

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N°: 500-11-058617-206

SUPERIOR COURT
(Commercial Division)

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

KIDIWAY INC.

Debtor/Petitioner

and

MNP LTD.

Trustee

and

**REGISTER OF PERSONAL AND
MOVABLE REAL RIGHTS**

Mise-en-cause

**MOTION TO AUTHORIZE A SALE OF ASSETS AND FOR THE ISSUANCE OF AN
APPROVAL AND VESTING ORDER**

(Section 65.13 of the *Bankruptcy and Insolvency Act*)

IN SUPPORT OF THE PRESENT MOTION, DEBTOR/PETITIONER STATES:

A. INTRODUCTION

1. By way of the present Motion, Kidiway Inc. (“**Kidiway**”), which filed an notice of intention to file a proposal on August 12, 2020, is seeking authorization from the Court to sell assets outside of the ordinary course of business in accordance with an offer to purchase dated August 10, 2020 (the “**Offer**”) a copy of which is communicated herewith under seal as **Exhibit P-1**.
2. A company related to Kidiway, 3717291 Canada Inc. (“**Bo-Bébé**”), which has also filed a notice of intention to make a proposal, is making a parallel Motion in Court file number 500-11-058534-203 (the “**Bo-Bébé Motion**”), a copy of which is communicated herewith as **Exhibit P-2**, seeking, *inter alia*, authorization to sell certain intellectual property it owns relating to Kidiway’s business, outside of the ordinary course of its own business, also in accordance with the Offer.
3. In the Offer, Mark Srour, acting without personal responsibility on behalf of a company to be incorporated (the “**Purchaser**”), seeks to purchase substantially all of Kidiway’s assets, with the exception of certain excluded property (the “**Kidiway**”).

Assets”), as well as all intellectual property owned by Bo-Bébé, and two other related companies, that in any manner whatsoever relate to Kidiway’s business and were used by Kidiway (the “**Kidiway IP**”).

4. MNP Ltd., the Trustee in the matter of the notice of intention to make a proposal of Kidiway, is fully supportive of this Motion and the conclusions sought herein, and recommends to the Court that the Offer be approved and the sale authorized in its report (the “**Report**”), communicated herewith, with its Appendices B and C under seal, as **Exhibit P-3**.
5. Accordingly, for the reasons set out herein, Kidiway asks this Court to authorize the sale of the Kidiway Assets to the Purchaser free and clear of any security, charge or other restriction and as a going concern in accordance with the Offer, and to grant other conclusions accessory to such sale, the whole in accordance with the draft vesting order communicated herewith, together with a compare version to the Model Vesting Order, *en liasse* as **Exhibit P-4**.

B. THE DEBTOR AND ITS FINANCIAL DIFFICULTIES

6. Kidiway was established in 2011 by 9252-5112 Quebec Inc. (“**5112**”) and 9252-5104 Quebec Inc. (“**5104**”) and its registered office is in Montreal, Quebec.
7. 5112 and 5104 also own Bo-Bébé, which operates a retail store and an online store selling baby products.
8. Kidiway specializes in products for babies, including nursery furniture and mattresses, which it sells to retailers like Bo-Bébé, as well as to major retail chains such as Walmart, Costco, Best Buy and TJ Maxx.
9. Kidiway has approximately 8 employees.
10. In 2018, as a result of the high cost of raw materials, Kidiway made a decision to shift its business from manufacturing its own products, to importing such products from China.
11. The significant costs of this transformation of its business model, together with significant losses on largely obsolete raw materials, and the increase in the US exchange rate, resulted in significant losses for Kidiway.
12. After many discussions with its bank, National Bank of Canada (“**NBC**”), on the subject of the substantial losses experienced by the company, NBC issued a demand letter to Kidiway, and to Bo-Bébé, 5112 and 5104, on April 7, 2020.
13. In such demand letter, NBC alleged that Kidiway was in default of its obligations to the bank, *inter alia*, as a result of significant margin deficits and failure to meet required financial ratios.

14. On April 17, 2020, NBC issued another demand letter to Kidiway and related companies, together with a notice pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (the “**BIA**”).
15. While negotiations and discussions continued between NBC and Kidiway as to possible sales and liquidation scenarios for the company, on June 2, 2020, NBC issued a prior notice pursuant to the CCQ to sell the assets subject to its security by judicial authority.
16. On July 8, 2020, NBC entered into a forbearance agreement with Kidiway, Bo-Bébé and 5112 and 5104, wherein it, *inter alia*, gave such companies until October 31, 2020 to carry out a restructuring plan.
17. The restructuring plan developed by Kidiway, Bo-Bébé, 5112 and 5104, in consultation with the Trustee and their various lenders, foresaw, *inter alia*, the sale of the Kidiway Assets, the granting of additional security to certain creditors by related companies that had guaranteed Kidiway’s debts and for Bo-Bébé to continue as a going concern (the “**Restructuring Plan**”).

C. VALUE OF THE ASSETS AND THE OFFER

C-1. Value of the Kidiway Assets

18. Between the time of the issuance of the first demand letter and entering into the forbearance agreement, several analyses were prepared by consultants hired on behalf of NBC, as well as by the Trustee, which was originally engaged by Kidiway as a consultant.
19. As appears in the Trustee’s Report, these analyses determined that under no circumstances would the sale of the Kidiway Assets yield enough money to pay off the entire debt due by Kidiway to NBC.
20. However, the Kidiway Assets clearly have more value if they can be sold as a going concern, rather than in a liquidation, due to the decreased value of receivables and inventory in a liquidation, as well as the fact that the goodwill of the company has no value in a liquidation scenario.

C-2. Sale of the Assets as a Going Concern

21. In order to attempt to sell the Kidiway Assets as a going concern, Kidiway’s principals, with the approval of the Trustee and NBC, embarked on discussions with potential qualified purchasers with a view to maximizing the realization from a sale.
22. In order to sell the assets as a going concern, a specialized purchaser is required, since the purchaser must have experience dealing with major retailers and be capable of securing the supply chain required to produce baby products.

23. Time is of the essence since Kidiway does not have access to financing to run its operations as a going concern and to keep the operations afloat.
24. Kidiway's principal's discussions with four potential purchasers yielded one letter of intent and one offer, the Offer, from persons with whom Kidiway had dealt in the past, and who run businesses in the same sector as Kidiway.
25. The letter of intent concerned only the receivables and inventory, at an amount that was equivalent to the liquidation value estimated by the Trustee (the "LOI"). Although the LOI was seriously considered by Kidiway and NBC, the potential purchaser withdrew it.
26. The Offer, which Kidiway is now seeking authorization to accept in the present Motion, was ultimately made by the Purchaser and is the only viable offer on the table.

D. THE OFFER

27. As appears from the Offer, Exhibit P-1, it contemplates that the Purchaser will purchase the Kidiway Assets, which include, *inter alia*, the receivables resulting from the sale of merchandise, inventory, equipment and goodwill by Kidiway, and the Kidiway IP from Bo-Bébé, 5112 and 5104, free and clear of any security, charge or other restriction.
28. As also appears from the Offer, the Kidiway Assets exclude the cash on hand, Kidiway's rights, title and interest in certain leases, and all other accounts receivable, other than the receivables resulting from the sale of merchandise and credit insurance, including, without limitation, duty drawbacks and tax refunds.
29. Because of the additional inclusions in the Offer that were not foreseen in the LOI, including notably the goodwill of the company, the consideration provided for in the Offer is substantially higher than the consideration contemplated in the LOI.
30. Based on the analyses performed in respect of Kidiway's assets and the offers received, the Trustee is satisfied that the process leading up to the proposed sale was reasonable in the circumstances, that the consideration contemplated in the Offer is fair given the value of the assets, and that the proposed sale will be more beneficial to the creditors than a liquidation in bankruptcy.

D-1. The Purchaser

31. Neither Mr. Srour, nor the company to be incorporated as Purchaser, are related to Kidiway or any of its related companies.
32. Representatives of the Purchaser operate a business in the baby products sector and, as such, are qualified purchasers to continue Kidiway's business as a going concern.

D-2. Effect of the Proposed Sale on Creditors

33. Kidiway owes approximately \$4.34 million to its creditors, including:
- approximately \$1.612 million to its first-ranking secured lender, NBC, (the “NBC Indebtedness”);
 - approximately \$1.091 million to Investissement Quebec (“IQ”), which has second-ranking security on the Kidiway Assets; and
34. As appears from the *Registre des droits personnels et réels mobiliers* (the “RDPRM”), an extract of which is communicated herewith as **Exhibit P-5**, NBC and IQ hold the following conventional hypothecs without which cover the Kidiway Assets:

Deed	Number	Date	Secured Party
Hypothèque conventionnelle sans dépossession	12-0609000-0001	July 26, 2012	NBC
Hypothèque conventionnelle sans dépossession	14-0067483-0001	January 28, 2014	IQ
Hypothèque conventionnelle sans dépossession	16-0059206-0005	January 25, 2016	NBC

(the “Hypothecs”)

35. As also appears from the RDPRM, IQ has ceded its rank in respect of its hypothec to NBC.
36. NBC has consented to the proposed sale.
37. Since the NBC Indebtedness exceeds the consideration contemplated in the Offer, and NBC is the first-ranking secured creditor, NBC is the only creditor affected by the proposed sale.
38. Nevertheless, in addition to consulting with NBC, IQ was also advised of the Restructuring Plan, the Offer, the proposed sale, and that only NBC stands to recover any portion of the proceeds of disposition of the Kidiway Assets. IQ has not advised of any intention to contest the present Motion to approve the proposed sale.

39. Moreover, IQ has not opted to pay the NBC Indebtedness with subrogation, which it could do if it felt that the Kidiway Assets had a net realizable value in excess of the NBC Indebtedness.
40. Finally, the proposed sale will have no effect on any of Kidiway's other unsecured creditors, since the consideration to be received from the Offer is insufficient to satisfy even the prior-ranking claims of NBC and IQ, and any unsecured creditor would have no greater chance of recovery in a bankruptcy or liquidation scenario.

D-3. Reasonable and Fair Consideration for the Kidiway Assets

41. The Trustee is satisfied, based on the analyses of the assets conducted by itself and representatives acting for NBC, and based on the offers received, that the consideration to be received from the Offer represents the highest fair market value that can be achieved for the Kidiway Assets.
42. As appears in the Trustee's Report, the alternative to the Offer, being the liquidation of the Kidiway Assets in bankruptcy or receivership, is likely to generate far less recovery than the consideration to be received from the Offer.

D-4. Effect of the Proposed Sale on Employees

43. The proposed sale of the Kidiway Assets to the Purchaser as a going-concern will be the most beneficial outcome for certain of Kidiway's employees, some of whom will stay on with the Purchaser for at least 90 days during the transition of the business.
44. If NBC were to realize on its security, Kidiway would cease to carry on business, with the result that all of Kidiway's employees would lose their jobs immediately.

E. CONCLUSION

45. The sale of the Kidiway Assets to the Purchaser, free and clear of any security, charge or other restriction and as a going concern in accordance with the Offer, will preserve the goodwill and value associated therewith for the benefit of Kidiway's stakeholders, and result in the best possible realization for the Kidiway Assets.
46. Because of the ongoing losses being incurred by Kidiway, a going-concern sale of its business will only be possible if completed expeditiously.
47. For all of the reasons set out herein, it is in the interests of justice that the Court authorize the sale contemplated by the Offer, in accordance with the terms thereof, and the execution by the Debtor of all transaction documents contemplated therein.

FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

48. **GRANT** the present *Motion to Authorize a Sale of Assets and for the Issuance of an Approval and Vesting Order* (the "**Motion**");

49. **DECLARE** valid and sufficient the service of the Motion;
50. **ABRIDGE** the applicable delay for the presentation of the Motion, if necessary;
51. **ORDER** that the Report of the Trustee filed under seal as Exhibit P-3 remain under seal until further order of this Court;
52. **AUTHORIZE** the sale by Kidiway Inc. (“**Kidiway**” or the “**Debtor**”) to Mark Srour, without personal liability on behalf of a company to be incorporated (the “**Purchaser**”), of the “**Purchased Property**”, as defined in and provided for in the offer dated August 10, 2020 (Exhibit P-1, the “**Offer**”) and the execution by the Debtor of all transaction documents contemplated therein;
53. **ORDER** and **DECLARE** that the Order to be rendered shall constitute the only authorization required by the Debtor to proceed with the transaction contemplated in the Offer (the “**Transaction**”), and that no shareholder approval or other approval shall be required in connection therewith, except as contemplated in the Offer;
54. **ORDER** and **DECLARE** that upon the issuance of a Trustee’s certificate substantially in the form appended as Schedule "A" hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Property shall vest absolutely and exclusively in and with the Purchaser, and all of the Purchased Property will be completely free and clear of all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure of execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, contractual rights relating to the Purchased Property, pre-inscriptions or any other publications in favour of third parties relating to the Purchased Property or other claims or encumbrances, whether or not they have attached or have been perfected, registered, published or filed and whether secured, unsecured or otherwise, including, without limitation, any and all of the foregoing evidenced by any registrations, publications or filings pursuant to the *Civil Code of Quebec* or any other application legislation (collectively the “**Encumbrances**”).
55. **ORDER** that all of the Encumbrances affecting or relating to the Purchased Property, be cancelled and discharged as against the Purchased Property, in each case effective as of the applicable time and date of the Certificate;
56. **DECLARE** that upon issuance of the Certificate, (i) the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the *Code of Civil Procedure* and a forced sale as per the provisions of the *Civil Code of Quebec*, and (ii) other than the “Assumption” (as defined in the Purchase Agreement) Purchaser will not, under any circumstances whatsoever, assume or be liable for any debts, liabilities or obligations of the Debtor;

57. **ORDER** and **DIRECT** the Trustee to file with the Court a copy of the Certificate, forthwith after issuance thereof;
58. **ORDER** 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 cancel any registration relating to the Purchased Property, including, without limitation, the following registrations in connection with the Purchased Property in order to allow the transfer to the Purchaser of the Purchased Property free and clear of such registrations:

Deed	Number	Date	Secured Party
Hypothèque conventionnelle sans dépossession	12-0609000-0001	July 26, 2012	Banque Nationale du Canada
Hypothèque conventionnelle sans dépossession	14-0067483-0001	January 28, 2014	Investissement Québec
Hypothèque conventionnelle sans dépossession	16-0059206-0005	January 25, 2016	Banque Nationale du Canada

59. **ORDER** that the net proceeds from the sale of the Debtor’s Purchased Property (the “**Net Proceeds**”) shall be remitted to the Trustee and shall be distributed in accordance with applicable legislation.
60. **ORDER** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Property shall stand in the place and stead of the Purchased Property, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by the Purchaser, all Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Property immediately prior to the sale, as if the Purchased Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
61. **ORDER** and **DECLARE** that, notwithstanding:
- (a) the pendency of these proceedings;
 - (b) any petition for a receiving order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition; or
 - (c) the provisions of any federal or provincial legislation;

- the vesting of the Purchased Property contemplated herein, as well as the execution of the Purchase Agreement pursuant to the Order to be rendered, shall be binding on any trustee in bankruptcy 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 Debtor, the Purchaser or the Trustee;
62. **DECLARE** that, subject to other orders of the Court, nothing in the Order to be rendered shall require the Trustee to occupy or to take control, or to otherwise manage all or any part of the Purchased Property. The Trustee shall not, as a result of the Order to be rendered, be deemed to be in possession of any of the Purchased Property within the meaning of environmental legislation, the whole pursuant to the terms of the BIA;
 63. **DECLARE** that no action lies against the Trustee by reason of the Order to be rendered or the performance of any act authorized by the Order to be rendered, except by leave of the Court and that the entities related to the Trustee shall benefit from the protection arising under the present paragraph;
 64. **ORDER** that the Purchaser or the Debtor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
 65. **ORDER** that the Purchase Agreement be kept confidential and under seal until further order of the Court.
 66. **DECLARE** that the Order to be rendered shall have full force and effect in all provinces and territories in Canada;
 67. **DECLARE** that the Trustee shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the Trustee shall be the foreign representative of the Debtor and that all courts and administrative bodies of all such jurisdictions be respectfully requested to make such orders and to provide such assistance to the Trustee as may be deemed necessary or appropriate for that purpose;
 68. **REQUEST** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order to be rendered;
 69. **ORDER** the provisional execution of the Order to be rendered notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

70. **THE WHOLE** without costs, except if contested.

