DECLARE** that sections 69 *ff.* of the *Bankruptcy and Insolvency Act* do no longer operate in respect of Oriental Weavers International SAE such that it may commence proceedings to recognize and enforce its proprietary rights in the Goods described in the Invoices filed as Exhibit P-1.

ORDER 2964-3277 Québec Inc. (Carpet Art Deco) to provide Oriental Weavers International SAE with a full inventory and accounting of the Goods described in the Invoices filed as Exhibit P-1 that are in its possession, and to account for all benefits which it has derived from the sale or disposition of said Goods since November 23, 2018, within seven (7) days.

ORDER that the proceeds from any sale of the Goods described in the Invoices filed as Exhibit P-1 carried out by 2964-3277 Québec Inc. (Carpet Art Deco) from November 23, 2018 until the date of the present order be placed in a separate trust account under the supervision of the Trustee, Richter Advisory Group Inc. until Oriental Weavers International SAE's proceedings to recognize and enforce its rights in said Goods are adjudicated on a final basis, including any appeals;

DECLARE that the proceeds from any sale of the Goods described in the Invoices filed as Exhibit P-1 carried out by 2964-3277 Québec Inc. (Carpet Art Deco) from November 23, 2018 until the date of the present order held in trust pursuant to the present order shall stand in the place and stead of the Goods, such that Oriental Weavers International SAE's will have the same rights and priorities to these proceeds as it would have had in the Goods;

ORDER 2964-3277 Québec Inc. (Carpet Art Deco) not to sell or otherwise dispose of the Goods described in the Invoices filed as Exhibit P-1 until Oriental Weavers International SAE's proceedings to recognize and enforce its rights in said Goods are adjudicated on a final basis, including any appeals; Or, in the alternative, **ALLOW** 2964-3277 Québec Inc. (Carpet Art Deco) to sell the Goods described in the Invoices filed as Exhibit P-1 until Oriental Weavers International SAE's proceedings to recognize and enforce its rights in said Goods are adjudicated on a final basis, including any appeals, on the conditions that :

- any such sales be carried out solely in the ordinary course of business and for a price no lower than the cost of their acquisition;

- 2964-3277 Québec Inc (Carpet Art Deco) deposits the proceeds from any such sale or disposition in a separate trust account under the supervision of the Trustee, Richter Advisory Group Inc. and that any such proceeds not be disbursed without a further Court Order; and
- the proceeds held in trust shall stand in the place and stead of the Goods, such that Oriental Weavers International SAE's will have the same rights and priorities to these proceeds as it would have had in the Goods;

RESERVE the rights of Oriental Weavers International SAE under section 81 of the *Bankruptcy and Insolvency Act* with respect to the Goods described in the Invoices filed as Exhibit P-1 and any proceeds from any sale of said goods, in the event of the bankruptcy of 2964-3277 Québec Inc. (Carpet Art Deco) before Oriental Weavers International SAE's proceedings to recognize and enforce its rights are adjudicated on a final basis, including any appeals;

THE WHOLE with costs.

Montreal, December 12, 2018



LANGLOIS LAWYERS, LLP

M^e Gerry Apostolatos

M^e Daniel Baum

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Montreal, Quebec H3B 4W8

Telephone: 514 842-9512

Fax: 514 845-6573

Lawyers for the Petitioner

Our File: 340645.1

AFFIDAVIT


I, Ahmed M. Kamal, Regional Director, Canada & Europe, of Oriental Weavers International SAE, the principal place of business of which is located at 8 Zakaria Khalil Street, Helipolis, Cairo, Egypt, having been duly sworn, do depose and solemnly affirm that:

1. I am the Regional Director, Canada & Europe, of Oriental Weavers International SAE;
2. I am aware of all the facts alleged in the motion to which this affidavit is attached;
3. The facts alleged in the motion to which this affidavit is attached, and do not appear on record, are true.

AND I HAVE SIGNED


Ahmed Mohamed Kamaleldin Osman Fahmy

SOLEMNLY AFFIRMED TO BEFORE ME
At Giza, Egypt, this 12th day of December, 2018





COPIE CONFORME / TRUE COPY


LANGLOIS AVOCATS S.E.N.C.R.L.

NOTICE OF PRESENTATION

TO: Borden Ladner Gervais LLP
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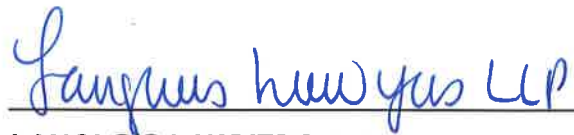
Mtre. Marvin A. Segal
msegal@pzss.ca

***Attorneys for Cité Industrielle LaSalle
Inc.***

TAKE NOTICE that the present De Bene Esse Motion to Lift the Stay of Proceedings and for Additional Relief will be presented before the Superior Court of Quebec, sitting in the Commercial Division for the District of Montreal, on **Thursday, December 13, 2018 at 9:30 a.m.**, in a room to be determined at the Montreal Courthouse, 1 Notre-Dame Street East, Montreal.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, December 12, 2018



LANGLOIS LAWYERS, LLP

Lawyers for the Petitioner

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M^e Daniel Baum

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Lawyers for the Petitioner

Our File: 340645.1

**C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

**NO.: 500-11-055629-188
ESTATE NO.: 41-2449058**

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

**(Bankruptcy and Insolvency Act, R.S.C. 1985,
c. B-3)**

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:**

2964-3277 QUÉBEC INC.

