

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N° : 500-11-057570-190

SUPERIOR COURT
(Commercial Division)

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

9348069 CANADA INC.

-and-

4295862 CANADA INC.

-and-

MOTOVAN CORPORATION

-and-

MONCY HOLDING COMPANY INC.

-and-

MONCY FINANCIAL SERVICES COMPANY INC.

-and-

NICHOLS MOTORCYCLE SUPPLY INC.

-and-

MONCY LLC

-and-

MOTORCYCLE TIRES & ACCESSORIES LLC ("MTA")

CCAA Parties

- and-

KPMG INC.

Monitor

SECOND REPORT OF THE MONITOR

(Companies' Creditors Arrangement Act, R.S.C. 1985, C. C-36, As Amended)

JANUARY 30, 2020

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A. INTRODUCTION AND PURPOSE OF THE MONITOR'S SECOND REPORT

1. On November 28, 2019, 9348069 Canada inc., 4295862 Canada inc. and Motovan Corporation (collectively "**Motovan**" or the "**Applicants**") filed an application before the Quebec Superior Court, Commercial Division (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
2. On November 28, 2019, KPMG Inc., in its then capacity as proposed monitor, provided the Court with a pre-filing report dated November 29, 2019 (the "**Pre-Filing Report**") in connection with the Applicants' application seeking, *inter alia*, the issuance of an Initial Order granting the CCAA Parties protection under the CCAA and the granting of certain priority charges, namely an administration charge and a directors and officers' charge (the "**Proposed Initial Order**").
3. On December 2nd, 2019, the Court granted an initial order which provides for, among other things, the appointment of KPMG Inc. as monitor of the Applicants (in such capacity, the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**") and a stay of proceedings until December 12, 2019, or such later date as the Court may order against the CCAA Parties (the "**Initial Order**").
4. On December 9, 2019, the Applicants filed a motion (I) for an order extending the stay period, (II) to amend the initial order and (III) for the approval of a sale and investment solicitation process (SISP).
5. On December 12, 2019, the Court granted the Amended and Restated Initial Order (the "**Amending and Restated Initial Order**") and the Order approving the SISP and extending the stay period up to January 31, 2020 (the "**First Extension/SISP Order**").
6. On January 29, 2020, the Applicants filed a motion seeking an extension of the stay period (the "**Second Extension Motion**").
7. The purpose of this report (the "**Report**") is to provide the following information to this Court:
 - a) The terms and reference and disclaimer for the Report (section **B**);
 - b) The Monitor's activities since the issuance of the Amending and Restated Initial Order and the First Extension/SISP Order (section **C**);
 - c) The CCAA Parties' restructuring efforts since the issuance of the Amending and Restated Initial Order and the First Extension/SISP Order (section **D**):
 - i. Motovan SISP;
 - ii. MTA's American assets and operation – court approved liquidation process by the agent Gordon Brothers.
 - d) Motovan and MTA's actual receipts and disbursements for the 10-week period ended January 25, 2020, as compared to the corresponding period reflected in the cash flow projections for Motovan (the "**Motovan Cash Flow Forecast**") and the cash flow projections for MTA (the "**MTA Cash Flow Forecast**"), previously filed as part of the First Monitor's Report;

- e) Overview of cash flow projections for Motovan (the “**Motovan Cash Flow Forecast**”) and the cash flow projections for MTA (the “**MTA Cash Flow Forecast**” and collectively with the Motovan Cash Flow Forecast the “**Cash Flow Forecasts**”) for the 16-week period from January 26, 2020, to May 16, 2020 (the “**Cash Flow Period**”) (section **F**);
 - f) The Monitor’s assessment of the Cash Flow Forecasts (section **G**);
 - g) The request for extension of the stay period up to May 15, 2020 (the “**Stay Period**”) (section **H**);
 - h) Motovan’s Canadian assets and operations – SISP update (section **I**); and
 - i) The Monitor’s observations regarding the Applicants’ request for relief as sought in the Motion (section **J**).
8. A more detailed description of the business operations of the CCAA Parties and background of its restructuring efforts to date is provided in the Motion.

B. RESTRICTIONS AND SCOPE LIMITATIONS

9. In preparing this Report, the Monitor has been provided with and has relied upon unaudited financial information, books and records prepared by certain senior management of the Applicants (“**Senior Management**”), and discussions with Senior Management (collectively, the “**Information**”). Except as further described in this Report:
- a) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
 - b) Some of the information referred to in this Report consists of financial forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.
10. Future oriented financial information referred to in this Report was prepared based on Senior Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections. Even if the assumptions materialize, the variations could be significant.
11. The information contained in this Report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Applicants.
12. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars, which is the Applicants’ common Reporting currency.

C. MONITOR'S ACTIVITIES SINCE THE ISSUANCE OF THE AMENDING AND RESTATED INITIAL ORDER

13. The Monitor:

- a) On December 16, 2019, published a second notice containing the information prescribed under CCAA in the newspapers La Presse and The Gazette. The second notice is attached hereto as **Appendix "A"**;
- b) Posted on the Monitor's websites www.kpmg.com/ca/motovan and www.kpmg.com/ca/motovan-fr (the "**Website**"):
 - i. The Amended and Restated Initial Order and the First Extension/SISP Order;
 - ii. All the orders rendered in the United States Bankruptcy Court for the District of Delaware (the "**US Court**") with regards to the Chapter 15 recognition (the "**Chapter 15 Orders**"). The Chapter 15 Orders are attached hereto as **Appendix "B"**;
 - iii. The interim and final orders rendered by the US Court with regards to the approval of the agency agreements for the sale of the assets of MTA by Gordon Brothers (the "**GB Approval Orders**"). The GB Approval Orders are attached hereto as **Appendix "C"**; and
 - iv. The chapter 15 petitions for recognition of a foreign proceeding.

14. The Monitor has furthermore:

- a) Assisted MTA in the discussions and execution of the agency agreement for disposition of assets between MTA and Gordon Brothers (the "**Agency Agreement**") for the orderly liquidation of MTA's assets;
- b) On December 20, 2019, obtained provisional relief, and on January 23, 2020, obtained final relief under Chapter 15 of the Bankruptcy Code for recognition of the CCAA Proceedings by the US Court;
- c) On December 20, 2019, obtained the interim authorization, and on January 23, 2020, the final authorization of the agency agreement for the sale of the assets of MTA by Gordon Brothers;
- d) Assisted the CCAA Parties with its communications with employees, suppliers, lenders and other parties;
- e) Responded to telephone calls, emails and inquiries and addressed concerns from creditors and other stakeholders and their financial and legal advisors regarding the effect of the CCAA Proceedings;
- f) Prepared and provided to BMO and Richter weekly updates of cash flows and weekly variance analysis on the cash flows for both Motovan and MTA; and
- g) Supervised the SISP performed by KPMG Corporate Finance Inc. ("**KPMG CF**") and provided weekly updates reports of the SISP to the secured creditors and reviewed the offers received. An update of the SISP is more fully described in section I of the Report.

D. CCAA PARTIES' RESTRUCTURING EFFORTS SINCE THE ISSUANCE OF THE AMENDING AND RESTATED INITIAL ORDER

Motovan SISP

15. Motovan has continued to implement the Court approved SISP in respect of their Canadian business and assets which was conducted by KPMG CF acting as exclusive financial advisor to Motovan, under the supervision of the Monitor and the CCAA Court. Four offers were submitted before the bid deadline of 5:00 PM, January 22nd, 2020.
16. An update of the SISP is more fully described in section I of the Report.

MTA's American assets and operation – court approved liquidation process by the agent Gordon Brothers

17. On December 10, 2019, as presented to the Court on December 12, 2020, MTA entered into a term sheet with Gordon Brothers to liquidate its remaining inventory and fixed assets and collect its remaining accounts receivable.
18. That term sheet eventually gave rise to the Agency Agreement which was executed by the parties on December 18, 2019. The Agency Agreement is attached hereto under seal as **Appendix "D"**.
19. Since January 6, 2020, MTA with the assistance and supports of Gordon Brothers under the terms of the Agency Agreement is liquidating its assets.
20. The liquidation of MTA's assets in accordance with the Agency Agreement is anticipated to be completed by end of April, 2020.

E. CASH FLOW RESULTS RELATIVE TO FORECASTS

Motovan

21. The following table summarizes the cash receipts and disbursements for the 70-day ended January 25, 2020, as compared to the Motovan Cash Flow Forecast:

Cumulative Cashflow Analysis - End of Week 10				
Period Starting 2019-11-17				
Period Ending 2020-01-25	Actual	Forecast	Variance	
(in CA \$)			(\$)	(%)
RECEIPTS				
Collections from opening balance	2 628 638	2 634 785	(6 147)	0%
Collections - New sales	2 364 729	1 878 921	485 808	26%
Total receipts	4 993 367	4 513 705	479 661	11%
DISBURSEMENTS				
Operating Disbursements				
Inventory Purchases	(864 899)	(980 564)	115 665	-12%
Freight/Packaging	(256 464)	(599 070)	342 607	-57%
Rent	(110 376)	(110 376)	-	0%
Utilities/Building & Moving Expenses	(122 156)	(103 605)	(18 551)	18%
Insurance	(72 264)	(25 000)	(47 264)	189%
Employee Expenses	(1 264 806)	(1 182 383)	(82 423)	7%
Tax/Duties/Customs	(246 881)	(593 261)	346 379	-58%
Vehicle Leases	(10 874)	(10 000)	(874)	9%
Communication (Internet)	(34 156)	(10 000)	(24 156)	242%
Communication (Phone)	(3 230)	(16 000)	12 770	-80%
Bank Fees and Credit Card Fees	(48 856)	(80 000)	31 144	-39%
USD Purchase / Transfer Western Union	8 819	-	8 819	
Contingency	(67 043)	(65 000)	(2 043)	3%
Total Operating Disbursements	(3 102 674)	(3 788 259)	685 585	-18%
Debt Service Disbursements				
Interest - Facility A	(99 061)	(107 731)	8 670	-8%
Total Debt Service Disbursements	(99 061)	(107 731)	8 670	-8%
Total Professional Fee Disbursements	(834 016)	(975 000)	140 984	-14%
Total Disbursements	(4 035 751)	(4 870 990)	835 238	-17%
Net cash flow	957 616	(357 284)	1 314 900	-368%
Opening Net bank indebtedness	(13 014 264)	(13 372 846)	358 582	-3%
Net cash flow	957 616	(357 284)	1 314 900	-368%
Ending Net bank indebtedness	(12 056 649)	(13 730 130)	1 673 482	-12%

22. As at January 25, 2020, Motovan's net closing bank indebtedness was approximately of \$-12,057,000, which represents a favorable position of \$1,673,000 compared to the Motovan Cash Flow Forecast.

23. The opening net bank indebtedness, as at November 17, 2019, was \$359,000 lower than forecasted due to the forecast deriving from forecasted balances.

24. The net cash flow during the period was approximately \$1,315,000 higher than projected. The primary reasons for the favorable net cash flow variance are summarized below:

- a) Total cash receipts during the period were approximately \$480,000 higher than forecasted mainly due to the collection of new sales cashed earlier than forecasted; and;

- b) Total cash disbursements during the period were approximately \$835,000 lower than forecasted mainly due to:
- i. Timing difference, especially with regards to the payment of the professional fees; and
 - ii. Permanent favorable difference, especially for inventory purchases, freight & packaging and for tax, duties & customs due to lower purchase of inventory.
25. Motovan has paid, and continues to pay in the normal course of business for any goods and services received subsequent to the date of the Amending and Restated Initial Order, including payroll, rent and new purchases.

MTA

26. The following table summarizes the cash receipts and disbursements for the 70-day ended January 25, 2020, as compared to the MTA Cash Flow Forecast:

Cumulative Cashflow Analysis - End of Week 10				
Period Starting 2019-11-17				
Period Ending 2020-01-25	Actual	Forecast	Variance	
			(\$)	(%)
<i>(in US \$)</i>				
RECEIPTS				
Collections from opening balance	1 527 365	2 581 533	(1 054 168)	-41%
Collections - New sales	1 959 020	2 875 000	(915 980)	-32%
Total receipts	3 486 385	5 456 533	(1 970 148)	-36%
DISBURSEMENTS				
Operating Disbursements				
Inventory Purchase	(29 130)	-	(29 130)	
Freight	(352 412)	(439 450)	87 038	-20%
Tariffs/Customs/In-Bound Freight	-	(183 300)	183 300	-100%
Rent	(80 151)	(104 600)	24 449	-23%
Utilities/Building Expenses	(2 502)	(14 000)	11 498	-82%
Insurance	(64 031)	(20 000)	(44 031)	220%
Employee Expenses	(431 392)	(557 085)	125 692	-23%
Miscellaneous operating expenses	-	(13 000)	13 000	-100%
Bank Fees and Credit Card Fees	(24 762)	(106 000)	81 238	-77%
Communication (Internet/Phone)	(21 269)	(26 000)	4 731	-18%
Contingency	(59 964)	(62 000)	2 036	-3%
Total Operating Disbursements	(1 065 613)	(1 525 435)	459 822	-30%
Debt Service Disbursements				
Interest - Facility B	(66 222)	(70 806)	4 584	-6%
Total Debt Service Disbursements	(66 222)	(70 806)	4 584	-6%
Total Professional Fee Disbursements	(162 647)	(400 000)	237 353	-59%
Total Disbursements	(1 294 482)	(1 996 241)	701 758	-35%
Net cash flow	2 191 902	3 460 292	(1 268 390)	-37%
Opening net bank indebtedness	(7 196 261)	(8 287 338)	1 091 077	-13%
Net cash flow	2 191 902	3 460 292	(1 268 390)	-37%
Ending net bank indebtedness	(5 004 359)	(4 827 046)	(177 313)	4%

27. As at January 25, 2020, MTA's closing net bank indebtedness was approximately USD\$-5,004,000, which represents an unfavorable position of USD\$177,000 compared to the MTA Cash Flow Forecast.
28. The opening net bank indebtedness, as at November 17, 2019, was USD\$1,091,000 lower than forecasted due to the forecast deriving from forecasted balances.
29. The net cash flow during the period was approximately USD\$1,268,000 lower than projected. The primary reasons for the unfavorable net cash flow variance are summarized below:
- a) Following the execution of the Agency Agreement by MTA and its approval by the US Court, with the approval of BMO as agent and the lenders, a new cash flow forecast (the "**Liquidation Cash Flow**") taking into consideration the liquidation assumptions provided by Gordon Brothers, was provided to and approved by BMO. Therefore, a first amendment to the forbearance agreement was executed by the CCAA Parties and BMO in order to be consistent with the Liquidation Cash Flow. MTA then followed the Liquidation Cash Flow as a basis for its operations;
 - b) Total cash receipts during the period were approximately USD\$1,970,000 lower than forecasted mainly due to:
 - i. Lower sales than forecasted as the liquidation process was delayed a few weeks and the opening inventory mixt was of less value for customers than estimated; and,
 - ii. The opening accounts receivable had more doubtful accounts than estimated.
 - c) Total cash disbursements during the period were approximately USD\$702,000 lower than forecasted mainly due to:
 - i. Timing difference, especially with regards to the payment of the professional fees; and,
 - ii. Lower operating expenses, especially freight and employees' expenses as expenses were reduced at a minimum level; and,
 - iii. MTA did not had any tariffs/customs/in-bound freight expenses.
30. MTA has paid, and continues to pay in the normal course of business for any goods and services received subsequent to the date of the Amending and Restated Initial Order, including payroll, rent and new purchases.

