

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL
No.: 500-11-055122-184

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC
1985, C C-36, AS AMENDED:**

**LE GROUPE SMI INC./THE SMI GROUP INC., LE GROUPE S.M. INC./THE S.M.
GROUP INC.; CLAULAC INC., SMi CONSTRUCTION INC., ÉNERPRO INC. AND LE
GROUPE S.M. INTERNATIONAL (CONSTRUCTION) INC./S.M. INTERNATIONAL
GROUP (CONSTRUCTION) INC.**

Debtors

-and-

**LE GROUPE S.M. INTERNATIONAL S.E.C./THE S.M. GROUP INTERNATIONAL LP,
ÉNERPRO S.E.C./ENERPRO LP, LE GROUPE S.M. (ONTARIO) INC./THE S.M.
GROUP (ONTARIO) INC., AMÉNATECH INC., LABO S.M. INC., LES
CONSULTANTS INDUSTRIELS S.M. INC./S.M. INDUSTRIAL CONSULTANTS INC.,
LES CONSULTANTS S.M. INC./S.M. CONSULTANTS INC., FACILIO EXPERTS
CORP., LE GROUPE S.M. INTERNATIONAL INC./THE S.M. GROUP
INTERNATIONAL INC., CSP CONSULTANTS EN SÉCURITÉ INC./CSP SECURITY
CONSULTING INC., LE GROUPE S.M. INTERNATIONAL (S.A.) INC./THE S.M.
GROUP INTERNATIONAL (S.A.) INC., LE GROUPE S.M. INTERNATIONAL
(CONSTRUCTION) EURL, SM SAUDI ARABIA CO LTD., THE S.M. GROUP
INTERNATIONAL SARL, THE S.M. GROUP INTERNATIONAL ALGÉRIE EURL, S.M.
UNITED EMIRATES GENERAL CONTRACTING LLC, COMMANDITÉ SMi-ÉNERPRO
FONDS VERT INC./SMi-ENERPRO GREEN FUND GP INC. AND SMi-ÉNERPRO
FONDS VERT S.E.C./SMi-ENERPRO GREEN FUND LP**

Mises-en-cause

-and-

**ALARIS ROYALTY CORP.
INTEGRATED PRIVATE DEBT FUND V LP**

Applicants

-and-

DELOITTE RESTRUCTURING INC.

Monitor

-and-

LGBM INC.

Chief Restructuring Officer

-and-

11017870 CANADA INC.
THORNHILL G.P.
11054953 CANADA INC.
 Purchasers

-and-

AUTORITÉ DES MARCHÉS FINANCIERS having an establishment at 800 Rue du Square-Victoria, 22nd floor, Montreal, Quebec H4Z 1A1

-and-

THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS, 1 Notre-Dame Est, suite 7.07, Montréal, Québec H2Y 1B6

Respondents

JOINT APPLICATION TO APPROVE AND IMPLEMENT A TRANSACTION
 (Sections 11, 11.2 and 36 of the *Companies' Creditors Arrangement Act*)

TO THE HONORABLE JUSTICE CHANTAL CORRIVEAU, SITTING IN COMMERCIAL DIVISION IN THE DISTRICT OF MONTREAL, THE APPLICANTS RESPECTFULLY STATE:

I. INTRODUCTION

1. By the present joint application (this "**Application**"), the Applicants, Alaris Royalty Corp. ("**Alaris**") and Integrated Private Debt Fund V LP ("**IAM**"), seek, on behalf of the Debtors and the Mises-en-cause (collectively, the "**Debtors**" or the "**SM Group**"), the approval of a transaction (the "**Proposed Transaction**") that will permit the Purchaser (as defined below) to acquire the most important assets of certain of the Debtors and to set up a business similar to that being operated by the SM Group. The Proposed Transaction will allow for the survival of an important part of the Business and is thus highly beneficial to all of the Debtors' stakeholders, including its creditors, clients, suppliers, and its 700 employees ("**Employees**").
2. All capitalized terms used but not otherwise defined in this Application have the meanings ascribed to them in the Initial Order rendered in respect of the Debtors on August 24, 2018 (as amended on September 21, 2018, the "**Initial Order**").
3. The key features of the Proposed Transaction are reviewed at paragraph 42 of this Application. In Particular, the Proposed Transaction:
 - (a) is rooted in an initial offer from Thornhill Investments Inc. ("**Thornhill**") that was received pursuant to a sale process conducted in the six months prior to the Initial Order;

- (b) is the culmination of arm's length negotiations between the Debtors and Thornhill, a party not related to any of the Debtors, with the active participation of the Monitor and the Applicants;
 - (c) provides for the Purchaser to acquire certain assets of the Vendors (as defined below), consisting primarily of their contracts, work in progress and accounts receivable, in exchange for consideration that is acceptable to the CRO, the Monitor and the Applicants, to be paid or assumed for the benefit of the Vendors' creditors; and
 - (d) contemplates a transition period (the "**Transition Period**"), during which the contracts being assigned will continue to be performed by the Debtors, subject to certain terms and conditions, with such contracts being eventually assigned to the Purchaser once the latter receives the necessary regulatory authorizations.
4. The Proposed Transaction will provide approximately 95% of the Employees with an opportunity to make a fresh start through offers of employment from the Purchaser and for the latter to effectively continue a substantial portion of the Business free of the various financial and operational impediments that existed prior to the issuance of Initial Order, including a significant debt load, continued interference by a disruptive shareholder and former CEO and a cloud over its capacity to continue to comply with regulatory requirements to perform public contracts.
5. The Proposed Transaction is in the best interest of the Debtors' stakeholders generally as it will allow for the survival of a reputable engineering firm that is involved in various high profile infrastructure projects and has been active in Quebec and abroad for decades as well as the re-integration almost 95% of its workforce.
6. The Proposed Transaction is governed by various documents forming part of the Purchase Agreement (as defined below) including, an Asset Purchase Agreement (the "**APA**"), a Transition Services Agreement (the "**Transition Agreement**"), a Transition Financing Agreement (the "**Transition Financing Agreement**") and an Assignment and Assumption Debt Agreement (the "**Assumption Agreement**"). In order to approve and give full effect to the Proposed Transaction, as contemplated in these agreements, the Applicants seek the following three orders from this Court (collectively, the "**Proposed Orders**"):
- (a) an *Approval, Vesting, Distribution and Priority Charges Order* (the "**Proposed Vesting Order**"), a draft of which as well as compare to the Model Approval and Vesting Order are communicated herewith, respectively, as **Exhibit A-1** and **Exhibit A-2**;
 - (b) an *Order Appointing a Receiver* (the "**Proposed Receivership Order**"), a draft of which as well as a compare to the Model Order Appointing a Receiver are communicated herewith, respectively as **Exhibit A-3** and **Exhibit A-4**;

- (c) a *CRO Claims Process Order* (the “**Proposed CRO Order**”), a draft of which a compare to the Model Claims and Meetings Procedure Order are communicated herewith, respectively as **Exhibit A-5** and **Exhibit A-6**;
7. The CRO, the Monitor and the Applicants, the latter of which are owed nearly \$120,000,000 by the Debtors, all support the Proposed Transaction and are of the view that it is both commercially reasonable in the circumstances and the best prospect for a viable restructuring of the Debtors.
8. It is therefore respectfully submitted that the various heads of relief provided for in the Proposed Orders, as enumerated at paragraph 43 of this Application and which will facilitate the proper implementation of the Proposed Transaction, are necessary and appropriate in the circumstances.