Insolvent Person

-and-

RICHTER ADVISORY GROUP INC

Trustee

-and-

**ORIENTAL WEAVERS INTERNATIONAL SAE, a
corporation organized under the laws of the Egypt
with its registered office or a place of business at 8
Zakaria Khalil Street, Helipolis, Cairo, Egypt**

Petitioner

-and-

CANADIAN IMPERIAL BANK OF COMMERCE,

Secured Creditor/ Impleaded Party

LIST OF EXHIBITS

- EXHIBIT P-1:** Invoices and related documents:
- EXHIBIT P-2:** Notice of Avoidance and Resolution dated November 23, 2018 and its proof of service by bailiff;
- EXHIBIT P-3:** Letter from Langlois lawyers LLP dated November 29, 2018;
- EXHIBIT P-4:** Correspondence from the Trustee dated November 29, 2018 with document regarding business opportunity/request for offers from any party interested in acquiring Carpet Art Deco's business and/or assets

and the Terms and Conditions to the Sales Process;

EXHIBIT P-5: Emails dated November 30, 2018 from counsel for the CIBC with counsel for Carpet Art Deco, as well as the Trustee, in copy;

Exhibits in support of this proceeding are available in electronic format at:


<https://transfert.lkd.ca>

User name: OrientalWeavers

Password: f4fYWA6r

**Please note that the password is case sensitive*

Montreal, December 12, 2018



LANGLOIS LAWYERS, LLP

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M^e Daniel Baum

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Fax: 514 845-6573

Lawyers for the Petitioner

Our File: 340645.1

N° : 500-11-055629-188

Superior Court (Commercial Division)
District of Montreal

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:

2964-3277 QUÉBEC INC. ("CARPET ART
DECO")

Insolvent Person

and

RICHTER ADVISORY GROUP INC.

Trustee

DE BENE ESSE MOTION TO LIFT THE STAY OF
PROCEEDINGS AND FOR ADDITIONAL RELIEF
(ss. 69.4, 183 (1.1) and 197 of the *Bankruptcy
and Insolvency Act*; Rule 11 of the *Bankruptcy
and Insolvency General Rules*)

ORIGINAL



LANGLOIS

AVOCATS - LAWYERS

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Mtre Gerry Apostolatos : gerry.apostolatos@langlois.ca
Mtre Daniel Baum : daniel.baum@langlois.ca
Adresse de notification : notificationmtl@langlois.ca

N/D : 340645.1

BL 0250

Exhibit P-1

Available upon request

Exhibit P-2



LANGLOIS

AVOCATS - LAWYERS

November 23, 2018

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T +1 514 282-7831
gerry.apostolatos@langlois.ca

Mr. Fadi Melki
2944-3277 QUÉBEC INC. ("CARPET ART DECO")
480, avenue Lafleur
Montreal, Québec
H8R 3H9

WITHOUT PREJUDICE
BY BAILIFF

RE : Notice of Avoidance and Resolution
Sale of Unpaid Goods by Oriental Weavers International SAE

Mr. Melki,

Our firm represents Oriental Weavers International SAE ("OW").

We write with regard to a series of unpaid commercial invoices issued by OW for goods duly sold and delivered to Carpet Art Deco, in a total amount of **USD 2,576,770.05** (the "Invoices"). These Invoices include overdue invoices, whose outstanding amounts presently total **USD 2,136,750.75**, as detailed below under Schedule 'A' (the "Overdue Invoices"). Other unpaid invoices, whose outstanding amount presently total **USD 440,019.30** are detailed below under Schedule 'B' (the "Other Invoices").

We understand that Carpet Art Deco has, without any discernible justification, refused or omitted to pay the Overdue Invoices, thereby substantially depriving OW of that to which it is entitled to under the related agreements of sale. Moreover, our client has very recently been informed of facts that clearly indicate that Carpet Art Deco will not pay the Other Invoices as they become due. Indeed, we understand that Carpet Art Deco has declared that it will not be paying any amounts owed to OW. As a result, Carpet Art Deco is and will be in fundamental breach of its contractual obligations toward OW.

Consequently, on behalf of OW, we hereby declare that the agreements of sale related to all Invoices, are immediately terminated, resolved and avoided in accordance with the *United Nations Convention on Contracts for the International Sale of Goods* and the applicable provisions of domestic law.

Effective immediately, Carpet Art Deco has no right to possess the goods in question. We therefore demand that you immediately remit the goods relating to the Overdue Invoices and the

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Langlois lawyers, LLP
langlois.ca

Other Invoices to our client. To this end, we ask that you contact us without delay to make the necessary arrangements for the return of these to OW.

In addition to the above, OW reserves its rights to exercise all available recourses against Carpet Art Deco without further notice or delay.

We expect your prompt response and cooperation.

Very truly yours,

LANGLOIS LAWYERS, L.L.P.


Gerry Apostolatos

cc: Mr. Fady Henry, *Country Manager, COFACE (by email)*
Mr. Dario Roncadin, *Enhance Information, Debt Collection & Claims Manager for Mediterranean and African Region, COFACE (by email)*
Mr. Erik Blatman, *Director of Operations, ALTUS GLOBAL TRADE SOLUTIONS (by email)*
M^{es} Catherine Martel and Daniel Baum, LANGLOIS LAWYERS, LLP *(by email)*

Schedule 'A': Overdue Invoices

Invoice	Bill of Lading date	Final Due date	Past Due Amount (USD)
968-Int/18	March 11, 2018	July 9, 2018	57 838,10
969-Int/18	March 11, 2018	July 9, 2018	41 124,67
971-Int/18	March 11, 2018	July 9, 2018	45 856,45
508-Int/18	February 11, 2018	July 11, 2018	49 173,31
623-Int/18	February 18, 2018	July 18, 2018	47 482,64
622-Int/18	February 18, 2018	July 18, 2018	59 064,34
967-Int/18	March 21, 2018	July 19, 2018	28 758,24
1032-Int/18	March 21, 2018	July 19, 2018	28 783,60
812-Int/18-Air-	22, 2018	July 22, 2018	3 473,94
656-Int/18	March 1, 2018	July 29, 2018	46 539,23
765-Int/18	March 1, 2018	July 29, 2018	42 678,43
1278-Int/18	March 31, 2018	July 29, 2018	34 311,60
959-Int/18-Air-	March 4, 2018	August 1, 2018	5 789,83
973-Int/18-Air-	March 6, 2018	August 3, 2018	2 481,35
838-Int/18	March 11, 2018	August 8, 2018	48 092,89
933-Int/18	March 11, 2018	August 8, 2018	41 567,81
917-Int/18	March 11, 2018	August 8, 2018	38 513,85
972-Int/18	March 11, 2018	August 8, 2018	35 473,46
1108-Int/18	April 16, 2018	August 14, 2018	28 509,79
1109-Int/18	April 16, 2018	August 14, 2018	30 115,72
1168-Int/18	April 16, 2018	August 14, 2018	34 399,67
1132-Int/18-Air-	March 18, 2018	August 15, 2018	1 654,24
1261-Int/18	April 18, 2018	August 16, 2018	37 485,16
1388-Int/18	April 18, 2018	August 16, 2018	38 134,88
1389-Int/18	April 18, 2018	August 16, 2018	23 926,62
1408-Int/18	April 18, 2018	August 16, 2018	75 651,66
1410-Int/18	April 18, 2018	August 16, 2018	35 379,53
1485-Int/18	April 18, 2018	August 16, 2018	34 333,20