F. CASH FLOW FORECASTS

31. The Applicants have prepared the Motovan Cash Flow Forecast and the MTA Cash Flow Forecast which covers the Cash Flow Period. A copy of the Cash Flow Forecasts will be filed with this Report as Appendix E.

32. The following table summarizes the Motovan Cash Flow Forecast:

Motovan Corporation ("MTV")	
Cash flow Forecast	Period
For the period Jan-26-2020 to May-16-2020	Total
(in CA \$)	
RECEIPTS	
Collections from opening balance	2 068 123
Collections - New sales	5 663 572
Total receipts	7 731 695
DISBURSEMENTS	
Operating Disbursements	
Inventory Purchases	(1 205 000)
Freight/Packaging	(235 000)
Rent	(220 752)
Utilities/Building & Moving Expenses	(44 000)
Insurance	(87 000)
Employee Expenses	(1 851 596)
Tax/Duties/Customs	(322 642)
Vehicle Leases	(20 000)
Vehicle Operating Expenses	(10 000)
IT Equipment Leases	(8 410)
Other Equipment Lease	(8 000)
Communication (Internet)	(21 000)
Communication (Phone)	(11 900)
Bank Fees and Credit Card Fees	(89 000)
Contingency	(139 600)
Total Operating Disbursements	(4 273 899)
Debt Service Disbursements	
Interest - Facility A	(202 000)
Total Debt Service Disbursements	(202 000)
Professional Fee Disbursements	
Professional Fees - Monitor	(350 379)
Professional Fees - KPMG Corporate Finance	(88 774)
Professional Fees - Monitor's legal counsel	(113 337)
Professional Fees - Debtor legal counsel	(356 643)
Professional Fees - Bank's counsel fees	(151 106)
Total Professional Fee Disbursements	(1 060 239)
Total Disbursements	(5 536 138)
Net cash flow	2 195 557
Opening Net bank indebtedness	(12 056 649)
Net cash flow	2 195 557
Ending Net bank indebtedness	(9 861 092)

33. With respect to the Motovan Cash Flow Forecast:

- a) Motovan had an opening net bank indebtedness balance of -\$12,057,000 at the beginning of the Cash Flow Period;

- b) During the Cash Flow Period, Motovan forecasts to generate aggregate cash inflows of approximately \$7,732,000, consisting of cash receipts from operations;
 - c) During the Cash Flow Period, Motovan forecasts to incur cash outflows of approximately \$5,536,000; and
 - d) At the end of the Cash Flow Period, Motovan projects a net bank indebtedness balance of -\$9,861,000.
34. The Cash Flow Forecast has been prepared without the assumption of a sale of the assets of Motovan pursuant to the SISF that is ongoing. At the bid deadline of January 22nd, 2020, offers were submitted and a decision to approve or not one of the offer is still pending. However, the offers received contemplate a closing of a transaction in the course of week ending on February 15 or 22. If a transaction is executed, the Cash Flow is very likely to change materially.

35. The following table summarizes the MTA Cash Flow Forecast:

Motorcycle Tires & Accessories LLC ("MTA")	
Forecasted cashflows	Period
For the period Jan-26-2020 to May-16-2020	Total
(in US \$)	
RECEIPTS	
Collections from opening balance	1 007 453
Collection from new sales (i.e. since Dec 18th)	2 640 632
Total receipts	3 648 085
DISBURSEMENTS	
Operating Disbursements	
Freight	(49 806)
Rent	(106 120)
Utilities/Building Expenses	(14 000)
Insurance	-
Employee Expenses	(326 345)
Bank Fees and Credit Card Fees	(34 409)
Communication (Internet/Phone)	(12 400)
Contingency	(30 000)
Total Operating Disbursements	(573 079)
Debt Service Disbursements	
Interest - Facility B	(73 936)
Total Debt Service Disbursements	(73 936)
Professional Fee Disbursements	
Professional Fees - Monitor	(100 000)
Professional Fees - Liquidation Agent	(311 144)
Professional Fees - Debtor US legal counsel	(70 000)
Total Professional Fee Disbursements	(481 144)
Total Disbursements	(1 128 160)
Net cash flow	2 519 925
Opening bank indebtedness	(5 004 359)
Net cash flow	2 519 925
Ending bank indebtedness	(2 484 434)

36. With respect to the MTA Cash Flow Forecast:

- a) MTA had a an opening net bank indebtedness balance of US\$-5,004,000 at the beginning of the Cash Flow Period;

- b) During the Cash Flow Period, MTA forecasts to generate aggregate cash inflows of approximately US\$3,648,000, consisting of cash receipts from liquidation of its assets;
 - c) During the Cash Flow Period, MTA forecasts to incur cash outflows of approximately US\$1,128,000; and
 - d) At the end of the Cash Flow Period, MTA projects a net bank indebtedness balance of US\$-2,484,000.
37. Subject to the continued support of their operating lenders, BMO as agent and the lenders, the Cash Flow Forecasts reflect that the Applicants are projected to have sufficient cash flow to operate in the normal course during the extended stay period (**May 15, 2020**). This includes operational requirements such as payroll, as well as the costs pertaining to the CCAA proceedings. The Applicants and BMO have entered into an amended forbearance agreement allowing the Applicants to continue their operations on a going concern basis during the CCAA proceedings, in accordance with the cash flow projections presented herein.

G. MONITOR'S ASSESSMENT OF THE CASH FLOW FORECASTS

38. The Monitor has assessed the Cash Flow Forecasts as to its reasonableness as required by Section 23(1)(b) of the CCAA. Pursuant to this standard, the Monitor's assessment of the Cash Flow Forecasts consisted of inquiries, analytical procedures and discussions related to information supplied to it by Senior Management and employees of the Applicants. The Monitor's procedures with respect to the assumptions considered in the Cash Flow Forecasts (the "**Cash Flow Assumptions**") were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecasts. The Monitor also reviewed the supporting Information provided by Senior Management for the Cash Flow Assumptions and the preparation and presentation of the Cash Flow Forecasts.
39. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in any material respect that:
- a) The Cash Flow Assumptions are not consistent with the purpose of the Cash Flow Forecasts;
 - b) As at the date of this Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast given the Cash Flow Assumptions; or that
 - c) The Cash Flow Forecasts does not reflect the Cash Flow Assumptions.

H. REQUEST FOR AN EXTENSION OF THE STAY PERIOD

40. The stay period pursuant to the Amended and Restated Initial Order expires on January 31, 2020. The Applicants are seeking an extension of the Stay Period until May 15, 2020.
41. To date, the CCAA Parties have been acting diligently and in good faith. Senior Management has provided the Monitor with full co-operation and unrestricted access to CCAA Parties' premises, books and records upon requests by the Monitor.

42. Senior Management has also fully collaborated with KPMG CF in preparation and implementation of the SISP of Motovan and the liquidation of MTA.
43. The Monitor supports the Applicants' Motion to extend the Stay Period to **May 15, 2020**, for the following reasons:
- a) Motovan continues to operate its businesses in the ordinary course until the completion of a transaction;
 - b) As discussed below, the SISP has led to competitive bids and it is anticipated that the approval of a transaction will be sought by mid-February;
 - c) MTA requires additional time to complete its liquidation as approved by the US Court; and
 - d) With the support of their operational lender, BMO, the CCAA Parties have sufficient liquidity to continue their current operations on a going concern basis during the extended Stay Period.

I. SISP UPDATE (MOTOVAN)

44. As presented to the Court in the First Monitor's Report, on December 10, 2019, Motovan has implemented a SISP in respect of their Canadian business and assets which is conducted by KPMG CF acting as exclusive financial advisor to Motovan, under the supervision of the Monitor and the CCAA Court.
45. KPMG CF has conducted the SISP in accordance with the milestones which were approved by the Court on December 12, 2019, and consisted of the followings:

Milestones	Expected Timing
Finalization of a list of Potential Purchasers	Before December 10, 2019
Communication of the Teaser to the Potential Purchasers	Starting on December 10, 2019
Establishment of an Electronic Data Room	Starting on December 10, 2019
Due diligence period	December 10, 2019 to January 22, 2020
Deadline for the filing of a bid	January 22, 2020

46. During the SISP, Motovan maintained its ongoing operations in order to continue generating sales and maximizing the value of its business and assets.
47. During the SISP, KPMG CF has reported on the status of the progression of the SISP on a weekly basis to the Monitor who has then provided the weekly reports to Richter and the main secured creditors, namely BMO, BDC Capital Inc. and Investissement Québec. To preserve the integrity of the SISP, Senior Management of Motovan has not receive such weekly status report.

48. At the bid deadline of January 22, 2020, four (4) offers were submitted to KPMG CF (the “Offers”). The Offers were presented to the secured creditors on January 24, 2020. Two (2) offers contemplates a transaction that would allow the preservation of the going concern operations of Motovan. A final decision on the acceptance of any of the Offers has not been made yet. In addition, the Offer(s) that are the most likely to be accepted by the secured creditors are still subject to conditions and discussions between the Monitors and the bidders are ongoing in this regard. Therefore, Motovan is not yet in a position seek to Court for the approval of a transaction.
49. The Monitor expects that Motovan will be in a position to seek the approval of a transaction by the Court before the end of February 2020.


J. THE MONITOR’S RECOMMENDATIONS

50. The Monitor respectfully submits that the Amending and Restated Order should be granted;
51. The Monitor is of the view that the extension of the Stay Period until May 15, 2020 will afford the Applicants to conduct:
- a) To complete the SISP, seek the Court for the approval of a transaction and complete a transaction, likely preserving the going concern operations of Motovan and the jobs associated thereto; and,
 - b) To complete MTA’s liquidation process as approved by the US Court.
52. The Monitor confirms that:
- a) The CCAA Parties have acted and are continuing to act in good faith with due diligence; and,
 - b) If the Extension of the Stay Period as sought by Applicants is granted by the Court, the CCAA Parties will be able to continue their restructuring efforts with a view to preserve the going concern operations of Motovan and maximise the realization of the assets of MTA.

All of which is respectively submitted to this Honourable Court this 30th day of January 2020.

KPMG INC.

in its capacity as the Monitor of
9348069 Canada Inc.;
4295862 Canada Inc.;
Motovan Corporation;
Moncy Holding Company Inc.;
Moncy Financial Services Company Inc.;
Nichols Motorcycle Supply Inc.;
Moncy LLC &
Motorcycle Tires and Accessories LLC.


Per: Dev A. Coossa, CIRP, LIT
Partner

APPENDIX A – LA PRESSE AND THE GAZETTE SECOND NOTICE

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COMPANIES' CREDITORS ARRANGEMENT ACT NOTICE TO CREDITORS

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT OF 1986/89 (CANADA INC. -encl- 429482 (CANADA INC. -encl- MOTIONA CORPORATION -encl- AGENCY HOLDING COMPANY INC. -encl- MONCY FINANCIAL SERVICES COMPANY INC. -encl- MULTIS MOTORCYCLE SUPPLY INC -encl- MONCY LLC -encl- MOTORCYCLE TIRES AND ACCESSORIES LLC

CCAA Parties
He advised that on December 2, 2019, the Commercial Division of the Quebec Superior Court of the District of Montreal (the "Court") has issued an order (the "Initial Order") under the Companies' Creditors Arrangement Act ("CCAA") under Court number 503-11-05750-190. The Court has appointed KPMG Inc. as monitor (the "Monitor") in the CCAA Parties.

He advised that on December 12, 2019, the Court has issued an amended and restated initial order (the "Order") extending the stay of proceedings against the CCAA Parties until January 31, 2020.

The Monitor will communicate with the creditors again in the manner provided under the CCAA Act by the Court, in particular in the event of the implementation of a process for submitting proofs of claims or of meetings of creditors in order to consider a plan of arrangement. Copies of the notices in the court records, the orders to be rendered by the Court, the Monitor's reports, as well as a list of the names and addresses of one of the known creditors and the estimated amounts of their claims, and eventually all documents relating to the filing of proofs of claim or meetings of creditors regarding a plan or plan of arrangement as the case may be, will be made available on the Monitor's Website at www.kpmg.com/ca/monitor.

If you are unable to access the documents, please contact us by e-mail at opinion@kpmg.ca by leaving your name and phone number, as well as your fax number, e-mail or postal address according to the transmission mode desired.

DATED at Montreal, this 16th day of December 2019

KPMG INC.
In its capacity as Monitor of the CCAA Parties
481 de Maisonneuve Blvd West
Suite 1700
Montreal, Quebec, H3A 0A3 **KPMG**

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The Rivian R1S electric SUV could be built to accommodate up to 180 kWh worth of batteries as well as motors capable of delivering the electric equivalent of 700 plus horsepower. *RIVIAN*

Lincoln eyes Rivian platform for electric SUV

NICHOLAS MARONESE

Lincoln could launch an electric SUV around 2022 based on a skateboard-style EV platform developed by Ford partner Rivian, said a new report released by Reuters.

The highly modular platform — the Rivian itself plans to build starting late 2020 — can be stretched to accommodate up to 180 kWh worth of batteries, and motors capable of delivering its own electric equivalent of 700-plus horsepower.

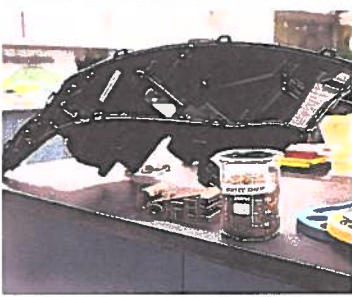
If this hypothetical Lincoln utility vehicle features from company insiders, at all matches the specs of the R1S, battery range could exceed 640 kilometres, and a charging rate of 160 kW means you could juice up the cells to about half that capacity in just 30 minutes.

The report makes note of a smaller electric Lincoln SUV hitting the market first, likely late in 2021 or early 2022, and a mid-size utility to follow the Rivian-based truck in 2022.

At least one of those will likely be built at Ford's Flat Rock plant outside Detroit.

The automaker has confirmed it plans to build one or more models on Volkswagen's modular MEB electric platform, and that it's developing its own battery-powered chassis.

This month the company took the covers off its 2021 Mustang Mach-E electric crossover, and said it plans to offer an electric F-150 pickup in 2021.



Ford and McDonald's are teaming up to use coffee bean waste in vehicle components such as this headlamp housing. *FORD*

Ford to use coffee waste for car parts

ALEX RRID

Cars and coffee? It's usually a gathering of car folks that takes place on the weekend, early in the morning. But that's not the kind of cars-meet-coffee crossover Ford researchers are interested in.

The automaker is — believe it or not — teaming up with McDonald's to turn the restaurant's coffee bean waste into car parts, to help reduce Ford's carbon footprint.

The parts are made of coffee chaff, which is the dried skin of the coffee beans that naturally falls off during the process of roasting them. Chaff is usually used for garden mulch, but through an innovative process, Ford has found a way to turn it into reinforcing material for plastic.

