

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)
(In Bankruptcy and Insolvency)

No.: 500-11-056046-192

IN THE MATTER OF THE NOTICE OF
INTENTION OF:

J. SLAWNER LTÉE., a corporation existing under the laws of Québec, having its head office at 4980, Jean-Talon West, Montréal, QC H4P 1W9

Debtor-Petitioner

-and-

MNP LTD., having an office at 1155 René-Lévesque Boulevard West, 19th Floor, Montréal, QC H3B 4V2, in its capacity as trustee to the notice of intention of J. Slawner Ltée

Trustee

-and-

9216-0704 QUÉBEC INC. having an office at 230, Boulevard Brisebois, Suite 501, Châteauguay QC J6K 0J6

-and-

IMMEUBLES MARCHÉ ST-LÉONARD INC., having an office at 4120, Ste-Catherine Street West, Fifth Floor, Westmount, QC H3Z 1P4

-and-

COMPLEX JEAN-TALON WEST INC. having an office at 200-5000 rue Jean-Talon West Montréal (Québec) H4P 1W9

-and-

9155-4956 QUÉBEC INC., having an office at 33 rue Saint-Patrice East Magog (Québec) J1X 1T5

-and-

THE SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION, having an office at 07A-3755 ch. de la Côte-Sainte-Catherine Montréal (Québec) H3T 1E2

Landlords -Respondents

-and-

GAZ METRO PLUS SEC, having an office at 250-1250 RUE Nobel, Boucherville QC J4B 5H1

-and-

MERIDIAN ONECAP LIMITED PARTNERSHIP & MERIDIAN ONECAP CREDIT CORP., each having an office at 3300 Bloor Street West, Suite 2700, Toronto, Province of Ontario, M8X2X3

-and-

BANQUE ROYALE DU CANADA, having an office at 1, Place Ville-Marie, 2nd Floor, East Wing, Montréal QC H3C 3A9

Secured creditors/Mises-en-cause

-and-

CENTRE DE PHYSIOTHÉRAPIE DU SUD-OUEST INC. (*also known as Complexe de Réadaptation et de Médecine sportive du sud-ouest*), having an office at 400-185 boul. Saint-Jean-Baptiste, Châteauguay (Québec) J6K 3B4

-and-

THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS, having an office at 1, Notre-Dame East, suite 7.07, Montréal (Québec) H2Y 1B6

Mises-en-cause

MOTION BY THE DEBTOR SEEKING AN AUTHORIZATION TO SELL ASSETS OF THE DEBTOR, TO ASSIGN CERTAIN LEASES AND FOR A VESTING ORDER

(Sections 65.13, 66(1.1) and 84.1 of the *Bankruptcy and Insolvency Act* (“**BIA**”))

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT SITTING IN COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTRÉAL, AND/OR THE REGISTRAR, THE PETITIONER RESPECTFULLY SUBMITS:

I. INTRODUCTION

1. By this Motion, J. Slawner Ltée., the Petitioner (“**Slawner**” or the “**Debtor**”), being the debtor under a notice of intention to make a proposal in this matter, is respectfully

asking this Court, *inter alia*, to approve the sale by Slawner, outside of the ordinary course of business, with the approval and consent of MNP Ltd. in its capacity as trustee to the notice of intention ("**Trustee**"), to 9393-1681 Québec Inc. (the "**Purchaser**") of all of the Debtor's rights, title and interest in substantially all its assets (the Purchased Assets (as this term is defined below)) and to assign certain real property leases to the Purchaser and to grant the Purchased Assets to the Purchaser free and clear of all liens, hypothecs and charges ("**Transaction**").

2. Given the dire financial situation of Slawner, it is urgent to complete the Transaction immediately, while it is still possible to maintain a going concern and to protect certain of the claims of the employees and landlords, otherwise the Purchased Assets will not yield any meaningful value for any of the creditors, as explained below.

II. **FACTUAL BACKGROUND**

3. Slawner is involved in the fabrication and sale of orthopedic products, as appears from the companies register of the Registraire des entreprises du Québec, filed herewith as **Exhibit P-1**.
4. With its predecessors, Slawner has been offering orthopedic services in Québec since 1952 and provides essential personal services to thousands of customers.
5. Slawner currently employs approximately 40 persons.
6. Slawner operates from six (6) places of business:
 - a) 4980, Jean-Talon West, Montréal (showroom and warehouse; as reflected in the lease signed on March 27, 2018 that originally designated the leased premises as unit #90 of 5000, Jean-Talon West);
 - b) 2377, Principale Street, Suite 200, Magog;
 - c) 5767 Légaré, Pavillion K, (Jewish General Hospital), Montreal;
 - d) 230, Boul Brisebois, Local 1, Chateauguay ("**Chateauguay Location**");
 - e) 185, Blvd St-Jean Baptiste, Chateauguay ("**Other Chateauguay Location**");
 - f) 5949, Bélanger East, St-Léonard, Montreal ("**St-Léonard Location**").
7. Slawner has neither secured credit facilities nor any operating facilities with a financial institution and no ability to finance its operations other than from actual cash receipts. As described in detail below, Slawner can no longer rely on its shareholder to support its operations and supply the funds necessary to cover the needs of its cash flow projections. Due to the lack of funding available from its shareholder, Slawner was

unable to sustain a working level of inventory resulting in a steady loss of business and a steady decline in revenue.

