

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUÉBEC
DISTRICT OF GATINEAU

IN THE MATTER OF THE RECEIVERSHIP OF:

N°: 550-11-018614-231

9249206 CANADA INC.

Debtor

and

KPMG INC.

Receiver

and

8944989 CANADA INC. (d.b.a. Group Dumont), a corporation duly incorporated, having its head office at 301-1410 Jaffa Street, City of Laval, Province of Québec, H7P 4K9;

Petitioner

and

THE OTHER PARTIES NAMED IN THE SERVICE LIST

Impleaded Parties

**APPLICATION TO TERMINATE THE MANDATE OF THE RECEIVER
(Section 243 of the *Bankruptcy and Insolvency Act*)**

TO ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF GATINEAU, OR THE REGISTRAR OF THAT COURT, THE PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:

INTRODUCTION

1. On July 1st, 2023, and rectified on July 26th, 2023, this Court issued an Order appointing the Receiver to the Debtor's Property (as defined therein and throughout the present Application) pursuant to Section 243 of the *Bankruptcy and Insolvency Act* ("**BIA**") at the request of the Debtor's then sole secured creditor Maynbridge Capital Inc. ("**Maynbridge**"), the whole as appears from a copy of same Order (the "**Receivership Order**"), **Exhibit GD-1**;
2. Since the appointment of the Receiver, Petitioner has acquired the rights of Maynbridge and is now the Debtor's sole secured creditor, the whole as per par. 16(b) of the First

Report of the Receiver on the Business and Finances of the Debtor dated March 7, 2024 (the “**Report**”), **Exhibit GD-2**;

3. On March 19, 2024, Justice Faullem rendered a Judgment ordering the Receiver to proceed with the sale of the Property through an auction process (the “**Auction Order**”), the whole as appears from a copy of same Auction Order, **Exhibit GD-3**;
4. This auction process as per the Auction Order is currently scheduled to take place on March 28, 2024 (the “**Auction**”);
5. For the reasons more fully set out hereafter and considering the latest developments further to the Auction Order, the Petitioner, supported by both the Receiver and the Debtor, now seeks to terminate the mandate of the Receiver;

BACKGROUND

6. For brevity purposes, the Petitioner refers to the factual background as stated in both the Report and the Auction Order, as forming part of the Application herein, and wishes to also refer to the Receiver’s Motion for Directions (the “**Motion for Directions**”), **Exhibit GD-4**;

ADDITIONAL RELEVANT FACTS SINCE THE AUCTION ORDER

7. As indicated before Justice Faullem at the hearing that led to the Auction Order, Petitioner indicated that it had the intention to file the formal Application more fully discussed in paragraphs 5 and 69 of the Auction Order;
8. However and as also mentioned by Justice Faullem in the Auction Order (par. 72), debating such Application would necessarily delay the sale process and the Auction, to the detriment of all of the Debtor’s stakeholders;
9. Consequently, further to the Auction Order, the Debtor and the Petitioner initiated discussions in order to attempt to resolve the situation efficiently considering the Auction was fast approaching (March 28, 2024);
10. During the abovementioned discussions, the undersigned regularly reported back to the Receiver’s legal counsel as to the state of the discussions between the Petitioner and the Debtor considering that same would potentially influence the next steps in the file, notably the Auction;
11. After extensive discussions and the detailed review of the Auction Order, both the Debtor and the Petitioner came to the conclusion that maintaining the Receivership would bear no advantage at this point;
12. Indeed and as per the above and par. 40 of the Auction Order, the Debtor is currently in a situation where a lot of uncertainties surround the Auction and the timing as to when such Auction will take place given the upcoming debate regarding the participants to the Auction and therefore, the timing as to when the Debtor will have access to the proceeds of the expected sale of the Property;

13. It is to be noted that the Debtor's debt toward the Petitioner will also continue to yield significant monthly interests, in addition to the costs and fees of the Receiver which will continue to accumulate throughout this process (and expected delays);
14. As for the Petitioner (who was in attendance at the hearing which led to the Auction Order), it is still interested to proceed with the purchase of the Property and at this point, after months of receivership, would much prefer the stability of negotiations with the Debtor to the uncertainties of the Auction;

