

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-062362-237

SUPERIOR COURT  
(Commercial Division)

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**IN THE MATTER OF *THE COMPANIES'*  
*CREDITORS ARRANGEMENT ACT* OF:**

**ÉBÉNISTERIE ST-URBAIN LTÉE**

- and -

**WOODLORE INTERNATIONAL INC.**

- and -

**EURO-RITE CABINETS LTD.**

**Debtors**

- and -

**THE REGISTRAR FOR THE REGISTER OF  
PERSONAL AND MOVABLE REAL RIGHTS  
(QUÉBEC)**, having its head of office at 1, Notre-  
Dame East, in the district and city of Montréal,  
province of Québec, H2Y 1B6

- and -

**WILLIAM M. MELNIK**, a natural person having a  
business address at 400 Norris Glen Road,  
Etobicoke, Ontario, M9C 1H5

- and -

**THE MELNIK FAMILY TRUST 2043**, a family trust  
governed by the laws of the Province of Ontario,  
having its registered office at 400 Norris Glen Road,  
Etobicoke, Ontario, M9C 1H5

- and -

**TAYCO OFFICE FURNISHINGS INC.**, a corporation  
governed by the *Business Corporations Act*  
(Ontario), having its registered office at 400 Norris  
Glen Road, Etobicoke, Ontario, M9C 1H5

- and -

**9501-8388 QUÉBEC INC.**, a corporation governed  
by the *Business Corporations Act* (Québec), having  
its registered office at 1155 René-Lévesque Blvd.  
West, Suite 4100, Montréal, Québec, H3B 3V2

- and -

**9501-8412 QUÉBEC INC.**, a corporation governed  
by the *Business Corporations Act* (Québec), having  
its registered office at 1155 René-Lévesque Blvd.  
West, Suite 4100, Montréal, Québec, H3B 3V2

**Mis-en-cause**

- and -

RAYMOND CHABOT INC.

Monitor

**APPLICATION FOR THE ISSUANCE OF AN APPROVAL AND REVERSE VESTING ORDER  
AND A FOURTH AMENDED AND RESTATED INITIAL ORDER**  
(Sections 11, 11.02(2) and 36 of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE KAREN M. ROGERS, J.S.C., OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE MONITOR, ACTING ON BEHALF OF THE DEBTORS, RESPECTFULLY SUBMITS THE FOLLOWING:

**A. ORDERS SOUGHT**

1. By the present application (the "**Application**"), the Monitor, acting for and on behalf of Ébénisterie St-Urbain Ltée ("**EBSU**"), Woodlore International Inc. ("**Woodlore**"), and Euro-Rite Cabinets Ltd. ("**ERC**" and collectively with EBSU and Woodlore, the "**Debtors**" or the "**EBSU Group**"), seeks the issuance of the following orders under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 (the "**CCAA**"):
  - (a) an approval and reverse vesting order substantially in the form of the draft order communicated in support of the Application as **Exhibit R-1** (the "**Approval and Reverse Vesting Order**")<sup>1</sup> approving the subscription and transfer of assets and other transactions (collectively, the "**Transaction**") contemplated under the Investment Agreement (the "**Agreement**") entered into on October 24, 2023, between the Debtors and William M. Melnik ("**Melnik**"), the Melnik Family Trust 2043 ("**Melnik Trust**") and Tayco Office Furnishings Inc. ("**Tayco**"), and collectively with Melnik and Melnik Trust, the "**Investors**"), a copy of which is communicated herewith, *under seal*, as **Exhibit R-2**, and providing, *inter alia*, for the vesting of all the Excluded Assets and Excluded Contracts (as these terms are defined in the Agreement) in 9501-8388 Québec Inc. ("**ResidualCo. 1**") and the Excluded Liabilities (as defined in the Agreement) in 9501-8412 Québec Inc. ("**ResidualCo. 2**"), and for such other ancillary relief which may be required to ensure the implementation of the Transaction; and
  - (b) a fourth amended and restated initial order, with the required amendments in order to (i) extend the stay of proceedings up to and including November 17, 2023, and to (ii) provide for a second amendment to the interim financing term sheets in order to extend the interim financing to the EBSU Group up and until such date, the whole substantially in the form of the draft order communicated in support of the Application as **Exhibit R-3** (the "**Fourth ARIO**")<sup>2</sup>.

