

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-039364-100

SUPERIOR COURT
(Commercial Division)
In Bankruptcy and Insolvency

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

MULTINA INC.

Petitioner

-and-

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

Receiver/ Trustee

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(ARTICLE 140.1 C.P.C.)

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Proceeding being served: Motion to extend the deadline for filing a proposal (Section 50.4(9) of the *Bankruptcy and Insolvency Act*)

Date of service: September 30, 2010

Time of service: 12:00

Our file: 128667-1001

Operator:



(Operator's signature)

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

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

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

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

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

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

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

the whole as more appears from the Court record.

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

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

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

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

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

the whole as more appears from the Court record.

16. The closing of the Kawasaki Transaction took place on September 24, 2010 and the C.R.O.I. Transaction is scheduled to close during the week of November 8, 2010.
17. Multina and the Trustee are continuing to deal with other potential purchasers who have shown an interest or may become interested in purchasing Multina's remaining assets, including assets located in Mexico and Plattsburgh and Petitioner's tax attributes.
18. Multina continues to pursue avenues which would allow payment to its creditors.
19. In an effort to avoid bankruptcy, Multina still intends to file a proposal to its creditors, pursuant to the Act.
20. However, as of the present date, Multina has not yet been in a position to file its proposal and, as previously stipulated, the statutory deadline for filing a proposal, as extended by this Honorable Court, is October 4, 2010.
21. The fact that Multina has been unable to file a proposal to date, despite acting in good faith and with due diligence, is still attributable to time and energy spent by Multina's management with completion of the above-described transactions.
22. If this Honorable Court extends the deadline for filing a proposal by an additional period of forty-five (45) days, Multina will continue to negotiate with potential purchasers for the sale of its remaining assets and believes that it could formulate the terms of a viable proposal to its creditors within the said forty-five-day (45) delay being requested herein or shortly thereafter.
23. Multina does not believe that any creditor will be materially prejudiced if the extension being requested herein is granted.
24. In light of the foregoing, Multina respectfully requests that a forty-five-day (45) extension of the deadline for filing a proposal to its creditors be granted, notably in light of the following:
 - (a) Multina is acting in good faith and with due diligence;
 - (b) Multina is continuing its negotiations to sell assets and believes that it could make a viable proposal;

(c) no creditors will be materially prejudiced.

25. The Trustee is in the process of completing a cash flow statement relating to the period from October 4 to November 19, 2010, which will be served and filed with the Court, together with its report, at or prior to the hearing of the present Motion.

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

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

GRANT the Petitioner a forty-five-day (45) extension period up to and including November 18, 2010 to file a proposal to its creditors;

THE WHOLE without costs, except in case of contestation.

MONTREAL, September 30, 2010

(S) STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

STIKEMAN ELLIOTT LLP
Attorneys for the Petitioner

COPIE CONFORME

Stikeman Elliott LLP
STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

AFFIDAVIT

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

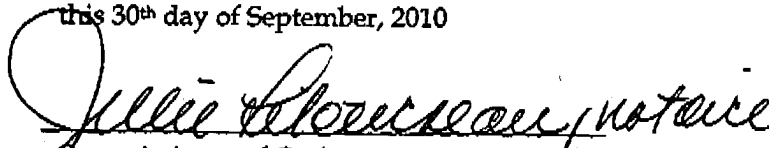
1. I am the President of the Petitioner Multina Inc.;
2. I have read the attached *Motion to extend the deadline for filing a proposal* and all the facts alleged therein are true.

AND I HAVE SIGNED



GERARD NADEAU

Solemnly declared before me,
at Drummondville
this 30th day of September, 2010



Commissioner of Oaths

NOTICE OF PRESENTATION

TO: Mr. Yves Vincent
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Attorneys for Roynat Inc.

TAKE NOTICE that the foregoing *Motion to Extend the Deadline for Filing a Proposal* shall be presented before the Registrar of Superior Court for the District of Montréal, sitting in bankruptcy and insolvency matters, at the Montréal Courthouse, located at 1 Notre-Dame Street East, in the City of Montréal, Province of Québec, in room 16.10, on **Monday October 4, 2010 at 9:00 am** or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTRÉAL, September 30, 2010

(S) STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

COPIE CONFORME

Stikeman Elliott LLP
STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

STIKEMAN ELLIOTT LLP
Attorneys for the Petitioner

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BSQ350

File: 128667-1001

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