Montreal, August 18, 2020

Fishman Flanz Meland Paquin LLP

FISHMAN FLANZ MELAND PAQUIN LLP
Attorneys for the Debtor/Petitioner

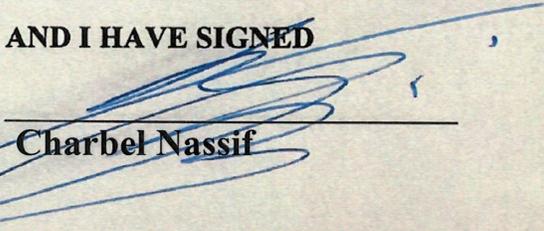
AFFIDAVIT

I, the undersigned Charbel Nassif, duly appointed representative of Kidiway Inc., residing and domiciled for the purposes hereof at 2205 boulevard Industriel, Laval, Quebec, do solemnly declare the following:

I, the undersigned Charbel Nassif, duly appointed representative of Kidiway Inc., residing and domiciled for the purposes hereof at 2205 boulevard Industriel, Laval, Quebec, do solemnly declare the following:

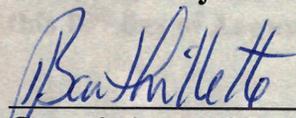
1. I am a director of Kidiway Inc.;
2. All of the facts alleged in the *Motion to Authorize a Sale of Assets and for the Issuance of an Approval and Vesting Order* are true.

AND I HAVE SIGNED



Charbel Nassif

Solemnly declared before me at Montreal
on this 18th day of August, 2020.



Commissioner of Oaths for Quebec



CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N°: 500-11-058617-206

SUPERIOR COURT
(Commercial Division)

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

KIDIWAY INC.

Debtor/Petitioner

and

MNP LTD.

Trustee

and

**REGISTER OF PERSONAL AND
MOVABLE REAL RIGHTS**

Mise-en-cause

NOTICE OF PRESENTATION

<p>TO:</p>	<p>Me Tiziana Di Donato tdidonato@morencyavocats.com</p> <p>Me Stephanie Poitras spoitras@morencyavocats.com</p> <p>Morency Société d'avocats s.e.n.c.r.l. 500, Place d'Armes, 25^e étage, Montréal QC H2Y 2W2</p> <p>Counsel for National Bank of Canada</p>	<p>Mr. Eric Pelletier Eric.Pelletier@invest-quebec.com</p> <p>Investissement Québec 413, rue Saint-Jacques, bureau 500 Montréal (Québec) H2Y 1N9</p> <p>Investissement Québec</p>
	<p>Canada Revenue Agency Department of Justice Canada NotificationPGC- AGC.civil@justice.gc.ca</p> <p>200 René-Lévesque West 9th floor Montreal, Quebec, H2Z 1X4</p> <p>Canada Revenue Agency</p>	<p>Revenue Québec notif-quebec@revenuquebec.ca</p> <p>Revenue Québec 3800 Rue de Marly Secteur 528 Québec, Québec, G1X 4A5</p> <p>Revenue Quebec</p>

	<p>RDPRM services@rdprm.gouv.qc.ca</p> <p>Registre des droits personnels et réels mobiliers Direction générale des registres et de la certification Ministère de la Justice 1, rue Notre-Dame Est, bureau 7.07 Montréal, Québec H2Y 1B6</p> <p>Registre des droits personnels et réels mobiliers</p>	<p>Me Gerald F. Kandestin gkandestin@kklex.com</p> <p>Kugler Kandestin S.E.N.C.R.L. / LLP 1, Place Ville-Marie, Suite 1170 Montréal, QC H3B 2A7 Canada</p> <p>Counsel for the Purchaser</p>
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You are hereby advised that the attached *Motion to Authorize Sale of Assets and for an Approval and Vesting Order* will be presented for adjudication before the Bankruptcy Registrar, or one of the Judges, of the Superior Court of Quebec (Commercial Division) on **August 21 at 8:45 am in room 16.10** of the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, Quebec, H2Y 1B6. Petitioner discloses the following exhibits in support of its Motion:

Exhibit P-1.	Offer dated August 10, 2020, under seal
Exhibit P-2.	Motion in Court file number 500-11-058534-203
Exhibit P-3.	Trustee's report, with Appendices B and C under seal
Exhibit P-4.	Draft Approval and Vesting Order, and Compare to Model Order
Exhibit P-5.	Extract of the RDPRM

Do govern yourselves accordingly.

Montreal, August 18, 2020

Fishman Flanz Meland Paquin LLP

FISHMAN FLANZ MELAND PAQUIN LLP
Attorneys for the Debtor/Petitioner

**SUPERIOR COURT
District de Montréal
(Commercial Division)**

**In the matter of the Notice of Intention to Make a
Proposal of:**

KIDIWAY INC. **Debtor/Petitioner**

and

MNP LTD. **Trustee**

and

**REGISTER OF PERSONAL AND MOVABLE
REAL RIGHTS** **Mise-en-cause**

**MOTION TO AUTHORIZE A SALE OF ASSETS
AND FOR THE ISSUANCE OF AN APPROVAL
AND VESTING ORDER**
(Section 65.13 of the *Bankruptcy and Insolvency Act*)

ORIGINAL

File: KIDIWA-1
Nature:

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CODE: BM-0309

500-11-058617-206 - In the matter of the Notice of Intention to Make a Proposal of Kidiway Inc. And MNP Ltd. et al.

1 message

Helene Bouthillette <hbouthillette@ffmp.ca>

Tue, Aug 18, 2020 at 1:58 PM

To: tdidonato@morencyavocats.com, Stéphanie Poitras <spoitras@morencyavocats.com>, Eric.pelletier@invest-quebec.com, NotificationPGC-AGC.civil@justice.gc.ca, Notif-quebec@revenuquebec.ca, services@rdprm.gouv.qc.ca, gkandestin@kklex.com

Cc: Tina Silverstein <tsilverstein@ffmp.ca>

**Fishman Flanz Meland
Paquin LLP****BORDEREAU D'ENVOI (ART. 134 C.P.C.)/TRANSMISSION SHEET (ART. 134 C.C.P)
(NOTIFICATION PAR COURRIER ÉLECTRONIQUE)/(NOTIFICATION BY ELECTRONIC MAIL)****DATE, HEURE ET MINUTES DE L'ENVOI/DATE AND TIME OF TRANSMISSION:**

Montréal, August 18, 2020

Heure/Time : voir entête du courriel/see email header

EXPÉDITEUR/SENDER:

Nom/Name : M^c Tina Silverstein
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Téléphone/Telephone : (514) 932-4100
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Notre référence/ KIDIWA-1
Our reference :

DESTINATAIRES/RECIPIENTS:

Nom/Name : M^c Tiziana Di Donato / Me Stéphanie Poitras
Étude/Firm: Morency Société d'avocats s.e.n.c.r.l.
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Étude/Firm: Canada Revenue Agency Department of Justice Canada
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Courriel/Email : NotificationPGC-AGC.civil@justice.gc.ca
Votre référence/
Your reference :

DESTINATAIRES/RECIPIENTS:

Nom/Name :
Étude/Firm: Revenu Québec
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Votre référence/
Your reference :

DESTINATAIRES/RECIPIENTS:

Nom/Name :
Étude/Firm: Registre des droits personnels et réels mobiliers
Adresse/Address : 1 Notre-Dame Street East, Suite 7.07, Montreal QC H2Y 1B6
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Courriel/Email : services@rdprm.gouv.qc.ca
**Votre référence/
Your reference :**

DESTINATAIRES/RECIPIENTS:

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**Votre référence/
Your reference :**

IDENTIFICATION DU DOSSIER ET NATURE DU DOCUMENT TRANSMIS/**IDENTIFICATION OF FILE AND NATURE OF DOCUMENT BEING TRANSMITTED:**

Numéro de dossier/ 500-11-058617-206
File Number:
Parties: In the matter of the Notice of Intention to Make a Proposal of Kidiway Inc.
And MNP Ltd. et al.
Nature du document/ Motion to Authorize a Sale of Assets and for the Issuance of an Approval and Vesting Order
Nature of document: (Section 65.13 of the *Bankruptcy and Insolvency Act*)

IDENTIFICATION DU FICHIER TRANSMIS/**IDENTIFICATION OF DOCUMENT BEING TRANSMITTED :**

Nom du fichier/ 2020-08-18- Kidiway Motion to Approve the Sale of Assets
Name of document:
Format du document/ PDF
Format of document:
Nombre de pages/ 14
Number of Pages :

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 **2020-08-18- Kidiway Motion to Approve the Sale of Assets.pdf**
2464K

P-1 : Offer to purchase dated August 10, 2020
Under Seal

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

N°: 500-11-058534-203

3717291 CANADA INC.

Debtor/Petitioner

and

MNP LTD.

Trustee

and

**REGISTER OF PERSONAL AND
MOVABLE REAL RIGHTS**

Mise-en-cause

**MOTION TO EXTEND THE DELAY TO FILE A PROPOSAL AND TO
AUTHORIZE THE SALE OF AN ASSET**
(50.4 (9) and 65.13 of the *Bankruptcy and Insolvency Act* on the BIA)

IN SUPPORT OF THE PRESENT MOTION, DEBTOR/PETITIONER STATES:

A. INTRODUCTION

1. By way of the present Motion, 3717291 Canada Inc. (“**Bo-Bébé**” or the “**Debtor**”) is asking this honourable Court to:
 - a. Extend its time period to file a proposal, which is set to expire on August 21, 2020, until October 5, 2020; and
 - b. Authorize it to sell an asset, namely a trademark, outside of the normal course of business.
2. As appears from the Trustee’s report (the “**Report**”), filed in support of this Motion as **Exhibit P-1**, the Trustee supports both requests being made herein.

B. THE DEBTOR AND ITS INSOLVENCY

3. Bo-Bébé was established in 1995. Its current shareholders are 9252-5112 Quebec Inc. (“**5112**”) and 9252-5104 Quebec Inc. (“**5104**”) and its registered office is in Montreal, Quebec.
4. Bo-Bébé presently operates a retail store in Laval and an online store selling baby products.
5. Although it had expanded its operations significantly between 2009 and 2014, by increasing the size of its original Montreal store, opening two additional stores, in Laval and Saint-Hubert, and launching an online store, increased competition from online retailers, notably Amazon, resulted in lower sales for the company, and a need for the company to scale back on some of its fixed costs.
6. At the end of 2019, Bo-Bébé closed its Montreal store.
7. In early 2020, Bo-Bébé, like many retailers, struggled significantly as a result of the COVID-19 pandemic, and after the two-month government closures of retail establishments, it made the decision not to reopen its St-Hubert store.
8. Increased indebtedness due to these store closures, decreased sales due to competition, and the financial difficulties of a related company, Kidiway Inc., resulted in significant increased pressure from its lender, National Bank of Canada (“**NBC**”), and led Bo-Bébé to file a Notice of Intention to make a proposal on July 22, 2020 (the “**NOI**”).
9. Shortly before filing the NOI, on July 8, 2020, Bo-Bébé, together with Kidiway, 5112 and 5104 (collectively, the “**Companies**”) entered into a forbearance agreement with NBC (the “**Forbearance Agreement**”), wherein NBC, *inter alia*, gave the Companies until October 31, 2020 to carry out a restructuring plan.
10. The restructuring plan developed by the Companies, in consultation with the Trustee and certain key creditors, including NBC, foresaw the sale of the Kidiway’s assets in a liquidation, the granting of additional security to certain creditors that had guaranteed Kidiway’s debts, and ultimately, for Bo-Bébé to continue as a going concern.
11. Indeed, with a refocused business in one solid retail location, and one online store, Bo-Bébé expects to imminently be in a position to make a proposal to its creditors and continue its business as a going concern.

C. REQUEST FOR AN EXTENSION OF THE DELAY TO FILE A PROPOSAL

12. Bo-Bébé has acted, and is acting, in good faith, and with diligence. It has been discussing with its creditors, working on implementing its restructuring plan, and assisting in the sale of Kidiway’s assets, the whole as is described more fully below.
13. Bo-Bébé will likely be in a position to make a viable proposal, if the requested delay is granted.

