

**SUPERIOR COURT**  
(COMMERCIAL DIVISION)

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC

N° : 200-11-027728-214

N° : 200-11-027816-225

DATE : February 14, 2022

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**PRESIDING : THE HONOURABLE LISE BERGERON, j.c.s.**

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In the Matter of the Notices of Intention to File a Proposal of :

**ÉCLAIRAGE CONTRASTE M.L. INC.**

and

**IMMEUBLE LECLUZE INC.**

Debtors

and

**MNP LTÉE**

Trustee

and

**BANQUE NATIONALE DU CANADA**

and

**MAYNARDS INDUSTRIES CANADA 11 LTD.**

and

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS (QUÉBEC)**

Impleaded Parties

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**ORDER**

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[1] **HAVING READ** the Demande afin d'autoriser la consolidation substantive des dossiers de restructuration, l'octroi d'une charge d'administration, la vente des actifs hors

du cours normal des affaires, la participation des anciens employés au programme de protection des employés et la prorogation du délai pour déposer une proposition (the "**Motion**"), the Exhibits and the Sworn Statements filed in support thereof;

[2] **GIVEN** the service or notification of the Motion;

[3] **GIVEN** the report filed by MNP Ltée, in its capacity as trustee to the notices of intention to file a proposal of the Debtors (as this term is defined hereinafter), (the "**Trustee**") in support of the Motion (the "**Trustee's Report**");

[4] **GIVEN** the submissions of counsel and the testimony of the Trustee's representative;

[5] **GIVEN** that it is appropriate to issue an order approving the transaction(s) (the "**Transaction**") contemplated by the agreement entitled Asset Purchase Agreement (the "**Purchase Agreement**") dated February 10, 2022, by and between Contrast Lighting M.L. Inc. ("**Contrast**") and Immeubles Lecluze Inc. ("**Lecluze**" and collectively with Contrast, the "**Debtors**" or the "**Vendors**"), as vendor, and Maynards Industries Canada 11 Ltd., on its own behalf and on behalf of Perfection Global LLC, (the "**Purchaser**"), as purchaser, a copy of which was filed under seal as Exhibit R-10 to the Motion, and vesting in the Purchaser all of the Debtors' right, title and interest in and to all of the Purchased Assets (the "**Purchased Assets**") as defined in the Purchase Agreement attached hereto as **Schedule "A"**.

#### **THE COURT :**

[6] **GRANTS** the Motion;

[7] **DECLARES** that all capitalized terms used but not otherwise defined in the present Order (this "**Order**") shall have the meanings ascribed to them in the Purchase Agreement.

#### **Notification**

[8] **ORDERS** that any prior delay for the presentation of the Motion is hereby abridged and validated so that the Motion is properly returnable today and hereby dispenses with any further notification thereof;

[9] **PERMITS** notification of this Order at any time and place and by any means whatsoever.

#### **Substantive Consolidation**

[10] **ORDERS** the substantive consolidation of the estates of the Debtors bearing numbers 43-2791795 and 43-2802506 so that the Debtors can file, if they deem it appropriate, a consolidated proposal;

[11] **ORDERS** that if the Debtors become bankrupt, their estates be consolidated for the purposes of the bankruptcy proceedings;

[12] **ORDERS** that only estate number 43-2791795 and Superior Court file number 200-11-027728-214 be used for the continuation of the Debtors' proceedings.

### **Administration Charge**

[13] **ORDERS** that the Trustee, counsel to the Trustee, and counsel to the Debtors, as security for the professional fees and disbursements incurred both before and after the issuance of this Order and directly related to these proceedings or any other proceedings in the present matter, be entitled to the benefit of and are hereby granted a charge, security and hypothec in the Debtors' present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "**Property**") to the extent of the aggregate amount of \$100,000 (the "**Administration Charge**"), having the priority established by paragraph [14] hereof;

[14] **DECLARES** that the Administration Charge shall rank in priority to any and all Encumbrances (as this term is hereinafter defined) affecting the Property charged by such Encumbrances, save and except any statutory deemed trust or deductions at source owing in favour of any taxation authority;

[15] **ORDERS** that the filing, registration of perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, published, recorded or perfected subsequent to the Administration Charge coming into existence;

[16] **ORDERS** that except as otherwise expressly provided for herein, the Debtors shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, the Administration Charge unless the Debtors obtain the prior written consent of the Trustee and the prior approval of the Court;

[17] **DECLARES** that the Administration Charge shall attach to all present and future Property of the Debtors, notwithstanding any requirement for the consent of any party to this charge or to comply with any condition precedent;

[18] **DECLARES** that the Administration Charge and the rights and remedies of the beneficiaries of such Administration Charge, as applicable, shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and the declaration of insolvency made herein; (ii) any petition for bankruptcy filed pursuant to the BIA in respect of any of the Debtors or any bankruptcy order made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of any of the Debtors; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds any of

the Debtors (a "Third Party Agreement"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- a) *the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Debtors of any Third Party Agreement to which they are a party; and*
- b) *any of the beneficiaries of the Administration Charge shall not have liability to any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being "Persons" and each being a "Person") whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the Administration Charge.*

[19] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a receiving order filed pursuant to the BIA in respect of any of the Debtors and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of any of the Debtors, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Debtors pursuant to the Order and the granting of the Administration Charge, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law;

[20] **DECLARES** that the Administration Charge shall be valid and enforceable as against all Property of the Debtors and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Debtors, for all purposes.