1486-Int/18	April 18, 2018	August 16, 2018	32 807,22
1491-Int/18	April 26, 2018	August 24, 2018	31 590,00
1712-Int/18	May 8, 2018	September 5, 2018	27 896,40
1713-Int/18	May 8, 2018	September 5, 2018	29 678,40
1714-Int/18	May 8, 2018	September 5, 2018	40 886,52
1715-Int/18	May 8, 2018	September 5, 2018	28 933,20
1716-Int/18	May 8, 2018	September 5, 2018	29 710,80
1791-Int/18	May 15, 2018	September 12, 2018	33 566,40
1792-Int/18	May 15, 2018	September 12, 2018	34 441,20
1793-Int/18	May 15, 2018	September 12, 2018	33 566,40
1794-Int/18	May 15, 2018	September 12, 2018	33 631,20
1795-Int/18	May 15, 2018	September 12, 2018	38 187,13
350- OWT/18	June 14, 2018	October 12, 2018	37 009,28
2312-Int/18	July 3, 2018	October 31, 2018	39 724,60
2403-Int/18	July 11, 2018	November 8, 2018	39 631,35
2406-Int/18	July 11, 2018	November 8, 2018	32 297,18
2415-Int/18	July 19, 2018	November 16, 2018	58 290,07
2422-Int/18	July 19, 2018	November 16, 2018	33 290,03
2423-Int/18	July 19, 2018	November 16, 2018	38 162,13
2427-Int/18	July 19, 2018	November 16, 2018	34 132,54
2428-Int/18	July 19, 2018	November 16, 2018	35 636,52
2430-Int/18	July 19, 2018	November 16, 2018	38 743,08
2433-Int/18	July 19, 2018	November 16, 2018	34 827,84
2460-Int/18	July 19, 2018	November 16, 2018	31 965,19
2463-Int/18	July 19, 2018	November 16, 2018	51 133,29
2474-Int/18	July 23, 2018	November 20, 2018	34 239,02
2477-Int/18	July 23, 2018	November 20, 2018	34 195,18
2511-Int/18	July 23, 2018	November 20, 2018	34 254,68
2560-Int/18	July 23, 2018	November 20, 2018	33 387,12
2561-Int/18	July 23, 2018	November 20, 2018	34 956,25
2559-Int/18	July 23, 2018	November 20, 2018	34 906,14
2519-Int/18	July 23, 2018	November 20, 2018	34 480,19
TOTAL :			USD 2 136 750,75

Schedule 'B': Other Invoices

Invoice	Bill of Lading date	Final Due date	Amount (USD)
2571-Int/18	July 31, 2018	November 28, 2018	35 469,90
2572-Int/18	July 31, 2018	November 28, 2018	34 931,20
2576-Int/18	July 31, 2018	November 28, 2018	38 962,90
2570-Int/18	July 31, 2018	November 28, 2018	35 673,48
2575-Int/18	July 31, 2018	November 28, 2018	48 043,80
2573-Int/18	July 31, 2018	November 28, 2018	35 576,22
2632-Int/18	August 5, 2018	December 3, 2018	36 086,01
2633-Int/18	August 8 2018	December 6, 2018	35 779,97
2574-Int/18	August 8, 2018	December 6, 2018	46 538,64
2665-Int/18	August 8, 2018	December 6, 2018	46 683,41
2666-Int/18	August 8, 2018	December 6, 2018	46 273,77
TOTAL :			USD 440 019,30

N° :

Cour

District de

TO : Mr. Fadi Melki
2944-3277 QUÉBEC INC.
("CARPET ART DECO")
480, avenue Laflleur
Montreal, Québec H8R 3H9

NOTICE

Copy for return of service



LANGLOIS

AVOCATS - LAWYERS

Langlois avocats, S.É.N.C./R.L.
1250, boul. René-Lévesque Ouest, 20^e étage
Montréal (Québec) H3B 4W8
Téléphone : 514 842-9512 / Télécopieur : 514 845-6573
Me Gerald Apostolatos
courriel : gerry.apostolatos@langlois.ca
Adresse de notification : notificationmtl@langlois.ca

N/D : 340645.1

BL 0250

v/d : 340645.1

2944-3277 QUEBEC INC. (CARPET ART DECO)

Je soussigné(e), **ALEXANDRE ADAM-TREMBLAY**, huissier de justice, ayant mon domicile professionnel au 511 PLACE D'ARMES #800, MONTREAL, QC, CANADA, H2Y 2W7, certifié sous mon serment professionnel

que le **23 novembre 2018 à 16:40 heures**,

j'ai signifié L'ORIGINAL du présent "NOTICE" en notant sous ma signature, le jour et l'heure de la signification, au verso de l'acte

destiné à **2944-3277 QUEBEC INC. (CARPET ART DECO), A/S FADI MELKI**,

en remettant le tout au SIÈGE de ladite PERSONNE MORALE en m'adressant à une PERSONNE qui PARAÎT ÊTRE EN MESURE DE LE REMETTRE à un DIRIGEANT ou à un ADMINISTRATEUR de ladite PERSONNE MORALE ou à L'UN DE SES AGENTS,

laquelle personne s'est nommée comme étant :
MME OXANA GASKON

à l'adresse suivante:

480 AV LAFLEUR, MONTREAL, QC, CANADA, H8R 3H9.

La distance nécessairement parcourue est de 15 kilomètre(s)

MONTREAL, le 23 novembre 2018.



