

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

No.: 500-11-049142-157
Estate No: 41-2016258

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

INDUSTRIES COVER INC.

Debtor

-and-

DELOITTE RESTRUCTURING INC.

Trustee

**MOTION FOR THE ISSUANCE OF AN ORDER EXTENDING THE STAY PERIOD
(Section 50.4(9) of the *Bankruptcy and Insolvency Act*)**

A. ORDER SOUGHT

1. For the reasons further set forth below, Industries Cover Inc. (the "**Petitioner**") hereby seeks the extension of the Stay Period (as defined below) until September 27, 2015, as set forth in the conclusions to this Motion.

B. BACKGROUND

2. Since its constitution in 1990, the Petitioner has specialized in the manufacturing of glass products, mainly (but not exclusively) insulated glass units, which are sold to manufacturers of windows (industrial, commercial and residential);
3. Petitioner's head office is located in Saint-Apollinaire and it has three other manufacturing facilities located in Montréal (Anjou), Saint-Agapit and Baie-Saint-Paul;
4. Until recently, the Petitioner employed approximately 122 employees in all of its three (3) plants other than the Baie-Saint-Paul plant which has been closed since the month of October 2014;
5. As of April 2015, Petitioner was already insolvent, facing a liquidity crisis and unable to meet its obligations as they became due;
6. On April 17, 2015, as a result of its liquidity crisis, Petitioner was forced to lay off its remaining employees, either on a permanent or temporary basis, and all operations were shut down;

7. During the month of June 2015, Petitioner, with the assistance of Deloitte's M&A professionals, developed a structured divestiture process of its business and/or assets with the following expected timeline:
- Transmittal of teasers to potential purchasers June 26
 - Signing of non-disclosure agreements and distribution of confidential information memorandum June 29 - July 24
 - Due diligence, including management presentations, data room and sites visits Starting July 9
 - Submittal of binding offers July 31
 - Court approval August 14 -
- (the "Sale Process");
8. On July 10, 2015, Revenue Québec seized Petitioner's bank account for unpaid GST/QST, leaving Petitioner with no choice but to file for insolvency protection to preserve the value of its business and assets;
9. On July 16, 2015, Petitioner filed a *Notice of Intention to Make a Proposal* pursuant to the *Bankruptcy and Insolvency Act* (the "BIA") - resulting in a stay of proceedings in its favour until August 15, 2015 (the "Stay Period") - and Deloitte Restructuring Inc. ("Deloitte" or the "trustee") was appointed as trustee to the proposal;
10. On July 20, 2015, this Court granted Petitioner's motion for the approval of a first ranking DIP financing by Guardian Canada, for an amount of \$700,000, in order, *inter alia*, to finance the Sale Process;

C. THE SALE PROCESS

11. The Sale Process was launched in order to maximize the value of Petitioner's assets and to provide potential for returning employees back to work;
12. On or about June 29, Deloitte initiated the Sale Process and sent out teasers to approximately twenty-seven (27) potential buyers;
13. Twelve (12) interested parties executed a *non-disclosure agreement* which allowed them to have access to the virtual data room that contains relevant information on Petitioner's business;
14. Five (5) visits and management presentations were conducted between July 9 and July 29 and potential buyers performed their due diligence with the help of Deloitte, Petitioner's management and counsel;
15. On or about July 22, 2015, all interested parties were provided with a process letter, and a draft form of share purchase agreement;

16. On July 31, 2015, Deloitte received six (6) offers or letters of intent for all or selected assets of the Petitioner, plus two (2) offers relating respectively to Petitioner's shares of Thermos and Novy Glass, all subject to closing conditions including further due diligence, financing, etc.;
17. Following the review of the offers received, Deloitte asked the bidders to resubmit final, binding and unconditional offers on or before August 17, 2015;

D. THE REQUEST FOR AN EXTENSION OF THE STAY PERIOD

18. As previously mentioned, the Stay Period is currently scheduled to expire on August 15, 2015 which is prior to the date on which the above bidders have been requested to submit final offers in the context of the Sale Process;
19. In order to complete the Sale Process and secure offer(s) for the sale of its assets, Petitioner respectfully submits that the Stay Period should be extended until September 27, 2015;
20. Upon completing the Sale Process, Petitioner and Deloitte will assess the claims outstanding and work towards submitting a viable proposal to Petitioner's creditors;
21. Petitioner respectfully submits that it has acted, and is acting, in good faith and with due diligence, and that no creditor would be materially prejudiced by the extension of the Stay Period, as requested herein;
22. The present motion is well founded in facts and in law;

FOR THESE REASONS, INDUSTRIES COVER INC. PRAYS THIS HONOURABLE COURT TO:

GRANT the *Motion for the Issuance of an Order Extending the Stay Period* (the "**Motion**");

EXTEND the Stay Period (as defined in the Motion) until September 27, 2015;

DECLARE that the notices given of the presentation of the present Motion are proper and sufficient;

ORDER the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

THE WHOLE WITHOUT COSTS.

MONTRÉAL, August 11, 2015

(S) STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

STIKEMAN ELLIOTT LLP
Attorneys for the Petitioner
INDUSTRIES COVER INC.

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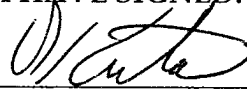
Stikeman Elliott LLP
STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

AFFIDAVIT

I, the undersigned, Dave Kuta, having a place of business at 9300 Ray-Lawson Blvd., in the city of Anjou, province of Québec, solemnly declare:

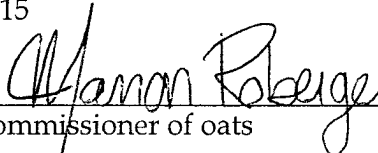
1. I am Chief Restructuring Officer of Industries Cover Inc.;
2. All the facts alleged in the *Motion for the Issuance of an Order Extending the Stay Period* are true.

AND I HAVE SIGNED:



DAVE KUTA

SOLEMNLY DECLARED before me
in Montréal, this 11th day of August
2015



Commissioner of oats

NOTICE OF PRESENTATION

TO: the Service List

TAKE NOTICE that the *Motion for the Issuance of an Order Extending the Stay Period* will be presented for adjudication before one of the Honourable Judges of Superior Court, sitting in practice in and for the District of Montréal, in the Montréal Courthouse, 1 Notre-Dame Street East, on **August 13, 2015 at 9:00 a.m.** in **Room 16.10** of the Montreal Courthouse.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, August 11, 2015

(S) STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

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Stikeman Elliott LLP

STIKEMAN ELLIOTT S.E.N.C.R.L., s.r.l.

STIKEMAN ELLIOTT LLP
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Debtor

- vs -

DELOITTE RESTRUCTURING INC.

Trustee

BS0350

File: 138084-1001

MOTION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD (Section
50.4(9) of the *Bankruptcy and Insolvency Act*)

COPY

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