TERMINATION OF THE RECEIVER'S MANDATE

15. Since its appointment, the Receiver has duly executed its functions (as the Court mentioned at length in the Auction Order);
16. As also appears from the Auction Order, notably the increase of the Receiver's charge on the Property from \$100,000 to \$150,000 considering the peculiar circumstances of the file (par. 92-96), the Receiver's costs and fees are expected to significantly increase, notably as a result of the Auction and related debates;
17. Thus, maintaining the Receiver in place entails a certain cost to the creditors of the Debtor and the Debtor itself. In light of its status as sole secured creditor, the Petitioner will quite likely bear the entirety of these costs which will then be deducted from any amount the Debtor could receive further to the sale of the Property;
18. The above is obviously a no-winner situation for both the Debtor and the Petitioner;
19. Petitioner undertakes to support and acquit all amounts, including any disbursements incurred, owing and that shall be owed to the Receiver and its professionals contemplated by the present Receivership proceedings (i.e. its attorneys, brokers, etc.);
20. Petitioner respectfully submits that it is no longer just or convenient to maintain the Receiver in place now that both the Debtor and the Petitioner are in agreement to proceed outside the scope of the BIA and thus seeks to terminate the Receiver's mandate so that it may move forward with its discussions with the Debtor regarding the Property;
21. It is thus in the best interest of the Debtor, the Petitioner and the other creditors of the Debtor that the receivership be brought to a close so to allow for a negotiated solution between the Debtor and the Petitioner;

WHEREFORE, MAY IT PLEASE THE COURT TO:

GRANT the present Application;

DECLARE sufficient the service of the present application and dispense Petitioner with further service hereof;

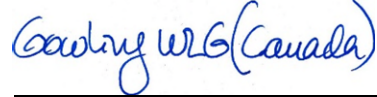
ORDER the termination of the mandate of the Receiver effective as of the judgment to be rendered hereon;

PRAY ACT to the undertaking of the Petitioner to support and acquit all amounts, including any disbursements incurred, owing and that shall be owed to the Receiver and its

professionals contemplated by the present Receivership proceedings (i.e. its attorneys, brokers, etc.) and **ORDERS** the Petitioner to abide by same;

THE WHOLE without costs except if contested.

MONTREAL, March 22, 2024



GOWLING WLG (CANADA) LLP
Attorneys for Petitioner

CANADA

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SOLEMN DECLARATION

I, the undersigned, CARL DUMONT, representative of 8944989 Canada Inc., having a place of business at 301-1410 Jaffa Street, City of Laval, Province of Québec, H7P 4K9, solemnly declare as follows:

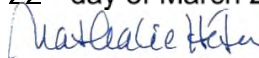
1. I am a duly authorized representative of Petitioner;
2. All the facts mentioned in the present Application are true.

AND I HAVE SIGNED:



CARL DUMONT

SWORN BEFORE ME REMOTELY BY
TECHNOLOGICAL MEANS at the City
of Montreal, in the Province of Quebec this
22nd day of March 2024



Commissioner for Oaths

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NOTICE OF PRESENTATION

TO : **Me Anthony Robert**
768 Saint-Joseph Blvd.
Suite 115
Gatineau, Québec, J8Y 4B8

Attorneys for the Debtor

TO: **Me Nicholas Chine**
Stein & Stein Inc.
4101 West Sherbrooke St.
Westmount, Québec H3Z 1A7

Attorneys for the Receiver

TO **THE OTHER PARTIES NAMED IN THE SERVICE LIST**

1. PRESENTATION OF THE MOTION

TAKE NOTE that the ***Application to terminate the mandate of the Receiver*** will be presented in the Civil Practice Division of the Superior Court, in **courtroom #3** at the Gatineau Courthouse, located at 17, Laurier Street, in the City of Gatineau, Province of Quebec, J8X 4C1, on **March 27th, 2024**, at **9:00 a.m.**, or as soon as counsel may be heard.

Take note that you may attend the calling of the practice roll by either attending the courtroom in person or virtually as per the instructions below.