ALEXANDRE ADAM-TREMBLAY, huissier de justice
Permis # 1000

Signification	9,00 \$ (1)
Kilométrage	22,35 \$ (1A)
SOUS-TOTAL	31,35 \$

Autres frais :	
(non admissible à l'état des frais)	
Vacation Urgence	93,70 \$ (1)
Gestion	7,00 \$ (4)
SOUS-TOTAL	100,70 \$

TOTAL AVANT TAXES	132,05 \$
TPS	6,60 \$
TVQ	13,17 \$
TOTAL	151,82 \$



a/s : ME GERALD N. APOSTOLATOS
LANGLOIS AVOCATS, S.E.N.C.R.L. (2194)

(HE LACAL) LAPRO 4 GIRMC E1123 I1126-14:02 REF:2042057-1-1-1 ()
NB:3 FRAIS:O

No Engr. T.P.S. : R122687056

No Engr. T.V.Q. : 1013245793

SE

PAQUETTE
HUISSIERS DE JUSTICE

Superior Court (Commercial Division)
District of Montreal

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:**

**2964-3277 QUÉBEC INC. ("CARPET ART
DECO")**

Insolvent Person

and

RICHTER ADVISORY GROUP INC.

Trustee

et als.

EXHIBIT P-2

ORIGINAL



LANGLOIS

AVOCATS - LAWYERS

Langlois avocats, S.ENC.R.L.

1250, boul. René-Lévesque Ouest, 20^e étage

Montréal (Québec) H3B 4W8

Téléphone : 514 842-9512 / Télécopieur : 514 845-6573

Mtre Gerry Apostolatos : gerry.apostolatos@langlois.ca

Mtre Daniel Baum : daniel.baum@langlois.ca

Adresse de notification : notificationmt@langlois.ca

N/D : 340645.1

BL 0250

Exhibit P-3



LANGLOIS

AVOCATS - LAWYERS

November 29, 2018

M^{re} Gerry Apostolatos
T +1 514 282-7831
gerry.apostolatos@langlois.ca

2944-3277 QUÉBEC INC. ("CARPET ART DECO")
c/o Mtre. Marc Duchesne
BLG (*counsel for 2944-3277 Québec Inc.*)
1000 De La Gauchetière West, Suite 900
Montréal, Québec H3B 5H4

**WITHOUT PREJUDICE OR
ADMISSION
BY EMAIL**

RICHTER ADVISORY GROUP INC.
Mr. Olivier Benchaya, CPA, CA, CIRP, SAI
Mr. Andrew Adessky, CPA, CA, MBA, CIRP, SAI
1981 Avenue McGill College
Montréal, Québec H3A 0G6

CANADIAN IMPERIAL BANK OF COMMERCE
c/o Mtre. Alain N. Tardif
Mtre. François Alexandre Toupin
McCarthy Tétrault LLP
(*counsel for Canadian Imperial Bank of Commerce*)
1000 De La Gauchetière West
Montréal, Québec H3B 0A2

**RE : Notice of Avoidance and Resolution
Sale of Unpaid Goods by Oriental Weavers International SAE**

Gentlemen:

Our firm represents Oriental Weavers International SAE ("**OW**").

We write with regard to Carpet Art Deco's filing of a Notice of Intention to Make a Proposal under section 50.4 of the *Bankruptcy and Insolvency Act* earlier today (the "**NOI**"). We understand that Richter Advisory Group Inc. has been appointed as trustee ("**Trustee**") and the Canadian Imperial Bank of Commerce ("**CIBC**") is the principal secured creditor as well as the asset-based lender of Carpet Art Deco.

We also understand the Carpet Art Deco is proceeding immediately with a sale and possibly an investor solicitation process, under the supervision of the Trustee, and with the consent and approval of the CIBC.

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Langlois lawyers, LLP
langlois.ca



We draw your attention to the Notice of Avoidance and Resolution served upon Carpet Art Deco on November 23, 2018, attached hereto for ease of reference (the "**Notice**"). The said Notice was sent to, and received by Carpet Art Deco prior to the filing of the NOI.

The Notice had the immediate effect of terminating, resolving and avoiding the agreements of sale referred to therein, in accordance with the *United Nations Convention on Contracts for the International Sale of Goods* and the applicable provisions of domestic law.

As a result, OW is the owner of the goods in question, which Carpet Art Deco has no right to possess. Yet, in spite of OW's legitimate demands, Carpet Art Deco has refused or omitted to remit the goods in question.

We therefore demand that Carpet Art Deco immediately remit the goods in question to OW. To this end, we ask that you contact us before **November 30, 2018 at noon** to make the necessary arrangements.

In the interim, we also demand that Carpet Art Deco, the Trustee and CIBC confirm in writing forthwith that any goods subject to the Notice will not be sold or otherwise disposed of unless agreed to by our client, or further to an Order of the Court. We further demand that you confirm in writing that the proceeds from any related sale or disposition having occurred on or after the date of the Notice on November 23, 2018 be deposited in a separate account in trust with the Trustee. Lastly, we request that the Trustee add us to the Service List and confirm same.

In the circumstances, our client reserves all of its rights and recourses against all parties concerned.

We look forward to your prompt response.

Yours truly,

LANGLOIS LAWYERS, L.L.P.

Gerry Apostolatos

Encl.: November 23, 2018 Notice of Avoidance and Resolution

cc: M^{es} Catherine Martel and Daniel Baum, LANGLOIS LAWYERS, LLP (*by email*)
Mr. Fady Henry, *Country Manager*, COFACE (*by email*)
Mr. Dario Roncadin, *Enhance Information, Debt Collection & Claims Manager for Mediterranean and African Region*, COFACE (*by email*)
Mr. Erik Blatman, *Director of Operations*, ALTUS GLOBAL TRADE SOLUTIONS (*by email*)



LANGLOIS

AVOCATS - LAWYERS

November 23, 2018

M^e Gerry Apostolatos
T +1 514 282-7831
gerry.apostolatos@langlois.ca

Mr. Fadi Melki
2944-3277 QUÉBEC INC. ("CARPET ART DECO")
480, avenue Lafleur
Montreal, Québec
H8R 3H9

WITHOUT PREJUDICE
BY BAILIFF

RE : Notice of Avoidance and Resolution
Sale of Unpaid Goods by Oriental Weavers International SAE

Mr. Melki,

Our firm represents Oriental Weavers International SAE ("**OW**").

