

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-057679-199

SUPERIOR COURT
Commercial Division

IN THE MATTER OF THE PLAN OF
ARRANGEMENT AND COMPROMISE OF:

INVESTISSEMENT QUÉBEC

Applicant / Secured Creditor

- and -

FIERA PRIVATE DEBT INC.

Impleaded Party

- and -

FORTRESS GLOBAL ENTERPRISES INC.

- and -

FORTRESS SPECIALTY CELLULOSE INC.

- and -

FORTRESS BIOENERGY LTD.

- and -

FORTRESS XYLITOL INC.

- and -

9217-6536 QUÉBEC INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor

APPLICATION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD
(Sections 11.02(2) of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE MARIE-ANNE PAQUETTE OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL, THE APPLICANT, INVESTISSEMENT QUÉBEC, RESPECTFULLY SUBMITS THE FOLLOWING:

1. ORDER SOUGHT

1. Investissement Québec ("**IQ**") in its capacity as interim lender and secured creditor of the Debtors, hereby seeks the issuance of an order substantially in the form of the draft order communicated herewith as **Exhibit R-1**, extending the Stay Period (as defined below) until October 8, 2021.

2. PROCEDURAL BACKGROUND

2. On December 13, 2019, the Applicant and the Impleaded Party, in their capacity as principal secured creditors of the Debtors, filed an application in respect of the Debtors pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), entitled *Application for the Issuance of a First Day Initial Order, an Amended and Restated Initial Order, a Receivership Order and a Claims Process Order* (the "**Initial Application**").
3. On December 16, 2019, the Initial Application was partially granted by the Honourable Marie-Anne Paquette, j.c.s., who rendered, on the same day, a first day initial order (the "**First Day Order**"), pursuant to which, *inter alia*:
 - (a) Deloitte Restructuring Ing. ("**Deloitte**") was appointed as monitor of the Debtors (in such capacity, the "**Monitor**");
 - (b) all claims against the Debtors, their properties and their directors and officers were stayed (the "**Stay**") until December 26, 2019 (the "**Stay Period**"); and
 - (c) the Debtors were authorized to borrow from IQ an amount of up to \$1,000,000 on the terms and conditions of the Interim Financing Term Sheet filed as Exhibit R-18 of the Initial Application (the "**Interim Financing Agreement**"), which was to be secured by a super-priority charge and security over all of the assets of each of the Debtors in the aggregate amount of \$1,200,000 (the "**Interim Lender Charge**").
4. On December 16, 2019, the Court also rendered an order appointing Deloitte as receiver to the Debtors for the sole purpose of allowing their respective employees from benefiting from those payments provided under the *Wage Earner Protection Program Act* (S.C. 2005, c. 47, s. 1).

6. On December 19, 2020, the Applicant and the Impleaded Party filed a motion requesting the issuance of an Amended First Day Order which was granted on December 26, 2020, as appears from the Court record, and which provided for, *inter alia*:
 - (a) an extension of the Stay Period until January 10, 2020;
 - (b) the authorization for the Debtors to borrow from IQ an amount of up to \$1,500,000 under the terms and conditions set forth in the Interim Financing Agreement, to be secured by an Interim Lender Charge of \$1,800,000; and
 - (c) the authorization for the Debtors (with the prior approval of the Monitor), or the Monitor (on behalf of the Debtors), to pay amounts owing for goods or services actually supplied to the Debtors either prior to or after the date of this Order up to a maximum of \$250,000, to the extent that, in the opinion of the Monitor, the supplier was essential to the business and ongoing operations of the Debtors.

7. On January 10, 2020, the Court granted the Initial Application in its entirety, and rendered, as appears from the Court record:
 - (a) an Amended and Restated Initial Order which provided, *inter alia*:
 - (i) an extension of the Stay Period until May 2, 2020; and
 - (ii) the authorization for the Debtors to borrow from IQ an amount of up to \$6,000,000 under the terms and conditions set forth in the Interim Financing Agreement, to be secured by an Interim Lender Charge of \$7,200,000; and
 - (iii) an increase in the Monitor's powers, including the powers to conduct and control the financial affairs and operations of the Debtors, and carry on the business of the Debtors;
 - (b) a Claims Procedure Order which established a "*Claims Bar Date*" of March 16, 2020 (except for restructuring claims).

8. Since then, the Court has rendered several orders at the request of the Applicant and the Impleaded Party including:
 - a) an order extending the Stay Period (which is now set to expire on September 30, 2021); and
 - b) orders approving a First Amending Agreement and a Second Amending Agreement to the Interim Financing Agreement, providing for an increase to the Facility Amount (as defined in the Interim Financing Agreement) to a total amount of \$17,000,000, and a corresponding increase to the Interim Lender Charge to a total amount of \$20,400,000.

4. RELIEF SOUGHT

9. The Applicant has advised the Court that it intends to file during the week of September 20, 2021 (the “**Upcoming Application**”) seeking the issuance of orders:
- (a) extending the Stay Period (as defined below) until January 31, 2022;
 - (b) approving a Third Amending Agreement (the “**Third Amending Agreement**) to the Interim Financing Agreement (as defined below) previously approved by this court and increasing the total amount of the Interim Lender Charge accordingly; and
 - (c) approving the activities of the Monitor, up until the date of the order sought, and declaring that the Monitor has fulfilled its obligations pursuant to the CCAA and the orders rendered by this Court.
10. The Court has advised the Applicant that it will be in a position to hear the Upcoming Application on **October 8, 2021** starting at **9:15 a.m.**
11. However, given that the Stay Period is currently scheduled to expire on September 30, 2021, the Applicant hereby seeks a short extension of the Stay Period until October 8, 2021.
12. The Applicant submits that itself, the Debtors and the Monitor have each acted in good faith over the course of these CCAA proceedings, and that no creditor of the Debtors will be prejudiced by the relief sought herein.
13. IQ understand that the Monitor is supportive of the relief sought herein.
14. Given the circumstances in which this Application is filed, as well as the limited relief sought hereunder and the fact that the Monitor will be filing a report in connection with the Upcoming Application, it is respectfully requested that the Monitor be relieved from any duty to file a report in connection with the present Application and the Applicant’s request to extend the Stay Period until October 8, 2021.

WHEREFORE, MAY THIS COURT:

GRANT this *Application for the Issuance of an Order Extending the Stay Period* (the “**Application**”);

ISSUE an order substantially in the form of the draft Order communicated in support of the Application as Exhibit R-1;

WITHOUT COSTS, save and except in case of contestation.

MONTREAL, September 16, 2021

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NOTICE OF PRESENTATION

TO: the Service List

TAKE NOTICE that the Honourable Marie-Anne Paquette of the Superior Court of Quebec, Commercial Division (the “**Court**”) has advised the Applicant that given the circumstances set out in the *Application for the Issuance of an Order Extending the Stay Period* (the “**Application**”) and the limited relief requested therein, the Court intends to grant the Application without the need for a hearing.

However, as mentioned in the Application, the Applicant intends to serve and file its Upcoming Application (as defined in the Application) during the week of September 20, 2021, and a virtual hearing has been scheduled for the presentation of such Upcoming Application on October 8, 2021, starting at 9:15 a.m. The details of such virtual hearing will be provided in the Notice of Presentation that will be attached to the Upcoming Application.

Best regards.

MONTREAL, September 16, 2021

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**Attorneys for the Applicant
INVESTISSEMENT QUÉBEC**

**SUPERIOR COURT
(Commercial Division)**

Court No: 500-11-057679-199

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BS0350

Our file: 107804-1024

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*(Sections 11.02(2) of the Companies' Creditors
Arrangement Act)*

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