II. **BACKGROUND**

9. On application of the Applicants, this Court rendered the Initial Order on August 24, 2018 commencing proceedings under the CCAA in respect of the Debtors (the “**CCAA Proceedings**”). Pursuant to the Initial Order, the Chief Restructuring Officer (the “**CRO**”) and the Monitor were appointed and granted various powers, to be exercised in consultation with the Applicants, in connection with the management of the Debtors’ affairs and the implementation of Restructuring initiatives.
10. On September 21, 2018, this Court issued an order (the “**Extension Order**”), *inter alia*, amending the Initial Order and approving a sale and investor solicitation process (the “**SISP**”), which was to be launched according to certain procedures (the “**SISP Procedures**”) in the event that a transaction with Thornhill could not be implemented within a short delay or did not cover substantially all of the Property and the Business. A version of the Initial Order prepared by the Applicants incorporating the amendments authorized by the Court pursuant to the Extension Order is communicated herewith as **Exhibit A-7**.
11. Since the last extension of the Stay Period granted on September 21, 2018, the CRO, the Monitor and the Applicants have continued to work diligently to identify and implement the Restructuring process with a view to preserving and maximizing the value of the Business, the whole for the benefit of all of the SM Group’s stakeholders. The Proposed Transaction is the culminating point of those efforts.
12. The Monitor has analysed the Proposed Transaction and supports its approval as well as the accessory relief sought in the Proposed Orders, as will be explained more fully in the Monitor’s Third Report to the Court (the “**Monitor’s Third Report**”) to be filed prior to the hearing of this Application.

A. The Thornhill offer and its acceptance

13. On July 18, 2018, prior to the institution of the CCAA Proceedings, Thornhill submitted a non-binding letter of intent contemplating the purchase of the

Business as a going concern through the acquisition of 100% of the equity in the Debtors (the “**Initial Thornhill LOI**”).

14. The Thornhill LOI was submitted following a fulsome and extensive sale process conducted by the Deloitte Restructuring Inc., then in its capacity as financial advisor to the Debtors, in the months leading up to the institution of the CCAA Proceedings. The Thornhill LOI was one of three offers received pursuant to such sale process and was the only one that contemplated any payment to the SM Group’s secured creditors.
15. At the time of the Initial Order, the Applicants disclosed the Thornhill LOI to the Court and noted that that the possible implementation of the transaction contemplated therein was a viable Restructuring possibility. To facilitate the consideration of the Initial Thornhill LOI and further to a request from Thornhill’s counsel, this Court was advised that a limited exclusivity period would be granted to Thornhill to conduct its due diligence process and to submit a formal offer in respect of all or part of the Property and/or the Business (as extended, the “**Exclusivity Period**”).
16. In the weeks that followed the Initial Order, the CRO and the Monitor, in consultation with the Applicants, implemented various measures in connection with the due diligence process being conducted by Thornhill (the “**Thornhill Due Diligence**”). In particular, the CRO and the Monitor:
 - (a) held meetings with representatives of Thornhill and key members of the SM Group’s divisions;
 - (b) set up a virtual data room to serve as a platform to respond to Thornhill’s due diligence requests or as means of communicating information to prospective investors or purchasers in the event a new sale process was to be implemented;
 - (c) requested and obtained from Thornhill an amended Letter of Intent as well as a confidentiality agreement in order to expedite the due diligence process and limit the Exclusivity Period; and
 - (d) assisted the Debtors’ management in the preparation of consolidated and non-consolidated unaudited financial statements for the SM Group as well as other financial analyses requested by Thornhill.
17. Following the Extension Order, the Exclusivity Period was briefly extended to allow for the completion of the Thornhill Due Diligence and on September 28, 2018, the Monitor postponed the Commencement Date and the Bid Deadline (as both terms are defined in the SISP Procedures) in order to accommodate this extension.
18. On October 9, 2019 Thornhill submitted a binding Letter of Intent contemplating a purchase of substantially all of the Debtors’ assets used in the operation of the Business and on October 13, 2018, the CRO, on behalf of the Debtors, and Thornhill entered into a binding term sheet setting out the essential terms and

conditions of the Proposed Transaction, to which the Monitor and the Applicants intervened. This Letter of Intent was subject to customary conditions precedent.

19. On October 17, 2018, in order to complete the Thornhill Due Diligence and the negotiations surrounding the Proposed Transaction, the Commencement Date and the Bid Deadline were again extended by the Monitor.
20. On October 22, 2018, the Purchaser confirmed that all conditions precedent to the conclusion of the Proposed Transaction had been satisfied, except the issuance of the Proposed Vesting Order.
21. The APA was finalized on October 31, 2018 and will be executed by:
 - (a) The SMI Group Inc., The S.M. Group Inc., Claulac Inc., SMi Construction Inc., Énerpro Inc., S.M. International Group (Construction) Inc., The S.M. Group International LP, Enerpro LP, The S.M. Group (Ontario) Inc., Aménatech Inc., Labo S.M. Inc., S.M. Industrial Consultants Inc., S.M. Consultants Inc., The S.M. Group International Inc., CSP Security Consulting Inc., The S.M. Group International (S.A.) Inc., Le Groupe S.M. International (Construction) EURL, SM Saudi Arabia Co Ltd., The S.M. Group International SARL, The S.M. Group International Algérie EURL, S.M. United Emirates General Contracting LLC, SMi-Enerpro Green Fund Gp Inc., SMi-Enerpro Green Fund LP and 9229-4263 Québec Inc. (collectively, the “**Vendors**”); and
 - (b) 11017870 Canada Inc., Thornhill G.P. and 11054953 Canada Inc. (collectively, the “**Purchaser**”),

with the intervention of the Monitor and the Applicants.