8. Slawner has no liquidities (other than from actual cash receipts) to meet its ongoing liabilities, such that it is not in a position at this time to both pay in full all past (i.e., pre-Notice of Intention) as well as all accruing new obligations. Time is running out on the effort to preserve Slawner's business as a going concern, and therefore the value thereof for its creditors and sustained employment for its current employees.
9. On February 19, 2019, to protect the Debtor's property and prepare for its sale, Slawner filed a Notice of Intention ("NOI") with the Official Receiver and MNP Ltd. was appointed as trustee to the Notice of Intention under the *Bankruptcy and Insolvency Act* ("BIA") as appears from the Certificate of Filing of the Notice of Intention and list of creditors filed en liasse as **Exhibit P-2**.
10. Certain major stakeholders have been informed of the insolvency process and the proposed sale, as more further explained below.

III. THE PURCHASED ASSETS

11. In the weeks and months leading to the Notice of Intention, Slawner pursued a dual track of seeking to make operational changes to continue its business as a solvent going concern, while also seeking, as a contingent alternative, to preserve its business and property as a going concern via an *en bloc* sale and/or merger – the whole in order to preserve to the extent possible the employment of as many of its employees as possible, to mitigate potential losses to customers, landlords and suppliers and to provide value for its creditors. The initial phases of this sale and investor solicitation process involved the assets of both Slawner and its Ontario corporate affiliates and took place as and from the middle of 2018, the whole as explained in detail below in Part VI of this Motion (entitled *Corporate Structure of the Debtor Group and Initial Sale Process*).
12. Slawner sought advice to achieve these goals in a timely manner while reducing professional costs to a minimum, to achieve the above objectives.
13. Slawner identified an interested and solvent purchaser through a robust sales process detailed below.
14. In the days prior to the Notice of Intention, Slawner sought the advice and consent of the Trustee for the proposed transaction through the filing of the Notice of Intention and this motion to the Court.
15. The Debtor was able, with the assistance of the Trustee, to finalize an agreement for the sale of the Purchased Assets to the Purchaser, a subsidiary of The Clinic Network Inc.

(“**The Clinic Network**”), a significant Canadian company in the field of personal health services.

16. Among the assets of the Debtor, the Purchaser identified the assets described in the requested draft Order to this motion (Exhibit P-13), which the Purchaser offered to buy from Slawner (the “**Purchased Assets**”).
17. During the course of these negotiations, in good faith and with a view to enter into a contract of purchase and sale with the Debtor, the Purchaser advanced and/or paid directly significant legal costs and other fees and expenses to maintain, reinstate, protect and otherwise assist the Debtor with respect to the Purchased Assets.
18. Further, as part of the purchase price for the Purchased Assets, the Purchaser will cover certain legal and other professional advisory costs of the Debtor necessary for the Transaction, which costs the Debtor is unable to pay from its current cash receipts.
19. Slawner, with the knowledge of the Trustee, entered into a conditional Purchase and Sale Agreement (the “**Offer**”) with respect to the Purchased Assets, for the consideration described therein, which the Trustee requires to be filed under seal to preserve the value of the Purchased Assets should it be necessary, for any reason, to go back to market for these assets, as appears from the Offer filed as **Exhibit P-3 (Under Seal)**. The Offer provides for an “as is, where is” sale. There are no meaningful closing representations or warranties as to the Purchased Assets by the Slawner. There are very few conditions. The Purchaser will be offering employment to certain current employees of Slawner. It will be assuming the majority of the premises leases (and paying the applicable “Cure Costs” relating to current monetary defaults under such assigned and assumed “Contracts”, as such terms are defined in the Offer). Taken globally, the Offer provides a means to largely preserve the business of Slawner and a number of jobs. It is far preferable to the realistic alternative at this late hour: a piecemeal liquidation of assets.
20. The transaction contemplated in the Offer (the “**Transaction**”) is conditional upon, inter alia, the issuance of an order by this Court vesting all of the Debtor’s rights, title and interest in and to the Purchased Assets free and clear of any security, charge or other restriction and authorizing the assignment of certain leases for operating premises.
21. The Transaction must be closed before March 11, 2019, as appears from sections 5.1 and 5.3 of the Offer, Exhibit P-3, failing which the Offer becomes null and void and the Purchaser will no longer be willing to purchase the Slawner business.