14. No creditor would be materially prejudiced if the extension being applied for were to be granted.
15. As appears from the Trustee's Report, the Trustee supports the request for an extension of the delay to file an NOI.

D. AUTHORIZATION TO SELL AN ASSET OUTSIDE OF THE NORMAL COURSE OF BUSINESS

16. As mentioned, part of the restructuring plan envisaged by Bo-Bébé, together with its shareholders, Kidiway, and the Trustee, includes the sale of Kidiway's assets.
17. While such plan was originally to sell the Kidiway assets in a liquidation, the Companies received an offer to purchase such assets as a going concern, in accordance with an offer to purchase dated August 10, 2020 (the "**Offer**"), a copy of which is communicated herewith under seal as **Exhibit P-2**.
18. The circumstances surrounding the process by which the Offer was obtained are more fully described in the *Motion to Authorize a Sale of Assets and for the Issuance of an Approval and Vesting Order* made by Kidiway in Court file number 500-11-058617-206, a copy of which is communicated herewith as **Exhibit P-3**, and which will be presented concurrently with the present Motion.
19. In the Offer, Mark Srour, acting without personal responsibility on behalf of a company to be incorporated (the "**Purchaser**"), seeks to purchase substantially all of Kidiway's assets, with the exception of certain excluded property (the "**Kidiway Assets**"), as well as all intellectual property owned by Bo-Bébé, 5112 and 5104, that in any manner whatsoever related to Kidiway's business and were used by Kidiway.
20. In particular, the Offer requires that Bo-Bébé sell to it:

*The trademark "Kidiway" owned by 3717291 (the "**Kidiway Trademark**") as well as all other intellectual property in its broadest sense owned by 3717291 or in which 3717291 has any right, title or interest (to the extent of such rights, title or interest) as at the date of this Offer (including without limitation, all other trademarks and all patents and patents pending) which in any manner whatsoever relate to Kidiway's business or were used by Kidiway (the "**3717291 IP**");*

(the "**3717291 IP**")

21. As appears from the Trustee's Report, the sale of the 3717291 IP is an essential component to the sale of the Kidiway Assets, and such transaction is conditional upon the Purchaser also acquiring the 3717291 IP.
22. Bo-Bébé does not use the 3717291 IP in the conduct of its business, and same does not have any value to it once Kidiway is no longer being operated by its shareholders.

23. The consideration to be received by Bo-Bébé for the 3717291 IP is reasonable, and will contribute to Bo-Bébé's ability to make a proposal for the benefit of its creditors.
24. The Purchaser is not related to Bo-Bébé or any of its related companies.
25. Consequently, the Trustee has recommended that the Offer be approved and the sale of the 3717291 IP authorized and Bo-Bébé asks this Court to authorize the sale of the 3717291 IP to the Purchaser, free and clear of any security charges or other restrictions, including, without limitation, those registered at the Quebec Personal and Movable Real Rights Registrar (the "RDPRM") and appearing in the extract of the RDPRM communicated herewith as **Exhibit P-4**, and to grant other conclusions accessory to such sale, the whole in accordance with a draft Vesting Order communicated herewith as **Exhibit P-5**.

FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

26. **GRANT** the present Motion to Extend the Delay to File a Proposal and to Authorize the Sale of an Asset (the "**Motion**");
27. **DECLARE** valid and sufficient the service of the Motion;
28. **ABRIDGE** the applicable delay for the presentation of the Motion, if necessary;
29. **EXTEND** the delay for the Debtor to file a proposal until October 5, 2020;
30. **AUTHORIZE** the sale by 3717291 Canada Inc. ("**3717291**" or the "**Debtor**") to Mark Srour, without personal liability on behalf of a company to be incorporated (the "**Purchaser**"), of the "**3717291 IP**", as defined in and provided for in the offer dated August 10, 2020 (Exhibit P-2 the "**Offer**") and the execution by the Debtor of all transaction documents contemplated therein;
31. **ORDER** and **DECLARE** that the Order to be rendered shall constitute the only authorization required by the Debtor to proceed with the transaction contemplated in the Offer (the "**Transaction**"), and that no shareholder approval or other approval shall be required in connection therewith, except as contemplated in the Offer;
32. **ORDER** and **DECLARE** that upon the issuance of a Trustee's certificate substantially in the form appended as Schedule "A" hereto (the "**Certificate**"), all rights, title and interest in and to the 3717291 IP shall vest absolutely and exclusively in and with the Purchaser, and all of the 3717291 IP will be completely free and clear of all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure of execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, contractual rights relating to the 3717291 IP, pre-inscriptions or any other publications in favour of third parties relating to the 3717291 IP or other claims or encumbrances, whether or not they have attached or have been perfected, registered, published or filed and whether secured, unsecured or otherwise, including, without limitation, any and all of the foregoing

evidenced by any registrations, publications or filings pursuant to the *Civil Code of Quebec* or any other application legislation (collectively the “**Encumbrances**”);

33. **ORDER** that all of the Encumbrances affecting or relating to the 3717291 IP, be cancelled and discharged as against the 3717291 IP, in each case effective as of the applicable time and date of the Certificate;
34. **DECLARE** that upon issuance of the Certificate, (i) the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the *Code of Civil Procedure* and a forced sale as per the provisions of the *Civil Code of Quebec*, and (ii) other than the “Assumption” (as defined in the Purchase Agreement) Purchaser will not, under any circumstances whatsoever, assume or be liable for any debts, liabilities or obligations of the Debtor;
35. **ORDER** and **DIRECT** the Trustee to file with the Court a copy of the Certificate, forthwith after issuance thereof;
36. **ORDER** 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 cancel the following registrations in connection with the 3717291 IP in order to allow the transfer to the Purchaser of the 3717291 IP free and clear of such registrations:

Deed	Number	Date	Secured Party
Hypothèque conventionnelle sans dépossession	12-0283496-0001	April 17, 2012	Banque Nationale du Canada
Hypothèque conventionnelle sans dépossession	13-0418977-0003	May 21, 2013	Banque Nationale du Canada
Hypothèque conventionnelle sans dépossession	14-0067483-0001	January 28, 2014	Investissement Québec

37. **ORDER** that the net proceeds from the sale of the 3717291 IP (the “**Net Proceeds**”) shall be remitted to the Trustee and shall be distributed in accordance with applicable legislation.
38. **ORDER** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the 3717291 IP shall stand in the place and stead of the 3717291 IP, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by the Purchaser, all Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the 3717291 IP immediately prior to the sale, as if the 3717291 IP had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

39. **ORDER and DECLARE** that, notwithstanding:
- (a) the pendency of these proceedings;
 - (b) any petition for a receiving order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition; or
 - (c) the provisions of any federal or provincial legislation;

the vesting of the 3717291 IP contemplated herein, as well as the execution of the Purchase Agreement pursuant to the Order to be rendered, shall be binding on any trustee in bankruptcy 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 Debtor, the Purchaser or the Trustee;

40. **DECLARE** that, subject to other orders of the Court, nothing in the Order to be rendered shall require the Trustee to occupy or to take control, or to otherwise manage all or any part of the 3717291 IP. The Trustee shall not, as a result of the Order to be rendered, be deemed to be in possession of any of the 3717291 IP within the meaning of environmental legislation, the whole pursuant to the terms of the BIA;
41. **DECLARE** that no action lies against the Trustee by reason of the Order to be rendered or the performance of any act authorized by the Order to be rendered, except by leave of the Court and that the entities related to the Trustee shall benefit from the protection arising under the present paragraph;
42. **ORDER** that the Purchaser or the Debtor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
43. **ORDER** that the Purchase Agreement be kept confidential and under seal until further order of the Court.
44. **DECLARE** that the Order to be rendered shall have full force and effect in all provinces and territories in Canada;
45. **DECLARE** that the Trustee shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the Trustee shall be the foreign representative of the Debtor and that all courts and administrative bodies of all such jurisdictions be respectfully requested to make such orders and to provide such assistance to the Trustee as may be deemed necessary or appropriate for that purpose;
46. **REQUEST** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or

administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order to be rendered;

47. **ORDER** the provisional execution of the Order to be rendered notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;
48. **THE WHOLE** without costs, except if contested.

Montreal, August 18, 2020

Fishman Flanz Meland Paquin LLP

FISHMAN FLANZ MELAND PAQUIN LLP
Attorneys for the Debtor/Petitioner

AFFIDAVIT

I, the undersigned Charbel Nassif, duly appointed representative of 3717291 Canada Inc., residing and domiciled for the purposes hereof at 2205 boulevard Industriel, Laval, Quebec, solemnly declare the following:

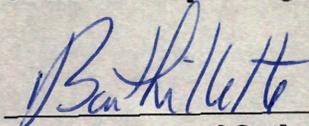
1. I am a director of 3717291 Canada Inc.;
2. All of the facts alleged in the *Motion to Extend the Delay to File a Proposal and to Authorize the Sale of an Asset* are true.

AND I HAVE SIGNED



Charbel Nassif

Solemnly declared before me at Montreal
on this 18th day of August, 2020.



Commissioner of Oaths for Quebec



CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

N°: 500-11-058534-203

3717291 CANADA INC.

Debtor/Petitioner

and

MNP LTD.

Trustee

and

**REGISTER OF PERSONAL AND
MOVABLE REAL RIGHTS**

Mise-en-cause

NOTICE OF PRESENTATION

TO:	<p>Me Tiziana Di Donato tdidonato@morencyavocats.com</p> <p>Me Stephanie Poitras spoitras@morencyavocats.com</p> <p>Morency Société d'avocats s.e.n.c.r.l. 500, Place d'Armes, 25^e étage, Montréal QC H2Y 2W2</p> <p>Counsel for National Bank of Canada</p>	<p>Mr. Eric Pelletier Eric.Pelletier@invest-quebec.com</p> <p>Investissement Québec 413, rue Saint-Jacques, bureau 500 Montréal (Québec) H2Y 1N9</p> <p>Investissement Québec</p>
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	<p>Canada Revenue Agency Department of Justice Canada NotificationPGC-AGC.civil@justice.gc.ca</p> <p>200 René-Lévesque West 9th floor Montreal, Quebec, H2Z 1X4</p> <p>Canada Revenue Agency</p>	<p>Revenu Québec notif-quebec@revenuquebec.ca</p> <p>Revenu Québec 3800 Rue de Marly Secteur 528 Québec, Québec, G1X 4A5</p> <p>Revenu Quebec</p>
	<p>RDPRM services@rdprm.gouv.qc.ca</p> <p>Registre des droits personnels et réels mobiliers Direction générale des registres et de la certification Ministère de la Justice 1, rue Notre-Dame Est, bureau 7.07 Montréal, Québec H2Y 1B6</p> <p>Registre des droits personnels et réels mobiliers</p>	<p>Me Gerald F. Kandestin gkandestin@kklex.com</p> <p>Kugler Kandestin S.E.N.C.R.L. / LLP 1, Place Ville-Marie, Suite 1170 Montréal, QC H3B 2A7 Canada</p> <p>Counsel for the Purchaser</p>

You are hereby advised that the attached *Motion to Extend the Delay to File a Proposal and to Authorize the Sale of an Asset* will be presented for adjudication before the Bankruptcy Registrar, or one of the Judges, of the Superior Court of Quebec (Commercial Division) on **August 21 at 8:45 am in room 16.10** of the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, Quebec, H2Y 1B6. Petitioner discloses the following exhibits in support of its Motion:

Exhibit P-1.	Trustee's Report
Exhibit P-2.	Offer dated August 10, 2020, under seal
Exhibit P-3.	Motion in Court file number 500-11-058617-206
Exhibit P-4.	RDPRM Extract
Exhibit P-5.	Draft Approval and Vesting Order, with Compare to Model Order

Do govern yourselves accordingly.

Montreal, August 18, 2020

Fishman Flanz Meland Paquin LLP

FISHMAN FLANZ MELAND PAQUIN LLP
Attorneys for the Debtor/Petitioner

SUPERIOR COURT District de Montréal (Commercial Division)	
In the matter of the Notice of Intention to Make a Proposal of: 3717291 CANADA INC. and MNP LTD. and REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS	Debtor/Petitioner Trustee Mise-en-cause
MOTION TO EXTEND THE DELAY TO FILE A PROPOSAL AND TO AUTHORIZE THE SALE OF AN ASSET (Sections 50.4(9) and 65.13 of the <i>Bankruptcy and Insolvency Act</i>)	
ORIGINAL	
File: KIDIWA-1 Nature:	
Me Tina Silverstein tsilverstein@ffmp.ca / notifications@ffmp.ca FISHMAN FLANZ MELAND PAQUIN LLP 1250 René-Lévesque Blvd. West, Suite 4100 Montréal, Québec H3B 4W8 Tel: 514 / 932-4100	

CODE: BM-0309

CANADA
 PROVINCE OF QUEBEC
 DISTRICT OF MONTREAL

SUPERIOR COURT
 (Commercial Division)

DIVISION NO. 01-Montréal
 COURT NO. 500-11-058617-206
 ESTATE NO. 41-2664159

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

KIDIWAY INC.

DEBTOR

- and -

MNP LTD.

TRUSTEE

TRUSTEE'S REPORT ON DISPOSAL OF ASSETS
 (Section 65.13 of the *Bankruptcy and Insolvency Act*)

MNP Ltd. (“**MNP**” or the “**Trustee**”), in its capacity as Trustee to the Notice of Intention to make a Proposal of Kidiway Inc. (“**Kidiway**”, the “**Debtor**” or the “**Company**”), hereby reports to the Court on a Motion for the issuance of an order to approve the sale by the Debtor outside of the ordinary course of business to Mark Srour (the “**Purchaser**”) of all of its rights, title and interest in substantially all its assets as described below in **Section 4** (the “**Purchased Assets**”) and to grant the Purchased Assets to the Purchaser free and clear of all liens, hypothecs and charges (the “**Transaction**”). In accordance with Section 65.13 of the *Bankruptcy and Insolvency Act* (“**BIA**”), the Trustee must submit a report to the Court concerning the Transaction. The Trustee will evaluate the reasonableness of the process leading to the Transaction and state his opinion on whether it is more beneficial to the creditors than a disposition under a bankruptcy.

The Trustee did not conduct an audit of the books and accounting records of the Company, however, the Trustee obtained the information contained in this report from the books and accounting records available and from discussions with the management of the Company.