The chaff is heated under pressure in a low-oxygen environment, and mixed with other materials to create pellets that can be formed into car components. Headlight housings and other interior and under-hood components could be made from the material.

The bioplastic made from the chaff is up to 20-per-cent lighter and uses 25-per-cent less energy to mould. The heat properties of the chaff are also better than the components that Ford now uses.

A lighter car that uses less energy to build will help Ford reach its targeted CO2 emissions reductions, as well as better its fuel-economy ratings.

So next time you pull up to a car-and-coffee event in your Mustang and somebody offers you a hot cup of joe, tell them you've already got one under the hood.

MÉMO : LA PRESSE+

Pour publication une fois dans l'édition du
LUNDI, 16 DÉCEMBRE 2019

Sur une colonne **avec logo**, dans la page des annonces
légales et avec caractères suivant :
- modèle ci-dessous.

LOI SUR LES ARRANGEMENTS AVEC LES CRÉANCIERS DES COMPAGNIES

AVIS AUX CRÉANCIERS

DANS L'AFFAIRE DU PLAN D'ARRANGEMENT EN VERTU
DE LA *LOI SUR LES ARRANGEMENTS AVEC LES*
CRÉANCIERS DES COMPAGNIES DE :

9348069 CANADA INC.

-et-

4295862 CANADA INC.

-et-

MOTOVAN CORPORATION

-et-

MONCY HOLDING COMPANY INC.

-et-

MONCY FINANCIAL SERVICES COMPANY INC.

-et-

NICHOLS MOTORCYCLE SUPPLY INC.

-et-

MONCY LLC

-et-

MOTORCYCLE TIRES AND ACCESSORIES LLC

Parties LACC

Soyez avisés que le 2 décembre 2019, la Chambre commerciale de la Cour supérieure du Québec du district de Montréal (le « **Tribunal** ») a rendu une ordonnance initiale (l'« **Ordonnance initiale** ») en vertu de la *Loi sur les arrangements avec les créanciers des compagnies* (la « **LACC** ») sous le numéro de Cour 500-11-057570-190. Au terme de l'Ordonnance Initiale, KPMG Inc. a été nommée contrôleur (le « **Contrôleur** ») des Parties LACC.

Soyez avisés que le 12 décembre 2019, le Tribunal a rendu une ordonnance amendant et mettant à jour l'ordonnance initiale (l'« **Ordonnance** »), prorogeant la suspension des procédures envers les Parties LACC jusqu'au 31 janvier 2020.

Le Contrôleur communiquera à nouveau avec les créanciers suivant les modalités prescrites par la LACC ou par le Tribunal, notamment advenant la mise en place d'un processus pour la production de preuves de réclamation ou la tenue d'assemblée(s) de créanciers pour se prononcer à l'égard d'un plan d'arrangement. Copie des procédures au dossier, des ordonnances à être rendues par le Tribunal, des rapports du Contrôleur, de même qu'une liste des noms et adresses de chacun des créanciers connus et des montants estimés de leurs réclamations, et éventuellement tous les documents relatifs à la production de preuves de réclamation ou encore la tenue d'assemblées de créanciers en lien avec un ou des plans d'arrangements, le cas échéant, seront disponibles sur le site Web du Contrôleur à l'adresse :
www.kpmg.com/ca/motovan-fr

Si vous ne pouvez y accéder, veuillez communiquer avec nous par courriel à motovan@kpmg.ca en nous laissant votre nom et numéro de téléphone ainsi que votre numéro de télécopieur, adresse courriel ou postale selon le mode de transmission désiré.

FAIT à Montréal, le 16^e jour de décembre 2019.

KPMG INC.

En sa qualité de Contrôleur des Parties LACC

600, boul. de Maisonneuve Ouest

Bureau 1500

Montréal (Québec) H3A 0A3

APPENDIX B – CHAPTER 15 ORDERS

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 15
In re:)	
)	
MOTORCYCLE TIRES & ACCESSORIES	)	Case No. 19-12706 (KBO)
LLC, <i>et al.</i> , ¹	)	Joint Administration Requested
)	
Debtors in a Foreign Proceeding	)	Re: Docket No. 9
)	

**ORDER GRANTING PROVISIONAL RELIEF PURSUANT
TO SECTIONS 105(a), 1507, 1517, 1519, 1520 AND 1521 OF THE BANKRUPTCY CODE**

Upon consideration of the motion (the “Motion”)² of KPMG, Inc., (“KPMG” or the “Foreign Representative”), in its capacity as the court-appointed monitor and duly authorized foreign representative for the above-captioned debtors (collectively, the “Debtors”) in the Canadian proceedings (the “Canadian Proceeding”) commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pending before the Superior Court in Commercial Division in the District of Montreal (the “Canadian Court”) seeking (i) entry of this provisional order (this “Provisional Relief Order”), on an interim basis, (a) enforcing the CCAA Order and (b) staying any collection activity by creditors against the Debtors’ assets in the United States; (ii) entry of a final order (the “Recognition Order”), after notice and a hearing, (a) granting recognition of the Canadian Proceeding as a foreign main proceeding under section 1517 of the Bankruptcy Code and (b) enforcing the CCAA Order on a permanent basis in the United States; and (iii) such other and further relief as this Court deems just and proper; and upon the Codère Declaration and the Memorandum of Law; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of the

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Motorcycle Tires & Accessories LLC (8629); Moncy Holding Company, Inc. (6755); Moncy Financial Services Company, Inc. (7515); Moncy LLC (3654); and Nichols Motorcycle Supply, Inc. (4371). The Debtors’ mailing address is 1550 Melissa Court, Corona, CA 92879.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

Chapter 15 Cases and the Motion in this District is proper pursuant to 28 U.S.C. § 1410; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given under the circumstances; and upon the record of the hearing on the Motion; and the Court having found and determined that the relief sought in the Motion is consistent with the purpose of chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

- (i) There is a substantial likelihood that the Foreign Representative will be able to demonstrate that the Debtors are subject to a foreign main proceeding;
- (ii) The commencement or continuation of any action or proceeding in the United States against the Debtors or any of the Debtors' assets or proceeds thereof should be enjoined pursuant to sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the Debtors' estates in the Canadian Proceeding, and the relief requested either will not cause an undue hardship or any hardship to parties-in-interest is outweighed by the benefits of the relief requested in the Motion;
- (iii) Unless a preliminary injunction is issued in these Chapter 15 Cases, there is a material risk that the Debtors' assets could be subject to efforts by creditors or other parties-in-interest in the United States to control or possess such assets. Such acts could: (a) interfere with and cause harm to the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code; (b) interfere with and cause harm to the Debtors' efforts to administer the Debtors' estates in the Canadian Proceeding; and (c) undermine the Debtors' efforts to achieve an equitable result for the benefit of all of the Debtors' creditors. Accordingly, there is a material risk that the Debtors may suffer immediate and irreparable injury and therefore it is necessary that the Court enter this Provisional Relief Order; and;
- (iv) The interest of the public will be served by this Court's entry of this Provisional Relief Order.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is Granted as set forth herein.
2. The CCAA Order is hereby given full force and effect in the United States.
3. Beginning on the date of this Provisional Relief Order and continuing until the date

of the entry of an order of recognition of the Canadian Proceeding as a foreign main proceeding (the "Recognition Date"), all persons and entities are:

- (a) enjoined from commencing or continuing any legal proceeding against the Debtors or against their United States assets, including, but not limited to, (i) continuing any action or commencing any additional action involving the Debtors or their assets or the proceeds thereof, (ii) enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Debtors or their assets, (iii) commencing or continuing any action to create, perfect or enforce any lien, setoff or other claim against the Debtors or against any of their property, and (iv) managing or exercising control over the Debtors' assets; *provided, however*, that nothing in this Order shall prevent disbursement of funds to BMO for application to the obligations owed to the Senior Lenders, and
- (b) required, if such persons or entities are a plaintiff in an action in which the Debtors are or were named as a party, or as a result of which liability against the Debtors may be established, to place counsel for the Foreign Representative, as identified in the Motion and in this Provisional Relief Order, on the master service list of any such action or proceeding and take such other and further steps as may be necessary to ensure that such counsel receives, at the physical address set forth in the Motion and in this Provisional Relief Order, copies of (i) any and all documents served by the parties to such action or proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or proceeding, and (ii) any and all correspondence or other documents circulated to parties listed on the master service list.

4. No person or entity shall discontinue, fail to honor, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favor of or held by the Debtors, except with the written consent of the Foreign Representative or leave of the Canadian Court.

5. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding.

6. The Foreign Representative, in connection with its appointment as the foreign representative, is entitled to the full protections and rights available pursuant to section 1519(a)(1)–

(3) of the Bankruptcy Code, including, without limitation:

- (a) The right and power to administer and/or realize all or part of the Debtors' assets located in the United States in order to protect and preserve the value of such assets;
- (b) The right and power to transfer, encumber or otherwise dispose of any assets of the Debtors are prohibited, except by the Foreign Representative and the Debtors, as provided in this Provisional Relief Order; and
- (c) The right and power to examine witnesses, take evidence or deliver information concerning the Debtors' assets, affairs, rights, obligations or liabilities.

7. Pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, made applicable to these proceedings pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), no notice to any person is required prior to entry and issuance of this Provisional Relief Order. The security provisions of Rule 65(c) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7065, are waived.

8. Notice of (i) the filing of (a) the Chapter 15 Petitions and (b) the Motion, (ii) this Court's entry of this Provisional Relief Order, (iii) the deadline to object to this Court's entry of the Recognition Order and (iv) the hearing for this Court to consider the Chapter 15 Petitions and entry of the Recognition Order shall be served in accordance with the order (the "Notice Order") of this Court approving the *Foreign Representative's Motion for Entry of an Order Specifying Form and Manner of Service of Notice of (I) Filing of (A) Petitions Pursuant to Chapter 15 of the Bankruptcy Code, and (B) Foreign Representative's Motion for Provisional and Final Relief In Recognition of a Foreign Main Proceeding Pursuant to Sections 105(a), 1519, 1520 and 1521 of the Bankruptcy Code, (II) Entry of Provisional Relief Order, (III) Deadline to Object to Entry of Recognition Order, (IV) Hearing for Court to Consider Chapter 15 Petitions and Entry of Recognition Order; (V) Approving the Manner of Service on the Master Service List of Any Pleadings that the Foreign Representative Files in the Chapter 15 Cases; and (VI) Granting*

Certain Related Relief. Service of the Chapter 15 Petitions, the Motion and this Provisional Relief Order (collectively, the “Petition Documents”) in accordance with the Notice Order shall constitute due and sufficient notice of the Petition Documents and any relief of this Court associated therewith.

9. The Petition Documents shall also be made available by the Foreign Representative upon request to its counsel, Potter, Anderson & Corroon, LLP, R. Stephen McNeill, at (302) 984-6000 or rmcneill@potteranderson.com.

10. Any responses or objections to the Chapter 15 Petitions or the entry of the Recognition Order shall (i) be made in writing, describe the basis therefore, and indicate the nature and extent of the respondent’s interests in the Debtors’ cases and (ii) be filed with the Office of the Clerk of the Court, 824 Market Street, Third Floor, Wilmington, Delaware 19801, and served upon counsel for the Foreign Representative, Potter Anderson & Corroon LLP, Hercules Plaza, Sixth Floor, 1313 North Market Street, P.O. Box 951, Wilmington, Delaware 19899-0951 (Attn: R. Stephen McNeill), and counsel to BMO, Chapman and Cutler LLP, 111 West Monroe Street Chicago, IL 60603-4080, (Attn: Stephen R. Tetro II), and Womble, Bond & Dickinson LLP, 1313 N. Market St., Suite 1200 Wilmington, DE 19801, (Attn: Matthew P. Ward), on or before 4:00 p.m. (prevailing Eastern Time) on January 14, 2020.

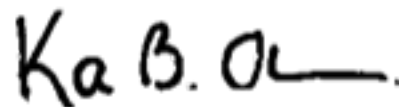
11. A hearing to consider entry of the Recognition Order shall be held on January 23, 2020 at 2:00 p.m. (prevailing Eastern Time).

12. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Provisional Relief Order shall be effective immediately and enforceable upon its entry; the Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Provisional Relief Order; and the Foreign Representative is authorized and empowered, and

may in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Provisional Relief Order.

13. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Provisional Relief Order.

Dated: December 20th, 2019
Wilmington, Delaware

Handwritten signature of Karen B. Owens in black ink.

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

the Memorandum of Law; and upon the Order Granting Provisional Relief Pursuant to Sections 105(a), 1519, 1520 and 1521 of the Bankruptcy Code [D.I. 23] (the “Provisional Relief Order”) previously entered by this Court; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of the Chapter 15 Cases and the Motion in this District is proper pursuant to 28 U.S.C. § 1410; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given under the circumstances; and upon the record of the hearing on the Motion; and the Court having found and determined that the relief sought in the Motion is consistent with the purpose of chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

- (i) The Foreign Representative is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.
- (ii) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.
- (iii) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.
- (iv) The Canadian Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.
- (v) The Canadian Proceeding pending in the Canadian Court in Quebec, Canada, which is the location of the Debtors’ center of main interest, constitutes a foreign main proceeding pursuant to section 1502(4) of the Bankruptcy Code and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.
- (vi) The Foreign Representative as a foreign representative is entitled, without limitation, to all of the relief provided pursuant to section 1520 of the Bankruptcy Code.

- (vii) The relief granted herein is necessary and appropriate, in the interest of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any parties-in-interest that is not outweighed by the benefits of the relief granted.

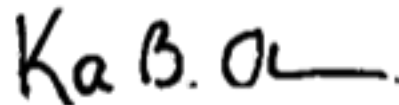
NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is Granted.
2. The Canadian Proceeding is hereby recognized as a “foreign main proceeding” pursuant to section 1517 of the Bankruptcy Code.
3. All provisions of section 1520 of the Bankruptcy Code apply in these Chapter 15 Cases, including, without limitation, sections 361, 362 and 363 of the Bankruptcy Code, with respect to the Debtors and the Debtors’ assets within the United States; *provided, however*, that nothing in this Order shall prevent disbursement of funds to BMO for application to the obligations owed to the Senior Lenders.
4. The CCAA Order is hereby given full force and effect in the United States.
5. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all other prior relief granted pursuant to the Provisional Relief Order pursuant to section 1519(a) of the Bankruptcy Code is hereby extended on a final basis.
6. The Chapter 15 Petitions, the Motion, the Provisional Relief Order and this Recognition Order shall be made available by the Foreign Representative upon request to its counsel, Potter, Anderson & Corroon, LLP, R. Stephen McNeill, at (302) 984-6000 or rmcneill@potteranderson.com.
7. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (i) this Recognition Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the

relief granted in this Recognition Order; and (iii) the Foreign Representative is authorized and empowered, and may in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Recognition Order.

8. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Recognition Order.

