

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

SUPERIOR COURT  
(Commercial Division)

N°: 500-11-054208-182  
N°: 41-2353388

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

**COMPTOIR DES INDES INC.** (operating under  
the trade name CDI Furniture)

Debtor/Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE ATTACHED  
SERVICE LIST;**

Mises-en-causes

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**APPLICATION FOR AUTHORIZATION TO SELL CERTAIN ASSETS OF THE DEBTOR,  
DIRECTIONS AND OTHER RELATED ORDERS**

(Sections 65.13, 66(1.1) and 84.1 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3)

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE  
COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTREAL, OR TO ONE OF ITS  
REGISTRARS, THE PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:**

**I. INTRODUCTION**

1. On March 9, 2018, Comptoir des Indes Inc. (operating under the trade name CDI Furniture) (the "**Debtor**", "**Company**" or "**CDI**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**"), and KPMG Inc. was appointed as Trustee to the NOI. As a result of the filing of the NOI, all proceedings against CDI and its assets were stayed until April 8, 2018 (the "**Stay Period**");
2. After the filing of the NOI, CDI reached an agreement with the Canadian Imperial Bank of Commerce (the "**Bank**" or "**CIBC**") by which the Bank has agreed to tolerate the defaults, to forbear from the exercise of its rights and recourses resulting therefrom and to continue to finance the operations of CDI up to and until no later than April 30, 2018 (the "**Forbearance Agreement**");

3. On March 16, 2018, CDI presented an Application for the authorization of a sale and solicitation process, priority charges and other interim reliefs (the "**Application for sale and solicitation process**"). As part of its restructuring process, CDI, with the assistance and management of the Trustee, has commenced a comprehensive sale and solicitation process in order to market the Debtor's "Business" (as defined hereinafter) and related assets to potential acquirers (the "**SSP**"), which SSP is more fully described hereinafter and in the Trustee's Report (the "**Trustee's Report**"), a copy of which is produced herewith as **Exhibit P-1**. A Sale and Solicitation Approval Order was issued by the Court on that day, the whole as appears of record herein;
4. The Application for sale and solicitation process presented on March 16, 2018, also sought to obtain an approval for granting two charges: one in favor of the Debtor's counsel, the Trustee and the Trustee's counsel ranking behind and immediately after the security interest currently held by the Debtor's secured creditors, namely CIBC and Business Development Bank of Canada, (the "**Administration Charge**") and one in favor of the directors and officers of the Debtor ranking behind and immediately after the security interest currently held by the Debtor's secured creditors and the Administration Charge (the "**D&O Charge**"). A Charge Order was also issued by the Court on that day, the whole as appears of record herein;
5. On April 5, 2018, CDI presented an Application to extend the delay to file a proposal (the "**Application for extension**") and the Court issued an Order extending the delay to file a proposal under the NOI until May 18, 2018;
6. The present Application seeks this Court's issuance of an Order, substantially in the form of the draft Approval and Vesting Order produced herewith as **Exhibit P-2** (the "**Draft Order**"), authorizing and approving the sale of certain of the Debtor's assets to Container Direct International Furniture Inc. and to Concept Design Innovation Furniture Inc. (both purchasers are hereinafter referred jointly as the "**Proposed Purchaser**") and other transactions, pursuant to that certain Offers to Purchase (as defined hereinafter) submitted by the Proposed Purchaser under the SSP and produced herewith as **Exhibit P-3** (Both Offers to Purchase are hereinafter referred jointly as the "**Proposed Offer**");
7. Considering that the Proposed Purchaser and the Debtor have some shareholders in common and that such shareholders direct the Proposed Purchaser, as such, the authorization of the Proposed Offer contemplated by the present Application is being sought as though said proposed sale will be made to a person related to the Debtor pursuant to Section 65.13(5) of the *BIA*;

## II. THE DEBTOR'S BUSINESS AND OPERATIONS

8. The Debtor is a privately-owned company and operates a distribution and design business of home furniture, lighting and decor accessories and sells such products in Canada and the United States (hereinafter the "**Business**");

9. The Debtor supplies a range of customers, from small individual retailers to large multi-store chains;
10. The Debtor operates the Business from premises located in Ville Mont-Royal;
11. The Debtor has its own in-house team of designers and the products are manufactured overseas;
12. The 16 year old Business is spearheaded by the creative philosophy of its principal, Mr. David Ouaknine;
13. The Debtor's brand is highly dependent, if not completely dependent, on the designing of its products. Without Mr. David Ouaknine to continue to promote brand recognition, the brand has little to no value;
14. The design, wholesale, warehousing and administrative divisions of the Business operate from the Debtor's head office premises in Montreal at 5950, Côte-de-Liesse Road. Such premises are the object of a lease between the Debtor and the landlord thereof (the "**Office Lease**");
15. In order to operate the Business, the Debtor has a workforce of over 30 employees who work in various divisions of the Business;

### **III. FINANCIAL DIFFICULTIES**

16. The Debtor was sued by Halo Creative & Design Ltd, Halo Trademarks Ltd and Halo Americas Ltd (collectively "**Halo**"), its competitors based in Hong Kong, for damages arising from patent, trademark and copyright infringement (hereinafter the "**Lawsuit**");
17. On January 29, 2018, the Debtor was condemned to pay to Halo the sum of USD \$3,559,284;
18. The condemnation has since been appealed by the Debtor but the substantial costs incurred to defend the Lawsuit is one of the major reasons of the financial difficulties met by the Debtor;
19. Given the Debtor's insolvency, CIBC, the Debtor first ranking secured creditor, has sent to the Debtor a Demand for payment and Notice of Intention to enforce security pursuant to Section 244 of the BIA (hereinafter the "**244 Notice**");
20. The foregoing has rendered the Debtor insolvent and accordingly, it was determined that it was in the best interest of the Debtor to file the NOI and to enter into a formal restructuring process;

21. Notwithstanding the Debtor's defaults under the CIBC credit facilities and its insolvency, a Forbearance Agreement was reached between the Debtor and CIBC;
22. The Forbearance Agreement provides the Debtor with the financing needed to pursue and execute its restructuring and to operate the Business, but only for a limited period which ends on April 30, 2018;

#### IV. INDEBTEDNESS AND SECURITY

23. The Debtor's creditors who have registered hypothecs, security interests and other rights against the Debtor's present and future, corporeal and incorporeal, tangible and intangible, personal and movable property (the "**Property**") are as follows (collectively, the "**Security Interests**"), which appear more fully at the search summary produced herewith as **Exhibit P-4** (the "**Search Summary**"):
  - (a) the following hypothecs have been published in the Register of Personal and Movable Real Rights (the "**RDPRM**") in the following order:
    - (i) On February 5, 2016, CIBC has published a movable hypothec in the RDPRM under number 16-0097204-0001 charging the Debtor's present and future, accounts receivable and inventory;
    - (ii) On May 12, 2016, BDC has published a movable hypothec in the RDPRM under number 16-0439316-0001 charging the Debtor's Property;
    - (iii) On February 28, 2017, CIBC has published a movable hypothec in the RDPRM under number 17-0176281-0001 charging the Debtor's present and future, accounts receivable and inventory; and
    - (iv) On April 21, 2017, BDC has published a cession of rank in the RDPRM under number 17-0366824-001 giving priority to the CIBC over the Debtor's present and future, accounts receivable and inventory;
24. Additionally, one of the Debtor's creditor has registered ownership retention interests with respect to a leasing agreement, as appears from the Search Summary (Exhibit P-4). as follows:
  - (i) Rights arising under a leasing agreement with respect to a vehicle Land Rover Range Rover 2016, serial number SALGS2KF2GA256949, account no. CC2804 intervened on November 5, 2015 between Holand Leasing 1995 Ltd, as lessee, and the Debtor, as lessor, and published in the RDPRM by notice thereof under number 15-1152634-0007 on November 26, 2015; The Proposed Purchaser seeks to acquire such lease;

25. Pursuant to the Charge Order, the Administration Charge and the D&O Charge rank after the Security Interests;
26. The indebtedness owing to CIBC appears from the Trustee's Report and is approximately CDN \$3,435,317 on facility # 1 and USD \$107,702.40 on facility # 2;
27. The indebtedness owing to BDC appears from the Trustee's Report and is approximately CDN \$426,300;
28. Creditors who are likely to be affected by the conclusions sought herein have been given notice of the present Application;

## V. SALE AND SOLICITATION PROCESS

29. As previously stated, as part of its restructuring process, the Debtor, in consultation with its advisors and with the assistance and management of the Trustee, conducted the SSP in order to market the Debtor's Business and related assets to potential acquirers, the whole as more fully described in the Trustee's Report (Exhibit P-1);
30. The SSP was conducted pursuant to the terms and conditions of the "Request for Offers" document developed by the Debtor's advisors and the Trustee (the "**Request for Offers**"), a copy of which is produced herewith as **Exhibit P-5**. The Request for Offers established a timeline whereby offers needed to be submitted by no later than April 6, 2018 at noon;
31. Prior to the beginning of the SSP, the Debtor, with the Trustee's assistance, identified over 45 potentially interested parties ("**Interested Parties**"), in the same or similar industry of the Debtor as well as liquidators;
32. The Trustee prepared a virtual dataroom (the "**Dataroom**"), which included financial and operational information on the Business;
33. Interested Parties were contacted by the Trustee starting on March 19, 2018 and were provided with a preliminary information package containing summary information about the Business (the "**Teaser**"), a non-disclosure agreement (the "**NDA**") to be signed in order to have access to the Dataroom, copies of which are produced herewith as **Exhibit P-6** and **Exhibit P-7** respectively and the Request for Offers;
34. The Trustee communicated in the following days with Interested Parties who had received the information, to discuss with the recipient about this business opportunity and to invite them to communicate with the Trustee for additional information. Follow-up communications with the recipient were also made in the following weeks;
35. Following the transmission of the information and the communications, six (6) Interested Parties indicated their interest in obtaining more information about the Debtor and signed NDAs. Interested Parties who signed NDAs were given access to the Dataroom

administered by the Trustee containing information relating to the Debtor's operations including financial statements, accounts receivable listings, inventory listings, leases, and financing agreements;

36. Certain of such Interested Parties contacted the Trustee for further information and enquiries. Additionally, two (2) Interested Parties visited the head office of the Debtor, including its warehouse containing the inventory;
37. Ultimately, as a result of the SSP, the Trustee received three (3) offers and one of them has been retained (the "**Proposed Offer**") by the Trustee for approval by this Court;
38. As appears from the Trustee's analysis set forth in the Trustee's Report, the Proposed Offer is the highest and best offer received and its approval is in the best interest of many of the stakeholders herein;

## VI. THE PROPOSED OFFER

39. The Proposed Purchaser has made the Proposed Offer as an ultimate last resort option in order to save the Business as a going concern, which Business is the culmination of over 16 years of the creative efforts and hard work of Mr. David Ouaknine;
40. In order to make the Proposed Offer, the Proposed Purchaser has solicited the CIBC in order to provide an operating loan to continue the Business;
41. Pursuant to the Proposed Offer, the Proposed Purchaser offers to purchase the therein defined "Purchased Assets" including, without limitation, the following (the "**Purchased Assets**"), namely:
  - (a) All leases and similar agreements including all amendments thereto for the Debtor's occupancy of the following (collectively the "**Acquired Premises Leases**") as described hereto:
    - (i) The showroom premises; and
    - (ii) The Debtor's head office and warehouse located at 5950, Côte-de-Liesse Road, Montreal, Quebec, H4T 1RE2;
  - (b) the equipment leases and similar agreements hereto for the Debtor's leasing of certain equipment and all accessories to such equipment (the "**Acquired Equipment Lease**");
  - (c) all of the Debtor's goods, wares, merchandise and inventory wherever situated, including without limitation, all in-transit inventory and/or on-order inventory (the "**In-transit Inventory**"), the full benefit of all deposits or other partial payments made by the Debtor to the suppliers of all of the foregoing, except the Excluded

Property and Rights (collectively the "**Inventory**"). "Excluded Property and Rights" means any furniture or furniture designs which are allegedly infringing the rights of Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited in a judgement presented in the United-States, District Court for the Northern District of Illinois Eastern Division;

- (d) all of the Debtor's furniture, fixtures, computers hardware and software, office equipment, equipment, rolling stock wherever situated;
  - (e) all intellectual property in its broadest sense including, without limitation, all patents, trademarks, copyrights, tradenames, designs and all other intellectual property, except the Excluded Property and Rights;
  - (f) all accounts receivable and claims, other than the counter-claim of the Debtor against Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited;
  - (g) all goodwill pertaining to the Business carried on by the Debtor including, without limitation, the right of Proposed Purchaser to continue to carry on the Business for the Proposed Purchaser's own account and to the complete exoneration of the Debtor;
  - (h) all monies and cash on hand held by the Debtor or held by any financial institution(s) on behalf of the Debtor;
42. In summary, the Proposed Offer provides that the Proposed Purchaser will purchase the Purchased Assets for (a) the assumption of the indebtedness owed by the Debtor to CIBC and BDC under their respective financing agreements (the "**Financing Debt**"); and (b) the assumption of certain of the Debtor's liabilities, including the assumption of all salaries owing to the Debtor's employees as well as all lease obligations pursuant to the Acquired Premises Leases and equipment and vehicle leases;
43. A detailed analysis of the transaction contemplated by the Proposed Offer (the "**Transaction**"), including the purchase price thereunder, is contained in the Trustee's Report (Exhibit P-1);
44. As a result of the Proposed Purchaser's assumption of the Financing Debt and the Security Interests, it is respectfully submitted that it is appropriate in the circumstances to order that the Security Interests be assigned and transferred so as to charge the assets of the Proposed Purchaser;

## VII. SECURED CREDITORS POSITIONS

45. The Forbearance Agreement expires on April 30, 2018 following which, the Financing Debt provided by CIBC will become due and exigible, and the security in respect thereof becomes fully enforceable;
46. In order to successfully refinance the Financing Debt, the Proposed Purchaser is in discussions with various lenders, including CIBC and BDC, all of which will require that the Purchased Assets be purchased and owned by the Proposed Purchaser, free and clear of all hypothecs and charges, other than the Security Interests and other assumed charges;
47. The negotiations surrounding the refinancing of the Financing Debt by BDC are underway and BDC is currently reviewing the possibility to authorize the assumption by the Proposed Purchaser of the indebtedness owed by the Debtor. The BDC is not yet able to confirm whether it will or will not authorize such assumption, but conditional upon reaching an agreement with the Proposed Purchaser in that regard, BDC supports the Transaction;
48. CIBC has taken the position that the Transaction should be approved imminently in order to allow for the conclusion of the negotiations surrounding the refinancing of the Financing Debt prior to the expiry of the Forbearance Agreement. Given that CIBC will have the right to enforce its security upon the expiry of the Forbearance Agreement, it is necessary that the Transaction be approved by the Court as herein set forth;

## VIII. GROUNDS FOR APPROVAL OF THE TRANSACTION

49. Section 65.13 *BIA* sets out certain factors that are to be considered, among other things, in deciding whether to grant authorization to approve the sale. These factors, and the Trustee's comments thereon (as appears more fully from the Trustee's Report), are as follows:
  - (a) *whether the process leading to the proposed sale or disposition was reasonable in the circumstances*: The Proposed Offer was obtained following and pursuant to the SSP as approved by the Court on March 16, 2018 which SSP was conducted by the Trustee;
  - (b) *whether the trustee approved the process leading to the proposed sale or disposition*: The formal solicitation process pursuant to which the Proposed Offer was obtained was conducted in accordance with the SSP as approved by the Court and with the assistance and management of the Trustee;
  - (c) *whether the trustee filed with the court a report stating that in his opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy*: As appears from the Trustee's report, the Trustee has concluded that the Transaction is reasonable and fair taking into account all of the



circumstances and would be more beneficial to creditors and other stakeholders than a liquidation following a bankruptcy;

- (d) *the extent to which the creditors were consulted:* The Debtor's secured creditors who inquired were kept apprised of the SSP and were provided with the ability to participate in the process upon request. The Debtor's unsecured creditors that contacted the Debtor and/or the Trustee, including landlords, suppliers and Halo Creative Design Limited or Halo Trademarks Limited or Halo Americas Limited, have been informed of the Debtor's restructuring process, including the SSP. In addition, all SSP related Court documents were posted on the Trustee's web site;
- (e) *the effects of the proposed sale or disposition on the creditors and other interested parties:* The Transaction will maintain the Business as a going concern and will preserve:
  - (i) the design expertise developed over the years in Montreal;
  - (ii) the Debtor's approximately 30 employees, and approximately 25 employees of Bois & Cuir retail stores who rely on the Debtor's merchandise; and
  - (iii) the supply relationships and orders with the Debtor's current suppliers from whom the Debtor buys approximately \$6.5 Million per year;
- (f) *whether the consideration to be received for the assets is reasonable and fair, taking into account their market value:* Given its position as set forth above, unless the Transaction takes place imminently, CIBC may elect to enforce its security, upon the expiry of the Forbearance Agreement. Accordingly, the consideration to be received (the assumption of the Financing Debt and the "Assumed Debts" as defined in the Proposed Offer) is reasonable and fair in the circumstances. In addition, all of the Debtor's furniture, leasehold improvements and equipment has negligible value upon a liquidation;

and the additional factors that are to be satisfied when the proposed sale or disposition is to a person who is related to the insolvent person:

- (g) *good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the insolvent person:* As described in the Trustee's report, a comprehensive sale and solicitation process was conducted with the assistance and management of the Trustee canvassing a wide range of parties in the same or similar industry as the Debtor;

The Trustee and the Debtor spoke to and met with several parties and provided information pertaining to the Business to such parties so that such parties could make an offer to purchase the Business and/or the Debtor's assets.

Two other "liquidation offers" were received from other non-related parties, but they referred only to the purchase of the Debtor's inventory. One party indicated that they could be interested in purchasing the accounts receivable, but no offer was received prior to the bid deadline.

No other offer contemplated the purchase of all the assets of the Debtor in a going concern scenario, including the assumption of all employees and leases, as provided for in the Proposed Offer.

- (h) *the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition:* As previously indicated, despite the comprehensive SSP, only two other offers were received and relating only to the purchase of the inventory, and it is unlikely that any further marketing efforts will result in the identification of any alternative purchaser that would make a superior offer for the Purchased Assets. Therefore, and due to the position of CIBC and the short delay before the expiry of the Forbearance Agreement, the SSP, which lasted approximately three (3) weeks and which was previously approved by this Court, cannot be extended.

50. The Debtor and the Trustee have come to the conclusion that the Transaction as set forth in the Proposed Offer represents the best solution in the present circumstances;
51. Accordingly, the Debtor respectfully submits that it is in the best interest of the Debtor and its creditors that this Court approves the Transaction;

#### **IX. ASSIGNMENT OF AGREEMENTS**

52. Given that the Proposed Purchaser wishes to acquire the Business as a going concern, it is an essential component of the Transaction that the Proposed Purchaser obtain the assignment of the Acquired Premises Leases, pursuant the following agreements (the "**Acquired Agreements**"):
- (a) Lease Agreement intervened between the Debtor and Brazdan Investments Inc. on November 13, 2014;
  - (b) International Market Centers LLC, High Point Lease Agreement intervened between the Debtor and Showplace ACT LLC on September 13, 2016;
  - (c) International Market Centers, Las Vegas Lease Agreement intervened between WMCV Phase 2 LLC on November 22, 2013 as amended on September 18, 2015 and September 29, 2016;
53. Accordingly, the parties to the Acquired Agreements have all received notice of the present Application;

**X. URGENCY AND CONCLUSIONS SOUGHT**

54. As appears from the Proposed Offer, the sale of the Purchased Assets must be completed with authorization from this Court authorizing the Debtor to conclude the Transaction and convey the Purchased Assets free and clear of certain hypothecs, security interests, encumbrances and other charges;
55. The Transaction must close quickly in order to ensure continuity in the Business operations, including maintenance of the relationships with customers who are awaiting to receive their merchandise in the coming weeks and beyond;
56. Thus, the Proposed Offer provides that closing of the Transaction must occur no later than May 30, 2018 (or such later date designated by the Debtor with the consent of the Trustee);
57. Additionally, given CIBC's position, the Transaction must occur imminently to allow for the refinancing of the Financing Debt prior to the expiry of the Forbearance Agreement;
58. The failure to conclude the Transaction will result in the Debtor's bankruptcy, the liquidation of the Debtor's assets and thus cause significant prejudice to the Debtor's current lenders, CIBC and BDC, suppliers and landlords, as well as to employees, customers and other stakeholders;
59. Accordingly, it is urgent that this Court grants the conclusions sought herein and order that the judgment to be rendered herein be executory notwithstanding appeal;
60. Finally, the Closing date contemplated in the SSP Procedure which was approved by the Sale and Solicitation Process Approval Order was set for April 12, 2018;
61. Obviously, the Closing date is not realistic and must be amended for April 30, 2018 or such later date designated by the Debtor with the consent of the Trustee;
62. The present Application is well founded in fact and in law.

**WHEREFORE, THE DEBTOR/PETITIONER PRAYS FOR JUDGMENT OF THIS HONOURABLE COURT:**

**SHORTENING** the delays to notify/serve the present Application;

**GRANTING** the present Application;

**ISSUING** an order substantially in the form of the draft Approval and Vesting Order communicated herewith as Exhibit P-2 in support of the present Application;

**AMEND** the Closing date contemplated in the SSP Procedure and in the SSP Approval Order for April 30, 2018 or such later date designated by the Debtor with the consent of the Trustee;

**DECLARE** the Approval and Vesting Order to be rendered by the Court be executory notwithstanding appeal;

**ISSUING** any other order the Court deems appropriate;

**THE WHOLE** without costs, save in the event of contestation.

Montreal, this April 10, 2018

  
**Groleau Gauthier Plante** L.L.P.  
Attorneys for the Debtor/Petitioner

**Mtres Jean Lozeau and Josée Brière**  
1000, Sherbrooke West Street, suite 2100  
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## DECLARATION UNDER OATH

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I, the undersigned, **DAVID OUAKNINE**, businessman, resident and domiciled for the purpose hereof at 5950, Côte-de-Liesse Road, in the city of Mont-Royal, judicial district of Montreal, province of Quebec, H4T 1E2, solemnly declare the following:

1. I am an authorized representative of the Debtor/Petitioner in the present Court file;
2. All of the facts alleged in the *Application for authorization to sell certain assets of the debtor, directions and other related orders* and in the present *Declaration under oath* are true and correct.


AND I HAVE SIGNED



---

DAVID OUAKNINE

Solemnly sworn before me, in Montreal,  
this April 10, 2018

  
Commissioner of oaths for Quebec



## NOTICE OF PRESENTATION

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**TO: SEE ATTACHED LIST OF SERVICE, AND**

**KPMG Inc.**

c/o Mr. Stéphane De Broux  
600, de Maisonneuve West Blvd., suite 1500  
Montreal, Quebec, H3A 3J2

Trustee

**Superintendent of Bankruptcy Canada**

Sun Life Building  
1155, Metcalfe Street, suite 950  
Montreal, Quebec, H3B 2V6

**TAKE NOTICE** that the present *Application for authorization to sell certain assets of the debtor, directions and other related orders* will be presented for decision to one of the Honourable Judges of the Superior Court, of the judicial district of Montreal, at the Montreal Courthouse, located at 1, Notre-Dame Street East, **in room 16.10, this April 12, 2018, at 8h45**, or as soon as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montreal, this April 10, 2018

  
\_\_\_\_\_  
**Groleau Gauthier Plante** L.L.P.  
Attorneys for the Debtor/Petitioner

**Mtres Jean Lozeau and Josée Brière**

1000, Sherbrooke West Street, suite 2100

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CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

SUPERIOR COURT  
(Commercial Division)

N°: 500-11-054208-182  
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**IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF:**

**COMPTOIR DES INDES INC.** (operating under  
the trade name CDI Furniture)

Debtor/Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE ATTACHED  
SERVICE LIST;**

Mises-en-causes

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**LIST OF EXHIBITS**

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- Exhibit P-1:** Trustee's Report;
- Exhibit P-2:** Draft Approval and Vesting Order;
- Exhibit P-3:** Offer to Purchase;
- Exhibit P-4:** Search Summary;
- Exhibit P-5:** Sale and Solicitation Process Request for Offers.
- Exhibit P-6:** Teaser;
- Exhibit P-7:** Non-disclosure agreement.

