

SUPERIOR COURT

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

N°: 500-11-036886-097

DATE : July 13, 2009

PRESIDING: THE HONOURABLE DANIÈLE MAYRAND, J.S.C.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED:

ADALTIS INC.

Petitioner

- and -

RSM RICHTER INC.

Monitor

ORDER

CONSIDERING the Petition to Establish a Claims and Meeting Process, the Affidavit in support thereof, the Schedules attached thereto and the representations made by Counsel for the Petitioner;

FOR THESE REASONS, THE COURT:

[1] **GRANTS** the Petition to Establish a Claims and Meeting Process;

Definitions

[2] **ORDERS** that the following terms in this Order shall, unless otherwise indicated, have the following meanings ascribed thereto:

- (a) **"BIA"** means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended;

- (b) "**Business Day**" means a day, other than a Saturday, a Sunday, or a non-judicial day (as defined in article 6 of the Code of Civil Procedure, R.S.Q., c. C-25, as amended);
- (c) "**CCAA**" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended;
- (d) "**CCAA Proceedings**" means the proceedings in respect of the Petitioner before the Court commenced pursuant to the CCAA;
- (e) "**Chair**" shall have the meaning ascribed to such term in paragraph 14;
- (f) "**Claim**" means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind of the Petitioner owed to such person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Petitioner become bankrupt on the Determination Date, and, without limitation, shall include (i) any Unaffected Claim, or (ii) any Restructuring Claim, provided however, that in no case shall a Claim include an Excluded Claim;
- (g) "**Claims Bar Date**" means 5:00 p.m. (Montréal time) on August 13, 2009;
- (h) "**Court**" means the Québec Superior Court (Commercial Division);
- (i) "**Creditor**" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person and includes a Known Creditor. A Creditor shall not include an

Excluded Creditor in respect of that Person's claim resulting from an Excluded Claim;

- (j) "**Creditors' Instructions**" means the instructions for Creditors, including a Proof of Claim, an instruction letter explaining how to complete same, a proxy, a voting letter and a copy of this Order;
- (k) "**Creditors' List**" means a list of all Known Creditors;
- (l) "**Creditors' Meeting**" means the meeting of the Petitioner's Creditors to be convened for the purposes of voting on the Plan, and any adjournment thereof;
- (m) "**Designated Newspapers**" means the Globe & Mail (National Edition) and La Presse;
- (n) "**Determination Date**" means July 3, 2009;
- (o) "**Excluded Claim**" means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind which came into existence after the Determination Date and any interest thereon, including any obligation of the Petitioner toward creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Petitioner after the Determination Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds after the Determination Date and to the extent that such claims are not otherwise affected by the Plan and more specifically, but without restricting the generality, Restructuring Claims shall not be Excluded Claims;
- (p) "**Excluded Creditor**" means a Person having a Claim in respect of an Excluded Claim but only in respect of such Excluded Claim and to the extent that the Plan does not otherwise affect such Claim;
- (q) "**Initial Order**" means the order of this Court made on July 3, 2009 under the CCAA;
- (r) "**Known Creditor**" means a Creditor whose Claim is included in the Petitioner's books and records;

