

Superior Court
(Commercial Division)

Canada
Province of Québec
District of Montréal
No: 500-11-059536-215

In the matter of the *Companies' Creditors Arrangement Act* of:

**ATIS GROUP INC.
10422916 CANADA INC.
8528853 CANADA INC.
9060642 CANADA INC.
9092455 CANADA INC.
DISTRIBUTEUR VITRO CLAIR INC.
SOLARCAN ARCHITECTURAL HOLDING LIMITED
VITRERIE LÉVIS INC.
VITROTEC PORTES & FENÊTRES INC.**
Debtors

- and -

ATIS LP
Mise-en-cause

-and-

RAYMOND CHABOT INC.
Monitor

**Application for a Second Extension of the Stay Period and for Ancillary Relief¹
(*Companies' Creditors Arrangement Act*, ss 11, 11.02(2), and 11.2)**

To the Honourable Peter Kalichman, Judge of the Superior Court, sitting in the Commercial Division for the District of Montréal, the Debtors respectfully submit:

I. Introduction

1. By the present application (the "**Application**"), the Debtors request:

- (a) an extension of the Stay Period to June 30, 2021;

¹ All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Application for an Initial Order and for an Amended and Restated Initial Order.

- (b) the approval of a second amendment to the Interim Financing Term Sheet, which *inter alia* provides for an increase of the Interim Financing up to an aggregate amount of \$9,000,000 to be secured by an increased Interim Lender Charge in the amount of \$10,800,000 (the “**Second Amendment to the Interim Financing Term Sheet**”);
- (c) an expansion of the powers of the Monitor to include the power to conduct and control the financial affairs and operations of the Debtors and carry on the business of the Debtors and exercise such shareholder or member or rights, as may be available to the Debtors; and
- (d) an amendment to the existing Directors’ Charge so that upon confirmation by the filing of a certificate of the Monitor that all of Atis Groups’ directors have resigned, the Directors’ Charge ceases to apply in respect of Atis Groups’ directors for the future, but will remain in place for the benefit of Atis Group’s officers and for the CRO and the Monitor, on a *pari passu* basis, from the date of the filing of the certificate by the Monitor.

the whole in accordance with the terms of the proposed order extending the stay period and granting ancillary relief (the “**Proposed Order Extending the Stay Period and Granting Ancillary Relief**”), communicated herewith as **Exhibit P-1**.

- 2. The relief sought in the Application is necessary and appropriate to allow for the Debtors to continue the restructuring process contemplated in the Initial Order dated February 19, 2021, as amended and restated on March 1, 2021 (the “**Initial Order**”).
- 3. The Monitor supports the relief sought.

II. The Stay Period should be extended

- 4. On February 19, 2021, the Debtors served an Application for an Initial Order and an Amended and Restated Initial Order (the “**Initial Application**”), as appears from the Court record.
- 5. The Initial Application provides a detailed description of the activities of the Debtors, their key stakeholders, the circumstances surrounding the filing of the Initial Application as well as the restructuring contemplated pursuant to the Initial Order.
- 6. On February 19, 2021, the Court granted the Initial Application and rendered an Initial Order, commencing proceedings in respect of the Debtors under the CCAA (the “**CCAA Proceedings**”).
- 7. On March 1, 2021, the Court rendered an amended and restated initial order, *inter alia*, confirming the provisions of the Initial Order and extending the Stay Period to April 30, 2021.
- 8. On March 10, 2021, the Court issued a receivership order appointing Raymond Chabot Inc. as receiver (in such capacity, the “**Receiver**”) over a certain pool of funds for the sole purpose of allowing certain of the Debtors’ employees whose employment was going to be terminated in the context of the restructuring to benefit from the payments provided for under the *Wage Earner Protection Program Act* (the “**WEPPA**”).

9. On March 25, 2021, the Court issued a claims process order setting a claims bar date of April 26, 2021, except for restructuring claims and WEPPA employee claims.
10. Since the beginning of this process, Atis Group's management and the CRO, in consultation with the Monitor:
 - (a) have secured the post-filing procurement of goods and services required to continue Atis Group's operations;
 - (b) have partially implemented Atis Group's restructuring plan;
 - (c) have initiated a sale and investment solicitation process (the "**SISP**") and received binding offers pursuant to the SISP on April 21, 2021; and
 - (d) have elaborated a claims process.
11. Atis Group seeks the extension of the Stay Period until June 30, 2021 to review the binding offers pursuant to the SISP and, if desirable, implement one or more transactions pursuant to the successful offer(s) selected.
12. It is respectfully submitted that Atis Group has acted and is acting in good faith and with due diligence and that the proposed extension should be granted.