IV. SECURED CREDITORS OF THE DEBTOR

22. For the purposes of the Transaction and from a practical standpoint, the Debtor has no secured creditors affected by the proposed Order and the Transaction.

23. An up-to-date (February 15, 2019) copy of the registrations made at the Personal and Movable Real Rights Registry (“PMRRR”) office appear in a report filed as **Exhibit P-4**.
24. Two of the Respondent Landlords have registered the following hypothecs at the PMRRR to purport to secure the Debtor’s obligation under the immovable leases for their premises:
 - a) 9216-0704 Québec Inc., on April 11, 2017, Fiche 001 of Exhibit P-4 (tab 1 at pages 5 and 6 of 54), under number 17-0328067-0007, for an amount of \$143,008.32, on the universality of movable property limited to property located in the Chateauguay Location;
 - b) Immeubles Marché St-Léonard Inc., on June 25, 2013, Fiche 006 of Exhibit P-4 (tab 6 at pages 44 and 45 of 54)), under number 13-0543340-0001, for an amount of \$100,000.00, on the universality of the Debtor’s present and future movable property.
25. It is settled law that the above hypothecs in favour of the Respondent Landlords become ineffective and unopposable upon application of the scheme of distribution under section 136 of the BIA, and that the said landlords are only entitled to their unsecured claims and, where applicable, the preference at ss. 136 (1)(f) of the BIA under the Notice of Intention, proposal or possible bankruptcy in this matter.
26. Any preference and rights of the Respondents Landlords, if any, will be carried over to the proceeds of the sale and they are therefore unaffected by the Transaction as purported secured creditors. As is evident from the proposed draft sale approval and vesting order, Exhibit P-13, these parties (and anyone else who purports to have any preferred status as creditor) will have the opportunity to raise such claims and priority arguments, at a later time, and before distributions to creditors are be made – none of which is the subject matter of this sale approval Motion.
27. The remaining charges and rights appearing on the PMRRR concern assets are either excluded by the Purchaser from the Purchased Assets, or are assets that have been paid for in full by Slawner such that the related security should be radiated, the whole as more fully described in the Fiches below and in a schedule to the Offer, Exhibit P-3 (“**Excluded Assets**”):
 - a) Gaz Metro Plus SEC, under a lease agreement registered on November 19, 2015, Fiche 002 of Exhibit P-4 (at pages 7 and 8 of 54), under number 15-1125329-0001, for a “chaudière” and a “réservoir d’expansion”, which are Excluded Assets;
 - b) Meridian Onecap Limited Partnership and Meridian Onecap Credit Corp., as assignees of Roynat inc., under leasing agreements respectively registered: i) on September 22, 2015, Fiche 003 of Exhibit P-4 (at pages 9 to 33 of 54), under

number 15-0922017-0002, for 2 Konica Minolta Bizhub copiers; ii) on July 12, 2013, Fiche 005 of Exhibit P-4 (at pages 35 to 43 of 54), under number 13-0605223-0008, for 1 Konica Minolta Bizhub copier and 1 Intec printer, and; iii) on October 30, 2014, Fiche 001 of Exhibit P-4 (at pages 47 to 54 of 54), under number 14-1014962-0003, for 1 Konica Minolta Bizhub copier, all which are Excluded Assets; and

- c) Royal Bank of Canada, under a movable hypothec registered on August 20, 2013, Fiche 004 of Exhibit P-4 (at pages 34 and 35 of 54), under number 13-0731414-0001, in the amount of \$30,360.00 for a Ford T-Connect vehicle. This vehicle has been paid for in full by Slawner and there remains no more claim (let alone any need for security) of this creditor. This vehicle is among the assets included in the Transaction such that the above-mentioned registration should be ordered radiated from the PMRRR (as requested in the draft order, Exhibit P-13).

- 28. The Purchaser may enter in discussions with the above creditors concerning the Excluded Assets, upon closing of the Transaction.

