

Superior Court
(Commercial Division)

Canada
Province of Québec
District of Montréal
No: 500-11-058763-208

In the matter of the *Companies' Creditors Arrangement Act* of:

**Groupe Dynamite Inc.
GRG USA Holdings Inc.
GRG USA LLC**

Debtors

-and-

Deloitte Restructuring Inc.

Monitor

**Application for a Meeting Order, an Order for a Sixth Extension and Additional Relief
(*Companies' Creditors Arrangement Act*, ss 4, 22)**

To the Honourable Brian Riordan, Judge of the Superior Court, sitting in the Commercial Division for the District of Montréal, the Debtors respectfully submit:

I. Introduction

1. By the present Application, Groupe Dynamite Inc., GRG USA Holdings Inc. and GRG USA LLC (collectively, "**Groupe Dynamite**") seek:
 - (a) the approval to file the Joint Plan of Compromise and Arrangement of Groupe Dynamite (the "**Plan**", **Exhibit P-1**) and to call a meeting of the creditors for the purpose of considering and, if appropriate, approving the Plan (the "**Meeting**") in accordance with the draft Meeting Order, **Exhibit P-2**;
 - (b) a declaration that certain creditors of Groupe Dynamite which filed proofs of claim after the Claims Bar Date, as this term is defined in the Claims Procedure Order, **Exhibit P-3**, are authorized to file their Late Claims (as this term is defined hereinafter) and that such Late Claims are deemed to have been received before the Claims Bar Date; and
 - (c) an extension of the Stay Period to October 22, 2021, in accordance with the terms of the draft Extension Order, **Exhibit P-4**.

II. Background

2. On September 8, 2020, Groupe Dynamite served an Application for an Initial Order and an Amended and Restated Initial Order (the “**Initial Application**”).
3. The Initial Application provides a detailed description of the activities of Groupe Dynamite, their key stakeholders, the circumstances surrounding the filing of the Initial Application as well as the Restructuring contemplated pursuant to the Initial Order.
4. On September 8, 2020, this Court granted the Initial Application and rendered an Initial Order, commencing proceedings in respect of Groupe Dynamite under the CCAA (the “**CCAA Proceedings**”).
5. On September 18, 2020, the Court rendered an amended and restated initial order, inter alia, confirming the provisions of the Initial Order and extending the Stay Period to October 19, 2020.
6. On several occasions, the Court extended the Stay Period. Most recently, on June 17, 2021, the Court extended the Stay Period until September 24, 2021.
7. On April 19, 2021, the Court rendered a Claims Procedure Order (Exhibit P-3) implementing the claims process developed by Groupe Dynamite, in collaboration with the Monitor, to assess their actual and contingent liabilities.

III. The Proposed Plan

8. The purpose of the Plan is (a) to establish two distribution pools (the “**Distribution Pools**”), one of which consists of Canadian dollars (the “**CAD Distribution Pool**”) and the other of US dollars (the “**USD Distribution Pool**”), which in the aggregate total \$8,000,000, (b) to distribute the Distribution Pools to pay certain convenience claims and, *pro-rata*, the affected claims (the “**Affected Claims**”), and (c) to release Groupe Dynamite and certain other parties. The paragraphs below summarize the Plan and as such are not legally binding.
9. The Affected Claims are all claims against Groupe Dynamite, except:
 - (a) all claims secured by the Administration Charge and the Interim Lender Charge;
 - (b) the Crown Priority Claims;
 - (c) the Gift Cards Claims;
 - (d) the Post-Filing Claims; and
 - (e) the Secured Lenders’ Claims.

10. Under the Plan, there is only one class of creditors composed of the persons having Affected Claims (the “**Affected Creditors**”). Each Affected Creditor has a Voting Claim. Each Voting Creditor is entitled to one vote, which vote have a value equal to the dollar value of its Voting Claim or, in the case of an undetermined Voting Claim, the value determined by the Monitor in conjunction with Groupe Dynamite. The votes of the Voting Creditor holding any undetermined Voting Claims have to be tabulated separately.
11. An initial distribution (the “**Initial Distribution**”) of the Distribution Pools would be made within 30 days of the approval of the plan by the Court. The Monitor, on behalf of Groupe Dynamite, would distribute the CAD Distribution Pool and the USD Distribution Pool to, respectively, the CAD Affected Creditors and the USD Affected Creditors to pay:
 - (a) first, the Employee Priority Claims;
 - (b) second, to each default convenience creditor (the “**Default Convenience Creditor**”), the amount of its Affected Claim, and, to each opt-in convenience creditor (the “**Opt-in Convenience Creditor**”), an amount of CAD 2,500 or the equivalent in USD; and
 - (c) third, an amount to each Affected Creditor to pay its Affected Claim, on a *pro-rata* basis according to the amounts of its Affected Claim.
12. From time to time after the Initial Distribution, the Monitor, on behalf of Groupe Dynamite, may distribute the CAD Distribution Pool and the USD Distribution Pool to, respectively, each of the CAD Affected Creditors and the USD Affected Creditors to pay its Affected Claim, on a *pro-rata* basis according to the amounts of its Affected Claim, less any amount already received.
13. Within 30 days of the date on which there are no longer any undetermined claims the Monitor, on behalf of Groupe Dynamite, would distribute the CAD Distribution Pool and the USD Distribution Pool to, respectively, each of the CAD Affected Creditors and the USD Affected Creditors to pay its Affected Claim, on a *pro-rata* basis according to the amounts of its Affected Claim, less any amount already received.
14. The persons who have a valid economic interest in Groupe Dynamite will derive a greater benefit from the implementation of the Plan than they would derive from a liquidation of Groupe Dynamite in a bankruptcy scenario. Equally important, the Plan provides Groupe Dynamite and its many stakeholders including employees, business partners and customers with the continued opportunity to work and do business together.
15. Consequently, the Debtors hereby ask that this Court authorize the filing of the Plan and to authorize the Monitor to call, hold and conduct the Meeting in accordance with the draft Meeting Order (Exhibit P-2).

