

17 novembre  
same 16.10  
9:00

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

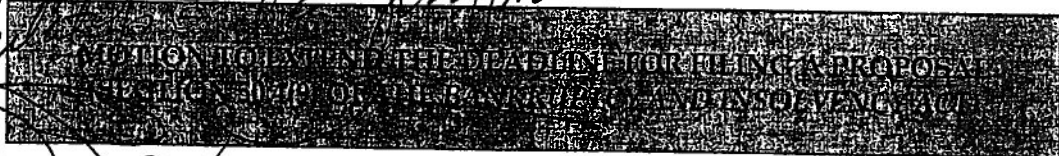
-and-

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

Receiver/Trustee

17 novembre 2010  
Vu la requête des créanciers et l'officier  
Vu l'intermittent services  
Vu les représentations  
Vu les documents de l'Etat 50.4(2) L.F.F.  
Darius Amis

PROLOGE jusqu'au 30 décembre 2010  
Au delà de...



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.

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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.
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 23<sup>rd</sup> Order"), as more fully appears from the Court record.
10. In the July 23<sup>rd</sup> 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 5<sup>th</sup> Order"), as more fully appears from the Court record.

12. In the August 5<sup>th</sup> 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 October 4, 2010, Multina sought and obtained a second extension of its delay to file a proposal to November 18, 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 has been postponed in order to allow the purchaser to secure the necessary financing and this transaction is now scheduled to close before the end of 2010.
20. 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 Mexico and Plattsburgh and Petitioner's tax attributes.
21. 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.
22. 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 November 18, 2010.
23. 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.
24. If this Honorable Court extends the deadline for filing a proposal by an additional period of forty-five (45) 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 forty-five-day (45) delay being requested herein or shortly thereafter.

25. Multina does not believe that any creditor will be materially prejudiced if the extension being requested herein is granted.
26. In light of the foregoing, Multina respectfully requests that a forty-five-day (45) 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.
27. The Trustee is in the process of completing a cash flow statement relating to the period from November 17, 2010 to January 7, 2011, which will be served and filed with the Court, together with its report, at or prior to the hearing of the present Motion.
28. The Royal Bank of Canada, secured creditor of Multina, consents to and supports the present Motion.

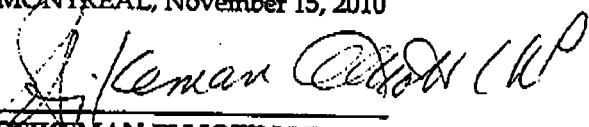
**WHEREFORE, PETITIONER PRAYS THAT, BY JUDGMENT TO BE RENDERED HEREIN, THIS HONOURABLE COURT:**

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

**GRANT** the Petitioner a forty-five-day (45) extension period up to and including January 1<sup>st</sup>, 2011 to file a proposal to its creditors;

**THE WHOLE** without costs, except in case of contestation.

MONTREAL, November 15, 2010

  
STIKEMAN ELLIOTT LLP  
Attorneys for the Petitioner

**AFFIDAVIT**

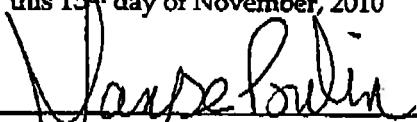
I, the undersigned, Gérard Nadeau, businessman, having my place of business at 1275, rue Janelle, in the city of Drummondville, Province of Québec, J2C 3E4, solemnly declare that:

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 15<sup>th</sup> day of November, 2010

  
\_\_\_\_\_

Commissioner of Oaths  
**MARYSE POULIN**  
COMMISSAIRE À L'ASSERMENTATION  
# 138 368  
District judiciaire de Drummond

NOTICE OF PRESENTATION

TO: Mr. Yves Vincent  
RSM RICHTER INC.  
2 Place Alexis-Nihon  
Suite 1800  
Montréal (Québec) H3Z 3C2

Trustee

Me Denis Ferland  
Me Christian Lachance  
DAVIES WARD PHILLIPS & VINEBERG  
1501, McGill College Avenue  
26<sup>th</sup> Floor  
Montréal (Québec) H3A 3N9

Attorneys for Royal Bank of Canada

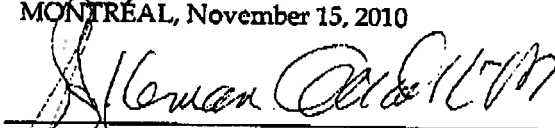
Me Michel La Roche  
LA ROCHE ROULEAU & ASSOCIÉS  
1155, René-Lévesque Boulevard West  
Suite 2660  
Montréal (Québec) H3B 4S5

Attorneys for Roynat Inc.

TAKE NOTICE that the foregoing *Motion to Extend the Deadline for Filing a Proposal* shall be presented before the Registrar of Superior Court for the District of Montréal, sitting in bankruptcy and insolvency matters, at the Montréal Courthouse, located at 1 Notre-Dame Street East, in the City of Montréal, Province of Québec, in room 16.10, on Wednesday November 17, 2010 at 9:00 am or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTRÉAL, November 15, 2010

  
STIKEMAN ELLIOTT LLP  
Attorneys for the Petitioner