

CANADA

SUPERIOR COURT  
Commercial Division

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PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

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

No: 500-11-055629-188

**2964-3277 QUEBEC INC.**, a legal person  
duly incorporated under the laws of  
Canada having a registered head office at  
480 avenue Lafleur, Montreal, Quebec,  
H8R 3H9

Debtor

-and-

**RICHTER ADVISORY GROUP INC.**, a  
legal person duly incorporated under the  
laws of Canada having a registered head  
office at 1981 avenue McGill College  
12<sup>th</sup> floor, Montreal, Quebec, H3A 0G6

Trustee

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**MOTION FOR THE ISSUANCE OF AN ORDER FOR AN ADMINISTRATIVE  
CHARGE, A DIRECTORS AND OFFICERS CHARGE, A KEY EMPLOYEE  
INCENTIVE PROGRAM AND OTHER REMEDIES  
(Sections 64.1 and 64.2 of the *Bankruptcy and Insolvency Act*)**

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1. For the reasons further described herein, Art Deco hereby seeks from this Court the issuance of an Order substantially in the form of the draft Order communicated herewith as **Exhibit P-1**, which provides for the granting and/or ratification, as the case may be, of:
  - a) the Administrative Charge (as defined below);
  - b) the D&O Charge (as defined below); and
  - c) the Key Employee Incentive Program (the "**KEIP**") and the KEIP charge (as defined below).

## A. BACKGROUND

1. 2964-3277 Quebec Inc., d.b.a. Carpet Art Deco ("**Art Deco**") is a corporation incorporated under the *Companies Act* (Québec) and continued under the *Business Corporations Act* (Québec) with its principal place of business located at 480 avenue Lafleur in the city of Montréal, the whole as more fully appears from a copy of an extract of the Business Registry for Art Deco, communicated herewith as **Exhibit P-2**.
2. In business since 1995, Art Deco is a worldwide leader in the carpet and weaving industry, with manufacturing and distributing facilities located in Montréal.
3. Art Deco's activities are mainly concentrated on the distribution of carpets and rugs for Canadian and American customers.
4. On November 29, 2018, Art Deco filed a *Notice of Intention to Make a Proposal* (the "**NOI**") pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**") and Richter Advisory Group Inc. ("**Richter**" or the "**Trustee**") was appointed as trustee to the NOI, the whole as more fully appears from a copy of the NOI and the *Certificate of Filing of a Notice of Intention to Make a Proposal*, communicated herewith *en liasse* as **Exhibit P-3**.
5. The financial difficulties of Art Deco, which culminated in the filing of the NOI, were caused by the significant operating losses suffered by Art Deco as a result of its expansion into the U.S. market and the current international trade policies.
6. As at the date of the filing of the NOI, Art Deco had approximately one hundred and twelve (112) full time employees.

## B. THE SALES PROCESS

7. On or about November 28, 2018, Art Deco, with the assistance of Richter, initiated a sale and solicitation process by which Art Deco is soliciting offers from any party interested in acquiring Art Deco's business and/or assets (the "**Sales Process**").
8. The deadline for any interested party to submit a binding offer is December 19, 2018, the whole as more fully appears from the Terms and Conditions to the Sales Process, communicated herewith as **Exhibit P-4**.
9. 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, namely the Canadian Imperial Bank of Commerce ("**CIBC**") and the Business Development Bank of Canada ("**BDC**" and collectively with CIBC the "**Secured Creditors**"), as well as the authorization of this Honourable Court to proceed with an eventual transaction on or about December 21, 2018 (the "**Contemplated Transaction**").

10. The Contemplated Transaction will hopefully enable Art Deco to submit to its creditors a proposal under the BIA.

### C. INDEBTEDNESS

11. Art Deco's total indebtedness amounts to approximately \$64,586,300, and claims of unsecured creditors represent approximately \$25,600,000, the whole as more fully appears from the *List of Creditors with claims of \$250 or more* attached to the NOI (Exhibit P-2) and copies of the statements of account of Art Deco's indebtedness towards BDC, communicated herewith as **Exhibit P-5**.
12. As at November 28, 2018, the amount owed by Art Deco to CIBC totalled \$28,200,000, while the amount owed to BDC totalled approximately \$10,730,000.

### D. REQUESTED CHARGES

13. In order to be able to continue Art Deco's operations during the Sales Process, the whole with the objective to submit an eventual proposal to its creditors, Art Deco seeks the assistance of this Honourable Court in order to secure the participation of key employees, directors and professionals who are essential and critical to the successful restructuring of Art Deco.
14. In the event of a liquidation scenario where Art Deco's operations would be terminated, the value of the assets of Art Deco would be substantially reduced.

#### i) Administration Charge

15. Counsel for Art Deco, Borden Ladner Gervais LLP ("**BLG**"), Richter and its counsel, Stikeman Elliott LLP ("**Stikeman**"), are essential to the restructuring and the sale efforts contemplated in these proceedings.
16. BLG, Richter and Stikeman advised that they are prepared to provide or continue to provide professional services to Art Deco only if they are protected by a charge over the assets of Art Deco.
17. Therefore, Art Deco seeks, as security for the professional fees and disbursements incurred in the context of these proceedings by BLG, Richter and Stikeman, both before and after the date of an order to be issued on the present motion, a charge (the "**Administration Charge**") over all the property of Art Deco of every nature and land whatsoever, wherever situated and regardless of whose possession it may be in (the "**Property**") in the aggregate amount of \$75,000, which charge would rank in priority to the claims of all secured creditors, except the claim of BDC on all movable assets other than Art Deco's accounts receivable, bank accounts, intellectual property rights and inventory and all accessories thereto, including all proceeds, insurance indemnities, resulting rights or revenues related thereto, as well as all insurance indemnities related thereto and all claims, proceeds or sums relating to the lease, sale or other disposition therefrom (the "**Short-term Assets**"),

and unsecured creditors, including the KEIP Charge and D&O Charge (as defined below).

18. It is contemplated that Art Deco will be invoiced and pay fees and expenses of BLG on a weekly basis.
19. The Administration Charge is reasonable in the circumstances and its amount has been determined on an assessment of what could be the outstanding fees and disbursements of BLG during the present proceedings.

#### **ii) Directors and Officers Charge**

20. Art Deco's restructuring efforts will be significantly enhanced with the continued commitment of Art Deco's management, more specifically of its president and director, Mr. Fadi Melki, ("**Melki**" or the "**Director**") considering the historical and specialized expertise he possesses regarding Art Deco's business and the carpet industry in general.
21. Art Deco made inquiries through its insurance broker who was unable to contract any directors' liability insurance policy, given the insolvency of Art Deco.
22. With the assistance of the Trustee, a calculation has been performed to estimate the potential amount of post-filing claims for which the Director could be potentially liable.
23. This amount was calculated as up to approximately \$250,000.
24. Therefore, Art Deco seeks a charge in the amount of \$250,000 over the Property in favour of Art Deco's directors in general, but more specifically in favour of Melki (the Director), in order to provide a reasonable level of protection to the Director (the "**D&O Charge**"), which charge would rank after the Administrative Charge, but in priority to the claims of all other secured creditors, except the claim of BDC on all movable assets other than the Short-Term Assets, and unsecured creditors, including the KEIP Charge (as defined below).
25. Art Deco and the Trustee believe that the amount of the D&O Charge is fair and reasonable in the circumstances.

#### **iii) Key Employee Incentive Program (KEIP)**

26. In order to facilitate the Sales Process, the KEIP has been developed in collaboration with the Trustee to provide the Art Deco's management with incentives to fully collaborate with Art Deco and the Trustee.
27. Art Deco determined that the services of three (3) key management employees (collectively the "**Eligible Employees**" or individually an "**Eligible Employee**") are critical to the proper continuation of the operations during the stay of proceedings

- under the NOI and to provide Art Deco with the greatest chances to proceed with a transaction on a going-concern basis and file a viable proposal to its creditors.
28. Considering the very short delay to conduct the Sales Process and to realize the Contemplated Transaction, it is essential that the Eligible Employees remain not only employed by Art Deco, but put all their efforts in the Sales Process and the restructuring of Art Deco.
  29. The Eligible Employees have specialized knowledge that is not easily replaceable with respect to Art Deco's business practices and operations.
  30. The KEIP provides that the Eligible Employees must fully collaborate with the Trustee and the Secured Creditors to facilitate, among other things, the collection of Art Deco's accounts receivable, the management of Art Deco's ongoing operations and its personnel as well as ongoing communications with prospective purchasers, the whole as more fully appears from a copy of the KEIP, communicated herewith **under seal** as **Exhibit P-6**.
  31. Therefore, in order to incentivize the Eligible Employees to remain under Art Deco's employment during the NOI and to put all their efforts in the Sales Process, Art Deco seeks from this Honourable Court the ratification of the KEIP, which provides for incentive payments to be determined according to the percentage of gross realization achieved through the Sales Process or the liquidation of Art Deco's assets (the "**Incentive Payments**"), the whole as more fully appears from a copy of the KEIP (Exhibit P-6).
  32. The Incentive Payments would be payable thirty (30) days following the date on which Richter determines the amount realized from the completion of the Contemplated Transaction or any liquidation scenario, as may be the case (the "**Realization**").
  33. The Incentive Payments proposed under the KEIP are in the aggregate amount of \$300,000 if the first threshold is achieved and could be adjusted upwards to as high as \$900,000 depending on the amount of the Realization.
  34. In addition, in order to secure the full and complete payment of Art Deco's obligations under the KEIP, Art Deco also seeks a charge in the amount of \$900,000.00 over Art Deco's Property (the "**KEIP Charge**"), which would rank after the Administration Charge, the D&O Charge and the secured claims of CIBC and BDC but in priority to the claims of all other secured and unsecured creditors.
  35. The Director and the Trustee support the KEIP.
  36. Art Deco and the Trustee believe that the KEIP provides appropriate and reasonable incentives for the commitment and retention of the Eligible Employees.
  37. Therefore, Art Deco is well founded to seek this Honourable Court's approval of the KEIP and the granting of the KEIP Charge in order to assist Art Deco in its


efforts to complete its restructuring on a going-concern basis for the benefit of all stakeholders.

38. A sealing order is requested with respect to the KEIP since the information set forth in the KEIP contains confidential and sensitive information regarding the Eligible Employees and their compensation.
39. Considering the foregoing, it is in Art Deco's interest and the interest of all secured and unsecured creditors that the present motion be granted by this Honourable Court.
40. The present motion is well founded in facts and in law;

**FOR THESE REASONS, MAY IT PLEASE THE COURT:**

- A. **GRANT** the Motion for the Issuance of an Order for an Administrative Charge, a Directors and Officers Charge, a Key Employee Incentive Program and Other Remedies (the "**Motion**") pursuant to sections 64.1 and 64.2 of the Bankruptcy and Insolvency Act (the "**BIA**");
- B. **ORDER** that the time for service of the 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 further requirement for service of the Motion;
- C. **ORDER** that the the Key Employee Incentive Program (Exhibit R-6) be kept confidential and under seal until earlier of a) the closing of a transaction contemplated in the context of the sale and solicitation process initiated by Art Deco with the assistance of Richter Advisory Group Inc. b) further order of this Court;
- D. **ISSUE** an Order substantially in the form of the draft Order communicated as Exhibit R-1 in support of the Motion;
- E. **THE WHOLE** without costs, save and except in the case of contestation.

Montreal, December 7, 2018



**Borden Ladner Gervais LLP**

Lawyers for the Debtor  
2964-3277 Quebec Inc.

## AFFIDAVIT


I, the undersigned, **FADI MELKI**, president, having its principal place of business located at 480 avenue Lafleur, Montréal, Québec, H8R 3H9, solemnly declare:

1. I am the President and Secretary of 2964-3277 Quebec Inc., the Debtor in the present case;
2. I have read the attached *Motion for the Issuance of an Order for an Administrative Charge, a Directors and Officers Charge, a Key Employee Incentive Program and Other Remedies* and all the facts set forth in the present Motion are true.