- (s) **"Meeting Materials"** shall have the meaning ascribed to such term in paragraph 19;
- (t) **"Monitor"** means RSM Richter Inc., in its capacity as monitor pursuant to the Initial Order;
- (u) **"Newspaper Notice"** means the notice of this Order to be published in the Designated Newspapers on the Publication Date in accordance with paragraph 3, which shall set out the Claims Bar Date and the Creditors' Instructions, being substantially in the form of Schedule "A" hereto;
- (v) **"Notice of Revision or Disallowance"** means the notice referred to in subparagraph 7(a) hereof, advising a Creditor that the Monitor has revised or rejected all or part of such Creditor's Claim set out in its Proof of Claim and setting out the reasons for such revision or disallowance, and being substantially in the form of Schedule "B" hereto;
- (w) **"Notice to Creditors"** shall have the meaning ascribed to such term in subparagraph 19(a);
- (x) **"Person"** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;
- (y) **"Plan"** means a plan filed or to be filed by the Petitioner pursuant to the CCAA, as such plan may be amended or supplemented from time to time;
- (z) **"Proof of Claim"** means the form of Proof of Claim for Creditors referred to in paragraphs 6 and 7 hereof, being substantially in the form of Schedule "C" hereto;
- (aa) **"Proven Claim"** means the amount of any Claim of any Creditor as of the Determination Date, determined in accordance with the provisions of the CCAA and this Order, and proven by delivering a Proof of Claim to the Monitor;
- (bb) **"Publication Date"** means the date on which the publication of the Newspaper Notice in all of the Designated Newspapers has been completed;

- (cc) "**Restructuring Claim**" means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the restructuring, repudiation, or termination of any contract, lease, employment agreement, collective agreement or other agreement, whether written or oral, after the Determination Date, including any right of any Person who receives a notice of repudiation or termination from the Petitioner; provided however, that a Restructuring Claim shall not include an Excluded Claim;
- (dd) "**Unaffected Claim**" shall have the meaning ascribed to such term in the Plan;
- (ee) "**Voting Claim**" of a Creditor means the Proven Claim of the Creditor unless the Proven Claim of the Creditor is not finally determined at the time of the Creditors' Meeting, in which case it means the Claim of the Creditor which is accepted for voting purposes in accordance with the provisions of this Order, the Plan and the CCAA;

Voting Procedure

- [3] **ORDERS** that the form of Newspaper Notice, which is hereby approved, shall be published by the Monitor in the Designated Newspapers as soon as possible following the issuance of this Order, but in any event no later than July 18, 2009;
- [4] **ORDERS** that the Monitor shall publish on its website at <http://www.rsmrichter.com/restructuring/adaltis.aspx>, on or before 5:00 p.m. (Montréal time) on July 14, 2009, a copy of the Creditors' List and of the Creditors' Instructions;
- [5] **ORDERS** that, in addition to the publication referred to in paragraph 3, the Monitor shall send, by regular mail, a copy of the Creditors' Instructions to each Known Creditor no later than 5:00 p.m. (Montréal time) on July 17, 2009;

Claims Procedure

- [6] **ORDERS** that, unless otherwise authorized by this Court, a Creditor who does not file a Proof of Claim by the Claims Bar Date shall not be entitled to any further notice, shall not be entitled to participate as a Creditor in these proceedings, shall not be entitled to vote on any matter in these Proceedings,

including the Plan, or from advancing a Claim against the Petitioner or from receiving a distribution under the Plan;

[7] ORDERS that the following procedure shall apply where a Creditor files a Proof of Claim before the Claims Bar Date:

- (a) the Monitor, together with the Petitioner, shall review the Proof of Claim to value the amounts and terms set out therein for voting and distribution purposes. Where applicable, the Monitor shall send the Creditor a Notice of Revision or Disallowance by mail, telecopier, courier or other means of electronic communication;
- (b) the Creditor who receives a Notice of Revision or Disallowance and wishes to dispute it shall, within ten (10) days of the Notice of Revision or Disallowance, file an appeal motion with the Court and serve a copy of such appeal motion to the Petitioner and the Monitor;
- (c) unless otherwise authorized by this Court, if the Creditor does not file an appeal motion within the delay provided for above, such Creditor shall be deemed to have accepted the value of its Claim as set out in the Notice of Revision or Disallowance;
- (d) where the Creditor appeals from the Notice of Revision or Disallowance or its Claim has not been finally determined prior to the date of any Creditor's Meeting, the Monitor, in conjunction with the Petitioner, will determine the amount of the Voting Claim;