1. INTRODUCTION

On August 12, 2020, the Company filed a notice of intention to make a proposal (the “**NOI**”) in accordance with Section 50.4 (1) of the BIA and MNP was appointed Trustee. A copy of the NOI was filed with the Official Receiver in the locality of the Debtor. An official copy is presented in **Appendix A**.

Within ten days of the filing of the NOI, the Company will file with the Official Receiver a projected cash-flow statement for the period from August 10th, 2020 to September 25, 2020 containing prescribed representations regarding the preparation of the cash-flow statement and the Trustee filed a report on the reasonableness of the cash-flow statement.

2. HISTORICAL INFORMATION AND CAUSES OF FINANCIAL DIFFICULTIES

The Company was founded in 2011 by 9252-5112 Quebec Inc. and 9252-5104 Quebec Inc. as a manufacturing entity specializing in products for babies, including nursery furniture and mattresses, which it sells to major retail chains such as Walmart, Costco, Best Buy and TJ Maxx. The Company currently employs approximately 8 people.

In 2018, as a result of the high cost of raw materials, Kidiway made a decision to shift its business from manufacturing, to importing said products from China. There were significant costs to the business model due to this transformation. According to the Company's financial statements, Kidiway suffered losses of \$1.3M during its 2019 fiscal year due to largely obsolete unused raw materials, the increase in the US exchange rate and increasing competition on margins due to large international ecommerce websites.

After many months of discussions with their primary banker, National Bank of Canada ("**NBC**"), on or around, April 17, 2020, the NBC issued a second demand letter together with a notice pursuant to s 244 of the BIA. The Company has contacted several parties in an attempt to raise capital and restructure its financial affairs. No party has manifested a willingness to inject additional capital in the Debtor's business, given its current state of leverage and poor cash flow from COVID related closures and reduced margins due to pressure from ecommerce discounters. As a result, the Debtor was no longer able to meet its financial obligations and filed a NOI pursuant to the BIA.

3. LIABILITIES

The creditors declared by the Company are as follows:

- **Secured creditors –**

NBC – 1st ranking hypothec on universality on moveable assets	\$ 1,612,900
IQ – 2nd ranking hypothec on universality of moveable assets	\$ 1,091,000
- **Unsecured creditors -** \$ 1,644,262

4. DIVESTITURE

Over the last year, the Company has had discussions with 4 strategic buyers in order to obtain either a strategic partner or ultimately sell the assets of Kidiway. These discussions resulted in two offers. The first offer was only for the assets (inventory and accounts receivables) and was eventually withdrawn, and the second offer, from the Purchaser, is subject to the Motion.

On August 10, 2020, the Company received an offer from the Purchaser to acquire substantially all of the Company's assets, on a going concern basis (the "Offer"). A copy of the offer is presented in **Appendix B (under seal)**. The Offer is summarized below:

- The purchased assets consist of substantially all rights, title, interest in all the assets owned by the Debtor (the "Property") with the exception of certain excluded property, as well as all intellectual properties ("IP") owned by Bo-Bébé and two other related companies. The IP relates to Kidiway's business;
- The purchase price for the assets is more than what the Trustee could potentially obtain in a liquidation scenario, as demonstrated in **Appendix C (under seal)**. The offer is subject to adjustments on closing of the transaction;
- The contemplated sale will be made on an "as is, where is" basis without any warranties, expressed or implied, legal or convention;
- The contemplated sale is subject to the condition that the Quebec Superior Court issues an Order in accordance with the relevant provision of the BIA:
 - Authorizing and empowering the Company to conclude the sale contemplated by the proposed transaction and to convey the Property to the Purchaser in accordance with terms, conditions and provisions of the Offer.
 - Ordering that the Property shall be sold by the Company and purchased by the Purchaser free and clear of any and all hypothecs, prior claims, security interests, deemed trusts, charges, rights or other restrictions.
 - In respect of which provisional execution has been ordered notwithstanding appeal therefrom.
- The closing of the transaction shall occur within seven (7) days following the fulfillment of the above conditions.
- A deposit of \$100,000 is held by with the Trustee in Trust to be applied on closing as a reduction of the purchase price.

5. VALUATION OF THE PROPOSED TRANSACTION

The Trustee's evaluation of the Transaction hinges on two major considerations: the urgency of the situation and the probability of obtaining a better offer.

A) Urgency of the situation

- The Debtor is currently under creditor protection under the BIA and has limited time to restructure its operations;
- The Company's bankers have withdrawn their support and wish to implement an exit strategy. Further to the current forbearance agreement, which expires on October 31, 2020, the Company's available line of credit is being gradually reduced;
- The Debtor does not have the capacity to obtain additional financing required to provide working capital and complete its restructuring;
- The shareholders of the Company do not have the capacity to inject additional capital into the business;
- If the Company does not find working capital on a short-term basis, it will be forced to shut down operations and proceed with a liquidation of the business;
- Any additional market canvassing will require at least 4 to 6 weeks;

B) Probability of obtaining a better offer

- The Company has been searching for a strategic business or financial partner over the last year with very little success;
- The fact that the Company has filed for creditor protection has significantly hindered their ability to attract new capital. Unfavourable market conditions coupled with a lack of profitability has significantly reduced third party interest;
- Due to the nature of the business and the aforementioned factors, particularly the time constraints and the lack of cash-flow to finance the operation, additional market canvassing will likely not result in a better offer;

- The Purchaser is willing to pay a premium for the following reasons:
 - It is not easy to maintain relationships with big box customers who can only buy from approved vendors. The Purchaser, who is American, also does business with most of these customers in the US;
 - The Purchaser is already familiar with the supply chain from China and intends to maintain it;
 - This acquisition will provide the Purchaser an entry into the Canadian market.
- The secured creditors have been consulted and agree with the proposed Transaction.

Consequently, the Company has two viable options, i.e. sale of the business to the Purchaser or a bankruptcy and liquidation of the business.

MNP completed an analysis to compare the estimated financial impact of both options, which is attached as **Appendix C (under seal)**. Based on this analysis, which is before professional fees and realization costs, there would be a shortfall for the first ranking secured creditor (NBC) with both options. However, the realization would be significantly higher with the proposed Transaction.

As the first ranking secured creditor suffers a shortfall in both scenarios, the Transaction does not cause any prejudice to other creditors.

6. CONCLUSION AND RECOMMENDATION

The following factors were taken into consideration by the Trustee in evaluating the reasonableness of the process leading to the proposed sale and in evaluating the offer received from the Purchaser;

- The Purchaser is the only party to have submitted a binding offer to the Company. Furthermore, the offer yields a greater value than under a forced liquidation scenario;
- The Company has limited funds available to finance future operations and complete the restructuring. The Company's banker has withdrawn its support and the shareholders do not have the capacity to inject additional capital into the business;
- The primary secured creditors support the proposed transaction and restructuring plan;
- If the offer from the purchaser is not retained, the Company will be forced to shut down its operations and proceed with the liquidation of the business;

- The acceptance of the proposed Transaction would be a more beneficial outcome for certain of Kidiway's employees, some of whom will stay on with the Purchaser for at least 90 days during the transition of the business;
- The proposed Transaction with the Purchaser will provide the best realization possible in the circumstances.

Taking into consideration the foregoing, the Trustee is of the opinion that the proposed Transaction with the Purchaser is reasonable in the circumstances and recommends that the Court authorize the Transaction.

Dated at Montreal, this 18th day of August 2020.

MNP Ltd.,



Sheri L. Aberback, CIRP, LIT, CFE
Designated Trustee

APPENDIX A

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE QUÉBEC
No division : 01 - Montréal
No cour : 500-11-058617-206
No dossier : 41-2664158

**AVIS AUX CRÉANCIERS
DE L'INTENTION DE FAIRE UNE PROPOSITION**

**NOTICE TO CREDITORS
OF INTENTION TO MAKE A PROPOSAL**

Dans l'affaire de l'avis d'intention de faire une proposition
de :

In the Matter of the Notice of Intention to Make a Proposal
of:

KIDIWAY INC.

Une société légalement constituée ayant son siège social au
1255 rue Peel, bureau 1000, Montréal, QC
et ayant ses bureaux exécutifs au
2205 Boul. Industriel à Laval, QC

AVIS est donné de ce qui suit:

Take **NOTICE** that:

1. **Kidiway Inc.**, personne insolvable, conformément au paragraphe 50.4(1) de la *Loi sur la faillite et l'insolvabilité*, a signifié son intention de faire une proposition à ses créanciers le 12^e jour d'août 2020.

1. **Kidiway Inc.**, an insolvent entity, pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, filed a Notice of Intention to Make a Proposal to its creditors on the 12th day of August 2020.

2. Conformément à l'article 69 de la *Loi sur la faillite et l'insolvabilité*, les procédures engagées contre la société sont suspendues à compter de la date du dépôt du présent avis auprès du séquestre officiel de notre localité.

2. Pursuant to Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against the Company are stayed as of the date of filing this notice with the Official Receiver in our locality.

3. Est annexée au présent avis une liste portant le nom des créanciers connus ayant des réclamations d'une valeur de 250 \$ ou plus, ainsi que le montant des réclamations.

3. A list of the names of the known creditors with claims amounting to \$250 or more and the amounts of their claims is attached.

4. Lors du dépôt de la proposition envisagée, un **autre** avis sera envoyé aux créanciers comprenant :

4. Upon the filing of the contemplated Proposal, a **further** notice shall be mailed to you providing you with the following:

- a) une copie de la proposition;
- b) la date, lieu et heure de la tenue de l'assemblée des créanciers visant à considérer la proposition;
- c) un état succinct des avoirs et obligations de la débitrice;
- d) les documents prescrits suivants à être complétés:
 - preuve de réclamation;
 - procuration;
 - lettre de votation sur la proposition.

- a) A copy of the Proposal;
- b) The date, time and place of a meeting of creditors to be held to consider the Proposal;
- c) A condensed statement of the assets and liabilities of the Debtor;
- d) The following prescribed forms, to be completed:
 - Proof of Claim;
 - Proxy;
 - Voting Letter on the Proposal.

FAIT à Montréal, le 12^e jour d'août 2020.

DATED at Montreal, this 12th day of August 2020.

MNP LTÉE

Sheri L. Aberback, CIRP, LIT, CFE

District of: Quebec
 Division No. 01- Montréal
 Court No. 500-11
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Kidiway Inc.
 of the of Montréal, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Agence du revenu du Québec Direction régionale du recouvrement	Secteur R23CPF - 3ième étage 1600 Rene-Lévesque Ouest Montréal QC H3H 2V2	GST PST	20,708.00
Agence du revenu du Québec Direction régionale du recouvrement	Secteur R23CPF - 3ième étage 1600 Rene-Lévesque Ouest Montréal QC H3H 2V2		82,226.74
Argus Transport Canada	Argus Transport Canada Ville St-Laurent Qc H4S1T4		5,948.70
Banque de développement du Canada - Québec Eric Verville	Département des comptes spéciaux 5 Place Ville Marie, Niveau Plaza, Édifice BDC Montréal QC H3B 5E7		22,000.00
Banque Nationale du Canada - MasterCard a/s FCT Solutions de recouvrement Insolvency Department	PO Box 2514, Stn B London ON N6A 4G9		5,245.08
Banque Nationale du Canada Louis Latendresse	600 De la Gauchetière Ouest, 9ième étage Montréal QC H3B 4L2	Marge de credit	160,547.51
Banque Nationale Marge de credit USD Louis Latendresse	600 De la Gauchetière Ouest, 9ième étage Montréal QC H3B 4L2		1,452,352.68
Cascades Emballages	M9075C - Succ Centre Ville Montréal Qc H3C0C4		9,075.54
CommerceHub(USD)	POBOX 15291 Station A Toronto ON M5W1C1		822.40
Consolidated Fastfrate inc.	4415 fairway Lachine Qc H8T1B5		6,946.89
DCTEX Inc.(USD)	280 Marien Montréal Qc H1B4V3		18,720.45
Destination Logistics	6600 DecarieBlvd., Suite230 Montréal Qc H3X2K4		925.00
Employés			37,009.16

District of: Quebec
 Division No. 01- Montréal
 Court No. 500-11
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Kidiway Inc.
 of the of Montréal, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ÉNERGIR (formerly Gaz Métro) Linda Young	Gaz Métropolitain 1717 rue du Havre Montréal QC H2K 2X3		3,857.56
ENNIS FABRICS	6111 91St NW Edmonton AB T6E6V6		5,173.88
Equipments Johnston Raymond	5990 Avebury Road Mississauga ON L5R3R2		4,879.42
Euler Hermes Canada Sam Gullotti	1702 - 1155 René-Lévesque Blvd West Montréal QC H3B 3Z7		224,050.45
Federal Express Canada Ltd. - Revenue Recovery Department Lynn Tassone	5985 Explorer Drive Mississauga ON L4W 5K6		13,832.66
FEDEX TRADE NETWORKS(US)	PO BOX 842206 Boston MA 02284-2206		1,882.40
FedEx Trade Networks(USD)	Bank of America Box 916200 Toronto ON M5W0E9		37,765.00
Foamextra inc.	5375 Blv des Grandes Prairies St-Léonard Qc H1R1B1		21,522.08
Fonds de solidarité FTQ	CP 1000, Succ. Chabanel Montréal QC H2N 0B5	kidiway	745,717.80
FREIGHTCOM	77 Pillsworth Road, Unit 1 Bolton ON L7E4G4		705.31
Fybon Nonwovens Inc	270 de Louvain Ouest Montréal Qc H2N1B6		51,269.94
GLOBCO INTERNATIONAL	1660 Boul. Guillaume-Couture Montréal Qc G6W0R5		1,000.00
Grand&Toy	BOX/CP 5500 DON MILLS ON M3C3L5		1,022.58
Hydro-Québec Service de Recouvrement	3ème étage 140 boul Crémazie O Montréal QC H2P 1C3		1,866.52