<sup>1</sup> A version comparing the Approval and Reverse Vesting Order to the model of Approval and Vesting Order developed by the Liaison Committee of the Commercial Division of the Superior Court is communicated herewith as **Exhibit R-1A**.

<sup>2</sup> A version comparing the Fourth ARIO to the model of Initial Order developed by the Liaison Committee of the Commercial Division of the Superior Court is communicated herewith as **Exhibit R-3A**.

2. The Transaction results from arms' length negotiations led by the Monitor in the context of the sale and investment solicitation process (the "**SISP**"). In the Monitor's view, the Transaction is in the best interest of the Debtors' stakeholders as it is the only available transaction which will allow the operations of the Debtors to continue.
3. In addition, in the Monitor's view, implementing a going concern sale will yield more significant realization proceeds than a sale in liquidation of the Debtors' assets.
4. As further detailed below, the Monitor respectfully submits that the issuance of the foregoing orders is reasonable, appropriate and justified in the circumstances.

**B. PROCEDURAL BACKGROUND**

5. On May 11, 2023, EBSU and Woodlore filed an *Application for an Initial Order and related provisions* (the "**Initial Application**") in the present proceedings (the "**CCAA Proceedings**").
  6. On May 12, 2023, this Court granted the Initial Application and rendered an initial order (the "**Initial Order**") providing, *inter alia*, for:
    - (a) the stay of all proceedings against EBSU and Woodlore and their assets until May 18, 2023, subsequently extended to May 24, 2023, June 22, 2023, October 16, 2023, and October 27, 2023;
    - (b) the appointment of Raymond Chabot Inc. as monitor (the "**Monitor**") and of Ernst & Young Inc. as information agent ("**Information Agent**") of in these CCAA Proceedings;
    - (c) the approval of a \$650,000 D&O charge and a \$350,000 administrative charge; and
    - (d) the approval of an initial temporary financing of up to \$1,000,000 granted by HSBC Bank Canada ("**HSBC**") to EBSU and Woodlore, the whole being secured by a priority charge on the property of EBSU and Woodlore up to an initial amount of \$1,200,000.
  7. On May 24, 2023, this Court issued an *Amended and Restated Initial Order* approving, *inter alia*:
    - (a) a \$750,000 administrative charge;
    - (b) an interim financing facility (the "**Interim Financing Facility**") in the total principal amount of \$3,000,000 provided by HSBC, the whole being secured by a charge up to a total amount of \$3,600,000 in favour of HSBC;
    - (c) a \$500,000 suppliers' charge, a \$200,000 charge relating to an employee retention plan; and
    - (d) a \$650,000 D&O charge.
  8. On June 11, 2023, the Debtors filed an *Application for a Second Amended and Restated Initial Order in order to Proceed with the Addition of a Debtor (ERC) to the CCAA Proceedings and other Provisions* (the "**Application for a Second ARIO**").
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9. On June 16, 2023, this Court rendered a *Second Amended and Restated Initial Order* (the “**Second ARIO**”) and an *Order Approving the Sale and Investment Solicitation Process* (the “**SISP Approval Order**”).