2. HOW TO ATTEND THE VIRTUAL CALLING OF THE ROLL FOR THE PRACTICE DIVISION

To attend the virtual calling of the roll in courtroom # 3:

- a) **By Teams:** click on the link below for courtroom #3¹ (copy/paste the Teams link (Word format)):

[Rejoindre la réunion Microsoft Teams - SALLE #3 - Gatineau](#)

Fill in your name and click "Join Now". To facilitate the process and identification of the parties, enter your name as follows:

- For Lawyers: Me Given Name, Surname (the name of the party represented);
- For parties unrepresented by counsel: Given Name, Surname (indicate: Plaintiff, Defendant, Petitioner, Respondent, Creditor, Opposant or other);
- For persons attending a public audition: the inscription can be limited to: (public)

- b) By telephone:

Canada (Toll free number): (833) 450-1741

Canada, Quebec (Charges will apply): +1 581-319-2194

Conference ID: 312 121 807#

3. FAILURE TO ATTEND THE CALLING OF THE ROLL IN PRACTICE DIVISION

TAKE NOTE that should you fail to attend the calling of the roll, a default judgment could be rendered against you, without further notice or delay.

4. OBLIGATIONS

4.1 Duty of cooperation

TAKE NOTICE that you are duty-bound to cooperate with the other parties and, in particular, to keep one another informed at all times of the facts and elements conducive to a fair debate and to make sure that all relevant evidence is preserved. (Code of Civil Procedure, art. 20).

4.2 Dispute prevention and resolution processes

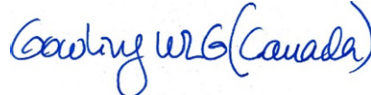
TAKE NOTICE that before referring your dispute to the courts, you must consider private dispute prevention and resolution processes which are negotiation between the parties, and mediation and arbitration, in which the parties call on a third person to assist them (Code of Civil Procedure, art. 1 and 2).

4.3 Directives

TAKE NOTE that you must comply with the Directives specific to Commercial matters for the District of Gatineau found on the Superior Court website and on the Barreau de l'Outaouais website.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, March 22, 2024



GOWLING WLG (CANADA) LLP
Attorneys for Petitioner

SERVICE LIST

TO: **9283-6873 QUEBEC INC.**
385 Viger Ave W., Suite 400
Montréal, Québec H2Z 0C2
E: sbatog@cogir.net

Impleaded Party

TO: **LES PLACEMENTS LUC POIRIER LTÉE**
300 Goyer St, Suite 1
Laprairie, Québec J5R 5G5
E: luc@poirier.com

Impleaded Party

TO: **INVESTISSEMENTS OKTO INC.**
1310 Greene Ave., Suite 920
Westmount, Québec H3Z 2B2
E: benoit@oktodev.ca

Impleaded Party

TO: **9351-1749 QUEBEC INC.**
Impleaded Party
1670 Rougemont Cres.
Brossard, Québec J4X 2V2
E: denis_gelinas_7@sympatico.ca/ ericgauthier@royalpage.ca

Impleaded Party

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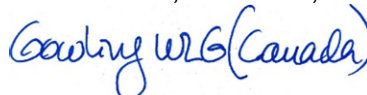
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PETITIONER'S LIST OF EXHIBITS

Application to terminate the mandate of the Receiver

EXHIBIT GD-1:	Order appointing the Receiver to the Debtor's Property dated July 1 st , 2023, and rectified on July 26 th , 2023;
EXHIBIT GD-2:	First Report of the Receiver;
EXHIBIT GD-3:	Judgment rendered by the Honourable Justice Jean Faullem on March 19, 2024;
EXHIBIT GD-4:	Receiver's Motion for Directions.

MONTREAL, March 22, 2024



GOWLING WLG (CANADA) LLP
Attorneys for Petitioner

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Impleaded

BL0052

**APPLICATION TO TERMINATE THE
MANDATE OF THE RECEIVER AND
EXHIBITS GD-1 TO GD-4**
(Section 243 of the *Bankruptcy
And Insolvency Act*)

ORIGINAL

Me Alexandre Forest (AF9573)
alexandre.forest@gowlingwlg.com



Gowling WLG (Canada) LLP
1 Place Ville Marie, 37th floor
Montréal, Québec
Canada H3B 3P4

Tel.: 514-392-9424

Fax.: 514-876-9024

File No.: **L158850039**