

Superior Court

(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N°: 500-11-044282-131

DATE : April 29, 2013

PRESIDING: Me Pierre Pellerin, registraire

**IN THE MATTER OF THE BANKRUPTCY OF STEEL COMPONENTS
PRODUITS MÉTALLIQUES INC. / STEEL COMPONENTS METAL
PRODUCTS INC.:**

**STEEL COMPONENTS PRODUITS MÉTALLIQUES INC. / STEEL
COMPONENTS METAL PRODUCTS INC.**

Debtor

- and -

RICHARD LAPOINTE & ASSOCIÉS

Trustee

- and -

BANK OF MONTREAL

Petitioner

- and -

RICHTER ADVISORY GROUP INC.

Receiver

cmk

ORDER

CONSIDERING the Motion for the Appointment of a Receiver and to Authorize the Sale of the Debtor's Assets presented by the Petitioner (the "**Motion**"), as well as the exhibits and the affidavit of Luc Vincent filed in support thereof;

CONSIDERING the representations of counsel;

CONSIDERING article 243 of the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**") and R.6(4) of the *Bankruptcy and Insolvency General Rules*;

CONSIDERING that the conditions set forth by the above-mentioned Act have been met;

FOR THESE REASONS, THE COURT:

- [1]. **ABRIDGES** the delay for the service and presentation of the Motion;
- [2]. **GRANTS** the Motion;
- [3]. **DECLARES** that sufficient prior notice of the presentation of this Motion has been given by the Petitioner to interested parties;

APPOINTMENT

[4]. **APPOINTS** RICHTER ADVISORY GROUP INC., to act as Receiver (the "**Receiver**") to the Property of STEEL COMPONENTS PRODUITS MÉTALLIQUES INC. / STEEL COMPONENTS METAL PRODUCTS INC. (the "**Debtor**") until one of the following events comes to pass:

- a) the realization and liquidation of the Debtor's movable property, corporeal and incorporeal, wherever located (the "**Property**") is complete or
- b) the issuance of any order by the Court terminating the mandate of the Receiver;

[5]. **DECLARES** that upon Richter being appointed as Receiver, its mandate and duties as Interim Receiver pursuant to the order rendered on March 15, 2013, Exhibit R-5, shall cease;

RECEIVER'S POWERS

[6]. **AUTHORIZES** the Receiver to exercise the following powers:

Powers related to the possession of the Property

[7].AUTHORIZES the Receiver to take possession of the Debtor's Property and to exercise the following powers listed hereinafter in the place and stead of the Debtor in respect of the Property :

Powers related to the preservation of the Property

- a) all the powers necessary for the recovery, the preservation and for the protection of the Property;
- b) all the powers necessary to take possession and to control the Property, regardless of where it is located, or who may be in possession of it, the places of business and the premises occupied by the Debtor;
- c) all the powers necessary to grant the Receiver access, at all times, to the places of business and to the premises of the Debtor, to the Property, and to change the locks granting access to such premises and places of business of the Debtor;
- d) all the powers necessary to grant the Receiver access to all the accounting records of the Debtor, as well as to any document, contract, register of any nature or kind whatsoever, wherever they may be situated and regardless of the medium on which they may be recorded (the "Records"), as well as the powers necessary to make copies of all the Records necessary or useful to the execution of the Receiver's functions;
- e) all the powers necessary to undertake an analysis of the Debtor's Records;

Powers related to the Debtor's affairs

- f) all the powers necessary to control the Debtor's receipts and disbursements;
- g) all the powers necessary to collect all the accounts receivable and all the other claims of the Debtor and to transact in respect of same, as well as to sign any document for this purpose;
- h) all the powers necessary to open any required bank account, pursuant to the terms and conditions the Receiver may determine, with any chartered Canadian bank, or any other financial institution, the whole, in order to cash any item payable to the Debtor, and to issue any payment which, in the opinion of the Receiver, is necessary.

Powers related to the realization, disposition or sale of the Property

- i) all the powers necessary to interest or solicit one or several potential buyers of all or any part of the Property, including, without limitation, the right to carry out a public call for tenders or private solicitations in order to dispose of the Property;
- j) all the powers necessary to carry out the sale or the disposition of the Property of the Debtor, to transact in that regard, and to sign any document or any contract required or useful for these purposes or meant to give effect to any such sale or disposition;

[8].ORDERS when the Property to be disposed of exceeds a liquidation value of \$50,000, the Receiver to petition the Court for authorization to sell all or any part of the Debtor's Property outside the ordinary course of business, upon finding a purchaser and pursuant to conditions it deems reasonable in the circumstances; and **DECLARES** that when the Property to be disposed of has a liquidation value of less than that amount, no prior Court authorization is necessary;