Montreal, this April 10, 2018



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**Groleau Gauthier Plante L.L.P.**  
Attorneys for the Debtor/Petitioner

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SUPERIOR COURT  
(Commercial Division)  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
N° : 500-11-054208-182

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**IN THE MATTER OF THE NOTICE OF  
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under the trade name CDI Furniture)

Debtor / Petitioner

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Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST**

Mises en cause

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**APPLICATION FOR THE AUTHORIZATION  
TO SELL CERTAIN ASSETS OF THE  
DEBTOR, DIRECTIONS AND OTHER  
RELATED ORDERS AND EXHIBITS**

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Original

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BG4696

O/Ref.: 36169-1

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# **Exhibit P-1**

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
DIVISION: 01- Montreal  
S.C.: 500-11-054208-182  
SUPER: 41-2353388

SUPERIOR COURT  
(Commercial Division)

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

**COMPTOIR DES INDES INC.**, legal person duly incorporated according to law having its principal place of business at 5950, Côte-de-Liesse Road, in the city of Mont-Royal, judicial district of Montreal, province of Quebec, H4T 1E2

*Applicant*

- and -

**KPMG INC.**, a corporation duly incorporated under the *Canada Business Corporations Act* (Canada), having a place of business at 600, boul. De Maisonneuve Blvd. West, Suite 1500 Montreal, QC, H3A 0A3

*Trustee*

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**TRUSTEE'S REPORT ON THE SALE TRANSACTION OUTSIDE OF THE ORDINARY COURSE OF BUSINESS  
(SECTION 65.13) AND ON THE STATE OF THE INSOLVENT PERSON'S BUSINESS AND FINANCIAL AFFAIRS  
(PARAGRAPHS 50.4(7)(B) AND 50.4(9))**

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IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF **COMPTOIR DES INDES INC.**:

I, Stéphane De Broux, CPA, CA, CIRP, LIT of the firm KPMG Inc. ("**KPMG**" or the "**Trustee**"), the trustee under the Notice of Intention to Make a proposal filed by **COMPTOIR DES INDES INC.** (hereinafter "**CDI**", the "**Debtor**" or the "**Company**"), hereby report to the Court as follows.

**INTRODUCTION**

1. On March 9, 2018, CDI filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**"), and KPMG was appointed as Trustee to the NOI. As a result of the filing of the NOI, all proceedings against the Company and its assets were stayed until April 8, 2018 (the "**Stay Period**");
2. On March 9, 2018, the Trustee filed with the official receiver (i) a projected cash-flow statement for the period of March 10, 2018 to April 20, 2018, (ii) the Company's report on its cash flow statement and (iii) The trustee report on said cash flow statement, in accordance with section 50.4(2) of the BIA and on March 16, 2018, the Trustee sent a copy of the NOI to all known creditors of CDI;

3. On March 16, 2018, CDI presented an Application for the authorization of a sale and solicitation process, priority charges and other interim reliefs (the "**Application for sale and solicitation process**"). As part of its restructuring process, CDI, with the assistance and management of the Trustee, has commenced a comprehensive sale and solicitation process in order to market the Debtor's "Business" (as defined hereinafter) and related assets to potential acquirers (the "**SSP**"). A Sale and Solicitation Approval Order was issued by the Court on that day;
4. The Application for sale and solicitation process presented on March 16, 2018, also sought to obtain an approval for granting two charges: one in favor of the Debtor's counsel, the Trustee and the Trustee's counsel (the "**Administration Charge**") ranking behind and immediately after the security interest currently held by the Debtor's secured creditors, namely Canadian Imperial Bank of Commerce (hereinafter "**CIBC**" or the "**Bank**") and Business Development Bank of Canada (the "**BDC**"), and one in favor of the directors and officers of the Debtor ranking behind and immediately after the security interest currently held by the Debtor's secured creditors and the Administration Charge (the "**D&O Charge**"). A Charge Order was also issued by the Court on that day;
5. On April 5, 2018, CDI presented an Application to extend the delay to file a proposal (the "**Application for extension**") and the Court issued an Order extending the delay to file a proposal under the NOI until May 18, 2018;
6. On April 11, 2018, the Debtor filed an application to seek this Court's issuance of an Order authorizing and approving the sale of certain of the Debtor's assets to Container Direct International Furniture inc. and to Concept Design Innovation Furniture inc. (both purchasers are hereinafter referred jointly as the "**Proposed Purchaser**") and other transactions, pursuant to that certain Offers to Purchase (as defined hereinafter) submitted by the Proposed Purchaser under the SSP (both Offers to Purchase are hereinafter referred jointly as the "**Proposed Offer**");
7. Considering that the Proposed Purchaser and the Debtor have some shareholders in common and that such shareholders direct the Proposed Purchaser, as such, the authorization of the Proposed Offer contemplated by the Debtor is being sought as though said proposed sale will be made to a person related to the Debtor pursuant to Section 65.13(5) of the BIA;
8. The Trustee developed an internet micro-site, where the Applications and Orders described above are available for creditors to review;
9. As part of its restructuring, the Company has mandated the Trustee to assist with initiating and pursuing the SSP in order to market and solicit offers for the Business and assets relating thereto, as approved by this Court on March 16, 2018;
10. The purpose of this report is to provide this Honourable Court with information regarding:
  - a) Background information on CDI;
  - b) CDI's activities since the filing of the NOI;
  - c) The results of the sales and solicitation process (the "**SSP**");
  - d) The Proposed Offer to Purchase;
  - e) Analysis of the Proposed Offer;
  - f) Assignment agreements; and
  - g) The Trustee's recommendation with respect to the SSP.

## BACKGROUND INFORMATION

11. Founded in 2002, the Debtor is a privately owned company and operates a distribution and design business of home furniture, lighting and décor accessories and sells such products in Canada and the United States (hereinafter "**Business**");
12. The design, distribution, wholesale, warehousing and administrative divisions of the Business operate from the Debtor's leased head office premises in Montreal at 5950 Chemin de la Côte-de-Liesse;
13. The Company supplies a range of customers, from small individual retailers to large multi-store chains;
14. The Company has its own in-house team of designers;
15. In order to operate the Business, the Debtor has a workforce of 31 employees who work in various divisions of the Business;
16. The NOI was filed in a context where:
  - a) The Debtor was sued by Halo Creative & Design Ltd, Halo Trademarks Ltd and Halo Americas Ltd (collectively "**Halo**"), its competitors based in Hong Kong, for damage arising from patent, trademark and copyright infringement (hereinafter "**Lawsuit**");
  - b) On January 29, 2018, the Debtor was condemned to pay to Halo the sum of USD \$3,559,284;
  - c) The condemnation has since been appealed by the Debtor, but the substantial costs incurred to defend the Lawsuit is one of the major reasons of the financial difficulties incurred by the Debtor;
  - d) Given the Debtor's insolvency and its defaults under the CIBC credit facilities, the Bank has sent to the Debtor a Demand for payment and Notice of Intention to enforce security pursuant to Section 244 of the Bankruptcy and Insolvency Act (hereinafter "**244 Notice**");
  - e) The foregoing has rendered the Debtor insolvent and accordingly, it was determined that it was in the best interests of the Debtor to file the NOI and enter into a formal restructuring process.

## CDI'S ACTIVITIES SINCE THE FILING OF THE NOI

17. After the filing of the NOI, CDI reached a forbearance agreement with the CIBC. The Bank as agreed to tolerate the defaults, to forbear from the exercise of its rights and recourses resulting therefrom and shall continue to finance the operations of CDI up to and until no later than April 30, 2018;
18. The Debtor continues to execute its restructuring plan;
19. The Company diligently maintained its design, sale and distribution operations since the filing of the NOI;
20. The Debtor continues to make effort in the liquidation of inventory to obtain short-term capital;
21. As part of its turnaround / restructuring plan, the Debtor commenced on March 16, 2018, the SSP with the assistance and under the supervision of the Trustee in order to market and solicit offers for the Business and assets relating thereto, the whole in accordance with the Sale and Solicitation Approval Order;
22. Potential buyers were identified and contacted and the Trustee has prepared a virtual dataroom including financial and operational information. The bid-deadline was April 6, 2018, as more fully described herein.

## THE RESULTS OF THE SALE AND SOLICITATION PROCESS

23. As part of its restructuring plan, the Company has put in place a SSP to sell all of its assets with the assistance and under the supervision of the Trustee in order to market and solicit offers for the Business and assets relating thereto, the whole pursuant to the Sale and Solicitation Approval Order and that "Request for Offers", a copy of which is annexed hereto as **Appendix A**.
24. The Trustee prepared a virtual dataroom (the "**Dataroom**"), which included financial and operational information on the Business.
25. The following summarizes the key elements that occurred between the launch of the SSP on March 16, 2018 and the bid deadline on April 6, 2018 at 12:00 P.M. (the "**Bid Deadline**"):
  - a) The Trustee and the Company, prior to the launch of the SSP, had prepared a list of potential interested parties active in the industry or a similar industry. During the solicitation period, additional names were added to the list. In all, the list contained the names of forty-five (45) companies, a copy of which is annexed hereto as **Appendix B**;
  - b) Interested Parties were contacted by the Trustee starting on March 19, 2018 and were provided with a preliminary information package containing summary information about the Business (the "**Teaser**"), a non-disclosure agreement (the "**NDA**") to be signed in order to have access to the Dataroom, copies of which are produced herewith as **Appendix C**;
  - c) The Trustee communicated in the following days with interested parties who had received the information, to discuss with the recipient about this business opportunity and to invite them to communicate with the Trustee for additional information. Follow-up communications with the recipient were also made in the following weeks;
  - d) Following the transmission of the information and the communications, six (6) interested parties indicated their interest in obtaining more information about the Debtor and signed NDAs. Interested parties who signed NDAs were given access to the Dataroom administered by the Trustee containing information relating to the Debtor's operations including financial statements, accounts receivable listings, inventory listings, leases, and financing agreements;
  - e) In addition, 16 potential interested parties indicated to the Trustee that they had no interest in this business opportunity;
  - f) Certain of such interested parties contacted the Trustee for further information and enquiries. Additionally, two (2) Interested Parties visited the head office of the Debtor, including its warehouse containing the inventory.
26. The CIBC and BDC were kept informed of the steps taken by the Company and the Trustee during the SSP.
27. The Trustee informed other creditors and stakeholders that communicated with him, with regards to the status of the file and the SSP.
28. In accordance with the terms and conditions of the SSP, on April 6, 2018, the Trustee opened the three offers received at the Bid Deadline, copies of which are annexed hereto as **Appendix D**.
29. One of these offer has been retained by the Trustee for approval by this Court.

## PROPOSED OFFER TO PURCHASE

30. Container Direct International Furniture inc., and Concept Design Innovation Furniture inc., have submitted a joint offer under the SSP (both purchasers are hereinafter referred jointly as the "**Proposed Purchaser**" and the "**Proposed Offer**");
31. Considering that the Proposed Purchaser and the Debtor have some shareholders in common and that such shareholders direct the Proposed Purchaser, as such, the analysis of the Proposed Offer is being done as though said proposed sale will be made to a person related to the Debtor pursuant to Section 65.13(5) of the BIA;
32. The Proposed Purchaser has made the Proposed Offer as an ultimate last resort option in order to save the Business as a going concern, which Business is the culmination of over 16 years of the creative efforts and hard work of Mr. David Ouaknine;
33. In order to make the Proposed Offer, the Proposed Purchaser has solicited the CIBC in order to provide an operating loan to continue the Business;
34. Pursuant to the Proposed Offer, the Proposed Purchaser offers to purchase the therein defined "Purchased Assets" including, without limitation, namely:
  - a) all leases and similar agreements including all amendments thereto (the "**Premises Leases**") for the Debtor's occupancy of the following (collectively the "**Acquired Premises Leases**"):
    - i) the showroom premises; and
    - ii) the Debtor's head office and warehouse located at 5950 Chemin de la Côte-de-Liesse, Montreal, Quebec, H4T 1E2;
  - b) the equipment leases and similar agreements hereto for the Debtor's leasing of certain equipment and all accessories to such equipment (the "**Acquired Equipment Lease**");
  - c) all of the Debtor's goods, wares, merchandise and inventory wherever situated, including, without limitation, all in-transit inventory and/or on-order inventory (the "**In-Transit Inventory**"), the full benefit of all deposits or other partial payments made by the Debtor to the suppliers of all of the foregoing, except the Excluded Property and Rights (as defined in the Proposed Offer) (collectively the "**Inventory**");
  - d) all of the Debtor's furniture, fixtures, computers hardware and software, office equipment, equipment, rolling stock wherever situated;
  - e) all intellectual property in its broadest sense including, without limitation, all patents, trademarks, copyrights, tradenames, designs and all other intellectual property, except the Excluded Property and Rights;
  - f) all accounts receivable and claims, other than the counter-claim of the Debtor against Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited;
  - g) all goodwill pertaining to the Business carried on by the Debtor including, without limitation, the right of Proposed Purchaser to continue to carry on the Business for the Proposed Purchaser's own account and to the complete exoneration of the Debtor;
  - h) all monies and cash on hand held by the Debtor or held by any financial institution(s) on behalf of the Debtor.
35. The authorization of the Proposed Offer contemplated by the Application is being sought as the proposed sale will be made to a person related to the Company pursuant to Section 65.13(5) BIA;

36. The purchase price for the assets will be paid through the assumption by the Proposed Purchaser of certain debts (the "**Assumed Debts**") on the condition that the Purchaser reaches an agreement with the Vendor's secured creditors, CIBC and BDC (the "**Secured Creditors**"), regarding the assumption by the Purchaser of certain of the Vendor's debts as set forth in the Offer (the "**Financing Debts**") or reaches any other satisfactory agreements to the Secured Creditors regarding the repayment of the Financing Debts (the "**Closing Condition**")
- a) All indebtedness owing to CIBC and to BDC, as at and after the closing of the transaction. As at April 6, 2018 the amounts due to CIBC were CA\$3,435,317 on facility # 1 and US\$107,702.40 on facility #2. The total amount due to the BDC at that date was CA\$426,300. These amounts will vary until the contemplated date of the closing of the transaction;
  - b) All salaries and other remuneration and benefits owing to the current employees, from and after the closing of the transaction. The salaries are paid by the Company weekly;
  - c) All indebtedness owing under the Acquired Premises Leases for the premises as at and after the closing of the transaction. Two of the leases have terms up to 2021 and 2022 and a third one up to 2036;
  - d) All indebtedness owing under the acquired equipment and vehicle leases as at and after the closing of the transaction;
  - e) All amounts owing to suppliers of any in-transit inventory, and
  - f) Professional fees.
37. On April 9, 2018, CDI informed the Trustee of its decision to accept the Proposed Offer and to sell the Purchased Assets, on an "as is, where is" basis to the Proposed Purchaser, subject to the approval of this Court, to the successful conclusion of agreements with CIBC and BDC regarding the assumption of the Financing Debts and the materialization of the Closing Conditions and the execution of an asset purchase agreement and other related agreements or documents satisfactory to them.

## ANALYSIS OF THE PROPOSED OFFER

38. The Trustee respectfully makes the following comments to this Honourable Court:
39. The Trustee supports the request sought by the Company in its Application to obtain the approval from the Court of the Proposed Offer, for the reasons below. This remains however conditional on reaching agreements with CIBC and BDC on the Financing Debts and the materialization of the Closing Conditions. In supporting the Proposed Offer, the Trustee has considered the transaction as though the sale contemplated thereby will be made to a person related to the Company.
- a) The SSP was reasonable under the circumstances. The formal solicitation process pursuant to which the Proposed Offer was obtained was conducted in accordance with the SSP as approved by the Court and with the assistance and management of the Trustee. The Trustee had a time frame of three (3) weeks in order to identify potential interested parties and run a due diligence process, given that the forbearance agreement with the Bank will expire on April 30, 2018 and the Bank will thereafter have the right to enforce its security. Furthermore, the Bank has indicated its position to the Company that the transaction should be approved imminently to permit the conclusion of the negotiations surrounding the refinancing of the Financing Debts prior to the expiry of the Forbearance Agreement. Notwithstanding the tight timeframe under the current context, more than 45 potential interested parties were contacted;
  - b) As appears from the table below, as at March 30, 2018, the estimated net realization value of CDI's assets in the context of a liquidation scenario is estimated to range between \$366,000 and \$1,310,000;

<b>Comptoir des Indes inc.</b>			
<b>Estimated Net Orderly Liquidation Value in a liquidation context</b>			
<b>As of March 30, 2018</b>			
	<b>Book Value</b>	<b>Estimated Realization Value in a liquidation</b>	
		<b>Low</b>	<b>High</b>
Accounts receivables	1 599 918	299 000	498 000
Inventories	3 491 085	769 000	1 300 000
Fixes assets (incl. Leasehold improv. and Capital leases)	574 203	44 000	58 000
Goodwill	-	-	-
<b>Estimated realization from Assets</b>	<b>5 665 206</b>	<b>1 112 000</b>	<b>1 856 000</b>
Less: priority charges		(96 000)	(96 000)
Less: Estimated Realization Costs		(650 000)	(450 000)
<b>Estimated Net Realization available to creditors</b>		<b>366 000</b>	<b>1 310 000</b>

- c) The book values presented in the table were derived from the internal books and records of CDI;
- d) As at March 30, 2018, the debt owed to the Bank was \$3,433,689. The total amount due to the BDC at that date was CA\$426,300. Thus, the total debt owed to the Secured Creditors amounted to \$3,859,989;
- e) The net realization value in the context of a bankruptcy / liquidation scenario (range of \$366,000 to \$1,310,000) is estimated to be fairly lower than the amount of secured claims which are estimated at \$3,859,989, as at March 30, 2018, therefore resulting in significant losses to the Secured Creditors;
- f) In addition, an orderly liquidation scenario would yield no recoveries for the unsecured creditors and no business continuity for the employees, suppliers and landlords. Therefore, the consideration to be received for the Purchased Assets is reasonable and fair, taking into account their estimated value in the current context. This is further evidence by the two (2) other "liquidation offers" received from non-related parties, which referred only to the purchase of the Debtor's inventory at values well below the Trustee's estimated net realization. One party indicated that they could be interested in purchasing the accounts receivable, but no offer was received prior to the bid deadline;
- g) The Trustee and the Debtor spoke to and met with several parties and provided information pertaining to the Business to such parties so that such parties could make an offer to purchase the Business and/or the Debtor's assets;
- h) No other offer contemplated the purchase of all the assets of the Debtor in a going concern scenario, including the assumption of all employees and leases, as provided for in the Proposed Offer;
- i) The Debtor's Secured Creditors who inquired were kept apprised of the SSP and were provided with the ability to participate in the process upon request. The Debtor's unsecured creditors that contacted the Debtor and/or the Trustee, including landlords, suppliers and Halo, have been informed of the Debtor's restructuring process, including the SSP. In addition, all SSP related Court documents were posted on the Trustee's web site;
- j) An important portion of the fixed assets of the Company is comprised of leasehold improvements and certain equipment under capital leases, which have no value in the context of a liquidation. The remaining computer, office and manufacturing equipment, and furniture and fixtures would have limited realization value;



- k) The CDI brand has little value for other manufacturers / retailers, as evidenced by the absence of offers received from the potential interested parties that were contacted by the Company and the Trustee, for the purchase of the Company as a going concern. The value of the brand is closely tied to its president, Mr. David Ouaknine;
- l) The Proposed Offer provides for the complete assumption of the debt of the CIBC and the BDC and of the Acquired Premises Leases, for the benefit of the various stakeholders. The Proposed Offer therefore totals at least \$ 3.8 million before considering the value of the Acquired Premises Leases and employees, which exceed significantly the value of the other two (2) offers received and the Trustee's estimated realization value in the context of an orderly liquidation;
- m) CDI would be under the management of certain of the same directors of the Company, who have a thorough knowledge of the business and its industry;
- n) The Proposed Purchaser has advised the Trustee that it is in discussions with various lenders, including the CIBC and BDC, in order to obtain financial commitments from lenders in order to support the Business and refinance the existing operating loan expiring on April 30, 2018. The Proposed Purchaser is confident to obtain these commitments very shortly.
- o) The sale would ensure that the majority of the over 30 jobs would be maintained at the head office, including the skilled design force, and provides for the assumption of any debts owing to such employees;
- p) The 25 employees of Bois & Cuir retail stores, a related entity, who rely on the Debtor's merchandise, would also retain their jobs;
- q) The supply relationships and orders with the Company's current suppliers, from whom the Debtor buys approximately \$6,500,000 per year, would also be maintained by the Proposed Purchaser.

## **ASSIGNMENT AGREEMENTS**

40. With respect to the assignment of the leases for showrooms, the head office lease, the equipment and vehicle leases, the Trustee approves such assignments for the following reasons:
- a) All rentals and/or other amounts or obligations owing or to become owing to the lessors of the premises leases and the equipment and vehicle leases to be acquired will be assumed by the Proposed Purchaser. Additionally, the Proposed Purchaser will assume any and all defaults under such leases, to the extent same are owed.
  - b) The Proposed Purchaser will operate the Business in the same manner as the Company previously operated the Business and will maintain the sale of the merchandise under the same trade name.
  - c) The Proposed Purchaser has had several discussions with potential lenders to support the operation of the Business.

## TRUSTEE'S RECOMMENDATIONS

41. In light of the above, The Trustee has therefore come to the conclusion that the transaction contemplated by the Proposed Offer would be more beneficial to the Debtor's stakeholders generally than a liquidation and the consideration to be received is reasonable taking into account their market and liquidation values. In addition, the transaction coupled with the assignment of the agreements mentioned above represents the best solution in the present circumstances;
42. In addition, the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition. This remains however conditional on reaching agreements with CIBC and BDC on the Financing Debts;
43. As previously indicated, despite the comprehensive SSP, only two (2) other offers were received from non-related parties referring only to the purchase of the inventory, and it is unlikely that any further marketing efforts will result in the identification of any alternative purchaser that would make a superior offer for the Purchased Assets. Therefore, and due to the short delay before the expiry of the forbearance agreement, the SSP, which lasted approximately three (3) weeks and which was previously approved by this Court, cannot be extended;
44. Additionally, given the Bank's position, the transaction must occur imminently to facilitate the conclusion of the negotiations surrounding the refinancing of the Financing Debts prior to the expiry of the Forbearance Agreement.
45. The failure to conclude the transaction will result in the Company's bankruptcy, the liquidation of the Company's assets and thus cause significant prejudice to the Company's current Secured Creditors, suppliers and landlords, as well as to employees, and other stakeholders.

All of which is respectively submitted this 11th day of April, 2018.

**KPMG INC.**, in its capacity  
as Trustee of Comptoir des Indes Inc.



Stéphane De Broux, CPA, CA, CIRP, LIT

**APPENDIX A**

## SSP PROCEDURE DOCUMENT

### REQUEST FOR OFFERS

#### IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF COMPTOIR DES INDES INC.,

KPMG Inc. ("**KPMG**") acts as trustee to the notice of intention to make a proposal of Comptoir des Indes Inc. (the "**Debtor**") filed on March 9, 2018.

The Debtor has mandated KPMG to initiate and conduct a sale and solicitation process to market the Debtor's business and the assets related thereto (the "**SSP**"). Any transaction in connection with the Debtor's business and/or the assets will require Court approval.

As part of this SSP, KPMG will allow Qualified Bidders to access (at KPMG's choice, either through KPMG's virtual data room or through other means chosen by KPMG) all documents and information which the Debtor believes to be required in order for a Qualified Bidder to be in a position to make an offer or propose a transaction in connection with the Debtor's business or the Assets (the "**Information**").