22. The APA, the Transition Services Agreement, the Transition Financing Agreement and an Assignment and Assumption Debt Agreement (collectively, the “**Purchase Agreement**”) are the agreements which govern the Proposed Transaction and are communicated herewith respectively, *under seal* as **Exhibit A-8A** through **Exhibit A-8D**.
23. The Proposed Transaction does not contemplate the purchase by the Purchaser of any of the Property of Les Services de Personnel S.M. Inc. (“**Personnel SM**”) or Faciliop Experts Corp.
24. The terms and conditions of the Purchase Agreement as well as of the Proposed Orders geared towards facilitating the implementation of the Proposed Transaction are reviewed below.

B. Developments surrounding the SM Authorizations

25. In order to perform certain contracts or subcontracts with provincial public bodies, including cities and municipalities (“**Public Contracts**”) the Debtors must maintain an authorization under an *Act Respecting Contracting by Public Bodies* and other applicable legislation (an “**Public Contract Authorization**”).

26. Since the Extension Order and based on an understanding that the *Autorité des marchés financiers* (the “**AMF**”) would not take any further actions that could affect the Public Contract Authorizations granted to certain of the Debtors (the “**SM Authorizations**”) without prior notice, the Applicants’ attorneys have continued to monitor the AMF’s position.
27. On October 9, 2018, the Vendors holding the SM Authorizations (the “**Targeted Vendors**”) each received notices from the AMF (the “**New AMF Notices**”) indicating that the AMF may make an election within thirty (30) days not to renew such authorizations. The AMF also disclosed the reasons for its decision in that regard and gave the Targeted Vendors until November 9, 2018 to provide written responding submissions, the whole as appears from a copy of the New AMF Notice Addressed to Le Group S.M. Inc., communicated herewith *under seal* as **Exhibit A-9**.
28. On October 24, 2018 the Applicants attorneys wrote to the AMF, on behalf of the Targeted Vendors, in an effort to assuage the regulator’s concerns. In particular, the Applicants confirmed that Bernard Poulin (“**Poulin**”) and another Employee subject to certain pending criminal proceedings no longer occupied any position within the SM Group and that the latter’s affairs had, since the Initial Order, been managed exclusively by the CRO and the Monitor, under the supervision of the Court, the whole as appears from a letter to the AMF, communicated herewith *under seal* as **Exhibit A-10**.
29. As further appears from said letter (A-10), the AMF was also advised of the Proposed Transaction and of its essential terms. With particular respect to the maintenance of the SM Authorizations, the AMF was informed that:
 - (a) neither the Purchaser, its directors or officers were related to any of the Debtors or their current and former management, including Poulin and the other aforementioned Employee;
 - (b) an entity designated by the Purchaser had applied for its own Public Contract Authorization in order to eventually acquire and continue to perform the Vendors’ Public Contracts;
 - (c) the Proposed Transaction provides for a Transition Period, during which the Targeted Vendors will maintain and continue to perform the Vendors Public Contracts, under the exclusive control of the Monitor, until the Purchaser can obtain its own Public Contract Authorization;
 - (d) The Applicants’ legal advisors, on behalf of the Debtors, remained available to collaborate with the AMF, to provide further information or to discuss the implementation of additional measures to ensure that the SM Authorizations are maintained.
30. It is also noteworthy that the Monitor, which will have exclusive control over the affairs of the Debtors following the termination of the CRO’s mandate, including in respect of the Targeted Vendors during Transition Period, is the holder of a valid Public Contract Authorization.

31. As of the date of this Application, the Applicants attorneys have yet to receive any answer from the AMF to their recent letter (A-10), such that the CRO, the Monitor and the Applicants are concerned that the AMF may decide to take actions, pursuant to the New AMF Notices or otherwise, that will jeopardize the SM Authorizations and undermine the Proposed Transaction.
32. As will be explained more fully below, it is an essential condition to the Proposed Transaction that the SM Authorizations be maintained until the Purchaser obtains its own Public Contract Authorization and all of the Vendors' contracts are assigned to the Purchaser.

C. The SM Group's impaired financial position

33. In addition to participating in the Thornhill Due Diligence, developing the SISF and taking measures to preserve the SM Authorizations, the Debtors have been required to expend important resources in order to maintain the confidence of their stakeholders during the Restructuring Process. For instance, the CRO and the Monitor held extensive meetings with the Employees, provided them with incentives through the KERP and made arrangements with suppliers to ensure that the Debtors could meet their post-filing obligations.
34. The Debtors also were required to adopt measures in order to remove Poulin from his functions further to the concerns raised by the AMF, to limit his disruptive influence on the SM Group's operations and to investigate transactions that may have been entered into by the Debtors to the detriment of their creditors. For instance, the Monitor was required to limit physical and remote access to the Debtors' premises and servers, particularly after certain documents were destroyed by Poulin's personal assistant.
35. At the time of the Extension Order, the Debtors financial position had already deteriorated significantly, as appears from the cashflow projections filed in support of the Monitor's Second Report to the Court, which indicated that the SM Group would experience a cash shortfall in the middle of October, which would necessitate drawdowns on the Interim Facility.
36. On September 20, 2018, with a view to obtaining additional liquidity to finance the Debtors' ongoing operations, the Applicants, with the support of the CRO and the Monitor, applied to the Court seeking directions regarding the obligations of certain Debtors to make payments or remittances to the Canada Revenue Agency and Revenu Quebec (collectively, the "**Tax Authorities**") on the basis of those Debtors' deduction at source obligations ("**DAS Obligations**").
37. In the days that followed, the undersigned attorneys were advised that the Tax Authorities intended to make an application to vary the Initial Order for the purpose of obtaining a declaration that the CCAA Charges ranked after their interests arising out of statutory deemed trusts for DAS Obligations. As a direct result of this threat, the Interim Lender advised the CRO and the Monitor that no funds under the Interim Facility would be made available to the Debtors until the Court confirmed that the Interim Lender Charge ranked in priority to any deemed trust claims.

38. On September 28, 2018, this Court rendered a judgment requiring certain Debtors to remit important amounts to the Tax Authorities on the basis of such Debtors' DAS Obligations. In a context where the Interim Facility was no longer available, the requirement to make these payments further impaired the Debtors' financial position such that the continuation of the CCAA Proceedings was called into question.
39. The Applicants were therefore required to bring an application for an order confirming the priority of the CCAA Charges in order to regain access to the Interim Facility, which was ultimately discontinued following a satisfactory resolution of the issues in dispute.
40. The reality is that the Debtors now find themselves in a precarious financial position even with access to the Interim Facility, as appears from the updated cashflow projections to be filed with the Monitor's Third Report in support of this Application. In such circumstances, it is respectfully submitted that a transaction must be completed as soon as possible in order to ensure that the Debtors are capable of continuing to operate.
41. As will be explained more fully below, the Proposed Transaction, which is scheduled to close on or before November 9, 2018, will serve to alleviate much of the financial pressure on the SM Group as it provides for the Vendors to retain part of the proceeds generated to finance their operations during the Transition Period and for the Purchaser to assume many of the Vendors' liabilities, even while their affairs are being managed entirely by the Monitor until final the Final Closing (as defined below).