[9].GRANTS the Receiver all the powers necessary to initiate, prosecute and continue the prosecution of any and all proceedings it considers appropriate, including for the purpose of Sections 34 and 249 of the BIA, within the performance of its duties regarding the Property;

[10].AUTHORIZES the Receiver to retain the services of any lawyer, or of any person or business in order to appropriately fulfil its functions;

[11].DECLARES that the Receiver may provide creditors and other relevant stakeholders with information in response to requests made by them in writing. A copy of such requests must be sent to the Petitioner's attorney. Where the Receiver has been advised by the Petitioner that information is confidential, proprietary or competitive, the Receiver shall not provide such information to any person without the consent of the Petitioner unless otherwise directed by this Court.

DEBTOR'S DUTIES

[12].ORDERS the Trustee, as well as the directors, officers, former employees, agents and representatives of the Debtor to forthwith provide the Receiver with access to the Property, to the places of business and to the premises of the Debtor, as well as to the Records;

[13].ORDERS the Trustee, as well as the directors, officers, former employees, agents and representatives of the Debtor to cooperate with the Receiver in the exercise of the powers that are granted pursuant to the terms of this Order;

[14].ORDERS the Trustee not to dispose, alienate, encumber or otherwise transact in any manner whatsoever, with regard to the Property other than with the authorization of the Receiver;

PROTECTION OF PERSONAL INFORMATION

[15].DECLARES that pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver shall disclose personal information on identifiable individuals, which information it has in its possession or under its responsibility, to interested parties or to investors, financiers, prospective purchasers or potential strategic partners, as well as to their advisors, but only to the extent desirable or required, and only upon condition that the persons to whom such personal information is disclosed shall undertake to maintain and protect the privacy of such information and limit the use of such information pursuant to confidentiality agreements entered into with the Receiver;

LIMITATION OF LIABILITY

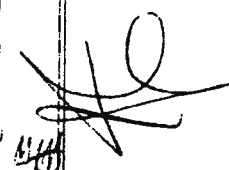
[16].DECLARES that subject to the powers granted to the Receiver pursuant to the terms of paragraph [7] of this Order, nothing herein contained shall require the Receiver to occupy or to take control, or to otherwise manage all or any part of the Property. The Receiver shall not, as a result of this Order, be deemed to be in possession of any of the Property within the meaning of environmental legislation, the whole pursuant to the terms of the BIA;

[17].DECLARES that the powers of the Receiver shall be exercised pursuant to its sole discretion and judgment;

[18].DECLARES that section 215 of the BIA applies *mutatis mutandis*, and hence that no action lies against the Receiver by reason of its appointment or the execution of the powers granted by the Court, except by leave of the Court. The entities related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph;

FEES

[19].DECLARES that as security for the professional fees and disbursements incurred in relation to these proceedings, both before and after the date of this Order, a charge and security over the Property is hereby constituted in favour of the Receiver, of the Receiver's attorneys and other advisors, to the extent of the aggregate amount of \$100,000 (the "Receiver Administration Charge");

100,000


CRJX

[20].DECLARES that the Receiver Administration 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, other than the Administration Charge created in favour of Richter in the Court order rendered March 15, 2013, in these proceedings, Exhibit R-5, with which it shall rank *pari passu*;

[21].DECLARES that the Receiver Administration Charge is effective and shall charge, as of 12:01 a.m. (Montreal time) the day of this Order (the "Effective Time"), all of the Debtor's Property present and future;

[22].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 the Petitioner and any receiving order granting such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioner and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Receiver pursuant to this Order and the granting of the Receiver Administration Charge 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 the Debtor;

[23].AUTHORIZES the Receiver to collect the payment of its fees and disbursements and those of its attorneys, from the Debtor on the proceeds of realization of the Property, with the consent of the Petitioner, the whole subject to taxation in conformity with the BIA, if applicable;

[24].ORDERS that the Debtor shall be responsible for the payment of the Interim Receiver's fees and disbursements, including the fees and disbursements of any Agents retained by the Receiver in the course of its mandate;

SALE OF ASSETS

[25].DECLARES that the CA Offer, as accepted by the Petitioner on April 19, 2013, communicated as Exhibit R-21, providing for the sale of the equipment, subject to payment of the Purchase Price, as such term is defined therein, and performance of the Petitioner's other obligations provided for therein, is fair and reasonable and in the best interest of the Petitioner's stakeholders;