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

1. **VENDOR.** The Vendor of the Assets will be either the Debtor, a receiver to be appointed in respect of the Assets or, in the event of the Debtor's bankruptcy, the Debtor's bankruptcy trustee ("**Vendor**").
2. **ASSETS.** The assets forming the object of any Qualified Bid (the "**Assets**") will consist of all of the Debtor's corporeal and incorporeal, tangible and intangible property and any interests of the Debtor therein (to the extent of such interests) including, without limitation, all inventory, accounts receivable, leasehold improvements, leasehold rights, contractual rights under agreements, fixed assets, intellectual property and goodwill.
3. **QUALIFIED BIDDER.** The Debtor will only consider Qualified Bids from bidders who have provided to KPMG a fully executed "Confidentiality and Non-Disclosure Agreement" (the "**NDA**") to the Debtor's complete satisfaction (a "**Qualified Bidder**").
4. **DUE DILIGENCE.** Upon request made by a Qualified Bidder to KPMG, the Qualified Bidder may be granted access to the Information, in order to allow the Qualified Bidder to complete its due diligence prior to submitting a bid, all subject to and in accordance with the provisions of the NDA.
5. **QUALIFIED BID.** The Debtor shall only consider bids which meet the following conditions (a "**Qualified Bid**"), namely:

- (a) the bid is submitted by a Qualified Bidder;
- (b) the bid is submitted by the Bid Deadline;
- (c) the bid pertains to the acquisition or liquidation of all of the Assets or a transaction in connection with the investment or partnership in the Debtor's business;
- (d) the bid indicates the consideration offered for the Assets to be purchased or the proposed transaction (the "**Purchase Price**") and the method of its payment;
- (e) the bid is not conditional upon the outcome of unperformed due diligence or the obtaining of financing;
- (f) the bid is conditional upon the issuance by the Commercial Division of the Quebec Superior Court for the District of Montreal (the "**Court**") of a judgment or order (the "**Approval Order**") which has been made executory notwithstanding appeal or which has become final as a result of the delay for appeal having expired without an appeal having been lodged or, an appeal having been lodged, the Order having been confirmed on appeal withdrawn which:
  - (i) authorizes Vendor (**A**) in the case of the sale of Assets, to sell the relevant Assets to the Qualified Bidder, free and clear of all hypothecs, prior claims, security interests, liens, charges and encumbrances whatsoever other than any expressly assumed by the Qualified Bidder in its Qualified Bid, and/or (**B**) to enter into and complete the proposed transaction with the Qualified Bidder, the whole in accordance with the terms and conditions of the Qualified Bid;
  - (ii) in the case of the Assets comprising leasehold rights, orders the assignment by Vendor to the Qualified Bidder of all of the Debtor's rights and obligations under some or all leases creating such leasehold rights; and
  - (iii) in the case of Assets comprising contractual rights, orders the assignment by Vendor to the Qualified Bidder of all of the Debtor's rights and obligations under some or all agreements creating such contractual rights.
- (g) in the case of a sale of the Assets, the bid is accompanied by a deposit in the amount of \$100,000 (the "**Deposit**") in the form of a certified cheque, irrevocable electronic transfer of funds or bank draft, payable to "KPMG Inc. – In Trust";
- (h) the bid provides for a closing of the transaction envisaged by the Qualified Bid (the "**Contemplated Transaction**") by no later than 5 o'clock p.m. (Montreal time) on April 12, 2018 (the "**Closing Date**"); and

- (i) the Qualified Bid provides for the following acknowledgments and representations from the Qualified Bidder, namely that:
- (i) the Qualified Bidder has had the opportunity to conduct all due diligence regarding the Assets and/or the Debtor, before submitting its bid;
  - (ii) the Qualified Bidder acknowledges and recognizes that the Contemplated Transaction will be made on an “*as is / where is*” basis, at the Qualified Bidder’s own risk and peril, without any representations or warranties of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise, with respect to the Assets and/or the Debtor;
  - (iii) the Qualified Bidder, in submitting its bid, has relied solely upon its own independent review, investigation and/or inspection of the Assets and the Information concerning the Assets and/or the Debtor;
  - (iv) the Qualified Bidder, in submitting its bid, has not relied upon any written or oral representations, warranties, guaranties or statements whatsoever, whether express or implied, statutory or otherwise, regarding the Assets and/or the Debtor or regarding any Information or the completeness thereof; and
  - (v) the bid is accompanied by such other information as may be reasonably requested by the Debtor and/or KPMG.
6. **BID DEADLINE.** Qualified Bids accompanied by the Deposit must be received in a sealed envelope by KPMG by no later than noon (Montreal time) on April 6, 2018 (the “**Bid Deadline**”). Such sealed envelope must clearly be marked “**BID – COMPTOIR DES INDES INC.**”.
7. **OPENING OF QUALIFIED BIDS.** Qualified Bids will be opened at KPMG’s offices upon the expiry of the Bid Deadline. No bidder will be present at the opening of bids.
8. **WITHDRAWAL OF A QUALIFIED BID.** All Qualified Bids submitted constitute a firm offer and cannot be revoked, unless a written notice of withdrawal of the Qualified Bid is received by KPMG prior to the expiry of the Bid Deadline.
9. **RETAINED BIDDER AND CONTEMPLATED TRANSACTION.** KPMG, after consultation with the Debtor, and/or the Debtor, will determine which of the Qualified Bids, if any, is acceptable. KPMG may elect to reject any or all of the Qualified Bids and is under no obligation to accept the highest Qualified Bid or to accept any of the Qualified Bids. The Qualified Bidders will be informed in writing by no later than 5 o’clock p.m. (Montreal time) on April 10, 2018 of the decision in respect of their respective Qualified Bids as follows:

- (a) if a Qualified Bid is accepted, the Qualified Bidder will receive a notice of acceptance from KPMG (the “**Notice of Acceptance**”) confirming that the Debtor agrees to complete the Contemplated Transaction with the Qualified Bidder (each a “**Retained Bidder**”), the whole subject to the issuance of the Approval Order (each a “**Retained Bid**”); and
  - (b) if a Qualified Bid is dismissed, the Qualified Bidder will receive notice of dismissal from KPMG and the Deposit (without any accrued interest thereon) will be promptly returned by KPMG to the Qualified Bidder. The Qualified Bidder recognizes and acknowledges that it has absolutely no recourse against KPMG and/or the Debtor as a result of the dismissal of its Qualified Bid, save and except with respect to the return of its Deposit (without any accrued interest thereon).
- 10. **DEFINITIVE AGREEMENTS.** Following receipt of a Notice of Acceptance, the Retained Bidder, the Debtor and KPMG undertake to negotiate in good faith to finalize the definitive agreements necessary to fully implement the Contemplated Transaction (the “**Definitive Agreements**”).
- 11. **APPLICATION TO THE COURT.** Unless the Debtor otherwise agrees, the Application to the Court seeking issuance of the Approval Order will not be filed with the Court prior to the drafts of the Definitive Agreements having been approved in writing by each of the Debtor, KPMG and the Retained Bidder.
- 12. **CLOSING.** Closing of the Contemplated Transaction(s) will occur no later than the Closing Date.
- 13. **LIABILITY FOR TAXES.** All applicable duties and taxes (including all sales taxes) that may be payable as a result of or in connection with the Contemplated Transaction will be paid by the Retained Bidder (in addition to the Purchase Price) in full at closing.
- 14. **WITHDRAWAL OF ACCEPTANCE.** The Debtor may withdraw its Notice of Acceptance at any time prior to the closing of the Contemplated Transaction. In the event of such withdrawal, KPMG will immediately return the Deposit (without any accrued interest thereon) to the Retained Bidder and the Retained Bidder will have no further rights or recourses whatsoever against the Debtor and/or KPMG.
- 15. **EXCLUSION OF WARRANTIES.** Any Contemplated Transaction will be made strictly on an “*as is / where is*” basis, without any representations or warranties on the part of the Debtor, any other Vendor or KPMG, of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise with respect to the Assets and/or the Debtor, all such representations or warranties being expressly excluded from the Contemplated Transaction. Without limiting the generality of the foregoing, in connection with a sale of the Assets, the Qualified Bidder acknowledges (and will acknowledge in the Definitive Agreements) having examined the Assets in all respects

and being completely satisfied with their existence, state, condition, saleability, quality and quantity in all respects. Additionally, in connection with a sale of the Assets, the Retained Bidder recognizes and acknowledges (and will recognize and acknowledge in the Definitive Agreements) that the Debtor and any other Vendor is not a professional seller of the Assets.

16. **POSSESSION.** Upon occurrence of closing on the Closing Date, in the event the contemplated transaction is in respect of the Assets, the Retained Bidder will take possession of the Assets strictly on an “*as is / where is*” basis, at its own cost and expense, without any liability on the part of the Debtor or KPMG. The Retained Bidder will indemnify and hold each of the Debtor and KPMG harmless for and against all claims in connection with any damages caused to any premises where the Assets are located as a result of the Qualified Bidder’s taking possession thereof.
17. **TITLE.** Title to the Assets will not pass to the Retained Bidder nor will the Retained Bidder be entitled to possession thereof until the occurrence of closing on the Closing Date.
18. **DEFAULT OF A QUALIFIED BIDDER.** If a Qualified Bidder fails to comply with any of the terms, conditions and provisions of this Request, the NDA or its Qualified Bid, the Qualified Bidder will indemnify and hold harmless each of the Debtor and KPMG for any damages incurred as a result of such failure.
19. **DEFAULT OF A RETAINED BIDDER.** If a Retained Bidder fails to complete the Contemplated Transaction or breaches the terms, conditions and provisions of this Request or the NDA, then:
  - (a) such Retained Bidder will be absolutely deemed to have completely forfeited its Deposit to and in favour of the Debtor and KPMG shall immediately remit such Deposit to the Debtor, which the Debtor shall be entitled to retain as pre-determined partial damages (and not as a penalty) resulting from such Retained Bidder’s default; and
  - (b) the Debtor and/or KPMG, as the case may be, will be entitled to claim damages from the Retained Bidder resulting from such Retained Bidder’s default in excess of the Deposit.
20. **NO ASSIGNMENT.** Neither a Qualified Bidder nor a Retained Bidder will be entitled to transfer or assign, in whole or in part, any of its rights, title and/or interest in or to its Qualified Bid and/or Retained Bid, except with the express prior written consent of the Debtor. If such consent is given by the Debtor, such Qualified Bidder, the Retained Bidder and the designated transferee/assignee will be solidarily (jointly and severally) liable towards the Debtor for all of the obligations of the Qualified Bidder and/or the Retained Bidder under its Qualified Bid and/or Retained Bid.



**21. NOTICE.** All communications (including, without limitation, all notices, acceptances, consents and approvals) provided for or permitted under this Request shall be in writing, sent by personal delivery, courier, facsimile or electronic transmission at the following coordinates:

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

(b) For the Debtor: COMPTOIR DES INDES INC.

5950, Côte-de-Liesse Road,  
Mont-Royal, Québec H4T 1E2

Attention: David Ouaknine  
David Elbaz

E-Mail: [david@cdifurniture.com](mailto:david@cdifurniture.com)  
[delbaz@o-notaire.com](mailto:delbaz@o-notaire.com)

(c) To KPMG: KPMG INC.

600 Maisonneuve Blvd West  
Suite 1500

Montreal, Quebec H3A 0A3

Attention: Stéphane De Broux  
Richard Lépine

E-Mail: [sdebroux@kpmg.ca](mailto:sdebroux@kpmg.ca)  
[rlépine@kpmg.ca](mailto:rlépine@kpmg.ca)

**22. APPLICABLE LAW AND JURISDICTION.** This Request, the NDA, the Definitive Agreements and the Contemplated Transaction(s) will be subject to and governed by the laws of the Province of Quebec and the laws of Canada in force therein from time to time. Each Qualified Bidder, the Debtor and KPMG attorns to the exclusive jurisdiction of the Court with respect to any and all legal proceedings or remedies related, directly or indirectly, to this Request, the NDA, the Definitive Agreements and the Contemplated Transaction(s).

**23. DELAYS.** If any delay provided for herein expires on a day that is not a business day (i.e. any day other than a Saturday, Sunday or statutory holiday in the Province of Quebec or any other day on which banks are generally closed for business in the Province of Quebec), the delay will be extended to the next business day. All delays set forth in this Request, including, without limitation, the Bid Deadline, the Closing Date and the delays set forth in Sections 7 and 9 hereof, may be extended by the Debtor, with the consent of KPMG.

**24. WAIVER OR VARIANCE OF CONDITIONS.** All of the conditions set forth in this Request, the NDA and the Contemplated Transaction will enure to the exclusive benefit of the Debtor or any other Vendor and, accordingly, the Debtor or any other Vendor

alone (and expressly not any Qualified Bidder or any Retained Bidder) will be entitled to waive or vary any of such conditions.

- 25. LANGUAGE.** Each of the Debtor, KPMG and the Qualified Bidders agree that this Request, the NDA, the Definitive Agreements, the Contemplated Transaction and all related documents be drawn up solely in the English language. / *Chacun des "Debtor", "KPMG" et "Qualified Bidders" consentent à ce que ce "Request", "Confidentiality Agreement", "Definitive Agreements", "Contemplated Transaction" et tous les documents y afférents soient rédigés dans la langue anglaise.*

**MONTREAL, March 16, 2018**

**KPMG INC.**, in its capacity as Trustee  
to the Notice of Intention to Make a Proposal of  
Comptoir des Indes Inc.

**SUPERIOR COURT**  
(Commercial Division)

CANADA

PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

No: 500-11- 054208-182

DATE: 16 Mars 2018

---

UNDER THE PRESIDING OF: ~~Me~~ **Chantal Flamand, registraire**

---

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF:  
**COMPTOIR DES INDES INC.**

Debtor / Petitioner

-and-

**KPMG INC.**

Trustee

---

**SALE AND SOLICITATION PROCESS APPROVAL ORDER**

---

- [ 1 ] **ON READING** the Application for the authorization of a sale and solicitation process, priority charges and other interim reliefs (hereinafter the "Application") of Comptoir des Indes Inc. (hereinafter the "Debtor"), the solemn declaration and the exhibits in support thereof;
- [ 2 ] **CONSIDERING** the notification / service of the Application;
- [ 3 ] **CONSIDERING** the submissions of counsel;

- [ 4 ] **CONSIDERING** that it is appropriate to issue an order approving a sale and solicitation process in order to market the Debtor's business and related assets (hereinafter the "SSP") and the related procedure attached as Exhibit P-7 to the Application (hereinafter the "SSP Procedure") and to authorize KPMG Inc. (hereinafter "KPMG") to conduct the SSP;

**THE COURT:**

- [ 5 ] **GRANTS** the Application

**Notification / Service**

- [ 6 ] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further notification / service thereof.

- [ 7 ] **PERMITS** notification / service of this Order at any time and place and by any means whatsoever.

**Sale and Solicitation Process**

- [ 8 ] **APPROVES** and **AUTHORIZES** the SSP.

- [ 9 ] **APPROVES** and **AUTHORIZES** the SSP Procedure, with such non-material alterations, changes, amendments, deletions and/or additions thereto as may be agreed to with the consent of KPMG.

- [ 10 ] **AUTHORIZES** KPMG to conduct SSP and to implement and perform any and all actions contemplated under the SSP Procedure or related thereto.

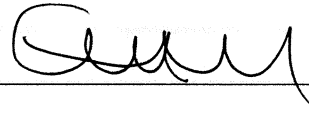
**General**

- [ 11 ] **DECLARES** that this Order shall have full force and effect in all provinces and territories of Canada.

- [ 12 ] **REQUESTS** the aid and recognition of any court or administrative body in any province or territory of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

- [ 13 ] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

- [ 14 ] **THE WHOLE** without costs.

A handwritten signature in black ink, appearing to be 'Chantal', written above a horizontal line.

**Me Chantal Flemand. registraire**

**APPENDIX B**

# Comptoir des Indes Inc

## List of Potential Interested Parties

Solicitation and Sales Process

Ref.	Company
1	Germain Larrivière
2	Perez Furniture
3	Kondolas
4	Bridge Interiors
5	Marshall's Home Living
6	Groupe Bermex
7	Roche Bobois
8	Mariette Clermont
9	Meubles Reno
10	Latitude Nord
11	Urbana Mobilier
12	Galerie Danoise
13	Avant Scène
14	Ameublement Casa Vogue
15	Exotik Mobilier
16	Mikaza
17	Mobilier Nord Sud
18	Revive Décor
19	Muskoka Furniture
20	Ludovik
21	Tapis LGL
22	ITK Furniture
23	M2GO
24	House Warmings
25	Zum Living
26	Beige
27	Nüspace
28	Style Labo
29	Standard Furniture
30	Meuble Amigo
31	Chaiya Decor
32	Meubles Express
33	Interversion
34	Ameublement Beaubien Inc.
35	Eurostyle
36	Hilco
37	Tiger Group
38	MG Finance
39	Montréal Lots
40	Crescent Commercial Corp
41	Universal Liquidation
42	Scotty Morris
43	K2 Capital
44	Platinum Asset Management
45	ATN Trading

**APPENDIX C**





# Comptoir des Indes inc. - Designer , distributor and B2B Supplier in the furniture industry

## Communications

All communications regarding this opportunity should be directly sent to:  
**KPMG inc.**  
600, de Maisonneuve W,  
Suite 1500  
Tour KPMG  
Montreal (QC) H3A OA3  
Canada

## Contact Information

**Richard Lépine**  
Vice-President  
+1 (514) 840 -2501  
[rlépine@kpmg.ca](mailto:rlépine@kpmg.ca)

## Additional Informations

Please contact the representative of the Trustee to obtain a copy of the call for tender, which includes the details of the Assets and the conditions.

## Context

Comptoir des Indes inc. (hereinafter the "Company") started a restructuring process on March 9, 2018, by the filing of a notice of intention to file a proposal (hereinafter the "NOI") pursuant to Section 50.4 (1) of the *Bankruptcy and Insolvency Act* (hereinafter the "BIA"). KPMG inc. (hereinafter "KPMG") has been appointed as trustee to the NOI.

As part of its restructuring process, the Company, with the support and supervision of KPMG, solicits offers for the purchase of its assets, subject to the approval of the Superior Court of Quebec.

The offers must be received by no later than April 6, 2018 at noon Montreal time and must be accompanied by a \$100,000 cash deposit paid to the Trustee.

## Company profile

A private company with a design, distribution, showroom and head office complex located in Montreal, Quebec.

With 16 years of experience, the Company is a furnishing supplier in the industry. The Company is positioned as a high-end, luxury and fashion furniture supplier with an extensive range of collections with different styles.

## The Company :

- ❖ In operation since 2002
- ❖ High-quality home and commercial wood, fabric and leather furnishing products manufactured overseas
- ❖ Products supplied to a range of consumers, from small individual retailers to large multi-store chains and hospitality projects.
- ❖ Carries approximately 45 different product collections.

## Business assets offered for sales:

All the assets of the Company , including among others:

- ❖ Inventories located at the head office
- ❖ Accounts receivable
- ❖ Property and equipment
- ❖ Contractual rights under agreements
- ❖ Intellectual property

## Important notice

This document contains basic information, statements and estimates provided to KPMG Inc. by the Company and its management. This document contains certain statements, estimates and projections with respect to the anticipated future performance of the Company. Such statements, estimates and projections reflect various assumptions made by the management of the Company concerning anticipated results, which assumptions may or may not prove to be correct. No representation is made as to the accuracy of such statements, estimates and projections.

Any person including any purchaser referred to in this document or any business or assets referred to herein must satisfy himself as to all matters relating to that Company or such business assets including all the information and statement contained herein.

KPMG Inc. on behalf of itself and all other member firms of KPMG, and all partners, staff and agents thereof, does not accept responsibility for any information contained herein and disclaims all liability to any person or entity arising out of or in connection with such information. KPMG Inc. is a division of KPMG LLP which is authorized and regulated by the Financial Services Authority for investment business activities.

## CONFIDENTIALITY AGREEMENT

Confidentiality agreement dated March \_\_, 2018 between **Comptoir des Indes inc.** (the “**Company**”) and \_\_\_\_\_ **inc.** (the “**Counterparty**”) (collectively the “**Parties**” or individually a “**Party**”). Reference to a Party includes such Party’s Representatives (as hereinafter defined) and “affiliates” and for greater certainty includes any of Counterparty’s or its affiliates’ portfolio companies. For purposes of this Agreement, an entity is an “affiliate” of a Party if: (1) one of them is a subsidiary of the other; or (2) each of them is controlled by the same person.

The Counterparty is considering the acquisition of the Company’s assets or a similar transaction with the Company (the “**Transaction**”). For purposes of evaluating the Transaction, the Counterparty has asked the Company to disclose information. This Agreement sets out the terms under which the Company is willing to disclose the information and the terms under which the Counterparty may receive and use the information. By signing this agreement, the Counterparty agrees to enter into this Confidentiality Agreement and to conduct its evaluations, investigations and due diligence at its own risk and costs.

### Section 1 Non-Disclosure of Confidential Information

- (1) The Counterparty and its directors, officers, employees, agents or advisors, including, accountants, counsel, lenders, consultants and financial advisors (collectively, “**Representatives**”), will keep confidential all information disclosed to the Counterparty relating to the Company’s business, operations, assets, liabilities, plans, prospects and affairs, regardless of whether such information is in oral, visual, electronic, written or other form and whether or not it is identified as “confidential” and including all notes, analyses, compilations, forecasts, data, studies, interpretations, or other documents prepared by, on behalf of or for the benefit of, the Counterparty that contain, reflect, summarize, analyze, discuss or review any of the forgoing (collectively, “**Confidential Information**”), will use the Confidential Information solely to evaluate the Transaction and not directly or indirectly for any other purpose and will not disclose such Confidential Information except as permitted by this Agreement. Confidential Information does not include any information that:
  - (a) is or becomes generally available to the public (other than as a result of disclosure directly or indirectly by the Counterparty);
  - (b) is or becomes available to the Counterparty on a non-confidential basis from a source other than the Company provided such source does not owe a duty of confidentiality to the Company or to any other person; or
  - (c) is or was independently acquired or developed by the Counterparty without use of any information disclosed by the Company.
- (2) The disclosure restrictions contained in this Agreement do not apply to any information that is required to be disclosed by law. However, prior to making such disclosure, the Counterparty must, unless prohibited by law:
  - (a) immediately advise the Company of the requirement;
  - (b) cooperate with the Company in limiting the extent of the disclosure; and

- (c) provide the Company with a reasonable opportunity to obtain a protective order or other remedy in order to preserve the confidentiality of the information required to be disclosed.
- (3) The Counterparty may disclose Confidential Information to its Representatives but only to the extent that such Representatives need to know the Confidential Information, have been informed of the confidential nature of the Confidential Information and agree to be bound by and act in accordance with the confidentiality provisions of this Agreement.
- (4) The Counterparty is responsible for any breach by its Representatives or affiliates or the Counterparties' or its affiliates' portfolio companies of any of the provisions of this Agreement.
- (5) Unless required by law, neither Party may disclose the fact that investigations or negotiations concerning the Transaction are taking place or the terms, conditions or other facts relating to the Transaction, including the existence or terms of this Agreement, all of which are Confidential Information covered by the terms of this Agreement.
- (6) Each Party will immediately notify the other Party of any determination not to proceed with the Transaction. If such notice is given, or at any time upon the written request of the Company, the Counterparty will and will cause its Representatives to, immediately: (a) destroy or return to the Company all Confidential Information without retaining any copies; and (b) certify to the Company in writing that this Section 1(6) has been complied with. Any information incapable of return or destruction as required by this Agreement will continue to be subject to the confidentiality restrictions contained in this Agreement. This Agreement will terminate 3 years after the date upon which such notice is given.

## **Section 2 No Representation or Warranty.**

The Company makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information. The Company is not liable to the Counterparty or to any other person for any losses, liabilities, damages, claims, demands or expenses resulting from, connected with or arising out of the Counterparty's use of the Confidential Information. Nothing in this Agreement or in the disclosure of any Confidential Information confers any right, title or interest in the Confidential Information on the Counterparty.

## **Section 3 Remedies.**

In the event of a breach of a Party's obligations under this Agreement, that Party must, immediately following discovery of the breach, give notice to the other Party of the nature of the breach. Any breach of this Agreement will give rise to irreparable injury to the Company inadequately compensable in damages. The Company may, in addition to any other remedy, enforce the performance of this Agreement by way of injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damages (and without the requirement of posting a bond or other security) and the Counterparty agrees not to plead sufficiency of damages as a defence in any such proceeding. The rights and remedies provided in this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or equity.

#### **Section 4 Non-Solicitation.**

While the Parties are negotiating the Transaction and for a period of 2 years following the date of termination of such discussions, neither the Counterparty nor any of its Representatives will, directly or indirectly, solicit for hire or employ, directly or indirectly, any of the Company's current or former directors, officers or employees, unless: (i) the Company gives its prior written consent, or (ii) the Counterparty completes the Transaction.

#### **Section 5 Other Covenants and Agreements.**

- (1) The Parties share a common legal and commercial interest in all Confidential Information which is and remains subject to all applicable privileges, including solicitor-client privilege, anticipation of litigation privilege, work product privilege and privilege in respect of "without prejudice" communications. No waiver of any privilege is implied by the disclosure of Confidential Information to any person pursuant to the terms of this Agreement.
- (2) The Counterparty acknowledges that you and your Representatives and Affiliates are bound by all applicable privacy legislation with respect to any "personal information" (as such term is defined in the *Personal Information Protection and Electronic Documents Act*) disclosed under this Agreement.
- (3) Unless otherwise agreed to by the Company in writing, all (i) communications regarding any possible Transaction, (ii) requests for additional information, (iii) requests for facility tours or management meetings, and (iv) discussions or questions regarding procedures, will be submitted or directed to KPMG Inc.
- (4) KPMG Inc. reserves the right, in its sole and absolute discretion, to reject any and all proposals and to terminate discussions and negotiations with the Counterparty at any time for any, or no, reason, and with or without explanation. Without limiting the generality of other terms in this Agreement releasing KPMG Inc., the Company and its shareholder(s) from liability, the Counterparty is solely responsible for any and all costs and expenses of it or its Representatives incurred in relation to this Agreement, the Confidential Information, or in relation to the preparation for, or negotiation towards, a Transaction.

#### **Section 6 Miscellaneous.**

- (1) Time is of the essence in this Agreement.
- (2) No waiver of any provision of this Agreement constitutes a waiver of any other provision.
- (3) Nothing in this Agreement nor the disclosure of information creates any agency, partnership, joint venture, representative or employment relationship between the Parties and/or their Representatives.
- (4) This Agreement is binding on and enures to the benefit of the Parties and their respective successors and permitted assigns.
- (5) Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the prior written consent of the other Party.

- (6) If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (7) This Agreement is governed by, interpreted and enforced in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable in the province.
- (8) The parties have expressly agreed that this document and all notices and demands pertaining thereto be drawn in the English language. Les parties ont expressément convenus que ce document et tout avis ou demande y afférent soit rédigés en langue anglaise.
- (9) This Agreement may be executed in any number of counterparts (including by facsimile) and all counterparts taken together constitute one and the same instrument.