V. ASSIGNMENT OF LEASES

- 29. The Debtor has incurred significant arrears in the payments of amounts owing to Landlords.
- 30. In fact, the Respondent 9216-0704 Québec Inc., landlord of the Chateauguay Location, has issued legal proceedings against Slawner in court record 500-22-251973-189 of the Quebec Court (Civil Chamber) for the district of Montreal, seeking a declaration of resiliation of the lease, the eviction of Slawner, payment of arrears of \$46,278.40 plus interests and damages, and a safeguard order, which was to be presented in Court on February 20, 2019 at 9h00 at the Montreal Courthouse, as appears from the Introductory Demand Re-Modified and Notice of Presentation filed en liasse as **Exhibit P-5**.
- 31. The Trustee has issued a notice of stay of proceedings (resulting from the filing of the NOI on February 19, 2019) in respect of the above, as appears from **Exhibit P-6**.
- 32. Unless the lease for the Chateauguay Location is assigned to the Purchaser (based upon the obligation to cure existing monetary arrears to be assumed by the Purchaser, in exchange for such assignment), pursuant to the Transaction and the Order sought herein, the value of the Slawner business will drastically decrease.
- 33. Concurrent with the filing of the Notice of Intention, the Debtor will issue, with the consent of the Trustee, a notice of disclaimer of real property commercial leases under section 65.2 of the BIA to each of:

- a) Les Immeubles Marché St-Léonard Inc. with respect to the St-Léonard Location, and
- b) Centre de physiothérapie du sud-ouest inc. (also known as Complexe de Réadaptation et de médecine sportive du sud-ouest), with respect to the Other Chateauguay Location,

which in each case are locations that not be operated by nor be assigned to the Purchaser and which are not profitable.

- 34. Slawner's property contained therein that is part of the Purchased Assets will be removed at the cost of the Purchaser during the BIA Notice Period.
- 35. The Debtor's rights, title and interests in the four (4) remaining real property leases, listed at paragraphs 6(a) to 6(d) above (the "**Assigned Leases**"), will be assigned to the Purchaser as part of the "Contracts" forming an element of the Purchased Assets, subject to this Court's order.
- 36. The Purchaser will pay all applicable cure costs relating to existing monetary defaults to the Respondent Landlords for the four (4) above-mentioned Assigned Leases within five (5) days of the closing.
- 37. Slawner is informed that the Purchaser has the financial capacity to perform the obligations of the tenant under the Assigned Leases.
- 38. It is appropriate to assign the rights and obligations of Slawner to the Purchaser in the present circumstances.

VI. CORPORATE STRUCTURE OF THE DEBTOR GROUP AND INITIAL SALE PROCESS

- 39. Slawner, as appears from Exhibit P-1, is a wholly owned subsidiary of Medic Holdings Corp., formerly known as 2282068 Ontario Inc. ("**Medic**"), as appears from the Ontario Corporate records filed en liasse as **Exhibit P-7**.
- 40. As such, Slawner is part of a group of companies that was operating in the orthopedic services business in Canada and known as the Medic Group.
- 41. The Medic Group has suffered a financial collapse, so that Slawner can no longer rely on its shareholder to support its operations and supply the funds necessary to cover the needs of its cash flow projections (in the event that the Transaction does not close by March 11, 2019 as contemplated in the Transaction).
- 42. On December 13, 2018, Mr Justice Penny of the Superior Court of Justice of Ontario (Commercial List) issued a judgment against Slawner's shareholder Medic, and against related companies Veba Sock Company Inc. and 2335040 Ontario Inc., in favor of Royal

Bank of Canada in the sum of \$3,808,262.29 plus interest, as appears from a judgment and endorsement filed en liasse as **Exhibit P-8**.

43. On December 13, 2018, Mr Justice Penny of the Superior Court of Justice of Ontario (Commercial List) issued an Order appointing a Receiver to the assets of related companies Ontario Orthopedic Lab Inc. and Premier Footworks Inc., at the request of Royal Bank of Canada (“**RBC**”), and appointed The Fuller Landau Group Inc. (“**Fuller Landau**”) as Receiver, and declared the deemed bankruptcy of Medic, Ontario Orthopedic Lab Inc. and Premier Footworks Inc., and declared the appointment of The Fuller Landau Group Inc. as trustee to the bankruptcy of Medic, as appears from an Order filed en liasse as **Exhibit P-9**.
44. Prior to the receiverships and bankruptcies of the Medic Group, a lengthy and robust sale and investor solicitation process was conducted by management of the Medic Group, the latter stages of which were in consultation with Fuller Landau and RBC as principal creditor of the Medic Group. In particular:
 - a) In the first half of 2018, all of the related operating companies of the Medic Group, under the aegis of their publicly traded ultimate shareholder Agility Health Inc. (whose CEO is also the president of Slawner and the affiant herein, Mr Wayne Cockburn), looked for new sources of capital, via investment, sale or otherwise, in order to address their balance sheet situation.
 - b) Management considered the Canadian private healthcare market for opportunities.
 - c) Management engaged the services of an investment banker to explore equity capital-raising and merger options.
 - d) As a result of these different means of canvassing the Canadian market, two (2) potential opportunities were seriously explored in the summer of 2018, prior to the initial transaction with the owner of the Purchaser as the third option explored.
 - e) Of these first two (2) opportunities, management devoted considerable time and energy to considering a potential merger with a private pain management business. The parties had become aware of each other through conversation and management approached them about a merger because they wanted to go public via a reverse merger and takeover (RTO) and the Medic Group needed capital. This potential investor group included a very large private healthcare investment banker and they had a particular interest in the Slawner assets because of its presence in Quebec. Management had ongoing discussions throughout the summer of 2018, including sharing extensive financial and other information in July 2018. The investment bankers previously engaged by The

Medic Group continued to work on the matter. However, this opportunity was ultimately suspended until if and when the Medic Group could itself rectify its financial troubles. This never occurred.