District of: Quebec
 Division No. 01- Montréal
 Court No. 500-11
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Kidiway Inc.
 of the of Montréal, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Investissement Québec Direction des créances spéciales	500 - 413 rue Saint-Jacques Montréal QC H2Y 1N9		1,091,000.00
Kerry Logistics	1425 Transcanadienne, Suite150 Dorval Qc H9P2W9		8,800.00
Les Plastique Dura	110, rue Richer Montréal Qc H8R1R2		3,713.69
Lussier DaleParizeau Assurance	3400 Blv Maisonneuve O Montréal Qc H3Z0A5		27,591.02
MILANO SOFA(USD)	#88, West Fenghuang Road Taizhou, Jiangsu Qc China		14,208.00
NORTH X INTERNATIONAL	1975 HYMUS BOULEVARD, Suite 290 Dorval Qc H9P1J8		2,650.00
PitneyWorks	PO BOX 280 OrangeVille ON L9W2Z7		1,152.10
QINGDAO DREAMLAND SOFT	EUIPEMENT MANUFACTURE INDUSTRIAL ESTATE JIAOBEI DISTRICT JIAO ZHOU QINGDAO CITY CHINA		123,596.90
QINGDAO FENGTAI(USD)	137 WUXING ROAD QINGDAO CHINA		24,000.00
Receiver General For Canada	867320046RM0001 2555 Dollard Ave Suite 206 Lasalle QC H8N3A9		42,606.80
Richelieu	800 Rue Beriault Longueuil Qc J4G1R8		302.59
SLRR-Cabinet de Traduction	CP 88513 BP ETNA Québec Qc G3K0N4		2,514.00
Speedy Transport Group Inc	265 Rutherford Road South Brampton Qc L6W1V9		6,707.46
SUNWAY TEXTILE GROUPE(USD)	ROOM 912JINHUA MANSION BEIJING ROAD RIZHAO SHANDONG CHINA		262.12

District of: Quebec
 Division No. 01- Montréal
 Court No. 500-11
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Kidiway Inc.
 of the of Montréal, in the Province of Quebec

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Traffic Tech International	16711 Trans-Canada Highway Kirkland Qc H9H3L1		20,242.88
Transgraphique Imprimeur	4057 Lavoisier Boisbriand Qc J7H1N1		4,270.17
TRANSX	2595 Inkster Blvd. Winnipeg Qc R3C2E6		9,863.37
ULINE	3333 James Snow Parkway North Milton Qc L9T8L1		1,803.44
UPS(USD)	P.O. BOX 4900 STATION A Toronto ON M5W0A7		604.28
VIDEOTRON s.e.n.c	CP 11078 Succ Centre-ville Montréal Qc H3C5B8		867.49
Western Allaince Logistics	16766 Trans-Canada Hwy Suite 400 Kirkland QC H9H 4M7		2,502.70
ZIBO YIRUN IMP&EXP	2001 hongtai building No 31 shiji road, zhangdian zibo Shandong CHINA		20,768.40
Total			4,347,101.16


 Kidiway Inc.
 Insolvent Person

**APPENDIX B
UNDER SEAL**

**APPENDIX C
UNDER SEAL**

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No. 500-11-058617-206
DATE:

PRESIDING :

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

KIDIWAY INC.

Debtor

-and-

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

Mis-en-Cause

-and-

MNP LTD.

Trustee

APPROVAL AND VESTING ORDER

[1] **ON READING** the *Motion for the Issuance of an Approval and Vesting Order* (the "**Motion**") of Kidiway Inc. (the "**Debtor**" or "**Kidiway**"), the affidavit and the exhibits in support thereof, as well as the Report of the Trustee dated August 18, 2020 (the "**Report**");

[2] **SEEING** the service of the Motion;

- [3] **SEEING** the submissions of Debtor's attorneys;
- [4] **SEEING** that it is appropriate to issue an order approving the transaction(s) (the "**Transaction**") contemplated by the agreement dated August 10, 2020 entitled Offer to Purchase (the "**Purchase Agreement**") by and between, *inter alia*, the Debtor, as one of the vendors (the "**Vendor**"), and Mark Srour, acting without personal liability on behalf of a company to be incorporated, as purchaser (the "**Purchaser**"), copy of which was filed as Exhibit P-1 to this Motion under seal, and vesting in the Purchaser the assets described in the Purchase Agreement (the "**Purchased Assets**"), and which are more fully described in **Schedule "B"** to this Order.

WHEREFORE THE COURT:

- [5] **GRANTS** the Motion;

SERVICE

- [6] **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 further service thereof.
- [7] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

- [8] **ORDERS** and **DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendor 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.

EXECUTION OF DOCUMENTATION

- [9] **AUTHORIZES** the Vendor 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 the Purchase Agreement (Exhibit P-1) and any other ancillary document which could be required or useful to give full and complete effect thereto.

AUTHORIZATION

- [10] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Vendor to proceed with the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF PURCHASED ASSETS

- [11] **ORDERS** and **DECLARES** that upon the issuance of a Trustee's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, and all of the Purchased Assets will be completely free and clear of all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure of execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, contractual rights relating to the Purchased Assets, pre-inscriptions or any other publications in favour of third parties relating to the Purchased Assets or other claims or encumbrances, whether or not they have attached or have been perfected, registered, published or filed and whether secured, unsecured or otherwise, including, without limitation, any and all of the foregoing evidenced by any registrations, publications or filings pursuant to the *Civil Code of Quebec* or any other application legislation (collectively the "**Encumbrances**").
- [12] **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.
- [13] **DECLARES** that upon issuance of the Certificate, (i) the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the *Code of Civil Procedure* and a forced sale as per the provisions of the *Civil Code of Quebec*, and (ii) other than the "Assumption" (as defined in the Purchase Agreement), Purchaser will not, under any circumstances whatsoever, assume or be liable for any debts, liabilities or obligations of the Debtor.
- [14] **ORDERS** and **DIRECTS** the Trustee to file with the Court a copy of the Certificate, forthwith after issuance thereof.

CANCELLATION OF SECURITY REGISTRATIONS

- [15] **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 cancel any registrations in connection with the Purchased Assets, including, without limitation, the following registrations 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:

Deed	Number	Date	Secured Party
Hypothèque conventionnelle	12-0609000-0001	July 26, 2012	Banque Nationale du

Deed	Number	Date	Secured Party
sans dépossession			Canada
Hypothèque conventionnelle sans dépossession	14-0067483-0001	January 28, 2014	Investissement Québec
Hypothèque conventionnelle sans dépossession	16-0059206-0005	January 25, 2016	Banque Nationale du Canada

NET PROCEEDS

- [16] **ORDERS** that the net proceeds from the sale of the Debtor's Purchased Assets (the "**Net Proceeds**") shall be remitted to the Trustee and shall be distributed in accordance with applicable legislation.
- [17] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by the Purchaser, all Encumbrances shall attach to the Net Proceeds 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

- [18] **ORDERS** and **DECLARES** that notwithstanding:
- (i) the pendency of these proceedings;
 - (ii) any petition for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**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 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 Vendor, the Purchaser or the Trustee.

LIMITATION OF LIABILITY

- [19] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Trustee to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Trustee shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the BIA.
- [20] **DECLARES** that no action lies against the Trustee by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Trustee shall benefit from the protection arising under the present paragraph;

GENERAL

- [21] **ORDERS** that the Purchaser or the Vendor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [22] **ORDERS** that the Purchase Agreement be kept confidential and under seal until further order of this Court.
- [23] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;
- [24] **DECLARES** that the Trustee shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the Trustee shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Trustee as may be deemed necessary or appropriate for that purpose;
- [25] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;
- [26] **ORDERS** 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.



SCHEDULE "A"
DRAFT CERTIFICATE OF THE TRUSTEE

CANADA

**PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL**

File No: 500-11-058617-206

SUPERIOR COURT
Commercial Division

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

KIDIWAY INC.

Debtor

-and-

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

Mis-en-Cause

-and-

MNP LTD.

Trustee

CERTIFICATE OF THE TRUSTEE

RECITALS:

WHEREAS on August 12, 2020, Kidiway Inc. (the "**Debtor**" or "**Kidiway**") filed a notice of intention (the "**NOI**") to make a proposal pursuant to the Bankruptcy and Insolvency Act (the "**Act**");

WHEREAS pursuant to the terms of the NOI, MNP Ltd. (the "**Trustee**") was named Trustee of the **Debtor**; and

WHEREAS on ●, the Superior Court of Quebec (the "**Court**") issued an Order (the "**Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an agreement pursuant to an Offer to Purchase (the "**Purchase Agreement**") by and between, *inter alia*, the Debtor as one of the vendors (the "**Vendor**") and Mark Srour for a corporation to be incorporated and without personal liability, as purchaser (the "**Purchaser**"), copy of which was filed in the Court record, and into all the transactions contemplated therein (the "**Transaction**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Trustee;

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the Trustee.

THE TRUSTEE CERTIFIES THAT:

- (a) all of the "Closing Conditions" as defined in the Purchase Agreement have occurred or have been waived by the Purchaser;
- (b) "Closing" as defined in the Purchase Agreement has occurred; and
- (c) the "Purchase Price" as defined in the Purchase Agreement has been paid to the Trustee.

This Certificate is issued by the Trustee at ____ on _____ .

MNP Ltd in its capacity as Trustee, and not in its personal capacity.

Name: _____

Title: _____

SCHEDULE "B"
Purchased Assets

The property to be purchased by Purchaser from Kidiway (the "**Purchased Property**") consists of:

- 1.1 All corporeal and incorporeal / tangible and intangible property, of any nature, form, description or location whatsoever, owned by Kidiway or in which Kidiway has any right, title or interest (to the extent of such right, title or interest) as at Closing, with the sole exception of the Excluded Property;

Without restricting the generality of clause 1.1, the Purchased Property owned by Kidiway, or in which Kidiway has any right, title or interest, includes:

- 1.2 All claims and accounts receivable resulting from merchandise sales made by Kidiway which are unpaid and outstanding as at Closing (the "**Receivables**") as well as all credit insurance claims relating to such Receivables;
- 1.3 All goods, wares, merchandise and inventories owned by Kidiway and situated in any of the Locations as at Closing (the "**Inventory**");
- 1.4 All goods, wares, merchandise and inventories which, as at Closing, have been purchased by Kidiway, are unpaid and are not situated in the Locations;
- 1.5 All of the machinery, equipment, tools, parts and other corporeal/tangible property (other than the Inventory) owned by Kidiway or in which Kidiway has any right, title or interest (to the extent of such right, title or interest) which, on the date of this Offer, are situated in any of the Locations;
- 1.6 All intellectual property in its broadest sense owned by Kidiway or in which Kidiway has any right, title or interest (to the extent of such right, title or interest) as at the date of this Offer including without limitation the corporate/trade name "Kidiway", all other trade names and trademarks and all patents and patents pending;
- 1.7 All domain names, websites, computer software, computer programs and all other similar property which is, as at the date of this Offer, owned by Kidiway or in which Kidiway has any right, title or interest (to the extent to such right, title or interest);
- 1.8 All of Kidiway's right, title or interest (to the extent of such right, title or interest) in all customer orders for future merchandise sales and supplier bookings/orders for future supply of merchandise which exist as at Closing; and

- 1.9 All of the Kidiway's right, title or interest (to the extent of such right, title or interest) in and to all contracts or agreements, accounts and account or other numbers between Kidiway and any of Kidiway's customers (including, without limitation, Walmart, Best Buy, TJX and Toys R Us) which exists as at the date of this Offer.

The Purchased Property expressly excludes all of the following (the "**Excluded Property**") namely:

- 1.10 All cash on deposit in any of Kidiway's bank accounts as at Closing;
- 1.11 All of Kidiway's right, title or interest in and to any and all leases, subleases, agreements or similar contracts governing and/or with respect to Kidiway's occupancy of the Locations;
- 1.12 All of Kidiway's right, title or interest in and to all leases, warehouse agreements, storage agreements, other agreements, or any other contract governing and/or with respect to Kidiway's storage/warehousing of any property and all services related thereto;
- 1.13 All of Kidiway's right, title or interest in and to any and all finance leases under which Kidiway is a lessee including, without limitation, all finance leases governing and/or related to Kidiway's leasing of motor vehicles or any other property; and
- 1.14 With the sole exception of the Receivables and credit insurance claims relating thereto, all other accounts receivable or claims of any nature owing or to become owing to Kidiway, including without limitation, duty drawbacks and tax refunds.

May 2014

SUPERIOR COURT
(Commercial Division)

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CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No. 500-11-058617-206
DATE: ◆

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PRESIDING :THE HONOURABLE, J.S.C.

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

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◆
KIDIWAY INC.

Debtor

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-and-

◆
**THE LAND REGISTRAR FOR THE LAND REGISTRY
OFFICE FOR THE REGISTRATION DIVISION OF ◆(Québec)/**

~~THE LAND REGISTRAR FOR THE LAND REGISTRY OFFICE
OF ◆(Rest of Canada)/~~ **THE REGISTRAR OF THE REGISTER OF PERSONAL
AND MOVABLE REAL RIGHTS (Québec)**

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Mis-en-Cause

-and-

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◆
____ [Petitioner][‡]

-and-

◆

[‡] Under section 243(1) of the BIA, the sale of assets of an insolvent debtor by the receiver may be ordered at the request of the secured creditor. In such a case, the secured creditor would be the petitioner.

~~[Receiver/MNP LTD.~~

~~Trustee/Monitor]~~

APPROVAL AND VESTING ORDER²⁻³

- [1] **ON READING** the ~~[Debtor/Petitioner/Receiver/Trustee/Monitor]'s~~ Motion for the Issuance of an Approval and Vesting Order (the "Motion"), of Kidiway Inc. (the "Debtor" or "Kidiway"), the affidavit and the exhibits in support thereof, as well as the Report of the ~~[Receiver/Trustee/Monitor]~~ dated ~~August 18, 2020~~ (the "Report");
- [2] **SEEING** the service of the Motion⁴;
- [3] **SEEING** ~~the submissions of [Debtor/Receiver/Trustee/Monitor]'s attorneys and the submissions of Debtor's attorneys;~~
- [4] **SEEING** that it is appropriate to issue an order approving the transaction(s) (the "Transaction") contemplated by the agreement dated August 10, 2020 entitled ~~Offer to Purchase~~ (the "Purchase Agreement") by and between ~~[inter alia, the Debtor/Receiver/Trustee/Monitor] (, as one of the "vendors (the "Vendor"), as vendor,"), and (the "Purchaser"), Mark Srour, acting without personal liability on behalf of a company to be incorporated, as purchaser, (the "Purchaser"),~~ copy of which was filed as Exhibit ~~R-P-1~~ to ~~h~~his Motion under seal, and vesting in the Purchaser the assets described in the Purchase Agreement (the "Purchased Assets"⁵), and which are more fully described in Schedule "B" to this Order.