**IN WITNESS WHEREOF** the Parties have executed this Agreement.

**COMPTOIR DES INDES INC.**

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
**(COMPANY NAME)**

By: \_\_\_\_\_  
Authorized Signing Officer

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**APPENDIX D**

001

DATE 2018-04-04  
A A A A M M J J

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100 DOLLARS  entier  inégale

one hundred thousand

**BANQUE CANADIENNE IMPÉRIALE DE COMMERCE**  
CENTRE BANCAIRE JEAN-TALON ET LANGELIER  
6850 RUE JEAN-TALON EST.  
SAINT-LEONARD (QC) H1S 1N1



POUR

7445911

Account number changed due to certification  
Numéro de compte modifié en raison de la certification du chèque

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**Comptroller**  
FORMULE COMPAGNE  
ADRESSE  
04 AVR. 2018  
VILLE PROVINCE CODE POSTAL  
PAYER  
à l'ordre de  
KPMG Inc. (In trust)

**Comptroller**  
INTERNATIONAL

PAR

PAR

## OFFER TO PURCHASE

### **COMPTOIR DES INDES INC.**

c/o KPMG Inc.  
600 de Maisonneuve Blvd. West  
Montreal, Quebec  
H3A 0A3

**ATTENTION:** Stéphane De Broux

Gentlemen:

Container Direct International Furniture inc., hereby offers to purchase from Vendor all corporeal/incorporeal/tangible/intangible property of any nature, form or location whatsoever which is, as of the Closing Date, owned by Comptoir des Indes Inc. ("**Debtor**") or in which the Debtor has any right, title or interest (to the extent of such interest), except the Excluded Property and Rights and the Innovation Assets, hereinafter described.

Concept Design Innovation Furniture inc., hereby offers to purchase from Vendor all trademarks and furniture designs which are, as of the Closing Date, owned by the Debtor or in which the Debtor has any right, title or interest (to the extent of such interest), except the Excluded Property and Rights (the "**Innovation Assets**") (Both purchasers are hereinafter referred jointly as the "**Purchaser**" and the "**Offer**").

The Offer includes, without limitation, the following:

- A. all leases and similar agreements including all amendments thereto (the "**Premises Leases**") for the Debtor's occupancy of the following (collectively the "**Acquired Premises Leases**"), as described on **Schedule "A"** hereto:
  - (i) the showroom premises; and
  - (ii) the Debtor's head office and warehouse located at 5950 Chemin de la Côte-de-Liesse, Montreal, Quebec H4T 1E2;
- B. the equipment leases and similar agreements hereto for the Debtor's leasing of certain equipment and all accessories to such equipment (the "**Acquired Equipment Lease**");
- C. all of the Debtor's goods, wares, merchandise and inventory wherever situated, including, without limitation, all in-transit inventory and/or on-order inventory (the "**In-Transit Inventory**"), the full benefit of all deposits or other partial payments made by the Debtor to the suppliers of all of the foregoing, except the Excluded Property and Rights (collectively the "**Inventory**");



- D. all of the Debtor's furniture, fixtures, computers hardware and software, office equipment, equipment, rolling stock wherever situated;
- E. all intellectual property in its broadest sense including, without limitation, all patents, trademarks, copyrights, tradenames, designs and all other intellectual property, except the Excluded Property and Rights;
- F. all accounts receivable and claims, other than the counter-claim of the Debtor against Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited;
- G. all goodwill pertaining to the business carried on by the Debtor (the "**Business**") including, without limitation, the right of Purchaser to continue to carry on the Business for the Purchaser's own account and to the complete exoneration of the Debtor;
- H. all monies and cash on hand held by the Debtor or held by any financial institution(s) on behalf of the Debtor; and

(all collectively the "**Purchased Assets**"), subject to and upon the following conditions and terms, namely:

1. **DEFINITIONS**

1.1. In addition to words and terms otherwise defined herein, whenever used herein, the following words and terms shall have the following meanings:

(a) "**Approval Order**" means a Final Judgment which:

- (i) authorizes Vendor to sell all of the Purchased Assets to Purchaser free and clear of all hypothecs, prior claims, security interests, liens, charges and encumbrances whatsoever;
- (ii) authorizes Vendor to enter into and complete the sale of the Purchased Assets to Purchaser, the whole in accordance with the terms and conditions of this Offer;
- (iii) orders the assignment by Vendor to Purchaser of all of the following:
  - a. Acquired Premises Leases; and
  - b. Acquired Equipment Leases;

(b) "**Assumed Debts**" means:

- (i) all salaries, other remuneration and benefits owing or to become owing to all Assumed Employees from and after the Closing Date;

- (ii) all indebtedness owing by the Debtor under the Acquired Premises Leases (the "**Acquired Premises Lease Debts**") as at and after the Closing Date;
  - (iii) all indebtedness owing by the Debtor under the Acquired Equipment Lease as at and after the Closing Date;
  - (iv) all amounts owing to suppliers of any In-Transit Inventory, whether prior to or after the Closing Date, and all costs and expenses of shipping and landing such In-Transit Inventory in Canada (including, without limitation, all shipping charges, customs duties, sales taxes, other taxes, brokerage fees and other charges); and
  - (v) the Professional Fees;
- (c) "**Assumed Employees**" means any and all of Debtor's current (but not past) employees;
  - (d) "**Closing Date**" has the meaning ascribed thereto in **Clause 6.1** hereof;
  - (e) "**Closing Deadline**" means the date which is no later than **5 o'clock P.M.** (Montreal time) on **May 30, 2018** or such later date as may be agreed to in writing by the Debtor, Purchaser and the Trustee;
  - (f) "**Court**" means the Commercial Division of the Quebec Superior Court for the District of Montreal;
  - (g) "**Escrow Agent**" means KPMG Inc.;
  - (h) "**Excluded Property and Rights**" means any furniture or furniture designs which are allegedly infringing the rights of Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited in a judgement presented in the United-States, District Court for the Northern District of Illinois Eastern Division;
  - (i) "**Final Judgment**" means a judgment or order of the Court which has been made executory notwithstanding appeal or which has become final as a result of the delay for appeal having expired without an appeal having been lodged or, an appeal having been lodged, such judgment or order having been confirmed on appeal or appeal withdrawn;
  - (j) "**Financing Debts**" means the aggregate amount of all debts and obligations owing by the Debtor to CIBC (including the EDC line of credit) ("**CIBC**") and to the Business Development Bank of Canada ("**BDC**") as at and after the Closing Date (including all capital, interest, fees and charges) in respect of the facilities extended by CIBC and BDC as described on **Schedule "B"** hereto;

- (k) "Offer" means this Offer to Purchase including all Schedules hereto;
- (l) "Professional Fees" means the aggregate amount of all fees and disbursements of the Trustee, the Trustee's legal counsel (if applicable) and the Debtor's legal counsel which remain outstanding on the Closing Date and which may become owing after the Closing Date;
- (m) "Trustee" means KPMG Inc., in its capacity as Trustee to the Debtor's notice of intention to make a proposal filing; and
- (n) "Vendor" means the Debtor, a Court appointed receiver or interim receiver in respect of the Debtor or the Debtor's bankruptcy trustee, in each case authorized by the Court pursuant to the Approval Order.

## 2. PURCHASE PRICE

- 2.1. The total purchase price for the sale and purchase of the Purchased Assets envisaged by this Offer shall be the sum of the following (collectively the "Purchase Price"), payable by Purchaser as follows, namely:
  - (a) the Financing Debts, which shall be paid by Purchaser's full assumption of the Financing Debts to the Debtor's complete exoneration. The amounts outstanding as at April 4, 2018 were CDN \$3,435,317 on facility # 1 and US \$107,702.40 on facility # 2, with regards to CIBC and CDN \$ 426,300 with regards to BDC; and
  - (b) the Assumed Debts, which shall be paid by Purchaser's full assumption of such Assumed Debts to the Debtor's complete exoneration.
- 2.2. With and as a condition of submitting this Offer, Purchaser shall remit to the Escrow Agent in trust a deposit of \$100,000 (the "Deposit") by certified cheque. Such Deposit shall be dealt with by the Escrow Agent as follows:
  - (a) in the event that Closing occurs by the Closing Deadline, the Deposit shall be returned by the Escrow Agent to Purchaser;
  - (b) in the event that this Offer becomes null, void and inoperative as a result of the non-occurrence/non-fulfillment of all of the Closing Conditions by the Closing Deadline, the Deposit shall be immediately returned by the Escrow Agent to Purchaser;
  - (c) in the event that the Closing Conditions have occurred by the Closing Deadline and the Purchaser fails to proceed to and effect Closing on the Closing Date, the Deposit shall be deemed, for all purposes, to have been forfeited by Purchaser to the Debtor as pre-determined and liquidated damages (and not as a penalty) resulting from Purchaser's breach of this Offer and shall be remitted by the Escrow Agent to the Debtor;

- (d) the Escrow Agent, provided only that it has acted honestly and in good faith having regard to all of the circumstances, shall have absolutely no liability whatsoever towards Vendor or Purchaser as a result of anything done or not done by the Escrow Agent in the fulfillment of or related to fulfillment of the Escrow Agent's duties hereunder;

2.3. At Closing, Vendor and Purchaser shall sign and thereafter file with the relevant taxation authorities all such elections as may be necessary in order to exempt Vendor from collecting and Purchaser from paying any Canadian goods and services tax and Quebec sales tax (collectively the "**Sales Taxes**") in respect of the sale and purchase of the Purchased Assets envisaged hereby. If such elections are not possible, Purchaser shall, at Closing, in addition to the Purchase Price, pay all of the Sales Taxes, interests and penalties, as the case may be, to Vendor.

### 3. **EXCLUDED ASSETS AND LIABILITIES**

- 3.1. The sale and purchase envisaged hereby shall exclude all of the Debtor's property other than the Purchased Assets.
- 3.2. Purchaser shall neither assume nor bear any responsibility whatsoever for any of the Debtor's debts, liabilities and obligations other than the Assumed Debts and the Financing Debts. Notwithstanding the foregoing, there is no representation or warranty extended by Vendor to Purchaser with respect to Purchaser's potential debts or obligations towards Debtor's employees.

### 4. **WARRANTIES**

- 4.1. Vendor, at Closing, shall warrant to Purchaser that:
  - (a) the Approval Order has been issued by the Court;
  - (b) Vendor is duly empowered and authorized to effect the sale to Purchaser of the Purchased Assets in accordance with the terms and conditions of this Offer and the Approval Order;
  - (c) Debtor has not disposed of any of the Purchased Assets (other than sales of Inventory in the ordinary course of business) prior to the Closing Date;
  - (d) Debtor is not a non-resident of Canada under the relevant provisions of the *Income Tax Act*, Canada and the *Taxation Act*, Quebec; and
  - (e) Debtor shall have paid and shall pay all Acquired Premises Lease Debts accruing up until (but not after) the Closing Date.
- 4.2. The warranties set forth in **Clause 4.1** hereof are the only warranties and representations, of any nature or form whatsoever, made or to be extended or to be made and extended at Closing by Vendor to Purchaser.

4.3. Without limiting the generality of **Clauses 4.1** and **4.2** hereof, Purchaser acknowledges and represents that:

- (a) Purchaser has had the opportunity to conduct all due diligence regarding the Purchased Assets and/or the Debtor, before submitting this Offer;
- (b) Purchaser has examined the Purchased Assets in all respects and having been completely satisfied with their existence, state, condition, salability, quality and quantity in all respects;
- (c) Purchaser acknowledges and recognizes that the sale and purchase envisaged hereby will be made on an "*as is/where is*" basis, at Purchaser's own risk and peril, without any representations or warranties of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise, with respect to the Purchased Assets and/or the Debtor;
- (d) Purchaser, in submitting this Offer, has relied solely upon its own independent review, investigation and/or inspection of the Assets and all information furnished to Purchaser concerning the Purchased Assets and/or the Debtor; and
- (e) Purchaser, in submitting this Offer, has not relied upon any written or oral representations, warranties, guarantees or statements whatsoever, whether express or implied, statutory or otherwise, regarding the Purchased Assets and/or the Debtor or regarding any information furnished to Purchaser or the completeness thereof.

## 5. CLOSING CONDITIONS

5.1. The sale and purchase of the Purchased Assets envisaged hereby are subject to the occurrence and/or fulfillment of each of the following conditions (the "**Closing Conditions**"), namely:

- (a) the issuance of the Approval Order; and
- (b) all of the warranties set forth in **Clause 4.1** hereof being true and accurate, by no later than the Closing Deadline.

5.2. The Closing Conditions shall enure to the sole benefit of Purchaser and may be waived solely by Purchaser in its discretion.

## 6. CLOSING

6.1. Subject to the occurrence and/or fulfillment of all of the Closing Conditions (unless waived by Purchaser) by the Closing Deadline, closing of the sale and purchase of the Purchased Assets contemplated hereby shall occur on or before the Closing Deadline (the "**Closing Date**") at the offices of KPMG Inc., 600 de Maisonneuve Ouest, Montreal, Quebec H3A 0A3, which shall consist of the following (collectively the "**Closing**"), namely:

- (a) the signature by Vendor and Purchaser of an agreement of sale effecting the sale and purchase of the Purchased Assets envisaged hereby in accordance with the terms and conditions of this Offer;
- (b) the written assumption by Purchaser of the Financing Debts and the Assumed Debts in the agreement of sale referred to in **Clause 6.1(a)** above;
- (c) the signature, execution and delivery of the exemption regarding payment and collection of sales taxes as envisaged by **Clause 2.3** hereof and, failing such election, the payment by Purchaser to Vendor of the Sales Taxes, interests and penalties, as the case may be; and
- (d) the signature by Vendor and Purchaser of all other documents and the doing by Vendor and Purchaser of all other things in order to give full and proper effect to the sale and purchase of the Purchased Assets envisaged hereby.

## **7. GENERAL**

- 7.1. Except to the extent inconsistent with the terms, conditions and provisions of this Offer, all of the terms, conditions and provisions of the "Request for Offers" issued by the Trustee in respect of the Debtor shall be deemed to form part of this Offer and shall bind both Vendor and Purchaser.
- 7.2. The interpretation, validity and enforcement of this Offer and the sale and purchase of the Purchased Assets envisaged hereby shall be subject to and governed by the laws of the Province of Quebec and the laws of Canada applicable therein.
- 7.3. These presents may be executed in one or more counterparts in photocopy, facsimile or pdf format, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.
- 7.4. The Clause headings herein contained are for ease of reference only, do not form part hereof and shall not, in any manner, be used in the interpretation of the contents hereof.

## **8. ACCEPTANCE**

- 8.1. This Offer shall be and remain open for acceptance by Debtor's signing where indicated below and returning a signed copy of this Offer to Purchaser (in person, by messenger, by facsimile transmission or by e-mail) at Purchaser's coordinates set forth below by no later than **5 o'clock P.M. on April 10, 2018** (or such later date to which Purchaser may, in its discretion, agree to in writing), failing which this Offer shall lapse and become null, void and inoperative for all purposes, in which case the Deposit shall be immediately returned by the Escrow Agent to Purchaser.

**9. LANGUAGE**

- 9.1.** The parties hereto acknowledge that they have required that this agreement and all related documents be prepared in English. *Les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.*

[Signature page follows]

**MONTREAL**, this 5<sup>th</sup> day of April, 2018:

**Container Direct International Furniture inc.,**

Per:

\_\_\_\_\_  
Daniel Ouaknine, Director

**Concept Design Innovation Furniture inc.,**

**COORDINATES OF PURCHASER:**

**Address:** 5950 Chemin de la Côte-de-Liesse,  
Montreal, Quebec H4T 1E2

**E-Mail:** douaknine@icloud.com

Per:

\_\_\_\_\_  
Daniel Ouaknine, Director

**COORDINATES OF PURCHASER:**

**Address:** 5950 Chemin de la Côte-de-Liesse,  
Montreal, Quebec H4T 1E2

**E-Mail:** douaknine@icloud.com



**SCHEDULE "A"**

**ACQUIRED LEASES**

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	<b>HEAD OFFICE PREMISES</b>
1.	5950 chemin de la Côte-de-Liesse, Montréal, H4T 1E2 Lease with Investissements Brazdan Inc. dated November 3, 2014. Duration: February 1, 2015 to January 31, 2036. Yearly minimum rent is CDN \$575,280.00
	<b>SHOWROOM PREMISES</b>
2.	475 S. Grand central PKWY, Las Vegas, Nevada Lease with International Market Centers, WMCV Phase 2, LLC Dated November 22, 2013 (first amendment: Sept. 18, 2015 and second amendment: June, 6, 2016). Duration: 5 years from January 1, 2017. Yearly minimum rent is US \$135,366.00
3.	211 East Commerce Avenue, High-Point, North Carolina Lease with Market Centers, LLC dated September 13, 2016. Duration: 5 years. Yearly minimum rent is US \$131,414.40

D.0

**SCHEDULE "B"**

**ASSUMED FINANCING DEBTS**

1. Financing Agreement with CIBC dated February 23, 2017, as amended on August 28, 2017, providing for a revolving line of credit (facility # 1) of CDN \$4,000,000 and another revolving line of credit (facility # 2 – the EDC line of credit) of CDN \$1,000,000 (or CDN \$ 90,000 and US \$ 700,000). The amounts outstanding as at April 4, 2018 were CDN \$3,435,317 on facility # 1 and US \$107,702.40 on facility # 2.
2. Financing Agreement with the BDC (Loan # 091435-05). The amount outstanding as at April 4, 2018 was CDN \$31,250.
3. Financing Agreement with the BDC (Loan # 091435-04). The amount outstanding as at April 4, 2018 was CDN \$219,840.
4. Financing Agreement with the BDC (Loan # 091435-02). The amount outstanding as at April 4, 2018 was CDN \$52,000.
5. Financing Agreement with the BDC (Loan # 091435-01). The amount outstanding as at April 4, 2018 was CDN \$123,210.

D . Δ

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**MONTREAL LOTS**

3699 RUE EMILE  
BOUTHILLIER,  
ST-HUBERT QC  
J3Y0R1

514-758-3991

**Soumission comptoir des Indes Inc**

KPMG

600 boul de Maisonneuve

Notre offre est sur tout les inventaires.

Offre: 289 000\$

**Conditions**

-Le local au 5950 cote de liesse devra être disponible pour une duré de 3 mois.(1 mois gratuit- les deux mois suivant pour un montant de 22 500\$ par mois incluant les rackings)

-Vérification rapide des inventaires pour assurer la quantité tel que décrits sur les listes.

-Notre offres exclus les listes de clients.

-Nous ne sommes pas intéressé aux inventaires "showroom" à l'extérieur du Quebec

-Un dépôt peut être fait immédiatement le jour de l'ouverture des soumissions( Le paiement total peut être acquitté dans les 7 jours suivants)

Dave Lauzon

Président



---

*[Handwritten signature]*

CORPORATION COMMERCIALE CRESCENT  
CRESCENT COMMERCIAL CORPORATION  
**VISE**

06 AVR. 2018

5430 ROYALMOUNT AVE.  
MONTREAL, QC H4P 1H7

TD CANADA TRUST  
8200 DECARIE BLVD.  
MONTREAL, QUEBEC H4P 2P5  
iShield

06APR2018

006934



Canada Trust One Hundred Thousand  
4336

ORDER OF QUEBEC H4P 2P5 IN TRUST  
MONTREAL, QUEBEC

00/100

CORPORATION COMMERCIALE CRESCENT  
CRESCENT COMMERCIAL CORPORATION

100,000.00

*S244895*

PER/PAR:

⑈006934⑈ ⑈4336⑈00⑈

9011500⑈

CHEQUE CERTIFIE  
NE PAS DETRAIRE

**April 6, 2018**

COMPTOIR DES INDES INC.  
5950 Chemin de la Côte de Liesse  
Mont-Royal, QC  
H4T 1E2

Attention: KPMG Inc.  
in its quality as Trustee, and not  
personally, Comptoir des Indes Inc.  
(the "**Company**")  
c/o Messrs. Stéphane De Broux and Richard Lépine

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**RE: Binding Offer**

Dear Sirs:

The following is a binding offer by Crescent Commercial Corporation in partnership with Infinity Asset Solutions ("**Crescent**") to purchase all the assets of the Company which are located at 5950 Chemin de la Côte de Liesse (the "**Warehouse**"), and which can be disposed of or assigned by the Company, but excluding the Excluded Assets (as such term is defined hereinafter) (collectively, the "**Assets**"). The Assets include, without limitation, inventory (as set forth in 5.0 and 5.1 of the Intralinks portal titled "Project Furniture"), warehouse equipment, head office furniture, fixtures and equipment, and includes access and ownership of the Companies intangibles, included but not limited to the Website, Facebook and all other social media, as well as email and customer list, and brand name (subject to necessary consents, if necessary). The Assets do not include the following: (i) the Assets subject to capital leases including, without limitation, Assets subject to conditional sale agreements, leaseings, short and long-term leases and Assets licensed to the Company and Warehouse racking (the "**Encumbered Assets**") and (ii) fully paid-up merchandise purchased by customers which is still located in the Warehouse as at the date of the Court Order (as such term is defined hereinafter) (the "**Paid-up Merchandise**") (the Encumbered Assets and the Paid-up Merchandise are hereinafter collectively referred to as the "**Encumbered Assets**"). The free and unencumbered use of all Excluded Assets in (i) above shall be provided to Crescent until the Sale Termination Date (defined below). Any payments for the use of such assets shall be paid by the Company via the Trustee.

1. **Proposed Transaction.** Crescent proposes to purchase the Assets from the Company acting, for the purposes hereof, through KPMG Inc. (the "**Trustee**")

appointed as such, the whole subject to the terms and conditions set forth herein (the “**Proposed Transaction**”) and in accordance with the Court Order (as such term is defined hereinafter), it being understood that the Assets are being purchased on an “*as is where is*” basis at Crescent’s sole risk and peril as per the *Civil Code of Quebec*, without any representations and warranties, except as set forth herein, from the Trustee acting for and on behalf of the Company and from the Company; save and except that the Trustee has been authorized by the Court to enter into this agreement.

2. **Conditions.** The Proposed Transaction is conditional upon the Superior Court, Commercial Division, District of Montreal, Province of Quebec granting no later than April 16, 2018 at 4:00 p.m. (Mtl time) the Trustee the authority to accept, for and on behalf of the Company, this offer from Crescent and the right to take any and all actions, for and on behalf of the Company, to consummate the transactions contemplated hereby (the “**Court Order**”). Upon receipt of the Court Order, this offer shall constitute the agreement of purchase and sale of the Assets without the necessity of any further written agreement.
3. **Purchase Price.** The inventory forming part of the Proposed Transaction shall all be first quality finished goods merchandise owned by the Company, which can be disposed of or assigned by the Company, saleable in the ordinary course of business, located in the Warehouse as of the date hereof and which includes approximately CAD \$3,601,310 at “cost value” (the “**Assumed Inventory Valuation**”). The damaged inventory forming part of the Proposed Transaction, which can be disposed of or assigned by the Company, is located in the Warehouse as at the date hereof and includes approximately CAD \$178,898 at “cost value” (the “**Assumed Defective Inventory Valuation**”). Based on the aforementioned, subject to the terms hereof, Crescent offers to purchase the Assets at a purchase price equal to 20.5% of the Assumed Inventory Valuation plus 3% of the Assumed Defective Inventory Valuation, plus all applicable taxes (collectively, the “**Purchase Price**”). “Overs/Shorts” adjustment for first quality inventory shall be at 20.5% of the difference between the **Assumed Inventory Valuation and the newly determined Assumed Inventory Valuation described in Section 4 of this Offer**. Unit prices at “cost value” shall govern for purposes of adjustments, without representation or warranty as to such unit prices.
4. **Physical Inventory.** Within 48 hours of the Court Order and at the latest by 4:00 p.m. (Mtl time) on April 16, 2018, a review of the physical inventory of the Assets (the count having previously been performed) shall be done jointly by Crescent and the Company, acting through the Trustee, and agreed upon by said parties for purposes of adjustments, if any. The adjustments, if any, shall be evidenced by the execution by Crescent of a declaration setting forth the “**newly determined Assumed Inventory Valuation**” and the “**newly determined Assumed Retail Value**” for the inventory of first quality and that of the defective inventory (the “**Physical Inventory**”). In addition to the adjustment arising from quantity variances and/or reclassifying first quality versus defective quality merchandise, there shall be a further adjustment of the Purchase Price as more

fully enunciated in Section 5. Upon satisfaction of the conditions of this Section 4 and completion of any adjustments, Crescent shall take possession of the Assets (the "Possession Date").