III. OVERVIEW OF THE PROPOSED TRANSACTION AND RELIEF SOUGHT

42. The key terms of the Proposed Transaction are set out in the Purchase Agreement and can be summarized as follows:
- (a) The Purchaser shall purchase all of the assets of each Vendor on an "as is, where is" basis, except certain "Excluded Assets", (the "**Purchased Assets**"), free and clear of all Encumbrances in exchange for the following consideration (the "**Purchase Price**"):
 - (i) a significant cash payment by the Purchaser (the "**Cash Purchase Price**") to be financed by Fonds de financement d'entreprises Fiera FP, S.e.c. (or any affiliate thereof) ("**Fiera**") pursuant agreements between Fiera and the Purchaser (the "**Fiera Financing**");
 - (ii) the assumption by the Purchaser of various liabilities of the Vendors (the "**Assumed Liabilities**");
 - (iii) the assumption by the Purchaser of a significant portion of the debt owed by the Vendors to Alaris and IAM (the "**Assumed Debts**");
 - (b) A portion of the Purchased Assets, consisting of the Business Contracts Proceeds (as defined in the APA), are to be conveyed at a "Preliminary

Closing” to occur shortly after the Proposed Transaction is approved with the remainder being transferred at the “Final Closing” after the Purchaser has obtained a Public Contract Authorization.

- (c) During the Transition Period, between the Preliminary Closing and the Final Closing, the Business shall be operated by the Vendors in accordance with the Transition Agreement, which provides, *inter alia*, for:
- (i) a portion of the Cash Purchase Price to be made available to finance obligations of the Vendors during the Transition Period and to be later reimbursed by the Purchaser in accordance with the Transition Financing Agreement;
 - (ii) the Vendors to conduct their business in accordance with past and current practices and under the control of the Monitor, with the Purchaser being granted certain rights such as access to any leased premises or equipment being occupied or used by the Vendors;
 - (iii) Personnel SM to be placed in receivership and to continue to provide the services of the Employees to the Vendors in accordance with past practices order to for them to perform the contracts relating to the Business (“**Business Contracts**”);
 - (iv) revenues of the Business to be used to cover all costs of performing the Business Contracts as well as operations during the Transition Period with any shortfall from revenues relating to the additional costs of operations being covered by the Transition Financing and by the Purchaser.
- (d) Upon the Purchaser obtaining a Public Contract Authorization, each Vendor shall convey the balance of the Purchased Assets and assign the Business Contracts to the Purchaser at the Final Closing pursuant to a further order of the Court and the Purchaser shall:
- (i) pay the amount of all monetary defaults, if any, existing in respect of any Business Contracts (“**Cure Costs**”) owed to the counterparties to such Business Contracts;
 - (ii) assume the remaining Assumed Liabilities, namely those associated with Business Contracts incurred since the Preliminary Closing and not paid during the Transition Period;
 - (iii) make offers of employment to the majority of the Employees, amounting to as much as 95% of the current workforce;
- (e) The Proposed Transaction shall be approved pursuant to an Approval and Vesting Order satisfactory to the parties, which shall be executory notwithstanding appeal, and effective upon the filing of a certificate by the Monitor at the Preliminary Closing (the “**Monitor’s Certificate**”).

43. In order to obtain the relief that will facilitate the proper implementation of the Proposed Transactions, the Proposed Orders requested in this Application provide for the following:
- (a) The approval of the various agreements forming part of the Purchase Agreement as well as the sale outside of the ordinary course of business set out therein and the vesting of the Purchased Assets in the Purchaser free and clear of any and all Encumbrances;
 - (b) The approval of a scheme of distribution for the Cash Purchase Price, pursuant to which certain funds will be retained, *inter alia*, to finance the Vendors' operations during the Transition Period with the balance being remitted to the creditors holding security over the Purchased Assets in accordance with their respective priorities;
 - (c) The establishment of priority charges over the Purchased Assets and the property of the Purchaser to secure the latter's obligations in connection with the Fiera Financing, the Transition Financing and the Assumed Debts;
 - (d) The appointment of a receiver to the property of Personnel SM with the powers to continue the corporation's activities and to assign it into bankruptcy at the end of the Transition Period;
 - (e) The release and discharge of the CRO upon the filing of the Monitor's Certificate and concurrent extension of the Monitor's powers under the Initial Order;
 - (f) The establishment of an expedited claims process to identify and determine any claims that may exist against the CRO in order to permit the release of the CRO Indemnity Charge; and
 - (g) The application of the stay of proceedings provided for under the Initial Order to certain regulatory actions susceptible to being taken by the AMF in connection with the SM Authorizations.
44. For the reasons that follow, it is respectfully submitted that the relief sought in the Proposed Orders is appropriate in the circumstances and should be granted.

IV. THE RELIEF SOUGHT IS APPROPRIATE AND SHOULD BE GRANTED

A. The Proposed Transaction should be approved

45. Prior to the CCAA Proceedings, Deloitte Restructuring Inc., at the time acting as financial advisor to the SM Group, conducted a sale process in respect of the Business between January 12 and May 31, 2018 (the "**Pre-filing Sale Process**"), which involved the preparation of information materials, the solicitation of 110 potential investors or purchasers and the review of several offers, all of which were ultimately unsatisfactory to the Debtors' management and rejected, the whole as appears from the Monitor's First Report to the Court.