WHEREFORE THE COURT:

² A blacklined version must be included with the Motion

³ This Model Authorization and Vesting Order (the "Model Order") is an order authorizing an insolvent debtor under Court protection (whether under the *Bankruptcy and Insolvency Act* ("BIA") or the *Companies' Creditors Arrangement Act* ("CCAA")) or a receiver appointed under s. 243 of the BIA to enter into a transaction for the sale of its assets and vesting the purchased assets in the purchaser, free and clear of any liens, charges, hypothecs or other encumbrances.

⁴ The Motion should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should be prepared to provide proof of service to the Court. The practice in Quebec is to implead (as *mis-en-cause*) and serve the proceedings requesting the issuance of an authorization and vesting orders on the land registry named in the orders sought and on the Register of personal and movable real rights, as the case may be. The practice of impleading the registries concerned does not appear to be followed in Canadian provinces outside of Quebec, however, such that preliminary inquiries with the registries concerned are recommended before serving any proceedings on land or other registries outside of Quebec.

⁵ To allow this Order to be free-standing (and not require reference to the Court record and/or the Purchase Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

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[5] GRANTS the Motion;

SERVICE

[6] ORDERS that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

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[7] PERMITS service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

[8] ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendor 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 [Receiver/Trustee/Monitor].

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EXECUTION OF DOCUMENTATION

[9] AUTHORIZES the [Vendor/Receiver/Trustee/Monitor] 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 the Purchase Agreement (Exhibit R-P-1) and any other ancillary document which could be required or useful to give full and complete effect thereto.

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AUTHORIZATION

[10] ORDERS and DECLARES that this Order shall constitute the only authorization required by the Vendor to proceed with the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF PURCHASED ASSETS (choose A or B whether Purchased Assets are only located in Quebec (A) or also outside of Quebec (B))

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[11] A ORDERS and DECLARES that upon the issuance of a [Receiver/Trustee/Monitor]'s Trustee's certificate substantially in the form appended as Schedule "A" 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 claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, charges, hypothecs, deemed trusts, judgments, writs of seizure or execution, notices of sale, contractual rights relating to the Property, encumbrances, whether or not they

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have been registered, published or filed and whether secured, unsecured or otherwise (collectively, the "Encumbrances"⁶), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, or security evidenced by registration, publication or filing pursuant to the *Civil Code of Québec* in movable / immovable property, excluding however, the permitted encumbrances and restrictive covenants listed on Schedule "B" hereto (the "Permitted Encumbrances") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be cancelled and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.

[11] [11] **B** **ORDERS** and **DECLARES** that upon the issuance of a [Receiver/Trustee/Monitor]'s certificate substantially in the form appended as Schedule "A" 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 of the Purchased Assets will be completely free and clear of all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or of execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, contractual rights relating to the Purchased Assets, pre-emptive rights or any other publications in favour of third parties relating to the Purchased Assets or other claims or encumbrances, whether or not they have attached or have been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "Encumbrances"), including, without limiting the generality, any and all of the foregoing all charges, security interests or charges evidenced by registration, publication any registrations, publications or filings pursuant to the *Civil Code of Québec*, the [Province(s)] Personal Property Security Act, *Quebec*, or any other applicable application legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, easements and restrictive covenants listed on Schedule "B" hereto (the "Permitted Encumbrances") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate (collectively the "Encumbrances").

[12] **ORDERS** and **DECLARES** that upon the issuance of the Certificate, the rights and obligations of the Vendor under the Agreements listed on Schedule "C" hereto (the "Assigned Agreements") are assigned to the Purchaser [and **ORDERS** that all

⁶ The "Encumbrances" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served.

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~~monetary defaults of the Debtor in relation to the Assigned Agreements—other than those arising by reason only of the insolvency of the Debtor, the commencement of proceedings under the [BIA/CCAA] or the failure to perform non-monetary obligations—shall be remedied on or before ●.~~

[12] ~~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.

[13] ~~DECLARES~~ that upon issuance of the Certificate, (i) the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the Code of Civil Procedure and a forced sale as per the provisions of the Civil Code of Quebec. ~~[This paragraph is only required when the sale is done by a Receiver],~~ and (ii) other than the "Assumption" (as defined in the Purchase Agreement), Purchaser will not, under any circumstances whatsoever, assume or be liable for any debts, liabilities or obligations of the Debtor.

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[14] ~~ORDERS and DIRECTS~~ the ~~[Vendor/Receiver, Trustee/Monitor]~~ to serve a copy of this Order to every party to the Assigned Agreements.

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[15][14] ~~ORDERS and DIRECTS~~ the ~~[Receiver/Trustee/Monitor]~~ to file with the Court a copy of the Certificate, forthwith after issuance thereof.

CANCELLATION OF SECURITY REGISTRATIONS⁷⁸⁹

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For Quebec Property:

[17] ~~ORDERS~~ the Land Registrar of the Land Registry Office for the Registry Division of ●, upon presentation of the Certificate in the form appended as Schedule "A" and a certified copy of this Order accompanied by the required application for registration

⁷ This Model Order provides a model for Quebec Courts to effect the vesting of assets in the Province of Quebec as well as in other Canadian provinces. In each province other than Quebec, the provisions of the Model Order dealing with registration of title and the discharge of encumbrances will have to be adjusted to refer to the appropriate registry and related offices and the appropriate terminology. Province-specific orders are identified in this Model Order. While the Model Order contains proposed language, verifications with lawyers in the relevant jurisdiction is advisable.

⁸ Land registries in both in Quebec and in the rest of Canada may be consulted prior to the issuance of a vesting order so as to validate the language of the proposed orders relating to said land registries. This procedure, known as a "pre-validation procedure" in Quebec, is recommended so as to ensure that the vesting order is properly registered without undue delay after its issuance.

⁹ The registration of a vesting order with a land registry may be subject to statutory delays. For instance, in Quebec, land registrars require the expiry of the delay for appeal before a judgment cancelling a registration can be published.

~~and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Land Register showing the Purchaser as the owner of the immovable property identified in Schedule "●" hereto (the "Quebec Real Property") and (ii) to cancel any and all Encumbrances on Quebec Real Property (other than Permitted Encumbrances), including, without limitation, the following registrations published at the said Land Registry Office:~~

~~• **[provide details of security/encumbrances to be discharged]**~~

~~[19][15] **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 ~~[reduce the scope of] or [strike] the registrations number [provide details of security/encumbrances to be discharged]~~cancel any registrations in connection with the Purchased Assets, including, without limitation, the following registrations, 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.~~

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For Ontario Property:

~~[20] **ORDERS** that upon registration in the Land Registry Office~~

~~(-) **[NTD: For Land Titles System]:** for the Land Titles Division of ● of an Application for Vesting Order in the form prescribed by the Land Registration Reform Act (Ontario), including a law statement confirming that the Certificate has been filed, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule "●" (the "Ontario Real Property") hereto in fee simple, and is hereby directed to delete and expunge from title to the ●-● Real Property all of the Encumbrances, which for the sake of clarity do not include the Permitted Encumbrances listed on Schedule B;~~

~~(-) **[NTD: For Land Registry System]:** for the Registry Division of ● of a Vesting Order in the form prescribed by the Land Registration Reform Act (Ontario), including a law statement confirming that the Certificate has been filed, the Land Registrar is hereby directed to record such Vesting Order in respect of the subject real property identified in Schedule "●" (the "Ontario Real Property"), which for the sake of clarity do not include the Permitted Encumbrances listed on Schedule B;~~

~~**[NTD: For Movable Assets]:** **ORDERS** that upon the issuance of the Certificate, the Vendor shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the~~

<u>Deed</u>	<u>Number</u>	<u>Date</u>	<u>Secured Party</u>
<u>Hypothèque conventionnelle sans dépossession</u>	<u>12-0609000-0001</u>	<u>July 26, 2012</u>	<u>Banque Nationale du Canada</u>
<u>Hypothèque conventionnelle</u>	<u>14-0067483-0001</u>	<u>January 28, 2014</u>	<u>Investissement Québec</u>

<u>Deed</u>	<u>Number</u>	<u>Date</u>	<u>Secured Party</u>
<u>sans dépossession</u>			
<u>Hypothèque conventionnelle sans dépossession</u>	<u>16-0059206-0005</u>	<u>January 25, 2016</u>	<u>Banque Nationale du Canada</u>

~~[21] **Purchased Assets**, including filing such financing change statements in the Ontario Personal Property Registry ("OPPR") as may be necessary, from any registration filed against the Vendor in the OPPR, provided that the Vendor shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Purchased Assets, and the Vendor shall be authorized to take any further steps by way of further application to this Court.~~

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For British Columbia Property:

~~[21] **[NTD: For Immovable Assets]: ORDERS** the British Columbia Registrar of Land Titles (the "**BC Registrar**"), upon the registration in the Land Title Office for the Land Title District of ● of a certified copy of this Order, together with a letter from **[Receiver/Trustee/Monitor's counsel]**, solicitors for the **[Receiver/Trustee/Monitor]**, authorizing registration of this Order,~~

~~(-) to enter the Purchaser as the owner of the lands, as identified in Schedule "●" hereto (the "**BC Real Property**"), together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the BC Real Property; and~~

~~(-) having considered the interest of third parties, to discharge, release, delete and expunge from title to the BC Real Property all of the registered Encumbrances except for those listed in Schedule "●".~~

~~[21] **[NTD: For Immovable Assets]: DECLARES** that it has been proven to the satisfaction of this Court on investigation that the title of the Purchaser in and to the BC Real Property is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid.~~

~~[21] **[NTD: For Movable Assets]: ORDERS** that upon the issuance of the Certificate, the Vendor shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets, including filing such financing change statements in the British Columbia Personal Property Security Registry (the "**BC PPR**") as may be necessary, from any registration filed against the Vendors in the BC PPR, provided that the Vendors shall not be authorized to effect any discharge that would have the effect of releasing any collateral other~~

than the Purchased Assets, and the Vendors shall be authorized to take any further steps by way of further application to this Court.

For New Brunswick Property:

~~[NTD: For Immovable Assets]: ORDERS that upon registration in the Land Registry Office for the Registry Division of of an Application for Vesting Order in the form prescribed by the Registry Act (New Brunswick) duly executed by the [Receiver/Trustee/Monitor], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule "A" (the "NB Real Property") in fee simple, and is hereby directed to delete and expunge from title to the NB Real Property, all of the Encumbrances, other than the Permitted Encumbrances.~~

~~[22] [NTD: For Movable Assets]: ORDERS that upon the issuance of the Certificate, the Vendor shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets, including filing such financing change statements in the New Brunswick Personal Property Registry (the "NBPPR") as may be necessary, from any registration filed against the Vendor in the NBPPR, provided that the Vendor shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Assets, and the Vendor shall be authorized to take any further steps by way of further application to this Court.~~

NET PROCEEDS

~~[23][16] ORDERS that the net proceeds¹⁰ from the sale of the Debtor's Purchased Assets (the "Net Proceeds") shall be remitted to the [Receiver/Trustee/Monitor] and shall be distributed in accordance with applicable legislation.~~

~~[24][17] ORDERS that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by the Purchaser, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds 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.~~

¹⁰ The Motion and related draft order should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "Net Proceeds".

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PROTECTION OF PERSONAL INFORMATION

~~[25] 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 Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "•" to the Purchase Agreement. 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 Debtor;⁴⁴ [NOTE: It is desirable to obtain specific evidence in order to convince the Tribunal of the necessity of this clause];~~

VALIDITY OF THE TRANSACTION

~~[26][18] ORDERS and DECLARES that notwithstanding:~~

- (i) the pendency of these proceedings;
- (ii) any petition for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("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 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 Vendor, the Purchaser ~~for the Receiver, Trustee/Monitor];~~

LIMITATION OF LIABILITY

~~[27][19] DECLARES that, subject to other orders of this Court, nothing herein contained shall require the [Receiver, Trustee/Monitor] to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The [Receiver, Trustee/Monitor] shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the [BIA/CCAA];~~

⁴⁴—This paragraph may not be necessary depending on the nature of the Purchased Assets.

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~~{28}[20]~~ **DECLARES** that no action lies against the ~~{Receiver/Trustee/Monitor}~~ by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the ~~{Receiver/Trustee/Monitor}~~ or belonging to the same group as the ~~Receiver/Trustee~~ shall benefit from the protection arising under the present paragraph;

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GENERAL

~~{29}~~ **ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario). ~~{NOTE: It is desirable to obtain specific evidence in order to convince the Tribunal of the necessity of this clause} [Ontario - Adapt for other common law Provinces where applicable]~~

~~{30}[21]~~ **ORDERS** that the Purchaser or the ~~{Vendor/Receiver/Trustee/Monitor}~~ shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

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~~{34}[22]~~ **ORDERS** that the Purchase Agreement be kept confidential and under seal until ~~the earlier of a) the closing of the Transaction; or b) further order of this Court.~~

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~~{32}[23]~~ **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;

~~{33}[24]~~ **DECLARES** that the ~~{Vendor/Receiver/Trustee/Monitor}~~ shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the ~~{Vendor/Receiver/Trustee/Monitor}~~ shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the ~~{Vendor/Receiver/Trustee/Monitor}~~ as may be deemed necessary or appropriate for that purpose;

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~~{34}[25]~~ **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

~~{35}[26]~~ **ORDERS** 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 ~~{WITH/WITHOUT}~~ COSTS.

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J.S.G.

Attorneys for

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SCHEDULE "A"

DRAFT CERTIFICATE OF THE [RECEIVER/TRUSTEE/MONITOR]

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File No: 500-11-058617-206

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

KIDWAY INC.

Debtor

-and-

[Petitioner]

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

Mis-en-Cause

-and-

[Receiver/MNP LTD.]

