



Groupe Versay inc.
Bankruptcy Asset Sale

Confidential Information Memorandum
November 20, 2018

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Notice to Reader

Deloitte Restructuring Inc. (« Deloitte ») was appointed Trustee of Groupe Versay Inc. ("Versay"). Please note that the term "Trustee" used in this *Confidential Information Memorandum* ("CIM") refers to the "Trustee of Groupe Versay Inc." (the "Trustee").

The Trustee has been authorized to solicit proposals for the purchase of Versay's assets (the "Assets").

This document has been prepared solely for the convenience of prospective purchasers ("Purchaser" or collectively "Purchasers") to assist them in their determination of whether they wish to submit a proposal to purchase the Assets.

The Trustee expressly advises, and the Purchaser acknowledges, that the Purchaser will not and should not reasonably rely on this information in arriving at a decision to purchase the Assets listed herein. The Trustee has not independently verified any of the information contained herein and makes no express or implied representation or warranty with respect to the accuracy or completeness of such information. Nothing contained in this document is, or should be relied upon as, a representation as to the future potential for the Assets. Each Purchaser must rely upon his own inspection and investigation in order to satisfy himself as to the merchantability, encumbrances, description, fitness for purpose, quantity, condition, existence, quality, value or any other matter or thing whatsoever relating to the Assets to be purchased.

The information contained in this CIM was solely prepared with the intention to present to the Buyers of the Assets and must remain confidential and cannot be duplicated, communicated or used for other purposes with third parties without the Trustee's prior written consent. Any Asset sale to a related party not acting at arm's length as per the Bankruptcy and Insolvency Act ("BIA") ("Related Party") will be submitted to Court approval.

Neither this document nor its delivery to any Purchaser shall constitute an offer to sell.

Procedure of Sale

The Trustee will consider proposals to purchase, on an “as-is, where-is” basis, the Trustee’s right, title and interest in all of the Assets set out herein. Please note that Deloitte is not responsible for the transferability of the production and distribution licence (Lot # 9).

Supplemental information on the Assets will be available by communicating with the Deloitte representative indicated below.

All offers must be submitted in accordance with the Terms and Conditions of Sale detailed on pages 5 to 8 of this Information Memorandum, and must be received **on or before 14:00 p.m. (Eastern Standard Time), December 5, 2018** at the Trustee’s office, as indicated below.

All contact by Purchasers is to be made directly with the designated representative of the Trustee noted below:

Deloitte Restructuring inc.	Laurence Noël, CPA
1190, avenue des Canadiens-de-Montréal Office 500 Montréal QC H3B 0M7	Tel. : 514-393-5311 Fax. : 514-390-4103 Email : lnoel@deloitte.ca

All proposals submitted to the Trustee in accordance with the Terms and Conditions of Sale on pages 5 to 8 of this Confidential Information Memorandum will be considered. If any party does not submit a Proposal Form in accordance with the Terms and Conditions of Sale, the Trustee may, but will not be obligated in any way to, consider the proposal.

Purchasers are cautioned that the Trustee reserves the right to withdraw at any time prior to the closing date (“Closing Date”). In this case, the Trustee will reimburse the deposit received from the Purchaser. In addition, the highest proposal may not necessarily be accepted, nor will any of the proposals submitted necessarily be accepted. Any proposal, which is accepted, may be subject, at the sole and absolute discretion of the Trustee, to a formal agreement of purchase and sale to be entered into by the Trustee and any Purchaser on terms and in a form acceptable to the Trustee.

The Tenders will be opened privately, December 5, 2018 at 14:00 p.m. (Eastern Standard Time), at the Trustee’s office.

Company Information

Groupe Versay Inc. operated a production and distribution wine business with its products being sold through the Société des Alcools du Québec (« SAQ »), either in SAQ stores or bars. Versay's main business is located at 1459 rue Ottawa, Montréal, Québec, H3C 1S9.

Asset Information

The Assets have been broken down into lots, as follow.

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- Lot #1 : Wine inventory contained in petainers;
 - Lot #2 : Bottled wine inventory;
 - Lot #3 : Supplies and packaging (includes oenological products);
 - Lot #4 : Chai equipment;
 - Lot #5 : Service equipment located at Versay's customers site;
 - Lot #6 : Rolling stock;
 - Lot #7 : Kitchen equipment;
 - Lot #8 : IT equipment;
 - Lot #9: Production and distribution licence.
-

Detailed lots listing is presented in Appendix B of this CIM.