- f) In light of this adverse development, in August 2018 the Medic Group signed a letter of interest with The Clinic Network, the party controlling the Purchaser, with a view to the sale and purchase of all the assets of Agility Health, including Slawner, via a potential RTO (to benefit from the public listing). Management of these parties met on numerous occasions. Once again, Medic Group's management sought the services and professional advice and expertise of its engaged investment banker. Management was advised to pursue a merger with The Clinic Network, given its inability to independently meet the balance sheet requirements demanded by the first serious interested party (and likely any subsequent other similarly-situated investor). Ultimately, however, this transaction never materialized. As noted above, the Medic Group was unable to sustain its financial position and in mid-December 2018 its operating companies were put into receivership or declared bankrupt.
 - g) During this latest, and last, phase of this months'-long sale and investor solicitation process, in November 2018 RBC (as secured creditor of Slawner's shareholder and its Ontario affiliates) and RBC's then agent (Fuller Landau) were made aware of the above-noted development. They also met in person with management of the two parties and were kept apprised of the discussions with the Purchaser when it was considering a transaction at The Medic Group level. It is management's impression that they supported the efforts in trying to reach such a deal with the owners of the Purchaser.
- 45. It is in the course of this process that the Purchaser group identified Slawner as a potential acquisition. Notwithstanding this adversity at the level of Slawner's shareholder and its affiliated operating companies in Ontario, discussions between Slawner's management and that of the Purchaser continued over the course of the last two (2) months about the possibility of a purchase of Slawner as a going concern. That culminated in what is before the Court for its approval.
 - 46. On December 28, 2018, The Fuller Landau Group Inc., in its capacity as Receiver and/or trustee to Medic, Ontario Orthopedic Lab Inc. and Premier Footworks Inc. issued demand letters to Slawner for the respective amounts of \$85,224.00, \$827,486.99 and \$94,318.00, as appears from the letters filed en liasse as **Exhibit P-10**.
 - 47. Slawner did not and cannot pay the above amounts. Taken together, these amounts constitute over half of the known unsecured claims against Slawner. Slawner has taken measures to inform Fuller Landau, in its capacity as representative of each of these creditors, as to the proposed Transaction, and expects to obtain the position of the

latter in due course and shall file the appropriate correspondence reflecting such position at the hearing as **Exhibit P-11**.

VII. AUTHORIZATION TO SELL THE ASSETS

48. The Transaction is the best that could be obtained for the Purchased Assets and time is of the essence to complete said Transaction.
49. Given the foregoing, Slawner seeks the provisional execution notwithstanding appeal of the order sought herein.
50. Slawner respectfully submits that the notices given for this Motion are proper and sufficient.
51. The report of the Trustee, **Exhibit P-12** (the "**Trustee's Report**") attests that the Transaction is the best that could be obtained for the Purchased Assets and is far more advantageous and beneficial to the creditors than a transaction in a bankruptcy.
52. The Purchase Price is fair and reasonable, taking into account the market value, the liquidation value and the rapid and inevitable decrease of value that would result in any further continuation of a sales process that would delay the closing of a transaction for Slawner's assets.
53. The proposed draft Sale Approval and Vesting Order, filed in support hereof as **Exhibit P-13** ("**Draft Order**"), is based on the Barreau de Montréal's model form of such order with only very few variances from such form, as appears in the blackline comparison of these two documents filed in support hereof as **Exhibit P-14**. As appears from the Draft Order, P-13, the proceeds of the Transaction are to be remitted to the Trustee and shall be distributed to creditors in accordance with applicable legislation (pursuant to paragraph 17 thereof). Such proceeds, net of the professional fees and expenses of the Trustee and of Slawner's legal counsel to the close of the Transaction ("**Net Proceeds**"), shall stand in the place and stead of any Encumbrances (as defined in the Draft Order) on the Purchased Assets and be available for creditors (pursuant to paragraph 18 of the Draft Order).
54. The Trustee's Report shall be communicated at the hearing in support hereof and filed as **Exhibit P-12**, along with the financial information contained in the confidential Appendix "C" thereto which shall be filed under seal. The various parties have devoted and will devote much time and efforts to negotiate and close the Transaction. Prior to that, representatives of the Debtor made considerable efforts to canvass the market as to potential restructuring alternatives in the face of their current financial issues, including as to potential investment and asset sale options. They did this while consulting with and keeping major creditors aware of developments. As described above, this was particularly the case with Fuller Landau, which is currently the

representative of creditors holding over half of the total amount of unsecured claims of the Debtor (as reflected in the Trustee's Report, Exhibit P-12). In all likelihood, undertaking any more efforts in a continuing sale process would not generate a better result than the Transaction and would greatly increase the fees and expenses associated with the sale of the Purchased Assets and in all likelihood, given the unavailability of funds to maintain employees and operating locations, would make it impossible to obtain the value of a going concern.