We write with regard to a series of unpaid commercial invoices issued by OW for goods duly sold and delivered to Carpet Art Deco, in a total amount of **USD 2,576,770.05** (the "**Invoices**"). These Invoices include overdue invoices, whose outstanding amounts presently total **USD 2,136,750.75**, as detailed below under Schedule 'A' (the "**Overdue Invoices**"). Other unpaid invoices, whose outstanding amount presently total **USD 440,019.30** are detailed below under Schedule 'B' (the "**Other Invoices**").

We understand that Carpet Art Deco has, without any discernible justification, refused or omitted to pay the Overdue Invoices, thereby substantially depriving OW of that to which it is entitled to under the related agreements of sale. Moreover, our client has very recently been informed of facts that clearly indicate that Carpet Art Deco will not pay the Other Invoices as they become due. Indeed, we understand that Carpet Art Deco has declared that it will not be paying any amounts owed to OW. As a result, Carpet Art Deco is and will be in fundamental breach of its contractual obligations toward OW.

Consequently, on behalf of OW, we hereby declare that the agreements of sale related to all Invoices, are immediately terminated, resolved and avoided in accordance with the *United Nations Convention on Contracts for the International Sale of Goods* and the applicable provisions of domestic law.

Effective immediately, Carpet Art Deco has no right to possess the goods in question. We therefore demand that you immediately remit the goods relating to the Overdue Invoices and the

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Montréal QC, H3B 4W8 Canada
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F +1 514 845-5573
7663111_2

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2820, Laurier Blvd., 13th Floor
Québec QC G1V 0C1 Canada
T +1 418 650-7000
F +1 418 650-7075

Langlois lawyers, LLP
langlois.ca



Other Invoices to our client. To this end, we ask that you contact us without delay to make the necessary arrangements for the return of these to OW.

In addition to the above, OW reserves its rights to exercise all available recourses against Carpet Art Deco without further notice or delay.

We expect your prompt response and cooperation.

Very truly yours,

LANGLOIS LAWYERS, L.L.P.



Gerry Apostolatos

cc: Mr. Fady Henry, *Country Manager*, COFACE (*by email*)
Mr. Dario Roncadin, *Enhance Information, Debt Collection & Claims Manager for Mediterranean and African Region*, COFACE (*by email*)
Mr. Erik Blatman, *Director of Operations*, ALTUS GLOBAL TRADE SOLUTIONS (*by email*)
M^{es} Catherine Martel and Daniel Baum, LANGLOIS LAWYERS, LLP (*by email*)



Schedule 'A': Overdue Invoices

Invoice	Bill of Lading date	Final Due date	Past Due Amount (USD)
968-Int/18	March 11, 2018	July 9, 2018	57 838,10
969-Int/18	March 11, 2018	July 9, 2018	41 124,67
971-Int/18	March 11, 2018	July 9, 2018	45 856,45
508-Int/18	February 11, 2018	July 11, 2018	49 173,31
623-Int/18	February 18, 2018	July 18, 2018	47 482,64
622-Int/18	February 18, 2018	July 18, 2018	59 064,34
967-Int/18	March 21, 2018	July 19, 2018	28 758,24
1032-Int/18	March 21, 2018	July 19, 2018	28 783,60
812-Int/18-Air-	22, 2018	July 22, 2018	3 473,94
656-Int/18	March 1, 2018	July 29, 2018	46 539,23
765-Int/18	March 1, 2018	July 29, 2018	42 678,43
1278-Int/18	March 31, 2018	July 29, 2018	34 311,60
959-Int/18-Air-	March 4, 2018	August 1, 2018	5 789,83
973-Int/18-Air-	March 6, 2018	August 3, 2018	2 481,35
838-Int/18	March 11, 2018	August 8, 2018	48 092,89
933-Int/18	March 11, 2018	August 8, 2018	41 567,81
917-Int/18	March 11, 2018	August 8, 2018	38 513,85
972-Int/18	March 11, 2018	August 8, 2018	35 473,46
1108-Int/18	April 16, 2018	August 14, 2018	28 509,79
1109-Int/18	April 16, 2018	August 14, 2018	30 115,72
1168-Int/18	April 16, 2018	August 14, 2018	34 399,67
1132-Int/18-Air-	March 18, 2018	August 15, 2018	1 654,24
1261-Int/18	April 18, 2018	August 16, 2018	37 485,16
1388-Int/18	April 18, 2018	August 16, 2018	38 134,88
1389-Int/18	April 18, 2018	August 16, 2018	23 926,62
1408-Int/18	April 18, 2018	August 16, 2018	75 651,66
1410-Int/18	April 18, 2018	August 16, 2018	35 379,53
1485-Int/18	April 18, 2018	August 16, 2018	34 333,20



