

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
NO.: 500-11-064695-246  
ESTATE NO.: 41-3132602

SUPERIOR COURT  
(Commercial Division)

(*Bankruptcy and Insolvency Act*, R.S.C. 1985,  
c. B-3)

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

**3760626 CANADA INC.**, legal person duly  
incorporated according to law having its principal  
place of business at 700-1435 rue Saint-  
Alexandre, Montreal, Quebec H3A 2G4;

**Debtor/Petitioner**

-and-

**KPMG INC.**, in its capacity as trustee to the  
foregoing Notice of Intention filing, having its  
principal place of business at 600 boul. De  
Maisonneuve O., suite 1500, Montreal, Quebec  
H3A 0A3;

**Trustee**

**MOTION FOR THE AUTHORIZATION AND APPROVAL OF A SALE AND  
SOLICITATION PROCESS AND AN ADMINISTRATIVE CHARGE**  
(Sections 64.2, 65.13 and 183 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3)

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 September 24, 2024, 3760626 Canada Inc. (the “**Debtor**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to the relevant provisions of the *Bankruptcy and Insolvency Act*, Canada (the “**BIA**”), and named KPMG Inc. (the “**Trustee**” or “**KPMG**”) as trustee thereto.
2. The Debtor recently underwent a name change in order to better protect its goodwill throughout the impending restructuring process.
3. With the filing of the NOI, the Debtor, with the assistance of its counsel and the Trustee, plans to carry out a restructuring process.

4. In order to properly embark on this restructuring process, by the present Motion, the Debtor seeks an Order of this Honourable Court, in the form of the draft Order produced herewith as **Exhibit P-1**:
  - (a) authorizing the Debtor, with the assistance of the Trustee, to conduct a sale and solicitation process (the “**SSP**”) in order to market the “**Business**” and related assets and approving the terms and conditions of such SSP set forth in the Sale and Solicitation Process Rules produced herewith as **Exhibit P-2** (the “**SSP Rules**”); and
  - (b) granting a charge in favour of the Trustee, its counsel (if any) and the Debtor’s counsel in order to secure their respective fees.
5. The Trustee’s report on the relief sought herein will be produced herewith as **Exhibit P-3** (the “**Trustee’s Report**”).

## II. THE DEBTOR'S BUSINESS AND OPERATIONS

6. The Debtor, established in 2000, operates a Montreal based strategy and technology firm which creates, designs and implements customized digital platforms and solutions for many industries, including healthcare, government, pharma, industrial and medicine (the “**Business**”). The Debtor’s activities also include, to a lesser extent, digital media and marketing services.
7. The Debtor currently employs 20 people in Montreal and 8 in Toronto. The Debtor operates mainly from leased premises in Montreal located at 1435 rue Saint-Alexandre, suite 700 and from temporary workspace in Toronto.
8. The Debtor is self-financed with no bank or financial institution. Effectively, the only creditors of the Debtor are its normal course trade creditors.
9. Produced herewith as **Exhibit P-4** are search results (the “**Searches**”) of publications in the Register of Personal and Movable Real Rights of Québec in respect of the Debtor.
10. As appears from the Searches, the only interests registered are ownership retention interests over leased cars and a hypothec in favour of the Debtor’s Montreal landlord.
11. As a result of the filing of the NOI, the Montreal landlord no longer benefits from the status of a secured creditor despite its hypothec and as such, the hypothec no longer serves any purpose. Additionally, the “**Administration Charge**” sought herein will rank from the time of issuance of an eventual order. Accordingly, for the purposes of this Motion, such landlord has not been notified.