46. As noted above, a potential transaction with Thornhill on the basis of the Initial Thornhill LOI has been a feature of the CCAA Proceedings since the Initial Order and considerable time and resources have been invested by the CRO and the Monitor in connection with the Thornhill Due Diligence.
47. The Purchaser is unrelated to the Debtors and the Proposed Transaction is the product of arm's length negotiations between the CRO, on behalf of the Debtors, and Thornhill, the whole with the active participation of the Monitor and the Applicants. All of these parties support the approval of the Proposed Transaction and the relief sought in the Proposed Orders.
48. Bearing in mind the foregoing, it is respectfully submitted that the requirements for approving the Proposed Transaction are satisfied in the present case in that:
 - (a) The Initial Thornhill LOI, which served as the foundation of the Proposed Transaction, was the best offer received through the Pre-filing Sale Process conducted by the Monitor, which was fair and reasonable in the circumstances;
 - (b) The Monitor will be filing the Monitor's Third Report that will indicate that, in its view, the Proposed Transaction is reasonable and would be more beneficial to creditors than a sale or disposition under a bankruptcy;
 - (c) The Applicants, which are owed almost \$120,000,000 by the Debtors and are the SM Group's most significant creditors, have been consulted in connection with the Proposed Transaction and support its implementation;
 - (d) The Proposed Transaction will generate significant value for the creditors holding security on the Purchased Assets, which is fair and reasonable given the nature of such assets and the current market;
 - (e) The Proposed Transaction is beneficial to the Debtors' stakeholders as the Purchaser will likely continue to perform many of the Business Contracts, deal with the Debtors' former clients and suppliers and offer employment to a significant number of the 700 Employees employed by Personnel SM; and
 - (f) All of the secured creditors which are likely to be affected by the Proposed Transaction have received notice of this Application.
49. The Purchase Agreement expressly requires that the Proposed Transaction be approved pursuant to a final approval and vesting order and that the Purchased Assets be conveyed to the Purchaser free and clear of any encumbrances.
50. Furthermore, the Debtors' current financial position supports the approval of the Proposed Transaction. Indeed, it is clear from the cashflow projections to be filed in support of the Monitor's Third Report that unless a transaction is implemented without delay, the Debtors will not be able to continue to finance their operations without additional assistance, given that the Interim Facility has been fully advanced.

51. The Applicants are of the view that in such circumstances, concluding one transaction immediately instead of potentially concluding one or several transactions pursuant to the SISP, which may not yield any suitable offers, is clearly advantageous to the Debtors and their stakeholders. It is therefore respectfully submitted that the Proposed Transaction should be approved in accordance with the terms of the Proposed Orders.

B. The distribution contemplated in the Proposed Vesting Order is appropriate and should be approved

52. Pursuant to the Proposed Transaction, the Purchaser has agreed to pay the Cash Purchase Price and to assume the Assumed Debts pursuant to the terms of the Assumption Agreement, as well as the Assumed Liabilities, the value of which will be determined once the Business Contracts and other remaining Purchased Assets are assigned to the Purchaser after the Transition Period.
53. The only proceeds thus available for distribution to the Vendors' creditors are the funds forming part of the Cash Purchase Price (the "**Cash Proceeds**"), which shall, pursuant to the distribution contemplated in the Proposed Vesting Order (the "**Proposed Distribution**"), be distributed to the creditors of the Vendors holding security over the Purchased assets in accordance with their respective ranks.
54. The Proposed Distribution also contemplates the segregation from the Cash Proceeds of the following amounts:
- (a) \$1,500,000 for a reserve to cover any potential claims secured by the CRO Indemnity Charge (the "**CRO Reserve**"), which claims shall be determined pursuant to the process provided for in the Proposed CRO Order;
 - (b) \$2,158,000 to be made available by the Applicants to the Purchaser to finance the Vendors' obligations during the Transition Period (the "**Transition Financing**"), which shall be thereafter be repaid by the Purchaser and secured by a priority charge on the Purchased Assets and the Purchaser's after acquired property;
 - (c) \$1,000,000 to cover the potential costs of unforeseen litigation involving the Debtors and to finance the pursuit of certain of their claims against third parties (the "**Litigation Fund**").
55. The Proposed Distribution takes into account the registered security affecting the Purchased Assets, as appears from a report on security communicated herewith as **Exhibit A-11** (the "**Security Report**"), and provides for the following distributions by the Monitor:
- (a) The Cash Proceeds less the CRO Reserve, the Transition Financing and the Litigation Financing (the "**Available Proceeds**") shall be distributed as follows:

- (i) First, an amount equal to any amounts outstanding under the Interim Facility (the “**Interim Lender Debt**”) shall be paid to the Interim Lender;
 - (ii) Second, after the payment of the Interim Lender Debt, an amount sufficient to satisfy any statutory deemed trust claims preserved by section 37 (2) CCAA in respect of Enerpro LP and The S.M. Group International (S.A.) Inc. (the “**Vendors Deemed Trust Debt**”) shall be paid to the Tax Authorities;
 - (iii) Third, after payment of the Interim Lender Debt, the Vendors Deemed Trust Debt and the an amount sufficient to repay any creditor(s) with conventional or legal security charging the Purchased Assets and ranking in priority to the security of Alaris and IAM, if any, (the “**Prior Ranking Secured Debt**”) shall be paid such creditor(s);
 - (iv) Fourth, the balance of the Available Proceeds, after payment of the Interim Lender Debt, Vendors Deemed Trust Debt, and the Prior Ranking Secured Debt, if any, shall be paid to Alaris.
- (b) Upon completion of the CRO Claims Process, the CRO Reserve, less any amounts necessary to satisfy any claims proven against the CRO in accordance with the CRO Claims Process, shall be paid to Alaris.
56. The Proposed Distribution provides for any creditors holding security on the Purchased Assets ranking in priority to the security of the Applicants, to be repaid from the Cash Proceeds. In particular, the Royal Bank of Canada will receive \$16,478 as it is the holder of Prior Ranking Secured Debt in that amount according to the Monitor’s list of creditors and the Security Report.
57. With respect to certain other secured creditors identified in the Security Report, it has been determined that Investissement Quebec agreed to subordinate its claims to those of the Applicants and that Intact Compagnie d’Assurance has no claims under any of the surety bonds it has provided to the Debtors.
58. The Applicants will be repaid, in part, through any remaining portion of the Cash Proceeds and through the assumption by the Purchaser of the Assumed Debts, up to a maximum amount of \$28,000,000, the whole subject to and in accordance with various agreements between the Applicants, amongst themselves, and with the Purchaser.
59. In such circumstances, no creditor that could have recovered its claims as against the Purchase Assets but for the Proposed Transaction will be prejudiced in any way by the Proposed Distribution. It is therefore respectfully submitted that the Proposed Distribution should be approved by the Court.