**AND I HAVE SIGNED:**

  
\_\_\_\_\_  
FADI MELKI

Solemnly declared before me in  
Montreal, this 7 day of December, 2018

  
\_\_\_\_\_  
Commissioner for oaths for Québec  
Me Frédérick Drainville

CANADA

SUPERIOR COURT  
Commercial Division

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PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

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

No: 500-11-055629-188

**2964-3277 QUEBEC INC. (aka CARPET  
ART DECO INC.)**

Debtor

-and-

**RICHTER ADVISORY GROUP INC.**

Trustee

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## NOTICE OF PRESENTATION

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TO :

**Stikeman Elliott s.e.n.c.r.l., s.r.l.**  
1981 McGill College Avenue  
Montréal, QC, H3A 0G6

Mtre Joseph Reynaud  
[jreynaud@stikeman.com](mailto:jreynaud@stikeman.com)

**Attorneys for Richter Advisory Group  
Inc.**

**Miller Thompson SENCRL**  
1000 de la Gauchetière West, 37<sup>th</sup> Floor  
Montréal, QC, H3B 4W5

Mtre Stéphane G. Hébert  
[shebert@millerthomson.com](mailto:shebert@millerthomson.com)

**Attorneys for BDC**

**McCarthy Tétréault s.e.n.c.r.l., s.r.l.**  
1000 de la Gauchetière West, Suite 2500  
Montréal, QC, H3B 0A2

Mtre Alain Tardif  
[atardif@mccarthy.ca](mailto:atardif@mccarthy.ca)

**Attorneys for CIBC**

**Dentons Canada LP**  
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Mtre Martin Poulin  
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**Attorneys for HOK Asia**



**Pinsky, Zelman, Segal, Santillo**  
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Mtre Marvin A. Segal  
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**Attorneys for Cité Industrielle LaSalle  
Inc.**

**Woods LLP**  
2000 McGill College Avenue, Suite 1700  
Montreal, QC H3A 3H3

Mtre Patrick Ouellet  
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**Attorneys for New Mac Carpet**

**Langlois Lawyers, L.L.P.**  
1250 René-Lévesque Blvd. West,  
20<sup>th</sup> Floor  
Montréal, QC, H3B 4W8

Mtre Gerry Apostolatos  
[gerry.apostolatos@langlois.ca](mailto:gerry.apostolatos@langlois.ca)

**Attorneys for Oriental Weavers  
International SAE**

**TAKE NOTICE** that the *Motion for the Issuance of an Order for an Administrative Charge, a Directors and Officers Charge, a Key Employee Incentive Program and Other Remedies* will be presented for hearing and adjudication before the Superior Court of Quebec, sitting in the Commercial Division for the District of Montréal, **on December 13, 2018 at 9:30 a.m. in a room to be determined** at the Montréal Courthouse, located at 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montreal, December 7, 2018

  
\_\_\_\_\_  
**Borden Ladner Gervais LLP**

Lawyers for the Debtor  
2964-3277 Quebec Inc.

CANADA

SUPERIOR COURT  
Commercial Division

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PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

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

No: 500-11-055629-188

**2964-3277 QUEBEC INC.**

Debtor

-and-

**RICHTER ADVISORY GROUP INC.**

Trustee

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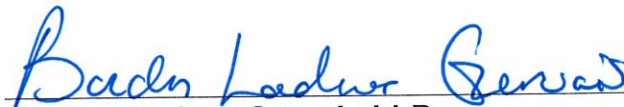
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**LIST OF EXHIBITS**

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- EXHIBIT P-1:** Copy of draft Order granting and/or ratification of the Administrative Charge, D&O Charge and Key Employee Incentive Program, KEIP charge and other remedies;
- EXHIBIT P-2:** Copy of extract of the Business Registry for 2964-3277 Quebec Inc., d.b.a. Carpet Art Deco;
- EXHIBIT P-3** Copy of a *Notice of Intention to Make a Proposal* dated November 29, 2018 and the *Certificate of Filing of the Notice of Intention to Make a Proposal*;
- EXHIBIT P-4:** Copy of the Terms and Conditions to the Sales Process;
- EXHIBIT P-5:** Copies of the statements of account of Art Deco's indebtedness towards BDC;
- EXHIBIT P-6:** Copy of the Key Employee Incentive Program, **UNDER SEAL**.

Montreal, December 7, 2018



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**Borden Ladner Gervais LLP**  
Lawyers for the Debtor  
2964-3277 Quebec Inc.

**SUPERIOR COURT**  
(Commercial Division)

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

N° : 500-11-055629-188

DATE : December ●, 2018

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**PRESIDING :           CHANTAL TREMBLAY, J.S.C.**

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

**2964-3277 QUEBEC INC.**

Debtor

-and-

**RICHTER ADVISORY GROUP INC.**

Trustee

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**ORDER**

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[1] **THE COURT**, upon reading the Debtor's *Motion for the Issuance of an Order for an Administrative Charge, a Directors and Officers Charge, a Key Employee Incentive Program and Other Remedies* (the "**Motion**"), having examined the proceeding, the affidavit and the exhibits;

[2] **CONSIDERING** the representations of the parties;

[3] **GIVEN** the provisions of the *Bankruptcy and Insolvency Act* (the "**BIA**");

**FOR THESE REASONS, THE COURT HEREBY:**

[4] **GRANTS** the present Motion;

[5] **ORDERS** that the time for service of the Motion be abridged and that the Motion is properly presentable and **DECLARES** that the service of the Motion constitutes

good and sufficient service on all persons and **DECLARES** that all parties are relieved of any further requirement for service of the Motion;

- [6] **DECLARES** that the present order (the “**Order**”) and its effects shall survive the filing by 2964-3277 Quebec Inc., d.b.a. Carpet Art Deco (“**Art Deco**”) of a proposal pursuant to the terms of the BIA, the issuance of an initial order with regards to Art Deco pursuant to the terms of the *Companies Creditors Arrangements Act* or the bankruptcy of Art Deco;
- [7] **DECLARES** that as security for the professional fees and disbursements incurred in the context of these proceedings, both before and after the date of the Order, a charge and security over all the property of Art Deco of every nature and land whatsoever, wherever situated and regardless of whose possession it may be in (the “**Property**”) is hereby constituted in favour of Art Deco’s counsel, Borden Ladner Gervais LLP, the Trustee, Richter Advisory Group Inc. (“**Richter**”), and the Trustee’s counsel, Stikeman Elliott LLP, to the extent of the aggregate amount of \$75,000 (the “**Administration Charge**”). The Administration Charge shall have the priority set out in paragraphs 12 and 13 of this Order;
- [8] **DECLARES** that as security for the potential liability of Art Deco’s directors a charge and security over the Property is hereby constituted in favour of all directors of Art Deco, to the extent of the aggregate amount of \$250,000 (the “**D&O Charge**”). The D&O Charge shall have the priority set out in paragraphs 12 and 13 of this Order;
- [9] **ORDERS** that the Key Employee Incentive Program (the “**KEIP**”) filed with the Court as Exhibit P-6 (under seal) is hereby ratified and that Art Deco is hereby authorized and empowered to perform its obligation thereunder and to make the payments in accordance with the terms set out in the KEIP;
- [10] **DECLARES** that as security for payment of the obligations set forth under the KEIP a charge and security over the Property is hereby constituted in favour of Art Deco’s management employees designated in the KEIP, to the extent of the aggregate amount of \$900,000 (the “**KEIP Charge**”). The KEIP Charge shall have the priority set out in paragraphs 12 and 13 of this Order;
- [11] **ORDERS** that the the KEIP (Exhibit P-6) be kept confidential and under seal until earlier of a) end of the BIA process b) further order of this Court;
- [12] **DECLARES** that the priorities of the Administration Charge, the D&O Charge and the KEIP Charge (collectively, the “**NOI Charges**”), as between them with respect to any Property to which they apply, shall be as follows:
- a) first, the Administration Charge;
  - b) second, the D&O Charge; and
  - c) third, the KEIP Charge.

- [13] **DECLARES** that the Administration Charge and the D&O Charge shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind (collectively, the “**Encumbrances**”) affecting the Property charged by such Encumbrances, but after the claim of Business Development Bank of Canada (“**BDC**”) on all movable assets other than Art Deco’s accounts receivable, bank accounts, intellectual property rights and inventory and all accessories thereto, including all proceeds, insurance indemnities, resulting rights or revenues related thereto, as well as all insurance indemnities related thereto and all claims, proceeds or sums relating to the lease, sale or other disposition therefrom;
- [14] **DECLARES** that the KEIP Charge shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind (collectively, the “**Encumbrances**”) affecting the Property charged by such Encumbrances, but after the Encumbrances granted by Art Deco in favour of Canadian Imperial Bank of Commerce and BDC;
- [15] **DECLARES** that the NOI Charges are effective and shall charge, as of 12:01 a.m. (Montreal time) the day of the Order (the “**Effective Time**”), all Art Deco’s Property present and future notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent;
- [16] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a receiver order filed pursuant to the BIA in respect of Art Deco and any receiving order granting such petition or any assignment in bankruptcy made or deemed to be made in respect of Art Deco and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by Art Deco pursuant to the Order and the granting of the NOI Charges do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting a recourse for abuse under an applicable law, and shall be valid and enforceable as against any person, including any trustee in bankruptcy, and any receiver to the Property of Art Deco;
- [17] **DECLARES** that the Order, the Motion and the affidavit do not, in and of themselves, constitute a default or failure to comply by Art Deco under any statute, regulation, license, permit, contract, permission, covenant, agreement, undertaking or any other written document or requirement;
- [18] **DECLARES** that Richter and/or Art Deco are at liberty to serve any notice, circular or any other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to persons or other appropriate parties at their respective given address as last shown in the records; the documents served in this manner shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if delivered by ordinary mail;

- [19] **DECLARES** that Richter and/or Art Deco may serve any court materials in these proceedings on all represented parties, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that Richter and/or Art Deco shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter;
- [20] **DECLARES** that any party interested in these proceedings may serve any court material in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email address, provided that such party shall deliver a "hard copy" on paper of such PDF or electronic materials to Art Deco's and Richter's counsel and to any other party who may request such delivery;
- [21] **ORDERS** that, subject to further Order of this Court, all motions in these BIA proceedings are to be brought on not less than five (5) calendar days' notice to all Persons on the service list. Each Motion shall specify a date (the "**Initial Return Date**") and time for the hearing;
- [22] **ORDERS** that any person wishing to object to the relief sought on a motion in these BIA proceedings must serve responding motion materials or a notice stating the objection to the motion and the grounds for such objection in writing to the moving party, Art Deco and Richter, with a copy to all persons on the service list, no later than 5 p.m. Montreal Time on the date that is three (3) calendar days prior the Initial Return Date;
- [23] **DECLARES** that, unless otherwise provided herein, ordered by this Court, or provided by the BIA, no document, order or other material need be served on any person in respect of these proceedings, unless such person has served a notice of appearance on the solicitors for Art Deco and Richter and has filed such notice with the Court;
- [24] **DECLARES** that the present Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada;
- [25] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;
- [26] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;
- [27] **THE WHOLE** without costs.

DRAFT

**EXHIBIT P-2**

## Rechercher une entreprise au registre

**État de renseignements d'une personne morale au registre des entreprises**

Renseignements en date du 2018-11-29 14:00:30

**État des informations****Identification de l'entreprise**

Numéro d'entreprise du Québec (NEQ)	1145211133
Nom	2964-3277 QUEBEC INC.

**Adresse du domicile**

Adresse	480 AVE Lafleur Montréal Québec H8R3H9 Canada
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**Adresse du domicile élu**

<b>Nom de l'entreprise</b>	Laferrière et Gravel notaires
<b>Nom de la personne physique</b>	
Nom de famille	Gravel
Prénom	Dominique

Adresse	4111 boul. Le Corbusier Laval (Québec) H7L5E2 Canada
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**Immatriculation**

Date d'immatriculation	1995-11-03
Statut	Immatriculée
Date de mise à jour du statut	1995-11-03
Date de fin de l'existence	Aucune date de fin d'existence n'est déclarée au registre.



**Forme juridique**

Forme juridique	Société par actions ou compagnie
Date de la constitution	1992-11-16 Constitution
Régime constitutif	QUÉBEC : Loi sur les compagnies partie 1A, RLRQ, C. C-38
Régime courant	QUÉBEC : Loi sur les sociétés par actions (RLRQ, C. S-31.1)

**Dates des mises à jour**

Date de mise à jour de l'état de renseignements	2018-10-01
Date de la dernière déclaration de mise à jour annuelle	2018-10-01 2018
Date de fin de la période de production de la déclaration de mise à jour annuelle de 2018	2019-04-01
Date de fin de la période de production de la déclaration de mise à jour annuelle de 2017	2018-04-01

**Faillite**

L'entreprise n'est pas en faillite.

**Fusion et scission**

Aucune fusion ou scission n'a été déclarée.

**Continuation et autre transformation**

Aucune continuation ou autre transformation n'a été déclarée.

**Liquidation ou dissolution**

Aucune intention de liquidation ou de dissolution n'a été déclarée.

**Activités économiques et nombre de salariés****1<sup>er</sup> secteur d'activité**

Code d'activité économique (CAE)	3999
Activité	Autres industries de produits manufacturés
Précisions (facultatives)	MANUFACTURIER

**2<sup>e</sup> secteur d'activité**

Aucun renseignement n'a été déclaré.

**Nombre de salariés**

Nombre de salariés au Québec  
De 50 à 99

**Convention unanime, actionnaires, administrateurs, dirigeants et fondé de pouvoir****Actionnaires****Premier actionnaire**

Le premier actionnaire est majoritaire.

Nom	FIDUCIE CADI
Adresse	480 AVE Lafleur Montréal Québec H8R3H9 Canada

**Convention unanime des actionnaires**

Il n'existe pas de convention unanime des actionnaires.

**Liste des administrateurs**

Nom	MELKI, FADI
Date du début de la charge	
Date de fin de la charge	
Fonctions actuelles	Président, Secrétaire
Adresse	4080 rue Cyrille-Delage Laval (Québec) H7K3A3 Canada

**Dirigeants non membres du conseil d'administration**

Aucun dirigeant non membre du conseil d'administration n'a été déclaré.