5. **Adjustment of Purchase Price.** The Purchase Price shall be adjusted as follows:
  - 5.1 If the Assumed Inventory Valuation is less than \$3,601,310, the Purchase Price shall be adjusted in accordance with the following formula:  
  
$$\text{CAD } \$3,601,210 - \text{the newly determined Assumed Inventory Retail Valuation for the inventory of first quality} \quad \times \quad 20.5\%$$
  - 5.2 Should the Court Order provide that certain goods forming part of the Assets shall not form part of the Proposed Transaction:
    - 5.2.1 the Assumed Inventory Valuation shall be adjusted accordingly for "Shorts" and thus the Purchase Price shall also be adjusted accordingly; and
    - 5.2.2 for each CAD \$100,000 of goods which shall not form part of the Proposed transaction, an amount of CAD \$45,000, on a *pro rata* basis shall be deducted from the Purchase Price.
6. **Prepaid Assets.** Certain assets forming part of the Assets have been either prepaid and are deemed to form part of the Paid-up Merchandise or partially prepaid and may be located in the Warehouse. Crescent agrees and covenants to assist the Trustee in remitting the Paid-up Merchandise to the customers as soon as possible after the review of the Physical Inventory. With respect to the Paid-up Merchandise, Crescent shall be reimbursed in accordance with the adjustment set forth in Section 5 above.
7. **Occupancy of Warehouse.** Crescent shall have the right to occupy the Warehouse for a maximum period of up to one hundred eighty (180) days from the Possession Date occupancy-free.
8. **Deposit.** Crescent shall tender a deposit of CAD \$100,000 (the "**Deposit**") to the Trustee which shall be held in escrow and which, upon execution of the declaration by Crescent as set forth in Section 4 hereof, shall be applied to reduce the Effective Purchase Price, as adjusted. Notwithstanding, the Deposit shall be reimbursed to Crescent if the Court Order does not allow the Proposed Transaction to be consummated as set forth in Section 2.

9. **Expenses.** Each of Crescent and the Company shall bear its own expenses, in respect of this Offer and the Proposed Transaction, whether or not the Proposed Transaction is consummated.
10. **Governing Law.** The parties agree that this Offer and documents related thereto shall be governed by the laws of the Province of Quebec and each party submits to the jurisdiction of the Court of Province of Quebec with respect to any matters arising out of or in connection with this Offer.
11. **Counterparts.** This Offer may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

The proposal set forth in this Offer is open for acceptance by the Trustee for and on behalf of the Company until April 11, 2018, 4:00 p.m. (Mtl time), failing which it shall become null and void and of no effect. We look forward to working with you in completing the Proposed Transaction.

Very truly yours,

**CRESCENT COMMERCIAL CORPORATION**

Per: \_\_\_\_\_

Stephen Kisber  
President

**Agreed and Accepted** as set forth above by the Trustee for and on behalf of the Company on April\_\_\_\_\_, 2018.

**KPMG INC., in its quality as Trustee**

By: \_\_\_\_\_

Name:

Title: Trustee-Administrator



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SUPERIOR COURT  
(Commercial Division)  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

N° : 500-11-054208-182

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

**COMPTOIR DES INDES INC.** (operating  
under the trade name CDI Furniture)

Debtor / Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST**

Mises en cause

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**EXHIBIT P-1**

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Copy

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**Groleau Gauthier Plante L.L.P.**  
Mtres Jean Lozeau et Josée Brière  
1000, Sherbrooke West Street, suite 2100  
Montreal, Quebec, H3A 3G4

T 514 370-8334

F 514 370-3615

E-mails: [jlozeau@ggp.legal](mailto:jlozeau@ggp.legal) and [jbriere@ggp.legal](mailto:jbriere@ggp.legal)

BG4696

O/Ref.: 36169-1

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# **Exhibit P-2**

**SUPERIOR COURT**  
**(Commercial Division)**

**CANADA**  
**PROVINCE OF QUÉBEC**  
**DISTRICT OF MONTRÉAL**  
**No. 500-11-054208-182**  
**DATE: April 12, 2018**

---

**PRESIDING:**

---

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

**COMPTOIR DES INDES INC.** (operating under the trade name CDI Furniture)

**Debtor/Petitioner**

-and-

**KPMG INC.**

**Trustee**

-and-

**THE PARTIES LISTED IN THE ANNEXED SERVICE LIST**

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS (Québec)**

**Mises-en-Cause**

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**APPROVAL AND VESTING ORDER**

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[1] **ON READING** Comptoir des Indes Inc.'s (the "**Debtor**") *Application for Authorization to Sell Certain Assets of the Debtor, Directions and Other Related Orders* (the "**Application**"), the affidavit and the exhibits in support thereof, as well as the Report of the Trustee dated April 11, 2018 (the "**Report**");

[2] **SEEING** the notification/service of the Application;

- [3] **SEEING** the submissions of counsel;
- [4] **SEEING** that, subject to what is provided for herein, it is appropriate to issue an order approving the sale and other transactions (collectively, the "**Transaction**") contemplated by the Proposed Offer, dated April 5, 2018 (the "**Offer**") by and between the Debtor (the "**Vendor**"), as vendor, and Container Direct International Furniture Inc. and Concept Design Innovation Furniture Inc. (the "**Purchaser**"), as purchaser, a copy of which was filed as **Exhibit P-3** to the Application, and vesting in the Purchaser the assets described in the Offer (the "**Purchased Assets**") and as set forth at **Schedule "A"** hereto.

**WHEREFORE THE COURT:**

- [5] **GRANTS** the Application;

**NOTIFICATION/SERVICE**

- [6] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further notification/service thereof.
- [7] **PERMITS** notification/service of this Order at any time and place and by any means whatsoever.

**SALE APPROVAL**

- [8] **AMEND** the Closing date contemplated in the SSP Procedure (Exhibit P-5) and in the SSP Approval Order for April 30, 2018 or such later date designated by the Debtor with the consent of the Trustee;
- [9] **ORDERS** and **DECLARES** that, on the condition that the Purchaser reaches an agreement with the Vendor's secured creditors, Canadian Imperial Bank of Commerce and Business Development Bank of Canada (the "**Secured Creditors**"), regarding the assumption by the Purchaser of certain of the Vendor's debts as set forth in the Offer (the "Financing Debts") or reaches any other satisfactory agreements to the Secured Creditors regarding the repayment of the Financing Debts (the "**Closing Condition**"), the Transaction is hereby approved, and the execution of the Offer by the Vendor is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed by Vendor and Purchaser, with the consent of the Trustee.

## **EXECUTION OF DOCUMENTATION**

- [10] **AUTHORIZES**, subject to the prior fulfillment of the Closing Condition, the Vendor and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Offer (**Exhibit P-3**) and any other ancillary document which could be required or useful to give full and complete effect thereto (including the execution of the "Agreement of Sale" contemplated by the Offer), subject to non-material alterations, changes, amendments, deletions or additions thereto as may be agreed by Vendor and Purchaser and to execute all other agreements, contracts, deeds or any other documents and do all other things necessary in order to give full and complete effect to the Transaction.

## **AUTHORIZATION**

- [11] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Vendor to proceed with the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.
- [12] **ORDERS** and **DECLARES** that upon the issuance of a Trustee's certificate substantially in the form appended as **Schedule "B"** hereto (the "**Certificate**"), all right, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, right of retention, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, contractual rights relating to the Purchased Assets, or other claims or encumbrances, whether or not they have been attached or perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, or security evidenced by registration, publication or filing pursuant to the *Civil Code of Québec* in movable property, excluding however, the permitted encumbrances listed on **Schedule "C"** hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be cancelled, expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.

- [13] **ORDERS** and **DECLARES** that upon the issuance of the Certificate, all of the Vendor's right, title and interest in and to and obligations under the agreements listed on **Schedule "D"** hereto (the "**Assigned Lease Agreements**") are assigned and transferred to the Purchaser.
- [14] **ORDERS** that, in addition to the Vendor, the Purchaser will henceforth be liable to fulfill all of the Vendor's obligations under the Assigned Lease Agreements.
- [15] **ORDERS** that any anti-assignment and consent to assignment provisions in the Assigned Lease Agreements and any right of a landlord or lessor to cancel any such agreement in the event of an assignment shall not apply to the transfer and assignment of the Assigned Lease Agreements by the Vendor to the Purchaser and shall not restrict, limit, impair, prohibit or otherwise affect the transfer and assignment of the Assigned Lease Agreements.
- [16] **ORDERS** that all monetary defaults in relation to the Assigned Lease Agreements occurring, arising or accruing prior to the date of the assignment or transfer to the Purchaser, other than those arising by reason only of the Vendor's insolvency or failure to perform a non-monetary obligation, shall be remedied by the Purchaser within thirty (30) days from the issuance of the Certificate.
- [17] **DECLARES** that upon issuance of the Certificate, the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the *Code of Civil Procedure* and a forced sale as per the provisions of the *Civil Code of Quebec*.
- [18] **ORDERS** and **DIRECTS** the Trustee to communicate a copy of this Order to every party to the Assigned Lease Agreements by email or registered mail.
- [19] **ORDERS** and **DIRECTS** the Trustee to file with the Court a copy of the Certificate, forthwith after issuance thereof.

#### **VALIDITY OF THE TRANSACTION**

- [20] **ORDERS** that notwithstanding:
- (i) the pendency of these proceedings;
  - (ii) any petition for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any order issued pursuant to any such petition; or
  - (iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Offer pursuant to this Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendor, the Purchaser or the Trustee.

### **LIMITATION OF LIABILITY**

- [21] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Trustee to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Trustee shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the BIA.
- [22] **DECLARES** that no action lies against the Trustee by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Trustee or belonging to the same group as the Trustee shall benefit from the protection arising under the present paragraph.

### **GENERAL**

- [23] **ORDERS** that the Purchaser or the Trustee shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [24] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [25] **DECLARES** that the Trustee shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the Trustee shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Trustee as may be deemed necessary or appropriate for that purpose.
- [26] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

[27] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

**THE WHOLE WITHOUT COSTS, SAVE IN THE EVENT OF CONTESTATION**

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**Groleau Gauthier Plante LLP**  
Me Jean Lozeau  
Me Josée Brière  
Attorneys for the Debtor/Petitioner



**SCHEDULE "A"**  
**PURCHASED ASSETS**

All corporeal/tangible and incorporeal/intangible property, of any nature, form or location whatsoever which is, as of the "Closing Date" (as defined in the Offer), owned by the Debtor or in which the Debtor has any right, title or interest (to the extent of such interest), save and except for the hereafter defined "Excluded Property and Rights", but including, without limitation, the following:

- (a) All leases and similar agreements including all amendments thereto for the Debtor's occupancy of the following (collectively the "**Acquired Premises Leases**") as described hereto:
  - (i) The showroom premises; and
  - (ii) The Debtor's head office and warehouse located at 5950, Côte-de-Liesse Road, Montreal, Quebec, H4T 1RE2
- (b) the equipment leases and similar agreements hereto for the Debtor's leasing of certain equipment and all accessories to such equipment (the "**Acquired Equipment Lease**");
- (c) all of the Debtor's goods, wares, merchandise and inventory wherever situated, including without limitation, all in-transit inventory and/or on-order inventory (the "**In-transit Inventory**"), the full benefit of all deposits or other partial payments made by the Debtor to the suppliers of all of the foregoing, except the Excluded Property and Rights (collectively the "**Inventory**"). "Excluded Property and Rights" means any furniture or furniture designs which are allegedly infringing the rights of Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited in a judgement presented in the United-States, District Court for the Northern District of Illinois Eastern Division;
- (d) all of the Debtor's furniture, fixtures, computers hardware and software, office equipment, equipment, rolling stock wherever situated;
- (e) all intellectual property in its broadest sense including, without limitation, all patents, trademarks, copyrights, tradenames, designs and all other intellectual property, except the Excluded Property and Rights;

- (f) all accounts receivable and claims, other than the counter-claim of the Debtor against Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited;
- (g) all goodwill pertaining to the Business carried on by the Debtor including, without limitation, the right of Proposed Purchaser to continue to carry on the Business for the Proposed Purchaser's own account and to the complete exoneration of the Debtor;
- (h) all monies and cash on hand held by the Debtor or held by any financial institution(s) on behalf of the Debtor

**SCHEDULE "B"**

**DRAFT CERTIFICATE OF THE TRUSTEE**

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

SUPERIOR COURT  
(Commercial Division)

N°: 500-11-054208-182  
N°: 41-2353388

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

**COMPTOIR DES INDES INC.** (operating  
under the trade name CDI Furniture)

Debtor/Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST;**

-and-

**THE REGISTRAR OF THE REGISTER OF  
PERSONAL AND MOVABLE REAL  
RIGHTS (Québec)**

Mises-en-causes

---

**CERTIFICATE OF THE TRUSTEE**

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**RECITALS:**

**WHEREAS** on ●, 2018, the Superior Court of Quebec (the "**Court**") issued an order (the "**Vesting Order**") pursuant to the *Bankruptcy and Insolvency Act*, Canada (the "**BIA**") thereby, *inter alia*, authorizing and approving the execution by Comptoir des Indes Inc. (the "**Debtor**") of that certain offer to purchase made by Container Direct

International Furniture Inc. and Concept Design Innovation Furniture Inc. (the "**Purchaser**") on April 5, 2018 and accepted by the Debtor on April 6, 2018 (the "**Offer**"), a copy of which was filed into the Court record, and into all of the sale and other transactions contemplated therein (the "**Transaction**") with such non-substantial modifications, changes, amendments, deletions or additions thereto as may be agreed by the Debtor, the Purchaser and the Trustee;

**WHEREAS** the Vesting Order contemplates the issuance of this Certificate of the Trustee once:

- (a) the Purchaser concluded an agreement with the Vendor's secured creditors, Canadian Imperial Bank of Commerce and Business Development Bank of Canada (the "**Secured Creditors**"), regarding the assumption by the Purchaser of certain of the Vendor's debts as set forth in the Offer (the "**Financing Debts**") or concluded any other satisfactory agreements to the Secured Creditors regarding the repayment of the Financing Debts;
- (b) the Agreement of Sale contemplated by the Offer (the "**Agreement of Sale**") has been executed and delivered;
- (c) the "Purchase Price" (as defined in the Offer) (the "**Purchase Price**") has been paid by the assumption of the Financing Debts, as set forth in the Offer; and
- (d) all conditions to the closing of the Transaction have been satisfied or waived by all parties thereto.

**THE TRUSTEE CERTIFIES THE FOLLOWING:**

- (a) an agreement has been concluded between the Purchaser and the Secured Creditors regarding the Financing Debts;
- (b) the Agreement of Sale has been executed and delivered;
- (c) the Purchase Price has been paid by the Debtor's assumption of the Financing Debts, as set forth in the Offer; and
- (d) all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

This Certificate was issued by the Trustee at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**KPMG INC.**, in its capacity as Trustee to the Notice of Intention to Make a Proposal of Comptoir des Indes Inc., and not in its personal capacity.

Name: \_\_\_\_\_  
\_\_\_\_\_

Title: \_\_\_\_\_  
\_\_\_\_\_

**SCHEDULE "C"**  
**PERMITTED ENCUMBRANCES**

- a) Notice of intention to give security under Section 427 of the *Bank Act* registered on February 10, 2016 under number 01304543 charging the Debtor's goods, wares, merchandise and inventory;
- b) Movable hypothec published by CIBC on February 5, 2016 in the RDPRM under number 16-0097204-0001 charging the Debtor's present and future, accounts receivable and inventory;
- c) Movable hypothec published by BDC on May 12, 2016 in the RDPRM under number 16-0439316-0001 charging the Debtor's Property;
- d) Movable hypothec published by CIBC on February 28, 2017 in the RDPRM under number 17-0176281-0001 charging the Debtor's present and future, accounts receivable and inventory; and
- e) Cession of rank published by BDC on April 21, 2017 in the RDPRM under number 17-0366824-0001 giving priority to the CIBC over the Debtor's present and future, accounts receivable and inventory;
- f) The Administration Charge and D&O Charge as approved by the Court in the Charge Order rendered by Me Chantal Flamand, registrar, on March 16, 2018 in the present file;

**SCHEDULE "D"**

**ASSIGNED LEASE AGREEMENTS**

- A.** leases or similar agreements, including all amendments thereto and offers to lease, for the Debtor's occupancy of the following premises:

<b>PREMISES</b>	
<b>(1)</b>	5950, Côte-de-Liesse Road, Montréal, Québec, H4T 1E2 Lease with Investments Brazdan Inc. dated November 3, 2014
<b>(2)</b>	211, East Commerce Avenue, High Point, North Carolina Lease with Market Centers, LLC, dated September 13, 2016
<b>(3)</b>	475, S. Grand Central PKWY, Las Vegas, Nevada Lease with International Market Centers, WMCV Phase 2, LLC, dated November 22, 2013 (first amendment: September 18, 2015 and second amendment: June 6, 2016)

- B.** that certain "Leasing Agreement" dated November 5, 2015 between Holand Leasing 1995 Ltd as lessee and the Debtor, as lessor, for the Debtor's leasing of certain vehicle, published by notice thereof at the RDPRM on November 26, 2015 under no. 15-1152634-0007.

## **SERVICE LIST**

### **Banque de développement du Canada**

*a/s Borden Ladner Gervais S.E.N.C.R.L.*

Me Hugo Anthony Babos-Marchand

1000, rue de la Gauchetière Ouest, bureau 900

Montréal (Québec) H3B 5H4

### **Banque canadienne impériale de commerce**

*a/s de McCarthy Tétrault S.E.N.C.R.L.*

Mes Philippe H. Bélanger et Noah Zucker

1000, rue de la Gauchetière Ouest, bureau 2500

Montréal (Québec) H3B 0A2



# **Exhibit P-3**

## OFFER TO PURCHASE

### **COMPTOIR DES INDES INC.**

c/o KPMG Inc.  
600 de Maisonneuve Blvd. West  
Montreal, Quebec  
H3A 0A3

**ATTENTION:** Stéphane De Broux

Gentlemen:

Container Direct International Furniture inc., hereby offers to purchase from Vendor all corporeal/incorporeal/tangible/intangible property of any nature, form or location whatsoever which is, as of the Closing Date, owned by Comptoir des Indes Inc. ("**Debtor**") or in which the Debtor has any right, title or interest (to the extent of such interest), except the Excluded Property and Rights and the Innovation Assets, hereinafter described.

Concept Design Innovation Furniture inc., hereby offers to purchase from Vendor all trademarks and furniture designs which are, as of the Closing Date, owned by the Debtor or in which the Debtor has any right, title or interest (to the extent of such interest), except the Excluded Property and Rights (the "**Innovation Assets**") (Both purchasers are hereinafter referred jointly as the "**Purchaser**" and the "**Offer**").

The Offer includes, without limitation, the following:

- A. all leases and similar agreements including all amendments thereto (the "**Premises Leases**") for the Debtor's occupancy of the following (collectively the "**Acquired Premises Leases**"), as described on **Schedule "A"** hereto:
  - (i) the showroom premises; and
  - (ii) the Debtor's head office and warehouse located at 5950 Chemin de la Côte-de-Liesse, Montreal, Quebec H4T 1E2;
- B. the equipment leases and similar agreements hereto for the Debtor's leasing of certain equipment and all accessories to such equipment (the "**Acquired Equipment Lease**");
- C. all of the Debtor's goods, wares, merchandise and inventory wherever situated, including, without limitation, all in-transit inventory and/or on-order inventory (the "**In-Transit Inventory**"), the full benefit of all deposits or other partial payments made by the Debtor to the suppliers of all of the foregoing, except the Excluded Property and Rights (collectively the "**Inventory**");

- D. all of the Debtor's furniture, fixtures, computers hardware and software, office equipment, equipment, rolling stock wherever situated;
- E. all intellectual property in its broadest sense including, without limitation, all patents, trademarks, copyrights, tradenames, designs and all other intellectual property, except the Excluded Property and Rights;
- F. all accounts receivable and claims, other than the counter-claim of the Debtor against Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited;
- G. all goodwill pertaining to the business carried on by the Debtor (the "**Business**") including, without limitation, the right of Purchaser to continue to carry on the Business for the Purchaser's own account and to the complete exoneration of the Debtor;
- H. all monies and cash on hand held by the Debtor or held by any financial institution(s) on behalf of the Debtor; and

(all collectively the "**Purchased Assets**"), subject to and upon the following conditions and terms, namely:

1. **DEFINITIONS**

1.1. In addition to words and terms otherwise defined herein, whenever used herein, the following words and terms shall have the following meanings:

(a) "**Approval Order**" means a Final Judgment which:

- (i) authorizes Vendor to sell all of the Purchased Assets to Purchaser free and clear of all hypothecs, prior claims, security interests, liens, charges and encumbrances whatsoever;
- (ii) authorizes Vendor to enter into and complete the sale of the Purchased Assets to Purchaser, the whole in accordance with the terms and conditions of this Offer;
- (iii) orders the assignment by Vendor to Purchaser of all of the following:
  - a. Acquired Premises Leases; and
  - b. Acquired Equipment Leases;

(b) "**Assumed Debts**" means:

- (i) all salaries, other remuneration and benefits owing or to become owing to all Assumed Employees from and after the Closing Date;

- (ii) all indebtedness owing by the Debtor under the Acquired Premises Leases (the "**Acquired Premises Lease Debts**") as at and after the Closing Date;
  - (iii) all indebtedness owing by the Debtor under the Acquired Equipment Lease as at and after the Closing Date;
  - (iv) all amounts owing to suppliers of any In-Transit Inventory, whether prior to or after the Closing Date, and all costs and expenses of shipping and landing such In-Transit Inventory in Canada (including, without limitation, all shipping charges, customs duties, sales taxes, other taxes, brokerage fees and other charges); and
  - (v) the Professional Fees;
- (c) "**Assumed Employees**" means any and all of Debtor's current (but not past) employees;
  - (d) "**Closing Date**" has the meaning ascribed thereto in **Clause 6.1** hereof;
  - (e) "**Closing Deadline**" means the date which is no later than **5 o'clock P.M.** (Montreal time) on **May 30, 2018** or such later date as may be agreed to in writing by the Debtor, Purchaser and the Trustee;
  - (f) "**Court**" means the Commercial Division of the Quebec Superior Court for the District of Montreal;
  - (g) "**Escrow Agent**" means KPMG Inc.;
  - (h) "**Excluded Property and Rights**" means any furniture or furniture designs which are allegedly infringing the rights of Halo Creative and Design Limited, Halo Trademarks Limited or Halo Americas Limited in a judgement presented in the United-States, District Court for the Northern District of Illinois Eastern Division;
  - (i) "**Final Judgment**" means a judgment or order of the Court which has been made executory notwithstanding appeal or which has become final as a result of the delay for appeal having expired without an appeal having been lodged or, an appeal having been lodged, such judgment or order having been confirmed on appeal or appeal withdrawn;
  - (j) "**Financing Debts**" means the aggregate amount of all debts and obligations owing by the Debtor to CIBC (including the EDC line of credit) ("**CIBC**") and to the Business Development Bank of Canada ("**BDC**") as at and after the Closing Date (including all capital, interest, fees and charges) in respect of the facilities extended by CIBC and BDC as described on **Schedule "B"** hereto;

- (k) "**Offer**" means this Offer to Purchase including all Schedules hereto;
- (l) "**Professional Fees**" means the aggregate amount of all fees and disbursements of the Trustee, the Trustee's legal counsel (if applicable) and the Debtor's legal counsel which remain outstanding on the Closing Date and which may become owing after the Closing Date;
- (m) "**Trustee**" means KPMG Inc., in its capacity as Trustee to the Debtor's notice of intention to make a proposal filing; and
- (n) "**Vendor**" means the Debtor, a Court appointed receiver or interim receiver in respect of the Debtor or the Debtor's bankruptcy trustee, in each case authorized by the Court pursuant to the Approval Order.

## 2. PURCHASE PRICE

- 2.1. The total purchase price for the sale and purchase of the Purchased Assets envisaged by this Offer shall be the sum of the following (collectively the "**Purchase Price**"), payable by Purchaser as follows, namely:
  - (a) the Financing Debts, which shall be paid by Purchaser's full assumption of the Financing Debts to the Debtor's complete exoneration. The amounts outstanding as at April 4, 2018 were CDN \$3,435,317 on facility # 1 and US \$107,702.40 on facility # 2, with regards to CIBC and CDN \$ 426,300 with regards to BDC; and
  - (b) the Assumed Debts, which shall be paid by Purchaser's full assumption of such Assumed Debts to the Debtor's complete exoneration.
- 2.2. With and as a condition of submitting this Offer, Purchaser shall remit to the Escrow Agent in trust a deposit of \$100,000 (the "**Deposit**") by certified cheque. Such Deposit shall be dealt with by the Escrow Agent as follows:
  - (a) in the event that Closing occurs by the Closing Deadline, the Deposit shall be returned by the Escrow Agent to Purchaser;
  - (b) in the event that this Offer becomes null, void and inoperative as a result of the non-occurrence/non-fulfillment of all of the Closing Conditions by the Closing Deadline, the Deposit shall be immediately returned by the Escrow Agent to Purchaser;
  - (c) in the event that the Closing Conditions have occurred by the Closing Deadline and the Purchaser fails to proceed to and effect Closing on the Closing Date, the Deposit shall be deemed, for all purposes, to have been forfeited by Purchaser to the Debtor as pre-determined and liquidated damages (and not as a penalty) resulting from Purchaser's breach of this Offer and shall be remitted by the Escrow Agent to the Debtor;

- (d) the Escrow Agent, provided only that it has acted honestly and in good faith having regard to all of the circumstances, shall have absolutely no liability whatsoever towards Vendor or Purchaser as a result of anything done or not done by the Escrow Agent in the fulfillment of or related to fulfillment of the Escrow Agent's duties hereunder;

2.3. At Closing, Vendor and Purchaser shall sign and thereafter file with the relevant taxation authorities all such elections as may be necessary in order to exempt Vendor from collecting and Purchaser from paying any Canadian goods and services tax and Quebec sales tax (collectively the "**Sales Taxes**") in respect of the sale and purchase of the Purchased Assets envisaged hereby. If such elections are not possible, Purchaser shall, at Closing, in addition to the Purchase Price, pay all of the Sales Taxes, interests and penalties, as the case may be, to Vendor.