10. As part of the Second ARIO:
  - (a) ERC also obtained protection under the CCAA;
  - (b) Claude Rouleau of Solstice Groupe Conseil Inc. was appointed as Chief Restructuring Officer of EBSU and Woodlore and granted a charge in the total amount of \$40,000 for its benefit;
  - (c) this Court approved the following charges with respect to ERC’s assets: (i) a \$375,000 administrative charge, (ii) a \$1,620,000 suppliers’ charge, (iii) a \$150,000 charge relating to an employee retention plan, and (iv) a \$450,000 D&O charge; and
  - (d) this Court also approved the Interim Financing Facility for ERC provided by HSBC in the principal amount of \$1,000,000, the whole being secured by a charge on ERC’s assets up to \$1,200,000 in favour of HSBC.
11. On June 21, 2023, the Court rendered an *Order approving the appointment of Ms. Pam Boparai as Chief Restructuring Officer of ERC*.
12. On September 18, 2023, the Monitor gave notice to the Information Agent and to other secured lenders of its decision to invite auctioneers and/or liquidators who had not been previously solicited so as to allow them to submit firm offers in the SISP by the bid deadline of September 29, 2023, the whole to limit delays and additional costs in a context where liquidity remained tight. Following this notice, the Monitor received Qualified Bids from auctioneers, and these have led the Monitor to conclude that the liquidation value of the Debtors’ assets in the event of a go-dark scenario would be lower than the value offered by the Investors under the terms of the Transaction.
13. On October 3, 2023, HSBC filed an *Application for the Appointment of a Receiver to the Assets* of the Debtors on the grounds that the Debtors’ indebtedness pursuant to the Interim Financing was due and that certain defaults had occurred pursuant to the Interim Financing Facilities. The Debtors have announced their intention to contest this application, and a hearing is scheduled to take place on November 14-16, 2023.
14. On October 5, 2023, after HSBC reversed payments to specific suppliers, the Debtors filed an *Application for the Issuance of a Safeguard Order* seeking, *inter alia*, an order providing for the extension of the Interim Financing Facilities until further order of the Court. Discussions between counsel subsequently led to an agreement whereby the Interim Financing was extended until October 27, 2023, without prejudice to HSBC’s rights and remedies, particularly regarding its application for the appointment of a receiver. A virtual hearing was held before this Court the same day at 12:00 p.m.
15. On October 6, 2023, this Court issued a *Third Amended and Restated Initial Order* providing, *inter alia*, for the approval of the aforementioned amendment to the Interim Financing Facilities and for an extension of the stay of proceedings until October 27, 2023.
16. On October 13, 2023, the Monitor’s counsel sent a letter to the Honourable Karen M. Rogers, J.S.C, to inform the Court that a *Petition for the Issuance of a Bankruptcy Order* had been filed on August 28, 2023, against the directing mind and sole director of the