Terms and Conditions of Sale

1. The Trustee will consider written proposals to purchase the Trustee’s right, title, and interest, if any, in the Assets. All applicable taxes in connection with the sale shall be over and above the tendered price of purchase unless clearly indicated to the contrary in the proposal. The proposals must be in a sealed enveloped clearly indicating the following instruction: **“DO NOT OPEN: GROUPE VERSAY INC. PROPOSAL”**.

All proposals must be received by the Trustee at the following address on or before 14:00 pm (Eastern Standard Time), December 5, 2018.

Deloitte Restructuring inc.
1190, avenue des
Canadiens-de-Montréal
Bureau 500
Montréal QC H3B 0M7

Laurence Noël, CPA
Tel. : 514-393-5311
Fax. : 514-390-4103
Email : lnoel@deloitte.ca

2. Upon submission of a proposal, a Purchaser recognizes that it has inspected the Assets and examined and satisfied itself as to the title thereto and that no representation, warranty (legal or conventional), term, condition, understanding or collateral agreement, statutory or otherwise, is expressed or can be implied, with respect to anything including title, merchantability, condition, description, quality, quantity, existence or non-existence, or any other thing, affecting the Assets or in respect of any other matter or thing whatsoever.

Without limiting the foregoing, any Purchaser submitting a proposal acknowledges and agrees that the Assets will be sold on an “as-is, where-is” basis, at the Purchaser’s own risk and peril, and without any legal or conventional representations or warranties whatsoever, in the condition that the Assets are in on the date of Closing Date and that no adjustments shall be allowed to either the Trustee or a Purchaser for changes in condition or quantities of the Assets from the date hereof regardless of whatever defects, conditions or apparent defects. The Purchaser further acknowledges that the Trustee is not a professional seller within the meaning of the Article 1733 of the Civil Code of Québec.

Any Purchaser submitting a proposal acknowledges that it shall be deemed, to have relied entirely on its own judgment, inspection and investigation. It shall be the sole responsibility of a Purchaser to obtain, at its own expense, any consent to transfer the Assets and any further documents or assurance which are necessary. The Trustee

shall not be liable for any incorrect description, any defect or condition of any of the Assets, and no person submitting a proposal shall be entitled to make any claim against the Trustee, the Company or any of their respective shareholders, directors, officers or employees in connection with the proposal for the purchase of any of the Assets.

3. All proposals must be signed by a duly authorized officer of the entity making the proposal.
4. All proposals must be accompanied by a bank draft or certified check payable to "Deloitte Restructuring inc., in its capacity as Trustee of Groupe Versay Inc. – in Trust" in an amount equal to 15% of the gross purchase price offered and 50% for wine inventory (Lots #1 and #2). If the proposal is accepted, this draft or check shall be deemed a non-refundable cash deposit (the "Deposit") and shall be held and applied against the purchase price at the Closing Date.
5. The Trustee shall have no obligation to accept or even consider any proposal and reserves the right to reject any and/or all proposals, including the highest one. The acceptance of any proposal is at the Trustee's sole and absolute discretion and subject to the approval of the Court in the event the Purchaser is a Related Person. No person shall retract, withdraw or countermand a proposal before notification of acceptance or rejection of the proposal by the Trustee. For greater certainty, any proposal submitted shall constitute a firm and a legal commitment on the part of such person and shall be irrevocably open for acceptance until notification of acceptance or rejection by the Trustee.
6. The Trustee reserves the right, at any time, to waive any term or condition set forth herein. The Trustee reserves the right to amend or terminate the proposal process at any time and shall have no responsibility or liability for so doing.
7. If any proposal is accepted by the Trustee, the Trustee will notify the Purchaser immediately, by notice in writing either by e-mail, delivered or by prepaid registered mail addressed to the Purchaser at the address set forth in his proposal, such notice to be deemed effectively given and received when deposited in the post office or when delivered as the case may be
8. A proposal and the acceptance thereof in accordance with paragraph 7 above, together with these Terms and Conditions of sale, which shall be deemed to form part of each proposal, shall constitute a valid and binding "Agreement of Purchase and Sale" between the party submitting the proposal and the Trustee with respect to such Assets, and such Agreement of Purchase and Sale shall not be amended without the written consent of the Trustee.