### 3. **EXCLUDED ASSETS AND LIABILITIES**

- 3.1. The sale and purchase envisaged hereby shall exclude all of the Debtor's property other than the Purchased Assets.
- 3.2. Purchaser shall neither assume nor bear any responsibility whatsoever for any of the Debtor's debts, liabilities and obligations other than the Assumed Debts and the Financing Debts. Notwithstanding the foregoing, there is no representation or warranty extended by Vendor to Purchaser with respect to Purchaser's potential debts or obligations towards Debtor's employees.

### 4. **WARRANTIES**

- 4.1. Vendor, at Closing, shall warrant to Purchaser that:
  - (a) the Approval Order has been issued by the Court;
  - (b) Vendor is duly empowered and authorized to effect the sale to Purchaser of the Purchased Assets in accordance with the terms and conditions of this Offer and the Approval Order;
  - (c) Debtor has not disposed of any of the Purchased Assets (other than sales of Inventory in the ordinary course of business) prior to the Closing Date;
  - (d) Debtor is not a non-resident of Canada under the relevant provisions of the *Income Tax Act*, Canada and the *Taxation Act*, Quebec; and
  - (e) Debtor shall have paid and shall pay all Acquired Premises Lease Debts accruing up until (but not after) the Closing Date.
- 4.2. The warranties set forth in **Clause 4.1** hereof are the only warranties and representations, of any nature or form whatsoever, made or to be extended or to be made and extended at Closing by Vendor to Purchaser.

4.3. Without limiting the generality of **Clauses 4.1** and **4.2** hereof, Purchaser acknowledges and represents that:

- (a) Purchaser has had the opportunity to conduct all due diligence regarding the Purchased Assets and/or the Debtor, before submitting this Offer;
- (b) Purchaser has examined the Purchased Assets in all respects and having been completely satisfied with their existence, state, condition, salability, quality and quantity in all respects;
- (c) Purchaser acknowledges and recognizes that the sale and purchase envisaged hereby will be made on an "*as is/where is*" basis, at Purchaser's own risk and peril, without any representations or warranties of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise, with respect to the Purchased Assets and/or the Debtor;
- (d) Purchaser, in submitting this Offer, has relied solely upon its own independent review, investigation and/or inspection of the Assets and all information furnished to Purchaser concerning the Purchased Assets and/or the Debtor; and
- (e) Purchaser, in submitting this Offer, has not relied upon any written or oral representations, warranties, guarantees or statements whatsoever, whether express or implied, statutory or otherwise, regarding the Purchased Assets and/or the Debtor or regarding any information furnished to Purchaser or the completeness thereof.

## 5. CLOSING CONDITIONS

5.1. The sale and purchase of the Purchased Assets envisaged hereby are subject to the occurrence and/or fulfillment of each of the following conditions (the "**Closing Conditions**"), namely:

- (a) the issuance of the Approval Order; and
- (b) all of the warranties set forth in **Clause 4.1** hereof being true and accurate, by no later than the Closing Deadline.

5.2. The Closing Conditions shall enure to the sole benefit of Purchaser and may be waived solely by Purchaser in its discretion.

## 6. CLOSING

6.1. Subject to the occurrence and/or fulfillment of all of the Closing Conditions (unless waived by Purchaser) by the Closing Deadline, closing of the sale and purchase of the Purchased Assets contemplated hereby shall occur on or before the Closing Deadline (the "**Closing Date**") at the offices of KPMG Inc., 600 de Maisonneuve Ouest, Montreal, Quebec H3A 0A3, which shall consist of the following (collectively the "**Closing**"), namely:

- (a) the signature by Vendor and Purchaser of an agreement of sale effecting the sale and purchase of the Purchased Assets envisaged hereby in accordance with the terms and conditions of this Offer;
- (b) the written assumption by Purchaser of the Financing Debts and the Assumed Debts in the agreement of sale referred to in **Clause 6.1(a)** above;
- (c) the signature, execution and delivery of the exemption regarding payment and collection of sales taxes as envisaged by **Clause 2.3** hereof and, failing such election, the payment by Purchaser to Vendor of the Sales Taxes, interests and penalties, as the case may be; and
- (d) the signature by Vendor and Purchaser of all other documents and the doing by Vendor and Purchaser of all other things in order to give full and proper effect to the sale and purchase of the Purchased Assets envisaged hereby.

## **7. GENERAL**

- 7.1. Except to the extent inconsistent with the terms, conditions and provisions of this Offer, all of the terms, conditions and provisions of the "Request for Offers" issued by the Trustee in respect of the Debtor shall be deemed to form part of this Offer and shall bind both Vendor and Purchaser.
- 7.2. The interpretation, validity and enforcement of this Offer and the sale and purchase of the Purchased Assets envisaged hereby shall be subject to and governed by the laws of the Province of Quebec and the laws of Canada applicable therein.
- 7.3. These presents may be executed in one or more counterparts in photocopy, facsimile or pdf format, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.
- 7.4. The Clause headings herein contained are for ease of reference only, do not form part hereof and shall not, in any manner, be used in the interpretation of the contents hereof.

## **8. ACCEPTANCE**

- 8.1. This Offer shall be and remain open for acceptance by Debtor's signing where indicated below and returning a signed copy of this Offer to Purchaser (in person, by messenger, by facsimile transmission or by e-mail) at Purchaser's coordinates set forth below by no later than **5 o'clock P.M. on April 10, 2018** (or such later date to which Purchaser may, in its discretion, agree to in writing), failing which this Offer shall lapse and become null, void and inoperative for all purposes, in which case the Deposit shall be immediately returned by the Escrow Agent to Purchaser.



**9. LANGUAGE**

- 9.1.** The parties hereto acknowledge that they have required that this agreement and all related documents be prepared in English. *Les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.*

[Signature page follows]

**MONTREAL**, this 5<sup>th</sup> day of April, 2018:

**Container Direct International Furniture inc.,**

Per:

\_\_\_\_\_  
Daniel Ouaknine, Director

**Concept Design Innovation Furniture inc.,**

**COORDINATES OF PURCHASER:**

**Address:** 5950 Chemin de la Côte-de-Liesse,  
Montreal, Quebec H4T 1E2

**E-Mail:** douaknine@icloud.com

Per:

\_\_\_\_\_  
Daniel Ouaknine, Director

**COORDINATES OF PURCHASER:**

**Address:** 5950 Chemin de la Côte-de-Liesse,  
Montreal, Quebec H4T 1E2

**E-Mail:** douaknine@icloud.com

**SCHEDULE "A"**

**ACQUIRED LEASES**

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	<b>HEAD OFFICE PREMISES</b>
<b>1.</b>	5950 chemin de la Côte-de-Liesse, Montréal, H4T 1E2 Lease with Investissements Brazdan Inc. dated November 3, 2014. Duration: February 1, 2015 to January 31, 2036. Yearly minimum rent is CDN \$575,280.00
	<b>SHOWROOM PREMISES</b>
<b>2.</b>	475 S. Grand central PKWY, Las Vegas, Nevada Lease with International Market Centers, WMCV Phase 2, LLC Dated November 22, 2013 (first amendment: Sept. 18, 2015 and second amendment: June, 6, 2016). Duration: 5 years from January 1, 2017. Yearly minimum rent is US \$135,366.00
<b>3.</b>	211 East Commerce Avenue, High-Point, North Carolina Lease with Market Centers, LLC dated September 13, 2016. Duration: 5 years. Yearly minimum rent is US \$131,414.40

D.0

**SCHEDULE "B"**

**ASSUMED FINANCING DEBTS**

1. Financing Agreement with CIBC dated February 23, 2017, as amended on August 28, 2017, providing for a revolving line of credit (facility # 1) of CDN \$4,000,000 and another revolving line of credit (facility # 2 – the EDC line of credit) of CDN \$1,000,000 (or CDN \$ 90,000 and US \$ 700,000). The amounts outstanding as at April 4, 2018 were CDN \$3,435,317 on facility # 1 and US \$107,702.40 on facility # 2.
2. Financing Agreement with the BDC (Loan # 091435-05). The amount outstanding as at April 4, 2018 was CDN \$31,250.
3. Financing Agreement with the BDC (Loan # 091435-04). The amount outstanding as at April 4, 2018 was CDN \$219,840.
4. Financing Agreement with the BDC (Loan # 091435-02). The amount outstanding as at April 4, 2018 was CDN \$52,000.
5. Financing Agreement with the BDC (Loan # 091435-01). The amount outstanding as at April 4, 2018 was CDN \$123,210.

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A A A A M M J J

100,000.00 \$

100 DOLLARS  entier  intégré

PAR

PAR

**BANQUE CANADIENNE IMPÉRIALE DE COMMERCE**  
CENTRE BANCAIRE JEAN-TALON ET LANGELIER  
6850 RUE JEAN-TALON EST.  
SAINT-LEONARD (QC) H1S 1N1



POUR

7445911

Account number changed due to certification

09 300 16 11

Numéro de compte modifié en raison de la certification du chèque

00 11 0502101C

04 AVR. 2018  
VILLE PROVINCE CODE POSTAL  
PAYER  
KPMG INC. (In trust)  
one hundred thousand

001

04 AVR. 2018

KPMG INC. (In trust)

one hundred thousand

100,000.00 \$

100 DOLLARS

BANQUE CANADIENNE IMPÉRIALE DE COMMERCE

CENTRE BANCAIRE JEAN-TALON ET LANGELIER

6850 RUE JEAN-TALON EST.

SAINT-LEONARD (QC) H1S 1N1

POUR

7445911

Account number changed due to certification

09 300 16 11

Numéro de compte modifié en raison de la certification du chèque

00 11 0502101C

---

SUPERIOR COURT  
(Commercial Division)  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

N° : 500-11-054208-182

---

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

**COMPTOIR DES INDES INC.** (operating  
under the trade name CDI Furniture)

Debtor / Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST**

Mises en cause

---

**EXHIBIT P-3**

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Copy

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**Groleau Gauthier Plante L.L.P.**  
Mtres Jean Lozeau et Josée Brière  
1000, Sherbrooke West Street, suite 2100  
Montreal, Quebec, H3A 3G4

T 514 370-8334

F 514 370-3615

E-mails: [jlozeau@ggp.legal](mailto:jlozeau@ggp.legal) and [jbriere@ggp.legal](mailto:jbriere@ggp.legal)

BG4696

O/Ref.: 36169-1

---

# **Exhibit P-4**

Date, heure, minute de certification : **2018-04-06 10:29****Critère de recherche** Nom d'organisme : Comptoir des indes**Critère de sélection** Nom d'organisme : COMPTOIR DES INDES I... Code Postal : H4T1E2**Détail de l'inscription**

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
16-0097204-0001	2016-02-05 09:00	2026-02-04

HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

**PARTIES****Titulaire**

Canadian Imperial Bank of Commerce 800 rue de la Gauchetière O., Suite 8660, Montreal, QC	H5A 1K6
--	---------

**Constituant**

COMPTOIR DES INDES INC 5950 Cote de Liesse, Mont-Royal, QC	H4T 1E2
---	---------

**BIENS**

LES UNIVERSALITES SUIVANTES DE BIENS MEUBLES:  
TOUTES LES CREANCES PRESENTES ET A VENIR.  
TOUS LES BIENS EN STOCK PRESENTS ET A VENIR.

**AINSI QUE:**

- LE PRODUIT DE TOUTE VENTE, LOCATION, OU AUTRES DISPOSITIONS DES BIENS GREVES, TOUTE CREANCE RESULTANT D'UNE TELLE VENTE, LOCATION OU AUTRE DISPOSITION, AINSI QUE TOUT BIEN ACQUIS EN REMPLACEMENT;
- TOUS LES DROITS CONTRACTUELS DU CONSTITUANT, PRESENTS ET A VENIR;
- TOUTES INDEMNITES D'ASSURANCE OU D'EXPROPRIATION PAYABLES RELATIVEMENT AUX BIENS GREVES;
- TOUS AUTRES DROITS ABSOLUS OU CONDITIONNELS RELATIFS AUX BIENS GREVES AINSI QUE TOUS LES FRUITS ET REVENUS QU'ILS RAPPORSENT; ET
- TOUS LES TITRES, DOCUMENTS, REGISTRES, FACTURES ET COMPTES CONSTATANT LES BIENS GREVES OU S'Y RAPPORANT.

**MENTIONS****Somme de l'hypothèque**

\$4600000 including an amount equal to 15% of the capital, with interest at a rate of 25% per year

**Référence à l'acte constitutif**

Forme de l'acte : Sous seing privé  
Date : 2016-02-03  
Lieu : MONTREAL

**AVIS D'ADRESSE**

N° 047012





Date, heure, minute de certification : **2018-04-06 10:29**

**Critère de recherche** Nom d'organisme : Comptoir des indes

**Critère de sélection** Nom d'organisme : COMPTOIR DES INDES I... Code Postal : H2X1C8

### Détail de l'inscription

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
16-0439316-0001	2016-05-12 09:00	2026-05-10

HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

#### PARTIES

##### Titulaire

BANQUE DE DÉVELOPPEMENT DU CANADA  
5, Place Ville-Marie, Montréal, Québec H3B 5E7

##### Constituant

COMPTOIR DES INDES INC.  
170, rue Sherbrooke Est, Montréal, Québec H2X 1C8

#### BIENS

1. L'universalité des biens meubles corporels et incorporels, présents et futurs du Débiteur.
2. Les biens suivants, dans la mesure où ils ne sont pas déjà inclus dans la description apparaissant ci-dessus, sont également affectés par l'hypothèque et la sûreté constituées en vertu des présentes; l'expression "biens hypothéqués" comprend donc aussi les biens suivants:
  - (a) le produit de toute vente, location ou autre disposition des biens visés au paragraphe 1, toute créance résultant d'une telle vente, location ou autre disposition, ainsi que tout bien acquis en remplacement ;
  - (b) toute indemnité d'assurance ou d'expropriation payable à l'égard des biens hypothéqués;
  - (c) le capital, les fruits et les revenus des biens hypothéqués ainsi que tout droit rattaché aux biens hypothéqués;
  - (d) lorsque les biens visés au paragraphe 1 comprennent des valeurs mobilières, toutes les autres valeurs émises dans l'avenir en remplacement de ces valeurs mobilières; et,
  - (e) tous les titres, documents, registres, factures et comptes constatant les biens hypothéqués ou s'y rapportant.

#### MENTIONS

##### Somme de l'hypothèque

330 000,00 \$ avec intérêt au taux de 25% l'an.

##### Référence à l'acte constitutif

Forme de l'acte : Sous seing privé  
Date : 2016-05-10  
Lieu : Montréal

**Autres mentions :**

La somme de l'hypothèque inclut l'hypothèque additionnelle de 20%  
représentant un montant de 55 000,00 \$.

**REMARQUES**

INSCRIPTION  
17-0366824-0001  
CESSION DE RANG

DATE-HEURE-MINUTE  
2017-04-21 09:00

**AVIS D'ADRESSE**

N° 000353



Date, heure, minute de certification : 2018-04-06 10:29

Critère de recherche Nom d'organisme : Comptoir des indes

Critère de sélection Nom d'organisme : COMPTOIR DES INDES I... Code Postal : H4T1E2

**Détail de l'inscription**

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
17-0176281-0001	2017-02-28 13:01	2027-02-27
HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION		

**PARTIES****Titulaire**

Banque Canadienne Impériale de Commerce 8301 Rue Elmslie, Montreal, QC	H8N 3H9
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**Constituant**

COMPTOIR DES INDES INC 5950 Cote de Liesse, Mont-Royal, QC	H4T 1E2
---	---------

**BIENS**

LES UNIVERSALITES SUIVANTES DE BIENS MEUBLES:  
TOUTES LES CREANCES PRESENTES ET A VENIR.  
TOUS LES BIENS EN STOCK PRESENTS ET A VENIR.

**AINSI QUE:**

- LE PRODUIT DE TOUTE VENTE, LOCATION, OU AUTRES DISPOSITIONS DES BIENS GREVES, TOUTE CREANCE RESULTANT D'UNE TELLE VENTE, LOCATION OU AUTRE DISPOSITION, AINSI QUE TOUT BIEN ACQUIS EN REMPLACEMENT;
- TOUS LES DROITS CONTRACTUELS DU CONSTITUANT, PRESENTS ET A VENIR;
- TOUTES INDEMNITES D'ASSURANCE OU D'EXPROPRIATION PAYABLES RELATIVEMENT AUX BIENS GREVES;
- TOUS AUTRES DROITS ABSOLUS OU CONDITIONNELS RELATIFS AUX BIENS GREVES AINSI QUE TOUS LES FRUITS ET REVENUS QU'ILS RAPPORSENT; ET
- TOUS LES TITRES, DOCUMENTS, REGISTRES, FACTURES ET COMPTES CONSTATANT LES BIENS GREVES OU S'Y RAPPORANT.

**MENTIONS****Somme de l'hypothèque**

\$9200000 incluant un montant égal à 15% du capital, avec un taux d'intérêt de 25% par année

**Référence à l'acte constitutif**

Forme de l'acte : Sous seing privé  
Date : 2017-02-27  
Lieu : Montréal

**REMARQUES**

INSCRIPTION	DATE-HEURE-MINUTE
17-0366824-0001	2017-04-21 09:00
CESSION DE RANG	

**AVIS D'ADRESSE**

09/04/2018

Inscription

N° 047012



Date, heure, minute de certification : 2018-04-06 10:29

Critère de recherche Nom d'organisme : Comptoir des indes

Critère de sélection Nom d'organisme : COMPTOIR DES INDES I... Code Postal : H2X1C8

**Détail de l'inscription****INSCRIPTION**      **DATE-HEURE-MINUTE**

17-0366824-0001      2017-04-21 09:00

CESSION DE RANG

**PARTIES****Cédant**BANQUE DE DÉVELOPPEMENT DU CANADA  
5 Place Ville-Marie, Montréal, QC

H3B 5E7

**Cessionnaire**Banque Canadienne Impériale de Commerce  
8301 Rue Elmslie, Montreal, QC

H8N 3H9

**Constituant**COMPTOIR DES INDES INC  
5950 Cote de Liesse, Mont-Royal, QC

H4T 1E2

**BIENS**LES UNIVERSALITES SUIVANTES DE BIENS MEUBLES:  
TOUTES LES CREANCES PRESENTES ET A VENIR.  
TOUS LES BIENS EN STOCK PRESENTS ET A VENIR.**AINSI QUE:**-LE PRODUIT DE TOUTE VENTE, LOCATION, OU AUTRES DISPOSITIONS DES BIENS GREVES, TOUTE CREANCE RESULTANT D'UNE TELLE VENTE, LOCATION OU AUTRE DISPOSITION, AINSI QUE TOUT BIEN ACQUIS EN REMPLACEMENT;  
-TOUS LES DROITS CONTRACTUELS DU CONSTITUANT, PRESENTS ET A VENIR;  
-TOUTES INDEMNITES D'ASSURANCE OU D'EXPROPRIATION PAYABLES RELATIVEMENT AUX BIENS GREVES;  
-TOUS AUTRES DROITS ABSOLUS OU CONDITIONNELS RELATIFS AUX BIENS GREVES AINSI QUE TOUS LES FRUITS ET REVENUS QU'ILS RAPPORTENT; ET  
-TOUS LES TITRES, DOCUMENTS, REGISTRES, FACTURES ET COMPTES CONSTATANT LES BIENS GREVES OU S'Y RAPPORTANT.**MENTIONS****Référence à l'inscription visée**

NUMÉRO	NATURE
17-0176281-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
16-0439316-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

**Référence à l'acte constitutif**Forme de l'acte : Sous seing privé  
Date : 2017-04-04  
Lieu : Montréal**Autres mentions :**



09/04/2018

Inscription

LE CEDANT CEDE PRIORITE DE RANG AU CESSIONNAIRE RELATIVEMENT A TOUS LES BIENS DECRITS A LA RUBRIQUE DES BIENS DE LA PRESENTE REQUISITION.

**AVIS D'ADRESSE**

N° 000353

N° 047012



Date, heure, minute de certification : **2018-04-06 10:29****Critère de recherche** Nom d'organisme : Comptoir des indes**Critère de sélection** Nom d'organisme : COMPTOIR DES INDES I... Code Postal : H4T1E2**Détail de l'inscription**

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
15-1152634-0007	2015-11-26 10:45	2019-01-31

DROITS RÉSULTANT D'UN BAIL

**PARTIES****Locateur**HOLAND LEASING 1995 LTD  
8525 DECARIE BLVD,TMR, QC

H4P 2J2

**Locataire**COMPTOIR DES INDES INC  
5950 COTE DE LIESSE, MONTREAL, QC

H4T 1E2

**BIENS****Véhicule routier :**

Cat.	Numéro d'identification	Année	Description
07	Véhicule de commerce		
	SALGS2KF2GA256949	2016	LAND ROVER RANGE ROVER

**MENTIONS****Référence à l'acte constitutif**

Forme de l'acte : Sous seing privé

Date : 2015-11-05

Lieu : 8525 DECARIE BLVD,TMR, QC

**Autres mentions :**

30223

**AVIS D'ADRESSE**

N° 044538

# Confirmation Letter / Lettre de confirmation

D+H Limited Partnership / D+H Société en commandite  
Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la Loi sur les banques.

D+H Registry Services  
for CIBC Stream Loan  
939 Eglinton Ave E., Suite 201  
Toronto, Ontario  
M4G 4H7

2016/02/10 10:45:16 AM PST

Ref / Objet: 03778887; 03778888 134772-7121

Tel/Tél:

Fax/Télécopie: 604-637-4015

Attn: Marie-Claude Laplante

Acct# 7445

Dear Sir / Madam

Monsieur / Madame

Re: Bank Act Security - Section 427

Objet: Garanties données en vertu de la Loi sur les banques -  
article 427

We have processed your request(s) and hereby  
confirm the following results: (\*see below).

Nous avons donné suite à votre (vos) demande(s) et nous vous  
faisons part des résultats suivants: (\* voir ci-dessous).

Type	Registration Name	Address	Date	Expires	Number	Bank
Type	Enregistrement au nom de	Adresse	Date	Expires	Numéro	Banque
(1)	Comptoir Des Indes Inc	5950 Cote de Liesse Mont-Royal, PQ, H4T1E2	2016/02/10 08:48:58 AM PST	2021/12/31	01304543	CANADIAN IMPERIAL BANK OF COMMERCE

## Reference

(1) We have entered the above name(s) on our  
register of notices of intention to give security under  
the Bank Act in the province of Quebec.

## Reference

(1) Nous avons ajouté le(s) nom(s) ci-dessus à notre registre de  
préavis se rapportant aux garanties données en vertu de la Loi  
sur les banques dans la province de: Québec.

(2) A search has been made of the notices of intention  
to give security under the Bank Act registered in the  
province of Quebec. As at the date and time above,  
our records indicate the following.

(2) Nous avons examiné les préavis qui se rapportent aux  
garanties données en vertu de la Loi sur les banques et qui sont  
enregistrés pour la province de: Québec. À la date et à l'heure  
indiquées ci-dessus.

Your search criteria

Votre critère de recherche


Comptoir Des Indes Inc

Comptoir Des Indes Inc

returns the following results:

révèle les résultats suivants:

Type	Registration Name	Address	Date	Expires	Number	Bank
Type	Enregistrement au nom de	Adresse	Date	Expire	Numéro	Banque
(2)	Comptoir Des Indes Inc.	100A Boulevard Hymus Pointe-Claire PQ H9R1E4	2010/06/15 11:08 AM PDT	2015/12/31	01253834	Bank of Montreal
(2)	Comptoir Des Indes Inc.	170, Rue Sherbrooke Est Montréal PQ H2X1C8	2015/02/09 10:09 AM PST	2020/12/31	01297557	Banque Laurentienne Du Canada
(2)	Comptoir Des Indes Inc	5950 Cote de Liesse Mont-Royal PQ H4T1E2	2016/02/10 08:48 AM PST	2021/12/31	01304543	CANADIAN IMPERIAL BANK OF COMMERCE



For Registrar / Pour le Régistrare

We acknowledge receipt of fees as follows:

Nous accusons réception des droits prescrits dont les montants s'établissent comme suit:

Type	Fee	GST/HST	QST	Quantity	TOTAL	Receipt No.
Type	Tarif	TPS/TVH	TVQ	Quantité	TOTAL	Numéro du reçu
(1)	\$8.00	\$0.00	\$0.00	1	\$8.00	03778887 - C-R-RN-F
(2)	\$4.00	\$0.00	\$0.00	1	\$4.00	03778888 - C-R-PS-F
					\$12.00	

GST-HST/TPS-TVH #: 86370 5620  
QST/TVQ #: 1212789191

Notice of Intention

To Whom it May Concern:

COMPTOIR DES INDES INC.  
(Name of person, firm or company and mailing address)

01304543

5950 Cote de Liesse, Mont-Royal, Quebec, H4T1E2.

hereby gives notice that it is my/its intention to give security under section 427 of the Bank Act, to Canadian Imperial Bank of Commerce.