Dated: January 22nd, 2020
Wilmington, Delaware



KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re MOTORCYCLE TIRES & ACCESSORIES LLC, ¹ Debtor in a Foreign Proceeding.	Chapter 15 Case No. 19-12706 (KBO)
In re MONCY HOLDING COMPANY, INC., ² Debtor in a Foreign Proceeding.	Chapter 15 Case No. 19-12707 (KBO)
In re NICHOLS MOTORCYCLE SUPPLY, INC., ³ Debtor in a Foreign Proceeding.	Chapter 15 Case No. 19-12708 (KBO)
In re MONCY FINANCIAL SERVICES COMPANY, INC., ⁴ Debtor in a Foreign Proceeding.	Chapter 15 Case No. 19-12709 (KBO)

¹ The last four digits of Motorcycle Tires & Accessories LLC's federal tax identification number are 8629.

² The last four digits of Moncy Holding Company, Inc.'s federal tax identification number are 6755.

³ The last four digits of Nichols Motorcycle Supply, Inc.'s federal tax identification number are 4371.

⁴ The last four digits of Moncy Financial Services Company, Inc.'s federal tax identification number are 7515.

In re

MONCY LLC,⁵

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 19-12710 (KBO)

**ORDER PURSUANT TO 11 U.S.C. § 105(a), FED. R. BANKR. P. 1015(b)
AND LOCAL RULE 1015-1 DIRECTING JOINT ADMINISTRATION
OF THE DEBTORS' RELATED CHAPTER 15 CASES**

Upon the motion (the "Motion")⁶ of KPMG, Inc. ("KPMG" or the "Foreign Representative"), in its capacity as the court-appointed monitor and authorized foreign representative for the above-captioned debtors (collectively, the ("Debtors") for entry of an order (this "Order"), pursuant to section 105(a) of the Bankruptcy Code, Bankruptcy Rule 1015(b) and Local Rule 1015-1, directing the joint administration of the Debtors' related chapter 15 cases (the "Chapter 15 Cases"); and upon consideration of the Codère Declaration; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and due and proper notice of the Motion and hearing to consider the relief requested herein (the "Hearing") appearing adequate and appropriate under the circumstances; and this Court having found that no other or further notice need be provided; and the legal and factual bases set forth in the Motion establishing just and sufficient cause to grant the relief requested therein; and the relief granted herein being in the best interests of the Debtors, their estates,

⁵ The last four digits of Moncy LLC's federal tax identification number are 3654.

⁶ Capitalized terms used, but not otherwise defined, herein shall have those meanings ascribed to them in the Motion.

creditors and all parties in interest; and the Court having held the Hearing with the appearances of interested parties noted in the record of the Hearing; and no objection to the Motion having been filed or made at the Hearing on the Motion; and upon all of the proceedings before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Chapter 15 Cases shall be jointly administered and consolidated for procedural purposes only.
3. The Clerk of the Court shall maintain one file and one docket for the Chapter 15 Cases, which file and docket shall be the file and docket for the chapter 15 case of Motorcycle Tires & Accessories LLC, Case No. 19-12706 (KBO).
4. The consolidated caption of the jointly administered cases, including the accompanying footnote, shall read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 15
In re:)	
)	
MOTORCYCLE TIRES & ACCESSORIES	)	Case No. 19-12706 (KBO)
LLC, <i>et al.</i> , ¹	)	Jointly Administered
)	
Debtors in a Foreign Proceeding)	
)	

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Motorcycle Tires & Accessories LLC (8629); Moncy Holding Company, Inc. (6755); Moncy Financial Services Company, Inc. (7515); Moncy LLC (3654); and Nichols Motorcycle Supply, Inc. (4371). The Debtors’ mailing address is 1550 Melissa Court, Corona, CA 92879.

5. The Clerk of the Court shall make a docket entry in each of the Chapter 15 Cases other than Motorcycle Tires & Accessories LLC substantially as follows:

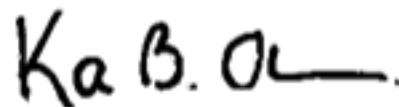
An order has been entered in this case directing the joint administration of the chapter 15 cases of Motorcycle Tires & Accessories LLC, Case No. 19-12706; Moncy Holding Company, Inc. Case No. 19-12707; Nichols Motorcycle Supply, Inc. Case No. 19-12708; Moncy Financial Services Company, Inc., Case No. 19-12709; Moncy LLC Case No. 19-12710. The docket in Case No. 19-12706 should be consulted for all matters affecting this case.

6. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise affecting a substantive consolidation of the Chapter 15 Cases.

7. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

8. This Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Dated: December 20th, 2019
Wilmington, Delaware



KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 15
In re:)	
)	
MOTORCYCLE TIRES & ACCESSORIES	)	Case No. 19-12706 (KBO)
LLC, <i>et al.</i> , ¹	)	Joint Administration Requested
)	
Debtors in a Foreign Proceeding	)	Re: Docket No. 7
)	

ORDER SPECIFYING FORM AND MANNER OF SERVICE OF NOTICE OF (I) FILING OF (A) PETITIONS PURSUANT TO CHAPTER 15 OF THE BANKRUPTCY CODE AND (B) FOREIGN REPRESENTATIVE’S MOTION FOR PROVISIONAL AND FINAL RELIEF IN RECOGNITION OF A FOREIGN MAIN PROCEEDING PURSUANT TO SECTIONS 105(a), 1519, 1520 AND 1521 OF THE BANKRUPTCY CODE; (II) ENTRY OF PROVISIONAL RELIEF ORDER; (III) DEADLINE TO OBJECT TO ENTRY OF RECOGNITION ORDER; (IV) HEARING FOR COURT TO CONSIDER CHAPTER 15 PETITIONS AND ENTRY OF RECOGNITION ORDER; (V) APPROVING THE MANNER OF SERVICE ON THE MASTER SERVICE LIST OF ANY PLEADINGS THAT THE FOREIGN REPRESENTATIVE FILES IN THE CHAPTER 15 CASES; AND (VI) GRANTING CERTAIN RELATED RELIEF

Upon consideration of the motion (the “Motion”)² of KPMG, Inc. (“KPMG” or the “Foreign Representative”), in its capacity as the court-appointed monitor and authorized foreign representative for the above-captioned debtors (collectively, the (“Debtors”), in the Canadian proceeding (the “Canadian Proceeding”) commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pending before the Superior Court in Commercial Division in the in the District of Montreal (the “Canadian Court”), hereby moves (this “Motion”) this Court for entry of an order, pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) and Rules 2002, 9006 and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), specifying

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Motorcycle Tires & Accessories LLC (8629); Moncy Holding Company, Inc. (6755); Moncy Financial Services Company, Inc. (7515); Moncy LLC (3654); and Nichols Motorcycle Supply, Inc. (4371). The Debtors’ mailing address is 1550 Melissa Court, Corona, CA 92879.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

the form and manner of service of the notice of (i) the filing of (a) the Debtors' chapter 15 petitions (collectively, the "Chapter 15 Petitions") and (b) certain related pleadings pursuant to chapter 15 of the Bankruptcy Code, including the Recognition Motion, (ii) this Court's entry of the Provisional Relief Order, (iii) the deadline to object to this Court's entry of the Recognition Order, and (iv) the hearing for this Court to consider the Chapter 15 Petitions and entry of the Recognition Order, and granting certain related relief; and upon the Codère Declaration; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested in the Motion is in the best interests of the Foreign Representative, the Debtors and other parties-in-interest in the Chapter 15 Cases; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted as set forth herein.
2. The Recognition Notice, substantially in the form attached hereto as **Exhibit 1**, is hereby approved.
3. Prior to mailing the Recognition Notice, the Foreign Representative may fill in any missing dates and other information, correct any typographical errors, confirm the provisions thereof to the provisions of this Order, and make such other and further non-material, non-substantive changes as the Foreign Representative deems necessary or appropriate.
4. The Foreign Representative shall serve, or cause to be served, on the Notice Parties: (i) the Recognition Notice, (ii) the Provisional Relief Order, and (iii) the proposed Recognition Order by United States or Canadian mail, first class postage prepaid, by close of business on December 23, 2019.
5. The Foreign Representative shall serve, or cause to be served, on the Master Service List, including any party requesting to be added thereto, all pleadings filed by the Foreign

Representative in the Chapter 15 Cases by United States or Canadian mail, first class postage prepaid and no further or additional notice will be required. Service of all pleadings filed in these Chapter 15 Cases on the Master Service List is hereby approved as due and sufficient notice of such pleadings on all interested parties in these Chapter 15 Cases.

6. To the extent not previously served, in the event any other interested party files a notice of appearance in the Chapter 15 Cases, the Foreign Representative shall serve, or cause to be served, on such party the Recognition Notice, the Provisional Relief Order, and the proposed Recognition Order (or, to the extent the proposed Recognition Order has previously been entered by this Court, the Recognition Order) within three (3) business days of the filing of such notice of appearance by United States or Canadian mail, first class postage prepaid.

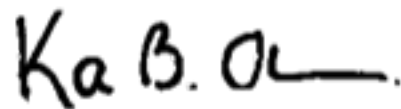
7. Service of the Recognition Notice, the Provisional Relief Order, and the proposed Recognition Order in accordance with this Order is hereby approved as due and sufficient notice and service of the filing of the Chapter 15 Petitions, the Recognition Motion, the Provisional Relief Order, the proposed Recognition Order, the Recognition Hearing and the Recognition Objection Deadline on all interested parties in the Chapter 15 Cases.

8. All notice requirements specified in section 1514(c) of the Bankruptcy Code are hereby waived or otherwise deemed inapplicable to the Chapter 15 Cases.

9. Bankruptcy Rule 1010 does not apply to the Debtors' petitions seeking recognition of a foreign main proceeding and therefore the summons requirements in Bankruptcy Rule 1011(b) are inapplicable to the Chapter 15 Petitions and the Recognition Motion and any requirements under the Bankruptcy Code, the Bankruptcy Rules or otherwise for notice thereof.

10. This Court shall retain jurisdiction with respect to any and all matters arising from or related to the interpretation or implementation of this Order.

Dated: December 20th, 2019
Wilmington, Delaware

Handwritten signature of Karen B. Owens in black ink.

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

**APPENDIX C – GORDON BROTHERS AGENCY AGREEMENT
APPROVAL ORDERS**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 15
In re:)	
)	
MOTORCYCLE TIRES & ACCESSORIES	)	Case No. 19-12706 (KBO)
LLC, <i>et al.</i> , ¹	)	Joint Administration Requested
)	
Debtors in a Foreign Proceeding	)	Re: Docket No. 8
)	

INTERIM ORDER AUTHORIZING FOREIGN REPRESENTATIVE’S MOTION FOR INTERIM AND FINAL ORDERS AUTHORIZING (I) THE DEBTORS TO ASSUME THE AGENCY AGREEMENT, (II) THE CONDUCT OF THE STORE CLOSING SALES, WITH SUCH SALES TO BE FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES, AND (III) GRANTING RELATED RELIEF

Upon consideration of the motion (the “Motion”)² of KPMG, Inc., (“KPMG” or the “Foreign Representative”), in its capacity as the court-appointed monitor and duly authorized foreign representative for the above-captioned debtors (collectively, the “Debtors”) in the Canadian proceedings (the “Canadian Proceeding”) commenced under the under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pending before the Superior Court in Commercial Division in the in the District of Montreal (the “Canadian Court”) and upon consideration of the Codère Declaration; and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and this Court having found that venue of these Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court

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² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

having found that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having found that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND, CONCLUDED AND DETERMINED that:³

A. The Foreign Representative's decision to (i) enter into the Agency Agreement, a copy of which is attached hereto as **Exhibit 1**, and (ii) perform under and make payments required by the Agency Agreement, is a reasonable exercise of the Foreign Representative's sound business judgment consistent with its fiduciary duties and is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest.

B. The Agency Agreement was negotiated at arm's-length and the consideration to be paid to the Agent for its services in connection with the Liquidation Sales constitutes reasonably equivalent value and fair and adequate consideration under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and the laws of the United States, any state, territory, possession thereof or the District of Columbia. The terms and conditions set forth in the Agency Agreement are fair and reasonable under these circumstances and were not entered into for the purpose of, nor do they have the effect of, hindering, delaying or defrauding the Debtors or their creditors under any applicable laws.

C. Time is of the essence in effectuating the Agency Agreement and continuing with

³ The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

the Liquidation Sales contemplated therein without interruption. The conduct of the Liquidation Sales will provide an efficient means for the Foreign Representative to dispose of the Assets. The Liquidation Sales under the Agency Agreement must be permitted to continue to maximize the value that the Agent may realize from the Liquidation Sales and the value that the Foreign Representative may realize from assuming the Agency Agreement.

D. The Agent is not an “insider” as that term is defined in section 101(31) of the Bankruptcy Code. No common identity of directors or controlling stockholders exists between the Agent and the Debtors nor the Foreign Representative.

E. The Liquidation Sales, in accordance with the Agency Agreement and with the assistance of the Agent, will provide an efficient means for the Foreign Representative to liquidate and dispose of the Assets as quickly and effectively as possible, and are in the best interests of the Debtors’ estates.

F. The Resolution Procedures are fair and reasonable and comply with applicable law.

G. The Foreign Representative has represented that, pursuant to the Motion, it is not seeking to either sell or lease personally identifiable information during the course of the Liquidation Sales at the Facilities; *provided, however*, that the Agent will be authorized to distribute emails and promotional materials to the Debtors’ customers consistent with the Debtors’ existing policies on the use of consumer information.

H. A sale of the Assets other than one free and clear of liens, claims, encumbrances, defenses (including, without limitation, rights of setoff and recoupment) and interests, including, without limitation, security interests of whatever kind or nature, mortgages, conditional sales or title retention agreements, pledges, deeds of trust, hypothecations, liens, encumbrances, assignments, preferences, debts, easements, charges, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, taxes

(including foreign, state and local taxes), licenses, covenants, restrictions, indentures, instruments, leases, options, off-sets, claims for reimbursement, contribution, indemnity or exoneration, successor, product, environmental, tax, labor, ERISA, CERCLA, alter ego and other liabilities, causes of action, contract rights and claims, to the fullest extent of the law, in each case, of any kind or nature (including, without limitation, all “claims” as defined in section 101(5) of the Bankruptcy Code), known or unknown, whether pre- petition or post-petition, secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, matured or unmatured, legal or equitable (collectively, “Encumbrances”) pursuant to the terms provided in the Agency Agreement and without the protections of this Interim Order would hinder the Foreign Representative’s ability to obtain the consideration provided for in the Agency Agreement and, thus, would impact materially and adversely the value that the Debtors’ estates would be able to obtain for the sale of such Assets. But for the protections afforded to the Agent under the Bankruptcy Code and this Interim Order, the Agent would not have agreed to the terms contemplated in the Agency Agreement. The Foreign Representative, the Debtors and the Agent may sell the Assets free and clear of all Encumbrances as provided for herein because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of any such Encumbrances who did not object, or who withdrew their objections, to the entry of this Interim Order are deemed to have consented thereto pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of any such Encumbrances who did object fall within one or more of the other subsections of section 363(f) and are adequately protected by having such Encumbrances attaching to the proceeds of the sale of the applicable Assets with the same validity and priority and to the same extent and amount that any such Encumbrances had with respect to such Assets. Therefore, approval of the Agency Agreement

and the consummation of the Liquidation Sales free and clear of Encumbrances is appropriate pursuant to section 363(f) of the Bankruptcy Code and is in the best interests of the Debtors' estates, their creditors and other parties in interest.