III. The amendment to the Interim Financing Term Sheet should be approved

13. In February 2021, Atis Group entered into the Interim Financing Term Sheet which was approved by this Court as part of the Initial Order and which allowed for an Interim Financing to be provided to Atis Group up to a maximum amount of \$6,250,000, to be secured by an interim financing charge in the amount of \$7,500,000 (the "**Interim Lender Charge**").
14. An amount of \$4,500,00 was available to Atis Group under the Interim Facility up to April 30, 2021. On April 2, 2021, in light of additional liquidity requirement namely resulting from a higher than anticipated volume of sales, the Interim Financing Term Sheet was amended to allow Atis Group to borrow an additional amount of \$750,000 under the Interim Facility for the weeks ending on April 3, 2021, April 10, 2021 and April 17, 2021.
15. Over the course of the past few weeks, the Monitor has worked on a revised cash flow forecast. According to this revised cash flow forecast, Atis Group will require additional financing in the amount of \$2,750,000 over the course of the next few months in order to continue its restructuring.
16. The Interim Lender has agreed to amend the Interim Financing Term Sheet in order to provide the additional financing, which will increase the amount available under the Interim Facility to a total amount of \$9,000,000 and is to be secured by an increased Interim Lender charge in the amount of \$10,800,000, as appears from the Second Amendment to the Interim Financing Term Sheet, communicated herewith, under seal, as **Exhibit P-2**.

17. The Interim Lender Charge currently ranks immediately after the Senior Security (as defined in the Initial Order). The Interim Lender has requested that Interim Lender Charge rank in priority to the Senior Security. This will not affect the other charges given that they all rank in priority to the Senior Lender Charge and the Senior Security pursuant to the Initial Order.
18. Atis Group submits that it is appropriate in the circumstances to approve the Second Amendment to the Interim Financing Term Sheet, to increase the Interim Lender Charge to \$10,800,000 and to amend the terms of the Initial Order to provide that the Interim Lender Charge shall rank in priority to the Senior Security.

IV. The powers of the Monitor should be expanded

19. Atis Group secured an extension of the directors' and officers' insurance policy (the "**Policy**") at the outset of the CCAA proceeding, which Policy will expire on April 30, 2021.
20. Atis Group has requested an extension of the Policy; however, as at the date hereof, Atis Group has not received confirmation from the insurers that the Policy will be extended.
21. Atis Group has been informed that, in the absence of an extension of the Policy, the Directors and Officers may resign shortly prior to or concurrently with the expiration of the Policy. In fact, on April 22, 2021, one of the Directors and Officers tendered his resignation effective immediately.
22. Given the circumstances, Atis Group seeks an expansion of the Monitor's powers in the context of these CCAA proceedings, namely to allow the Monitor to:
 - (a) conduct and control the financial affairs and operations of Atis Group and carry on the business of Atis Group, to complete the restructuring process for the benefit of Atis Group's stakeholders;
 - (b) exercise any shareholder or member rights, as may be available to Atis Group; and
 - (c) provide instructions to Atis Group's attorneys in connection with any and all applications that ought to be brought by or on behalf of the Debtors in the context of the CCAA Proceedings.

V. The amendments to the Directors' Charge should be approved

23. Atis Group's Directors and Officers currently benefit from the Directors' Charge to secure indemnification of the Directors and Officers in respect of any potential liabilities in the context of the present proceedings, but only to the extent that such claims are not covered by the Policy.
24. In light of the fact that Atis Group's sole remaining director may resign shortly prior to or concurrently with the expiration of the Policy, Atis Group requests that the Directors' Charge be amended so that upon confirmation by the filing of a certificate of the Monitor (the "**Certificate**") that all of Atis Groups' directors have resigned, the Directors' Charge ceases to apply in respect of Atis Groups' directors for the future, but will remain in place:

- (a) first, for the benefit of (i) Atis Group's former directors from the date of the Initial Order to the issuance of the Certificate and (ii) Atis Group's past, present or future officers; and
 - (b) second, to secure, on a *pari passu* basis, the payment of any amount owed under the CRO Indemnity which exceeds the amount of the CRO Charge and the payment of any obligations or liabilities that the Monitor may incur by reason of its capacity as Monitor of Atis Group.
25. Exhibit P-2 and Schedule A to the Second Report of the Monitor dated April 27, 2021 contain sensitive or confidential information and should be filed under seal.
26. In light of the foregoing, Atis Group respectfully submits, with the support of the Monitor, that the relief sought pursuant to this Application should be granted.
27. Given the need to advance the restructuring as quickly as possible, it is respectfully submitted that this Court order the provisional execution of the orders sought pursuant hereto, notwithstanding any appeal.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Application for a Second Extension of the Stay Period and for Ancillary Relief;

RENDER an order substantially in the form of the Proposed Order Extending the Stay Period and Granting Ancillary Relief, Exhibit P-1;

THE WHOLE without legal costs, save in case of contestation.

