

22 dec 2010
16.10
AND

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)
In Bankruptcy and Insolvency

No.: 500-11-039364-100

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

MULTINA INC.

Petitioner

RSM RICHTER INC., in its capacity as
Trustee under the Notice of Intention filed
by Multina Inc.

Receiver/ Trustee

22 dec 2010
Un la requête les collègues
du rapport de gestion
de l'incision
des dispositions de l'art 50 de la LF
On us oublie
PROPOS jusqu'au 21 janvier 2011
les délais sont au jour le jour

**MOTION TO EXTEND THE DEADLINE FOR FILING A PROPOSAL
(SECTION 50.4(9) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

Gouvernement du Québec
Palais Justice MONTREAL
0238970-0141-1544
2010-12-20
50,000

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING
IN BANKRUPTCY AND INSOLVENCY MATTERS, IN AND FOR THE JUDICIAL
DISTRICT OF MONTRÉAL, OR TO ONE OF THE REGISTRARS THEREOF, THE
PETITIONER RESPECTFULLY STATES:

1. The Petitioner, Multina Inc. ("Multina" or "Petitioner"), is a privately-held specialized manufacturer that used to primarily serve customers in the transportation industry with roots tracing back to 1963.
2. The Petitioner focused on seating for railway cars, public transit and recreational vehicles.
3. The Petitioner also provided structural elements for buses as well as the frames in the transport, aerospace and medical sectors.
4. The services offered by the Petitioner ranged from simple assembly of pre-designed and pre-manufactured parts, to an integrated design, production and assembly.

5. The Petitioner used to employ over 600 people (more than 500 in Québec) and had a total of five production plants in North America (including through its subsidiaries), namely:
 - (a) a 121,000 square feet facility located in the city of Drummondville which serves as the headquarters of its operations where the top management is based (the "**Drummondville Facility**");
 - (b) a 102,000 square feet facility located in the city of Saint-Nicéphore (the "**Saint-Nicéphore Facility**");
 - (c) a 91,000 square feet facility located in the city of Sainte-Clotilde (the "**Ste-Clotilde Facility**");
 - (d) a 75,000 square feet facility located in the city of Plattsburgh in upstate New York; and
 - (e) a 30,000 square feet facility located in the city of Tultitlan, a municipality that is part of the Greater Mexico City urban area (the "**Mexico Facility**").
6. On July 23, 2010, the Petitioner filed a Notice of Intention to Make a Proposal (the "**Notice**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**Act**"), the whole as appears from the Court record.
7. RSM Richter Inc. agreed to act as trustee (the "**Trustee**") under the proposal, the whole as appears from the Court record.
8. Since the filing of the Notice, the Petitioner has not been conducting any manufacturing activities.
9. On July 23, 2010, two (2) secured creditors filed jointly a *Motion Seeking the Appointment of a Receiver, the Authorization to Sell Property of the Debtor and a Vesting Order* which was granted according to its conclusions (the "**July 23rd Order**"), as more fully appears from the Court record.
10. In the July 23rd Order, the Court *inter alia*:
 - (a) appointed RSM Richter Inc., through its representative, Yves Vincent, to act as receiver to assets of the Petitioner, pursuant to Section 243 of the Act; and
 - (b) approved and authorized the sale of the Ste-Clotilde Facility as well as the movable assets located in said facility,the whole as more appears from the Court record.
11. Furthermore, on August 4, 2010, the two (2) secured creditors filed jointly a *Motion Seeking the Authorization to Sell Property of the Debtor and the Issuance of a*

Vesting Order which was granted on August 5, 2010 (the "**August 5th Order**"), as more fully appears from the Court record.

12. In the August 5th Order, the Court *inter alia* approved and authorized the sale of the following assets:

- certain of the inventory located at the Drummondville Facility;
- most of the equipment and movable located at the Drummondville Facility;
- all of the incorporeal assets related to the Drummondville Facility; and
- a copy of the accounting records,

the whole as more appears from the Court record.

13. On August 20, 2010, Multina sought and obtained a first extension of its delay to file a proposal to October 4, 2010, the whole as more fully appears from the Court record.

14. On September 16, 2010, two secured creditors filed two separate *Motions seeking the authorization to sell property of the debtor and the issuance of a vesting order*, which were granted according to their conclusions on September 17, 2010 (the "**September 17 Order**"), as more fully appears from the Court record.

15. In the September 17 Order, the Court *inter alia* approved and authorized the following sales:

- to Kawasaki Rail Car (the "**Kawasaki Transaction**):
 - (i) all of the inventory located at the Saint-Nicéphore Facility and the Drummondville Facility relating to certain projects;
 - (ii) all the intellectual property relating to certain projects; and
 - (iii) all drawings, working instructions, list of suppliers, purchase orders, information relating to contractual deliverables and manuals parts catalogues relating to certain projects;
- to 9068-6767 Québec Inc. (the "**C.R.O.I. Transaction**):
 - (i) « *un immeuble situé au 2255 route 139, St-Nicéphore, province de Québec, J2A 2S2;*

- (ii) *tout l'équipement et le matériel de production situés à St-Nicéphore et servant à la fabrication des biens visés par les contrats PATH et M8 de Kawasaki;*
- (iii) *tous les documents (correspondances, BOM interne, etc.) concernant l'exploitation des contrats PATH et M8 de Kawasaki »,*

the whole as more appears from the Court record.