C. A priority charge over the Purchased Assets to secure the Purchaser's obligations should be established

60. The Proposed Vesting Order expressly confirms and renders effective the Purchaser's obligations to repay:
- (a) the amounts owed to Fiera under the Fiera Financing (the "**Fiera Obligations**");
 - (b) the amounts owed to the Applicants under the Transition Financing in accordance with the Transition Financing Agreement (the "**Transition Financing Obligations**"); and
 - (c) the Assumed Debts pursuant to the Assumption Agreement and any agreements accessory thereto (the "**Assumed Debts Obligations**").
61. In order to secure these obligations of the Purchaser, the Proposed Vesting Order provides for the creation of the following charges over the Purchased Assets and the after acquired property of the Purchaser, ranking in priority to all Encumbrances:
- (a) a charge of \$12,000,000 securing the Fiera Obligations (the "**Fiera Charge**");
 - (b) a charge of \$2,200,000 securing the Transition Financing Obligations (the "**Transition Financing Charge**");
 - (c) a charge of \$30,000,000 securing the Assumed Debts Obligations (the "**Assumed Debts Charge**").
62. The creation of these charges obviates the need for the registration of additional conventional security and also provides comfort to Fiera as well as the Applicants who are taking on significant risk pursuant to the Proposed Transaction and are committing funds out of the Cash Proceeds to continue funding the Vendors' operations during the Transition Period and the Debtors' potential future claims against third parties.
63. The Purchaser, the person whose assets will be subject to these priority charges, has consented to them. It is therefore respectfully submitted that the relief sought is appropriate.

D. The Appointment of a receiver to the assets of Personnel SM is just and convenient in the circumstances

64. The Proposed Transaction contemplates the appointment of Deloitte Restructuring Inc. as receiver to the property of Personnel SM (the "**Receiver**") pursuant to the terms and conditions of the Proposed Receivership Order.
65. The Receiver will perform the Transition Agreement on behalf of Personnel SM in order to permit the continued execution of the Business Contracts during the Transition Period, until such contracts can be assigned to the Purchaser.

66. While this function is an essential part of the Transition Agreement and the implementation of the Proposed Transaction as a whole, there are no viable avenues to restructuring the affairs of Personnel SM as it has no assets and most of the Employees are likely to accept an offer of employment from the Purchaser after the Transition Period. Therefore, the continued inclusion of Personnel SM in the CCAA Proceedings is no longer necessary.
67. In light of the foregoing, the Proposed Receivership Order provides for:
- (a) the appointment of the Receiver as of the filing of the Monitor's Certificate and the concurrent termination of the CCAA Proceedings in respect of Personnel SM;
 - (b) the establishment of a stay of proceedings in favor of Personnel SM until the receivership proceedings are terminated and the Receiver is released and discharged;
 - (c) dispensing with the requirement of IAM to provide notice of intention to enforce its security pursuant to section 244 of the *Bankruptcy and Insolvency Act* ("BIA");
 - (d) granting the Receiver all powers necessary to:
 - (i) enter into or perform any contract in the name or on behalf of Personnel SM; and
 - (ii) to file an assignment in bankruptcy under the BIA in respect of the Personnel SM and to take any actions and execute any documents that are necessary or desirable to give effect to such assignment.
68. The Proposed Receivership Order will also be beneficial to certain Employees of Personnel SM that have been let go since the Initial Order as it will permit such Employees to recover amounts owed to them by Personnel SM under the *Wage Earner Protection Program Act*.
69. It is therefore respectfully submitted that it is just and convenient to appoint the Receiver in the circumstances and that the Proposed Receivership Order should be granted by the Court.

E. The release and discharge of the CRO and extension of the Monitor's powers under the Initial Order

70. As of Closing, the CRO will have completed its mandate under the CRO Agreement and the Initial Order. As such the Proposed Vesting Order contemplates the discharge of the CRO as of the filing of the Monitor's Certificate as well as the CRO's release from any and all liability incurred in connection with the performance of its mandate, except for any wilful or gross fault and subject to the CRO Claims Process (as defined below).
71. Given the diligent manner in which the CRO has carried out its duties, the remote nature of any claims against the CRO and the amount of the CRO Reserve, it is

respectfully submitted that the CRO's discharge at Closing is appropriate in the circumstances.

72. Upon the release and discharge of the CRO, it is also respectfully submitted that the Monitor should assume the powers granted to the CRO under the Initial Order, to be exercised in consultation with the Applicants. Indeed, the Monitor is in the best position to guide the Debtors through the Transition Period and beyond, given its knowledge of the SM Group, its experience with the latter's operations and finances and the absence of any practical alternatives.
73. The Applicants therefore request that amendments to the Initial Order be authorized, effective as of the filing of the Monitor's Certificate, to expand the powers of the Monitor and to remove certain provisions that are no longer necessary following the discharge of the CRO.
74. In addition to granting the Monitor the powers previously conferred on the CRO, the Applicants request that the Monitor be empowered to file a proposal or an assignment in bankruptcy in respect of any of the Debtors in the event such an action is appropriate as part of the Restructuring process. In particular, such an arrangement may be necessary or desirable in the event the Purchaser is unable to obtain its Public Contract Authorization in a timely manner and accordance with the terms of the Proposed Transaction.

F. The establishment of the CRO Claims Process is necessary and appropriate

75. The Proposed Vesting Order provides for the Purchased Assets to be vested in the Purchaser free and clear of any Encumbrances including the CCAA Charges. In order to release the CRO Indemnity Charge, it is necessary to identify and determine any claims that may exist against the CRO in connection with the discharge of his mandate in the CCAA Proceedings.
76. The Proposed CRO Order provides for an expedited claims process (the "**CRO Claims Process**") pursuant to which:
 - (a) the CRO Claims Process shall be notified to potential claimants by email to the service list in these proceedings, publication in local newspapers and on the Monitor's website no later than November 9, 2018;
 - (b) a claims bar date shall be fixed at 5:00 p.m. on November 23, 2018, after which no further claims against the CRO may be advanced, except with leave of the Court;
 - (c) any valid claims accepted by the Monitor or determined by the Court shall be paid from the CRO Reserve.
77. The establishment of the CRO Claims Process will safeguard the rights of any potential claimants following the discharge and release of the CRO at Closing and will ultimately permit the CRO Indemnity Charge to be released, without the CRO being required to assume any risk of liability.

78. Given that the CRO has been instrumental in advancing the Restructuring process and that the costs and delays associated with the CRO Claims Process are minimal, it is respectfully submitted that its implementation should be authorized.