Montreal, April 27, 2021

McCarthy Tétrault LLP

McCarthy Tétrault LLP

Lawyers for the Debtors

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Sworn Declaration

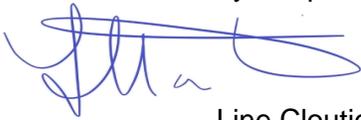
I, the undersigned, ANDREW REITER, authorized representative of the Debtors, domiciled for the purpose hereof at 1000 rue de la Gauchetière Ouest, Suite 2500, in the city of Montréal, Province of Québec, H3B 0A239, solemnly affirm that all the facts alleged in the present *Application for a Second Extension of the Stay Period and for Ancillary Relief* are true.

AND I HAVE SIGNED,



Andrew Reiter

SOLEMNLY AFFIRMED BEFORE ME BY
TECHNOLOGICAL MEANS, AT
MONTREAL, this 27th day of April, 2021



Line Cloutier, #202,986

COMMISSIONER OF OATHS
FOR THE PROVINCE OF QUÉBEC

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**Notice of Presentation
Commercial**

TO: The Service List

1. PRESENTATION OF THE PROCEEDING

TAKE NOTICE that the present *Application for a Second Extension of the Stay Period and for Ancillary Relief* will be presented for adjudication before the Superior Court of Québec, sitting in the commercial division for the district of Montréal, **in room 16.08** of the Montreal Courthouse, located at 1 Notre Dame Street East, Montréal, QC, H2Y 1B6, on **April 28, 2021, at 9:15.**

2. HOW TO JOIN THE VIRTUAL PRACTICE ROLL CALL

The coordinates for joining the room 16.04 virtual roll call are the following:

- a) **With Teams Tool:** by clicking on the link available on the website www.tribunaux.qc.ca;

You need at that time to inscribe your name and click on “Joining now”. In order to facilitate the progress and the identification of the participants, we are inviting you to inscribe your name by this manner:

The lawyers: Mtre First name, Last Name (name of the represented party)

The syndics: First name, Last Name (syndic’s name)

The superintendent: First name, Last name (superintendent’s name)

The parties non-represented by lawyers: First name, Last name (precise: Plaintiff, Defendant, Petitioner, Respondent, Creditor, Opponent or other)

For people who are assisting to a public hearing: the mention may be limited to entering: (public)

- b) **By telephone:**

Canada, Québec (paid number): + 1 581-319-2194

Canada (toll-free number): (833) 450-1741

Conference ID: 516 211 860#

- c) **By videoconference:** teams@teams.justice.gouv.qc.ca

Conference VTC ID: 1149478699

- d) **In person:** If and only if you do not have access to one of these technological means above-identified. You can then go to room 16.04 of the Courthouse of Montreal, located at:

1 Notre-Dame Street East.

3. DEFAULT OF PARTICIPATING TO THE VIRTUAL ROLL CALL

TAKE NOTICE that if you wish to contest the proceeding you need to advise by written the instigator of the proceeding at the indicated coordinates in this Notice of Presentation at least 48 hours before the presentation date and participate to the virtual roll call. Failing that, a judgment could be rendered during the presentation of the proceeding, without any further notice or delay.

4. OBLIGATIONS

4.1 The Collaboration

TAKE NOTICE that you have the obligation to cooperate with the other party, in particular by informing each other, at all relevant times, of all facts and elements susceptible of promote a loyal debate and making sure you preserve the relevant evidence (*Civil Code of Procedure*, Art. 20).

4.2 Preventing and Resolving Disputes Method

TAKE NOTICE that you must, before going to the Tribunal, considerate the recourse of all preventing and resolving disputes methods which are, among others, negotiation, mediation or arbitration, for which the parties appeal a third-party assistance (*Civil Code of Procedure*, Art. 2).

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, April 27, 2021

McCarthy Tétrault LLP

McCarthy Tétrault LLP
Lawyers for the Debtors

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List of Exhibits

Exhibit P-1	Proposed Order Extending the Stay Period and Granting Ancillary Relief
Exhibit P-2	Second Amendment to the Interim Financing Term Sheet (under seal)

Montreal, April 27, 2021

McCarthy Tétrault LLP

McCarthy Tétrault LLP
Lawyers for the Debtors

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**Application for a Second Extension of the Stay Period and
for Ancillary Relief**

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