I. No sale, transfer or other disposition of the Assets pursuant to the Agency Agreement or entry into the Agency Agreement will subject the Agent to any liability for claims, obligations or Encumbrances asserted against the Debtors or the Debtors' interests in such Assets by reason of such transfer under any laws, including, without limitation, any bulk-transfer laws or any theory of successor or transferee liability, antitrust, environmental, product line, de facto merger or substantial continuity or similar theories. The Agent is not a successor to the Foreign Representative nor the Debtors or their respective estates.

J. The relief set forth herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and the Foreign Representative has demonstrated good, sufficient, and sound business purposes and justifications for the relief approved herein.

K. The entry of this Interim Order is in the best interest of the Debtors, their estates and creditors, and all other parties in interest herein.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. A final hearing (the "Final Hearing") will be held before this Court on January 23, 2020, at 2:00 p.m. (ET) to consider the relief requested in the Motion on a final basis. All objections, if any, to the Motion shall be in writing and filed with this Court and served on (i) proposed counsel to the Foreign Representative, Potter Anderson & Corroon LLP, 1313 N. Market St., Wilmington, DE 19801, Attn: R. Stephen McNeill, Esq. (rmcneill@potteranderson.com); (ii) counsel to the Bank of Montreal, Chapman and Cutler LLP, 111 West Monroe Street Chicago, IL 60603-4080, Attn: Stephen R. Tetro II, Esq. (stetro@chapman.com) and Womble, Bond & Dickinson LLP, 1313 N. Market St., Suite 1200

Wilmington, DE 19801, Attn: Matthew P. Ward, Esq. (matthew.ward@wbd-us.com); (iii) counsel to the Agent, Halperin Battaglia Benzija, LLP, 40 Wall Street, 37th Floor, New York, New York 10005, Attn: Christopher J. Battaglia, Esq. (cbattaglia@halperinlaw.net) and Julie Dyas Goldberg, Esq. (jgoldberg@halperinlaw.net); and (iv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: David L. Buchbinder, Esq. (David.L.Buchbinder@usdoj.gov), so as to be received on or before, January 14, 2020 at 4:00 p.m. (ET).

3. The Foreign Representative is authorized to take all actions necessary to implement the relief granted in this Interim Order. The failure to specifically include any particular provision of the Agency Agreement in this Interim Order shall not diminish or impair the effectiveness of such provisions, it being the intent of this Court that the Agency Agreement and all of its provisions, payments, and transactions, be and hereby are authorized and approved as and to the extent provided for in this Interim Order.

A. Effectiveness of Agreement

4. The Agency Agreement is operative and effective on an interim basis. The Foreign Representative is authorized to act and perform in accordance with the terms of the Agency Agreement, including, but not limited to, making payments required by the Agency Agreement to the Agent without the need for any application of the Agent or a further order of this Court.

5. Subject to the restrictions set forth in this Interim Order and the Agency Agreement, the Debtors and the Agent are authorized to take any and all actions as may be necessary or desirable to implement the Agency Agreement and the Liquidation Sales; and each of the transactions contemplated by the Agency Agreement, and any actions taken by the Foreign Representative and the Agent necessary or desirable to implement the Agency Agreement and/or the Liquidation Sales prior to the date of this Interim Order are approved and ratified.

B. Authority to Engage in the Liquidation Sales

6. The Foreign Representative is authorized, pursuant to sections 105(a), 363(b)(1) and 1520(a) of the Bankruptcy Code, to immediately continue and conduct the Liquidation Sales in accordance with this Interim Order, and the Agency Agreement.

7. All entities that are presently in possession of some or all of the Assets in which the Debtors hold an interest that are or may be subject to the Agency Agreement or this Interim Order hereby are directed to surrender possession of such Assets to the Foreign Representative or the Agent.

8. Except as provided herein, neither the Foreign Representative, the Debtors nor the Agent nor any of their officers, employees, or agents shall be required to obtain the approval of any third party, including (without limitation) any Governmental Unit or any Landlord, to conduct the Liquidation Sales and any related activities in accordance with the Agency Agreement.

9. In consideration for Agent's obligations in connection with the Liquidation Sales, the Foreign Representative shall be authorized to pay Agent pursuant to the terms set forth in section 5 of the Agency Agreement.

C. Order Binding

10. This Interim Order shall be binding upon and shall govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Assets.

11. This Interim Order and the terms and provisions of the Agency Agreement shall be binding on all of the Debtors' creditors (whether known or unknown), the Foreign

Representative, the Debtors, the Agent, and their respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting an interest in the Assets, as well as the rights and interests granted pursuant to this Interim Order and the Agency Agreement, shall continue in these or any superseding cases and shall be binding upon the Debtors, the Agent and their respective successors and permitted assigns.

D. Conducting the Liquidation Sales

12. Except as otherwise provided in the Agency Agreement, pursuant to section 363(f) and 1520(a)(2) of the Bankruptcy Code, the Agent shall be authorized to sell all the Assets to be sold pursuant to the Agency Agreement free and clear of any and all Encumbrances, including, without limitation, the liens and security interests, as the same may have been amended from time to time, of BMO whether arising by agreement, any statute or otherwise and whether arising before, on or after the date on which these chapter 15 cases were commenced, with any presently existing liens (which, for the avoidance of doubt, does not include the Agent's liens granted under the Agency Agreement) encumbering all or any portion of the Assets or the proceeds thereof attaching only to any balance of the Gross Proceeds and Gross Collections (each as defined in the Agency Agreement) that remain after payment is made to Agent pursuant to the Agency Agreement, including but not limited to payments for the Agent's reimbursement of expenses in accordance with Section 6 of the Agency Agreement.

13. Other than filings made by BMO with respect to its liens and security interests in the Assets, if any person or entity, except for a governmental unit, that has filed financing statements, mortgages, construction or mechanic's liens, lis pendens or other documents or agreement evidencing liens on or interests in the Assets shall not have delivered to the Debtors, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of any Encumbrances which the person or entity has with respect to the Assets, each such person or entity is hereby directed to deliver all such statements,

instruments and releases and the Debtors and the Agent are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity asserting the same and the Agent is authorized to file a copy of this Interim Order which, upon filing, shall be conclusive evidence of the release and termination of such interest. Each and every federal, state and local governmental unit is hereby authorized to accept any and all documents and instruments necessary or appropriate to give effect to the Liquidation Sales and related transactions.

14. All newspapers and other advertising media in which the Liquidation Sales may be advertised and all Landlords or licensors, as applicable, of the Facilities are directed to accept this Interim Order as binding authority so as to authorize the Foreign Representative and the Agent to conduct the Liquidation Sales and the sale of Assets pursuant to the Agency Agreement, including, without limitation, to conduct and advertise the sale of the Assets in the manner contemplated by and in accordance with this Interim Order and the Agency Agreement.

15. Nothing nullifies or enjoins the enforcement of any liability to a Governmental Unit under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery, or injunctive relief) that any entity would be subject to as the owner, lessor, lessee, or operator of the property after the date of entry of this Interim Order. Nothing contained in this Interim Order or in the Agency Agreement shall in any way (i) diminish the obligation of any entity to comply with environmental laws, or (ii) diminish the obligations of the Foreign Representative to comply with environmental laws consistent with its rights and obligations under the Bankruptcy Code. Nothing herein shall be construed to be a determination that the Agent is an operator with respect to any environmental law or regulation. Moreover, the sale of the Assets shall not be exempt from, and the Foreign Representative and the Agent shall be required to comply with laws and regulations of general applicability, including, without limitation, public health and safety, criminal, tax, labor, employment, environmental, antitrust, fair competition, traffic and

consumer protection laws, including consumer laws regulating deceptive practices and false advertising (collectively, "General Laws"). Nothing in this Interim Order shall alter or affect the Foreign Representative's and Agent's obligations to comply with all applicable federal safety laws and regulations. Nothing in this Interim Order shall be deemed to bar any Governmental Unit from enforcing General Laws in the applicable non-bankruptcy forum, subject to the Foreign Representative's or the Agent's right to assert in that forum or before this Court that any such laws are not in fact General Laws or that such enforcement is impermissible under the Bankruptcy Code, this Interim Order, or otherwise, pursuant to paragraph 31 hereunder. Notwithstanding any other provision in this Interim Order, no party waives any rights to argue any position with respect to whether the conduct was in compliance with this Interim Order and/or any applicable law, or that enforcement of such applicable law is preempted by the Bankruptcy Code. Nothing in this Interim Order shall be deemed to have made any rulings on any such issues.

16. In accordance with and subject to the terms and conditions of the Agency Agreement, the Agent shall have the right to use the Facilities and all related store services, furniture, fixtures, equipment, and other assets of the Debtors for the purpose of conducting the Liquidation Sales, free and clear of any interference from any entity or person, subject to compliance with the Agency Agreement and this Interim Order.

17. Subject to the Resolution Procedures provided in paragraph 31 hereof, the Foreign Representative and the Agent are hereby authorized to take such actions as may be necessary and appropriate to implement the Agency Agreement and to conduct the Liquidation Sales without the need for a further order of this Court.

18. Except as expressly provided in the Agency Agreement, the sale of the Assets shall be conducted by the Foreign Representative and the Agent notwithstanding any restrictive provision of any lease, sublease, license, reciprocal easement agreement, restrictive covenant, or

other agreement relative to occupancy affecting or purporting to restrict the conduct of the Liquidation Sales, the rejection of leases or licenses, the necessity of obtaining any third party consents, abandonment of assets, or “going dark” provisions, and such provisions shall not be enforceable in conjunction with the Liquidation Sales.

19. Except as expressly provided for herein or in the Agency Agreement, and except with respect to any Governmental Unit (as to which paragraphs 16 and 31 of this Interim Order shall apply), no person or entity, including, but not limited to, any landlord, licensor, service providers, utilities, and creditor, shall take any action to directly or indirectly prevent, interfere with, or otherwise hinder the continuation of the Liquidation Sales or the sale of Assets, or the advertising and promotion of such sales, and all such parties and persons of every nature and description, including, but not limited to, any landlord, licensor, service providers, utilities, and creditor and all those acting for or on behalf of such parties, are prohibited and enjoined from (i) interfering in any way with, obstructing, or otherwise impeding, the conduct of the Liquidation Sales and/or (ii) instituting any action or proceeding in any court (other than in the Bankruptcy Court) or administrative body seeking an order or judgment against, among others, the Foreign Representative, the Debtors, the Agent, or the landlords or licensors, as applicable, at the Facilities that might in any way directly or indirectly obstruct or otherwise interfere with or adversely affect the conduct of the Liquidation Sales or sale of the Assets or other liquidation sales at the Facilities and/or seek to recover damages for breach(es) of covenants or provisions in any lease, sublease, license, or contract based upon any relief authorized herein.

20. All sales of any Assets shall be “as is” and final and all purchasers of the Assets will be notified accordingly. However, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms “as is” or “final sales.” Further, the Foreign Representative and/or the Agent shall accept return of any goods purchased during the Liquidation Sales that contain a defect which the

lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund, provided that the consumer must return the merchandise within seven days of purchase, the consumer must provide a receipt, and the asserted defect must in fact be a “latent” defect.

21. Except as expressly provided for in the Agency Agreement, nothing in this Interim Order or the Agency Agreement, and none of the Agent’s actions taken in respect of the Liquidation Sales shall be deemed to constitute an assumption by Agent of any of the Foreign Representative’s obligations relating to any of the Debtors’ employees. Moreover, the Agent shall not become liable under any collective bargaining or employment agreement or be deemed a joint or successor employer with respect to such employees.

22. The Agent shall not be liable for sales taxes except as expressly provided in the Agency Agreement, and the Foreign Representative remains responsible for the payment of any and all sales taxes. The Foreign Representative is directed to remit all taxes accruing from the Liquidation Sales to the applicable Governmental Units as and when due, provided that in the case of a bona fide dispute, the Foreign Representative is only directed to pay such taxes upon the resolution of the dispute, if and to the extent that the dispute is decided in favor of the applicable Governmental Unit. For the avoidance of doubt, sales taxes collected and held in trust by the Foreign Representative shall not be used to pay any creditor or any other party, other than the applicable Governmental Unit for which the sales taxes are collected. This Interim Order does not enjoin, suspend, or restrain the assessment, levy, or collection of any tax under state law, and does not constitute a declaratory judgment with respect to any party’s liability for taxes under state law.

23. To the extent that the Foreign Representative proposes to sell or abandon Assets that may contain any personal and/or confidential information about the Debtors’ employees and/or customers (the “Confidential Information”), the Debtors shall remove all such the Confidential Information from such Assets before they are sold or abandoned.

24. The Foreign Representative and the Agent are authorized and empowered to transfer Assets among the Facilities. The Agent is authorized to sell, without incurring liability to any person or entity, the Assets in accordance with the terms of the Agency Agreement.

25. Nothing in this Interim Order shall (a) alter or affect the Foreign Representative's obligations to comply with section 365(d)(3) of the Bankruptcy Code or (b) alter or modify the rights of any lessor or other counterparty to a lease with the Foreign Representative to file an appropriate motion or otherwise seek appropriate relief if the Foreign Representative fails to comply with section 365(d)(3) of the Bankruptcy Code; provided that the conduct of the Liquidation Sales in accordance with the Agency Agreement shall not be a violation of section 365(d)(3) of the Bankruptcy Code.

26. During the term of the Liquidation Sales, the Agent shall be granted a limited license and right to use the Debtors' customer lists, supplies, tax identification numbers, computer hardware and software, computer systems, central offices, trade names, logos, furniture, fixtures and equipment, security equipment, and other assets relating to and used in connection with the operation of the business as identified in the Agency Agreement in accordance with the terms of the Agency Agreement.

E. Resolution Procedures for Disputes Regarding Liquidation Laws

27. To the extent that the Liquidation Sales at the Facilities are conducted in accordance with this Interim Order and the Agency Agreement, and are therefore conducted under the supervision of this Court, such Liquidation Sales are authorized notwithstanding any federal, state, or local statute, ordinance, rule, or licensing requirement directed at regulating "going out of business," "store closing," similar inventory liquidation sales, bulk sale laws, or fast pay laws, including laws restricting safe, professional and non-deceptive, customary advertising such as signs, banners, posting of signage, and use of sign-walkers in connection with the sale and including ordinances establishing license or permit requirements, waiting periods, time limits or

bulk sale restrictions (collectively, the “Liquidation Laws”).