### **III. THE DEBTOR'S FINANCIAL SITUATION**

12. Like many businesses, the COVID-19 pandemic significantly effected the Debtor. In particular, project generation slowed, and costs began to increase significantly, predominantly in connection with labour. Additionally, the Business was performing under contracts with pre-pandemic pricing thereby causing additional financial strain.
13. Additionally, prior to 2024, in addition to the Debtor's current owners, the Debtor was also owned by a company based in France. In light of the financial issues faced by the Debtor, management proposed strategic plans to ameliorate the Debtor's financial situation by way of injections of funds however, the French partner was not willing to participate in any such plan. This resulted in continued liquidity issues and deficits.
14. Ultimately, after a long negotiation process beginning in fall of 2023, the French partner's interests in the Debtor were purchased by the Debtor's current shareholders in the summer of 2024.
15. Adding to the financial issues described above, the Debtor faced two significant fiscal issues, namely:
  - (a) an assessment from Canada Revenue Agency in respect of amounts charged by the French partner to the Debtor. This claim is still in dispute however, the Debtor was forced to pay taxes, interest and penalties in the interim creating a further liquidity issue;
  - (b) Google and Facebook, two of the Debtor's service providers, forced the Debtor to pay sales taxes for services in respect of which taxes are not to be collected by such providers. The Debtor is still waiting for the reimbursement of these amounts however, these payments also contributed to the Debtor's liquidity issues.
16. In light of the severe changes in the Debtor's financial situation, the Debtor implemented a number of cost cutting measures such as subletting its leased Toronto office, reducing overhead and dismissing certain personnel.
17. Despite these overhead reduction measures, the Debtor could not improve its financial situation and had no choice but to file the NOI.
18. The Business continues to operate on a reduced scale and is pursuing a restructuring pursuant to these proceedings.

#### IV. SALE AND SOLICITATION PROCESS

19. As part of its restructuring, the Debtor has mandated KPMG to conduct the SSP in order to market the Business and related assets to one or more potential acquirers, investors or strategic partners.
20. The SSP was designed by the Debtor, in consultation with its advisors and KPMG, and will be administered by the Debtor and KPMG, the whole in accordance with the SSP Rules.
21. In order to attract interest from various parties, KPMG will send a teaser document to a diversified group of potential purchasers, including certain parties that operate in the same or similar industry as the Debtor. The teaser document will contain summary information about the Business and will inform the recipient of the availability of additional information. Such parties will be identified by the Debtor and KPMG.
22. The parties interested in obtaining additional information about the Debtor and/or becoming a party qualified to make a bid will be required to sign a non-disclosure agreement (the “**NDA**”) with KPMG. Once an NDA is signed, additional information will be made available to such interested parties, which information is listed in more detail in the SSP Rules.
23. As a result of the competitive nature of the Business, the information which will be made available through the SSP may be listed without sensitive information such as customer names but will include essential information such as current accounts receivable, recent financial statements, current inventory listing, annual sales volumes and payment history, the whole as more fully described in the SSP Rules.
24. Interested parties who have executed an NDA may then proceed to submit bids (the “**Bid(s)**”) including, but not limited to, bids proposing to acquire all or any part of the Business as a going concern, all or any part of the Debtor’s assets or to liquidate the Debtor’s assets.
25. The SSP will proceed according to the timeline set out in the SSP Rules as follows:
  - (a) the deadline for the submission of Bids shall be October 30, 2024 (or such later date as may be designated by the Debtor with the approval of the Trustee);
  - (b) bidders will be informed if their Bid is accepted or rejected by no later than November 1, 2024 (or such later date as may be designated by the Debtor with the approval of the Trustee); and
  - (c) closing of the contemplated transaction, including the Court’s authorization and approval of the transaction, is to occur by no later than November 12, 2024 (or such later date as may be designated by the Debtor with the approval of the Trustee).

26. In order to conduct a sale process in a fair and transparent fashion, it is to the benefit of all stakeholders that such process be approved by the Court.

**V. ADMINISTRATIVE CHARGE**

27. In order to secure the payment of the parties who have and will continue to occupy a critical role in the Debtor's restructuring namely, the Trustee, the Trustee's counsel (if so required) and the Debtor's counsel, the Debtor is seeking an order from this Court granting a charge over the Property, ranking as set forth in the Draft Order and in any event, as of the time of issuance of the order sought, in the amount of \$100,000 (the "**Administration Charge**").
28. The amount of the Administration Charge is based on an estimation of fees to be incurred.