9. Each instrument of transfer necessary to give effect to the sale of the Assets pursuant to the Agreement of Purchase and Sale shall be on terms and in a form acceptable to the Trustee.
10. The conclusion of any sale with a Related Person may be subject to prior approval of the Court and the Related Person recognizes that the Trustee makes no representations as to its ability to obtain such approval.
11. The balance of the purchase price, together with any taxes referred to below, shall be paid by bank draft or certified cheque payable to the Trustee on the Closing Date, which shall be no later than five (5) business days after acceptance of the proposal by the Trustee or in the case of a Related Person and if required, Court approval.
12. All Deposits in respect of proposals not accepted by the Trustee shall be returned to the party by prepaid registered mail, addressed to the party at the address set forth in its proposal, without **interest thereon**.
13. The Purchaser will pay to the Trustee on the Closing Date, in addition to the balance of the Purchase Price, any and all federal, provincial, and other sales, goods and services taxes and other taxes whatsoever which are payable in connection with the sale, purchase and conveyance of the Assets herein, together with all duties, registration fees or other charges properly payable upon or in connection with the conveyance or transfer of the Assets or will provide the Trustee with appropriate exemption certificates in form and substance satisfactory to the Trustee in respect of such taxes.
14. The Purchaser will indemnify and hold the Trustee harmless in respect of:
 - a) any taxes, penalties, interest and other amounts which may be assessed against the Trustee under the *Excise Tax Act* (Canada), or any comparable law, whether provincial or federal, as a result of the sale of the Assets or as a result of the failure by the Purchaser to pay all the aforementioned taxes payable in connection with the transactions contemplated by this Agreement, whether arising from re-assessment or otherwise;
 - b) any and all fees and disbursements, including legal and other professional fees and disbursements related to a proposal made, any Agreement of Purchase and Sale resulting therefrom, any and all searches, evaluations, consultations or representations, which the Purchaser may wish to do or has done; and
 - c) any and all costs and expenses relating to the preparation and execution of any proposal or deed of sale, the registration and preparation of authentic copies thereof.
15. The Trustee shall not be required to furnish or produce any abstract, survey, deed, declaration or any other document or evidence of title except as such is in its possession, if any.

16. Prior to the Closing Date, all Assets shall be and remain in the possession of and at the risk of the Trustee. After the Closing Date, Assets shall be at the risk of the Purchaser. In the event of a loss or damage to the Assets occurring on or before the closing of the transaction, the Purchaser may either acquire the damaged Assets as is without further compensation from the Trustee or a reduction in the selling price, or he may terminate the agreement and recover all sums already paid to the Trustee without interest, cost or compensation.
17. If a sale contemplated by an Agreement of Purchase and Sale is not completed because of the Purchaser's default, the Purchaser's Deposit and all other payments made in connection with the Purchase Price shall be retained by the Trustee as liquidated damages.
18. **The submission of a proposal to the Trustee shall constitute an acknowledgment that the Purchaser has reviewed, understood, acknowledged and agreed to the terms of this Information Memorandum, all of which shall be deemed to be included in such proposal as if recited therein at length.**
19. The Purchaser acknowledges that the Trustee is acting solely in its capacity as Trustee of Groupe Versay Inc., and that, as such, the Trustee shall have no liability of any kind, whether in contract, in tort (extra-contractual liability) or otherwise, hereunder or under any Agreement of Purchase and Sale contemplated hereby, or as a result of any sale contemplated hereby.
20. The present Information Memorandum, any proposal or offer, any Agreement of Purchase and Sale and any instruments of transfer shall be governed by the laws of Québec, and such agreement shall ensure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be, provided that a Purchaser may not assign or transfer any of its rights or obligations under any Agreement of Purchase and Sale without the prior written consent of the Trustee, which may be withheld in the Trustee's sole discretion.
21. The Terms and Conditions contained herein shall not merge on the closing of the transaction contemplated by any Agreement of Purchase and Sale but shall survive such closing and remain in full force and effect and be binding on any Purchaser thereafter.

DATED AT MONTRÉAL, this 20th day of November 2018.

Deloitte Restructuring Inc.

In its capacity as Trustee of Groupe Versay Inc., and not in its personal name.

Appendix A – Proposal Form

To : Deloitte Restructuring inc.
In its capacity of Trustee to the Assets of Groupe Versay inc.
1190, avenue des Canadiens-de-Montréal, office 500
Montreal QC H3B 0M7
Attention to : Laurence Noël, CPA

From: _____
(Name of Party issuing the Proposal)

(Address of Party)

(Person to be contacted)

(E-mail) (Phone Number) (Fax Number)

1. The total amount hereby offered is _____ \$.
2. The deposit amount remitted by wire transfer or certified cheque represents at least 15% of the total value offered (and 50% for wine inventory, i.e. Lots #1 and #2) is _____ \$.
3. The amount offered for each Asset should be set out below:

Lot n° 1: _____
Lot n° 2: _____
Lot n° 3: _____
Lot n° 4: _____
Lot n° 5: _____
Lot n° 6: _____
Lot n° 7: _____
Lot n° 8: _____
Lot n° 9: _____

4. This proposal must be considered as an « all or nothing » offer.
(Please tick the appropriate box. Note that even if the offer is « all or nothing », the amount per lot must be indicated above)

Yes

No

5. This proposal is submitted pursuant to the Terms and Conditions of Sale prepared by Deloitte Restructuring Inc. in its capacity as Trustee of Groupe Versay Inc.