**Fondé de pouvoir**

Aucun fondé de pouvoir n'a été déclaré.

**Administrateurs du bien d'autrui**

Aucun administrateur du bien d'autrui n'a été déclaré.

**Établissements**

Aucun établissement n'a été déclaré.

**Documents en traitement**

Aucun document n'est actuellement traité par le Registraire des entreprises.

**Index des documents****Documents conservés**

<b>Type de document</b>	<b>Date de dépôt au registre</b>
DÉCLARATION DE MISE À JOUR ANNUELLE 2018	2018-10-01
DÉCLARATION DE MISE À JOUR ANNUELLE 2017	2017-10-04
DÉCLARATION DE MISE À JOUR ANNUELLE 2016	2017-04-27
DÉCLARATION DE MISE À JOUR ANNUELLE 2015	2016-08-09
DÉCLARATION DE MISE À JOUR ANNUELLE 2014	2015-04-27
DÉCLARATION DE MISE À JOUR ANNUELLE 2013	2014-01-21
DÉCLARATION DE MISE À JOUR ANNUELLE 2012	2013-02-04
Déclaration de mise à jour courante	2012-08-02
DÉCLARATION DE MISE À JOUR ANNUELLE 2011	2012-03-31
Déclaration de mise à jour courante	2011-09-28
Déclaration annuelle 2010	2011-03-31
État et déclaration de renseignements 2009	2010-03-22
Déclaration modificative	2009-12-14
État et déclaration de renseignements 2008	2009-05-14
Déclaration annuelle 2007	2008-07-28
Déclaration annuelle 2006	2008-02-18
Certificat de modification	2007-09-25
Déclaration modificative	2007-09-24
Déclaration annuelle 2005	2006-03-15
Déclaration modificative	2006-03-15
Déclaration annuelle 2004	2004-12-22
Déclaration annuelle 2003	2003-11-28
Déclaration annuelle 2002	2003-01-10
Déclaration modificative	2002-09-06
Déclaration annuelle 2001	2001-12-05
Déclaration annuelle 2000	2000-11-13
Déclaration modificative	2000-10-30
Déclaration annuelle 1999	1999-10-19
Déclaration annuelle 1998	1998-10-21
Déclaration modificative	1998-06-17
Déclaration annuelle 1997	1998-01-28
Déclaration modificative	1997-04-02
Déclaration modificative	1997-02-06
Déclaration annuelle 1996	1996-11-26
Déclaration modificative	1996-08-13
Déclaration modificative	1996-07-24
Déclaration d'immatriculation	1995-11-03

**Index des noms**

Date de mise à jour de l'index des noms	2011-10-03
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**Nom**

Nom	Versions du nom dans une autre langue	Date de déclaration du nom	Date de déclaration du retrait du nom	Situation
2964-3277 QUEBEC INC.		1992-11-16		En vigueur

#### Autres noms utilisés au Québec

Autre nom	Versions du nom dans une autre langue	Date de déclaration du nom	Date de déclaration du retrait du nom	Situation
ART-DECO CARPETTE INT'L		1996-08-13		En vigueur
CARPÈTTE ART-DÉCO INTERNATIONAL		2008-07-28		En vigueur
CARPETTE ART-DECO INTERNATIONALE		1996-07-24		En vigueur
CARPETTE ART-DECO INT'L		1996-08-13		En vigueur
CARPETTES ART-DÉCO	CARPET ART DECO	2011-09-28		En vigueur
CSTYLES		2009-12-14		En vigueur
CARPETTES ART-DÉCO INTERNATIONAL		2000-10-30	2008-07-28	Antérieur



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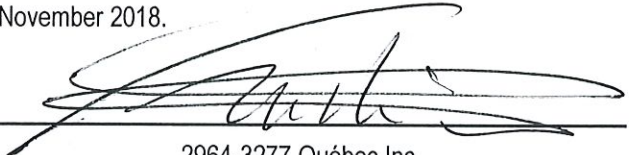
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Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of  
2964-3277 Québec Inc.  
Of the City of Montréal  
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Take notice that:

1. I, 2964-3277 Québec Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Richter Advisory Group Inc/Richter Groupe Conseil inc of 1981 avenue McGill College, 11e étage, Montréal, QC, H3A 0G6, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Montréal in the Province of Quebec, this 28th day of November 2018.

  
2964-3277 Québec Inc.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
9220-5749 QUEBEC INC.	480 RUE LAFLEUR LASALLE QC H8R 3H9		148,664.51
9220-5749 QUEBEC INC.	480 RUE LAFLEUR LASALLE QC H8R 3H9		4,200,000.00
9242-7624 QUEBEC INC.	480, AV. LAFLEUR LASALLE QC H8R 3H9		119,573.81
ADT SECURITY SERVICES CANADA	615-18TH STREET S.E CALGARY AB T2E 6J5		796.05
ADVANTAGE SALES & MARKETING *	DBA BLUE OCEAN PASADENA CA 91110-1691 USA		11,282.00
AGENCE F. KASPARI INC.	1305 RUE MAZURETTE MONTREAL QC H4N 1G8		63,832.50
AJIT TRANSPORT INC. DBA ATI	2555 AV DOLLARD#114 LASALLE QC H8N 3A9		41,198.77
AMEX BANK OF CANADA	P.O BOX 2000 WEST HILL SCARBOROUGH ON M1E 5H4		13,358.41
ANHUI Z&A IMPORT AND EXPORT CO.,LTD *	Z&A BLDG,251 JIXI ROAD HEFEI ANHUI CHINA		10,612.34
ARCHE ADVISORS *	1659 W. CHATEAU CIRCLE ST. GEORGE UT 84770 USA		1,650.00
ARNAULT THIBAUT CLÉROUX	250 PLACE D'YOUVILLE, 2E ETAGE MONTREAL QC H2Y 2B6		4,411.60
BANG INTERNET INC.	1440 DE JAFFA LAVAL QC H7P 4K9		838.86
BDO CANADA S. R. L. /S.E.N.C.R.L./LLP	805 - 1100, BOUL CREMAZIE E MONTREAL QC H2P 2X2		74,929.21
BEE LINETRUCKING, INC *	PO BOX 172 ELLENBURG DEPOT NY 12935 USA		16,330.00
BROCHEUSES MONTREAL (1992) INC.	9839 METROPOLITAIN EST ANJOU QC H1J 0A4		385.75

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Creditor	Address	Account#	Claim Amount
BUREAU VERITAS CONSUMER PROD. SERV. INC.*	14630 COLLECTIONS CENTRE DRIVE CHICAGO IL 60693 USA		4,965.00
BUREAU VERITAS CONSUMER PROD. SERV. INDIA*	14631 COLLECTIONS CENTRE DRIVE CHICAGO IL 60694		698.05
BUREAU VERITAS HONG KONG LIMITED *	1/F., PACIFIC TRADE CENTRE 2 KAI HING ROAD KOWLOON BAY KOWLOON HK CHINA		2,697.00
CANADA BORDER SERVICES AGENCY	400 D'YOUVILLE PLACE 5TH FLOOR MONTREAL QC H2Y 2C2		298,508.07
CANADA BORDER SERVICES AGENCY (CBSA)	PLACE VANIER, TOWER A GROUND FLOOR, R.1018 333 NORTH RIVER ROAD, OTTAWA ON K1A 0L8		35,104.21
CANADIAN IMPERIAL BANK OF COMMERCE	1155 RENE LEVESQUE MONTREAL QC H3B 3Z4		28,200,000.00
CANSEW INC.	111 RUE CHABANEL O. MONTREAL QC H2N 1C9		1,322.71
CAPITAL ONE, SERVICES DES CARTES	P.O.BOX 4566 STN A TORONTO ON M5W 0H9		4,025.57
CASCADES EMBALLAGE CARTON-CASSE DRUMMONDVILLE	M9075 C/U, SUC. CENTRE VILLE PO BOX 11790, DEPT 23 MONTREAL QC H3C 0C4		58,507.47
CERIDIAN CANADA LTD.	125 GARRY ST WINNIPEG MB R3C 3P2		2,716.85
CHEP CANADA INC.	C/O TH1203 POSTAL STN A P.O. BOX 4290 MISSISSAUGA ON M5W 0E1		5,841.72
CHOMEDEY NISSAN INC.	4299 AUTOROUTE 440 OUEST LAVAL QC H7P 4W6		2,713.41

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Creditor	Address	Account#	Claim Amount
CIBC WORLD MASTERCARD	P.O.BOX 4595 STN A TORONTO ON M5W 4X9		1,324.24
CITE INDUSTRIELLE LASALLE INC.	2555 DOLLARD AVE LASALLE QC H8N 3A9		63,418.78
COMMERCE HUB *	P.O.BOX 15291, STATION A TORONTO ON M5W 1C1		2,011.60
CONSUMER TESTING LABORATORIES, INC. *	0 ATLANTA GA 31192-2766 USA		941.93
CORPORATION CREDILINX			1,923.49
COVTEX-FEIZY HALI SAN.VE.TIC.LTD.STI.*	GAZIANTEP SERBEST BOL. 251 ADA D 1 PARSEL BASPINAR MEVKII BASPINAR TR 27500 TURQUIE		1,040.00
CRITES & RIDDELL BASICS	2695 AVENUE DOLLARD LASALLE QC H8N 2J8		985.20
CUSTOMS US AND BORDER PROTECTION *	REVENUE DIVISION 100 - 6650 TELECOM DRIVE IN 46278 USA		66,796.00
DE LAGE LANDEN FINANCIAL SERV.CANADA INC.	3450 SUPERIOR COURT, UNIT 1 OAKVILLE ON L6L 0C4		1,276.62
DOCUMENTSS XMA INC.	450 - 5524 RUE SAINT-PATRICK MONTREAL QC H4E 1A8		1,190.39
DOVERCO	2111 32ND AVENUE LACHINE QC H8T 3J1		384.02
E.W. WILLIAMS PUBLICATIONS CO.*	2125 CENTER AVE FORT LEE NJ 07024-5098 USA		2,150.00
EDISOFT INC.	710 - 1210 SHEPPARD AVE EAST TORONTO ON M2K 1E3		6,549.86
EMPLOYEES			500,000.00





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Creditor	Address	Account#	Claim Amount
ENERGIR	C.P. 6115, SUCC. CENTRE VILLE MONTREAL QC H3C 4N7		663.39
ENSEIGNES AL	1261 CHEMIN DE LA GARE MASCOCHE QC J7K 3L7		2,335.54
EPILOBE INC.	2060, RUE SCOTT, ARRONDISSEMENT ST-LAURENT MONTREAL QC H4M 1S8		931.30
FEDERAL EXPRESS	P.O. BOX 4626, TORONTO STN A TORONTO ON M5W 5B4		1,662.16
FEDEX TRADE NETWORKS	TRANSPORT & BROKERAGE CANADA, INC BOX 916200, P.O. 4090 STATION A TORONTO ON M5W 0E9		4,129.53
FEDEX TRADE NETWORKS *	128 DEARBORN ST BUFFALO NY 14207 USA		10,528.62
FIBRE NOIR INTERNET INC.	320 - 550 AVE BEAUMONT MONTREAL QC H3N 1V1		6,846.76
FLEX-O-MARK INC.	2633 DREW ROAD MISSISSAUGA ON L4T 1G1		944.32
G N JOHNSTON EQUIP CO LTD	5990 AVEBURY RD MISSISSAUGA MISSISSAUGA ON L5R 3R2		1,657.70
GALILEO PARTNERS	IMM.LAWYERS, TOWER A HERMES BUILDING 350-1470 RUE PEEL MONTREAL QC H3A 1T1		2,299.41
GBC CANADA INC.	3489 RUE ASHBY, SAINT-LAURENT, QC, H4R 2K3 SAINT LAURENT QC H4R 2K3		301.45
GENFIR INC.	7663 CORDNER LASALLE QC H8N 2X2		344.34
GLOBALTEX BVBA *	STIJN STREUVELSSTRAAT 99 WAREGEM, 8790 BELGIUM		43,598.93
GROUPE ST-HENRI INC.	8000 ST-PATRICK RUE LASALLE QC H8N 1V1		2,296.63



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Creditor	Address	Account#	Claim Amount
HANAN TRANSPORT	2566 DOLLARD AV LASALLE QC H8N 1T1		4,150.00
HAR-G TRANSPORT	7921 ELMSLIE RUE LASALLE QC H8N 2W6		4,665.00
HEWLETT-PACKARD ENTREPRISE CANADA CO.	C/O T10424 PO BOX 4687 STN A TORONTO ON M5W 6B5		562.24
HFN *	333 SEVENTH AVENUE NEW YORK NY 10001 USA		7,400.00
HK ET GROUP LIMITED *	RM.1902, EASEY COMM. BLDG., 253-261 HENNESSY ROAD, WANCHAI HONG KONG		40,229.00
HOME TEXTILES TODAY *	DEPT 101052 , P.O.BOX 150458 HARTFORD CT 06115-0458 USA		3,495.00
HYDRO QUEBEC	C.P 11022, SUCC. CENTRE-VILLE MONTREAL QC H3C 4V6		12,058.03
INDUSTRIE DE PALETTES STANDARD	2400 RUE DE LIERRE LAVAL QC H7G 4Y4		24,379.01
INDUSTRIUM	555 LAFLEUR AV LASALLE QC H8R 3J3		367.39
INFORMATION RESOURCES, INC. *	150 NORTH CLINTON STREET CHICAGO IL 60661 USA		6,750.00
INSIGHT CANADA INC.	PO BOX 15320 STATION A TORONTO ON M5W 1C1		427.24
KARTAL CARPETS *	4 ORGANIZE SANYI, BOLGESI BASPINAR TR 27000 TURKISH		2,613,701.25
KFB AND ASSOCIATES *	2609 BEAVER BEND DRIVE PLANO TX 75025 USA		2,067.02
LA CAPITALE	ASSURANCE COLLECTIVES-GROUP102111 625 RUE JACQUES-PARIZEAU QUÉBEC QC G1R 2G5		22,080.30