Debtors, Napoléon Boucher, by one of ERC's secured creditors, Fiera Capital. This bankruptcy petition was due to be presented in Valleyfield on October 16, 2023.

17. On October 17, 2023, a case management hearing was held before the Court, during which it was confirmed, *inter alia*, that Fiera Capital's bankruptcy petition would be postponed. The evidence adduced at the hearing also confirmed that the Debtors have sufficient liquidity to maintain their operations until November 17, 2023, and HSBC agreed to extend the Interim Financing until that date, which (in addition to the extension of the stay period until such date) is why the Monitor and the Debtors seek the issuance of the Fourth ARIO as part of the relief sought herein.
18. The foregoing (non-exhaustive) procedural developments illustrate the litigious context in which the Monitor, with the collaboration and support of the Debtors, has sought to source and implement a restructuring strategy that would benefit all stakeholders in an extremely tight and challenging timeframe given the severe constraints of the Debtors' liquidities and the litigation and proceedings initiated by certain parties.

**C. SISP<sup>3</sup>**

19. As outlined in the Application for a Second ARIO, the restructuring of the Debtors has hinged on the implementation of a court-supervised sale and investment solicitation process aimed at stabilizing the Debtors' operations and identifying one or more transaction(s) in respect of the Debtors' business and assets.
20. The SISP Procedures set out the manner in which bids and proposals for a broad range of executable transactions in respect of the business and assets of the Debtors were to be solicited from interested parties, negotiated, and, as the case may be, selected for approval by the Court.
21. The Monitor initiated the SISP in consultation with the Debtors, the Information Agent and representatives of the Consultation Parties, and contacted two hundred and twelve (212) Prospective Bidders with a view to soliciting their interest in submitting an offer as part of the SISP for the acquisition of the Debtors' Business and Property, and either circulated or populated in the Data Room, the relevant documentation in this regard, namely:
  - (a) a "*Teaser Letter*";
  - (b) a copy of the SISP Approval Order and the SISP Procedures (on the Monitor's website);
  - (c) a Confidentiality Agreement and Written Acknowledgement of receipt of the SISP Procedures by the Prospective Bidders; and
  - (d) a Template APA to be used by the Prospective Bidders to submit a Sale Proposal.
22. The SISP provided for two following mandatory phases to identify a Successful Bid:
  - (a) a non-binding letter of intent (the "**LOI**") phase to qualify Prospective Bidders as Qualified Bidders, with a deadline set to August 31, 2023 ("**Phase 1**"); and

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<sup>3</sup> Capitalized terms used in this section and not otherwise defined have the meanings ascribed to the in the SISP Approval Order

- (b) a binding offer phase where Qualified Bidders submit binding Qualified Bids, with a deadline set to September 29, 2023 ("**Phase 2**").
- 23. In Phase 1, the Monitor received seven (7) LOIs.
- 24. As part of Phase 2, five (5) Qualified Bids were submitted. These bids were analyzed by the Monitor and the Debtors and were also submitted to the Consultation Parties. As a result of these exchanges, the Monitor determined that the offer submitted by the Investors is in the best interests of all stakeholders, as it will allow the Debtors' operations to continue while maximizing the net proceeds of realization to be distributed to the Debtors' secured creditors.
- 25. It should be noted that, after the expiry of Phase 1, a potential bidder (the "**Potential Bidder**") expressed an interest in acquiring the assets and taking over the Debtors' operations. Being outside the deadline, the Potential Bidder did not qualify as a Qualified Bidder and was informed of this fact. Notwithstanding the foregoing, the Potential Bidder submitted a LOI after the deadline for receipt of Phase 2 offers, which contained various conditions relating, among other things, to financing and due diligence. The Monitor communicated this LOI to the secured creditors and the Information Agent and advised the Potential Bidder that its offer had not been retained as it did not respect the SISP Procedures. It must be stressed that neither the secured creditors nor the Information Agent disagreed with the Monitor in this regard.
- 26. On October 18, 2023, the Monitor informed the representative of the Investors that their offer had been selected as the Successful Bid in the context of the SISP. This offer is the result of negotiations and requests for clarification, following which an amended offer was submitted on October 16, 2023. During the course of discussions which took place during that time frame, the Monitor was informed by the Investors that the Transaction, which had initially been structured as a straight asset purchase, would need to be structured as a "reverse vesting" transaction, for the reasons more fully detailed herein.
- 27. The Agreement was executed on October 24, 2023.

#### **D. TRANSACTION**

- 28. The Transaction is structured as a "reverse vesting" transaction and remains conditional on the issuance of an order substantially similar to the draft Approval and Reverse Vesting Order (**Exhibit R-1**).
- 29. A reorganization of each of the Debtors (the "**Pre-closing Reorganization**") is to take place in accordance with the Agreement and will result in (i) Melnik owning all of the equity interest of EBSU, (ii) Melnik Trust owning all of the equity interest of Woodlore and (iii) Tayco owning all of the equity interest of ERC, and the Debtors will emerge from the CCAA proceedings (the EBSU Group after having emerged, being the "**Reorganized EBSU Group**").
- 30. The steps of the Pre-closing Reorganization are detailed in the Agreement (**Exhibit R-2**) and can be summarized as follows<sup>4</sup>:
  - (a) First, each Debtor shall file articles of reorganization (in each case, "**Articles of Reorganization**") in order to: (i) amend the rights, privileges, restrictions and conditions attached to all of the classes or series of the issued and outstanding

