

**SUPERIOR COURT**  
(Commercial Division)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
No. 500-11-064695-246  
ESTATE NO.: 41-3132602  
DATE: October 1<sup>st</sup>, 2024

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**PRESIDING: M<sup>e</sup> PATRICK GOSSELIN, REGISTRAR**

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

**3760626 CANADA INC.**  
Debtor/Petitioner

-and-

**KPMG INC.**  
Trustee

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**ORDER AUTHORIZING AND APPROVING A SALE AND SOLICITATION PROCESS  
AND AN ADMINISTRATIVE CHARGE**

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- [1] **ON READING** the *Motion for the Authorization and Approval of a Sale and Solicitation Process and an Administrative Charge* (the "**Motion**") of 3760626 Canada Inc. (the "**Debtor**"), the affidavit and the exhibits in support thereof;
- [2] **CONSIDERING** the notification/service of the Motion;
- [3] **CONSIDERING** the submissions of counsel, the affidavit and exhibits in support of the Motion and the Trustee's report;
- [4] **CONSIDERING** the *Bankruptcy and Insolvency Act*, Canada (the "**BIA**"), in general, and sections 64.2, 65.13 and 183 *BIA*, in particular;
- [5] **CONSIDERING** that it is appropriate to authorize a sale and solicitation process in order to market the Debtor's business and related assets (the "**SSP**") and the

related rules produced as **Exhibit P-2** to the Motion (the "**SSP Rules**") and to authorize KPMG Inc. ("**KPMG**") to conduct the SSP;

**THE COURT:**

[6] **GRANTS** the Motion.

[7] **ORDERS** that capitalized terms not otherwise defined herein shall have the same meaning ascribed thereto in the Motion.

**NOTIFICATION/SERVICE**

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

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

**SALE AND SOLICITATION PROCESS**

[10] **APPROVES** and **AUTHORIZES** the SSP.

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

[12] **AUTHORIZES** KPMG, together with the Debtor, to conduct the SSP and to implement and perform any and all actions contemplated under the SSP Rules or related thereto.

**ADMINISTRATION CHARGE**

[13] **DECLARES** that the Debtor's present and future assets, rights, undertakings and property, movable, personal, corporeal or incorporeal, tangible or intangible and wherever situate, including all proceeds thereof (collectively the "**Property**") is hereby charged by and subject to a security and charge to the extent of the aggregate principal amount of \$100,000 in favour of the Debtor's legal counsel, the Trustee and the Trustee's legal counsel (to the extent applicable), as continuing and collateral security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings under the *BIA* and the Debtor's restructuring, having the priority established by paragraph [14] hereof (the "**Administration Charge**").

## **PRIORITIES AND GENERAL PROVISIONS RELATING TO THE ADMINISTRATION CHARGE**

- [14] **ORDERS** and **DECLARES** that the Administration Charge shall rank as of the date and time of the present Order, without any requirement of publication, registration, recording, filing or perfection in any jurisdiction whatsoever.
- [15] **DECLARES** that the Administration Charge shall attach, as of the date and time of the present Order, to the Property, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.
- [16] **DECLARES** that the Administration Charge shall subsist without necessity of any publication, registration, recording, filing or perfection.
- [17] **ORDERS** that the Debtor shall not grant any encumbrances in or against any of the Property which ranks in priority to or *pari passu* with the Administration Charge unless either the Court orders same or the beneficiaries of the Administration Charge consent in writing thereto.
- [18] **DECLARES** that the Administration Charge and the rights and remedies of the beneficiaries of the Administration Charge, as applicable, shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and any declaration of insolvency made herein; (ii) any petition for a receiving order filed pursuant to the *BIA* in respect of the Debtor or any receiving order made or deemed to be made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of the Debtor; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtor (a “**Third Party Agreement**”), and notwithstanding any provision to the contrary in any Third Party Agreement:
- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Debtor of any Third Party Agreement to which it is a party; and
  - (b) any of the beneficiaries of the Administration Charge shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the Administration Charge.
- [19] **DECLARES** that the claims of the respective parties pursuant to the Administration Charge shall not be compromised pursuant to these proceedings, any proposal filed pursuant to the *BIA* (a “**Proposal**”) or any plan of arrangement filed pursuant to the *Companies’ Creditors Arrangement Act*, Canada (a “**Plan**”) and the

beneficiaries of the Administration Charge, in such capacity, shall each be treated as an unaffected creditor in these proceedings and in any Proposal or Plan.

- [20] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a receiving order filed pursuant to the *BIA* in respect of the Debtor and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of the Debtor, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Debtor pursuant to this Order and the granting of the Administration Charge, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.
- [21] **DECLARES** that the Administration Charge shall be valid and enforceable as against all Property and against all persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Debtor, for all purposes.
- [22] **ORDERS** the Registrar of the Register of Personal and Movable Real Rights (the “RDPRM”), upon application by the beneficiary of the Administration Charge, to register in the RDPRM, the Administration Charge created by this Order against the Property situated in the province of Quebec.

#### **GENERAL**

- [23] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [24] **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.

**THE WHOLE WITHOUT COSTS.**

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**M<sup>e</sup> PATRICK GOSSELIN,  
REGISTRAR**

**KUGLER KANDESTIN LLP**  
M<sup>re</sup> Jeremy Cuttler  
Attorneys for the Debtor/Petitioner