IV. The Late Claims

16. Capitalized terms not otherwise defined herein have the meaning ascribed thereto in the Claims Procedure Order (Exhibit P-3).

17. The Claims Procedure Order (Exhibit P-3) defines the Claims Bar Date as meaning 5:00 p.m. on June 7, 2021, or thirty (30) days after the date of receipt by the Creditor of a notice from the Debtors giving rise to the Restructuring Claim, as appears from paragraph 4.8 thereof.
18. Pursuant to paragraph 9 of the Claims Procedure Order (Exhibit P-3), creditors failing to file their Proof of Claim by the Claims Bar Date or, as the case may be, the Restructuring Claims Bar Date, shall:
 - (a) be forever barred, estopped and enjoined from asserting or enforcing any Claim against any of the CCAA Parties or their Directors and Officers, and all such Claims shall be forever extinguished;
 - (b) not be permitted to vote on any Plan on account of such Claim(s);
 - (c) not be permitted to participate in any distribution under any Plan, from the proceeds of any sale of the CCAA Parties' assets or otherwise, on account of such Claim(s); and
 - (d) not be entitled to receive further notice in respect of the Claims Procedure or these CCAA Proceedings generally, in relation to such Claim(s).
19. Since June 7, 2021, nineteen (19) parties (each, a "**Late Claimant**") filed a Claim after the applicable Claims Bar Date (each such Claim, a "**Late Claim**"), as further detailed in the Monitor's Eighth Report, which will be filed prior to the hearing of this Application (the "**Monitor's Eighth Report**").
20. Groupe Dynamite, after consultation with the Monitor, are satisfied that the delay in filing the Late Claims is attributable to inadvertence on the part of the Late Claimant, and that none of the Late Claimants has been acting in bad faith or with a view to derive some form of strategic advantage.
21. The combined amounts of Late Claims filed to date, including the thirty-three (33) Late Employees Claims, represent a total of close to \$3.4 million CAD.
22. It is expected, after consultation with the Monitor, that following determination of the Late Claims in accordance with the Claims Procedure Order, the amount of any Proven Claims arising out the Late Claims will be significantly lower than the face value of the Late Claims.
23. Given that the review of claims pursuant to the Claims Procedure Order (Exhibit P-3) remains ongoing and that no distribution has yet been effected, Groupe Dynamite respectfully submit that it is fair and equitable that the filing of each Late Claim be authorized by this Court, that such Late Claims be deemed to have been received before the Claims Bar Date and that Monitor can proceed with their review and adjudication pursuant to the Claims Procedure Order (Exhibit P-3). Conclusions to this effect are suggested in the Extension Order, Exhibit P-4.

V. The Stay Period should be extended

24. Since the last extension of the Stay Period on June 17, 2021, the Debtors:

- (a) Have almost completed their review of their lease portfolio;
 - (b) have progressed in the review of the proofs of claims filed in the claims process;
 - (c) have finalized the elaboration of a plan of compromise or arrangement, which led to the Plan; and
 - (d) have communicated with their creditors to present the Plan.
25. The Debtors seek the extension of the Stay Period until October 22, 2021 to complete the review of the proofs of claims, to call a meeting of the creditors for the purpose of considering and, if appropriate, approving the Plan, to distribute the Distribution Pools to the Affected Creditors and to apply to the Court to seek the sanction of the Plan if it is approved.
26. It is respectfully submitted that the Debtors have acted and are acting in good faith and with due diligence and that the proposed extension should be granted, in accordance with the draft Extension Order (Exhibit P-4).
27. Given the need to advance the restructuring process as quickly as possible, it is respectfully requested that this Court order the provisional execution of the orders sought pursuant to this Application notwithstanding any appeal.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

RENDER an order substantially in the form of the draft Meeting Order, Exhibit P-2;

RENDER an order substantially in the form of the draft Extension Order, Exhibit P-4;

THE WHOLE without legal costs, except if contested.