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<sup>4</sup> Capitalized terms used in this section and not otherwise defined have the meanings ascribed to them in the Agreement.

shares or other equity interests (the "**Existing Shares**") in the capital of such Debtor to add an automatic redemption feature for no consideration which shall be deemed to be effected a moment in time prior to the issuance of the Subscribed Shares (as defined below) in accordance with the steps set forth in this Closing Sequence and the Approval and Reverse Vesting Order (the "**Deemed Redemption**"), (ii) create a new class of voting and participating common shares, unlimited in number, designated in each case as "Class "A" common shares" for issuance to the applicable Investor (such shares being the "**Subscribed Shares**"); (iii) pursuant to the Deemed Redemption of the Existing Shares, delete all previously authorized and unissued classes and series of shares in the capital of such Debtor (other than the Class "A" common shares) and the rights, privileges, restrictions and conditions thereto, in order that, after giving effect to the foregoing, the class and maximum number of shares that such Debtor is authorized to issue shall consist of an unlimited number of Class "A" common shares; (iv) concurrently with the Deemed Redemption of the Existing Shares, cancel any and all agreements, contracts, plans, indentures, deeds, certificates, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), warrants, or other documents or instruments governing, convertible or exchangeable into, and/or having been created or granted in connection with the share capital of each Debtor prior to the filing of the Articles of Reorganization, but excluding for greater certainty the Subscribed Shares issued to the Investors pursuant to the steps set forth in the Approval and Reverse Vesting Order; (v) removing any and all directors and officers of such Debtor which were in office immediately prior to the Deemed Redemption; and (vi) provide that each of the foregoing amendments shall be deemed to take effect in the order in which they appear above;

- (b) Second, the Investors shall pay the unpaid portion of the cash portion of the Investment Amount (being the aggregate of (a) \$10,250,000 (inclusive of the deposit currently held by the Monitor, on behalf and for the benefit of the Debtors, the "**Cash Consideration**"), *plus* (b) an amount equivalent to the dollar value of the Retained Liabilities which the Investors shall cause the Debtors to retain and continue to assume, on the Closing Date and in accordance with the Closing Sequence, *plus* (c) the lesser of \$250,000 payable in cash or the aggregate amount of the documented priority professional fees associated with the CCAA Proceedings of ERC as at and up to the Closing Date), the whole to be held in escrow by the Monitor, on behalf and for the benefit of the Debtors, and the entire Cash Consideration shall be dealt with in accordance with this Closing Sequence;
- (c) Third, the shareholder of each of ResidualCo. 1 and ResidualCo. 2 shall be deemed to donate its shares in the capital of ResidualCo. 1 and ResidualCo. 2, respectively, for cancellation, and such shares shall be deemed cancelled immediately;
- (d) Fourth, the Debtors shall be deemed to: (i) transfer to ResidualCo. 1 the Excluded Assets and the Excluded Contracts and ResidualCo. 1 shall issue the Excluded Assets and Contracts Promissory Note to the Debtors, and (ii) transfer to ResidualCo. 2 the Excluded Liabilities and the Debtors shall issue the Excluded Liability Promissory Note to ResidualCo. 2, in each case, all pursuant to the Approval and Reverse Vesting Order;
- (e) Fifth, all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other

documents or instruments governing and/or having been created or granted in connection with the share capital of the Debtors shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Approval and Reverse Vesting Order;