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Creditor	Address	Account#	Claim Amount
LACMARK INC.	3200 BOUL. DIONNE SAINT GEORGES QC G5Y 3Y8		2,060.35
LBEL INC.	P.O.BOX 5060 5035 SOUTH SERVICE ROAD BURLINGTON ON L7R 4C8		3,360.28
LES DISTRIBUTRICES SYBCO	2533 GUENETTE RUE SAINT LAURENT QC H4R 2E9		344.92
LES EMBALLAGES CARROUSEL INC.	1401 RUE AMPÈRE BOUCHERVILLE QC J4B 6C5		8,012.93
LES ENTREPRISES CANBEC CONSTRUCTION INC.	145 RUE RICHER SAINT-PIERRE QC H8R 1R4		1,954.58
LES SERVICES DE PLACEMENTS-TELE-RESSO URCES LTEE	200 - 85, RUE SAINT-CATHERINE O. MONTREAL QC H2X 3P4		105,735.58
LIFTOW	C.P. 8092, STN A TORONTO ON M5W 3W5		4,656.68
LJT AVOCATS	7100 - 380 RUE ST ANTOINE O MONTREAL QC H2Y 3X7		264.70
LJT AVOCATS *	7100 - 380 RUE ST ANTOINE O MONTREAL QC H2Y 3X7		745.00
LLH KNIGHSTBRIDGE	600 - 999, BOUL DE MAISONNEUVE OUEST MONTREAL QC H3A 3L4		3,046.84
MAC CARPET *	10TH RAMADAN CITY, CAIRO 44635 EGYPT		648,557.97
MAGNUS CHEMICALS LTD.	1271 RUE AMPÈRE BOUCHERVILLE QC J4B 5Z5		362.16
MANTORIA INC.	4492 SAINTE-CATHERINE WEST WESTMOUNT QC H3Z 1R7		41,132.58
MATERIAUX ET EQUIPEMENTS MARINA	40 BOUL SAINT-JOSEPH LACHINE QC H8S 2L3		1,181.56

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Creditor	Address	Account#	Claim Amount
MERCEDES-BENZ	8305 BOUL SAINT LAURENT MONTREAL QC H2P 2M7		2,914.93
MICHEL VAN DE WIELE **	MICHEL VANDEWIELSTRAAT 7 KORTRIJK MARKE, B-8510 BELGIUM		26,818.30
MILAT HALI SANAYI VE TICARET. A.S *	5. ORGANIZE SANAYI BOLGESI, NOLU CADDE NO. 21 TR 83539 TURKISH		1,114,940.12
NATIONAL DISTRIBUTION CENTERS *	P.O.BOX 417727 BOSTON MA 02241-7727 USA		544.20
ORIENTAL WEAVERS *	8 ZAKARIA KHALIL STREET HELIOPOLIS CAIRO 11361 EGYPT		4,961,035.90
PAZAZZ LABELS	5584 CH DE LA CÔTE DE LIESSE MONTREAL QC H4P 1A9		27,498.10
PORSCHE PRESTIGE			1,994.77
PROVENTILAIR	107 - 429 RUE BOURQUE REPENTIGNY QC J5Z 5A2		2,630.63
RAYMOND JOYAL	110 - 1100 BOUL CREMAZIE E MONTREAL QC H2P 2X2		2,049.37
RCAP LEASING INC.	300 - 5575 NORTH SERVICE RD BURLINGTON ON L7L 6M1		1,551.30
RCI ENVIRONNEMENT INC.	9501, BOUL. RAY-LAWSON ANJOU QC H1J 1L4		879.56
RED GOLD INT'L TRADING CO. LIMITED *	FLAT/RM 1501(646)/15/F SPA CENTRE 53-55 ,LOCKHART ROAD WANCHAI HK HONG KONG		1,676,884.59
RENGO DESIGN (USA) CORPORATION *	53 N. MAIN STREET, SUITE 108 & 109 CROSSVILLE TN 38555 USA		3,565.00
ROGERS	1, MOUNT PLEASANT 5TH FLOOR TORONTO ON M4Y 2Y5		2,112.63



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Creditor	Address	Account#	Claim Amount
RUGNEWS.COM *	P.O. BOX 18207 SARASOTA FL 34276 USA		600.00
SDA TECHNOLOGIES INC.	11796, BOUL. RIVIÈRE-DES-PRAIRES MONTREAL QC H1C 1P9		1,880.14
SELECTCOM TELECOM	300-5151, JEAN-TALON SAINT LEONARD QC H1S 1K8		1,097.00
SHANDONG LAIWU DONGWO CARPET CO, *LTD	LAICHENG INDUSTRIAL ZONE CHINA		13,048.00
SHEN ZHEN JIA NENG TONG IND.CO. LTD *	SHI DAI PLAZA SHANG WU GAN, ROOM #322 YIWU, ZHEJIANG CHIINA		27,300.00
SOBEC ELECTRIQUE INC.	852 RUE LAPOINTE MASCOUCHE QC J7K 2K6		4,232.78
SOUDURE MOBILE MECA-FAB INC.	1040, BOUL. LESAGE LAVAL QC H7E 2Z2		5,272.75
SSQ GROUP FINANCIER	C.P. 10500, SUCC. SAINTE-FOY QUÉBEC QC G1V 4H6		2,489.07
STAPLES BUSINESS ADVANTAGE	1616 RUE EIFFEL BOUCHERVILLE QC J4B 8N3		1,320.33
SYNERGIE CANADA INC.	60 EMILIEN MARCOUX BLAINVILLE QC J7C 0B5		9,015.25
SYNERGIE CANADA INC. *	60 EMILIEN MARCOUX BLAINVILLE QC J7C 0B5		52,193.57
TENAQUIP LMTEE.	22555 AUT TRANSCANADIENNE SAINTE-ANNE-DE-BELLEVUE QC H9X 3L7		605.10
TIANJIN RUNYA SCIENCE TECHNOLOGY DEV.CO. LTD.*	WUQING DEVELOPMENT AREA C01-6 EAST SIDE, BUSINESS HEADQUARTERS TIANJIN CHINA		152,412.08

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Creditor	Address	Account#	Claim Amount
TIANJIN TIANRUI CARPET CO. LTD.*	WU QING DISTRICT YANG BAO ROAD (NORTH), CUI HUANG KOU TOWN TIAN JIN CHINA		2,452,459.46
TOROMONT CAT (QUEBEC)	CASE POSTALE 1200 POINTE-CLAIRE QC H9R 4R6		3,672.84
TRANSPORTATION BROKERAGE	C/O LOCKBOX 916880 PO BOX 4090, STN A TORONTO ON M5W 0E9		53,500.00
TREERING WORKFORCE SOLUTIONS *	4780 ASHFORD DUNWOODY RD, SUITE A-145 ATLANTA GA 30338 USA		250.25
TRIUM STEELCASE FINANCIAL	3200 RUE ST- PATRICK MONTREAL QC H3K 3H5		1,339.95
TRUE COMMERCE, INC.	NW 6199 PO BOX 1450 MINNEAPOLIS MN 55485-6199 USA		1,989.80
TYCO INTEGRATED SECURITY CANADA, INC.	40 SHEPPARD AVENUE WEST NORTH YORK ON M2N 6K9		1,333.71
UL RESPONSIBLE SOURCING INC.*	333 PFINGSTEN ROAD NORTHBROOK IL 60062-2096 USA		1,250.00
UPS	PO BOX 4900 STATION A TORONTO ON M5W 0A7		4,619.93
UPS SCS, INC *	PO BOX 4901, STATION A TORONTO ON M5W 0A8		43,727.34
VENTURE SOLUTIONS CONSULTORIA ITDA	CEP.: 05423-020 SAO PAULO SP HENRIQUE MONTEIRO STREET 234 CJ33 PINHEIROS BRAZIL		1,170.00
VERBATEX NV**	MELLESTRAAT 196 - B8501 HEULE BELGIUM		251,478.10
VISA - CIBC	P.O.BOX 4451 STATION A TORONTO ON M5W 4A7		1,725.56

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Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of  
2964-3277 Québec Inc.  
Of the City of Montréal  
In the Province of Québec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VITESSE TRANSPORT CORP	1111,46E AVENUE LACHINE QC H8T 3C5		68,890.00
WA NEW SOLUTION	7875 DE LA CÔTE-DE-LIESSE CH SAINT LAURENT QC H4T 1G4		17,964.84
XEROX CANADA LTEE.	900 - 3400 DE MAISONNEUVE OUEST MONTREAL QC H3Z 3G1		12,286.55
ZHEJIANG HEDING SANITARY WARE TECHN.CO., LTD *	ECONOMIC AND TECHNOLOGY DEVELOPMENT ZONE LTDNO.2 YANDANG WEST ROAD WENZHOU, ZHEJIANG 325000 CHINA		4,304.54
ZHEJIANG PINGHU FOREIGN TRADE CO. LTD *	208-238 EAST DANGHU RD PINGHU, ZHEJIANG 314200 CHINA		357,403.99
ZZ EXCHANGE EURO 1,5018 **			139,664.58
ZZ EXCHANGE US 1,3289 *			4,723,142.18
<b>Total</b>			<b>53,856,302.78</b>

  
2964-3277 Québec Inc.  
Insolvent Person

**In the matter of the Notice of Intention to make a Proposal of  
2964-3277 Québec Inc.**

**NOTICE TO BANKRUPTS OR OFFICERS OF A BANKRUPT CORPORATION**

You are hereby notified of the duties imposed upon you by the *Bankruptcy and Insolvency Act* and certain other features of this Act that affect you in your capacity as a bankrupt (or, when the bankrupt is a limited company, an officer designated by section 159 of the *Bankruptcy and Insolvency Act*). You are expected to study this document carefully as a breach of your duty hereunder set out would make you liable to criminal prosecution.

**Section 67**

(1) The property of a bankrupt divisible among his creditors shall not comprise:

- (a) property held by the bankrupt in trust for any other person;
- (b) any property that as against the bankrupt is exempt from execution or seizure under any laws applicable in the province within which the property is situated and within which the bankrupt resides;
- (b.1) goods and services tax credit payments that are made in prescribed circumstances to the bankrupt and that are not property referred to in paragraph a) or b);
- (b.2) prescribed payments relating to the essential needs of an individual that are made in prescribed circumstances to the bankrupt and that are not property referred to in paragraph a) or b); or
- (b.3) without restricting the generality of paragraph (b), property in a registered retirement savings plan or a registered retirement income fund, as those expressions are defined in the *Income Tax Act*, or in any prescribed plan, other than property contributed to any such plan or fund in the 12 months before the date of bankruptcy,

but it shall comprise

- (c) all property wherever situated of the bankrupt at the date of the bankruptcy or that may be acquired by or devolve on the bankrupt before their discharge, including any refund owing to the bankrupt under the *Income Tax Act* in respect of the calendar year — or the fiscal year of the bankrupt if it is different from the calendar year — in which the bankrupt became a bankrupt, except the portion that:
  - (i) is not subject to the operation of this Act, or
  - (ii) in the case of a bankrupt who is the judgment debtor named in a garnishee summons served on Her Majesty under the *Family Orders and Agreements Enforcement Assistance Act*, is garnishable money that is payable to the bankrupt and is to be paid under the garnishee summons, and;
- (d) such powers in or over or in respect of the property as might have been exercised by the bankrupt for his own benefit.

(2) Subject to subsection (3), notwithstanding any provision in federal or provincial legislation that has the effect of deeming property to be held in trust for Her Majesty, property of a bankrupt shall not be regarded as held in trust for Her Majesty for the purpose of paragraph (1)(a) unless it would be so regarded in the absence of that statutory provision.