55. If the Transaction is approved, the Debtor can and will ensure that employees receive the payments that would ordinarily be required when an insolvent person makes a proposal to its creditors.
56. The Transaction is in the best interest of the Debtor's stakeholders because it maximizes the Net Proceeds obtainable from the Purchased Assets.
57. Given the foregoing, it is appropriate and requested that the Debtor, and Trustee (as applicable), be authorized to:
 - a) Accept, consent to, and execute as Seller, the Offer by and between the Debtor, as seller, and the Purchaser for the Purchased Assets, Exhibit P-3, and any confirmation and accessory document with respect thereto (the "**Bill of Sale**");
 - b) consent to, the assignment of all of the agreements and documents contemplated as a part of the Transaction as stipulated in Schedule B of the Offer, namely:
 - the Assigned Leases;
 - all of the other "Contracts" (as defined in Schedule B of the Offer);
 - c) perform all acts, sign all documents, including the Offer and the Deed of Sale, and any other related or ancillary documents, and take any necessary actions to execute any disposition, conditions, transaction or engagement stipulated in the Offer, the above mentioned documents or any related document, and further execute any agreement, contract, deed or any other document ancillary or related to the above mentioned documents which could be required or useful to give full and complete effect thereto;
 - d) complete the Transaction, and deliver the Purchased Assets free and clear of any security, charge or other restriction.
58. The present motion is well-founded both in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

- [1] **GRANT** the present motion (the “**Motion**”);
- [2] **DECLARE** sufficient the service, notice, production and presentation of the Motion and **REDUCE** the delays of service and presentation of the Motion as required;
- [3] **RENDER** an order approving the sale and devolution of the assets of the Debtor-Petitioner (the “**Order**”) substantially conforming to the draft Order filed in support of the Motion as Exhibit P-13;
- [4] **RENDER** such other orders as this Courts judges just and appropriate in the circumstances;
- [5] **PERMIT** service of the judgment to be rendered on the Motion at any time and place and by any means whatsoever;
- [6] **ORDER** the provisional execution of the judgment to be rendered on this Motion notwithstanding appeal;
- [7] **THE WHOLE** without costs, except in case of contestation.

MONTREAL, February 26, 2019

(Signed) Nicholas Scheib

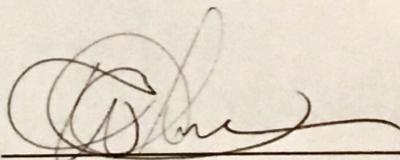
Nicholas Scheib
Attorney for the Debtor-Petitioner
5159 Boul. Saint-Laurent
Montréal, Québec H2T 1R9
Tel : (514) 297-2631
Fax : (514) 360-2790
Nick@scheib.ca

AFFIDAVIT

I, the undersigned, **WAYNE COCKBURN**, businessman, residing and domiciled, for the purposes hereof, at 4980, Jean-Talon West, H4P 1W9, in the City and District of Montreal, Province of Quebec, hereby solemnly affirm:

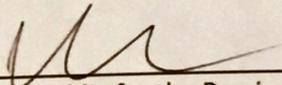
1. I am the authorized representative of Petitioner J. Slawner Ltée in the attached Motion by the Debtor Seeking an Authorization to Sell Assets of the Debtor, to Assign Certain Leases and for a Vesting Order;
2. I read the Motion by the Debtor Seeking an Authorization to Sell Assets of the Debtor to Assign Certain Leases and for a Vesting Order;
3. All facts alleged therein are true.

AND I SIGNED:



WAYNE COCKBURN

SOLEMNLY AFFIRMED before me at Mississauga
Ontario, this 26 day of February 2019.