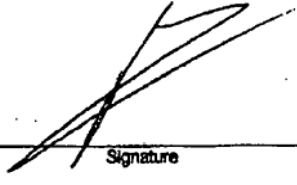
Dated at MONTREAL this 3 day of FEBRUARY, 2016

010 01331  
Transit Number must be recorded

COMPTOIR DES INDES INC  
Name (Record in full)  
5950 Cote de Liesse  
Address  
Mont-Royal, Quebec, H4T1E2  
City, Province, Postal Code



DANIEL OUAKNINE, SEC.  
Name & Title  
FEB/03/2016  
Date



DAVID OUAKNINE, PRES.  
Name & Title  
FEB/03/2016  
Date

NOTICE RECEIVED / PREAVIS RECU  
02, 10 2016, 08:24 a.m.  
MM DD YYYY TIME  
D+H LIMITED PARTNERSHIP  
PST

Authorized Section 427 Bank Act  
Registrar for Bank of Canada

Bureau d'enregistrement autorisé de la  
Banque du Canada conformément à  
l'article 427 de la loi sur les banques.

Central Processing Facility

PROVINCE OF QC  
Pour / For Registrar [Signature]

CONFIDENTIAL



### Letter of Authorization for Section 427 under the Bank Act



The undersigned acknowledges having signed a notice of intention to give security under Section 427 of the *Bank Act* ("Notice of Intention") in favour of Canadian Imperial Bank of Commerce ("CIBC").

The undersigned further acknowledges having signed the following agreements ("Security Agreements"):

- Application for Credit and Promise to Give Special Security under the Bank Act (form 117) (if applicable)
- Special Security in respect of specified property or classes of property described in section 427 of the Bank Act (form 65)
- Contract Relative to Special Security Under the Bank Act (form 103)

For valuable consideration, the undersigned hereby irrevocably authorizes and directs CIBC and its representatives to insert all missing dates in the Security Agreements.

It is understood and agreed by the undersigned that the Security Agreements shall not become operative and take effect until they have been dated by CIBC as provided above and they shall be deemed to have been delivered and given to CIBC pursuant to the *Bank Act* as of the date designated by CIBC pursuant to the above.

COMPTOIR DES INDES INC		
Name (Record in full)	Signature	Signature
5950 Cote de Liesse	DANIEL OUAKNINE, SEC.	DAVID OUAKNINE, PRES.
Address	Name & Title	Name & Title
Mont-Royal, Quebec, H4T1E2	FEB/03/2016	FEB/03/2016
City, Province, Postal Code	Date	Date

# Notice of Intention

To Whom it May Concern:

COMPTOIR DES INDES INC,

(Name of person, firm or company and mailing address)

5950 Cote de Liesse , Mont-Royal, Quebec, H4T1E2,

hereby gives notice that it is my/its intention to give security under section 427 of the *Bank Act*, to Canadian Imperial Bank of Commerce.

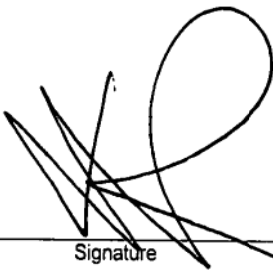
Dated at MONTREAL this 3 day of FEBRUARY, 2016

010 01331  
Transit Number must be recorded

COMPTOIR DES INDES INC  
Name (Record in full)

5950 Cote de Liesse  
Address

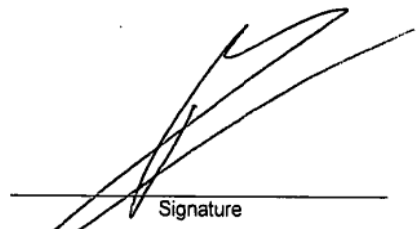
Mont-Royal, Quebec, H4T1E2  
City, Province, Postal Code



Signature

DANIEL OUAKNINE, SEC.  
Name & Title

FEB/03/2016  
Date



Signature

DAVID OUAKNINE, PRES.  
Name & Title

FEB/03/2016  
Date





# Application for Credit and Promise to give Special Security under the Bank Act

01331, 2540 BOUL. DANIEL JOHNSON, LAVAL, QC H7T2S3

Bank Office (Insert transit, mailing address and postal code)

1. **Request for Line of Credit.** I request Canadian Imperial Bank of Commerce ("CIBC") to grant me a revolving line of credit in a maximum principal amount as detailed in the Credit Agreement and to make loans or advances (collectively, "Advances") to me on the security of all property (the "Property") of the kind(s) described in CIBC's Form 65 (entitled "Special Security in respect of specified property or classes of property described in section 427 of the Bank Act") of which I am now or may later become the owner, and/or on the security of warehouse receipts and/or bills of lading covering the Property.
2. **Promise to Give Security.** I promise to give security for Advances by way of an assignment under section 427 of the Bank Act covering all the Property.
3. **Location of Property.** The Property is now or may later be located at the place(s) designated in CIBC's Form 65. I will promptly notify CIBC in writing of any additional places where the Property is to be located (the existing and additional places referred to collectively as the "Locations") as soon as they are established. I will keep the Property at all times at the Locations, and will not remove any Property from any such Location without CIBC's prior written consent.
4. **Warehouse Receipts and Bills of Lading.** If any or all of the Property is now or may later be covered by warehouse receipts or bills of lading, I promise to give them to CIBC, from time to time and as often as CIBC requests, as security for Advances.
5. **Overdrafts.** CIBC may make Advances to me by way of overdraft. Any overdrafts will be made to my account number 1057308 (or to such other accounts as CIBC and I may agree).
6. **Promissory Notes to Evidence Advances.** CIBC may from time to time require me to give CIBC promissory notes (form 120) to represent all or any part of the Advances, whether or not I obtain Advances by way of overdraft. Any notes that I give CIBC will not extinguish or pay any indebtedness for Advances, but will simply represent such indebtedness.
7. **Security Agreement Applies.** The provisions of CIBC's Form 103 (entitled "Contract relative to Special Security under the Bank Act") apply to all security that I give CIBC for any Advances. No security that I give CIBC will merge in any subsequent security or replace any security previously given.
8. **Cancellation of Line of Credit.** Unless otherwise expressly agreed in writing, CIBC may cancel at any time, without notice to me, in whole or in part, the line of credit that CIBC grants to me as a result of this agreement.
9. **Joint and Several Liability.** If two or more persons sign this agreement, each person's liability will be joint and several (which means that CIBC may require fulfilment of our obligations under this agreement from any one of us, or a portion from each of us), and references in this agreement to "I" and "me" should be interpreted accordingly. If this agreement is governed by the laws of Quebec and two or more persons sign this agreement, each person's liability will be solidary.
10. **Copy received.** I have received a copy of this agreement.

Delete, if not Applicable

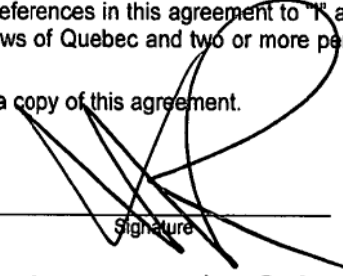
COMPTOIR DES INDES INC  
 Name (Record in full)

---

5950 Cote de Liesse  
 Address

---

Mont-Royal, Quebec, H4T1E2  
 City, Province, Postal Code

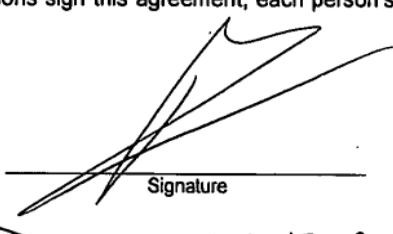
  
 Signature

---

DANIEL OUAKNINE, SEC.  
 Name & Title

---

Feb 11, 2016  
 Date

  
 Signature

---

DAVID OUAKNINE, PRES.  
 Name & Title

---

Date

Supplemental to Form 117 dated



### Special Security

#### in respect of specified property or classes of property described in section 427 of the Bank Act

For good and valuable consideration, the undersigned hereby assigns to Canadian Imperial Bank of Commerce ("CIBC"), as continuing security for the payment of all loans and advances that have been or may be made by CIBC to the undersigned or renewals of such loans and advances, or substitutions therefor, and interest on such loans and advances and on any such renewals or substitutions, all property and classes of property hereinafter described of which the undersigned is now or may hereafter become the owner, to wit:

All the goods, wares and merchandise, manufactured or otherwise, in the process of manufacture or procured for manufacture or production, and the goods, wares and merchandise used in or procured for the packing of same, including but not so as in any way to limit or restrict the generality of the foregoing: all other inventory of items available for sale or resale,

Inventory of finished goods including all furniture such as tables, chairs, sofas, wall units, and included all accessories such as lamps, chandeliers

and that is now or may hereafter be in the place or places hereinafter designated, to wit:

In or about the premises situated at 5950 CÔTÉ DE LIESSE, MONT-ROYAL, QUÉBEC, H4T 1E2, and/or any other place or places which we may use for the storage and/or handling (temporary or permanent) of the goods, or in transit thereto or therefrom or by way of the Company owned carriers, contract haulers, or any other method of transportation, in Quebec, or elsewhere,

or, where the property consists in whole or in part of fishing vessels, fishing equipment and supplies or products of the sea, lakes and rivers, wherever such property may be.

This security is given under section 427 of the *Bank Act*.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge thereon, other than previous assignments, if any, to CIBC, and the undersigned warrants that the property that may hereafter be acquired by the undersigned and is hereby assigned shall be free from any mortgage, lien or charge thereon, other than previous assignments to CIBC.

Dated at Montreal the 11 day of February, 2016

COMPTOIR DES INDES INC \_\_\_\_\_  
Name (Record in full) Signature Signature

5950 Cote de Liesse \_\_\_\_\_ DANIEL OVAKINE, SEC. DAVID OVAKINE, PRES.  
Address Name & Title Name & Title

Mont-Royal, Quebec, H4T1E2 \_\_\_\_\_ Feb. 11, 2016 \_\_\_\_\_  
City, Province, Postal Code Date Date

Supplemental to Form 65 dated



### Contract Relative to Special Security Under the Bank Act

01331, 2540 BOUL. DANIEL JOHNSON, LAVAL, QC H7T2S3

Bank Office (insert transit, mailing address and postal code)

For valuable consideration, the undersigned customer (the "Customer") agrees with **Canadian Imperial Bank of Commerce** ("CIBC") as follows:

1. **Bank Act Special Security.** This Contract applies to all security that the Customer gives or has given to CIBC under the "Special Security" provisions of the *Bank Act* (sections 425 to 436, inclusive, as well as section 463, and their predecessor and successor sections) over the Property.
2. **Places of Business.** The Customer represents and warrants that the location of all existing Places of Business is specified in CIBC's Form 65 entitled "Special Security in respect of specified property or classes of property described in section 427 of the *Bank Act*".
3. **Property Free of Charges.** The Customer represents and warrants that the Property is, and agrees that the Property will at all times be, free of any Charge or trust except in favour of CIBC or incurred with CIBC's prior written consent. CIBC may, but will have no obligation to, pay any amount required to remove any unauthorized Charge, and the Customer will immediately reimburse CIBC for any amount so paid.
4. **Use of Property.** The Customer will not, without CIBC's prior written consent, sell, lease or otherwise dispose of any of the Property other than inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Customer's business until either Default or CIBC gives the Customer a notice instructing the Customer to stop any further sale, lease or other disposition of the inventory.
5. **Governing Law.** This Contract is governed by the laws of Quebec (without reference to the choice of law doctrine). The Customer irrevocably agrees to submit to the non-exclusive jurisdiction of its courts.
6. **Copy Received.** The Customer acknowledges having received a copy of this Contract.

COMPTOIR DES INDES INC  
 \_\_\_\_\_  
 Name (Record in full)

5950 Cote de Liesse  
 \_\_\_\_\_  
 Address

Mont-Royal, Quebec, H4T1E2  
 \_\_\_\_\_  
 City, Province, Postal Code

\_\_\_\_\_  
 Signature

DANIEL OUAKNINE, SEC.  
 \_\_\_\_\_  
 Name & Title

Feb. 11, 2016  
 \_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature

DAVID OUAKNINE, PRES.  
 \_\_\_\_\_  
 Name & Title

\_\_\_\_\_  
 Date

- Note:
1. If the customer is a corporation, the office (such as "President" or "Secretary") of the Person signing should be noted below that Person's signature.
  2. The "Additional Terms and Conditions of This Contract" on the following pages form part of this contract.

### Additional Terms and Conditions of This Contract

7. **Insurance.** The Customer will keep the Property insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Property (and against such other risks as CIBC may reasonably require). At CIBC's request, all policies will contain a loss payable clause. The Customer will, from time to time at CIBC's request, deliver such policies (or satisfactory evidence of such policies) to CIBC. If the Customer does not obtain or maintain such insurance, CIBC may, but will have no obligation to, do so. The Customer will immediately reimburse CIBC for any amount so paid. The Customer will promptly give CIBC written notice of any loss or damage to the Property.
8. **Information and Inspection.** The Customer will from time to time immediately give CIBC in writing all information requested by CIBC relating to the Property, the Places of Business, and the Customer's financial or business affairs. CIBC may from time to time inspect any books and records and any Property, wherever located. For that purpose CIBC may, without charge, have access to each Place of Business and to all mechanical and electronic equipment, devices and processes where any of them may be stored or from which any of them may be retrieved.
9. **Proceeds Prior to Default.** The Customer assigns all proceeds to CIBC and will pay or transfer to CIBC all Proceeds received forthwith upon receipt. Until paid or transferred, the Customer will hold all such Proceeds in trust for and on behalf of CIBC. The Customer's signature on this Contract and CIBC's acceptance of the security granted by this Contract are in furtherance of this security, and do not constitute any acknowledgement by CIBC that the Customer has any right or title to such Proceeds. *If this Contract is governed by the laws of a province or territory other than Quebec, the following provisions also apply:* Until Default, all moneys received by CIBC as Proceeds may be applied on account of the Liabilities or, at CIBC's option, may be held unappropriated in a collateral account or released to the Customer.
10. **Default.**
  - a) **Events of Default.** The occurrence of any of the following events or conditions will be a Default:
    - i) the Customer does not pay any of the Liabilities when due;
    - ii) the Customer does not observe or perform any of the Customer's obligations under this Contract or any other contract or document existing at any time between the Customer and CIBC;
    - iii) any representation, warranty or statement made by the Customer or on the Customer's behalf to CIBC is untrue in any material respect at the time when or as of which it was made;
    - iv) the Customer ceases or threatens to cease to carry on in the normal course of business or any material part thereof;
    - v) if the Customer is a corporation, there is, in CIBC's reasonable opinion, a change in its effective control, or if the customer is a partnership, there is a dissolution or a change in its membership;
    - vi) the Customer becomes insolvent or bankrupt, or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act (Canada)*, the *Farm Debt Review Act (Canada)* or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Customer; or, if the Customer is a corporation, steps are taken under any legislation by or against the Customer seeking its liquidation, winding-up, dissolution or reorganization of the corporation or any arrangement or composition of its debts;
    - vii) a receiver, receiver and manager, trustee, custodian or other similar official is appointed in respect of the Customer or any of the Customer's property;
    - viii) the holder of a Charge takes possession of any of the Customer's property, or a distress, execution or other similar process is levied against any part of it; or
    - ix) CIBC in good faith and upon commercially reasonable grounds believes that the prospect of payment or performance is or is about to be impaired or that the Property is or is about to be placed in jeopardy.
  - b) **Rights upon Default.** Upon Default, CIBC will have the following rights:
    - i) **Appointment of Receiver.** CIBC may by letter or other document in writing appoint a Receiver of all or any of the Property. CIBC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by CIBC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Customer's agent. CIBC may from time to time fix the Receiver's remuneration, and the Customer will pay CIBC any costs incurred by CIBC relating to such appointment including, among other things, the amount of the Receiver's remuneration. CIBC will not be liable to the Customer or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.
    - ii) **Dealings with the Property.** CIBC or a Receiver may take possession of any of the Property and retain the same for as long as it considers appropriate, receive any rents and profits from the Property, carry on (or concur in carrying on) any of the Customer's business or refrain from doing so, borrow on the security of the Property, and sell or lease (or concur in selling or leasing) the Property. CIBC or a Receiver may (without charge and to the exclusion of all other Persons including the Customer) enter upon any of the Places of Business.
    - iii) **Realization.** CIBC or a Receiver may use, collect, sell or otherwise dispose of, realize upon, release to the Customer or other Persons, and otherwise deal with the Property in such manner, upon such terms and at such times as CIBC or the Receiver considers appropriate.

Contract Relative to Special Security Under the Bank Act

- iv) **Application of Proceeds After Default.** All Proceeds of Property received by CIBC or a Receiver may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration), Charges, borrowings, taxes and other outgoings affecting the Property or which are considered advisable by CIBC or the Receiver to preserve, maintain or enhance the Property, or to keep in good standing any Charges on the Property ranking in priority to any Charge created by this Contract. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as CIBC considers appropriate and thereafter will be paid to those persons who are legally entitled to it.
  - v) **Other Legal Rights.** Before and after Default, CIBC will have, in addition to the rights specifically provided in this Contract, all rights given to it under the *Bank Act*, as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon any other right and one or more of such rights may be exercised independently or in combination from time to time.
  - vi) **Deficiency.** The Customer will remain liable to CIBC for payment of any Liabilities which are outstanding following realization of any of the Property.
11. **CIBC Not Liable.** CIBC will not be liable to the Customer or any other Person for any failure or delay in exercising any of its rights under this Contract (including among other things any failure to take possession of, collect, sell, or otherwise dispose of, any Property).
12. **Charges and Expenses.** The Customer will pay all costs and expenses (including among other things all legal fees and disbursements) incurred by CIBC or any Receiver in exercising any remedy under this Contract (including among other things preserving, preparing for disposition and disposing of the Property) and in operating the Customer's business. Also, upon Default, CIBC will be required to exercise greater than normal supervision of the Customer's business. The Customer will therefore reimburse CIBC for all such extra internal costs that CIBC reasonably incurs as a result. All amounts payable under this Section will bear interest from time to time at the highest interest rate then applicable to any of the Liabilities and the Customer will reimburse CIBC upon demand for any such amount.
13. **Further Assurances.** The Customer will from time to time immediately upon request by CIBC take such action as CIBC may require in connection with the Property or as CIBC may consider necessary to give effect to this Contract. The Customer irrevocably appoints the manager or the acting manager from time to time of CIBC's branch specified on the first page of this Contract as the Customer's attorney (with full powers of substitution and delegation) to sign, upon Default, all documents required to give effect to this section.
14. **Dealings by CIBC.** Neither the Customer's obligations to CIBC nor CIBC's rights under this Contract will be limited or affected by:
- a) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Liabilities; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or other indulgences or concessions to the Customer or any other Person; any taking of or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by CIBC in respect of, or in the course of, doing any of these actions; or
  - b) accepting compositions from or granting releases and discharges to the Customer or any other Person, or any other dealing with the Customer or any other Person or with any Security that CIBC considers appropriate.
15. **General.**
- a) **Entire Agreement.** There are no representations, collateral agreements or conditions with respect to, or affecting the Customer's liability under this Contract, other than as contained in this Contract. In particular, nothing contained in this Contract will require CIBC to make, renew or extend the time for payment of any loan or other accommodation to the Customer.
  - b) **Joint and Several Liability.** If more than one Person signs this Contract as the Customer, the obligations of such Persons will be joint and several. *If this Contract is governed by the laws of Quebec, the following provisions apply:* If more than one Person signs this Contract as the Customer, the obligations of such Persons will be solidary.
  - c) **Severability; Headings.** Any provision of this Contract that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Contract. The headings in this Contract are for convenience only and do not limit or extend the provisions of this Contract.
  - d) **Interpretation.** When the context of this Contract so requires, the singular will be read as the plural.
  - e) **Notice.** CIBC may send to the Customer by prepaid regular mail addressed to the Customer at the Customer's address last known to CIBC, copies of any document that it wishes to send to the Customer. Any document mailed in this manner will be deemed to have been received by the Customer upon the earlier of actual receipt by the Customer and the expiry of 10 days after the mailing date.
  - f) **Enurement; Assignment.** This Contract will enure to the benefit of and be binding upon CIBC and the Customer and their respective heirs, executors, administrators, successors and permitted assigns. The Customer will not assign this Contract without CIBC's prior written consent.
  - g) **Consent to Disclose Information.** CIBC may from time to time give any credit or other information about the Customer to, or receive such information from:
    - i) any financial institution, credit reporting agency, rating agency or credit bureau,
    - ii) any person, firm or corporation with whom the Customer may have or propose to have financial dealings, and

**Contract Relative to Special Security Under the Bank Act**

iii) any person, firm or corporation in connection with any dealings the Customer has or proposes to have with CIBC. The Customer agrees that CIBC may use that information to establish and maintain the Customer's relationship with CIBC and to offer any services as permitted by law, including services and products offered by CIBC's subsidiaries when it is considered that this may be suitable to the Customer.

h) **Language (Quebec Only).** It is the express wish of the parties that this document and any related documents be drawn up in English. *Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.*

**16. Definitions.** In this Contract:

- a) "**Charge**" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is prior to the right of any other creditor in respect of such property.
- b) "**Default**" has the meaning set out in Section 10(1).
- c) "**Liabilities**" means all present and future indebtedness and liability of every kind, nature and description, direct or indirect, joint or several, absolute or contingent, of the Customer to CIBC wherever and however incurred and any unpaid balance thereof and includes any liability to CIBC in connection with any bankers' acceptances accepted by CIBC on the Customer's behalf and any standby letters of credit issued upon the Customer's application.
- d) "**Person**" includes a natural person, personal representative, partnership, corporation, association, organization, estate, trade union, church or other religious organization, syndicate, joint venture, trust, trustee in bankruptcy, government and government body, and any other entity, and where appropriate specifically includes any guarantor.
- e) "**Place of Business**" means a location where the Customer carries on business or where any of the Property is located.
- f) "**Proceeds**" means any personal property in any form (including among other things money) resulting from any sale, lease or other disposition of the Property, whether or not arising in the ordinary course of the Customer's business.
- g) "**Property**" means all of the property assigned by the Customer to CIBC under the "Special Security" provisions of the *Bank Act* and, for greater certainty, if the property assigned to CIBC is or includes natural gas required to be gathered and/or processed in any plant, the term "Property" includes all agreements relating to the Customer's interest in any such plant and the Customer's rights to gathering and/or process any such gas.
- h) "**Receivables**" means all debts, claims, choses in action now or hereafter due or owing to or owned by the Customer.
- i) "**Receiver**" means any Person appointed as a receiver or receiver and manager of property.
- j) "**Section**" means a section, subsection or paragraph of this Contract.
- k) "**Security**" means any security held by CIBC as security for payment of the Liabilities and includes, among other things, any and all guarantees.

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SUPERIOR COURT  
(Commercial Division)  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

N° : 500-11-054208-182

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

**COMPTOIR DES INDES INC.** (operating  
under the trade name CDI Furniture)

Debtor / Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST**

Mises en cause

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**EXHIBIT P-4**

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Copy

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**Groleau Gauthier Plante L.L.P.**  
Mtres Jean Lozeau et Josée Brière  
1000, Sherbrooke West Street, suite 2100  
Montreal, Quebec, H3A 3G4

T 514 370-8334

F 514 370-3615

E-mails: [jlozeau@ggp.legal](mailto:jlozeau@ggp.legal) and [jbriere@ggp.legal](mailto:jbriere@ggp.legal)

BG4696

O/Ref.: 36169-1

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# **Exhibit P-5**



## SSP PROCEDURE DOCUMENT

### REQUEST FOR OFFERS

#### IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF COMPTOIR DES INDES INC.,

KPMG Inc. ("**KPMG**") acts as trustee to the notice of intention to make a proposal of Comptoir des Indes Inc. (the "**Debtor**") filed on March 9, 2018.

The Debtor has mandated KPMG to initiate and conduct a sale and solicitation process to market the Debtor's business and the assets related thereto (the "**SSP**"). Any transaction in connection with the Debtor's business and/or the assets will require Court approval.

As part of this SSP, KPMG will allow Qualified Bidders to access (at KPMG's choice, either through KPMG's virtual data room or through other means chosen by KPMG) all documents and information which the Debtor believes to be required in order for a Qualified Bidder to be in a position to make an offer or propose a transaction in connection with the Debtor's business or the Assets (the "**Information**").