- [26].**AUTHORIZES** the sale of the equipment to Corporate Assets Inc. (the "CA Sale") in accordance with the terms of the CA Offer, and subject to the terms of the standard offer form and the conditions of sale, Exhibit R-21, in particular that such sale is made without any warranty whatsoever, other than those expressly set out in Exhibit R-21;
- [27].**AUTHORIZES** the Petitioner to execute any other agreement, contract, deed or any other document ancillary or related to the CA Offer, or take any other action, which could be required or useful to give full and complete effect thereto;
- [28].**ORDERS** that the CA Offer, and Richter's table, Exhibit R-20, be kept confidential in a sealed envelope, such that the content of those documents will not be made available to the public in order to safeguard the possibility of soliciting and obtaining other offers in the event that the sale is not consummated;
- [29].**AUTHORIZES** the sale of the equipment listed in Exhibit R-9 to Décor Pro Métal Inc. (the "Décor Pro Métal Sale"), and **ORDERS** that the price indicated in that invoice be paid to the Receiver;
- [30].**DECLARES** that the CA Sale and the Décor Pro Métal Sale shall be complete, and absolutely and forever free and clear of and from any and all encumbrances, liens, claims, rights, title, interests, security interests, charges, pledges, mortgages, hypothecations, hypothecs, judgments, executions, writs of seizure and sale, options, adverse claims, levies, charges, priorities, remedies from facts which exist as of the date of the judgment to be rendered hereon whether known or unknown, or any other rights, rights of use, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, whether contractual, statutory, by operation of law or otherwise, whether perfected, attached, registered or filed, whether secured, unsecured or otherwise and whether created by or pursuant to the orders made in these proceedings, including all charges created by order of this Court in these proceedings (the "Liens"), which Liens shall instead attach to the sale price;
- [31].**DECLARES** that, as regards the Petitioner and the Receiver, the Décor Pro Métal Sale shall be made without legal warranty as to quality or quantity of the goods sold;
- [32].**DECLARES** that neither the CA Sale nor the Décor Pro Métal Sale shall not be attacked or voided as a reviewable transaction nor as a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction or constitute oppressive or unfairly prejudicial conduct under the *Companies'*

Creditors Arrangement Act or the Bankruptcy and Insolvency Act or any other applicable provincial or federal legislation;

[33].DECLARES that the judgment to be rendered on this motion shall have full force and effect in all of the provinces and territories of Canada;

LIMITATION OF LIABILITY

[34].ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of the judgment to be rendered herein, save and except for any gross negligence or wilful misconduct on its part;

[35].DECLARES that neither the Petitioner nor the Receiver shall incur any liability or obligation as a result of any conservatory measure or other action taken prior to the making of this judgment which, had such judgment been rendered at that time, would have been authorized by same;

[36].DECLARES nothing herein contained shall require the Interim Receiver to occupy or to take control, or to otherwise manage all or any part of the Property. The Receiver shall not, as a result of this Order, be deemed to be in possession of any of the Property within the meaning of environmental legislation or a successor employer of the Debtor, the whole pursuant to the terms of the *BIA*;

GENERAL

[37].DECLARES that this Order, the Motion and the affidavit do not, in and of themselves, constitute a default or failure to comply by the Debtor under any statute, regulation, license, permit, contract, permission, covenant, agreement, undertaking or any other written document or requirement;

[38].DECLARES that the Receiver is 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;

[39].DECLARES that the Receiver 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 the Interim Receiver shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter;

[40].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 the Petitioner, and for the Receiver and has filed such notice with the Court;

[41].DECLARES that any interested Person may apply to this Court to vary or rescind this Order or seek other relief, except with respect to paragraphs [25] to [33] hereof, upon five (5) days-notice to the Receiver, the Petitioner and any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order;

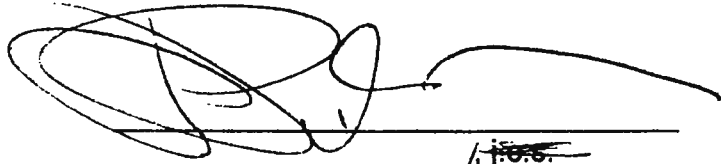
[42].DECLARES that this Order Motion and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada;

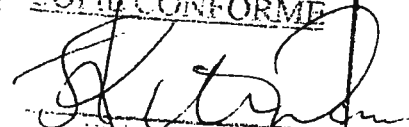
[43].DECLARES that the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*, for which the Receiver shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Receiver as may be deemed necessary or appropriate for that purpose;

[44].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 this Order;

[45].ORDERS the provisional execution of this Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

[46]. THE WHOLE without costs save and except in case of contestation.



COPIE CONFORME

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