Trustee/Monitor]

CERTIFICATE OF THE [RECEIVER/TRUSTEE/MONITOR] TRUSTEE

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RECITALS:

WHEREAS on August 12, 2020, Kidiway Inc. (the Superior Court of Quebec (the "Court") issued "Debtor" or "Kidiway") filed a order (the "Order") pursuant to the (the "Act") in respect of (the "Petitioners"); [NTD: refer to BIA notice of intention/ (the "NOI") to make a proposal if applicable] pursuant to the Bankruptcy and Insolvency Act (the "Act");

WHEREAS pursuant to the terms of the Order/NOI, MNP Ltd. (the "[Receiver/Trustees/Monitor]" "Trustee") was named [Receiver/Trustees/Monitor] Trustee of the Debtor; and

WHEREAS on the Superior Court of Quebec (the "Court") issued an Order (the "Vesting Order") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an agreement entitled Agreement pursuant to an Offer to Purchase (the "Purchase Agreement") by and between, *inter alia*, the Debtor as vendor of the vendors (the "Vendor") and Mark Srour for a corporation to be incorporated and without personal liability, as purchaser (the "Purchaser"), copy of which was filed in the Court record, and into all the transactions contemplated therein (the "Transaction") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the [Receiver/Trustees/Monitor] Trustee;

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the Trustee.

THE [Receiver/Trustees/Monitor] once the (a) the Purchase Agreement has been executed and delivered; and (b) the Purchase Price (TRUSTEE CERTIFIES THAT:

- (a) all of the "Closing Conditions" as defined in the Purchase Agreement, has been paid by the Purchaser; and (c) and all the conditions to the closing of the Transaction, have been satisfied occurred or have been waived by the parties thereto. Purchaser;

THE [RECEIVER/TRUSTEES/MONITOR] CERTIFIES [THAT IT HAS BEEN ADVISED BY THE VENDOR AND THE PURCHASER AS TO] THE FOLLOWING:

- (b) the "Closing" as defined in the Purchase Agreement has occurred; and
- (c) the "Purchase Price" as defined in the Purchase Agreement has been executed and delivered; paid to the Trustee;
- (d) the Purchase Price (as defined in the Purchase Agreement) payable upon the

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closing of the Transaction and all applicable taxes have been paid; and

(e) all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

This Certificate ~~was~~ issued by the ~~[Receiver/Trustees/Monitor]~~ Trustee at _____
~~[TIME]~~ on _____ ~~[DATE]~~.

•MNP Ltd in its capacity as •Trustee, and not in its personal capacity.

Name: _____

Title: _____

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SCHEDULE "B"

Purchased Assets PERMITTED ENCUMBRANCES

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SCHEDULE "C"
ASSIGNED AGREEMENTS

The property to be purchased by Purchaser from Kidiway (the "Purchased Property") consists of:

1.1 All corporeal and incorporeal / tangible and intangible property, of any nature, form, description or location whatsoever, owned by Kidiway or in which Kidiway has any right, title or interest (to the extent of such right, title or interest) as at Closing, with the sole exception of the Excluded Property;

Without restricting the generality of clause 1.1, the Purchased Property owned by Kidiway, or in which Kidiway has any right, title or interest, includes:

1.2 All claims and accounts receivable resulting from merchandise sales made by Kidiway which are unpaid and outstanding as at Closing (the "Receivables") as well as all credit insurance claims relating to such Receivables;

1.3 All goods, wares, merchandise and inventories owned by Kidiway and situated in any of the Locations as at Closing (the "Inventory");

1.4 All goods, wares, merchandise and inventories which, as at Closing, have been purchased by Kidiway, are unpaid and are not situated in the Locations;

1.5 All of the machinery, equipment, tools, parts and other corporeal/tangible property (other than the Inventory) owned by Kidiway or in which Kidiway has any right, title or interest (to the extent of such right, title or interest) which, on the date of this Offer, are situated in any of the Locations;

1.6 All intellectual property in its broadest sense owned by Kidiway or in which Kidiway has any right, title or interest (to the extent of such right, title or interest) as at the date of this Offer including without limitation the corporate/trade name "Kidiway", all other trade names and trademarks and all patents and patents pending;

1.7 All domain names, websites, computer software, computer programs and all other similar property which is, as at the date of this Offer, owned by Kidiway or in which Kidiway has any right, title or interest (to the extent of such right, title or interest);

1.8 All of Kidiway's right, title or interest (to the extent of such right, title or interest) in all customer orders for future merchandise sales and supplier

bookings/orders for future supply of merchandise which exist as at Closing; and

1.9 All of the Kidiway's right, title or interest (to the extent of such right, title or interest) in and to all contracts or agreements, accounts and account or other numbers between Kidiway and any of Kidiway's customers (including, without limitation, Walmart, Best Buy, TJX and Toys R Us) which exists as at the date of this Offer.

The Purchased Property expressly excludes all of the following (the "Excluded Property") namely:

1.10 All cash on deposit in any of Kidiway's bank accounts as at Closing;

1.11 All of Kidiway's right, title or interest in and to any and all leases, subleases, agreements or similar contracts governing and/or with respect to Kidiway's occupancy of the Locations;

1.12 All of Kidiway's right, title or interest in and to all leases, warehouse agreements, storage agreements, other agreements, or any other contract governing and/or with respect to Kidiway's storage/warehousing of any property and all services related thereto;

1.13 All of Kidiway's right, title or interest in and to any and all finance leases under which Kidiway is a lessee including, without limitation, all finance leases governing and/or related to Kidiway's leasing of motor vehicles or any other property; and

1.14 With the sole exception of the Receivables and credit insurance claims relating thereto, all other accounts receivable or claims of any nature owing or to become owing to Kidiway, including without limitation, duty drawbacks and tax refunds.

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Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme :

KIDIWAY INC

Code Postal :

H2N1R2

Fiche	Inscription	Date	h:min
001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION 16-0059206-0005	2016-01-25	09:57
	PRÉAVIS D'EXERCICE D'UN DROIT HYPOTHÉCAIRE 20-0477652-0002	2020-06-02	12:02
	CESSION DE RANG 16-0134720-0001	2016-02-18	09:00
002	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION 14-0067483-0001	2014-01-28	10:30
	RÉDUCTION VOLONTAIRE 17-0446210-0001	2017-05-09	11:55
	CESSION DE RANG 16-0134720-0001	2016-02-18	09:00
	CESSION DE RANG 14-0546890-0001	2014-06-16	10:30
	CESSION DE RANG 14-0546853-0001	2014-06-16	10:30
003	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION 13-0985899-0001	2013-11-05	11:37
	CESSION DE RANG 14-0546890-0001	2014-06-16	10:30
004	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION 12-0609000-0001	2012-07-26	14:21
	PRÉAVIS D'EXERCICE D'UN DROIT HYPOTHÉCAIRE 20-0477652-0001	2020-06-02	12:02
	CESSION DE RANG 14-0546890-0001	2014-06-16	10:30

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 001 - Détail de l'inscription 1 (de 3)

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
16-0059206-0005	2016-01-25 09:57	2026-01-20

HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

PARTIES

Titulaire

Banque Nationale du Canada
1130, Marcel Laurin, Montreal, Québec

H4R 1J7

Constituant

KIDIWAY INC.
9600, boulevard Saint-Laurent, Montréal, Québec

H2N 1R2

BIENS

-

Tous les biens meubles du Client, corporels et incorporels, présents et futurs, où qu'ils se trouvent.

MENTIONS

Somme de l'hypothèque

6 000 000.00, incluant une hypothèque additionnelle de 1 000 000.00

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé

Date : 2016-01-21

Lieu : Laval

Autres mentions :

-

Le constituant est autorisé à percevoir ses créances conformément à l'article 2744 du Code civil du Québec jusqu'à ce qu'un avis de retrait de percevoir les créances soit publié par le titulaire en vertu de l'article 2745 du Code civil du Québec.

21e déb complexes

fcc# 889318

TZ

REMARQUES

INSCRIPTION	DATE-HEURE-MINUTE
16-0134720-0001	2016-02-18 09:00
CESSION DE RANG	
20-0477652-0002	2020-06-02 12:02
PRÉAVIS D'EXERCICE D'UN DROIT HYPOTHÉCAIRE	

AVIS D'ADRESSE

N° 000784

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 001 - Détail de l'inscription 2 (de 3)

INSCRIPTION	DATE-HEURE-MINUTE
20-0477652-0002	2020-06-02 12:02
PRÉAVIS D'EXERCICE D'UN DROIT HYPOTHÉCAIRE	

PARTIES

Titulaire

BANQUE NATIONALE DU CANADA
600 DE LA GAUCHETIÈRE OUEST, 9E ÉTAGE, MONTRÉAL H3B 4L2

Constituant

KIDIWAY INC.
2205, BOULEVARD INDUSTRIEL, LAVAL H7S 1P8

BIENS

TOUS LES BIENS MEUBLES DE L'EMPRUNTEUR, CORPORELS ET INCORPORELS,
PRÉSENTS ET FUTURS, OU QU'ILS SE TROUVENT.

MENTIONS

Droit dont l'exercice est projeté :

Vente sous contrôle de justice

Référence à l'inscription visée

NUMÉRO	NATURE
16-0059206-0005	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte de préavis

Forme de l'acte : Sous seing privé

Date : 2020-06-01

Lieu : MONTRÉAL

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 001 - Détail de l'inscription 3 (de 3)

INSCRIPTION	DATE-HEURE-MINUTE
16-0134720-0001	2016-02-18 09:00

CESSION DE RANG

PARTIES

Cessionnaire

Banque Nationale du Canada
1130, Marcel Laurin, Montreal, Québec H4R 1J7

Cédant

Investissement Québec
600, rue de la Gauchetière Ouest bureau 1500, Montréal, Québec H3B 4L8

Constituant

KIDIWAY INC.
9600, boulevard Saint-Laurent, Montréal, Québec H2N 1R2

BIENS

-

MENTIONS

Référence à l'inscription visée

NUMÉRO	NATURE
16-0059206-0005	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
14-0067483-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé
Date : 2016-02-04
Lieu : Laval

Autres mentions :

-

Le cédant convient en faveur du cessionnaire que tous les droits et suretés que le cessionnaire détient ou détiendra à l'avenir sur les biens faisant l'objet de cette cession de rang auront priorité sous tous les rapports et prendront rang avant les droits et suretés que le cédant détient maintenant ou détiendra à l'avenir sur lesdits biens.

AVIS D'ADRESSE

N° 000784

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 002 - Détail de l'inscription 1 (de 5)

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
14-0067483-0001	2014-01-28 10:30	2024-01-28
HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION		

PARTIES

Titulaire

Investissement Québec
600, rue de la Gauchetière Ouest, bureau 1500, Montréal, Québec H3B 4L8

Constituant

3717291 Canada inc.
9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec H2N 1R2

Constituant

Kidiway inc.
9600, boulevard Saint-Laurent, bureau 502, Montréal, Québec H2N 1R2

BIENS

2.1 Pour garantir le paiement de la Dette et l'accomplissement de ses obligations en vertu du présent acte, de même que pour garantir l'acquiescement de toutes ses autres obligations envers le Créancier, présentes et futures, directes et indirectes, le Débiteur hypothèque l'universalité de ses biens meubles, présents et à venir, corporels et incorporels, de quelque nature qu'ils soient et où qu'ils puissent être situés (les « Biens hypothéqués »).

MENTIONS

Somme de l'hypothèque

UN MILLION DE DOLLARS (1 000 000.00 \$) avec intérêt au taux de vingt-cinq pour cent (25%) par année et une hypothèque additionnelle de DEUX CENT MILLE DOLLARS (200 000.00 \$).

Référence à l'acte constitutif

Forme de l'acte : Notarié en minute
Date : 2014-01-23
Lieu : Montréal
N° de minute : 15 676
Nom du notaire : Christian Giard, notaire

REMARQUES

INSCRIPTION	DATE-HEURE-MINUTE
14-0546853-0001	2014-06-16 10:30
CESSION DE RANG	
14-0546890-0001	2014-06-16 10:30
CESSION DE RANG	
16-0134720-0001	2016-02-18 09:00
CESSION DE RANG	
17-0446210-0001	2017-05-09 11:55
RÉDUCTION VOLONTAIRE	

AVIS D'ADRESSE

N° 017621

Date, heure, minute de certification : **2020-08-11 15:00**

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 002 - Détail de l'inscription 2 (de 5)

INSCRIPTION	DATE-HEURE-MINUTE
17-0446210-0001	2017-05-09 11:55

RÉDUCTION VOLONTAIRE DE L'INSCRIPTION :

14-0067483-0001

SUR LES BIENS SUIVANTS:

l'universalité des comptes à recevoir, présents et futurs, payables à Kidiway inc. par Magasins Best Buy Ltée et La Compagnie Wal-Mart du Canada vendus dans le cadre du contrat d'affacturage intervenu avec la Banque Nationale du Canada.

Le constituant désigné dans la réquisition d'inscription est :

3717291 Canada inc.

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 002 - Détail de l'inscription 3 (de 5)

INSCRIPTION	DATE-HEURE-MINUTE
16-0134720-0001	2016-02-18 09:00

CESSION DE RANG

PARTIES

Cessionnaire

Banque Nationale du Canada
1130, Marcel Laurin, Montreal, Québec H4R 1J7

Cédant

Investissement Québec
600, rue de la Gauchetière Ouest bureau 1500, Montréal, Québec H3B 4L8

Constituant

KIDIWAY INC.
9600, boulevard Saint-Laurent, Montréal, Québec H2N 1R2

BIENS

-

MENTIONS

Référence à l'inscription visée

NUMÉRO	NATURE
16-0059206-0005	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
14-0067483-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé
Date : 2016-02-04
Lieu : Laval

Autres mentions :

-

Le cédant convient en faveur du cessionnaire que tous les droits et suretés que le cessionnaire détient ou détiendra à l'avenir sur les biens faisant l'objet de cette cession de rang auront priorité sous tous les rapports et prendront rang avant les droits et suretés que le cédant détient maintenant ou détiendra à l'avenir sur lesdits biens.