- (f) Sixth, concurrently with step (e) above, each director and officer of each Debtor which was in office immediately prior to the Deemed Redemption shall be deemed to be removed from office effective as of the Deemed Redemption; and
  - (g) Seventh, concurrently with step (e) above, each of the Debtors shall issue the applicable Subscribed Shares to the applicable Investor and such Investor shall subscribe for and purchase the applicable Subscribed Shares, and the Cash Consideration shall be released from escrow for the benefit of the Debtors, but shall continue to be held by the Monitor in escrow on the Debtors' behalf to be distributed pursuant to step (h) of this Closing Sequence; and
  - (h) Eighth, the Monitor, on behalf and for the benefit of the Debtors, shall satisfy the amount owing under the Excluded Liability Promissory Note using the Cash Consideration (including the Deposit), and the Debtors shall be deemed to irrevocably direct the Monitor to cause such payment to be made from the Cash Consideration (including the Deposit) held by the Monitor, subject to the completion of all other steps in the Closing Sequence, although such amounts shall continue to be held by the Monitor on behalf and for the benefit of, respectively, ResidualCo. 1 and ResidualCo. 2 for subsequent distribution to the Debtors' creditors.
31. Pursuant to the Transaction, all obligations, contracts and assets of the Debtors other than the obligations, contracts and assets explicitly retained by the Reorganized EBSU Group (i.e., the Excluded Liabilities, the Excluded Contracts and the Excluded Assets) shall vest into ResidualCo. 1 and ResidualCo. 2, as applicable, with the same attributed and rights resulting from existing defaults of the Debtors, and the Reorganized EBSU Group shall be discharged from such Excluded Liabilities.
32. Conversely, the Reorganized EBSU Group shall own, to the exclusion of all other persons, free and clear of and from any encumbrances other than permitted encumbrances under the Agreement (**Exhibit R-2**), all rights, title and interest in and to all obligations, contracts, assets and other property of the Debtors, other than the Excluded Liabilities, the Excluded Contracts and the Excluded Assets which shall be owned by ResidualCo. 1 or ResidualCo. 2, as applicable.
33. As a result, the creditors of the Debtors will become creditors of ResidualCo. 1 and ResidualCo. 2, as applicable, upon closing of the Transaction.
34. As a condition of the retention of the Retained Contracts by the Debtors following the Reorganization, free and clear of all encumbrances, other than permitted encumbrances, the Investors have agreed to pay, in addition to the Cash Consideration, the Cure Costs (within the meaning of the CCAA) associated with such Retained Contracts, the whole subject to negotiations that may be required in relation thereto between the Debtors and the counterparties of such Retained Contracts.
35. As regards the retention of employees, the Investors have indicated to the Monitor their intention to retain the services of approximately eighty (80)% of the Debtors' employees. However, the Investors will require that all employees be laid off prior to the closing of the Transaction.



36. It should also be noted that, given that the proceeds of the Transaction (being the Cash Consideration) will not be sufficient to repay in full the secured creditors of the Debtors, no distribution to the Debtors' pre-filing unsecured creditors is expected, further to the bankruptcy of ResidualCo 1 and ResidualCo 2 or otherwise. However, it is essential to underline that the potential alternate scenario of a liquidation, receivership or otherwise will not yield a different result.
37. Pursuant to the Transaction and the Reorganization, holders of the Debtors' Existing Shares will be redeemed for no consideration as part of the Reorganization and will not receive any payments for, or distribution on, their shares in connection with the CCAA proceedings.