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

1. **VENDOR.** The Vendor of the Assets will be either the Debtor, a receiver to be appointed in respect of the Assets or, in the event of the Debtor's bankruptcy, the Debtor's bankruptcy trustee ("**Vendor**").
2. **ASSETS.** The assets forming the object of any Qualified Bid (the "**Assets**") will consist of all of the Debtor's corporeal and incorporeal, tangible and intangible property and any interests of the Debtor therein (to the extent of such interests) including, without limitation, all inventory, accounts receivable, leasehold improvements, leasehold rights, contractual rights under agreements, fixed assets, intellectual property and goodwill.
3. **QUALIFIED BIDDER.** The Debtor will only consider Qualified Bids from bidders who have provided to KPMG a fully executed "Confidentiality and Non-Disclosure Agreement" (the "**NDA**") to the Debtor's complete satisfaction (a "**Qualified Bidder**").
4. **DUE DILIGENCE.** Upon request made by a Qualified Bidder to KPMG, the Qualified Bidder may be granted access to the Information, in order to allow the Qualified Bidder to complete its due diligence prior to submitting a bid, all subject to and in accordance with the provisions of the NDA.
5. **QUALIFIED BID.** The Debtor shall only consider bids which meet the following conditions (a "**Qualified Bid**"), namely:

- (a) the bid is submitted by a Qualified Bidder;
- (b) the bid is submitted by the Bid Deadline;
- (c) the bid pertains to the acquisition or liquidation of all of the Assets or a transaction in connection with the investment or partnership in the Debtor's business;
- (d) the bid indicates the consideration offered for the Assets to be purchased or the proposed transaction (the "**Purchase Price**") and the method of its payment;
- (e) the bid is not conditional upon the outcome of unperformed due diligence or the obtaining of financing;
- (f) the bid is conditional upon the issuance by the Commercial Division of the Quebec Superior Court for the District of Montreal (the "**Court**") of a judgment or order (the "**Approval Order**") which has been made executory notwithstanding appeal or which has become final as a result of the delay for appeal having expired without an appeal having been lodged or, an appeal having been lodged, the Order having been confirmed on appeal withdrawn which:
  - (i) authorizes Vendor (**A**) in the case of the sale of Assets, to sell the relevant Assets to the Qualified Bidder, free and clear of all hypothecs, prior claims, security interests, liens, charges and encumbrances whatsoever other than any expressly assumed by the Qualified Bidder in its Qualified Bid, and/or (**B**) to enter into and complete the proposed transaction with the Qualified Bidder, the whole in accordance with the terms and conditions of the Qualified Bid;
  - (ii) in the case of the Assets comprising leasehold rights, orders the assignment by Vendor to the Qualified Bidder of all of the Debtor's rights and obligations under some or all leases creating such leasehold rights; and
  - (iii) in the case of Assets comprising contractual rights, orders the assignment by Vendor to the Qualified Bidder of all of the Debtor's rights and obligations under some or all agreements creating such contractual rights.
- (g) in the case of a sale of the Assets, the bid is accompanied by a deposit in the amount of \$100,000 (the "**Deposit**") in the form of a certified cheque, irrevocable electronic transfer of funds or bank draft, payable to "KPMG Inc. – In Trust";
- (h) the bid provides for a closing of the transaction envisaged by the Qualified Bid (the "**Contemplated Transaction**") by no later than 5 o'clock p.m. (Montreal time) on April 12, 2018 (the "**Closing Date**"); and

- (i) the Qualified Bid provides for the following acknowledgments and representations from the Qualified Bidder, namely that:
    - (i) the Qualified Bidder has had the opportunity to conduct all due diligence regarding the Assets and/or the Debtor, before submitting its bid;
    - (ii) the Qualified Bidder acknowledges and recognizes that the Contemplated Transaction will be made on an “*as is / where is*” basis, at the Qualified Bidder’s own risk and peril, without any representations or warranties of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise, with respect to the Assets and/or the Debtor;
    - (iii) the Qualified Bidder, in submitting its bid, has relied solely upon its own independent review, investigation and/or inspection of the Assets and the Information concerning the Assets and/or the Debtor;
    - (iv) the Qualified Bidder, in submitting its bid, has not relied upon any written or oral representations, warranties, guaranties or statements whatsoever, whether express or implied, statutory or otherwise, regarding the Assets and/or the Debtor or regarding any Information or the completeness thereof; and
    - (v) the bid is accompanied by such other information as may be reasonably requested by the Debtor and/or KPMG.
6. **BID DEADLINE.** Qualified Bids accompanied by the Deposit must be received in a sealed envelope by KPMG by no later than noon (Montreal time) on April 6, 2018 (the “**Bid Deadline**”). Such sealed envelope must clearly be marked “**BID – COMPTOIR DES INDES INC.**”.
7. **OPENING OF QUALIFIED BIDS.** Qualified Bids will be opened at KPMG’s offices upon the expiry of the Bid Deadline. No bidder will be present at the opening of bids.
8. **WITHDRAWAL OF A QUALIFIED BID.** All Qualified Bids submitted constitute a firm offer and cannot be revoked, unless a written notice of withdrawal of the Qualified Bid is received by KPMG prior to the expiry of the Bid Deadline.
9. **RETAINED BIDDER AND CONTEMPLATED TRANSACTION.** KPMG, after consultation with the Debtor, and/or the Debtor, will determine which of the Qualified Bids, if any, is acceptable. KPMG may elect to reject any or all of the Qualified Bids and is under no obligation to accept the highest Qualified Bid or to accept any of the Qualified Bids. The Qualified Bidders will be informed in writing by no later than 5 o’clock p.m. (Montreal time) on April 10, 2018 of the decision in respect of their respective Qualified Bids as follows:

- (a) if a Qualified Bid is accepted, the Qualified Bidder will receive a notice of acceptance from KPMG (the "**Notice of Acceptance**") confirming that the Debtor agrees to complete the Contemplated Transaction with the Qualified Bidder (each a "**Retained Bidder**"), the whole subject to the issuance of the Approval Order (each a "**Retained Bid**"); and
  - (b) if a Qualified Bid is dismissed, the Qualified Bidder will receive notice of dismissal from KPMG and the Deposit (without any accrued interest thereon) will be promptly returned by KPMG to the Qualified Bidder. The Qualified Bidder recognizes and acknowledges that it has absolutely no recourse against KPMG and/or the Debtor as a result of the dismissal of its Qualified Bid, save and except with respect to the return of its Deposit (without any accrued interest thereon).
- 10. **DEFINITIVE AGREEMENTS.** Following receipt of a Notice of Acceptance, the Retained Bidder, the Debtor and KPMG undertake to negotiate in good faith to finalize the definitive agreements necessary to fully implement the Contemplated Transaction (the "**Definitive Agreements**").
- 11. **APPLICATION TO THE COURT.** Unless the Debtor otherwise agrees, the Application to the Court seeking issuance of the Approval Order will not be filed with the Court prior to the drafts of the Definitive Agreements having been approved in writing by each of the Debtor, KPMG and the Retained Bidder.
- 12. **CLOSING.** Closing of the Contemplated Transaction(s) will occur no later than the Closing Date.
- 13. **LIABILITY FOR TAXES.** All applicable duties and taxes (including all sales taxes) that may be payable as a result of or in connection with the Contemplated Transaction will be paid by the Retained Bidder (in addition to the Purchase Price) in full at closing.
- 14. **WITHDRAWAL OF ACCEPTANCE.** The Debtor may withdraw its Notice of Acceptance at any time prior to the closing of the Contemplated Transaction. In the event of such withdrawal, KPMG will immediately return the Deposit (without any accrued interest thereon) to the Retained Bidder and the Retained Bidder will have no further rights or recourses whatsoever against the Debtor and/or KPMG.
- 15. **EXCLUSION OF WARRANTIES.** Any Contemplated Transaction will be made strictly on an "*as is / where is*" basis, without any representations or warranties on the part of the Debtor, any other Vendor or KPMG, of any nature whatsoever, implicit or explicit, legal or conventional, statutory or otherwise with respect to the Assets and/or the Debtor, all such representations or warranties being expressly excluded from the Contemplated Transaction. Without limiting the generality of the foregoing, in connection with a sale of the Assets, the Qualified Bidder acknowledges (and will acknowledge in the Definitive Agreements) having examined the Assets in all respects

and being completely satisfied with their existence, state, condition, saleability, quality and quantity in all respects. Additionally, in connection with a sale of the Assets, the Retained Bidder recognizes and acknowledges (and will recognize and acknowledge in the Definitive Agreements) that the Debtor and any other Vendor is not a professional seller of the Assets.

16. **POSSESSION.** Upon occurrence of closing on the Closing Date, in the event the contemplated transaction is in respect of the Assets, the Retained Bidder will take possession of the Assets strictly on an "as is / where is" basis, at its own cost and expense, without any liability on the part of the Debtor or KPMG. The Retained Bidder will indemnify and hold each of the Debtor and KPMG harmless for and against all claims in connection with any damages caused to any premises where the Assets are located as a result of the Qualified Bidder's taking possession thereof.
17. **TITLE.** Title to the Assets will not pass to the Retained Bidder nor will the Retained Bidder be entitled to possession thereof until the occurrence of closing on the Closing Date.
18. **DEFAULT OF A QUALIFIED BIDDER.** If a Qualified Bidder fails to comply with any of the terms, conditions and provisions of this Request, the NDA or its Qualified Bid, the Qualified Bidder will indemnify and hold harmless each of the Debtor and KPMG for any damages incurred as a result of such failure.
19. **DEFAULT OF A RETAINED BIDDER.** If a Retained Bidder fails to complete the Contemplated Transaction or breaches the terms, conditions and provisions of this Request or the NDA, then:
  - (a) such Retained Bidder will be absolutely deemed to have completely forfeited its Deposit to and in favour of the Debtor and KPMG shall immediately remit such Deposit to the Debtor, which the Debtor shall be entitled to retain as pre-determined partial damages (and not as a penalty) resulting from such Retained Bidder's default; and
  - (b) the Debtor and/or KPMG, as the case may be, will be entitled to claim damages from the Retained Bidder resulting from such Retained Bidder's default in excess of the Deposit.
20. **NO ASSIGNMENT.** Neither a Qualified Bidder nor a Retained Bidder will be entitled to transfer or assign, in whole or in part, any of its rights, title and/or interest in or to its Qualified Bid and/or Retained Bid, except with the express prior written consent of the Debtor. If such consent is given by the Debtor, such Qualified Bidder, the Retained Bidder and the designated transferee/assignee will be solidarily (jointly and severally) liable towards the Debtor for all of the obligations of the Qualified Bidder and/or the Retained Bidder under its Qualified Bid and/or Retained Bid.

21. **NOTICE.** All communications (including, without limitation, all notices, acceptances, consents and approvals) provided for or permitted under this Request shall be in writing, sent by personal delivery, courier, facsimile or electronic transmission at the following coordinates:
- (a) For any Qualified Bidders: At the coordinates indicated in their respective bids;
- (b) For the Debtor: COMPTOIR DES INDES INC.  
 5950, Côte-de-Liesse Road,  
 Mont-Royal, Québec H4T 1E2  
 Attention: David Ouaknine  
 David Elbaz  
 E-Mail: [david@cdifurniture.com](mailto:david@cdifurniture.com)  
[delbaz@o-notaire.com](mailto:delbaz@o-notaire.com)
- (c) To KPMG: KPMG INC.  
 600 Maisonneuve Blvd West  
 Suite 1500  
 Montreal, Quebec H3A 0A3  
 Attention: Stéphane De Broux  
 Richard Lépine  
 E-Mail: [sdebroux@kpmg.ca](mailto:sdebroux@kpmg.ca)  
[rlépine@kpmg.ca](mailto:rlépine@kpmg.ca)
22. **APPLICABLE LAW AND JURISDICTION.** This Request, the NDA, the Definitive Agreements and the Contemplated Transaction(s) will be subject to and governed by the laws of the Province of Quebec and the laws of Canada in force therein from time to time. Each Qualified Bidder, the Debtor and KPMG attorns to the exclusive jurisdiction of the Court with respect to any and all legal proceedings or remedies related, directly or indirectly, to this Request, the NDA, the Definitive Agreements and the Contemplated Transaction(s).
23. **DELAYS.** If any delay provided for herein expires on a day that is not a business day (i.e. any day other than a Saturday, Sunday or statutory holiday in the Province of Quebec or any other day on which banks are generally closed for business in the Province of Quebec), the delay will be extended to the next business day. All delays set forth in this Request, including, without limitation, the Bid Deadline, the Closing Date and the delays set forth in Sections 7 and 9 hereof, may be extended by the Debtor, with the consent of KPMG.
24. **WAIVER OR VARIANCE OF CONDITIONS.** All of the conditions set forth in this Request, the NDA and the Contemplated Transaction will enure to the exclusive benefit of the Debtor or any other Vendor and, accordingly, the Debtor or any other Vendor

alone (and expressly not any Qualified Bidder or any Retained Bidder) will be entitled to waive or vary any of such conditions.

25. **LANGUAGE.** Each of the Debtor, KPMG and the Qualified Bidders agree that this Request, the NDA, the Definitive Agreements, the Contemplated Transaction and all related documents be drawn up solely in the English language. / *Chacun des "Debtor", "KPMG" et "Qualified Bidders" consentent à ce que ce "Request", "Confidentiality Agreement", "Definitive Agreements", "Contemplated Transaction" et tous les documents y afférents soient rédigés dans la langue anglaise.*

**MONTREAL, March [redacted], 2018**

**KPMG INC.**, in its capacity as Trustee  
to the Notice of Intention to Make a Proposal of  
Comptoir des Indes Inc.

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SUPERIOR COURT  
(Commercial Division)  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

N° : 500-11-054208-182

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

**COMPTOIR DES INDES INC.** (operating  
under the trade name CDI Furniture)

Debtor / Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST**

Mises en cause

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**EXHIBIT P-5**

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Copy

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**Groleau Gauthier Plante L.L.P.**  
Mtres Jean Lozeau et Josée Brière  
1000, Sherbrooke West Street, suite 2100  
Montreal, Quebec, H3A 3G4

T 514 370-8334

F 514 370-3615

E-mails: [jlozeau@ggp.legal](mailto:jlozeau@ggp.legal) and [jbriere@ggp.legal](mailto:jbriere@ggp.legal)

BG4696

O/Ref.: 36169-1

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# **Exhibit P-6**



# Comptoir des Indes inc. - Designer , distributor and B2B Supplier in the furniture industry

## Communications

All communications regarding this opportunity should be directly sent to: **KPMG inc.**  
600, de Maisonneuve W,  
Suite 1500  
Tour KPMG  
Montreal (QC) H3A OA3  
Canada

## Contact Information

**Richard Lépine**  
Vice-President  
+1 (514) 840 -2501  
[rlépine@kpmg.ca](mailto:rlépine@kpmg.ca)

## Additional Informations

Please contact the representative of the Trustee to obtain a copy of the call for tender, which includes the details of the Assets and the conditions.

## Context

Comptoir des Indes inc. (hereinafter the "Company") started a restructuring process on March 9, 2018, by the filing of a notice of intention to file a proposal (hereinafter the "NOI") pursuant to Section 50.4 (1) of the *Bankruptcy and Insolvency Act* (hereinafter the "BIA"). KPMG inc. (hereinafter "KPMG") has been appointed as trustee to the NOI.

As part of its restructuring process, the Company, with the support and supervision of KPMG, solicits offers for the purchase of its assets, subject to the approval of the Superior Court of Quebec.

The offers must be received by no later than April 6, 2018 at noon Montreal time and must be accompanied by a \$100,000 cash deposit paid to the Trustee.

## Company profile

A private company with a design, distribution, showroom and head office complex located in Montreal, Quebec.

With 16 years of experience, the Company is a furnishing supplier in the industry. The Company is positioned as a high-end, luxury and fashion furniture supplier with an extensive range of collections with different styles.

## The Company :

- ❖ In operation since 2002
- ❖ High-quality home and commercial wood, fabric and leather furnishing products manufactured overseas
- ❖ Products supplied to a range of consumers, from small individual retailers to large multi-store chains and hospitality projects.
- ❖ Carries approximately 45 different product collections.

## Business assets offered for sales:

All the assets of the Company , including among others:

- ❖ Inventories located at the head office
- ❖ Accounts receivable
- ❖ Property and equipment
- ❖ Contractual rights under agreements
- ❖ Intellectual property

## Important notice

This document contains basic information, statements and estimates provided to KPMG Inc. by the Company and its management. This document contains certain statements, estimates and projections with respect to the anticipated future performance of the Company. Such statements, estimates and projections reflect various assumptions made by the management of the Company concerning anticipated results, which assumptions may or may not prove to be correct. No representation is made as to the accuracy of such statements, estimates and projections.

Any person including any purchaser referred to in this document or any business or assets referred to herein must satisfy himself as to all matters relating to that Company or such business assets including all the information and statement contained herein.

KPMG Inc. on behalf of itself and all other member firms of KPMG, and all partners, staff and agents thereof, does not accept responsibility for any information contained herein and disclaims all liability to any person or entity arising out of or in connection with such information. KPMG Inc. is a division of KPMG LLP which is authorized and regulated by the Financial Services Authority for investment business activities.

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SUPERIOR COURT  
(Commercial Division)  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

N° : 500-11-054208-182

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**IN THE MATTER OF THE NOTICE OF  
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**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST**

Mises en cause

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**EXHIBIT P-6**

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Copy

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**Groleau Gauthier Plante L.L.P.**  
Mtres Jean Lozeau et Josée Brière  
1000, Sherbrooke West Street, suite 2100  
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O/Ref.: 36169-1

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# **Exhibit P-7**

## CONFIDENTIALITY AGREEMENT

Confidentiality agreement dated March \_\_, 2018 between **Comptoir des Indes inc.** (the “**Company**”) and \_\_\_\_\_ **inc.** (the “**Counterparty**”) (collectively the “**Parties**” or individually a “**Party**”). Reference to a Party includes such Party’s Representatives (as hereinafter defined) and “affiliates” and for greater certainty includes any of Counterparty’s or its affiliates’ portfolio companies. For purposes of this Agreement, an entity is an “affiliate” of a Party if: (1) one of them is a subsidiary of the other; or (2) each of them is controlled by the same person.

The Counterparty is considering the acquisition of the Company’s assets or a similar transaction with the Company (the “**Transaction**”). For purposes of evaluating the Transaction, the Counterparty has asked the Company to disclose information. This Agreement sets out the terms under which the Company is willing to disclose the information and the terms under which the Counterparty may receive and use the information. By signing this agreement, the Counterparty agrees to enter into this Confidentiality Agreement and to conduct its evaluations, investigations and due diligence at its own risk and costs.

### **Section 1 Non-Disclosure of Confidential Information**

- (1) The Counterparty and its directors, officers, employees, agents or advisors, including, accountants, counsel, lenders, consultants and financial advisors (collectively, “**Representatives**”), will keep confidential all information disclosed to the Counterparty relating to the Company’s business, operations, assets, liabilities, plans, prospects and affairs, regardless of whether such information is in oral, visual, electronic, written or other form and whether or not it is identified as “confidential” and including all notes, analyses, compilations, forecasts, data, studies, interpretations, or other documents prepared by, on behalf of or for the benefit of, the Counterparty that contain, reflect, summarize, analyze, discuss or review any of the forgoing (collectively, “**Confidential Information**”), will use the Confidential Information solely to evaluate the Transaction and not directly or indirectly for any other purpose and will not disclose such Confidential Information except as permitted by this Agreement. Confidential Information does not include any information that:
  - (a) is or becomes generally available to the public (other than as a result of disclosure directly or indirectly by the Counterparty);
  - (b) is or becomes available to the Counterparty on a non-confidential basis from a source other than the Company provided such source does not owe a duty of confidentiality to the Company or to any other person; or
  - (c) is or was independently acquired or developed by the Counterparty without use of any information disclosed by the Company.
- (2) The disclosure restrictions contained in this Agreement do not apply to any information that is required to be disclosed by law. However, prior to making such disclosure, the Counterparty must, unless prohibited by law:
  - (a) immediately advise the Company of the requirement;
  - (b) cooperate with the Company in limiting the extent of the disclosure; and

- (c) provide the Company with a reasonable opportunity to obtain a protective order or other remedy in order to preserve the confidentiality of the information required to be disclosed.
- (3) The Counterparty may disclose Confidential Information to its Representatives but only to the extent that such Representatives need to know the Confidential Information, have been informed of the confidential nature of the Confidential Information and agree to be bound by and act in accordance with the confidentiality provisions of this Agreement.
- (4) The Counterparty is responsible for any breach by its Representatives or affiliates or the Counterparties' or its affiliates' portfolio companies of any of the provisions of this Agreement.
- (5) Unless required by law, neither Party may disclose the fact that investigations or negotiations concerning the Transaction are taking place or the terms, conditions or other facts relating to the Transaction, including the existence or terms of this Agreement, all of which are Confidential Information covered by the terms of this Agreement.
- (6) Each Party will immediately notify the other Party of any determination not to proceed with the Transaction. If such notice is given, or at any time upon the written request of the Company, the Counterparty will and will cause its Representatives to, immediately: (a) destroy or return to the Company all Confidential Information without retaining any copies; and (b) certify to the Company in writing that this Section 1(6) has been complied with. Any information incapable of return or destruction as required by this Agreement will continue to be subject to the confidentiality restrictions contained in this Agreement. This Agreement will terminate 3 years after the date upon which such notice is given.

## **Section 2 No Representation or Warranty.**

The Company makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information. The Company is not liable to the Counterparty or to any other person for any losses, liabilities, damages, claims, demands or expenses resulting from, connected with or arising out of the Counterparty's use of the Confidential Information. Nothing in this Agreement or in the disclosure of any Confidential Information confers any right, title or interest in the Confidential Information on the Counterparty.

## **Section 3 Remedies.**

In the event of a breach of a Party's obligations under this Agreement, that Party must, immediately following discovery of the breach, give notice to the other Party of the nature of the breach. Any breach of this Agreement will give rise to irreparable injury to the Company inadequately compensable in damages. The Company may, in addition to any other remedy, enforce the performance of this Agreement by way of injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damages (and without the requirement of posting a bond or other security) and the Counterparty agrees not to plead sufficiency of damages as a defence in any such proceeding. The rights and remedies provided in this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or equity.

#### **Section 4 Non-Solicitation.**

While the Parties are negotiating the Transaction and for a period of 2 years following the date of termination of such discussions, neither the Counterparty nor any of its Representatives will, directly or indirectly, solicit for hire or employ, directly or indirectly, any of the Company's current or former directors, officers or employees, unless: (i) the Company gives its prior written consent, or (ii) the Counterparty completes the Transaction.

#### **Section 5 Other Covenants and Agreements.**

- (1) The Parties share a common legal and commercial interest in all Confidential Information which is and remains subject to all applicable privileges, including solicitor-client privilege, anticipation of litigation privilege, work product privilege and privilege in respect of "without prejudice" communications. No waiver of any privilege is implied by the disclosure of Confidential Information to any person pursuant to the terms of this Agreement.
- (2) The Counterparty acknowledges that you and your Representatives and Affiliates are bound by all applicable privacy legislation with respect to any "personal information" (as such term is defined in the *Personal Information Protection and Electronic Documents Act*) disclosed under this Agreement.
- (3) Unless otherwise agreed to by the Company in writing, all (i) communications regarding any possible Transaction, (ii) requests for additional information, (iii) requests for facility tours or management meetings, and (iv) discussions or questions regarding procedures, will be submitted or directed to KPMG Inc.
- (4) KPMG Inc. reserves the right, in its sole and absolute discretion, to reject any and all proposals and to terminate discussions and negotiations with the Counterparty at any time for any, or no, reason, and with or without explanation. Without limiting the generality of other terms in this Agreement releasing KPMG Inc., the Company and its shareholder(s) from liability, the Counterparty is solely responsible for any and all costs and expenses of it or its Representatives incurred in relation to this Agreement, the Confidential Information, or in relation to the preparation for, or negotiation towards, a Transaction.

#### **Section 6 Miscellaneous.**

- (1) Time is of the essence in this Agreement.
- (2) No waiver of any provision of this Agreement constitutes a waiver of any other provision.
- (3) Nothing in this Agreement nor the disclosure of information creates any agency, partnership, joint venture, representative or employment relationship between the Parties and/or their Representatives.
- (4) This Agreement is binding on and enures to the benefit of the Parties and their respective successors and permitted assigns.
- (5) Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the prior written consent of the other Party.

- (6) If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (7) This Agreement is governed by, interpreted and enforced in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable in the province.
- (8) The parties have expressly agreed that this document and all notices and demands pertaining thereto be drawn in the English language. Les parties ont expressément convenus que ce document et tout avis ou demande y afférent soit rédigés en langue anglaise.
- (9) This Agreement may be executed in any number of counterparts (including by facsimile) and all counterparts taken together constitute one and the same instrument.

**IN WITNESS WHEREOF** the Parties have executed this Agreement.

**COMPTOIR DES INDES INC.**

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
**(COMPANY NAME)**

By: \_\_\_\_\_  
Authorized Signing Officer

Name: \_\_\_\_\_

Title: \_\_\_\_\_



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SUPERIOR COURT  
(Commercial Division)  
PROVINCE OF QUEBEC  
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Debtor / Petitioner

-and-

**KPMG INC.**

Trustee

-and-

**THE PARTIES LISTED IN THE  
ATTACHED SERVICE LIST**

Mises en cause

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**EXHIBIT P-7**

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Copy

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**Groleau Gauthier Plante L.L.P.**  
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1000, Sherbrooke West Street, suite 2100  
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