(3) Subsection (2) does not apply in respect of amounts deemed to be held in trust under subsection 227(4) or (4.1) of the *Income Tax Act*, subsection 23(3) or (4) of the *Canada Pension Plan* or subsection 86(2) or (2.1) of the *Employment Insurance Act* (each of which is in this subsection referred to as a "federal provision") nor in respect of amounts deemed to be held in trust under any law of a province that creates a deemed trust the sole purpose of which is to ensure remittance to Her Majesty in right of the province of amounts deducted or withheld under a law of the province where:





- (a) that law of the province imposes a tax similar in nature to the tax imposed under the *Income Tax Act* and the amounts deducted or withheld under that law of the province are of the same nature as the amounts referred to in subsection 227(4) or (4.1) of the *Income Tax Act*, or;
- (b) the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan*, that law of the province establishes a "provincial pension plan" as defined in that subsection and the amounts deducted or withheld under that law of the province are of the same nature as amounts referred to in subsection 23(3) or (4) of the *Canada Pension Plan*.

and for the purpose of this subsection, any provision of a law of a province that creates a deemed trust is, notwithstanding any Act of Canada or of a province or any other law, deemed to have the same effect and scope against any creditor, however secured, as the corresponding federal provision.

### Section 158

The bankrupt shall:

- (a) make discovery of and deliver all his property that is under his possession or control to the trustee or to any person authorized by the trustee to take possession of it or any part thereof
- (a.1) in such circumstances as are specified in directives of the Superintendent, deliver to the trustee, for cancellation, all credit cards issued to and in the possession or control of the bankrupt;
- (b) deliver to the trustee all books, records, documents, writings and papers including, without restricting the generality of the foregoing, title papers, insurance policies and tax records and returns and copies thereof in any way relating to his property or affairs;
- (c) at such time and place as may be fixed by the official receiver, attend before the official receiver or before any other official receiver delegated by the official receiver for examination under oath with respect to his conduct, the causes of his bankruptcy and the disposition of his property;
- (d) within five days following the bankruptcy, unless the time is extended by the official receiver, prepare and submit to the trustee in quadruplicate a statement of the bankrupt's affairs in the prescribed form verified by affidavit and showing the particulars of the bankrupt's assets and liabilities, the names and addresses of the bankrupt's creditors, the securities held by them respectively, the dates when the securities were respectively given and such further or other information as may be required, but where the affairs of the bankrupt are so involved or complicated that the bankrupt alone cannot reasonably prepare a proper statement of affairs, the official receiver may, as an expense of the administration of the estate, authorize the employment of a qualified person to assist in the preparation of the statement;
- (e) make or give all the assistance within his power to the trustee in making an inventory of his assets;
- (f) make disclosure to the trustee of all property disposed of within the period beginning on the day that is one year before the date of the initial bankruptcy event or beginning on such other antecedent date as the court may direct, and ending on the date of the bankruptcy, both dates included, and how and to whom and for what consideration any part thereof was disposed of except such part as had been disposed of in the ordinary manner of trade or used for reasonable personal expenses;
- (g) make disclosure to the trustee of all property disposed of by gift or settlement without adequate valuable consideration within the period beginning on the day that is five years before the date of the initial bankruptcy event and ending on the date of the bankruptcy, both dates included;
- (h) attend the first meeting of his creditors unless prevented by sickness or other sufficient cause and submit thereat to examination;
- (i) when required, attend other meetings of his creditors or of the inspectors, or attend on the trustee;
- (j) submit to such other examinations under oath with respect to his property or affairs as required;
- (k) aid to the utmost of his power in the realization of his property and the distribution of the proceeds among his creditors;



- (l) execute any powers of attorney, transfers, deeds and instruments or acts that may be required;
- (m) examine the correctness of all proofs of claims filed, if required by the trustee;
- (n) in case any person has to his knowledge filed a false claim, disclose the fact immediately to the trustee;
- (n.1) inform the trustee of any material change in the bankrupt's financial situation;
- (o) generally do all such acts and things in relation to his property and the distribution of the proceeds among his creditors as may be reasonably required by the trustee, or may be prescribed by the General Rules, or may be directed by the court by any special order made with reference to any particular case or made on the occasion of any special application by the trustee, or any creditor or person interested; and
- (p) until his application for discharge has been disposed of and the administration of the estate completed, keep the trustee advised at all time of his place of residence or address.

### Section 159

Where a bankrupt is a corporation, the officer executing the assignment, or such

- (a) officer of the corporation, or
- (b) person who has, or has had, directly or indirectly, control in fact of the corporation

as the official receiver may specify, shall attend before the official receiver for examination and shall perform all of the duties imposed on a bankrupt by section 158, and, in case of failure to do so, the officer or person is punishable as though that officer or person were the bankrupt.

### Section 178

(1) An order of discharge does not release the bankrupt from

- (a) Any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order, imposed by a court in respect of an offence, or any debt arising out of a recognizance or bail;
- (b) Any debt or liability for alimony or alimentary pension;
- (c) Any debt of liability arising under a judicial decision establishing affiliation or respecting support or maintenance, or under an agreement for maintenance and support of a spouse, former spouse, former common-law partner or child living apart from the bankrupt;
- (d) Any debt of liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity or, in the province of Quebec, as a trustee or administrator of the property of others;
- (e) Any debt or liability resulting from obtaining property or services by false pretences or fraudulent misrepresentation, other than a debt or liability that arises from an equity claim;
- (f) Liability for the dividend that a creditor would have been entitled to receive on any provable claim not disclosed to the trustee, unless the creditor had notice or knowledge of the bankruptcy and failed to take reasonable action to prove his claim;
- (g) Any debt or obligation in respect of a loan made under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* or any enactment of a province that provides for loans or guarantees of loans to students where the date of bankruptcy of the bankrupt occurred
  - (i) Before the date on which the bankrupt ceased to be a full- or part-time student, as the case may be, under the applicable Act or enactment, or
  - (ii) Within seven years after the date on which the bankrupt ceased to a full- or part-time student; or
  - (iii) Any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (g)

(1.1) At any time after five years after a bankrupt who has a debt referred to in paragraph (1)(g) ceases to be a full- or part-time student, as the case may be, under the applicable Act or enactment, the



court may, on application, order that subsection (1) does not apply to the debt if the court is satisfied that

- (a) The bankrupt has acted in good faith in connection with the bankrupt's liabilities under the debt; and
- (b) The bankrupt has and will continue to experience financial difficulty to such an extent that the bankrupt will be unable to pay the debt.

(2) Subject to subsection (1), an order of discharge releases the bankrupt from all claims provable in bankruptcy.

### **Section 198**

(1) Any bankrupt who

- (a) makes any fraudulent disposition of the bankrupt's property before or after the date of the initial bankruptcy event,
- (b) refuses or neglects to answer fully and truthfully all proper questions put to the bankrupt at any examination held pursuant to this Act,
- (c) makes a false entry or knowingly makes a material omission in a statement or accounting,
- (d) after or within one year immediately preceding the date of the initial bankruptcy event, conceals, destroys, mutilates, falsifies, makes an omission in or disposes of, or is privy to the concealment, destruction, mutilation, falsification, omission from or disposition of, a book or document affecting or relating to the bankrupt's property or affairs, unless the bankrupt had no intent to conceal the state of the bankrupt's affairs,
- (e) after or within one year immediately preceding the date of the initial bankruptcy event obtains any credit or any property by false representations made by the bankrupt or made by any other person to the bankrupt's knowledge,
- (f) after or within one year immediately preceding the date of the initial bankruptcy event, fraudulently conceals or removes any property of a value of fifty or more or any debt due to or from the bankrupt, or
- (g) after or within one year immediately preceding the date of the initial bankruptcy event, hypothecates, pawns, pledges or disposes of any property that the bankrupt has obtained on credit and has not paid for, unless in the case of a trader the hypothecation, pawning, pledging or disposing is in the ordinary way of trade and unless the bankrupt had no intent to defraud,

is guilty of an offence and is liable, on summary conviction, to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year or to both, or on conviction on indictment, to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding three years, or to both.

(2) A bankrupt who, without reasonable cause, fails to comply with an order of the court made under Section 68 or to do any of the things required of the bankrupt under Section 158 is guilty of an offence and is liable

- (a) on summary conviction, to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both; or
- (b) on conviction on indictment, to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding three years, or to both.

### **Section 199**

An undischarged bankrupt who:

- (a) engages in any trade or business without disclosing to all persons with whom the undischarged bankrupt enters into any business transaction that the undischarged bankrupt is an



- undischarged bankrupt, or;
- (b) obtains credit to a total of \$1,000 or more from any person or persons without informing them that the undischarged bankrupt is an undischarged bankrupt;

is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both.

#### **Section 200**

(1) Any person becoming bankrupt or making a proposal who has on any previous occasion been bankrupt or made a proposal to the person's creditors is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding one year, or to both, if:

- (a) being engaged in any trade or business, at any time within the period beginning on the day that is two years before the date of the initial bankruptcy event and ending on the date of the bankruptcy, both dates included, that person has not kept and preserved proper books of account; or;
- (b) within the period mentioned in paragraph (a), that person conceals, destroys, mutilates, falsifies or disposes of, or is privy to the concealment, destruction, mutilation, falsification or disposition of, any book or document affecting or relating to the person's property or affairs, unless the person had no intent to conceal the state of the person's affairs.

(2) For the purposes of this section, a debtor shall be deemed not to have kept proper books of account if he has not kept such books or accounts as are necessary to exhibit or explain his transactions and financial position in his trade or business, including a book or books containing entries from day to day in sufficient detail of all cash received and cash paid, and, where the trade or business has involved dealings in goods, also accounts of all goods sold and purchased, and statements of annual or other stock takings.

#### **Section 204**

If a corporation commits an offence under this Act, any officer or director, or agent or mandatary, of the corporation, or any person who has or has had, directly or indirectly, control in fact of the corporation, who directed, authorized, assented to, acquiesced to or participated in the commission of the offence is a party to and guilty of the offence and is liable on conviction to the punishment provided for the offence, whether or not the corporation has been prosecuted or convicted.

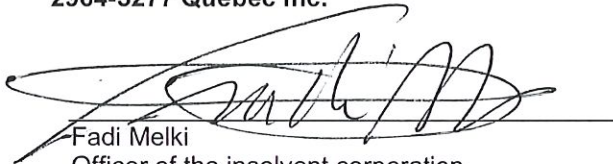


**ACKNOWLEDGMENT**

I, Fadi Melki, Officer of the insolvent corporation, acknowledge receipt of sections 67, 158, 159, 178, 198, 199, 200 and 204 of the *Bankruptcy and Insolvency Act* and state that the contents have been explained to me and that I understand my duties and obligations.

Dated at Montreal, Province of Quebec, this 28<sup>th</sup> day of November 2018.

**2964-3277 Québec Inc.**

  
Fadi Melki  
Officer of the insolvent corporation

  
Witness

RICHTER ADVISORY GROUP INC.  
1981 McGill College  
Montréal, Québec H3A 0G6

NOVEMBER 26, 2018

RE: NOTICE OF INTENTION TO MAKE A PROPOSAL OF 2964-3277 QUEBEC INC.

Dear Sirs,

We hereby appoint Richter Advisory Group Inc. ("Richter" or "Trustee") to assist 2964-3277 Quebec Inc. (the "Client") in the preparation and filing of a Notice of Intention to Make a Proposal ("NOI") under the *Bankruptcy and Insolvency Act* ("BIA"), and to act as Trustee in connection therewith.

This engagement letter, together with the attached "Standard Terms and Conditions" and any other appendices mentioned in this engagement letter (collectively, the "Engagement Agreement") set out the terms and conditions of our engagement of Richter to perform the services described below.

Olivier Benchaya and Andrew Adessky will act as the engagement partners and coordinate the services performed for the Client. Where necessary or appropriate, Richter will draw upon other resources to assist with the engagement. The effective date of this engagement shall be the date on which Richter commenced providing services relating to this matter, notwithstanding the date of this letter.

### **Scope of Engagement**

#### **Richter and Client Responsibilities**

With respect to your appointment as Trustee herein, we understand and agree that:

1. The Client shall be responsible to prepare and file with the Official Receiver statements of cash flow, along with all pertinent assumptions and declarations, within the ten (10) day period following the filing of the Notice of Intention to Make a Proposal ("Filing"), **failing which we shall be deemed to have made an Assignment in Bankruptcy**. We understand that the assumptions must include our obligation to pay all post-filing liabilities as they become due, including without limitation, deductions at source, goods and services tax, provincial sales tax, etc. Richter is authorized to present this "Projection" to any creditor or other party upon request by such creditor/party.
2. The statement of cash flow and related documents shall be presented to Richter within five (5) days of the Filing so that Richter may review same and complete the Trustee's report on the cash flow statements, in accordance with the provisions of the BIA.
3. The Client shall ensure that the assumptions made in preparing the cash flow statements are appropriate in the circumstances and that the assumptions as a whole are appropriate. All relevant assumptions shall be properly presented in the notes accompanying the cash flow statements.

4. Richter is obliged to monitor the Client's business and financial affairs, and in this regard, we shall provide you with unrestricted access to the Client's premises and books and records to the extent you deem necessary to perform your duties.
5. The Client shall immediately advise you should there be a material adverse change in the projected cash flow or financial circumstances, for the purposes of your monitoring the on-going activities of the Client.
6. The Client shall immediately disclose to you all of the assets and liabilities of the Client and provide you with weekly financial reports on the operations so that Richter may monitor same.
7. The Client shall file a Proposal with the Official Receiver within thirty (30) days of the Filing or within any extension of that period granted by the Court, **failing which we shall be deemed to have made an Assignment in Bankruptcy.**
8. The Client understands that we are responsible for certain duties and obligations in virtue of the BIA, and that a breach of these duties and obligations could make the directors, officers and/or managers liable to the relevant punitive provisions of the BIA.
9. We confirm that Fadi Melki has been duly authorized by the Board of Directors to approve the cash flow statements on behalf of the Board.