**E. GROUNDS FOR APPROVAL OF THE TRANSACTION**

38. The Monitor respectfully submits that the Transaction should be approved by this Court, for the following reasons:
  - (a) The SISP conducted by the Monitor, in collaboration with the Debtors, was reasonable and appropriate in the circumstances;
  - (b) The representatives of the Consultation Parties (as defined in the SISP Approval Order) have been duly consulted throughout the SISP and support the approval of the Transaction as contemplated under the terms of the Agreement;
  - (c) The Investment Amount (as defined in the Agreement) payable in connection with the Transaction should correspond to the fair market value of the Debtors' assets in the present circumstances, and also the Investor's Bid was the most favorable offer concerning the assets in question;
  - (d) The Transaction is beneficial to the Debtors' creditors and its other stakeholders in that, among other things, it will allow the continuation of the Debtors' operations and will enable jobs to be maintained;
  - (e) The completion of the Transaction is not conditional on the Investors obtaining financing; and
  - (f) No due diligence conditions are yet required, and the Transaction closing will occur shortly after issuing the Orders sought hereunder as the case may be.
39. The Investors have informed the Monitor that the structuring of the Transaction as a "reverse vesting" is required given the speed at which closing is expected to take place (i.e. prior to the hearing on HSBC's receivership application on November 14, 2021), as appears from the affidavit of William M. Melnik communicated in support of the Application as **Exhibit R-4**.
40. The Investors have informed the Monitor that they do not benefit from sufficient time to carry out an orderly transfer of the employees, assets and various certificates and authorizations required to continuously operate the business within the extremely tight time frame imposed in the current proceedings, with the fact the Debtors operate in three jurisdictions appearing to be a source of additional complications.
41. Without the issuance of the relief sought, particularly in light of the constraints, pressure and timeline imposed upon the Debtors and the Investors, there is a risk that the Transaction will not be able to close, thereby affecting potential distributions to creditors and the value of the potential recovery.

42. It is imperative that the relief be granted in order to maximize value and provide for a timely conclusion to the present proceedings in the best interests of all involved. Otherwise, significant delays and costs will likely arise.
43. The Monitor's report (the "**Report**") in support of this Application provides further details on the foregoing and will be communicated before the hearing on the Application.

**F. GROUNDINGS FOR THE ISSUANCE OF THE FOURTH ARIO**

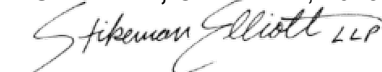
44. The Monitor, acting on behalf of the Debtors, hereby requests the issuance of the Fourth ARIO in order to provide for (i) the approval of the second amendment to the Interim Financing Facilities and (ii) the extension of the stay of proceedings up and until November 17, 2023.
45. The issuance of the Fourth ARIO will allow the Monitor to continue with the restructuring steps outlined above, the whole in view of closing the Transaction, in an effort to maximize the eventual distribution to Debtors' secured creditors.
46. The forecasts of changes in cash flows, prepared by the Monitor in its Report, show that the Debtors have sufficient liquidity to maintain their operations during the requested stay period extension.
47. The Monitor is of the view that no creditor will suffer any undue prejudice by the extension of the stay of proceedings. It should also be noted that HSBC has agreed to extend the Interim Financing until November 17, 2023.
48. In light of the foregoing, the Monitor respectfully submits that the extension sought is reasonable and appropriate in the present circumstances and that the present Application is well-founded in fact and law.

**WHEREFORE, MAY THIS COURT:**

- [1] **GRANT** this *Application for the Issuance of an Approval and Reverse Vesting Order and a Fourth Amended and Restated Initial Order*,
- [2] **ISSUE** an order substantially in the form of the draft Order communicated in support of the Application as **Exhibit R-1**, approving the Transaction contemplated pursuant to the terms of the Agreement;
- [3] **ISSUE** an order substantially in the form of the draft Order communicated in support of the Application as **Exhibit R-3**.

**WITHOUT COSTS**, save and except in case of contestation.

**MONTRÉAL**, October 24, 2023



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**M<sup>e</sup> Joseph Reynaud**

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41<sup>st</sup> Floor  
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**Attorneys for the Monitor**  
**RAYMOND CHABOT INC.**

**SWORN STATEMENT**

I, the undersigned, **DOMINIC DESLANDES**, having my principal place of business at 600 de La Gauchetière Street West, Suite 2000, in the city of Montréal, Province of Québec, solemnly declare the following:

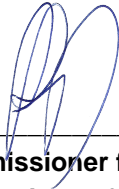
1. I am a partner at Raymond Chabot Inc.;
2. All the facts alleged in the *Application for the Issuance of an Approval and Reverse Vesting Order and a Fourth Amended and Restated Initial Order* are true to the best of my knowledge.