AVIS D'ADRESSE

N° 000784

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 002 - Détail de l'inscription 4 (de 5)

INSCRIPTION	DATE-HEURE-MINUTE
14-0546890-0001	2014-06-16 10:30

CESSION DE RANG

PARTIES

Cédant

BANQUE NATIONALE DU CANADA
500, place d'Armes, 3e étage, Montréal, Québec H2Y 2W3

Cessionnaire

INVESTISSEMENT QUÉBEC
600, rue de la Gauchetière Ouest, bureau 1500, Montréal, Québec H3B 4L8

Constituant

KIDIWAY INC.
9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec, H2N 1R2

Constituant

3717291 CANADA INC.
9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec, H2N 1R2

MENTIONS

Référence à l'inscription visée

NUMÉRO	NATURE
12-0283496-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
12-0609139-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0418977-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0418977-0003	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
14-0067483-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
12-0609000-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0985899-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé

Date : 2014-05-13

Lieu : Montréal

N° de minute : g13-277

Nom des témoins : Christian Giard, notaire

Autres mentions :

Le cédant cède son rang au cessionnaire mais ce, uniquement en ce qui a trait aux biens et aux équipements acquis dans le cadre du financement du constituant, soit les biens visés soient:

- 1 Desk, modèle JG62014R/L06;
- 1 Desk, modèle JG64305R/L25;
- 16 Desk, modèle JG22109R/L22;
- 1 Desk, modèle JG61903M13;
- 1 Desk, modèle JG63708R/L21
- 1 Dresser, modèle JG6214C12;
- 1 Dresser, modèle JG64405C33;

1 Dresser, modèle JG64008C24;
12 Dresser, modèle JG23309C30;
8 Table, modèle JR209L38SL;
87 Chair ET 1 Sofa, Figurant tous sur la facture numéro ES140225 de
Eversuns Cie.
4 Systèmes de Palettier figurant sur les factures GSE3092691,
GSE3092692, GSE3092693 ET GSE3092694 de Équipements Johnston Raymond
Ipods Touch, Scanners, Routeurs, Cables et accessoires provenant de la
facture 127 de Inventos.

AVIS D'ADRESSE

N° 000784

N° 017621

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 002 - Détail de l'inscription 5 (de 5)

INSCRIPTION	DATE-HEURE-MINUTE
14-0546853-0001	2014-06-16 10:30

CESSION DE RANG

PARTIES

Cédant

DÉVELOPPEMENT IMMOBILIER CAPITAL CPD INC.

2525, boulevard des Sources, Pointe-Claire, Québec

H9R 5Z9

Cessionnaire

INVESTISSEMENT QUÉBEC

600, rue de la Gauchetière Ouest, bureau 1500, Montréal, Québec

H3B 4L8

Constituant

3717291 Canada inc.

9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec,

H2N 1R2

MENTIONS

Montant : 1 000 000.00 \$

Référence à l'inscription visée

NUMÉRO	NATURE
13-0014813-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
14-0067483-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé

Date : 2014-06-04

Lieu : Montréal

N° de minute : g13-277

Nom des témoins : Christian Giard, notaire

Autres mentions :

Le cédant cède son rang au cessionnaire mais ce, uniquement en ce qui a trait aux biens et aux équipements acquis dans le cadre du financement du constituant, soit les biens visés soient:

1 Desk, modèle JG62014R/L06;

1 Desk, modèle JG64305R/L25;

16 Desk, modèle JG22109R/L22;

1 Desk, modèle JG61903M13;

1 Desk, modèle JG63708R/L21

1 Dresser, modèle JG6214C12;

1 Dresser, modèle JG64405C33;

1 Dresser, modèle JG64008C24;

12 Dresser, modèle JG23309C30;

8 Table, modèle JR209L38SL;

87 Chair ET 1 Sofa, Figurant tous sur la facture numéro ES140225 de Eversuns Cie.

4 Systèmes de Palettier figurant sur les factures GSE3092691, GSE3092692, GSE3092693 ET GSE3092694 de Équipements Johnston Raymond

Ipods Touch, Scanners, Routeurs, Cables et accessoires provenant de la
facture 127 de Inventos.

AVIS D'ADRESSE

N° 017621

N° 039907

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 003 - Détail de l'inscription 1 (de 2)

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
13-0985899-0001	2013-11-05 11:37	2023-10-29
HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION		

PARTIES

Titulaire

Banque Nationale du Canada
1130, Marcel Laurin, Montreal, Québec

H4R 1J7

Constituant

KIDIWAY INC.
9600, boulevard Saint-Laurent, Montréal, Québec

H2N 1R2

BIENS

-

Les sommes qui sont ou seront au crédit du compte portant le numéro 559038912592 et transit 10801 de la Banque Nationale du Canada, ce compte ou tout autre compte le remplaçant, jusqu'à concurrence d'une somme de 150 000.00 CAD.

MENTIONS

Somme de l'hypothèque

150 000.00 CAD

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé

Date : 2013-10-30

Lieu : MONTREAL

Autres mentions :

-

3E DEB COMPL

889318

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REMARQUES

INSCRIPTION
14-0546890-0001
CESSION DE RANG

DATE-HEURE-MINUTE
2014-06-16 10:30

AVIS D'ADRESSE

N° 000784

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 003 - Détail de l'inscription 2 (de 2)

INSCRIPTION	DATE-HEURE-MINUTE
14-0546890-0001	2014-06-16 10:30

CESSION DE RANG

PARTIES

Cédant

BANQUE NATIONALE DU CANADA
500, place d'Armes, 3e étage, Montréal, Québec H2Y 2W3

Cessionnaire

INVESTISSEMENT QUÉBEC
600, rue de la Gauchetière Ouest, bureau 1500, Montréal, Québec H3B 4L8

Constituant

KIDIWAY INC.
9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec, H2N 1R2

Constituant

3717291 CANADA INC.
9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec, H2N 1R2

MENTIONS

Référence à l'inscription visée

NUMÉRO	NATURE
12-0283496-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
12-0609139-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0418977-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0418977-0003	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
14-0067483-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
12-0609000-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0985899-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé

Date : 2014-05-13

Lieu : Montréal

N° de minute : g13-277

Nom des témoins : Christian Giard, notaire

Autres mentions :

Le cédant cède son rang au cessionnaire mais ce, uniquement en ce qui a trait aux biens et aux équipements acquis dans le cadre du financement du constituant, soit les biens visés soient:

- 1 Desk, modèle JG62014R/L06;
- 1 Desk, modèle JG64305R/L25;
- 16 Desk, modèle JG22109R/L22;
- 1 Desk, modèle JG61903M13;
- 1 Desk, modèle JG63708R/L21
- 1 Dresser, modèle JG6214C12;
- 1 Dresser, modèle JG64405C33;

1 Dresser, modèle JG64008C24;
12 Dresser, modèle JG23309C30;
8 Table, modèle JR209L38SL;
87 Chair ET 1 Sofa, Figurant tous sur la facture numéro ES140225 de
Eversuns Cie.
4 Systèmes de Palettier figurant sur les factures GSE3092691,
GSE3092692, GSE3092693 ET GSE3092694 de Équipements Johnston Raymond
Ipods Touch, Scanners, Routeurs, Cables et accessoires provenant de la
facture 127 de Inventos.

AVIS D'ADRESSE

N° 000784

N° 017621

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 004 - Détail de l'inscription 1 (de 3)

INSCRIPTION	DATE-HEURE-MINUTE	DATE EXTRÊME D'EFFET
12-0609000-0001	2012-07-26 14:21	2022-07-20
HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION		

PARTIES

Titulaire

BANQUE NATIONALE DU CANADA

500, Places d'Armes, 3e étage, Montréal, Québec

H2Y 2W3

Constituant

KIDIWAY INC.

9600, boul. Saint-Laurent, bureau 502, Montréal, Québec

H2N 1R2

BIENS

1. L'universalité des biens meubles du Constituant, corporels et incorporels, présents et futurs où qu'ils se trouvent.
2. L'expression "Biens hypothéqués" comprend aussi les biens suivants, dans la mesure où ils ne sont pas déjà inclus dans la description apparaissant au paragraphe 1:
 - le produit de toute vente, location ou autre disposition des biens mentionnés au paragraphe 1, toute créance résultant d'une vente, location ou autre disposition de ces biens, ainsi que tout bien acquis en remplacement de ceux-ci;
 - toute indemnité d'assurance ou d'expropriation payable à l'égard des Biens hypothéqués;
 - le capital, les fruits et les revenus des Biens Hypothéqués ainsi que tout droit rattaché aux Biens hypothéqués;
 - lorsque les biens mentionnés au paragraphe 1 comprennent des valeurs mobilières et autres actifs financiers, toutes les autres valeurs mobilières et autres actifs financiers émis dans l'avenir en remplacement de ces valeurs et actifs; et
 - tous les titres, factures, dossiers et autres documents (y compris sous une forme électronique) constatant les Biens hypothéqués ou s'y rapportant.

MENTIONS

Somme de l'hypothèque

1 320 000\$, incluant l'hypothèque additionnelle de 20%, avec intérêt au taux de 25% l'an.

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé

Date : 2012-07-20

Lieu : Montréal

Autres mentions :

(1) Le Constituant conservera les Biens hypothéqués libres de tout droit réel, hypothèque ou sûreté, sauf ceux auxquels le Titulaire aura consenti par écrit.

(2) Le Constituant n'aliénera pas les Biens hypothéqués et il ne les louera pas, sauf si le Titulaire y consent par écrit. Malgré ce qui précède, le Constituant pourra, tant qu'il ne sera pas en défaut en vertu des présentes, vendre ou louer ses stocks dans le cours ordinaire de l'exploitation de son entreprise.

(3) Cette hypothèque est une garantie continue au sens de l'article 2797 du Code civil du Québec.

(4) Le Constituant est autorisé à percevoir ses créances conformément à l'article 2744 du Code civil du Québec jusqu'à ce qu'un avis de retrait de percevoir les créances soit publié par le Titulaire en vertu de l'article 2745 du Code civil du Québec.

REMARQUES

INSCRIPTION	DATE-HEURE-MINUTE
14-0546890-0001	2014-06-16 10:30
CESSION DE RANG	
20-0477652-0001	2020-06-02 12:02
PRÉAVIS D'EXERCICE D'UN DROIT HYPOTHÉCAIRE	

AVIS D'ADRESSE

N° 000784

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 004 - Détail de l'inscription 2 (de 3)

INSCRIPTION	DATE-HEURE-MINUTE
20-0477652-0001	2020-06-02 12:02
PRÉAVIS D'EXERCICE D'UN DROIT HYPOTHÉCAIRE	

PARTIES

Titulaire

BANQUE NATIONALE DU CANADA
600 DE LA GAUCHETIÈRE OUEST, 9E ÉTAGE. MONTRÉAL H3B 4L2

Constituant

KIDIWAY INC.
2205, BOULEVARD INDUSTRIEL, LAVAL H7S 1P8

BIENS

TOUS LES BIENS MEUBLES DE L'EMPRUNTEUR, CORPORELS ET INCORPORELS,
PRÉSENTS ET FUTURS, OU QU'ILS SE TROUVENT.

MENTIONS

Droit dont l'exercice est projeté :

Vente sous contrôle de justice

Référence à l'inscription visée

NUMÉRO	NATURE
12-0609000-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte de préavis

Forme de l'acte : Sous seing privé

Date : 2020-06-01

Lieu : MONTRÉAL

Date, heure, minute de certification : 2020-08-11 15:00

Critère de recherche Nom d'organisme : KIDIWAY INC.

Critère de sélection Nom d'organisme : KIDIWAY INC Code Postal : H2N1R2

Fiche 004 - Détail de l'inscription 3 (de 3)

INSCRIPTION	DATE-HEURE-MINUTE
14-0546890-0001	2014-06-16 10:30
CESSION DE RANG	

PARTIES

Cédant

BANQUE NATIONALE DU CANADA
500, place d'Armes, 3e étage, Montréal, Québec H2Y 2W3

Cessionnaire

INVESTISSEMENT QUÉBEC
600, rue de la Gauchetière Ouest, bureau 1500, Montréal, Québec H3B 4L8

Constituant

KIDIWAY INC.
9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec, H2N 1R2

Constituant

3717291 CANADA INC.
9600, boulevard Saint-Laurent, bureau 500, Montréal, Québec, H2N 1R2

MENTIONS

Référence à l'inscription visée

NUMÉRO	NATURE
12-0283496-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
12-0609139-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0418977-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0418977-0003	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
14-0067483-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
12-0609000-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION
13-0985899-0001	HYPOTHÈQUE CONVENTIONNELLE SANS DÉPOSSESSION

Référence à l'acte constitutif

Forme de l'acte : Sous seing privé

Date : 2014-05-13

Lieu : Montréal

N° de minute : g13-277

Nom des témoins : Christian Giard, notaire

Autres mentions :

Le cédant cède son rang au cessionnaire mais ce, uniquement en ce qui a trait aux biens et aux équipements acquis dans le cadre du financement du constituant, soit les biens visés soient:

- 1 Desk, modèle JG62014R/L06;
- 1 Desk, modèle JG64305R/L25;
- 16 Desk, modèle JG22109R/L22;
- 1 Desk, modèle JG61903M13;
- 1 Desk, modèle JG63708R/L21
- 1 Dresser, modèle JG6214C12;
- 1 Dresser, modèle JG64405C33;

1 Dresser, modèle JG64008C24;
12 Dresser, modèle JG23309C30;
8 Table, modèle JR209L38SL;
87 Chair ET 1 Sofa, Figurant tous sur la facture numéro ES140225 de
Eversuns Cie.
4 Systèmes de Palettier figurant sur les factures GSE3092691,
GSE3092692, GSE3092693 ET GSE3092694 de Équipements Johnston Raymond
Ipods Touch, Scanners, Routeurs, Cables et accessoires provenant de la
facture 127 de Inventos.

AVIS D'ADRESSE

N° 000784

N° 017621

**SUPERIOR COURT
District de Montréal
(Commercial Division)**

**In the matter of the Notice of Intention to Make a
Proposal of:**

KIDIWAY INC.

Debtor/Petitioner

and

MNP LTD.

Trustee

and

**REGISTER OF PERSONAL AND MOVABLE
REAL RIGHTS**

Mise-en-cause

**MOTION TO AUTHORIZE A SALE OF ASSETS
AND FOR THE ISSUANCE OF AN APPROVAL
AND VESTING ORDER**
(Section 65.13 of the *Bankruptcy and Insolvency Act*)
And EXHIBITS P-1 to P-5

ORIGINAL

File: KIDIWA-1

Nature:

Me Tina Silverstein / Me Mark E. Meland
tsilverstein@ffmp.ca / mmeland@ffmp.ca / notifications@ffmp.ca

FISHMAN FLANZ MELAND PAQUIN LLP

1250 René-Lévesque Blvd. West, Suite 4100

Montréal, Québec H3B 4W8

Tel: 514 / 932-4100

CODE: BM-0309