Montréal, September 2nd, 2021



McCarthy Tétraault LLP
Lawyers for the Debtors
M^{re} Alain N. Tardif
M^{re} Gabriel Faure
M^{re} Frédérique Drainville
2500 - 1000 De La Gauchetière St. West
Montréal, QC H3B 0A2
Telephones: 514.397.4274
514.397.4182
514.397.4216
E-mails: atardif@mccarthy.ca
gfaure@mccarthy.ca
fdrainville@mccarthy.ca

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-and-

Deloitte Restructuring Inc.

Monitor

Affidavit

I, the undersigned, Guy Vallières, authorized representative of the Debtors, domiciled for the purpose hereof at 5592 Ferrier Street, Mount-Royal, Québec, Canada, solemnly affirm that all the facts alleged in the present *Application for a Meeting Order, an Order for a Sixth Extension and Additional Relief* are true.

AND I HAVE SIGNED,



Guy Vallières

SOLEMNLY AFFIRMED TO BEFORE ME AT
STE-MARTHE BY TECHNOLOGICAL MEANS, this
September 2nd, 2021



COMMISSIONER OF OATHS
FOR THE PROVINCE OF QUÉBEC

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Notice of Presentation

TO: Service List

1. PRESENTATION OF THE PROCEEDING

TAKE NOTICE that the present *Application for a Meeting Order, an Order for a Sixth Extension and Additional Relief* will be presented for adjudication before the Superior Court of Québec, sitting in the commercial division for the district of Montréal, located at 1 Notre Dame Street East, Montréal, QC, H2Y 1B6, **during the virtual roll on September 10, 2021 at 10:00 am** and in room to be determined or soon thereafter as counsel may be heard.

2. HOW TO JOIN THE VIRTUAL PRACTICE ROLL CALL

The coordinates for joining the room virtual roll call are the following:

- a) **With Microsoft Teams Tool:** by clicking on the link available on the website www.tribunaux.qc.ca;

You need at that time to inscribe your name and click on "Joining now". In order to facilitate the progress and the identification of the participants, we are inviting you to inscribe your name by this manner:

The lawyers: Mtre First name, Last Name (name of the represented party)

The syndics: First name, Last Name (syndic's name)

The superintendent: First name, Last name (superintendent's name)

The parties non-represented by lawyers: First name, Last name (precise: Plaintiff, Defendant, Petitioner, Respondent, Creditor, Opponent or other)

For people who are assisting to a public hearing: the mention may be limited to entering: (public)

b) **By telephone:**

Canada, Québec (paid number): + 1 581-319-2194

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

Conference ID: 991 211 186#

c) **By videoconference:** teams@teams.justice.gouv.qc.ca

Conference VTC ID: 1185631255

d) **In person:** If and only if you do not have access to one of these technological means above-identified. You can then go to room 17.09 of the Courthouse of Montreal, located at:

1 Notre-Dame Street East.

3. DEFAULT OF PARTICIPATING TO THE VIRTUAL ROLL CALL

TAKE NOTICE that if you wish to contest the proceeding you need to advise by written the instigator of the proceeding at the indicated coordinates in this Notice of Presentation at least 48 hours before the presentation date and participate to the virtual roll call. Failing that, a judgment could be rendered during the presentation of the proceeding, without any further notice or delay.

4. OBLIGATIONS

4.1 The Collaboration

TAKE NOTICE that you have the obligation to cooperate with the other party, in particular by informing each other, at all relevant times, of all facts and elements susceptible of promote a loyal debate and making sure you preserve the relevant evidence (*Civil Code of Procedure*, Art. 20).

4.2 Preventing and Resolving Disputes Method

TAKE NOTICE that you must, before going to the Tribunal, considerate the recourse of all preventing and resolving disputes methods which are, among others, negotiation, mediation or arbitration, for which the parties appeal a third-party assistance (*Civil Code of Procedure*, Art. 2).

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, September 2nd, 2021

McCarthy Tétrault

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Lawyers for the Debtors

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List of Exhibits

EXHIBITS	DESCRIPTION
Exhibit P-1	Joint Plan of Compromise and Arrangement of Groupe Dynamite
Exhibit P-2	Draft Meeting Order
Exhibit P-3	Claims Procedure Order
Exhibit P-4	Draft Extension Order

Montreal, September 2nd, 2021



McCarthy Tétraut LLP
Lawyers for the Debtors

SUPERIOR COURT
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CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
N° : 500-11

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-and-

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Monitor

***Application for a Meeting Order, an Order for a
Sixth Extension and Additional Relief***

M^{re} Alain N. Tardif – 514-397-4274
atardif@mccarthy.ca
M^{re} Gabriel Faure – 514-397-4182
gfaure@mccarthy.ca
M^{re} Frédérique Drainville – 514-397-4216
fdrainville@mccarthy.ca
BC0847

McCarthy Tétrault LLP
Suite 2500
1000 De La Gauchetière Street West
Montréal (Québec) H3B 0A2
Tel. : 514 397-4100
Fax : 514 875-6246
notification@mccarthy.ca