**AND I HAVE SIGNED :**



**DOMINIC DESLANDES**

**Solemnly declared before me at Montréal  
on the 24<sup>th</sup> day of October 2023**



**Commissioner for the taking of oaths for  
the province of Québec**



**NOTICE OF PRESENTATION**

**To:** Service List

**TAKE NOTICE** that the *Application for the Issuance of an Approval and Reverse Vesting Order and a Fourth Amended and Restated Initial Order* will be presented for adjudication before the Honourable Karen M. Rogers, J.S.C., of the Superior Court of Québec, sitting in the commercial division for the district of Montréal, at the Montréal Courthouse, 1 Notre-Dame Street East, on October 27, 2023, at a time and in a room to be determined.

**DO GOVERN YOURSELVES ACCORDINGLY.**

**MONTRÉAL**, October 24, 2023



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**M<sup>e</sup> Joseph Reynaud**

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**Attorneys for the Monitor**

**RAYMOND CHABOT INC.**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-062362-237

SUPERIOR COURT  
(Commercial Division)

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IN THE MATTER OF *THE COMPANIES'*  
*CREDITORS ARRANGEMENT ACT* OF:

ÉBÉNISTERIE ST-URBAIN LTÉE

- and -

WOODLORE INTERNATIONAL INC.

- and -

EURO-RITE CABINETS LTD.

**Debtors**

- and -

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

- and -

WILLIAM M. MELNIK

- and -

THE MELNIK FAMILY TRUST 2043

- and -

TAYCO OFFICE FURNISHINGS INC.

- and -

9501-8388 QUÉBEC INC.

- and -

9501-8412 QUÉBEC INC.

**Mis-en-cause**

- and -

RAYMOND CHABOT INC.

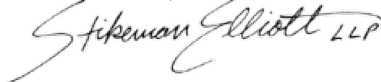
**Monitor**

LIST OF EXHIBITS IN SUPPORT OF THE APPLICATION FOR THE ISSUANCE OF AN  
APPROVAL AND REVERSE VESTING ORDER AND A FOURTH AMENDED AND  
RESTATED INITIAL ORDER

(Sections 11, 11.02(2) and 36 of the *Companies' Creditors Arrangement Act*)

- Exhibit R-1:** Draft Approval and Reverse Vesting Order.
- Exhibit R-1A:** Draft Approval and Reverse Vesting Order compared to the model of Approval and Vesting Order developed by the Liaison Committee of the Commercial Division of the Superior Court.
- Exhibit R-2:** Copy of the Investment Agreement dated October 24, 2023, between the Debtors and the Investors.  
**(under seal)**
- Exhibit R-3:** Draft Fourth ARIO.
- Exhibit R-3A:** Draft Fourth ARIO compared to the model of Initial Order developed by the Liaison Committee of the Commercial Division of the Superior Court.
- Exhibit R-4** Affidavit of William M. Melnik dated October 24, 2023.

**MONTRÉAL**, October 24, 2023



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**Attorneys for the Monitor**

**RAYMOND CHABOT INC.**

**SUPERIOR COURT  
(Commercial Division)**

No.: 500-11-062362-237

**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**IN THE MATTER OF *THE COMPANIES' CREDITORS ARRANGEMENT  
ACT OF:***

**ÉBÉNISTERIE ST-URBAIN LTÉE -and-  
WOODLORE INTERNATIONAL INC. -and-  
EURO-RITE CABINETS LTD.**

Debtors

- and -

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

**WILLIAM M. MELNIK -and-**

**THE MELNIK FAMILY TRUST 2043 -and-  
TAYCO OFFICE FURNISHINGS INC. -and-  
9501-8388 QUÉBEC INC. -and-  
9501-8412 QUÉBEC INC.**

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Monitor

BS0350

Our files:

120697-1024 & 120697-1025

**APPLICATION FOR THE ISSUANCE OF AN APPROVAL AND  
REVERSE VESTING ORDER AND A FOURTH AMENDED AND RESTATED  
INITIAL ORDER**

**(Sections 11, 11.02(2) and 36 of the *Companies' Creditors Arrangement Act*)**

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