G. The Stay Provisions should be extended to ensure that the SM Authorizations are maintained during the Transition Period

79. As explained above, the Proposed Transaction contemplates the continued performance by the Vendors of all of its Public Contracts until the Purchaser is able to secure its own Public Contract Authorization. It is therefore essential that SM Authorizations are maintained during this period for the Proposed Transaction to be viable.
80. Given the receipt of the New AMF Notices and that it is unclear what actions the AMF will take in respect of the SM Authorizations, the Applicants seek to ensure that no further action, suit or proceeding is taken, without prior approval of this Court, in respect of the Targeted Vendors by or before the AMF, pursuant to the New AMF Notices or otherwise, that could result in the revocation, suspension, modification or non-renewal of the SM Authorizations (the “**Subject Regulatory Actions**”).

i. Staying Subject Regulatory Actions requires an order from the Court

81. The Initial Order contains various provisions aimed at maintaining the status quo during the CCAA Proceedings while the Debtors seek to restructure their affairs. In particular, paragraphs 16 and 25 to 27 (the “**Stay Provisions**”) essentially operate during the Stay Period to prevent any Person from exercising its rights and recourses against the Debtors and to ensure that the Debtors’ existing rights and privileges are not interfered with.
82. However, section 11.1 CCAA expressly limits the Stay Provisions from affecting any regulatory body’s investigation in respect of the Debtors or any action, suit or proceeding that is taken in respect of the Debtors by or before the regulatory body, other than the enforcement of a payment ordered by the regulatory body or this Court.
83. An order of the Court is necessary to render the Stay Provisions applicable to the Subject Regulatory Actions given that the AMF is a “regulatory body” within the meaning of section 11.1 CCAA and the Subject Regulatory Actions do not constitute the enforcement of payments or of creditor rights with the meaning of section 11.1 CCAA.
84. It is respectfully submitted that the applicable criteria for obtaining an extension of a CCAA stay of proceedings to a regulatory body are satisfied in this case in that:
- (a) a viable compromise or arrangement could not be made if the extension of the stay is not granted; and

- (b) it is not contrary to the public interest that the AMF be affected by the Stay Provisions.

85. Indeed, an order extending the Stay Provisions to the Subject Regulatory actions, as provided for in the Proposed Vesting Order is justified in the circumstances.

ii. The Proposed Transaction cannot be implemented without the relief sought.

86. The revocation, modification or non-renewal of the SM Authorizations would have devastating consequences for the Vendors. In particular, such Subject Regulatory Actions would result in the applicable Vendor being:

- (a) listed on the register of enterprises ineligible for public contracts (the “RENA”), rendering them ineligible for five (5) years to enter into or perform most public contracts with the Québec government and related public bodies, including provincial transport authorities, hospitals, universities as well as cities, towns and municipalities;
- (b) deemed to have defaulted on the performance of any public contracts and subcontracts they are currently executing for the Québec government or any related Québec public bodies, upon the expiry of (60) days delay after the date the Targeted Debtors are listed on the RENA, which could give rise to additional claims for breach of contract.
- (c) likely expelled from all construction consortiums of which they are members and which are performing public contracts for the Québec government and related Québec public bodies.

87. If the Vendors are prevented from performing their Public Contracts during the Transition Period it could result in the loss of those contracts, which are the key component of the Purchased Assets for with the Purchaser is providing significant consideration.

88. Without a guarantee that the SM Authorizations will be maintained during this period, the Proposed Transaction, which is highly beneficial to the Debtors’ stakeholders, simply cannot be implemented.

89. As noted above, the precarious financial position of the Debtors requires that a transaction be concluded immediately. The Proposed Transaction thus represents the only viable opportunity for a successful restructuring in the CCAA Proceedings and without the relief sought a viable arrangement cannot be made.

iii. The relief sought is not contrary to the public interest

90. The SM Group is involved in many high-profile construction projects granted to it by provincial and municipal public bodies. If the SM Group is effectively removed from such projects, it will almost certainly result in additional costs and delays, which would be contrary to the public interest.

91. It is also respectfully submitted that there are no public policy reasons to revoke, suspend, modify or not renew the SM Authorizations, given the Debtors are now operating under the supervision of this Court and its two officers, which have all the necessary powers to ensure that the Debtors comply with their statutory and contractual obligations throughout the CCAA Proceedings. Indeed, the CRO and the Monitor have adopted various remedial measures since the institution of the CCAA Proceedings, as noted at paragraphs 28 and 29 of this Application and the recent letter of the Applicants' attorneys to the AMF (A-10).
92. Furthermore, the Monitor, which holds a valid Public Contract Authorization, will have exclusive control over the affairs of the Vendors during the Transition Period as well as over the activities of Personnel SM, as the Receiver.
93. In any event, the Public Contracts of the Targeted Vendors will be assigned at the end of the Transition Period to the Purchaser, which is a party dealing at arm's length with the SM Group and has no involvement with any of the alleged past instances of non-compliance raised in the New AMF Notices.
94. In such circumstances, it is respectfully submitted that there is nothing contrary to the public interest in ordering that the Stay Provisions, which operate to preserve the status quo during the CCAA Proceedings, be rendered applicable to the Subject Regulatory Actions. To the contrary, it would highly detrimental to the public interest if the Proposed Transaction cannot be implemented to save a historic business with contracts all over the world as well as 700 Employees.
95. The AMF has been provided with notice of this Application along with the service list in the CCAA Proceedings, which includes all persons likely to be affected by the Proposed Orders.

V. CONCLUSION

96. In light of the foregoing, the Applicants respectfully submit, with the support of the Monitor and the CRO, that the relief sought pursuant to this Application should be granted.
97. Given that it is an express condition to Purchase Agreement and the need to implement the Proposed Transition as quickly as possible, it is respectfully requested that this Court order the provisional execution of the Proposed Orders, notwithstanding any appeal.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Joint Application to Approve and Implement a Transaction* (the "**Application**");

ORDER that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable on the date of its presentation and dispenses the Applicants with any further service thereof;

RENDER an Orders substantially in the form of the draft *Approval, Vesting and Distribution Order*, the draft *Order Appointing a Receiver* and the draft *CRO Claims Process Order*, filed in support of the Application, respectively, as **Exhibit A-1, Exhibit A-3** and **Exhibit A-5**.

THE WHOLE WITHOUT COSTS, except in the case of contestation.

Montréal, October 31, 2018

(s) Miller Thomson LLP

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Montréal, October 31, 2018

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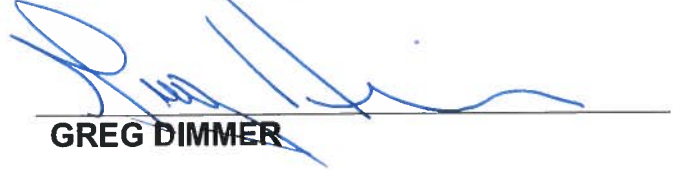
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AFFIDAVIT

I, the undersigned, **GREG DIMMER**, Managing Director of Integrated Asset Management Corporation, having a place of business at 2000 McGill College Avenue, Suite 600, Montréal, Québec, H3A 3H3, solemnly affirm that all the facts alleged in the present *Joint Application to Approve and Implement a Transaction* are true.