Creditors' Meeting

[8] ORDERS that the Petitioner be and is hereby authorized to call, hold and conduct the Creditors' Meeting at a date to be determined in conjunction with the Monitor, in Montréal, Québec for the purpose of considering and, if deemed advisable, approving the Plan, unless the Creditors decide by resolution carried by the majority of votes (one vote for each dollar of every Voting Claim) to postpone the Creditors' Meeting;

[9] ORDERS that the only Persons entitled to attend and speak at the Creditors' Meeting are Creditors with Voting Claims and their proxy holders, representatives of the Petitioner, members of the boards of directors of the Petitioner, representatives of the Monitor, the Chair (as defined below) and their respective

legal and financial advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Chair;

- [10] **ORDERS** that the quorum required at the Creditors' Meeting shall be one Creditor present at such meeting in person or by proxy. If the requisite quorum is not present at the Creditors' Meeting, then the Creditors' Meeting shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable;
- [11] **ORDERS** that the only Persons entitled to vote at the Creditors' Meeting shall be Creditors with Voting Claims and their proxy holders. Each Creditor with a Voting Claim will be entitled to a number of votes equal to the value in dollars of its Voting Claim as determined in accordance with this Order. A Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded down to the nearest whole Canadian dollar amount;
- [12] **ORDERS** that any proxy that any Creditor wishes to submit in respect of the Creditors' Meeting (or any adjournment thereof) must be substantially in the form attached hereto as Schedule "D" (or in such other form acceptable to the Monitor or the Chair) and be received by the Monitor before the beginning of the Creditors' Meeting;
- [13] **ORDERS** that the results of any and all votes conducted at the Creditors' Meeting shall be binding on all Creditors, whether or not any such Creditor is present or voting at the Creditors' Meeting;
- [14] **ORDERS** that the Monitor shall preside as the chair of the Creditors' Meeting (the "Chair") and, subject to any further order of this Court, shall decide all matters relating to the conduct of the Creditors' Meeting. Petitioner and any Creditor may appeal from any decision of the Chair to the Court, within five (5) Business Days of any such decision;
- [15] **ORDERS** that, at the Creditors' Meeting, the Chair shall be and is hereby authorized to direct a vote with respect to the Plan and any amendments thereto as the Petitioner and the Monitor may consider appropriate;
- [16] **ORDERS** that the Chair be and is hereby authorized to adjourn the Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the

Chair deems necessary or desirable (without the need to first convene the Creditors' Meeting for the purpose of any adjournment);

[17] **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Creditors' Meeting. A Person designated by the Monitor shall act as secretary at the Creditors' Meeting;

[18] **ORDERS** that the Monitor shall be directed to calculate the votes cast at the Creditors' Meeting called to consider the Plan in accordance with this Order and shall report to the Court at the sanction hearing as to the effect, if any, that the Monitor's determination of Creditors' Voting Claims pursuant to subparagraph 7(d) hereof had on the outcome of the votes cast at the Creditors' Meeting;

Notice of Creditors' Meeting

[19] **ORDERS** that, in addition to the documents described in paragraph 4 hereof the Monitor shall publish on its website at <http://www.rsmrichter.com/restructuring/adaltis.aspx>, at least 21 days prior to the date of the Creditors' Meeting, the following documents (collectively, the "**Meeting Materials**"):

- (a) a notice of the Creditors' Meeting, substantially in the form attached hereto as Schedule "E" (the "**Notice to Creditors**");
- (b) the Plan;
- (c) a copy of the form of proxy for Creditors; and
- (d) a copy of this Order;

[20] **ORDERS** that publication of a copy of the Notice to Creditors in the manner set out in subparagraph 19(a), and mailing of the Meeting Materials in accordance with paragraph 19 hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, or of these proceedings, or who may wish to be present in person or by proxy at the Creditors' Meeting, or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings;