In addition, Richter will advise on further matters and provide supplemental services as may be requested from time to time. All such additional matters and services will also be governed by this Engagement Agreement unless otherwise agreed to in writing.

The Client will provide to Richter, in a timely manner, complete and accurate information to the best of their knowledge and access to management personnel, staff, premises, computer systems and applications as is reasonably required by Richter to complete the performance of its service.

#### **Use, Distribution and Reproduction**

Richter reports and other analysis provided are for exclusive use and are not intended for general circulation or publication, nor are they to be referenced, reproduced or used in whole or in part for any purpose other than as described herein, without written permission in each specific instance. Richter shall not assume any responsibility or liability for losses occasioned to the Client or to any other parties, as a result of the circulation, dissemination, publication, reproduction or use of, or reference to, Richter reports and analysis contrary to the provisions of the Engagement Agreement.

#### **Fees and Expenses**

The Client agrees to pay Richter professional fees and out-of-pocket disbursements (which are expected to consist of costs associated with mailings to creditors, holding of a meeting, travel to and from Court, long-distance and similar expenses) in respect of this appointment and we hereby indemnify and hold you harmless from losses, damages, expenses and costs which you may suffer or incur by carrying out your Mandate.

Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. Unless otherwise indicated, dollar references in this engagement letter are to Canadian Dollars.

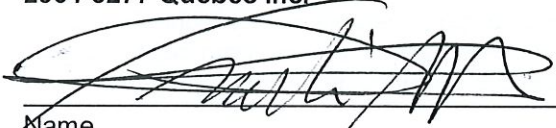
Professionals	Hourly Rates
Partner	\$625
Vice President	\$475
Senior Associate/Associate	\$300 - \$325
Financial Analyst	\$250
Administrator	\$185

**Billing**

Richter fees and costs will be billed on a regular basis and are payable upon receipt. For additional information please see Standard Terms and Conditions attached.

The undersigned acknowledges and agrees that the Engagement Agreement correctly states our understanding with respect to the basis upon which Richter has been engaged to act as Trustee to the NOI of the Client. The Client has read and agreed to the terms and conditions herein.


2964-3277 Quebec Inc.

  
Name

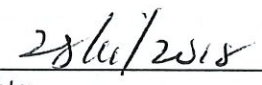
  
Date

Richter Advisory Group Inc.

  
Olivier Benchaya

  
Date

  
Andrew Adessky

  
Date



## Standard Terms and Conditions

The following Standard Terms and Conditions apply to all services that are part of the engagement of Richter Advisory Group Inc. ("Richter") except as otherwise provided in the specific engagement letter between Richter and the Client to which these terms and conditions are attached:

1. **Services** – Services may include advice and recommendation, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the Client. The services provided by Richter to the Client are those of an independent contractor and nothing in the Engagement Agreement is intended to create nor shall be construed as creating an employment, agency, trustee, partnership, representative, joint venture, fiduciary or other relationship similar to the foregoing. Richter shall be entitled to rely on the facts and assumptions provided by the Client and, unless Richter and the Client expressly agree in writing otherwise, shall not independently verify such information. Client acknowledges and agrees that any services to be provided by Richter can be provided by any of Richter's affiliates, mandataries, agents and subcontractors and that each such affiliate, mandatary, agent and subcontractor of Richter shall be entitled to rely on the Engagement Agreement for the provision of its services.
2. **Timely Performance** – Richter will use all reasonable efforts to complete within any agreed upon time-frame the performance of the services described in the Engagement Agreement. The Client acknowledges that the Client's failure to perform its obligations set out in the Engagement Agreement could adversely impact Richter's ability to perform its services. Richter will not be liable for failures or delays in performance that arise from causes beyond its control, including the untimely performance by the Client of its obligations as set out in the Engagement Agreement.
3. **Client's Responsibilities** – The Client will provide to Richter, in a timely manner, complete and accurate information and access to management personnel, staff, premises, computer systems and applications as is reasonably required by Richter to complete the performance of the services.
4. **Right to Terminate Services** – The Client waives any and all rights of unilateral termination and agrees that the termination rights of the Parties hereto shall be determined by the provisions of these Terms and Conditions and the Engagement Agreement to the exclusion of any other provision of law. The Client may terminate the Engagement Agreement by giving written notice not less than thirty (30) days before the effective date of termination, provided that in the event of termination for cause, Richter shall have the right to cure the breach within the notice period. If termination occurs, the Client will pay for time and expenses incurred up to the termination date together with reasonable time and expenses incurred to bring the services to a close in a prompt and orderly manner. Should the Client not fulfill its obligations set out in the Engagement Agreement and in the absence of rectification by the Client within 15 days of notification by Richter, upon written notification Richter may terminate its services and will not be responsible for any loss, cost (including legal fees), damage, claim, expense, demand or liability resulting from such early termination.
5. **Confidentiality** – Both the Client and Richter agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other within their respective organizations.

Neither Richter nor the Client will disclose the other's proprietary or confidential information to any third party without the other's consent, except to the extent such information:

- (a) is required to be disclosed by applicable legal authorities, legal processes, the rules of professional orders including those related to the conduct/code of ethics of professional orders or other legal requirements;

- (b) shall have become publicly known or available, other than as a result of a breach of the Engagement Agreement;
  - (c) was known to the recipient at the time of disclosure or is thereafter created independently without use of or reference to the other's proprietary or confidential information;
  - (d) is subsequently furnished to the recipient by a third party who has rightfully obtained the proprietary or confidential information without any restriction on disclosure.
6. **Use of Third Party Service Providers** – Client understands and agrees that Personal Information and/or confidential information collected by Richter during the course of the Engagement Agreement may be used, processed and stored in or outside Canada by Richter or third party service providers, to provide professional services and administrative, analytical and clerical support. Richter represents that any third party service provider providing services hereunder has agreed or shall agree to conditions of confidentiality with respect to Client's information to the same or similar extent as Richter has agreed pursuant to Section 5.
7. **Ownership** – All working papers, files and other internal materials created or produced by Richter related to the services contemplated in the Engagement Agreement are the property of Richter.
8. **Privacy** – The Client and Richter agree that, during the course of the engagement contemplated by the Engagement Agreement, Richter may collect personal information about identifiable individuals ("Personal Information"), either from the Client or from third parties. The Client and Richter agree that Richter will collect, use and disclose Personal Information on behalf of the Client solely for purposes related to completing the services contemplated in the Engagement Agreement and Richter shall not collect, use and disclose such Personal Information on Richter's own behalf or for its own purposes. Richter's services are provided on the basis that the Client represents to Richter, that before Richter accesses such personal information, the Client will have obtained any required consents for collection, use and disclosure of personal information to Richter, its affiliates, mandataries, agents, subcontractors and third party service providers, as required under applicable privacy legislation.
9. **Communications** – Except as instructed otherwise in writing, each of Richter and the Client may assume that the other approves of properly addressed fax, electronic media (i.e.: e-mail, texts, etc.) and voice mail communication of both sensitive and non-sensitive documents and other communications concerning the services contemplated in the Engagement Agreement, as well as other means of communication used or accepted by the other. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; disclosure or communication of confidential or proprietary information.
10. **File Inspections** – In accordance with professional regulations (and by Richter policies), Richter's client files must periodically be, and will be, reviewed by external practice and professional governing bodies and inspectors. In addition, Richter personnel not specifically involved in your file may review such files to ensure that Richter is adhering to its professional and internal standards. Internal file reviewers are required to maintain confidentiality of client information.

11. **Fee Estimates** – Any fee estimates take into account the agreed-upon level of preparation and assistance from Client personnel and assume that unexpected circumstances will not be encountered. Unless otherwise agreed in writing by a Richter partner, in respect of (i) work covered by the estimate and (ii) work which is not covered by the estimate, the Richter fees will be based on the actual time incurred at Richter's normal hourly rates (which are based on seniority and expertise).
12. **Expenses** – In addition to professional fees and other arrangements agreed to with Richter, Richter's bills will include actual out-of-pocket expenses, service charges and disbursements as well as technology and administrative fees, if any, relating to the services contemplated in the Engagement Agreement (e.g., travel, meals, accommodation).
13. **Cost of Responding to Government or Legal Processes** – In the event that Richter is requested by the Client or required by subpoena, court order, government agency or other legal process or by the rules of professional orders including those related to the conduct/code of ethics of professional orders to produce its files related to the services contemplated in the Engagement Agreement in proceedings to which Richter is not a party, the Client will reimburse Richter for its professional time and expenses, including legal fees, incurred in dealing with such matters. Richter will not return or provide records or information obtained in the course of the services contemplated in the Engagement Agreement to the Client if it is illegal to do so or if Richter is requested to withhold the records or information by legal authority, legal process, the rules of professional orders including those related to the conduct/code of ethics of professional orders or other legal requirements (regardless of whether the Engagement Agreement has been terminated).
14. **Billing** – Accounts will be rendered on a regular basis. All accounts shall be due and payable upon receipt. Interest on overdue accounts accrues at 12% per annum starting 30 days following the date of our invoice. The obligation to pay Richter's fees and expenses is not contingent upon the results of the services or the consummation of any proposed transaction. Richter reserves the right to suspend its services or to withdraw from the Engagement Agreement in the event that any of its invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to Richter, the Client agrees to reimburse Richter for its costs of collection, including legal fees.
15. **Taxes** – All fees and other charges do not include any applicable federal, state, provincial or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future, if any. Any such taxes or duties shall be assumed and paid by the Client without deduction from the fees and charges hereunder.
16. **Non-Solicitation** – The Client shall not, during the term of the Engagement Agreement, without prior consent of Richter, solicit for employment or hire a Richter partner or employee provided however that nothing contained herein shall preclude the hiring of any such partner or employee who: (i) Client was in discussions with regarding possible employment prior to the signing of the Engagement Agreement; (ii) responds to a general solicitation of employment through an advertisement not targeted specifically at Richter, its partners or its employees; or (iii) is referred to Client by search firms, employment agencies, or other similar entities, provided that such entities have not been specifically instructed by Client to solicit the partners and employees of Richter.
17. **No Conflict** – Richter provides a wide variety of services to many clients, and as a result, Richter may now or in the future represent other clients that are the Client's competitors or have interests that are different or adverse to the Client. Accordingly, subject to Richter's professional obligations, the Client agrees that Richter may act for such other clients in such current or future matters. Richter confirms that in accordance with the Engagement Agreement and its professional obligations, Richter will hold in confidence your confidential information and not use it in any other such engagement for another client. Richter has similar obligations to other clients and cannot divulge to the Client any

information obtained in confidence from them, even if it were relevant to the services contemplated in the Engagement Agreement. For avoidance of doubt, Richter has undertaken an inquiry of its available records to determine whether potential conflicts of interest might exist with respect to the performance of the services in respect of this matter and we do not currently believe that any conflict of interest exists which would prevent us from providing the above services.

18. **Limitation of Liability** – Each party agrees that the other party, its affiliates, mandataries, agents and subcontractors, and each of their officers, directors, partners, principals or other personnel (collectively, the "Client Party" or the "Richter Party") shall not be liable for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of (i) in the case of the Richter Party, the fees paid by the Client to Richter under this Engagement Agreement, or (ii) in the case of the "Client Party", the fees paid and payable to Richter by the client under this Engagement Agreement. In no event, shall any Richter Party be liable to Client for any loss of use, data, goodwill, revenues, or profits (whether or not deemed to constitute a direct claim), or any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense relating to this Richter's engagement. On a multiphase engagement, Richter Party's liability shall be based on the amount actually paid to Richter for that particular phase that gives rise to the liability.

The provisions of the preceding paragraph shall not apply to any liability which by the governing law of the Engagement Agreement is unlawful to limit or exclude, including with respect to services performed within the province of Quebec by Richter partners and employees who are members of the Ordre des comptables professionnels agréés du Québec. In such circumstances, such exclusions and limitations will not apply strictly to the extent necessary to make these terms and conditions consistent with such prohibitions.

19. **Indemnification** – Richter's engagement is not planned or conducted in contemplation of or for the purpose of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be addressed by Richter and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction. No third party shall be entitled to the benefit of the Engagement Agreement or shall be entitled to rely on the Engagement Agreement or any Richter work product.

All services rendered and work products given or issued by Richter are provided solely for Client's use and benefit and only in connection with the purpose in respect of which the services are provided. Unless required by law, the Client shall not disclose, distribute or refer such report to any third party or refer to Richter or the Services without Richter's prior written consent, which Richter may at its discretion withhold or grant subject to conditions.

Client will indemnify and hold harmless Richter and its affiliates, mandataries, agents and subcontractors, and each of their officers, directors, partners, principals or other personnel against any third party claim, demand, suit, action, cause of action or liability arising out of or in any way relating to the Engagement Agreement, for any and all damages, losses, costs and expenses, including disbursements and attorneys' fees, except to the extent finally judicially determined to have resulted from Richter's intentional, deliberate, fraudulent misconduct or gross negligence.