AND I HAVE SIGNED:



GREG DIMMER

SOLEMNLY DECLARED before me

at Toronto

this 7 day of November, 2018



Commissioner of Oaths/Notary Public

KYLA MATAR

441826, Law Society of Ontario

AFFIDAVIT

I, the undersigned, **DARREN DRISCOLL**, Chief Financial Officer of Alaris Royalty Corporation, having a place of business at 250, 333 – 24th Avenue S. W., Calgary, Alberta, T2S 3E6, solemnly affirm that all the facts alleged in the present *Joint Application to Approve and Implement a Transaction* are true.

AND I HAVE SIGNED:



DARREN DRISCOLL

SOLEMNLY DECLARED before me

at Calgary, Alberta

this 7th day of November, 2018



Commissioner of Oaths/Notary Public

Elizabeth T. McCarthy
Barrister and Solicitor

NOTICE OF PRESENTATION

To: SERVICE LIST

TAKE NOTICE that the present Joint Application for an Initial Order will be presented for adjudication before one of the Honourable Justice Chantal Corriveau of the Superior Court of Quebec, sitting in the commercial division for the district of Montreal, on **November 7, 2018**, at the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, Quebec, H2Y 1B6, at the time and in a room to be determined by the Court

Montréal, October 31, 2018

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Miller Thomson LLP
Lawyers for the Applicant
Integrated Private Debt Fund V LP
M^{tre} Kyla Mahar
M^{tre} Michel Laroche

Montréal, October 31, 2018

(s) McCarthy Tétrault LLP

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Lawyers for the Applicant,
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M^{tre} Jocelyn T. Perreault
M^{tre} Noah Zucker

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Cc: Tardif, Alain N.; Perreault, Jocelyn; Zucker, Noah
Objet: NOTIFICATION - SM Group (500-11-055122-184) - Joint Application to Approve and
Implement a Transaction AND List of Exhibits (A-1 to A-11)
Pièces jointes: DOCS-#18426100-Application_to_Approve_and_Implement_a_Transaction.pdf; List of
Exhibits and Exhibits A-1 to A-11.pdf
Importance: Haute
Catégories: JTP

**SUPERIOR COURT
(COMMERCIAL DIVISION)**

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N° : 500-11-055122-184

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, C C-36, AS AMENDED:

Le Groupe SMI Inc./The SMI Group Inc. et al.
Debtors
and
Le Groupe S.M. International S.E.C. et al.
Mises-en-cause
and
Alaris Royalty Corp. and Integrated Private Debt Fund V LP
Applicants
and
Deloitte Restructuring Inc.
Monitor
and

LGBM Inc.

Chief Restructuring Officer

and

11054872 CANADA INC. and THORNHILL G.P. and 11054953 CANADA INC.

Purchasers

-and-

AUTORITÉ DES MARCHÉS FINANCIERS and THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS

Respondents

**NOTIFICATION SLIP EMAIL
(Art. 133 and 134 CCP)**

MONTREAL, this **October 30, 2018**

SENDER:

Me Jocelyn Perreault

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NATURE OF THE DOCUMENT

JOINT APPLICATION TO APPROVE AND IMPLEMENT A TRANSACTION AND LIST OF EXHIBITS (A-1 TO A-11)

NUMBER OF PAGES TRANSMITTED

(not including the slip): **285**

ADRESSEES: the Service List



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SVP, pensez à l'environnement avant d'imprimer ce message.



SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL
No.: 500-11-055122-184

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, C C-36, AS AMENDED:

LE GROUPE SMI INC. et al
Debtors

and

LE GROUPE S.M. INTERNATIONAL S.E.C. et al
Mises-en-cause

and

ALARIS ROYALTY CORP. et al
Applicants

and

DELOITTE RESTRUCTURING INC.
Proposed Monitor

and

LGBM INC.
Chief Restructuring Officer

and

11017870 CANADA INC.
THORNHILL G.P.
11054953 CANADA INC.
Purchasers

and

AUTORITÉ DES MARCHÉS FINANCIERS

and

THE REGISTRAR OF THE REGISTER OF PERSONAL AND
MOVABLE REAL RIGHTS,
Respondents

**JOINT APPLICATION TO APPROVE AND IMPLEMENT A
TRANSACTION (Sections 11, 11.2 and 36 of the Companies'
Creditors Arrangement Act)**

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CANADA, PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL
COUR SUPÉRIEURE FAILLITE-CH COMMERCIALE
CAUSE : 500-11-055122184

HONORAIRES POUR SERVICE(S) DE COUR

v/d : 206112-551550

LE GROUPE SMI INC. ET AL
DEBTOR(S)

LE GROUPE S.M. INTERNATIONAL S.E.C. ET AL
MIS EN CAUSE

ALARIS ROYALTY CORP. ET AL
APPLICANT(S)

DELOITTE RESTRUCTURING INC. -- PROPOSED
MONITOR

LGBM INC. -- CHIEF RESTRUCTURING OFFICER

11017870 CANADA INC. AND ALS
PURCHASERS

AUTORITE DES MARCHES FINANCIERS AND AL
RESPONDENT(S)

L'étude Paquette & Associés, Huissiers de justice, ayant son principal établissement d'entreprise situé au 511 PLACE D'ARMES, bureau 800, MONTRÉAL, QC, CANADA, H2Y 2W7, vous avise, par la présente, que dans ce dossier, un débit a été porté à votre compte pour la(les) raison(s) suivante(s) :

Nous avons procédé, le 09 novembre 2018 à 10:45, à la PRODUCTION au GREFFE de CETTE COUR

de la présente JOINT APPLICATION TO APPROVE AND IMPLEMENT A TRANSACTION (Sections 11, 11.2 and 36 of the Companies' Creditors Arrangement Act), AFFIDAVITS (2), NOTICE OF PRESENTATION, LIST OF EXHIBITS AND EXHIBITS A-1 TO A-11.

(AUCUN TIMBRE JUDICIAIRE N'EST REQUIS)

Pour toutes informations supplémentaires, veuillez communiquer avec votre responsable à la clientèle, BRIGITTE LEFEBVRE.

Présentable le : 2018/11/07

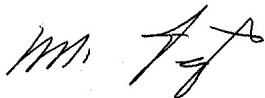
MONTRÉAL, le 09 novembre 2018

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SOUS-TOTAL	<u>13,25 \$</u>

Autres frais :
(non admissible à l'état des frais)

Vacation Urgence	46,85 \$ (1)
SOUS-TOTAL	<u>46,85 \$</u>

TOTAL AVANT TAXES	<u>60,10 \$</u>
TPS	3,01 \$
TVQ	<u>6,00 \$</u>
TOTAL	<u>69,11 \$</u>



MARTIN FAGNANT, huissier de justice

a/s : ALAIN TARDIF
McCARTHY TETRAULT S.E.N.C.R.L. s.r.l. (2046)

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No Engr. T.V.Q. : 1013245793