Notice of Transfers

- [21] **ORDERS** that, for purposes of voting at the Creditors' Meeting, if a Creditor who has a Voting Claim transfers or assigns the whole of its Voting Claim and the transferee or assignee delivers evidence satisfactory to the Monitor of its ownership of all of such Voting Claim and a written request to the Monitor, not later than the Claims Bar Date, or such later time that the Monitor may agree to, that such transferee's or assignee's name be included on the list of Creditors entitled to vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the Creditors' Meeting in lieu of the transferor or assignor;
- [22] **ORDERS** that, for purposes of distributions to be effected pursuant to the Plan, if a Creditor transfers or assigns the whole of its Claim to another Person after August 1, 2009, neither the Petitioner, nor the Monitor shall be obligated to deal with the transferee or assignee of the Claim as the Creditor in respect thereof unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing that such transfer or assignment was valid at law, has been received by the Monitor at least ten (10) Business Days prior to any distribution under the Plan;
- [23] **ORDERS** that if the holder of a Claim or any subsequent holder of the whole of a Claim who has been acknowledged by the Monitor as the Creditor in respect of such Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Monitor and the Petitioner shall in each such case not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim as a whole shall be bound by any notices given or steps taken in respect of such Claim with such Person in accordance with this Order;

Evidence that Claim was Paid

[24] **ORDERS** that, should the Monitor receive evidence satisfactory to it that the Claim of a Creditor was paid in part or in full by a party other than the Petitioner prior to the Determination Date, such Claim shall be reduced or deleted, for the purposes of distributions under the Plan;

Notices and Communications

[25] **ORDERS** that any notice or other communication to be given under this Order by a Creditor to the Monitor or the Petitioner shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by mail, telecopier, courier or other means of electronic communication addressed to:

Monitor: RSM Richter Inc.
2 Place Alexis Nihon
3500 de Maisonneuve blvd. West
Montréal, Québec H3Z 3C2
Attention: Raymond Massi and Carl Adjami

Fax: (514) 934 3408
E-mail: rmassi@rsmrichter.com and
cadjami@rsmrichter.com

With a copy to: Osler, Hoskin & Hartcourt LLP
1000 de la Gauchetière Street West, Suite 2100
Montréal, Québec H3B 4W5
Attention: Sandra Abitan

Fax: (514) 904 8100
E-mail: sabitan@osler.com

Petitioner: Davies Ward Phillips & Vineberg LLP
1501 McGill College Avenue, 26th Floor
Montréal, Québec H3A 3N9
Attention: Mark Schrage and Christian Lachance

Fax: (514) 841 6499
E-mail: mschrager@dwpv.com and
clachance@dwpv.com

[26] **ORDERS** that any document sent by the Monitor pursuant to this Order may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. A Creditor shall be deemed to have received any document sent pursuant to this Order two (2) Business Days after the document is sent by mail and one (1) Business Day after the document is sent by courier, e-mail or facsimile transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application;

Aid and Assistance of Other Courts

[27] **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of any nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order;

General Provisions

[28] **ORDERS** that for the purposes of this Order, all Claims that are denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date;

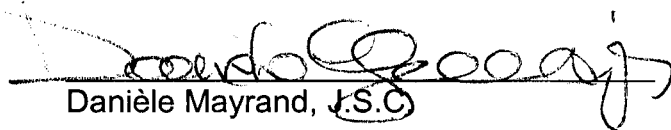
[29] **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents;

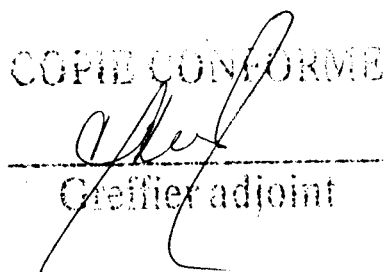
[30] **ORDERS** that references in this Order to the singular include the plural, to the plural include the singular and to any gender include the other gender;

[31] **ORDERS** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order;

[32] **ORDERS** the provisional execution of this Order notwithstanding appeal;

[33] THE WHOLE without costs.


Danièle Mayrand, J.S.C.

COPIE CONFORME

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