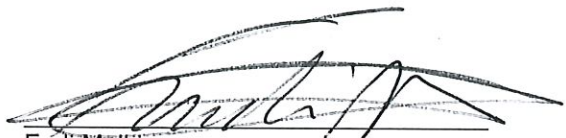
20. **Entire Agreement** – The Engagement Agreement constitutes the entire agreement between Richter and the Client with respect to the services contemplated in the Engagement Agreement and supersedes all prior agreements, whether written or oral. In the event of any conflict or inconsistencies between different parts of the Engagement Agreement then, unless expressly otherwise agreed in writing by the parties, the provisions of these Standard Terms and Conditions shall prevail over the provisions of the cover engagement letter and other appendices, if any, to the extent of such conflict or inconsistency.

21. **Survival** – The agreements and undertakings of the Client contained in the Engagement Agreement and the agreements and undertakings of Richter contained in Section 5 (Confidentiality) of these Standard Terms and Conditions shall survive the completion or termination of the Engagement Agreement.
22. **Amendments** – No amendments or waiver of any provision of the Engagement Agreement shall be binding on either party unless consented to in writing (including by email) by such party. For avoidance of doubt, the parties recognize that additional work not initially contemplated at the time the Engagement Agreement is entered into may be performed by Richter for the Client. In the absence of a new engagement agreement or an amendment to this Engagement Agreement, the terms and conditions of this Engagement Agreement shall govern such new work.
23. **Successors, Assignment** – The Engagement Agreement shall ensure to the benefit of and shall be binding on the parties and their respective successors. Neither party may assign any or its rights or benefits under the Engagement Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other party.
24. **Governing Law** – The Engagement Agreement shall be governed by the laws of the Province of Quebec and the federal laws of Canada applicable therein, without regards to conflict of law rules.
25. **Dispute Resolution** – Richter and the Client shall first attempt to settle any dispute arising out of or relating to the Engagement Agreement or the services provided hereunder (the "Dispute") through good faith negotiations between representatives of each of the parties with authority to resolve the Dispute. In the event the parties are unable to settle or resolve the Dispute within 30 days of written notification of the Dispute by one of the parties, or such longer period as the parties may mutually agree upon, such Dispute shall, as promptly as is reasonably practicable, be subject to mediation pursuant to the National Mediation Rules of the ADR Institute of Canada that are in force at the time the notice is delivered. The parties agree to participate in good faith in such mediation process. Any mediation undertaken shall take place in the city in which the principal Richter office that performed the Engagement is located.
26. **Language** – The parties have requested that the Engagement Agreement and all communications and documents relating thereto be expressed in the English language only. *Les parties ont exigé que la convention de mandat ainsi que tous les documents s'y rattachant soient rédigés dans la langue anglaise seulement.*

**Resolution of Sole Director of  
2964-3277 Quebec Inc.**

**Effective November 28, 2018**

On motion duly made, seconded and carried, Fadi Melki, Sole Director, acted as chairman at the meeting. There being a quorum, the chairman declared the meeting to be regularly constituted. The chairman reported that the company was in financial difficulties and was no longer able to meet its obligations generally as they became due. It was therefore resolved that the company file a proposal pursuant to the *Bankruptcy and Insolvency Act* with Richter Advisory Group Inc./ Richter Groupe Conseil Inc., of Montreal, as Trustee to the proposal, and that, for that purpose, Fadi Melki be authorized to execute such documents in connection therewith as may be required.

A handwritten signature in black ink, appearing to read 'Fadi Melki', is written over a horizontal line. The signature is stylized and somewhat cursive.

Fadi Melki  
Sole Director

November 28, 2018

Richter Advisory Group Inc.  
1981 McGill College  
Montréal, QC H3A 0G6

I, Fadi Melki, an Officer of 2964-3277 Québec Inc., which corporation filed a Notice of Intention to Make a Proposal on November 26, 2018 hereby make oath and say that I shall give unto the Licensed Insolvency Trustee (LIT) all the books and records of 2964-3277 Québec Inc., should it become bankrupt.

I confirm that after the discharge of the Licensed Insolvency Trustee (LIT), the Licensed Insolvency Trustee (LIT) shall at his convenience:

- Return the books and records that the Licensed Insolvency Trustee (LIT) deems to be unimportant in the administration of the Estate, to the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- OR -

- Destroy the books and records of 2964-3277 Québec Inc. which the Licensed Insolvency Trustee (LIT) deems unimportant in the administration of the bankrupt Estate.

**2964-3277 Québec Inc.**

Per:

Fadi Melki

●, Witness



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Québec  
Division No. 01 - Montreal  
Court No. 500-11-055629-188  
Estate No. 41-2449058

In the Matter of the Notice of Intention to make a  
proposal of:

**2964-3277 Québec Inc.**  
Insolvent Person

**RICHTER ADVISORY GROUP INC / RICHTER GROUPE  
CONSEI**  
Licensed Insolvency Trustee

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Date of the Notice of Intention: November 29, 2018

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

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Date: November 29, 2018, 10:00

E-File/Dépôt Electronique

Official Receiver

Sun Life Building, 1155 Metcalfe Street, Suite 950, Montréal, Québec, Canada, H3B2V6, (877)376-9902

**Canada**



**TERMS AND CONDITIONS TO THE SALES PROCESS****IN THE MATTER OF THE SOLICITATION OF BIDS FOR:  
2964-3277 QUÉBEC INC. A.K.A. CARPET ART DECO INTERNATIONAL INC. ("Art Deco")**

On November 28, 2018, Art Deco filed a Notice of Intention to Make a Proposal ("**NOI**") under *the Bankruptcy and Insolvency Act* and Richter Advisory Group Inc. ("**Richter**") was appointed trustee under the NOI.

Richter has been mandated to exclusively initiate and conduct a sale and solicitation process (the "**Sales Process**") to market Art Deco's business (the "**Business**") and the Assets (as defined below). Any transaction concluded in connection with the Business and/or the Assets will be subject to the consent of the Canadian Imperial Bank of Commerce ("**CIBC**") and/or Banque de développement du Canada ("**BDC**"), as the case may be. Any such transaction will also be subject to the approval of the Superior Court of Quebec (Commercial Division) sitting in the district of Montreal (the "**Court**") and, in the case of a transaction involving the Immoveable (as defined below), of 9220-5749 Québec Inc. ("**9220**").

As part of the Sales Process, Richter will allow prospective purchasers ("**Prospective Bidders**") to access (at Richter's choice, either through Richter's virtual data room or through other means chosen by Richter) all documents and information which Art Deco and/or Richter believes to be required in order for a Prospective Bidder to be in a position to make an offer or propose a transaction in connection with the Business or the Assets.

The present Request for Offers (the "**Request**") is subject to and governed by the following terms and conditions:

1. **VENDOR.** The vendor of the Assets will be either Art Deco, 9220-5749 Québec Inc. or Richter in whatever capacity any of these parties is acting at the time of the sale, it being understood that such capacity, unless otherwise provided, shall not alter the terms, conditions or obligations hereof ("**Vendor**").
2. **ASSETS.** The Assets forming the object of the proposed transaction will consist of the whole or any portion of all of (i) Art Deco's corporeal and incorporeal, tangible and intangible property including, without limitation, its rights, title and interest in all of its equipment, inventory, accounts receivable, leasehold rights, contractual rights under agreements, fixed assets, intellectual property and goodwill (collectively, the "**Art Deco Assets**"); and (ii) the property owned by the 9220 located at 480 Avenue Lafleur, Montreal, QC Canada, H8R 3H9 and bearing the lot number 1 930 424 of the Cadastre of Quebec (the "**Immoveable**" and together with the Art Deco Assets, the "**Assets**").
3. **QUALIFIED BIDDER.** Bids will only be considered from bidders who have provided to Richter a fully executed "Confidentiality and Non-Disclosure Agreement" (an "**NDA**") to Richter's complete satisfaction (a "**Pre-Qualified Bidder**").



4. **DUE DILIGENCE.** Upon request made by a Pre-Qualified Bidder to Richter, in order to allow the Pre-Qualified Bidder to complete its due diligence prior to submitting a bid and subject to and in accordance with the provisions of the NDA, the Pre-Qualified Bidder may be granted access to a virtual data room containing information with respect to the Business and the Assets (the "**Information**").
5. **QUALIFIED BID.** Only bids which meet the following conditions (a "**Qualified Bid**") shall be considered:
- (a) the bid is submitted by a Pre-Qualified Bidder;
  - (b) the bid discloses the identity of each person or entity participating in the bid, including the identification of the Pre-Qualified Bidder's direct and indirect owners and their principals;
  - (c) the bid contains evidence of authorization and approval from the Pre-Qualified Bidder's board of directors or comparable governing body, as applicable, with respect to the transaction contemplated by such bid;
  - (d) the bid is binding and capable of being accepted by the Vendor and open for acceptance until at least 5:01 p.m. Montréal Time on December 20, 2018;
  - (e) the bid indicates the consideration offered for the Assets to be purchased (the "**Purchase Price**"), including an allocation of same among the equipment, the inventory, the immovable property and any other Assets.
  - (f) the bid pertains to the acquisition or liquidation of the whole or any portion of the Business or Assets and provides, if only for any portion of same, a detailed listing and description of property, assets or undertaking to be included;
  - (g) the bid includes (i) a duly authorized and executed purchase agreement based on the form of an asset purchase agreement to be provided to Pre-Qualified Bidders upon request ("**Proposed APA**"); (ii) all exhibits and schedules thereto, including a detailed description of the Assets to be included and excluded from the proposed transaction and the allocation of the purchase price among the applicable Assets; (iii) a mark-up of the Proposed APA;
  - (h) the bid is submitted by the Bid Deadline (as defined below) and it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the Closing Date (as defined below);
  - (i) the bid is not conditional upon the outcome of unperformed due diligence or the obtaining of financing;
  - (j) the bid is conditional upon the issuance by the Commercial Division of the Quebec Superior Court for the District of Montreal (the "**Court**") of a judgment or



order (the “**Approval Order**”) which has been made executory notwithstanding appeal which authorizes Vendor to sell the relevant Assets to the Pre-Qualified Bidder, free and clear of all hypothecs, prior claims, security interests, liens, charges and encumbrances whatsoever, other than those expressly assumed by the Qualified Bidder in its Pre-Qualified Bid, and/or to enter into and complete the proposed transaction with the Qualified Bidder, the whole in accordance with the terms and conditions of the Qualified Bid;

- (k) the bid, if presented by a liquidator, auctioneer or similar professional (a “**Liquidator**”), provides for a minimum guaranteed realization in respect of the Assets or a performance-based mechanism for determining the Liquidator’s remuneration.
- (l) the bid, unless it is presented by a Liquidator, is accompanied by a deposit of 5% of the purchase price in the form of a certified cheque, irrevocable electronic transfer of funds or bank draft, payable to “Richter Advisory Group Inc. – In Trust” which will be dealt with in accordance with the terms hereof (the “**Deposit**”);
- (m) the bid provides for a closing of the transaction envisaged by the Qualified Bid (the “**Contemplated Transaction**”) by no later than **5 o’clock p.m.** (Montreal time) on **December 21, 2018** (the “**Closing Date**”); and
- (n) the Qualified Bid provides for the following acknowledgments and representations from the Pre-Qualified Bidder, namely that the Pre-Qualified Bidder:
  - (i) is a knowledgeable, experienced and sophisticated purchaser with respect to the business and/or Assets to be acquired and has had the opportunity to conduct all due diligence it deemed appropriate regarding same, before submitting its bid;
  - (ii) acknowledges and recognizes that the Contemplated Transaction will be made on an “*as is / where is*” basis, at the Qualified Bidder’s own risk and peril, without any representations or warranties of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise, with respect to the Assets;
  - (iii) in submitting its bid, has relied solely upon its own independent review, investigation and/or inspection of the Assets and the Information concerning the Asset and/or Art Deco;
  - (iv) in submitting its bid, has not relied upon any written or oral representations, warranties, guaranties or statements whatsoever, whether express or implied, statutory or otherwise, regarding the Assets and/or Art Deco or regarding any Information or the completeness thereof;

- (v) the bid is accompanied by such other information as may be reasonably requested by the Vendor;
  - (vi) the bid includes either written evidence of a trustworthy firm, irrevocable commitment for all required funding to close the transaction, including, if the Pre-Qualified Bidder is an entity newly formed for the purpose of the transaction, (a) the direct and indirect equity holders of such newly formed entity must guarantee any and all obligations under all definitive transaction documents, and (b) the bid shall contain an equity or debt commitment letter from the parent entity, which is satisfactory to the Vendor.
6. **BID DEADLINE.** Qualified Bids accompanied by the Deposit must be received in a sealed envelope or email by Richter by no later than **noon** (Montreal time) on **December 19, 2018** (the "**Bid Deadline**"). Such sealed envelope or email must clearly be marked/indicated "**BID - CARPET ART DECO INTERNATIONAL**".
  7. **OPENING OF QUALIFIED BIDS.** Qualified Bids will be opened at Richter's offices upon the expiry of the Bid Deadline. No bidder will be present at the opening of bids.
  8. **NO BINDING AGREEMENT.** This request does not, and will not be interpreted to, create any contractual or other legal relationship between any of the Vendor and any bidder, other than as specifically set forth in a definitive agreement that any such bidder may enter into with the Vendor.
  9. **WITHDRAWAL OF A QUALIFIED BID.** All Qualified Bids submitted constitute a firm offer and cannot be revoked prior to the expiry of the Closing Date.
  10. **RETAINED BIDDER AND CONTEMPLATED TRANSACTION.** Richter will determine which of the Qualified Bids, if any, is acceptable. Richter may elect to reject any or all of the Qualified Bids and is under no obligation to accept the highest Qualified Bid or to accept any of the Qualified Bids. Qualified Bidders will be informed in writing by no later than **5 o'clock p.m.** (Montreal time) on **December 20, 2018** of the decision in respect of their respective Qualified Bids, or at a later time, as determined by Richter in its sole discretion and promptly notified to the Qualified Bidders, as follows:
    - (a) if a Qualified Bid is accepted, the Pre-Qualified Bidder will receive a notice of acceptance from Richter (the "**Notice of Acceptance**") confirming that the Vendor agrees to complete the Contemplated Transaction with the Pre-Qualified Bidder (each a "**Retained Bidder**"), the whole subject to the issuance of the Approval Order (each a "**Retained Bid**"); and
    - (b) if a Qualified Bid is dismissed, the Pre-Qualified Bidder will receive notice of dismissal from Richter and the Deposit (without any accrued interest thereon) will be returned by Richter to the Pre-Qualified Bidder. The Pre-Qualified Bidder recognizes and acknowledges that it has absolutely no recourse against Richter,

Art Deco and/or 9220 as a result of the dismissal of its Qualified Bid, save and except with respect to the return of its Deposit (without any accrued interest thereon).