1486-Int/18	April 18, 2018	August 16, 2018	32 807,22
1491-Int/18	April 26, 2018	August 24, 2018	31 590,00
1712-Int/18	May 8, 2018	September 5, 2018	27 896,40
1713-Int/18	May 8, 2018	September 5, 2018	29 678,40
1714-Int/18	May 8, 2018	September 5, 2018	40 886,52
1715-Int/18	May 8, 2018	September 5, 2018	28 933,20
1716-Int/18	May 8, 2018	September 5, 2018	29 710,80
1791-Int/18	May 15, 2018	September 12, 2018	33 566,40
1792-Int/18	May 15, 2018	September 12, 2018	34 441,20
1793-Int/18	May 15, 2018	September 12, 2018	33 566,40
1794-Int/18	May 15, 2018	September 12, 2018	33 631,20
1795-Int/18	May 15, 2018	September 12, 2018	38 187,13
350-OWT/18	June 14, 2018	October 12, 2018	37 009,28
2312-Int/18	July 3, 2018	October 31, 2018	39 724,60
2403-Int/18	July 11, 2018	November 8, 2018	39 631,35
2406-Int/18	July 11, 2018	November 8, 2018	32 297,18
2415-Int/18	July 19, 2018	November 16, 2018	58 290,07
2422-Int/18	July 19, 2018	November 16, 2018	33 290,03
2423-Int/18	July 19, 2018	November 16, 2018	38 162,13
2427-Int/18	July 19, 2018	November 16, 2018	34 132,54
2428-Int/18	July 19, 2018	November 16, 2018	35 636,52
2430-Int/18	July 19, 2018	November 16, 2018	38 743,08
2433-Int/18	July 19, 2018	November 16, 2018	34 827,84
2460-Int/18	July 19, 2018	November 16, 2018	31 965,19
2463-Int/18	July 19, 2018	November 16, 2018	51 133,29
2474-Int/18	July 23, 2018	November 20, 2018	34 239,02
2477-Int/18	July 23, 2018	November 20, 2018	34 195,18
2511-Int/18	July 23, 2018	November 20, 2018	34 254,68
2560-Int/18	July 23, 2018	November 20, 2018	33 387,12
2561-Int/18	July 23, 2018	November 20, 2018	34 956,25
2559-Int/18	July 23, 2018	November 20, 2018	34 906,14
2519-Int/18	July 23, 2018	November 20, 2018	34 480,19
TOTAL :			USD 2 136 750,75



Schedule 'B': Other Invoices

Invoice	Bill of Lading date	Final Due date	Amount (USD)
2571-Int/18	July 31, 2018	November 28, 2018	35 469,90
2572-Int/18	July 31, 2018	November 28, 2018	34 931,20
2576-Int/18	July 31, 2018	November 28, 2018	38 962,90
2570-Int/18	July 31, 2018	November 28, 2018	35 673,48
2575-Int/18	July 31, 2018	November 28, 2018	48 043,80
2573-Int/18	July 31, 2018	November 28, 2018	35 576,22
2632-Int/18	August 5, 2018	December 3, 2018	36 086,01
2633-Int/18	August 8 2018	December 6, 2018	35 779,97
2574-Int/18	August 8, 2018	December 6, 2018	46 538,64
2665-Int/18	August 8, 2018	December 6, 2018	46 683,41
2666-Int/18	August 8, 2018	December 6, 2018	46 273,77
TOTAL :			USD 440 019,30

Carello, Gina

De: Apostolatos, Gerry [Gerry.Apostolatos@langlois.ca]
Envoyé: 29 novembre 2018 17:01
À: 'Duchesne, Marc'; Benchaya, Olivier (OBenchaya@richter.ca); 'AAdessky@richter.ca'; 'Tardif, Alain N.'; 'fatoupin@mccarthy.ca'
Cc: Martel, Catherine; Baum, Daniel; HENRY Fady; 'RONCADIN Dario'; erikblatman@trustaltus.com
Objet: 2964-3277 Québec Inc. (Carpet Art Deco) - FOR IMMEDIATE AND URGENT ATTENTION PLEASE [LKD-GED_ACTIVE.FID1439422]
Pièces jointes: 2018-11-29 - Letter to CAD(Counsel for) and CIBC (Counsel for) and Ri....pdf; 2018-11-23 - Notice to CAD.PDF
Importance: Haute



Gerry Apostolatos

Avocat, associé
Lawyer, Partner

T +1 514 282 7831 M +1 514 231 2322

[vCard](#)

[Biographie](#)

[LinkedIn](#)

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N° : 500-11-055629-188

Superior Court (Commercial Division)
District of Montreal

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:**

**2964-3277 QUÉBEC INC. ("CARPET ART
DECO")**

Insolvent Person

and

RICHTER ADVISORY GROUP INC.

Trustee

et als.

EXHIBIT P-3

ORIGINAL



LANGLOIS

AVOCATS - LAWYERS

Langlois avocats, S.ENC.R.L.

1250, boul. René-Lévesque Ouest, 20^e étage

Montréal (Québec) H3B 4W8

Téléphone : 514 842-9512 / Télécopieur : 514 845-6573

Mtre Gerry Apostolatos : gerry.apostolatos@langlois.ca

Mtre Daniel Baum : daniel.baum@langlois.ca

Adresse de notification : notificationmt@langlois.ca

N/D : 340645.1

BL 0250

Exhibit P-4

Carello, Gina

Objet: TR: Carpet Art Deco Business Opportunity

From: Coupal, Vicky on behalf of Benchaya, Olivier

Sent: Thursday, November 29, 2018 10:21 pm

To: Yasmine khamis

Cc: Travitsky, Shawn

Subject: Carpet Art Deco Business Opportunity

Dear Madam, Sir,

On November 29, 2018, Carpet Art Deco International Inc. (the “Company” or “CADI”) filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* and Richter Advisory Group Inc. (“Richter”) was appointed Trustee. The Company, with the assistance of Richter, is conducting an expedited sale process to solicit offers from parties interested in acquiring the Company’s assets and/or business. CADI is a well-established privately held company, manufacturing and distributing high quality carpets and rugs for major Canadian and American retailers.

The following document will provide you with additional information regarding the Company. Please click on the following link:

- [Teaser](#)
- Password: Carpet2018

Should you wish to pursue this business opportunity, you will be sent upon request, a Confidentiality and Non-Disclosure Agreement (“NDA”) and the Terms and Conditions to the Sales Process. Upon execution of the NDA and return of the Terms and Conditions, you will be granted access to a virtual data room.

Should you require additional information, please do not hesitate to contact Shawn Travitsky (514.934.3505 or Stravitsky@richter.ca) or the undersigned.

