

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No. : 500-11-050409-164

SUPERIOR COURT  
Commercial Division  
(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*,  
R.S.C., c. C-36, as amended)

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IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,  
c. C-36, AS AMENDED:

7098961 CANADA INC.,

Petitioner

-and-

RICHTER ADVISORY GROUP INC.

Monitor

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**APPLICATION FOR THE ISSUANCE OF AN ORDER EXTENDING *NON PRO  
TUNC* THE STAY OF PROCEEDINGS**

*(Section 11.02 of the Companies' Creditors Arrangement Act)*

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

**I. INTRODUCTION**

1. On March 24, 2016, the Honourable Justice Martin Castonguay, J.S.C., issued an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") in respect of 7098961 Canada Inc. (formerly known as Beyond the Rack Enterprises Inc., the "**Company**" or the "**Petitioner**") as appears from the Court record;
2. Pursuant to the Initial Order, Richter Advisory Group Inc. (the "**Monitor**") was appointed as Monitor to the Company and a stay of proceedings (the "**Stay of Proceedings**") was issued from the date of the Initial Order until April 22, 2016 (the "**Stay Period**");

3. During the course of these CCAA proceedings, the Stay of Proceedings was extended on several occasions. On September 15, 2016, this Court extended the Stay of Proceedings until March 31, 2017, as appears from the Court record.
4. The Company hereby seeks an order from this Court extending the Stay Period until May 8, 2017;

## II. RECENT DEVELOPMENTS

5. Following a duly constituted meeting of creditors of the Company (the "**Meeting of Creditors**") held on August 3, 2016, which culminated in the acceptance by the required majority of the Amended Plan of Compromise (the "**Amended Plan**"), on or around April 4, 2016, the Company filed a motion entitled *Application for the Sanction of Petitioner's Amended Plan of Compromise and to Approve a Reorganization* (the "**Sanction Application**");
6. Following the postponement of the hearing on the Sanction Application, on or about August 5, 2016, the Honourable Justice Danielle Mayrand issued an *Order Extending the Stay of Proceedings* (the "**Extending Order**") granting the extension of the Stay Period until September 15, 2016, the scheduled date for the hearing of the Sanction Application, the whole as appears from the Court record;
7. On September 14, 2016, 9721444 Canada Inc. (the "**Purchaser**") applied for a tax ruling (the "**Tax Ruling**") with respect to the future utilization of losses of the Company after implementation of the Amended Plan. The implementation of the Amended Plan and related subscription for shares in the Company is conditional upon the Purchaser being satisfied of the tax implications of the Amended Plan through the issuance of a favorable Tax Ruling;
8. On September 15, 2016, the Honourable Justice Michel Pinsonnault issued an order on the Sanction Application (the "**Sanction Order**"), granting the Sanction Application while extending the Stay Period to March 31, 2017, so as to allow the Company enough time to meet all conditions to the implementation of the Amended Plan and proceed with its implementation;
9. On March 30, 2017, the Purchaser and the Company received a favorable Tax Ruling (the Tax Ruling is dated March 21, 2017) with respect to the future utilization of losses of the Company after implementation of the Amended Plan. The Purchaser and the company can now proceed with the implementation of the Amended Plan;
10. An extension of the Stay Period is necessary in order to provide the Company with the necessary delays to finalize and execute the Amended Plan with the Purchaser and the Creditors following the issuance of the Tax Ruling on March 21, 2017;
11. The Company is requesting a short extension of the Stay Period, and in this regard, no creditor will suffer any undue prejudice by the extension of the Stay Period;

12. As such, the Company respectfully submits that it is appropriate, in the circumstances, to grant the present Application and order the extension of the Stay Period to May 8, 2017;
13. The present Application is well founded in fact and in law.

**WHEREFORE, MAY THIS COURT:**

**GRANT** the present *Application for the Issuance of an Order Extending the Stay of Proceedings* (the "**Application**");

**DECLARE** that the notices given for the presentation of the Application are proper and sufficient;

**EXTEND** the Stay Period (as defined in the Motion) until May 8, 2017;

**ORDER** the provisional execution of this Order to be rendered notwithstanding any appeal and without the necessity of furnishing any security.

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

Montreal, April 5, 2017

*STIKEMAN ELLIOTT*

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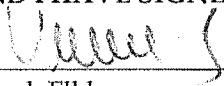
**AFFIDAVIT**

I, the undersigned, Joseph Elkhoury, Certified Accountant, carrying on my profession at 5440 Paré St, in the City of Mont-Royal, Province of Quebec, do solemnly declare as follows:

1. I am one of the Certified Accountant for the Purchaser in the present case;
2. All the factual allegations contained in the *Application for the Issuance of an Order Extending non pro tunc the Stay of Proceedings* are true.

7500.11-050405-164

**AND I HAVE SIGNED:**

  
\_\_\_\_\_

Joseph Elkhoury

Solemnly declared before me in Montreal,  
on the 5<sup>th</sup> day of April, 2017

\_\_\_\_\_

NOTICE OF PRESENTATION

To: Service List

**TAKE NOTICE** that the *Application for the Issuance of an Order Extending non pro tunc the Stay of Proceedings* will be presented for adjudication before the Honourable Justice Michel A. Pinsonnault, sitting in Commercial Division in and for the District of Montréal, at the Montréal Court House, 1 Notre-Dame Street East, Montréal, Quebec on April 7, 2017, room 16.12, at 9:15 a.m.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montreal, April 5, 2017

*STIKEMAN ELLIOTT*

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**STIKEMAN ELLIOTT LLP**

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Attorneys for the Petitioner

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SUPERIOR COURT  
(Commercial Division)

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N°. 500-11-050409-164

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CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL

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IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, c. C-36, AS AMENDED:

7098961 CANADA INC.

Petitioner

-and-

RICHTER ADVISORY GROUP INC.

Proposed Monitor

BS0350

File: 137950-1006

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APPLICATION FOR THE ISSUANCE OF AN  
ORDER EXTENDING NON PRO TUNC THE  
STAY OF PROCEEDINGS (Section 11.02 of the  
Companies' Creditors Arrangement Act)

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ORIGINAL

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Mtre Guy P. Martel  
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