(Date)

(Authorized Signing Officer)

Appendix B – Detailed lots listing

Trustee to the assets of Groupe Versay Inc.**Lot #1: Wine inventory contained in petainers (15 liters per petainer)**

Wine name	Country	Quantity (Liters)	Quantity (Petainers)
Basta	Italy	744	50
Bob&Robert	USA	450	30
Castro Rosé	Portugal	78	5
Corrupcion	Argentina	2,425	162
Culaccino	Italy	970	65
Dandy Bandit	USA	1,979	132
Ego Trip	France	19	1
Gotham Project	USA	1,543	103
Markus Wolf	France	165	11
Mozzafiato	Italy	1,048	70
Olé	Spain	1,668	111
Opportunity	USA	989	66
Paloma Blanca	Spain	390	26
White sangria	Canada	563	38
Blueberry sangria	Canada	15	1
Cranberry-Mango sangria	Canada	258	17
Grapefruit sangria	Canada	39	3
Peach sangria	Canada	244	16
Red sangria	Canada	78	5
Senor Presidente	Spain	1,979	132
	TOTAL:	15,645	1,043

Trustee to the assets of Groupe Versay Inc.
Lot #2: Bottled wine inventory (Liters)

Wine name	Country	Quantity (Liters)
MFC litchi	Canada	306
MFC peach	Canada	477
MFC Blueberry	Canada	882
MFC Cranberry-Mango	Canada	2,160
MFC Sangria	Canada	225
MFC Grapefruit	Canada	99
Urbain Wine - Cordano	Italy	810
Urbain Wine - Ragazzino	Italy	810
MWC - Lady of Grace	Italy	27
MWC - Graffiti Granny	Spain	36
MWC - Working Class Hero	Spain	9
MWC - Le Sage et la Muse	France	180
MFC Return IGA Pépin	Canada	243
TOTAL:		6,264

Trustee to the assets of Groupe Versay Inc.
Lot #3: Supplies and packaging

Description	Quantity
Transportation equipment	
Pallet	13
Tote IBC 1000L	9
Packaging	
Box 6 white	175
Box MTL fruit co.	280
Box separator MTL fruit co.	280
Versay bottle Bordeaux screw	3,360
White Bordeaux Bottle MTL Fruit	150
Petainer 15L	822
Stelvin Versay capsule	108,000
Labels (stationery)	8,000
Elastic tags	1,300
Cap Valve-A	2,000
Cap Valve-D White	2,000
Oenological product	
Filtration plate V16 (25un)	0
Filtration plate V24 (25un)	0
Aroma lichi (L)	20
Hot wine aromas	30
Blueberry Aroma	20
Grapefruit aroma	10
Aroma Bitter Agent	20
Peach aroma	8
Citric acid (Kg)	8
Glue (Kg)	1
POS	
Sangria pitchers	72
Versay plastic glasses	96
Glasses without feet	72
Carafes 1000ml without name	400
Carafes 750ml without name	300
500ml carafes without name	196
375ml carafes without name	2,304
Carafes 1 liter YP Silon Bormioli	54
Carafe 1/2 liter YP Silon Bormioli	108
Carafe 1/4 liter YP Silon Bormioli	24
Carafes 1000ml Versay	64
Carafes 750ml Versay	852
Carafes 500ml Versay	216
Carafes 375ml Versay	768
Carafes 1000ml democratization	404
Carafes 750ml democratization	160
Carafes 500ml democratization	168
Carafes 375ml democratization	408
Sign holder - cardboard holder	120

Trustee to the assets of Groupe Versay Inc.
Lot #4: Chai equipment

Description	Quantity
10hl tank, floating hat	2
20hl tank, floating hat	3
50hl tank, floating hat	3
150hl tank, floating hat	3
Barril 4,8hl, floating hat	14
Barrel stand	7
square tank 9hl	2
square tank 13,5hl	2
square tank 22,5hl	2
gear pump	1
centrifugal pump	2
Agitator	1
pallet truck	1
IDD washer and drier	1
Bottling line 11 beaks	1
Labeler 2 heads	1
inkjet coder	1
filter bell 3 cartridges 30 "	2
filter bell 1 cartridge 30 "	2
Lindr Wine Dispenser	9
mobile bar	2
stainless steel	2,700
Electric transformer	3
Swings	2