28. Provided that the Liquidation Sales are conducted in accordance with the terms of this Interim Order and the Agency Agreement, and in light of the provisions in the laws of many Governmental Units that exempt court-ordered sales from their provisions, the Debtors shall be presumed to be in compliance with any Liquidation Laws and, subject to paragraphs 16 and 19 herein, are authorized to conduct the Liquidation Sales in accordance with the terms of this Interim Order and the Agency Agreement without the necessity of further showing compliance with any such Liquidation Laws. To the extent that between the Petition Date and the date of the Final Hearing there is a dispute arising from or relating to the Liquidation Sales, this Interim Order or the Agency Agreement, which dispute relates to any Liquidation Sales Laws (a “Liquidation Dispute”), the following procedures shall apply:

- a) The Court shall retain exclusive jurisdiction to resolve the Liquidation Dispute which such Liquidation Dispute will be heard at the Final Hearing, absent a party obtaining expedited relief. Nothing in this Interim Order shall constitute a ruling with respect to any issues to be raised with respect to a Liquidation Dispute. Any Governmental Unit may assert a Liquidation Dispute and shall send a notice (the “Dispute Notice”) explaining the nature of the dispute to: (i) proposed counsel to the Foreign Representative, Potter Anderson & Corroon LLP, 1313 N. Market St., Wilmington, DE 19801, Attn: R. Stephen McNeill, Esq. (rmcneill@potteranderson.com); (ii) counsel to the Bank of Montreal, Chapman and Cutler LLP, 111 West Monroe Street Chicago, IL 60603-4080, Attn: Stephen R. Tetro II, Esq. (stetro@chapman.com), and Womble, Bond & Dickinson LLP, 1313 N. Market St., Suite 1200 Wilmington, DE 19801, Attn: Matthew P. Ward, Esq. (matthew.ward@wbd-us.com); (iii) counsel to the Agent, Halperin Battaglia Benzija, LLP, 40 Wall Street, 37th Floor, New York, New York 10005, Attn: Christopher J. Battaglia, Esq. (cbattaglia@halperinlaw.net) and Julie Dyas Goldberg, Esq. (jgoldberg@halperinlaw.net) and (iv) counsel to any statutory committee, no later than fourteen (14) days following the service of the Interim Order.
- b) If the Foreign Representative, the Agent and the Governmental Unit are unable to resolve the Liquidation Dispute within fourteen (14) days of service of the notice, the aggrieved party may file a motion with this Court requesting that this Court resolve the Liquidation Dispute (a “Dispute Resolution Motion”).
- c) Filing a Dispute Resolution Motion as set forth herein shall not be deemed to affect the finality of this Order or to limit or interfere with the Foreign

Representative or the Agent's ability to conduct or to continue to conduct the Store Closing Sales pursuant to this Order and the Agency Agreement, absent further order of this Court.

29. Within two (2) business days of the entry of this Interim Order, the Foreign Representative shall serve copies of this Interim Order, which includes the Agency Agreement, by email, facsimile, or regular mail on the Applicable Governmental Units and the Landlords.

F. Miscellaneous

30. Non-material modifications, amendments, or supplementations to the Agency Agreement and related documents by the parties may be made in accordance with the terms thereof without further order of this Court.

31. All amounts due to the Agent under the Agency Agreement shall be earmarked and paid by the Debtors from proceeds of the Liquidation Sales and shall not be reduced or capped by the terms or conditions of any pre- or post-petition financing facilities or orders related thereto.

32. The Debtors are authorized to transfer the net proceeds from the sale of the Assets, after the payment of Agent's expenses and fees as required by Section 5.D. of the Agency Agreement, to a blocked account at Bank of Montreal or BMO Harris Bank N.A. that is subject to a lien of BMO (and subject to the rights of BMO) securing the obligations owed to the Secured Lenders.

33. The Agent shall not be liable for any claims against the Foreign Representative or the Debtors, and the Debtors shall not be liable for any claims against Agent, in each case, other than as expressly provided for in the Agency Agreement. The Agent shall have no successor liability whatsoever with respect to any Encumbrances or claims of any nature that may exist against the Debtors, including, without limitation, the Agent shall not be, or to be deemed to be: (i) a successor in interest or within the meaning of any law, including any revenue, successor liability, pension, labor, ERISA, bulk-transfer, products liability, tax or environmental law, rule or regulation, or any theory of successor or transferee liability, antitrust, environmental, product

line, de facto merger or substantial continuity or similar theories; or (ii) a joint employer, co-employer or successor employer with the Debtors, and the Agent shall have no obligation to pay the Debtors' wages, bonuses, severance pay, vacation pay, WARN act claims (if any), benefits or any other payments to employees or former employees of the Debtors, including pursuant to any collective bargaining agreement, employee pension plan, or otherwise, except as expressly set forth in the Agency Agreement.

34. This Court shall retain jurisdiction with regard to all issues or disputes arising from or relating to the implementation, interpretation, or enforcement of this Interim Order or the Agency Agreement, including, but not limited to, any claim or issue relating to any efforts by any party or person to prohibit, restrict or in any way limit the Liquidation Sales in accordance with the Agency Agreement, including but not limited to any efforts to prohibit, restrict or limit banner and signwalker advertising, including with respect to any allegations that such advertising is not being conducted in a safe, professional and non-deceptive manner, or any other disputes related to the Liquidation Sales or the assertion of Encumbrances related to the Assets. No parties or person shall take any action against the Foreign Representative, the Debtors, the Agent, or the Liquidation Sales until this Court has resolved such dispute. This Court shall hear the request of such parties or persons with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances.

35. Notwithstanding the relief granted herein and any actions taken hereunder, except with respect to the Agent, nothing contained herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any person.

36. Nothing in this Interim Order is intended to affect any rights of any Applicable Governmental Unit to enforce any law affecting the Debtors' conduct of the Liquidation Sales prior to the Petition Date.

37. No later than five (5) business days prior to the Final Hearing, the Consultant shall

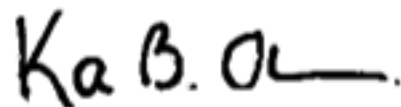
file a declaration disclosing connections to the Debtors and/or the Foreign Representative, their creditors, and other parties in interest in these cases.

38. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

39. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

40. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

Dated: December 20th, 2019
Wilmington, Delaware

Handwritten signature of Karen B. Owens in black ink.

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 15
In re:)	
)	
MOTORCYCLE TIRES & ACCESSORIES	)	Case No. 19-12706 (KBO)
LLC, <i>et al.</i> , ¹	)	Jointly Administered
)	
Debtors in a Foreign Proceeding	)	Re: Docket Nos. 8, 22
)	

FINAL ORDER AUTHORIZING (I) THE DEBTORS TO ASSUME THE AGENCY AGREEMENT, (II) THE CONDUCT OF THE STORE CLOSING SALES, WITH SUCH SALES TO BE FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES, AND (III) GRANTING RELATED RELIEF

Upon consideration of the motion (the “Motion”)² of KPMG, Inc., (“KPMG” or the “Foreign Representative”), in its capacity as the court-appointed monitor and duly authorized foreign representative for the above-captioned debtors (collectively, the “Debtors”) in the Canadian proceedings (the “Canadian Proceeding”) commenced under the under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pending before the Superior Court in Commercial Division in the in the District of Montreal (the “Canadian Court”) and upon consideration of the Codère Declaration; and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and this Court having found that venue of these Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that notice of the Motion has been given as set forth in the Motion and that such

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Motorcycle Tires & Accessories LLC (8629); Moncy Holding Company, Inc. (6755); Moncy Financial Services Company, Inc. (7515); Moncy LLC (3654); and Nichols Motorcycle Supply, Inc. (4371). The Debtors’ mailing address is 1550 Melissa Court, Corona, CA 92879.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

notice is adequate and no other or further notice need be given; and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having entered the *Interim Order Authorizing Foreign Representative's Motion for Interim and Final Orders Authorizing (I) the Debtors to Assume the Agency Agreement, (II) the Conduct of the Store Closing Sales, with Such Sales to Be Free and Clear of All Liens, Claims and Encumbrances, and (III) Granting Related Relief* [D.I. 22] (the "Interim Order"); and upon the record of all hearings on the Motion, including the hearing on December 20, 2019, and all of the proceedings had before this Court; and this Court having found that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND, CONCLUDED AND DETERMINED that:³

A. The Foreign Representative's decision to (i) enter into the Agency Agreement, a copy of which was attached to the Interim Order as **Exhibit 1**, and (ii) perform under and make payments required by the Agency Agreement, is a reasonable exercise of the Foreign Representative's sound business judgment consistent with its fiduciary duties and is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest.

B. The Agency Agreement was negotiated at arm's-length and the consideration to be paid to the Agent for its services in connection with the Liquidation Sales constitutes reasonably equivalent value and fair and adequate consideration under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and the laws of the

³ The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

United States, any state, territory, possession thereof or the District of Columbia. The terms and conditions set forth in the Agency Agreement are fair and reasonable under these circumstances and were not entered into for the purpose of, nor do they have the effect of, hindering, delaying or defrauding the Debtors or their creditors under any applicable laws.

C. Time is of the essence in effectuating the Agency Agreement and continuing with the Liquidation Sales contemplated therein without interruption. The conduct of the Liquidation Sales will provide an efficient means for the Foreign Representative to dispose of the Assets. The Liquidation Sales under the Agency Agreement must be permitted to continue to maximize the value that the Agent may realize from the Liquidation Sales and the value that the Foreign Representative may realize from assuming the Agency Agreement.

D. The Agent is not an “insider” as that term is defined in section 101(31) of the Bankruptcy Code. No common identity of directors or controlling stockholders exists between the Agent and the Debtors nor the Foreign Representative.

E. The Liquidation Sales, in accordance with the Agency Agreement and with the assistance of the Agent, will provide an efficient means for the Foreign Representative to liquidate and dispose of the Assets as quickly and effectively as possible, and are in the best interests of the Debtors’ estates.

F. The Resolution Procedures are fair and reasonable and comply with applicable law.

G. The Foreign Representative has represented that, pursuant to the Motion, it is not seeking to either sell or lease personally identifiable information during the course of the Liquidation Sales at the Facilities; *provided, however*, that the Agent will be authorized to distribute emails and promotional materials to the Debtors’ customers consistent with the Debtors’ existing policies on the use of consumer information.

H. A sale of the Assets other than one free and clear of liens, claims, encumbrances, defenses (including, without limitation, rights of setoff and recoupment) and interests, including, without limitation, security interests of whatever kind or nature, mortgages, conditional sales or title retention agreements, pledges, deeds of trust, hypothecations, liens, encumbrances, assignments, preferences, debts, easements, charges, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, taxes (including foreign, state and local taxes), licenses, covenants, restrictions, indentures, instruments, leases, options, off-sets, claims for reimbursement, contribution, indemnity or exoneration, successor, product, environmental, tax, labor, ERISA, CERCLA, alter ego and other liabilities, causes of action, contract rights and claims, to the fullest extent of the law, in each case, of any kind or nature (including, without limitation, all “claims” as defined in section 101(5) of the Bankruptcy Code), known or unknown, whether pre-petition or post-petition, secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, matured or unmatured, legal or equitable (collectively, “Encumbrances”) pursuant to the terms provided in the Agency Agreement and without the protections of this Final Order would hinder the Foreign Representative’s ability to obtain the consideration provided for in the Agency Agreement and, thus, would impact materially and adversely the value that the Debtors’ estates would be able to obtain for the sale of such Assets. But for the protections afforded to the Agent under the Bankruptcy Code and this Final Order, the Agent would not have agreed to the terms contemplated in the Agency Agreement. The Foreign Representative, the Debtors and the Agent may sell the Assets free and clear of all Encumbrances as provided for herein because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of any such Encumbrances who did not object, or who withdrew

their objections, to the entry of this Final Order are deemed to have consented thereto pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of any such Encumbrances who did object fall within one or more of the other subsections of section 363(f) and are adequately protected by having such Encumbrances attaching to the proceeds of the sale of the applicable Assets with the same validity and priority and to the same extent and amount that any such Encumbrances had with respect to such Assets. Therefore, approval of the Agency Agreement and the consummation of the Liquidation Sales free and clear of Encumbrances is appropriate pursuant to section 363(f) of the Bankruptcy Code and is in the best interests of the Debtors' estates, their creditors and other parties in interest.

I. No sale, transfer or other disposition of the Assets pursuant to the Agency Agreement or entry into the Agency Agreement will subject the Agent to any liability for claims, obligations or Encumbrances asserted against the Debtors or the Debtors' interests in such Assets by reason of such transfer under any laws, including, without limitation, any bulk-transfer laws or any theory of successor or transferee liability, antitrust, environmental, product line, de facto merger or substantial continuity or similar theories. The Agent is not a successor to the Foreign Representative nor the Debtors or their respective estates.

J. The relief set forth herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and the Foreign Representative has demonstrated good, sufficient, and sound business purposes and justifications for the relief approved herein.

K. The entry of this Final Order is in the best interest of the Debtors, their estates and creditors, and all other parties in interest herein.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth herein.
2. The Foreign Representative is authorized to take all actions necessary to implement the relief granted in this Final Order. The failure to specifically include any particular

provision of the Agency Agreement in this Final Order shall not diminish or impair the effectiveness of such provisions, it being the intent of this Court that the Agency Agreement and all of its provisions, payments, and transactions, be and hereby are authorized and approved as and to the extent provided for in this Final Order.

A. Effectiveness of Agreement

3. The Agency Agreement is operative and effective. The Foreign Representative is authorized to act and perform in accordance with the terms of the Agency Agreement, including, but not limited to, making payments required by the Agency Agreement to the Agent without the need for any application of the Agent or a further order of this Court.

4. Subject to the restrictions set forth in this Final Order and the Agency Agreement, the Debtors and the Agent are authorized to take any and all actions as may be necessary or desirable to implement the Agency Agreement and the Liquidation Sales; and each of the transactions contemplated by the Agency Agreement, and any actions taken by the Foreign Representative and the Agent necessary or desirable to implement the Agency Agreement and/or the Liquidation Sales prior to the date of this Final Order are approved and ratified.

B. Authority to Engage in the Liquidation Sales

5. The Foreign Representative is authorized, pursuant to sections 105(a), 363(b)(1) and 1520(a) of the Bankruptcy Code, to immediately continue and conduct the Liquidation Sales in accordance with this Final Order, and the Agency Agreement.

6. All entities that are presently in possession of some or all of the Assets in which the Debtors hold an interest that are or may be subject to the Agency Agreement or this Final Order hereby are directed to surrender possession of such Assets to the Foreign Representative or the Agent.

7. Except as provided herein, neither the Foreign Representative, the Debtors nor the

Agent nor any of their officers, employees, or agents shall be required to obtain the approval of any third party, including (without limitation) any Governmental Unit or any Landlord, to conduct the Liquidation Sales and any related activities in accordance with the Agency Agreement.

8. In consideration for Agent's obligations in connection with the Liquidation Sales, the Foreign Representative shall be authorized to pay Agent pursuant to the terms set forth in section 5 of the Agency Agreement.

C. Order Binding

9. This Final Order shall be binding upon and shall govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Assets.

10. This Final Order and the terms and provisions of the Agency Agreement shall be binding on all of the Debtors' creditors (whether known or unknown), the Foreign Representative, the Debtors, the Agent, and their respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting an interest in the Assets, as well as the rights and interests granted pursuant to this Final Order and the Agency Agreement, shall continue in these or any superseding cases and shall be binding upon the Debtors, the Agent and their respective successors and permitted assigns.