Yours very truly,

RICHTER

Olivier Benchaya, CPA, CA, CIRP, LIT

T. 514.934.8618

OBenchaya@richter.ca

**Richter Groupe Conseil Inc.
Richter Advisory Group Inc.**

**1981, McGill College
Montréal QC H3A 0G6**

richter.ca

RICHTER

VICKY
COUPAL

VCoupal@richter.ca
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Montréal, Toronto, Chicago RICHTER.CA

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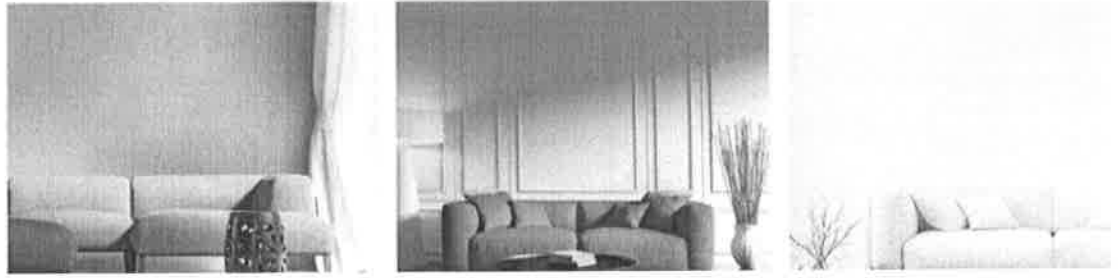
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Investment Opportunity

***Distributor and Manufacturing
Carpet and Rug Business***

**CARPET 
ART DECO®**

Request for Offers



Private & Confidential

November 2

BUSINESS OVERVIEW

- Carpet Art Deco International Inc. (the "Company" or "CADI") is a privately held company and been operating since 1995.
- CADI, based in Montreal, Quebec, is primarily a distributor (and some manufacturing) of carpets rugs for Canadian and U.S. customers. The Company's product offerings include area and shag indoor / outdoor rugs and bath and scatter mats.
- CADI currently operates out of a state-of-the-art facility in Montreal, housing its headquarter showroom, production facilities and an-house design team. In addition, the Company operates additional warehouses in Montreal for some of their inventory. All three facilities are leased.
- In 2017, to accommodate growth in its U.S. business, the Company inaugurated a newly design showroom in the Textile Building in New York City.
- CADI's wholesale business is anchored by strong relationships with major Canadian and American retailers.
- CADI's sales grew by more than 20%, to \$82M for the year ended September 30, 2018.
- The Company has an extensive network of overseas suppliers with whom they have built standing relationships over the years.



Private & Confidential

November 2

BUSINESS OPPORTUNITY

Various acquisition/investment opportunities are presented to interested parties, including:

- An investment in, or acquisition of, the Company, its assets or the business;
- Experienced management and operational team. CADI is a family-owned and operated business since its founding in 1995, with roots in the carpet industry dating back to the 1940s;
- A well-established distribution business;
- Ongoing programs with major Canadian and American retailers;
- Strategically located distribution centers in Montreal, QC and Champlain, NY;
- Prime showroom sites in Montreal and New York;
- Opportunities to improve the Company's profitability;
- Possibility to structure the transaction to benefit from accumulated tax losses; and
- Tangible assets include inventory, accounts receivable, equipment and building.



Private & Confidential

November 2

FINANCIAL INFORMATION

Carpet Art Deco International Financial Information ⁽¹⁾ (\$000's)	F2018		F2017		F2016	
	Unaudited 31-Aug-18		Audited 30-Sep-17		Audited 30-Sep-16	
Revenues	\$	78,752	\$	66,159	\$	53,786
Gross Margin (\$)	\$	13,405	\$	14,513	\$	11,235
Gross Margin (%)		17%		22%		21%

(1): F2018 reflects YTD August 2018 financial information.

SALES

Carpet Art Deco International Sales by Customer ⁽¹⁾ (\$000's)	F2018 Unaudited		F2017 Audited	
	\$	%	\$	%
	\$000,000	00.00%	\$000,000	00.00%

Customer A	\$ 22,942	29.1%	\$ 21,842	33.0%
Customer B	20,429	25.9%	17,055	25.8%
Customer C	6,417	8.1%	1,389	2.1%
Customer D	4,945	6.3%	5,762	8.7%
Customer E	3,663	4.7%	-	0.0%
Other	20,356	25.8%	20,112	30.4%
Total	\$ 78,752	100.0%	\$ 66,159	100.0%

(1): F2018 reflects YTD August 2018 financial information.

Private & Confidential

November 2

TRANSACTION PROCESS

- The Company filed a Notice of Intention ("NOI") under the *Bankruptcy and Insolvency Act* ("BIA") on November 29, 2018.
- Richter Advisory Group Inc. ("Richter" or "Trustee") was appointed Trustee.
- Richter is authorized to conduct a marketing and sale process, on behalf of the Company, for the Company's business and assets.
- The 90,000 square foot facility located at 480 Lafleur Ave, Montreal, Qc (the Company's headquarter) is also available for sale.
- Detailed information relating to the Company's operations and assets for sale will be made available in a virtual data room, upon signature and receipt by Richter of the Confidentiality Agreement and Terms and Conditions. All inquiries and any requests for additional information should be made directly to Richter.
- In view of the information contained in the data room, it is expected that offers would contain similar conditions. Each offer will be subject to the terms and conditions included in the data room. All offers should clearly substantiate financial ability to conclude a transaction.
- Documents relating to the NOI are available on Richter's website at:

<http://www.richter.ca/en/0-0/2064-2277-Quebec-Inc>

<https://www.richter.ca/en/0-9/2904-3277-Quebec-III>

- > **Offers must be submitted no later than 12 pm EDT on December 19, 2018, at the office of:**

Richter Advisory Group Inc.
Attention: Olivier Benchaya, CPA, CA, CIRP, LIT
1981 McGill College, 12th Floor
Montréal, Québec H3A 0G6
obenchaya@richter.ca

Private & Confidential

November 2

ABOUT RICHTER

- Richter Advisory Group Inc. is a leader in the field of financial reorganization, distressed transaction services and insolvency, with a track record for finding practical solutions to complex problems. Our team has been involved in some of Canada's most significant restructurings.
- Richter is a financial consulting services firm offering strategic support and has been a recognized member of the business community since 1926. Our team is composed of more than 450 partner specialists, high level professionals and administrative staff. In an increasingly complex global environment, our firm offers a range of financial advisory services and our delivery model supports a comprehensive and integrated approach in which our participation becomes a natural extension for each client.