### **Sale Approval**

[21] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendors is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Trustee.

### **Authorization**

[22] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendors to proceed with the Transaction and that no other approval or authorization, including any board, shareholder or regulatory approval, if applicable, shall be required in connection therewith.

### **Execution of Documentation**

[23] **AUTHORIZES AND DIRECTS** the Debtors and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Trustee, and any other ancillary document which could be required or useful to give full and complete effect thereto.

### **Vesting of Purchased Assets**

[24] **ORDERS AND DECLARES** that upon the issuance of a Trustee's certificate substantially in the form appended as **Schedule "B"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all rights, titles, benefits, priorities, claims (including claims provable in bankruptcy in the event that the Debtors should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, right of retention, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all charges or security evidenced by registration, publication or filing pursuant to the *Civil Code of Québec* or any other applicable legislation providing for a security interest in personal, movable or immovable property and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets be cancelled and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate;

[25] **ORDERS**, for greater certainty, that, upon the issuance of the Certificate, the Administration Charge, shall continue to charge all of the Property, including the Purchase Price, other than the Purchased Assets;

[26] **ORDERS AND DIRECTS** the Trustee, upon receipt of (i) payment in full of the Purchase Price and (ii) confirmation by the Purchaser that all applicable conditions under the Purchase Agreement have been satisfied and/or waived, to (a) issue forthwith the Certificate to the Debtors and the Purchaser and (b) file as soon as practicable a copy of the Certificate with the Court;

[27] **DECLARES** that, upon issuance of the Certificate, the conditions to closing for the benefit of the Purchaser listed in clause 6.02 of the Purchase Agreement shall be deemed satisfied and **ORDERS** that the Purchaser shall have no recourse against the Vendors in respect thereof.

### **Cancellation of Security Registrations**

[28] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a true copy of this Order and the Certificate, to strike of the registrations number described in **Schedule "C"** hereto in connection with the Purchased Asset in order to allow the transfer to the Purchaser of the Purchased Assets free and clear of such registrations.

### **Purchase Price**

[29] **ORDERS** that the Purchase Price shall be remitted to the Trustee and shall be distributed in accordance with applicable legislation;

[30] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Purchase Price shall stand in the place and stead of the Purchased Assets, and the upon payment of the Purchase Price by the Purchasers, all Encumbrances shall attach to the Purchase Price with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

### **Validity of the Transaction**

[31] **ORDERS** that notwithstanding :

- i. the pendency of the proceedings;
- ii. any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**"), and any order issued pursuant to any such petition; or
- iii. the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Debtors, the Trustee or the Purchaser, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

[32] **ORDERS** that any trustee in bankruptcy or receiver that may be appointed must comply and fulfill any and all obligations of the Trustee and the Vendors pursuant to the Purchase Agreement and this Order.

### **Protection of Personal Information**

[33] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Vendors and the Trustee are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

### **Wage Earner Protection Program**

[34] **DECLARES** that Contrast, as former employer, meets the criteria prescribed by paragraphs 5(1)(iv) and 5(5) of the *Wage Earner Protection Program Act*, SC 2005, c 47, s 1 (the "**WEPPA Act**") and section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPPA Regulations**");

[35] **DECLARES** that any former employee of Contrast whose employment ended for any of the reasons listed in section 3 of the WEPPA Regulations are eligible to receive payment under the Wage Earner Protection Program, subject to compliance with the provisions of the WEPPA Act and the WEPPA Regulations.

### **Extension of the time to file a proposal**

[36] **ORDERS** that the time for filing a proposal pursuant to subsection 62(1) of the BIA and the corresponding stay of proceedings provided for in section 69 of the BIA, be and are hereby extended in accordance with subsection 50.4(9) of the BIA up to and including March 31, 2022.

### **General**

[37] **DECLARES** that the Vendors, the Trustee and the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances;

[38] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;

[39] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

[40] **ORDERS** that until further order of this Court, Exhibits R-9 and R-10, as well as Schedule C to the Trustee's Report be kept confidential and under seal;

[41] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

[42] **THE WHOLE** without costs.



THE HONOURABLE LISE BERGERON, j.c.s.

**M<sup>e</sup> Frédérique Drainville**  
**M<sup>e</sup> Hugo Anthony Babos-Marchand**  
MCCARTHY TÉTRAULT S.E.N.C.R.L., S.R.L.  
Debtors attorneys

**M<sup>e</sup> Kim Sheppard**  
ATTORNEY GENERAL OF CANADA

**M<sup>e</sup> Daniel Cantin**  
REVENU QUÉBEC

Date of trial : February 14, 2022