D. Conducting the Liquidation Sales

11. Except as otherwise provided in the Agency Agreement, pursuant to section 363(f) and 1520(a)(2) of the Bankruptcy Code, the Agent shall be authorized to sell all the Assets to be sold pursuant to the Agency Agreement free and clear of any and all Encumbrances, including,

without limitation, the liens and security interests, as the same may have been amended from time to time, of BMO whether arising by agreement, any statute or otherwise and whether arising before, on or after the date on which these chapter 15 cases were commenced, with any presently existing liens (which, for the avoidance of doubt, does not include the Agent's liens granted under the Agency Agreement) encumbering all or any portion of the Assets or the proceeds thereof attaching only to any balance of the Gross Proceeds and Gross Collections (each as defined in the Agency Agreement) that remain after payment is made to Agent pursuant to the Agency Agreement, including but not limited to payments for the Agent's reimbursement of expenses in accordance with Section 6 of the Agency Agreement.

12. Other than filings made by BMO with respect to its liens and security interests in the Assets, if any person or entity, except for a governmental unit, that has filed financing statements, mortgages, construction or mechanic's liens, lis pendens or other documents or agreement evidencing liens on or interests in the Assets shall not have delivered to the Debtors, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of any Encumbrances which the person or entity has with respect to the Assets, each such person or entity is hereby directed to deliver all such statements, instruments and releases and the Debtors and the Agent are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity asserting the same and the Agent is authorized to file a copy of this Final Order which, upon filing, shall be conclusive evidence of the release and termination of such interest. Each and every federal, state and local governmental unit is hereby authorized to accept any and all documents and instruments necessary or appropriate to give effect to the Liquidation Sales and related transactions.

13. All newspapers and other advertising media in which the Liquidation Sales may be advertised and all Landlords or licensors, as applicable, of the Facilities are directed to accept

this Final Order as binding authority so as to authorize the Foreign Representative and the Agent to conduct the Liquidation Sales and the sale of Assets pursuant to the Agency Agreement, including, without limitation, to conduct and advertise the sale of the Assets in the manner contemplated by and in accordance with this Final Order and the Agency Agreement.

14. Nothing nullifies or enjoins the enforcement of any liability to a Governmental Unit under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery, or injunctive relief) that any entity would be subject to as the owner, lessor, lessee, or operator of the property after the date of entry of this Final Order. Nothing contained in this Final Order or in the Agency Agreement shall in any way (i) diminish the obligation of any entity to comply with environmental laws, or (ii) diminish the obligations of the Foreign Representative to comply with environmental laws consistent with its rights and obligations under the Bankruptcy Code. Nothing herein shall be construed to be a determination that the Agent is an operator with respect to any environmental law or regulation. Moreover, the sale of the Assets shall not be exempt from, and the Foreign Representative and the Agent shall be required to comply with laws and regulations of general applicability, including, without limitation, public health and safety, criminal, tax, labor, employment, environmental, antitrust, fair competition, traffic and consumer protection laws, including consumer laws regulating deceptive practices and false advertising (collectively, "General Laws"). Nothing in this Final Order shall alter or affect the Foreign Representative's and Agent's obligations to comply with all applicable federal safety laws and regulations. Nothing in this Final Order shall be deemed to bar any Governmental Unit from enforcing General Laws in the applicable non-bankruptcy forum, subject to the Foreign Representative's or the Agent's right to assert in that forum or before this Court that any such laws are not in fact General Laws or that such enforcement is impermissible under the Bankruptcy Code, this Final Order, or otherwise, pursuant to paragraph 27 hereunder. Notwithstanding any other provision in this Final Order, no party waives any rights to argue

any position with respect to whether the conduct was in compliance with this Final Order and/or any applicable law, or that enforcement of such applicable law is preempted by the Bankruptcy Code. Nothing in this Final Order shall be deemed to have made any rulings on any such issues.

15. In accordance with and subject to the terms and conditions of the Agency Agreement, the Agent shall have the right to use the Facilities and all related store services, furniture, fixtures, equipment, and other assets of the Debtors for the purpose of conducting the Liquidation Sales, free and clear of any interference from any entity or person, subject to compliance with the Agency Agreement and this Final Order.

16. Subject to the Resolution Procedures provided in paragraph 27 hereof, the Foreign Representative and the Agent are hereby authorized to take such actions as may be necessary and appropriate to implement the Agency Agreement and to conduct the Liquidation Sales without the need for a further order of this Court.

17. Except as expressly provided in the Agency Agreement, the sale of the Assets shall be conducted by the Foreign Representative and the Agent notwithstanding any restrictive provision of any lease, sublease, license, reciprocal easement agreement, restrictive covenant, or other agreement relative to occupancy affecting or purporting to restrict the conduct of the Liquidation Sales, the rejection of leases or licenses, the necessity of obtaining any third party consents, abandonment of assets, or “going dark” provisions, and such provisions shall not be enforceable in conjunction with the Liquidation Sales.

18. Except as expressly provided for herein or in the Agency Agreement, and except with respect to any Governmental Unit (as to which paragraphs 14 and 27 of this Final Order shall apply), no person or entity, including, but not limited to, any landlord, licensor, service providers, utilities, and creditor, shall take any action to directly or indirectly prevent, interfere with, or otherwise hinder the continuation of the Liquidation Sales or the sale of Assets, or the advertising and promotion of such sales, and all such parties and persons of every nature and

description, including, but not limited to, any landlord, licensor, service providers, utilities, and creditor and all those acting for or on behalf of such parties, are prohibited and enjoined from (i) interfering in any way with, obstructing, or otherwise impeding, the conduct of the Liquidation Sales and/or (ii) instituting any action or proceeding in any court (other than in the Bankruptcy Court) or administrative body seeking an order or judgment against, among others, the Foreign Representative, the Debtors, the Agent, or the landlords or licensors, as applicable, at the Facilities that might in any way directly or indirectly obstruct or otherwise interfere with or adversely affect the conduct of the Liquidation Sales or sale of the Assets or other liquidation sales at the Facilities and/or seek to recover damages for breach(es) of covenants or provisions in any lease, sublease, license, or contract based upon any relief authorized herein.

19. All sales of any Assets shall be “as is” and final and all purchasers of the Assets will be notified accordingly. However, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms “as is” or “final sales.” Further, the Foreign Representative and/or the Agent shall accept return of any goods purchased during the Liquidation Sales that contain a defect which the lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund, provided that the consumer must return the merchandise within seven days of purchase, the consumer must provide a receipt, and the asserted defect must in fact be a “latent” defect.

20. Except as expressly provided for in the Agency Agreement, nothing in this Final Order or the Agency Agreement, and none of the Agent’s actions taken in respect of the Liquidation Sales shall be deemed to constitute an assumption by Agent of any of the Foreign Representative’s obligations relating to any of the Debtors’ employees. Moreover, the Agent shall not become liable under any collective bargaining or employment agreement or be deemed a joint or successor employer with respect to such employees.

21. The Agent shall not be liable for sales taxes except as expressly provided in the Agency Agreement, and the Foreign Representative remains responsible for the payment of any and all sales taxes. The Foreign Representative is directed to remit all taxes accruing from the Liquidation Sales to the applicable Governmental Units as and when due, provided that in the case of a bona fide dispute, the Foreign Representative is only directed to pay such taxes upon the resolution of the dispute, if and to the extent that the dispute is decided in favor of the applicable Governmental Unit. For the avoidance of doubt, sales taxes collected and held in trust by the Foreign Representative shall not be used to pay any creditor or any other party, other than the applicable Governmental Unit for which the sales taxes are collected. This Final Order does not enjoin, suspend, or restrain the assessment, levy, or collection of any tax under state law, and does not constitute a declaratory judgment with respect to any party's liability for taxes under state law.

22. To the extent that the Foreign Representative proposes to sell or abandon Assets that may contain any personal and/or confidential information about the Debtors' employees and/or customers (the "Confidential Information"), the Debtors shall remove all such the Confidential Information from such Assets before they are sold or abandoned.

23. The Foreign Representative and the Agent are authorized and empowered to transfer Assets among the Facilities. The Agent is authorized to sell, without incurring liability to any person or entity, the Assets in accordance with the terms of the Agency Agreement.

24. Nothing in this Final Order shall (a) alter or affect the Foreign Representative's obligations to comply with section 365(d)(3) of the Bankruptcy Code or (b) alter or modify the rights of any lessor or other counterparty to a lease with the Foreign Representative to file an appropriate motion or otherwise seek appropriate relief if the Foreign Representative fails to comply with section 365(d)(3) of the Bankruptcy Code; provided that the conduct of the Liquidation Sales in accordance with the Agency Agreement shall not be a violation of section 365(d)(3) of the Bankruptcy Code.

25. During the term of the Liquidation Sales, the Agent shall be granted a limited license and right to use the Debtors' customer lists, supplies, tax identification numbers, computer hardware and software, computer systems, central offices, trade names, logos, furniture, fixtures and equipment, security equipment, and other assets relating to and used in connection with the operation of the business as identified in the Agency Agreement in accordance with the terms of the Agency Agreement.

E. Resolution Procedures for Disputes Regarding Liquidation Laws

26. To the extent that the Liquidation Sales at the Facilities are conducted in accordance with this Final Order and the Agency Agreement, and are therefore conducted under the supervision of this Court, such Liquidation Sales are authorized notwithstanding any federal, state, or local statute, ordinance, rule, or licensing requirement directed at regulating "going out of business," "store closing," similar inventory liquidation sales, bulk sale laws, or fast pay laws, including laws restricting safe, professional and non-deceptive, customary advertising such as signs, banners, posting of signage, and use of sign-walkers in connection with the sale and including ordinances establishing license or permit requirements, waiting periods, time limits or bulk sale restrictions (collectively, the "Liquidation Laws").

27. Provided that the Liquidation Sales are conducted in accordance with the terms of this Final Order and the Agency Agreement, and in light of the provisions in the laws of many Governmental Units that exempt court-ordered sales from their provisions, the Debtors shall be presumed to be in compliance with any Liquidation Laws and, subject to paragraphs 16 and 19 herein, are authorized to conduct the Liquidation Sales in accordance with the terms of this Final Order and the Agency Agreement without the necessity of further showing compliance with any such Liquidation Laws. To the extent that between the Petition Date and the date of the Final Hearing there is a dispute arising from or relating to the Liquidation Sales, this Final Order or the Agency Agreement, which dispute relates to any Liquidation Sales Laws (a "Liquidation

Dispute”), the following procedures shall apply:

- a) The Court shall retain exclusive jurisdiction to resolve the Liquidation Dispute which such Liquidation Dispute will be heard at the Final Hearing, absent a party obtaining expedited relief. Nothing in this Final Order shall constitute a ruling with respect to any issues to be raised with respect to a Liquidation Dispute. Any Governmental Unit may assert a Liquidation Dispute and shall send a notice (the “Dispute Notice”) explaining the nature of the dispute to: (i) proposed counsel to the Foreign Representative, Potter Anderson & Corroon LLP, 1313 N. Market St., Wilmington, DE 19801, Attn: R. Stephen McNeill, Esq. (rmcneill@potteranderson.com); (ii) counsel to the Bank of Montreal, Chapman and Cutler LLP, 111 West Monroe Street Chicago, IL 60603-4080, Attn: Stephen R. Tetro II, Esq. (stetro@chapman.com), and Womble, Bond & Dickinson LLP, 1313 N. Market St., Suite 1200 Wilmington, DE 19801, Attn: Matthew P. Ward, Esq. (matthew.ward@wbd-us.com); (iii) counsel to the Agent, Halperin Battaglia Benzija, LLP, 40 Wall Street, 37th Floor, New York, New York 10005, Attn: Christopher J. Battaglia, Esq. (cbattaglia@halperinlaw.net) and Julie Dyas Goldberg, Esq. (jgoldberg@halperinlaw.net) and (iv) counsel to any statutory committee, no later than fourteen (14) days following the service of the Interim Order.
- b) If the Foreign Representative, the Agent and the Governmental Unit are unable to resolve the Liquidation Dispute within fourteen (14) days of service of the notice, the aggrieved party may file a motion with this Court requesting that this Court resolve the Liquidation Dispute (a “Dispute Resolution Motion”).
- c) Filing a Dispute Resolution Motion as set forth herein shall not be deemed to affect the finality of this Order or to limit or interfere with the Foreign Representative or the Agent’s ability to conduct or to continue to conduct the Store Closing Sales pursuant to this Order and the Agency Agreement, absent further order of this Court.

28. Within two (2) business days of the entry of this Final Order, the Foreign Representative shall serve copies of this Final Order, by email, facsimile, or regular mail on the Applicable Governmental Units and the Landlords.

F. Miscellaneous

29. Non-material modifications, amendments, or supplementations to the Agency Agreement and related documents by the parties may be made in accordance with the terms thereof without further order of this Court.

30. All amounts due to the Agent under the Agency Agreement shall be earmarked

and paid by the Debtors from proceeds of the Liquidation Sales and shall not be reduced or capped by the terms or conditions of any pre- or post-petition financing facilities or orders related thereto.

31. The Debtors are authorized to transfer the net proceeds from the sale of the Assets, after the payment of Agent's expenses and fees as required by Section 5.D. of the Agency Agreement, to a blocked account at Bank of Montreal or BMO Harris Bank N.A. that is subject to a lien of BMO (and subject to the rights of BMO) securing the obligations owed to the Secured Lenders.

32. The Agent shall not be liable for any claims against the Foreign Representative or the Debtors, and the Debtors shall not be liable for any claims against Agent, in each case, other than as expressly provided for in the Agency Agreement. The Agent shall have no successor liability whatsoever with respect to any Encumbrances or claims of any nature that may exist against the Debtors, including, without limitation, the Agent shall not be, or to be deemed to be: (i) a successor in interest or within the meaning of any law, including any revenue, successor liability, pension, labor, ERISA, bulk-transfer, products liability, tax or environmental law, rule or regulation, or any theory of successor or transferee liability, antitrust, environmental, product line, de facto merger or substantial continuity or similar theories; or (ii) a joint employer, co-employer or successor employer with the Debtors, and the Agent shall have no obligation to pay the Debtors' wages, bonuses, severance pay, vacation pay, WARN act claims (if any), benefits or any other payments to employees or former employees of the Debtors, including pursuant to any collective bargaining agreement, employee pension plan, or otherwise, except as expressly set forth in the Agency Agreement.

33. This Court shall retain jurisdiction with regard to all issues or disputes arising from or relating to the implementation, interpretation, or enforcement of this Final Order or the Agency Agreement, including, but not limited to, any claim or issue relating to any efforts by any party or person to prohibit, restrict or in any way limit the Liquidation Sales in accordance with the

Agency Agreement, including but not limited to any efforts to prohibit, restrict or limit banner and signwalker advertising, including with respect to any allegations that such advertising is not being conducted in a safe, professional and non-deceptive manner, or any other disputes related to the Liquidation Sales or the assertion of Encumbrances related to the Assets. No parties or person shall take any action against the Foreign Representative, the Debtors, the Agent, or the Liquidation Sales until this Court has resolved such dispute. This Court shall hear the request of such parties or persons with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances.