No transaction will be completed without the consent of Art Deco's senior secured lender, CIBC and 9220-5749 Québec Inc.'s senior secured lender, BDC as well as the approval of the Court and, in the case of a transaction involving the Immoveable, the consent of 9220.

11. **DEFINITIVE AGREEMENTS.** Following receipt of a Notice of Acceptance, the Retained Bidder and Vendor undertake to negotiate in good faith to finalize the definitive agreements necessary to fully implement the Contemplated Transaction (the "**Definitive Agreements**").
12. **APPLICATION TO THE COURT.** Unless the Vendor otherwise agrees, the Application to the Court seeking issuance of the Approval Order will not be filed with the Court prior to the drafts of the Definitive Agreements having been approved in writing by each of the Vendor and the Retained Bidder.
13. **CLOSING.** Closing of the Contemplated Transaction(s) will occur no later than the Closing Date.
14. **LIABILITY FOR TAXES.** All applicable duties and taxes (including all sales taxes) that may be payable as a result of or in connection with the Contemplated Transaction will be paid by the Retained Bidder (in addition to the Purchase Price) in full at closing.
15. **WITHDRAWAL OF ACCEPTANCE.** The Vendor may withdraw its Notice of Acceptance at any time prior to the closing of the Contemplated Transaction. In the event of such withdrawal, Richter will return the Deposit (without any accrued interest thereon) to the Retained Bidder and the Retained Bidder will have no further rights or recourses whatsoever against Art Deco and/or Richter.
16. **EXCLUSION OF WARRANTIES.** Any Contemplated Transaction will be made strictly on an "*as is / where is*" basis, at the Retained Bidder's own risk and peril, without any representations or warranties on the part of the Vendor, of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise with respect to the business of Art Deco and/or the Assets being sold, all such representations or warranties being expressly excluded from the Contemplated Transaction. Without limiting the generality of the foregoing, in connection with a sale of the Assets, the Retained Bidder acknowledges (and will acknowledge in the Definitive Agreements) having examined the Assets in all respects and being completely satisfied with their existence, state, condition, saleability, quality and quantity in all respects. Additionally, in connection with a sale of the Assets, the Retained Bidder recognizes and acknowledges (and will recognize and acknowledge in the Definitive Agreements) that the Vendor is not a professional seller of same.



17. **POSSESSION.** Upon occurrence of closing on the Closing Date, in the event the Contemplated Transaction is in respect of the Assets, the Retained Bidder will take possession of same strictly on an "as is / where is" basis, at its own cost and expense, without any liability on the part of the Vendor. The Retained Bidder will indemnify and hold each of the Vendor harmless for and against any claims in connection with any damages caused to any premises where the Assets are located as a result of the Retained Bidder's taking possession thereof ("**Repossession Damages**"). Without limiting the generality of the foregoing, the Vendor shall have the right to repair any Repossession Damages and to be reimbursed by the Retained Bidder for the costs of such repairs within thirty (30) days of the receipt by the Retained Bidder of the invoices relating to such repairs.
18. **TITLE.** Title to the Assets will not pass to the Retained Bidder nor will the Retained Bidder be entitled to possession thereof until the occurrence of closing on the Closing Date.
19. **DEFAULT OF A QUALIFIED BIDDER.** If a Qualified Bidder fails to comply with any of the terms, conditions and provisions hereof, the NDA or its Qualified Bid, the Pre-Qualified Bidder will indemnify and hold harmless the Vendor for any damages incurred as a result of such failure.
20. **DEFAULT OF A RETAINED BIDDER.** If a Retained Bidder fails to complete the Contemplated Transaction or breaches the terms, conditions and provisions hereof or the NDA, then:
- (a) such Retained Bidder will be absolutely deemed to have completely forfeited its Deposit to and in favour of the Vendor and Richter shall immediately remit such Deposit to the party being entitled to same, the Retained Bidder acknowledging that the Vendor shall be entitled to retain as pre-determined partial damages (and not as a penalty) resulting from such Retained Bidder's default; and
  - (b) the Vendor will be entitled to claim damages from the Retained Bidder resulting from such Retained Bidder's default in excess of the Deposit.
21. **NO ASSIGNMENT.** Neither a Pre-Qualified Bidder nor a Retained Bidder will be entitled to transfer or assign, in whole or in part, any of its rights, title and/or interest in or to its Qualified Bid and/or Retained Bid, except with the express prior written consent of the Vendor. If such consent is given, such Pre-Qualified Bidder, the Retained Bidder and the designated transferee/assignee will be solidarily (jointly and severally) liable towards the Vendor for all of the obligations of the Pre-Qualified Bidder and/or the Retained Bidder under its Qualified Bid and/or Retained Bid.
22. **NOTICE.** All communications (including, without limitation, all notices, acceptances, consents and approvals) provided for or permitted hereof shall be in writing, sent by



personal delivery, courier, facsimile or electronic transmission at the following coordinates:

(a) For any Pre-Qualified Bidders: At the coordinates indicated in their respective bids;

(b) To Richter: RICHTER ADVISORY GROUP INC.  
1981 McGill College  
Montreal, Quebec H3A 0G6  
Attention: Olivier Benchaya  
Shawn Travitsky  
E-Mail: [obenchaya@richter.ca](mailto:obenchaya@richter.ca)  
[stravitsky@richter.ca](mailto:stravitsky@richter.ca)

(c) With c.c.: MCCARTHY TÉTRAULT LLP  
2500-1000 De La Gauchetière West St.  
Montreal, Quebec H3B 0A2  
Attention: Alain N. Tardif  
E-Mail: [atardif@mccarthy.ca](mailto:atardif@mccarthy.ca)

23. **APPLICABLE LAW AND JURISDICTION.** These terms and conditions, the NDA, the Definitive Agreements and the Contemplated Transaction(s) will be subject to and governed by the laws of the Province of Quebec and the laws of Canada in force therein from time to time. Each Pre-Qualified Bidder, Retained Bidder, Art Deco and Richter attorns to the exclusive jurisdiction of the Court with respect to any and all legal proceedings or remedies related, directly or indirectly, to these terms and conditions, the NDA, the Definitive Agreements and the Contemplated Transaction(s).
24. **DELAYS.** If any delay provided for herein expires on a day that is not a business day (i.e. any day other than a Saturday, Sunday or statutory holiday in the Province of Quebec or any other day on which banks are generally closed for business in the Province of Quebec), the delay will be extended to the next business day. All delays set forth herein, including, without limitation, the Bid Deadline, the Closing Date and the delays set forth in Sections 7 and 10 hereof, may be extended by Richter.
25. **WAIVER OR VARIANCE OF CONDITIONS.** All of the conditions set forth herein, the NDA and the Contemplated Transaction will enure to the exclusive benefit of the Vendor and, accordingly, the Vendor alone (and expressly not any Pre-Qualified Bidder or any Retained Bidder) will be entitled to waive or vary any of such conditions.
26. **LANGUAGE.** Each of Art Deco, Richter, the Pre-Qualified Bidders and Retained Bidders agree that this Request, the NDA, the Definitive Agreements, the Contemplated Transaction and all related documents be drawn up solely in the English language. / *Chacun des "Art Deco", "Richter", "Pre-Qualified Bidders" et "Retained Bidders" consentent à ce que ce "Request", "Confidentiality Agreement", "Definitive Agreements",*

*“Contemplated Transaction” et tous les documents y afférents soient rédigés dans la langue anglaise.*

**MONTREAL, November 28, 2018**

**RICHTER ADVISORY GROUP INC.**





**EXHIBIT P-5**

Client Number 059018



C/A Number .... 05901802

Description	Outstanding (Includes payments in arrears)	Arrears
PRINCIPAL	9,182,990.00	0.00
INTEREST	42,682.04	0.00
Total	9,225,672.04	0.00

Description	Value
UNDISBURSED	0.00
INTEREST RATE PLAN	Daily float
EFFECTIVE BASE RATE	6.050000 %
VARIANCE RATE	0.000000 %
INTEREST ADJUSTMENT DATE	
BILL TYPE	PRINCIPAL ONLY
FREQUENCY	MONTHLY
NEXT PAYMENT DATE	26/12/2018
NEXT PRINCIPAL DUE	47,335.00
TARGET IRR	0.000000 %
ACTUAL IRR	-0.183090 %

Client Number 059018



C/A Number .... 05901803

Description	Outstanding (Includes payments in arrears)	Arrears
PRINCIPAL	191,726.00	0.00
INTEREST	1,038.21	0.00
Total	192,764.21	0.00

Description	Value
UNDISBURSED	0.00
INTEREST RATE PLAN	Daily float
EFFECTIVE BASE RATE	6.050000 %
VARIANCE RATE	1.000000 %
INTEREST ADJUSTMENT DATE	
BILL TYPE	PRINCIPAL ONLY
FREQUENCY	MONTHLY
NEXT PAYMENT DATE	26/12/2018
NEXT PRINCIPAL DUE	16,700.00
TARGET IRR	0.000000 %
ACTUAL IRR	0.006840 %

Client Number 059018



C/A Number .... 05901805

Description	Outstanding (Includes payments in arrears)	Arrears
PRINCIPAL	1,312,500.00	0.00
INTEREST	5,305.74	0.00
Total	1,317,805.74	0.00

Description	Value
UNDISBURSED	0.00
INTEREST RATE PLAN	Daily float
EFFECTIVE BASE RATE	6.050000 %
VARIANCE RATE	0.300000 %
INTEREST ADJUSTMENT DATE	
BILL TYPE	PRINCIPAL ONLY
FREQUENCY	MONTHLY
NEXT PAYMENT DATE	31/12/2018
NEXT PRINCIPAL DUE	12,500.00
TARGET IRR	0.000000 %
ACTUAL IRR	-0.911820 %

**P-6**

**UNDER SEAL**

SUPERIOR COURT

Commercial Division  
District of Montréal  
File No.: 500-11-055629-188

**2964-3277 QUEBEC INC.**, a legal person duly incorporated under the laws of Canada having a registered head office at 480 avenue Lafleur, Montréal, Québec, H8R 3H9

Debtor

-and-

**RICHTER ADVISORY GROUP INC.**, a legal person duly incorporated under the laws of Canada having a registered head office at 1981 avenue McGill College 12<sup>th</sup> floor, Montréal, Québec, H3A 0G6

Trustee

**MOTION FOR THE ISSUANCE OF AN ORDER FOR AN ADMINISTRATIVE CHARGE, A DIRECTORS AND OFFICERS CHARGE, A KEY EMPLOYEE INCENTIVE PROGRAM AND OTHER REMEDIES**  
(SECTIONS 64.1 AND 64.2 OF THE BANKRUPTCY AND INSOLVENCY ACT)  
**AFFIDAVIT, NOTICE OF PRESENTATION, LIST OF EXHIBITS AND EXHIBITS P-1 TO P-6**

Amount: \$

Nature:

Code:

ORIGINAL



**Borden Ladner Gervais**

B.M. 2545

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Suite 900  
Montréal, QC, Canada H3B 5H4  
Tel. 514.879.1212  
Fax: 514.954.1905  
fdrainville@blg.com

M<sup>re</sup> FRÉDÉRIQUE DRAINVILLE  
File: 296368-00004