**VI. CONCLUSION**

29. The proposed SSP will provide the Debtor with an avenue for restructuring the Business. The SSP rules are fair and reasonable and have been developed with the assistance of the Trustee.
30. The present Motion is well founded in fact and in law.

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

- (A) **GRANTING** the present Motion;
- (B) **ISSUING** the order substantially in the form of the draft Order produced as **Exhibit P-1** in support of the present Motion; and
- (C) **ISSUING** any other orders the Court deems appropriate.

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

**MONTREAL**, September 25, 2024



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**KUGLER KANDESTIN LLP**

Attorneys for Debtor/Petitioner

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Mtre Gerald F. Kandestin

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**AFFIDAVIT**

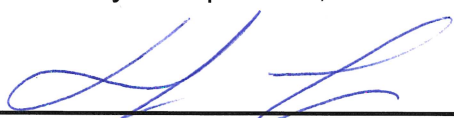
I, the undersigned, Thane Calder, having an office at 700-1435 rue Saint-Alexandre, Montreal, Quebec H3A 2G4, solemnly affirm the following:

1. I am the Chairman of the Debtor/Petitioner;
2. All of the facts alleged in the *Motion for the Authorization and Approval of a Sale and Solicitation Process and an Administrative Charge* (the "**Motion**") of which I have personal knowledge are true; and
3. Where I have obtained facts alleged in the Motion from others, I believe them to be true.

And I have signed, in Montréal, Québec

DocuSigned by:  
  
BF80EFAA0BA74F1...  
Thane Calder

Solemnly affirmed before me, by way of technological means, in Montréal, Québec this 25<sup>th</sup> day of September, 2024.

  
\_\_\_\_\_  
Commissioner for Oaths for Québec  
Name:  
Commission Number:



CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
NO.: 500-11-064695-246  
ESTATE NO.: 41-3132602

SUPERIOR COURT  
(Commercial Division)

(Bankruptcy and Insolvency Act, R.S.C. 1985, c.  
B-3)

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

3760626 CANADA INC.;

Debtor/Petitioner

-and-

KPMG INC.;

Trustee

NOTICE OF PRESENTATION AND SERVICE LIST

TO:

KPMG INC.  
600 Maisonneuve Blvd West  
Suite 1500  
Montréal, Québec H3A 0A3  
Att: Stéphane De Broux  
([sdebroux@kpmg.ca](mailto:sdebroux@kpmg.ca))  
Dax Romero  
([daxromero@kpmg.ca](mailto:daxromero@kpmg.ca))  
Isabella Todaro  
([itodaro@kpmg.ca](mailto:itodaro@kpmg.ca))

THE SUPERINTENDENT OF  
BANKRUPTCY  
[osbservice-bsfservice@ised-isde.gc.ca](mailto:osbservice-bsfservice@ised-isde.gc.ca)

**TAKE NOTICE** that the *Motion for the Authorization and Approval of a Sale and Solicitation Process and an Administrative Charge* will be presented for adjudication before the Superior Court of Québec, sitting in the Commercial Division, in and for the judicial district of Montréal, on **September 30, 2024, at 8:45 a.m.**, in **Room 16.10** of the Montréal Courthouse, located at 1 Notre-Dame Street East, in the City of Montréal, Province of Québec, or so soon thereafter as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

MONTREAL, September 25, 2024

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**No.: 500-11-064695-246**

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**SUPERIOR COURT**

(Commercial Division)

District of Montreal

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**(Bankruptcy and Insolvency Act, R.S.C. 1985, c.  
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**MOTION FOR THE AUTHORIZATION AND APPROVAL OF  
A SALE AND SOLICITATION PROCESS AND AN  
ADMINISTRATIVE CHARGE, AFFIDAVIT, and NOTICE OF  
PRESENTATION AND SERVICE LIST**

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**ORIGINAL**

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