

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

(Second 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, May 8, 2020
Time: 10:00 a.m.

NOTE: The hearing of this application will take place by telephone pursuant to the Court's procedures during the COVID-19 pandemic. Dial-in particulars are available from the Monitor's legal counsel by written or e-mailed request.

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

Reasons for urgency of application:

1. 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc., and Morris Industries (USA) Inc. (collectively, the "Morris Group") employ, in aggregate, approximately 134 persons in the Provinces of Saskatchewan and Manitoba.
2. There are no remaining directors or officers of Morris Group. Accordingly, Alvarez & Marsal Canada Inc., the Court-appointed Monitor of the Morris Group (the "**Monitor**"), is responsible for all management and oversight of the business operations of the Morris Group.
3. The Monitor was appointed pursuant to 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**"), the

term of which (and the stay of proceedings thereunder) was previously extended by the March 27, 2020 Order of the Honourable Mr. Justice R.W. Elson to 11:59 p.m. Saskatchewan Time on Friday, May 8, 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.

Remedy claimed or sought:

4. An Order in substantially the form of the proposed draft Order (Extension of Stay of Proceedings and Other Relief) filed herewith:
 - (a) extending the term of the ARI Order, and the stay of proceedings provided for therein, to 11:59 p.m. Saskatchewan time on Friday, May 29, 2020;
 - (b) approving the actions of the Monitor and the fees and disbursements of the Monitor and its legal counsel;
 - (c) sealing the Confidential Appendix to the Fifth Report of the Monitor (the “Confidential Appendix”) on the Court file; and
 - (d) such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

5. 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.
6. Pursuant to 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 (paragraph 3(d)).

Extension of the ARI Order and the Stay of Proceedings

7. The ARI Order and the stay of proceedings provided for thereunder are scheduled to expire at 11:59 p.m. on Friday, May 8, 2020.
8. The work of the Monitor to facilitate a sale of the business and operations of Morris Group pursuant to the Order (Approving Sale and Investment Solicitation Process) of the Honourable Mr. Justice R.S. Smith granted on January 16, 2020 (the “**SISP Order**”) continues.

9. The Monitor is also continuing its work to establish and determine all claims which persons may have against the Morris Group pursuant to the claims process and as directed by the Claims Process Order of the Honourable Mr. Justice R.S. Smith granted on January 16, 2020 (the “CPO”).
10. In addition to the claims process, the Monitor continues to oversee the day-to-day operations and business activities of the Morris Group as more particularly discussed in the Fifth Report of the Monitor dated May 6, 2020 (the “Fifth Report”).

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

11. As more particularly detailed in the Fifth 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.
12. Accordingly, the Monitor seeks approval of its activities from and after March 27, 2020 (the date upon which its activities were last approved), as well as approval of the fees and disbursements of the Monitor and its legal counsel to and including April 30, 2020.

Sealing of the Confidential Appendix

13. In order to ensure that this Honourable Court is fully informed regarding the Monitor’s performance of its mandate, the Monitor is filing a Confidential Appendix which provides an update regarding certain commercially sensitive aspects of the Sales and Investment Solicitation Process.
14. The information in the Confidential Appendix is commercially sensitive. Publicly disclosing this commercially sensitive information prior to the closing of a sale transaction would prejudice the Monitor’s negotiations with interested parties, would jeopardize the integrity of the process, and would impair the ability of the Monitor to maximize value for all stakeholders.
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. Fifth Report of the Monitor dated May 6, 2020 with the Confidential Appendix thereto (to be filed on May 6, 2020);

18. The First, Second, Third and Fourth Reports of the Monitor, with appendices, previously filed;
19. A form of Draft Order;
20. Proof of compliance with General Application Practice Directive #3; and
21. Such further and other materials as counsel may advise and this Honourable Court may allow.

Applicable Acts and regulations:

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

DATED at Saskatoon, Saskatchewan, this 5th day of May, 2020.

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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