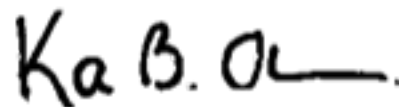
34. Notwithstanding the relief granted herein and any actions taken hereunder, except with respect to the Agent, nothing contained herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any person.

35. Nothing in this Final Order is intended to affect any rights of any Applicable Governmental Unit to enforce any law affecting the Debtors' conduct of the Liquidation Sales prior to the Petition Date.

36. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

37. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

Dated: January 22nd, 2020
Wilmington, Delaware



KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

**APPENDIX D – AGENCY AGREEMENT FOR DISPOSITION OF ASSETS
BETWEEN MTA AND GORDON BROTHERS (UNDER SEAL)**

**APPENDIX E – MOTOVAN CASH FLOW FORECAST & MTA CASH
FLOW FORECAST**

Motovan Corporation ("MTV")
Cash flow Forecast
For the period Jan-26-2020 to May-16-2020

Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Period Total
Week Starting	2020-01-26	2020-02-02	2020-02-09	2020-02-16	2020-02-23	2020-03-01	2020-03-08	2020-03-15	2020-03-22	2020-03-29	2020-04-05	2020-04-12	2020-04-19	2020-04-26	2020-05-03	2020-05-10	
Week Ending	2020-02-01	2020-02-08	2020-02-15	2020-02-22	2020-02-29	2020-03-07	2020-03-14	2020-03-21	2020-03-28	2020-04-04	2020-04-11	2020-04-18	2020-04-25	2020-05-02	2020-05-09	2020-05-16	
	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	
(in CA \$)																	
RECEIPTS																	
Collections from opening balance	60 393	48 314	103 786	45 144	-	-	477 614	4 003	-	-	446 092	145 244	921	-	-	736 612	2 068 123
Collections - New sales	156 851	126 547	405 637	547 865	428 872	133 018	319 233	286 253	282 827	264 000	345 234	555 148	497 902	396 000	396 000	522 185	5 663 572
Total receipts	217 244	174 862	509 424	593 009	428 872	133 018	796 847	290 256	282 827	264 000	791 325	700 392	498 823	396 000	396 000	1 258 797	7 731 695
DISBURSEMENTS																	
Operating Disbursements																	
Inventory Purchases	(30 000)	-	-	(50 000)	(225 000)	(50 000)	(50 000)	(50 000)	(225 000)	(50 000)	(50 000)	(50 000)	(225 000)	(50 000)	(50 000)	(50 000)	(1 205 000)
Freight/Packaging	(10 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(235 000)
Rent	(55 188)	-	-	-	-	(55 188)	-	-	-	(55 188)	-	-	-	(55 188)	-	-	(220 752)
Utilities/Building & Moving Expenses	(11 000)	-	-	-	-	(11 000)	-	-	-	(11 000)	-	-	-	(11 000)	-	-	(44 000)
Insurance	(38 000)	(10 000)	-	-	-	(13 000)	-	-	-	(13 000)	-	-	-	(13 000)	-	-	(87 000)
Employee Expenses	(98 648)	(82 948)	(217 500)	(80 000)	(80 000)	(80 000)	(80 000)	(217 500)	(80 000)	(80 000)	(80 000)	(217 500)	(80 000)	(80 000)	(80 000)	(217 500)	(1 851 596)
Tax/Duties/Customs	(82 642)	-	-	-	(80 000)	-	-	-	(80 000)	-	-	-	(80 000)	-	-	-	(322 642)
Vehicle Leases	-	(5 000)	-	-	-	(5 000)	-	-	-	(5 000)	-	-	-	(5 000)	-	-	(20 000)
Vehicle Operating Expenses	-	(2 500)	-	-	-	(2 500)	-	-	-	(2 500)	-	-	-	(2 500)	-	-	(10 000)
IT Equipment Leases	-	(2 200)	-	-	-	(2 070)	-	-	-	-	(2 070)	-	-	-	(2 070)	-	(8 410)
Other Equipment Lease	-	(2 000)	-	-	-	(2 000)	-	-	-	(2 000)	-	-	-	(2 000)	-	-	(8 000)
Communication (Internet)	-	-	-	-	-	(7 000)	-	-	-	(7 000)	-	-	-	(7 000)	-	-	(21 000)
Communication (Phone)	(8 000)	-	-	-	-	(1 300)	-	-	-	(1 300)	-	-	-	(1 300)	-	-	(11 900)
Bank Fees and Credit Card Fees	(5 000)	(18 000)	-	(3 000)	(3 000)	(12 000)	(3 000)	(3 000)	(3 000)	(12 000)	(3 000)	(3 000)	(3 000)	(12 000)	(3 000)	(3 000)	(89 000)
Contingency	(43 000)	(8 000)	(8 000)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(6 200)	(139 600)
Total Operating Disbursements	(381 477)	(145 648)	(240 500)	(154 200)	(409 200)	(262 258)	(154 200)	(291 700)	(409 200)	(260 188)	(156 270)	(291 700)	(409 200)	(260 188)	(156 270)	(291 700)	(4 273 899)
Debt Service Disbursements																	
Interest - Facility A	(55 000)	-	-	-	-	(49 000)	-	-	-	(49 000)	-	-	-	(49 000)	-	-	(202 000)
Total Debt Service Disbursements	(55 000)	-	-	-	-	(49 000)	-	-	-	(49 000)	-	-	-	(49 000)	-	-	(202 000)
Professional Fee Disbursements																	
Professional Fees - Monitor	(20 649)	(30 000)	(39 730)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(20 000)	(350 379)
Professional Fees - KPMG Corporate Finance	(27 167)	(15 000)	(46 607)	-	-	-	-	-	-	-	-	-	-	-	-	-	(88 774)
Professional Fees - Monitor's legal counsel	-	(40 000)	(13 337)	-	-	(20 000)	-	-	-	(20 000)	-	-	-	(20 000)	-	-	(113 337)
Professional Fees - Debtor legal counsel	(121 643)	(20 000)	(20 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(15 000)	(356 643)
Professional Fees - Bank's counsel fees	(23 606)	(15 000)	(15 000)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(151 106)
Total Professional Fee Disbursements	(193 065)	(120 000)	(134 674)	(42 500)	(42 500)	(62 500)	(42 500)	(42 500)	(42 500)	(62 500)	(42 500)	(42 500)	(42 500)	(62 500)	(42 500)	(42 500)	(1 060 239)
Total Disbursements	(629 542)	(265 648)	(375 174)	(196 700)	(451 700)	(373 758)	(196 700)	(334 200)	(451 700)	(371 688)	(198 770)	(334 200)	(451 700)	(371 688)	(198 770)	(334 200)	(5 536 138)
Net cash flow	(412 299)	(90 786)	134 250	396 309	(22 828)	(240 740)	600 147	(43 944)	(168 873)	(107 688)	592 555	366 192	47 123	24 312	197 230	924 597	2 195 557
Opening Net bank indebtedness	(12 056 649)	(12 468 947)	(12 559 733)	(12 425 483)	(12 029 175)	(12 052 002)	(12 292 742)	(11 692 595)	(11 736 539)	(11 905 413)	(12 013 101)	(11 420 545)	(11 054 353)	(11 007 230)	(10 982 918)	(10 785 688)	(12 056 649)
<i>Adj to opening balance (actual vs forecasted)</i>																	
<i>Net cash flow</i>	(412 299)	(90 786)	134 250	396 309	(22 828)	(240 740)	600 147	(43 944)	(168 873)	(107 688)	592 555	366 192	47 123	24 312	197 230	924 597	2 195 557
Ending Net bank indebtedness	(12 468 947)	(12 559 733)	(12 425 483)	(12 029 175)	(12 052 002)	(12 292 742)	(11 692 595)	(11 736 539)	(11 905 413)	(12 013 101)	(11 420 545)	(11 054 353)	(11 007 230)	(10 982 918)	(10 785 688)	(9 861 092)	(9 861 092)

The Cash Flow Forecast has been prepared without the assumption of a sale of the assets of Motovan pursuant to the Sale and Investment Solicitation Process ("SISP") that is ongoing. At the bid deadline of January 22nd, 2020, offers were submitted and a decision to approve or not one of the offer is still pending. However, the offers received contemplate a closing of a transaction in the course of week #3 or week #4.

Motovan Corporation 16 week cashflow projections assumptions

Sales:

- Level of sales are based on management's best estimates and current level of sales.
- Collections of sales are based on :
 - o Due date for open invoices from the opening accounts receivable balance.
 - o Assumption of collection of 33% of other new sales within 4 weeks, 33% within 8 weeks and 33% within 12 weeks. The assumptions are based on historical collections.

Cost of goods sold: Established at historical margin by sales type (material group) and approx. 78.3% of sales for other sales, based on management's best estimates and current margin realized.

Inventory purchases: Established to include minimum purchases required from key supplier agreement and other minimal replenishments.

Freight & Packaging: Comprised of inbound/outbound freight and packaging; all together established at average weekly amount of expenses as per last quarter, based on management's best estimates and current vendor rates.

Rent: Rent consists of Boucherville rent's based on current lease agreements.

Utilities and Building expenses: This caption includes electricity and gas expenses based on management's best estimate.

Employee expenses: These outflows are comprised of weekly payroll and monthly commission payout (established at monthly average amount from past quarter) and group insurance expenses (approx. \$13 k/month).

Tax/Duties/Customs: Based on historical outflow from past quarter for sales tax. No outflows for duties and customs are anticipated.

Interest – Facility A: Based on average past monthly outflows with contractual interest rate of 4.6%.

Professional fees: Professional fees are based on best estimates received by different parties involved.

The Cash Flow Forecast has been prepared without the assumption of a sale of the assets of Motovan pursuant to the SISF that is ongoing. At the bid deadline of January 22nd, 2020, offers were submitted and a decision to approve or not one of the offer is still pending. However, the offers received contemplate a closing of a transaction in the course of week ending on February 15 or 22. If a transaction is executed, the Cash Flow is very likely to change materially.

Motorcycle Tires & Accessories LLC ("MTA")
Forecasted cahsflows
For the period Jan-26-2020 to May-16-2020

Week #	1	2	3	4	5	6	7-16	Period Total
Week Starting	2020-01-26	2020-02-02	2020-02-09	2020-02-16	2020-02-23	2020-03-01	2020-03-08	
Week Ending	2020-02-01	2020-02-08	2020-02-15	2020-02-22	2020-02-29	2020-03-07	2020-05-16	
	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	
(in US \$)								
RECEIPTS								
Collections from opening balance	252 811	209 111	140 000	140 000	140 000	90 000	35 530	1 007 453
Collection from new sales (i.e. since Dec 18th)	265 000	265 000	665 000	74 566	296 013	364 927	710 126	2 640 632
Total receipts	517 811	474 111	805 000	214 566	436 013	454 927	745 656	3 648 085
DISBURSEMENTS								
Operating Disbursements								
Freight	(36 306)	(10 000)	(3 500)	-	-	-	-	(49 806)
Rent	(53 060)	-	-	-	-	(53 060)	-	(106 120)
Utilities/Building Expenses	(7 000)	-	-	-	-	(7 000)	-	(14 000)
Insurance	-	-	-	-	-	-	-	-
Employee Expenses	(134 782)	(25 000)	(46 272)	(35 034)	(15 000)	(70 257)	-	(326 345)
Payroll	(25 000)	(25 000)	(25 000)	(25 000)	(15 000)	(15 000)	-	(130 000)
Commission - regular	(58 950)	-	-	-	-	-	-	(58 950)
Outside Sales Add'l Commission	(50 832)	-	-	-	-	-	-	(50 832)
Group Insurance	-	-	(21 272)	-	-	-	-	(21 272)
Key Incentive Employee Plan - Hourly employees	-	-	-	(6 765)	-	(39 131)	-	(45 896)
Key Incentive Employee Plan - Salary employees	-	-	-	(3 269)	-	(16 126)	-	(19 395)
Bank Fees and Credit Card Fees	(12 980)	(4 011)	(2 339)	(3 300)	(2 400)	(9 379)	-	(34 409)
Communication (Internet/Phone)	(6 200)	-	-	-	-	(6 200)	-	(12 400)
Contingency	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)	-	(30 000)
Total Operating Disbursements	(255 328)	(44 010)	(57 111)	(43 334)	(22 400)	(150 896)	-	(573 079)
Debt Service Disbursements								
Interest - Facility B	(32 407)	-	-	-	(18 313)	-	(23 216)	(73 936)
Total Debt Service Disbursements	(32 407)	-	-	-	(18 313)	-	(23 216)	(73 936)
Professional Fee Disbursements								
Professional Fees - Monitor	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(40 000)	(100 000)
Professional Fees - Liquidation Agent	(38 714)	(29 960)	(81 350)	(12 840)	(28 300)	(34 345)	(85 636)	(311 144)
Professional Fees - Debtor US legal counsel	(21 000)	(7 000)	(7 000)	(7 000)	(7 000)	(7 000)	(14 000)	(70 000)
Total Professional Fee Disbursements	(69 714)	(46 960)	(98 350)	(29 840)	(45 300)	(51 345)	(139 636)	(481 144)
Total Disbursements	(357 449)	(90 970)	(155 461)	(73 174)	(86 013)	(202 241)	(162 852)	(1 128 160)
Net cash flow	160 362	383 141	649 539	141 392	350 000	252 686	582 804	2 519 925
Opening bank indebtedness	(5 004 359)	(4 843 996)	(4 460 855)	(3 811 316)	(3 669 924)	(3 319 924)	(3 067 238)	(5 004 359)
<i>Adj to opening balance (actual vs forecasted)</i>								
Net cash flow	160 362	383 141	649 539	141 392	350 000	252 686	582 804	2 519 925
Ending bank indebtedness	(4 843 996)	(4 460 855)	(3 811 316)	(3 669 924)	(3 319 924)	(3 067 238)	(2 484 434)	(2 484 434)

Motorcycle Tires & Accessories LLC 16 week cash flow projections assumptions

Sales:

- Based on liquidation agent's best estimates and outlined strategy.
- Collections of sales are based on :
 - o Due date for open invoices from the opening accounts receivables balance.
 - o Terms for sales are assumed to be Net 14 for Tier I Sales, Net 30 for Tier II, and cash in advance for All Other Sales

Cost of goods sold: Established using proposed discount tables from liquidation agent.

Freight & Packaging: Comprised of outbound freight and packaging, established at approx. 9.35% of sales, based on management's best estimates and current vendor rates for Tier I Sales. Liquidation agent expect Tier II and Tier III sales to be picked up by customers, minimising outflow for freight expenses.

Rent: Rent consists of Ohio, Louisiana, California monthly expenses, based on current lease agreements.

Utilities and Building expenses: Includes electricity expenses based on historical expenses.

Employee expenses: These outflows are comprised of weekly payroll, monthly commission payout (established at 3.9% of sales) and group insurance expenses (approx. \$16 k/month). Payroll outflows will be reduced during February as headcount will decrease. As recommended by the liquidation agent, non-material incentive bonus have been offered to key warehouse and sales employees in order to keep them working for MTA during the liquidation process.

Interest – Facility B: Based on average weekly loan balance, calculated with contractual interest rate of 6.15%, paid monthly.

Professional fees: Professional fees are based on best estimates received by different parties involved.