CONFIDENTIALITY AND DISCLAIMER

This document has been prepared based on information provided by the Company and is intended to provide preliminary information to potentially interested third parties to formulate offers with regard to the purchase of the Company's assets and operations. The information contained herein, along with accompanying materials, is confidential and proprietary to the Company. Accordingly, the reader agrees to treat all information as strictly confidential and shall not disclose, either in part or in whole, to any party.

directly involved in this process.

This document is not intended for general circulation or publication and cannot be reproduced in any without the written permission of the Company and of Richter Advisory Group Inc. This document does not constitute a prospectus, offering memorandum or public offering. No guarantees are made or implied regard to any transaction that may ultimately result.

N° : 500-11-055629-188

Superior Court (Commercial Division)
District of Montreal

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:

2964-3277 QUÉBEC INC. ("CARPET ART
DECO")

Insolvent Person

and

RICHTER ADVISORY GROUP INC.

Trustee

et als.

EXHIBIT P-4

ORIGINAL



LANGLOIS

AVOCATS - LAWYERS

Langlois avocats, S.ENC.R.L.

1250, boul. René-Lévesque Ouest, 20^e étage

Montréal (Québec) H3B 4W8

Téléphone : 514 842-9512 / Télécopieur : 514 845-6573

Mtre Gerry Apostolatos : gerry.apostolatos@langlois.ca

Mtre Daniel Baum : daniel.baum@langlois.ca

Adresse de notification : notificationmtl@langlois.ca

N/D : 340645.1

BL 0250

Exhibit P-5

Carello, Gina

De: Zucker, Noah [NZUCKER@mccarthy.ca]
Envoyé: 30 novembre 2018 17:14
À: Baum, Daniel; Apostolatos, Gerry
Cc: 'MDuchesne@blg.com'; Benchaya, Olivier (OBenchaya@richter.ca); Toupin, Francois Alexandre; Adessky, Andrew; Tardif, Alain N.
Objet: In the matter of the Notice of Intention of: 2964-3277 Québec Inc. (No: . 500-11-055629-188)
Pièces jointes: 2018-11-28 - Creditor List.pdf

Good afternoon Colleagues,

Further to your email below and our subsequent discussions:

- we understand that the merchandise at the Port of Montreal will be released to the above identified debtor (the “**Debtor**”) tomorrow morning (point 1);
- we hereby transmit to you a copy of the applicable creditors’ list (point 3); and
- we confirm that you have been added to the service list for the above captioned proceedings of (point 4).

With respect to your second point, we are advised by the Debtor’s management and the Trustee that the information requested is not readily available and that obtaining such information would require a time consuming and costly process. The Debtor, the Trustee and the Debtor’s principal secured creditor are of the view that performing such an exercise would not be appropriate in the present circumstances where the priority must be the Debtor’s restructuring efforts being implemented for the benefit of all of its stakeholders. Moreover, as explained previously, the Debtor and the Trustee are of the view that your client’s recourses against the goods in question are stayed as a result of the institution of the above captioned proceedings under the *Bankruptcy and Insolvency Act*. Consequently, the Debtor will not be provided such information at this time.

We of course remain available should you wish to discuss this matter further.

Best regards,



Noah Zucker
Associate | Sociétaire
Litige | Litigation
T: 514-397-5480
F: 514-875-6246
E: nzucker@mccarthy.ca

McCarthy Tétrault LLP
Bureau 2500
1000, rue De La Gauchetière Ouest
Montréal QC H3B 0A2

From: Baum, Daniel [mailto:Daniel.Baum@langlois.ca]

Sent: Friday, November 30, 2018 3:09 PM

To: Tardif, Alain N.

Cc: 'MDuchesne@blg.com'; Benchaya, Olivier (OBenchaya@richter.ca); Toupin, Francois Alexandre; Zucker, Noah;

Apostolatos, Gerry

Subject: RE: URGENT-Before our call [LKD-GED_ACTIVE.FID1439422]

Dear all,

We write further to our conference call this morning at 10:30 AM.

As you can well understand, we were to seek instructions from our client's representative who, as mentioned, is overseas on a non-working day.

We will address each point discussed on our call in turn:

1. Our client confirms that it will instruct the shipper to release the goods being held at the Port of Montréal to Carpet Art Deco tomorrow morning, with the understanding that the banks will honour their obligations under the letters of guarantee.
2. We understand and confirm our agreement that you will provide us, by 4:30PM today, with a detailed accounting of:
 - any goods in Carpet Art Deco's possession that relate to the invoices listed in the Schedules to our November 23, 2018 notice; and
 - any proceeds from any sale or disposition of the goods in question having occurred on or after November 23, 2018.
3. We understand that you will send us a list of creditors by 4:30 PM today.
4. We understand that the trustee will add us to the Service List by 4:30 PM today and that we will subsequently be notified of all proceedings moving forward.

Once we receive the above information, we suggest having a call on Monday morning to discuss the next steps relating to our client's requests as set out in our notices dated November 23 and November 29.

Thank you,



LANGLOIS

AVOCATS - LAWYERS

Daniel Baum

Avocat

Lawyer

T +1 514 842 7821

vCard

Biographie

AVIS DE CONFIDENTIALITÉ – Ce courriel en provenance de Langlois avocats, S.E.N.C.R.L. pourrait contenir des renseignements confidentiels ou privilégiés. Si vous avez reçu ce courriel par erreur, nous vous prions de le retourner à l'expéditeur et de le détruire.

PRIVACY NOTICE – This email from Langlois lawyers, LLP may contain information that is confidential or privileged. If you are not the intended recipient of this email, please return it to the sender and delete it.

De : Tardif, Alain N. [mailto:atardif@MCCARTHY.CA]

Envoyé : 30 novembre 2018 12:02

Superior Court (Commercial Division)
District of Montreal

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:

2964-3277 QUÉBEC INC. ("CARPET ART
DECO")

Insolvent Person

and

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et als.

EXHIBIT P-5

ORIGINAL



LANGLOIS
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Téléphone : 514 842-9512 / Télécopieur : 514 845-6573

Mtre Gerry Apostolatos : gerry.apostolatos@langlois.ca

Mtre Daniel Baum : daniel.baum@langlois.ca

Adresse de notification : notificationmtl@langlois.ca

N/D : 340645.1

BL 0250