16. The closing of the Kawasaki Transaction took place on September 24, 2010.
17. On November 17, 2010, Multina sought and obtained a third extension of its delay to file a proposal to December 30, 2010, the whole as more fully appears from the Court record.
18. The C.R.O.I. Transaction was initially scheduled to close during the week of November 8, 2010 and Multina's management and the professionals involved in the transaction negotiated and finalized the terms and conditions of the transaction during the months of October and November 2010.
19. However, the closing of the C.R.O.I. Transaction was postponed in order to allow the purchaser to secure the necessary financing and this transaction is now scheduled to close before the end of January 2011.
20. Indeed, as the financing of the acquisition by the potential purchaser is more complex and has taken more time than anticipated, the Trustee and Multina have granted an additional delay to the purchaser (with milestones to ensure that the process is moving forward) in order to secure the financing.
21. Multina and the Trustee have also identified a potential purchaser for Multina Mexico Facility and have been negotiating with its representatives to finalize the terms of a purchase agreement.
22. The closing of the transaction regarding the Mexican Facility's assets is scheduled for the end of the 2010 or the beginning of 2011 and a motion to have the proposed transaction approved and authorized by this Court will be presented shortly.
23. Multina and the Trustee are also continuing to deal with other potential purchasers who have shown an interest or may become interested in purchasing Multina's remaining assets, including assets located in Plattsburgh and Petitioner's tax attributes.
24. In an effort to avoid bankruptcy, Multina, continues to pursue avenues which would allow payment to its creditors, through a proposal to its creditors pursuant to the Act.

25. However, as of the present date, Multina has not yet been in a position to file its proposal and, as previously stipulated, the statutory deadline for filing a proposal, as extended by this Honorable Court, is December 30, 2010.
26. The fact that Multina has been unable to file a proposal to date, despite acting in good faith and with due diligence, is still attributable to time and energy spent by Multina's management with negotiation and completion of the above-described transactions.
27. If this Honorable Court extends the deadline for filing a proposal by an additional period of twenty-two (22) days, Multina will continue to negotiate with potential purchasers for the sale of its remaining assets and believes that it could formulate the terms of a viable proposal to its creditors within the said twenty-two-day (22) delay being requested herein or shortly thereafter.
28. Multina does not believe that any creditor will be materially prejudiced if the extension being requested herein is granted.
29. In light of the foregoing, Multina respectfully requests that a twenty-two-day (22) extension of the deadline for filing a proposal to its creditors be granted, notably in light of the following:
 - (a) Multina is acting in good faith and with due diligence;
 - (b) Multina is continuing its negotiations to sell assets and believes that it could make a viable proposal;
 - (c) no creditors will be materially prejudiced.
30. The Trustee is in the process of completing a cash flow statement relating to the period from December 18, 2010 to January 21, 2011, which will be served and filed with the Court, together with its report, at or prior to the hearing of the present Motion.
31. The Royal Bank of Canada, secured creditor of Multina, consents to and supports the present Motion.

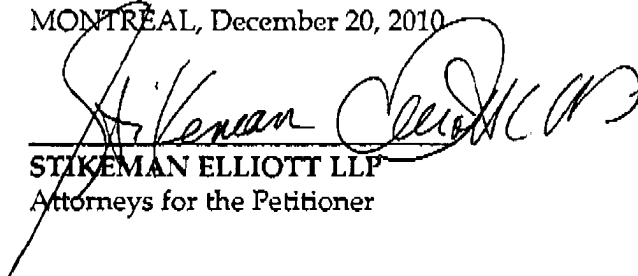
WHEREFORE, PETITIONER PRAYS THAT, BY JUDGMENT TO BE RENDERED HEREIN, THIS HONOURABLE COURT:

SHORTEN and/or **WAIVE** the delays for service and presentation of the present Motion, if necessary;

GRANT the Petitioner a twenty-two-day (22) extension period up to and including January 21, 2011 to file a proposal to its creditors;

THE WHOLE without costs, except in case of contestation.

MONTREAL, December 20, 2010



STIKEMAN ELLIOTT LLP
Attorneys for the Petitioner

AFFIDAVIT

I, the undersigned, **Gérard Nadeau**, businessman, having my place of business at 1275, rue Janelle, in the city of Drummondville, Province of Québec, J2C 3E4, solemnly declare that:

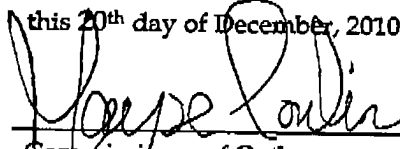
1. I am the President of the Petitioner Multina Inc.;
2. I have read the attached *Motion to extend the deadline for filing a proposal* and all the facts alleged therein are true.

AND I HAVE SIGNED



GÉRARD NADEAU

Solemnly declared before me,
at Drummondville
this 20th day of December, 2010



Commissioner of Oaths
MARYSE POULIN
COMMISSAIRE À L'ASSERMENTATION
138 368
District judiciaire de Drummondville

SUPERIOR COURT
(Commercial Division)
In Bankruptcy and Insolvency

N° 500-11-039364-100

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

IN THE MATTER OF THE NOTICE OF
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Petitioner

- and -

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Receiver/Trustee

BS0350

File: 128667-1001

**MOTION TO EXTEND THE DEADLINE FOR
FILING A PROPOSAL (SECTION 50.4(9) OF
THE BANKRUPTCY AND INSOLVENCY ACT)
AFFIDAVIT AND NOTICE OF PRESENTATION**

ORIGINAL

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