Notary Public for the Province of Ontario

CAROLYN C. MCNEILL
BARRISTER AND SOLICITOR



CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

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**CENTRE DE PHYSIOTHÉRAPIE DU SUD-OUEST
INC.** (also known as Complexe de réadaptation
et de médecine sportive du sud-ouest)

-and-

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

Mises-en-cause

ATTESTATION OF AUTHENTICITY
(Article 82.1 of the Code of Civil Procedure)

I, the undersigned, **NICHOLAS SCHEIB**, Advocate, practicing my profession at 5159 Saint-Laurent Blvd, in the City and District of Montréal, Province of Québec, under my oath of office declare as follows:

1. THAT the attached Affidavit of Wayne Cockburn is an authentic copy of that received by way of attachment to an email I received on my business email address (Nick@Scheib.ca). This email communication was received by me at Montréal, Québec on February 26, 2019 at 20:14 (EST), and the email address from which it was transmitted is Wayne@medicholdings.com, the same email address from which I have received numerous email correspondence from the authorized representative of my client, J. Slawner Ltée, the Affiant of the Affidavit;
2. THAT the attached Affidavit constitutes a document which forms part of the court file number 500-11-056046-192 and is filed on behalf of my client, the Debtor-Petitioner, J. Slawner Ltée..

MONTREAL, February 26, 2019

(Signed) Nicholas Scheib

Nicholas Scheib
Attorney for the Debtor-Petitioner
5159 Boul. Saint-Laurent
Montréal, Québec H2T 1R9
Tel : (514) 297-2631; Fax : (514) 360-2790
Nick@scheib.ca

NOTICE OF PRESENTATION

- To: **C/O DENTONS CANADA LLP,**
9393-1681 Québec inc. (Purchaser)
3900-1, Place-Ville-Marie
Montreal QC H3B 4M7

Counsel to 9393-1681 Québec Inc., Purchaser

By email at: roger.simard@dentons.com
david.Mann@dentons.com
james.osullivan@dentons.com
- and: **MNP LTD., TRUSTEE**
c /o Ms. Sheri Aberback
19th Floor, 1155 René-Lévesque Blvd. West
Montréal QC H3B 4V2

By email at: sheri.aberback@mdp.ca
- and: **9216-0704 QUÉBEC INC. (Chateauguay Landlord)**
c/o Mathieu Kellner Avocat Inc.
275, boulevard Curé-Labelle, bureau 109A
Sainte-Thérèse (Québec) J7E 0C2

Counsel to 9216-0704 Québec Inc. (Chateauguay Landlord)

By email at: mk@kellneravocat.com
ed@kellneravocat.com
- and: **IMMEUBLES MARCHÉ ST-LÉONARD INC.**
4120, Ste-Catherine Street West,
Fifth Floor, Westmount, QC H3Z 1P4
- and: **COMPLEX JEAN-TALON WEST INC.**
200-5000 rue Jean-Talon West
Montréal (Québec) H4P 1W9
- and: **9155-4956 QUÉBEC INC.**
33 rue Saint-Patrice East
Magog (Québec) J1X 1T5
- and: **THE SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL**
FOUNDATION
07A-3755, Ch. de la Côte-Sainte-Catherine
Montréal (Québec) H3T 1E2
- and: **CENTRE DE PHYSIOTHÉRAPIE DU SUD-OUEST INC. (also known as**
Complexe de réadaptation et de médecine sportive du sud-ouest),
400-185, boul. Saint-Jean-Baptiste
Châteauguay (Québec) J6K 3B4

- and: **GAZ METRO PLUS SEC**
250-1250, rue Nobel
Boucherville (Québec) J4B 5H1
- and: **MERIDIAN ONECAP LIMITED PARTNERSHIP & MERIDIAN ONECAP CREDIT CORP.,** 3300 Bloor Street West, Suite 2700, Toronto, Province of Ontario, M8X2X3
- and: **OFFICIER DU REGISTRE DES DROITS PERSONNELS ET RÉELS MOBILIERS**
1 Notre-Dame East, Suite 7.07
Montréal (Québec) H2Y 1B6
By email at: Services@rdprm.gouv.qc.ca
- and: **BANQUE ROYALE DU CANADA**
1, Place Ville-Marie,
2nd Floor, East Wing,
Montréal QC H3C 3A9
- and: **LE SURINTENDANT DES FAILLITES**
5, Place Ville-Marie, 8th Floor
Montréal QC H3B 2G2
Attention: Alain Deschenes
By email at: Alain.Deschenes@canada.ca

TAKE NOTICE that the attached *Motion by the Debtor Seeking an Authorization to Sell Assets of the Debtor, to Assign Certain Leases and For a Vesting Order* will be presented for adjudication before one of the Judges of the Superior Court, sitting in the Commercial Division, or the Registrar, in and for the judicial district of Montréal at the Montréal Courthouse in **Room 16.10**, on **March 8, 2019 at 8:45 a.m.**, or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, February 26, 2019

(Signed) Nicholas Scheib

Nicholas Scheib
Attorney for the Debtor-Petitioner
5159 Boul. Saint-Laurent
Montréal, Québec H2T 1R9
Tel : (514) 297-2631
Fax : (514) 360-2790
Nick@scheib.ca

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)
(In Bankruptcy and Insolvency)

No.: 500-11-056046-192

IN THE MATTER OF THE NOTICE OF
INTENTION OF:

J. SLAWNER LTÉE

Debtor-Petitioner

-and-

MNP LTD.

