

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.

**AMENDED NOTICE OF APPLICATION**  
**(Amended and Restated Initial Order)**  
**(Order Approving Sale and Investment Solicitation Process)**

**NOTICE TO RESPONDENTS: All parties listed on the 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 of Queen's Bench for Saskatchewan  
Judicial Centre of Saskatoon  
520 Spadina Crescent East  
Saskatoon, SK S7K 3G7

**Date:** January 16, 2020

**Time:** 9:00 ~~p~~.a.m.

Go to the end of this document to see what you can do and when you must do it.

**Remedy claimed or sought:**

1. The applicants, 101098672 Saskatchewan Ltd. ("672"), Morris Industries Ltd. ("**Morris Industries**"), Morris Sales and Service Ltd. ("**MSS**"), Contour Realty Inc. ("**CRI**"), and Morris Industries (USA) Inc. ("**Morris USA**") (collectively, the "**Morris Group**"), seek an Amended and Restated Initial Order pursuant to sections 11, 11.02(2), and 11.2 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCA**"):

- (a) confirming and restating all of the relief granted in the Initial Order of the Honourable Justice R.S. Smith dated January 8, 2020 (the "**Initial Order**") except as expressly modified by Amended and Restated Initial Order;
- (b) providing that the Initial Order, including the stay of proceedings in favour of the Morris Group contained therein, as expressly modified by Amended and Restated Initial Order, shall be extended to and including 11:59 p.m. (Saskatchewan Time) on the 27<sup>th</sup> day of March, 2020;
- (c) authorizing the Morris Group to, subject to further order of the Court, file one or more plans of compromise or arrangement;
- (d) authorizing the Morris Group to:

- (i) cease, downsize, or shut down any of its business and dispose of redundant or non-material assets up to the thresholds set out in the draft Amended and Restated Initial Order;
- (ii) terminate or temporarily lay off such of its employees, if it deems appropriate;
- (iii) pursue all avenues of refinancing its business or property, subject to prior approval of the Court; and
- (iv) deliver notices of disclaimer pursuant to section 32 of the CCAA, if it deems appropriate;
- (e) authorizing the Morris Group to obtain and borrow under a credit facility from the Bank of Montreal (“BMO”) in order to finance the Morris Group’s working capital requirements and other general corporate purposes and capital expenditures;
- (f) granting BMO an interim lender’s charge on the Morris Group’s property;
- (g) requesting the aid and recognition of any court, tribunal, regulatory, or other administrative body having jurisdiction in Canada or the United States; and
- (h) empowering the Morris Group and the Monitor to apply to any court, tribunal, regulatory, or other administrative body for recognition of the Amended and Restated Initial Order.

2. In addition, the Morris Group seeks an Order pursuant to section 36 of the CCAA and the inherent jurisdiction of the Court:

- (a) approving the Sale and Investment Solicitation Process (the “SISP”) appended to the draft Order;
- (b) authorizing the Monitor and Morris Group to implement and carry out the SISP;
- (c) limiting the liability of the Monitor and Morris Group for acts or omissions related to the SISP, except to the extent such act or omission is the result of the gross negligence or wilful misconduct of the Monitor or the Morris Group; and
- (d) sealing the Confidential Supplement to the First Report of the Monitor (and exhibits thereto) (collectively, the “Confidential Documents”) until:
  - (i) further Order of the Court; or
  - (ii) the Monitor provides written notice to the Court that the Confidential Documents need no longer be kept sealed and confidential.

3. Finally, the Morris Group seeks an Order pursuant to section 11 of the CCAA and the inherent jurisdiction of the Court approving the Claims Process Order in the form to be filed.

**Grounds for making this application:**

3. The relief granted pursuant to the Initial Order was limited to what was reasonably necessary for the continued operations of the Morris Group in the ordinary course of business during the initial 10 day stay period.

4. The Monitor, in consultation with the Morris Group and primary secured creditors, has conceptualized the SISP presented for approval on this application. The timeline to complete the SISP extends to May 1, 2020, requiring an extension of the stay of proceedings.

5. The Morris Group is therefore seeking the additional relief set out in the Amended and Restated Initial Order, which is based on the Saskatchewan Template CCAA Initial Order, to allow it to carry on business in the ordinary course during the extended stay period and pursue additional restructuring initiatives concurrently with the SISP.

6. The Morris Group also requires interim financing for the extended stay period and BMO has agreed to provide the same. It is a condition of the interim financing that BMO be entitled to an interim lender's charge on the Morris Group's assets securing the amounts advanced.

**Material or evidence to be relied on:**

7. The Morris Group relies on the following:

- (a) this Notice of Application and proof of service;
- (b) the Second Affidavit of Kevin Adair;
- (c) the First Report of the Monitor and the Confidential Supplement to the First Report of the Monitor;
- (d) the draft Amended and Restated Initial Order (clean and redlined versions);
- (e) the draft Order Approving the Sale and Investment Solicitation Process; and
- (f) the draft Claims Process Order; and
- ~~(f)~~(g) such further and other material as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

8. N/A

**Applicable Acts and Regulations:**

9. The Morris Group relies on the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and, in particular, sections 11, 11.02(2), 11.2, and 36 of the same.

**NOTICE**

If you wish to oppose the application, you or your lawyer must prepare an affidavit in response, serve a copy at the address for service given at the end of this document, and file it in the court office, with proof of service, at least 7 days before the date set for hearing the application. You or your lawyer must also come to court for the hearing of the application on the date set.

AND FURTHER TAKE NOTICE that if you do not appear at the hearing an order may be made in your absence and enforced against you. YOU WILL NOT RECEIVE FURTHER NOTICE OF THIS APPLICATION.

DATED at Saskatoon, Saskatchewan, this 14<sup>th</sup> day of January, 2020.

**McDOUGALL GAULEY LLP**

Per: "Craig Frith"

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Solicitors for the applicants, the Morris Group

AMENDED at Saskatoon, Saskatchewan, this 15<sup>th</sup> day of January, 2020

**McDOUGALL GAULEY LLP**

Per: 

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Solicitors for the applicants, the Morris Group

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

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