

COURT FILE NUMBER

QB No. 1884 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE

SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES AND SERVICE LTD., CONTOUR REALTY INC., and MORRIS INDUSTRIES (USA) INC.

NOTICE OF APPLICATION

(Extension of Stay of Proceedings)

NOTICE TO RESPONDENTS: All parties listed in the enclosed Service List

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Where: Court House, 520 Spadina Crescent East
Saskatoon, Saskatchewan

Date: Friday, January 29, 2021

Time: 10:00 a.m.

NOTE: Due to the health risks posed by the COVID-19 pandemic, all Chambers applications will be heard by telephone unless the presiding judge has decided otherwise. Dial-in particulars may be obtained upon request by contacting MLT Aikins LLP, counsel for the Monitor.

(Read the Notice at the end of this document to see what else you can do and when you must do it.)

Remedy claimed or sought:

1. Alvarez & Marsal Canada Inc. (the "**Monitor**"), Court-appointed Monitor of 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc., and Morris Industries (USA) Inc. (collectively, the "**Morris Group**"), seeks an Order in substantially the form of the proposed draft Order (Extension of Stay of Proceedings) filed herewith:
 - (a) extending the term of the Amended and Restated Initial Order of the Honourable Mr. Justice R.S. Smith granted in these proceedings on January 16, 2020 (the "**ARI Order**"), and the stay of proceedings provided for therein, to 11:59 p.m. Saskatchewan time on February 28, 2021;

- (b) approving the actions, activities and conduct of the Monitor from December 11, 2020 to and including January 26, 2021, as more particularly described in the Thirteenth Report of the Monitor dated January 26, 2021 (the "**Thirteenth Report**"); and
 - (c) approving the professional fees and disbursements of the Monitor and its legal counsel, MLT Aikins LLP, from December 1, 2020 to and including December 31, 2020, as more particularly described in the Thirteenth Report.
2. Such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

- 3. The Morris Group employs, in aggregate, approximately 125 persons in the Provinces of Saskatchewan and Manitoba.
- 4. There are no remaining directors or officers of Morris Group. Accordingly, the Monitor is responsible for all management and oversight of the business operations of the Morris Group.
- 5. The Monitor was appointed pursuant to the ARI Order, the term of which (and the stay of proceedings thereunder) was previously extended by Orders of the Court to May 8, May 29, July 3, July 31, August 31, September 18, November 26, and December 18 2020. If the ARI Order and the stay of proceedings thereunder are not extended, the Morris Group will be left without any directors, officers, senior management, means of funding operations, court officer oversight or means to pay its employees.
- 6. The Morris Group was granted protection pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, s 36 by means of an Initial Order of the Honourable Mr. Justice R.S. Smith granted on January 8, 2020 and the ARI Order granted by Justice Smith on January 16, 2020.
- 7. Pursuant to paragraph 3(d) of the Order (Enhancement of Monitor's Powers) of the Honourable Mr. Justice R.W. Elson granted on February 18, 2020 (the "**EMP Order**"), the Monitor is empowered, *inter alia*, to take any steps reasonably incidental to certain enumerated powers described therein and to exercise statutory rights and remedies on behalf of Morris Group.
- 8. On December 18, 2020, the Honourable Mr. Justice R.S. Smith granted a Sale Approval and Vesting Order (the "**Sale Approval and Vesting Order**") approving the sale of certain business assets of Morris Industries Ltd. and Contour Realty Inc. to 102114983 Saskatchewan Ltd. (the "**Transaction**").
- 9. The purchaser, 102114983 Saskatchewan Ltd., has experienced delays in completing the financing required to close the Transaction. The Monitor (with the support of Bank of Montreal ("**BMO**"), the

senior secured creditor of the Morris Group) therefore seeks an extension of these proceedings to February 28, 2021 in order to allow these issues to be resolved.

Extension of the ARI Order and the Stay of Proceedings

10. The ARI Order and the stay of proceedings provided for thereunder are scheduled to expire at 11:59 p.m. on Sunday, January 31, 2021.
11. The Monitor is working to complete and close the Transaction as expeditiously as possible.
12. Pending the closing of the Transaction, the Monitor continues to oversee the day-to-day operations and business activities of the Morris Group as more particularly discussed in the Thirteenth Report.

Approval of Activities of the Monitor and Fees and Disbursements of the Monitor and its Legal Counsel

13. As more particularly detailed in the Thirteenth Report:
 - a) the Monitor's mandate has at all times been carried out with efficiency and integrity and with due regard for the interests of all parties; and
 - b) the professional fees and disbursements of the Monitor and its legal counsel are fair and reasonable in the circumstances.
14. Accordingly, the Monitor seeks approval of its actions, activities and conduct from December 11, 2020 (the date upon which its activities were last approved) to January 26, 2021, as well as approval of the fees and disbursements of the Monitor and its legal counsel from December 1, 2020 to and including December 31, 2020.
15. Such further or other grounds as counsel may advise and this Honourable Court may allow.

Material or evidence to be relied on:

16. This Notice of Application, with proof of service;
17. Thirteenth Report of the Monitor dated January 26, 2021;
18. The First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, and Twelfth Reports of the Monitor, with appendices, previously filed;
19. A form of Draft Order (Extension of Stay of Proceedings); and
20. Such further and other materials as counsel may advise and this Honourable Court may allow.

Applicable Acts and regulations:

21. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, s 36.

DATED at Saskatoon, Saskatchewan, this 26th day of January, 2021.

MLT AIKINS LLP

Per: 

Jeffrey M. Lee, Q.C. and Paul Olfert
Counsel for the Monitor, Alvarez & Marsal Canada
Inc.

NOTICE

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

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