

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 Second Extension of the Stay Period
(Companies' Creditors Arrangement Act, s 11.02(2))**

To the Honourable Peter Kalichman, 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 (the "**Application**"), the Debtors request an extension of the Stay Period to February 26, 2021, in accordance with the terms of the proposed extension order (the "**Proposed Extension Order**"), communicated herewith as **Exhibit P-1**.
2. The relief sought in the Application is necessary and appropriate to allow for the Debtors to continue the restructuring process contemplated in the Initial Order dated September 8, 2020, as amended and restated on September 18, 2020 (the "**Initial Order**").
3. The Monitor supports the relief sought.

II. The Stay Period should be extended

4. On September 8, 2020, the Debtors served an Application for an Initial Order and an Amended and Restated Initial Order (the "**Initial Application**"), as appears from the Court record.

5. The Initial Application provides a detailed description of the activities of the Debtors, their key stakeholders, the circumstances surrounding the filing of the Initial Application as well as the Restructuring contemplated pursuant to the Initial Order.
6. On September 8, 2020, this Court granted the Initial Application and rendered an Initial Order, commencing proceedings in respect of the Debtors under the CCAA (the “**CCAA Proceedings**”).
7. On September 8, 2020, the Debtors disclaimed leases in respect of 78 stores, effective as of October 8, 2020.
8. 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.
9. On October 15, 2020, the Court extended the Stay Period to December 11, 2020.
10. Since the last extension of the Stay Period on October 15, 2020, the Debtors have proceeded to continue their review of their lease portfolio. As of December 1st, 2020, Groupe Dynamite had verbal agreements with landlords regarding all of its 303 stores, as well as executed leases amending agreements regarding 65 of them.
11. The Debtors seek the extension of the Stay Period until February 26, 2021 to complete the review of their lease portfolio, to enter into lease amending agreements, to initiate a claims process, and progress towards the elaboration of a plan of compromise or arrangement.
12. In addition, given the uncertainties remaining as to the effect the COVID-19 crisis will continue to have on Groupe Dynamite and the broader domestic and global economies, Groupe Dynamite may have to further reduce its footprint and rent expenses by sending additional notices of disclaimer or resiliation of leases.
13. 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 Proposed Extension Order.
14. Given the need to advance the restructuring process as quickly as possible, it is respectfully submitted that this Court order the provisional execution of the order sought notwithstanding any appeal.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

RENDER an order substantially in the form of the Proposed Extension Order, Exhibit P-1;

THE WHOLE without legal costs, save in case of contestation.

Montreal, December 3, 2020

McCarthy Tétrault

McCarthy Tétrault LLP

Lawyers for the Debtors

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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 Second Extension of the Stay Period* are true.

AND I HAVE SIGNED,



Guy Vallières

SOLEMNLY AFFIRMED TO BEFORE ME AT
MONTREAL, this 3rd day of December, 2020



COMMISSIONER OF OATHS
FOR THE PROVINCE OF QUÉBEC

#202,986

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Notice of Presentation

TO: Service List

TAKE NOTICE that the present *Application for a Second Extension of the Stay Period* will be presented for adjudication before the Superior Court of Québec, sitting in the commercial division for the district of Montréal, on December 10, 2020 at a time and a room to be determined and by videoconference.

Montreal, December 3, 2020



McCarthy Tétrault LLP
Lawyers for the Debtors

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Proposed Monitor

List of Exhibits

EXHIBITS	DESCRIPTION
Exhibit P-1	Proposed Extension Order

Montreal, December 3, 2020



McCarthy Tétraut LLP
Lawyers for the Debtors

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