Trustee

-and-

9216-0704 QUÉBEC INC.

-and-

IMMEUBLES MARCHÉ ST-LÉONARD INC.

-and-

COMPLEX JEAN-TALON WEST INC.

-and-

9155-4956 QUÉBEC INC.

-and-

**THE SIR MORTIMER B. DAVIS JEWISH
GENERAL HOSPITAL FOUNDATION**

Landlords / Respondents

-and-

GAZ METRO PLUS SEC

-and-

**MERIDIAN ONECAP LIMITED PARTNERSHIP &
MERIDIAN ONECAP CREDIT CORP.**

-and-

BANQUE ROYALE DU CANADA

Secured creditors/Mises-en-cause

-and-

**CENTRE DE PHYSIOTHÉRAPIE DU SUD-OUEST
INC.** (also known as Complexe de réadaptation
et de médecine sportive du sud-ouest)

-and-

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

Mises-en-cause

LIST OF EXHIBITS OF THE DEBTOR-PETITIONER J. SLAWNER LTÉE

- Exhibit P-1: Companies Register of J. Slawner Ltée at the *Registraire des entreprises du Québec*;
- Exhibit P-2 : Certificate of Filing of Notice of intention with the Official Receiver dated February 19, 2019 & list of creditors;
- Exhibit P-3 (**Under Seal**): Purchase and Sale Agreement regarding the Purchased Assets;
- Exhibit P-4: Copy of the registrations made at the Personal and Movable Real Rights Registry;
- Exhibit P-5: Introductory Demand Re-Modified and Notice of Presentation (Chateauguay Landlord proceedings);
- Exhibit P-6: Notice of stay of proceedings;
- Exhibit P-7: Ontario Corporate records (re: J. Slawner Ltée's shareholder);
- Exhibit P-8: Judgment and endorsement in the amount of \$3,808,262.29 in favor of Royal Bank of Canada;
- Exhibit P-9: Order declaring the appointment of The Fuller Landau Group Inc. as Receiver and/or trustee to the Bankruptcies of Medic, Ontario Orthopedic Lab Inc. and Premier Footworks Inc.;
- Exhibit P-10: Demand letters addressed to J. Slawner for the respective amounts of \$85,224.00, \$827,486.99 and \$94,318.00;
- Exhibit P-11: Anticipated correspondence from The Fuller Landau Group Inc. (to be filed at the hearing);
- Exhibit P-12: (**Appendix "C" Under Seal**): Trustee's report (to be filed at the hearing);
- Exhibit P-13: Draft sale approval and vesting order;
- Exhibit P-14: Blackline comparison of draft sale approval and vesting order vs Barreau de Montreal model form of sale approval and vesting order.

MONTREAL, February 26, 2019

(Signed) Nicholas Scheib

Nicholas Scheib

Attorney for the Debtor-Petitioner

5159 Boul. Saint-Laurent

Montréal, Québec H2T 1R9

Tel : (514) 297-2631; Fax : (514) 360-2790

Nick@scheib.ca

N° / No.: 500-11-056046-192

SUPERIOR COURT
COMMERCIAL DIVISION – BANKRUPTCY AND INSOLVENCY
DISTRICT OF MONTREAL

J. SLAWNER LTÉE.,

Debtor-Petitioner

MNP LTD.,

Trustee

9216-0704 QUÉBEC INC.,
IMMEUBLES MARCHÉ ST-LÉONARD INC.,
COMPLEX JEAN-TALON WEST INC.,
9155-4956 QUÉBEC INC.,

THE SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION,
Landlords-Respondents

GAZ METRO PLUS SEC.,
MERIDIAN ONECAP LIMITED PARTNERSHIP & MERIDIAN ONECAP CREDIT CORP.,
BANQUE ROYALE DU CANADA,

Secured creditors-Mises-en-cause

CENTRE DE PHYSIOTHÉRAPIE DU SUD-OUEST INC.,
THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS,
Mises-en-cause

***MOTION BY THE DEBTOR SEEKING AN AUTHORIZATION TO SELL ASSETS
OF THE DEBTOR, TO ASSIGN CERTAIN LEASES AND FOR A VESTING ORDER***
(With Affidavit, Attestation of Authenticity, Notice of Presentation, List of Exhibits & Exhibits)

ORIGINAL

M^o NICHOLAS SCHEIB
Réf. / Ref.: 1071-00100
Procureur pour / Attorney for
J. SLAWNER LTÉE

AS-0G41

Scheib Legal / Étude Légale
5159 Boul. Saint-Laurent
Montréal, Québec H2T 1R9

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