Trustee to the assets of Groupe Versay Inc.
Lot #5: Service equipment located at Versay's customers site

Equipment type	Brand	Extra equipment	Customer
Cooler	kalinka	"Bridge"	Santos
Cooler	Kalinka		Other miscellaneous equipment (couplers, tower and others)
Cooler		Versay Tower	Bishop's
Cooler	Tayfun	Versay Tower	L'un et L'autre
Cooler	Backbar	"Half-Bridge"	Brasserie Fleurimont
Cooler	Tayfun	Versay Tower	La Résidence
Cooler	Tayfun	2 x Versay Tower	Le Manoir
Cooler	Tayfun	2 x Versay Tower	Manoir Lachine
Cooler	Kalinka	Versay Tower	Billard l'Ivoire
Cooler	Tayfun	Versay Tower	Club Touriste
Cooler		2 x Versay Tower	L'évasion
Cooler	Tayfun	2 x Versay Tower + 12 turbines + 2 beerboss	Sky
Cooler		2 x Versay Tower	Reggie's
Cooler	2 x Tayfun	2 x Versay Tower	Royal Papineau
Cooler		"Bridge"	Les Eskers
Cooler	Kalinka	Versay Tower	Jacques Cartier Pizzeria
Cooler		Versay Tower	Jockey
Cooler	Kalinka	Versay Tower	Di Lallo
Cooler	Lindr		La Poule Fumée
Cooler	Kalinka	Versay Tower	La Toquade
Cooler	Tayfun	Versay Tower	Joker
Cooler		2 x Versay Tower	Le Nautique
Cooler	Tayfun	Versay Tower	Jersey
Cooler	Tayfun	Versay Tower	Social
Cooler		Versay Tower	Maman Fournier
Cooler		Versay Tower	Marina M.B
Cooler	Tayfun + 3 x Kalinka	4 x Versay Tower + 8 beerboss + 24 turbines	P.J. Pub
Cooler		Versay Tower	Le Brisket
Cooler	Tayfun		Moleskine
Cooler	7 x kalinka	7 x Versay Tower	Topla!
Cooler	2 x Tayfun	"Half-Bridge"	Tre-Colori
Cooler	Tayfun	3x Versay Tower + 5 beerboss + 16 turbines	SDS 2051
Cooler	2 x tayfun	3 x Versay Tower + 6 beerboss + 18 turbines	SDS 3025
Cooler		2 x Versay Tower	SDS 336
Cooler	Kalinka + tayfun	3 x Versay Tower + 3 beerboss + 16 turbines	SDS 3500
Cooler	Tayfun	4 Versay Tower + 6 beerboss + 24 turbines	SDS 5773
Cooler	2 x Tayfun	3 x Versay Tower + 3 beerboss + 16 turbines	SDS 6862
Cooler	Tayfun	2 x Versay Tower + 2 beerboss + 12 turbines	SDS 862
Cooler	Kalinka	Versay Tower	Valentine
Cooler	Lindr		Westley
Cooler		1 x kegarator	Loose Moose
Other miscellaneous equipment (couplers, tower and others)	Kalinka, Tayfun & others		Fut Ideal

Trustee to the assets of Groupe Versay Inc.
Lot #6: Rolling stock

Description	Quantity
Propane forklift	1
Ford Transit	1

Trustee to the assets of Groupe Versay Inc.
Lot #7: Kitchen equipment

Description	Quantity
Commercial Dishwasher Jamber	1
Continental 2 Door Refrigerator with Counter	1
4 heads + 4 Flowjet semi-submersible pumps + 1 Totton pump	1 pallet
accessories related to the pumps	1 pallet
empty 1020L tanks	8
Cylinders (beer cask style) empty 50L	6

Trustee to the assets of Groupe Versay Inc.
Lot #8: IT equipment

Description	Quantity
Dell laptops	5
HP desktops	1
HP servers	1
MyBook external hard drives	2
Samsung WIFI printers	1
D-Link routers	2
Panasonic phones	5
Tank for liquid sugar, property of: CALDIC 1870 boul. St-Régis Dorval QC 514-684-2120	1
TOSHIBA photocopier, owned by Toshiba. 1-877-227-5827 (to be verified)	1
gas tanks, property of PRAXAIR. 1-800-661-5312 (1 Praxair and 4 Fut ideal)	5
Bell Modem, owned by Bell	1

Trustee to the assets of Groupe Versay Inc.

Lot #9: Production and distribution licence

Description	Quantity
Production and distribution licence	1



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