



Ernst & Young Inc.  
900, boul. De Maisonneuve Ouest  
Bureau 2300  
Montréal (Québec) H3A 0A8

Tél./Tel: +1 514 875 6060  
Télec./Fax: +1 514 879 2600  
ey.com

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
DIVISION NO : 01-MONTREAL  
COURT NO : 500-11-057370-195  
ESTATE NO: 41-344454

S U P E R I O R C O U R T  
Commercial Division  
In matters of bankruptcy and insolvency

IN THE MATTER OF THE COURT APPOINTED RECEIVERSHIP OF SPORT CARTISE INC. ("Cartise" or the "Company") a corporation having its principal place of business at 6161 Cypihot street, in the city of Montreal, province of Quebec, H4S 1R3.

NOTICE AND STATEMENT OF THE RECEIVER  
Form 87  
Sections 245 and 246 of the Bankruptcy and Insolvency Act<sup>1</sup>

---

The Receiver gives notice and declares that:

1. On October 24, 2019, Ernst & Young Inc. ("EY" or the "Receiver") was appointed to act as the Receiver to the property (the "Property") of the Company. EY became the Receiver in respect of the Property by virtue of being appointed by the Superior Court of Québec (the "Court") pursuant to a court order rendered on October 24, 2019 (the "Court Order").
2. Cartise's Property is comprised of:

Estimated net book value as at	
Assets	October 24, 2019 (unaudited)
Cash	-
Accounts receivable	1,143,547
Prepaid expenses	3,093
Inventory	884,669
Fixed assets	50,662
Total	<u>\$ 2,081,971</u>

3. The book value of the Property was estimated to total \$2,081,971 based on the unaudited books and records of the Company. The estimated realizable value is expected to be lower than the estimated book value.
4. The Receiver intends to realize upon the Assets for the benefit of the creditors.

---

<sup>1</sup> R.S.C. 1985, c. B-3, as amended

5. The following information relates to the receivership:

- a) Address of the Company: 6161 Cypihot Street  
Montreal, Quebec  
H4S 1R3
- b) Principal line of business: Sale of women's clothing.
- c) The amounts owed by Cartise to creditors who hold a security on the property is estimated to total \$1,368,859.15. The secured creditors are presented in Appendix A hereto attached.
- d) The amounts owed by Cartise to each unsecured creditor are presented in Appendix A hereto attached and are estimated to total \$149,361.38.
- e) Contact person for the Receiver: Matt Budd, CPA, CA, CIRP, LIT  
Telephone: (514) 874-4601  
Email : matt.budd@ca.ey.com

Dated at Montreal, Quebec, this 31<sup>st</sup> day of October 2019

ERNST & YOUNG INC.  
Licensed Insolvency Trustee  
Acting in its capacity as Court appointed receiver  
of Sport Cartise Inc.  
and not in its personal or corporate capacity



Par : Martin P. Rosenthal, CPA, CA, CIRP, LIT  
Senior Vice President

## Creditor Mailing List

In the matter of the receivership of Sport Cartise Inc.,  
having its principal place of business at  
6161, Cypihot Street, Montréal, in the province of Québec, H4S 1R3.

Creditor Type	Name	Attention	Address	Claim \$
Director	Sharoni Padan		4, Edgewood Street Dollard-des-Ormeaux QC H9A 3J9	
Secured	BDC		Josée Therrien 1570 Ampère, bureau 300 Boucherville QC J4B 7L4	
	HSBC Bank Canada		Andrew O'Coin 70 York Street, 6th Floor Toronto ON M5J 1S9	
Unsecured	9633456 Canada Inc. (MONTREAL)		#208 - 2035 CHEMIN DE LA COTE DE LIESSE St-Laurent QC H4N2M5	2,227.75
	ADT Security Services Canada, Inc.		8481 Langelier Montreal QC H1P 2C3	258.69
	AGENCE MARIO DION		573 Du Chenal Repentigny QC J6A 6C6	10,302.38
	ALLSTREAM CORP.		PO BOX 5300 STN MAIN Winnipeg MB R3C 0C1	205.39
	AMERICAN & EFIRD CANADA INC.		PO BOX 4090 STN A - C/O 913760 TORONTO ON M5W 0E9	136.66
	AMEX BANK OF CANADA		PO BOX 2000 WEST HILL ON M1E 5H4	6,173.05
	AMEX BANK OF CANADA		PO BOX 2000 WEST HILL ON M1E 5H4	416.09
	BELL CANADA		CP11490, STATION CENTRE VILLE Montreal QC H3C 5R7	25.92
	Budmark Textile International		3150 Guenette Saint-Laurent QC H4S 1W5	312.96
	CANPAR TRANSPORT L.P.		201 WESTCREEK BLVD. SUITE 102 BRAMPTON ON L6T 0G8	5,539.67
	CFH SECURITÉ		1455 Boul. Pittfield Saint-Laurent QC H4S 1G3	321.88
	COFACE SA CANADA BRANCH		1375 Transcanada Highway Suite 430 Dorval QC H9P 2W8	2,058.40
	Creditfax Risk Management		555 Chabanel O. #R-17 Montreal QC H2N 2H7	977.58
	DANIEL EXTERMINATION - 9105-8586 QUEBEC INC		2805 Rue Curatteau Montreal QC H3C 5R7	86.23
	Davies Ward Philillips & Vineberg LLP		1501 McGill College Ave. Montreal QC H3A 3N9	28,608.85
	E. MIROGLIO		CTC. Ivelina Peeva B32894 8800 Sliven -- Bulgaria	172.20
	Ernst & Young Inc.		Bureau 2300 900 boul. de Maisonneuve O. Montreal QC H3A 0A8	29,419.30
	FEDERAL EXPRESS CANADA LTD		PO BOX 4626 TORONTO STN A TORONTO ON M5W 5B4	4,758.81
	GMS		267 Cedar Chateauguay QC J6J 3S7	169.01
	Groupe IMOG Inc.		7400 Chemin St. Francois Montreal QC H4S 1B8	1,283.88

## *Creditor Mailing List*

In the matter of the receivership of Sport Cartise Inc.,  
having its principal place of business at  
6161, Cypihot Street, Montréal, in the province of Québec, H4S 1R3.

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Guangzhou Europe Sources Clothing Co., Ltd		No. 9 Big King Pit Road-Ganchong Village, Xintang Town Guandong -- China	189.46
	HELLMANN WORLDWIDE LOGISTICS		10500 Côte De Liesse, Suite 14 Lachine QC H8T 1A4	5,629.03
	Howard Wolff		60 Disera Dr. PH#4 Thornhill ON L4J 9G1	1,028.29
	Jack Isen Sales Ltd		11 Glamourgan Court Unionville ON L3R 7V7	3,067.96
	Knipidee International		FLEVOLAAN 62 1382 JZ Weesp -- Netherlands	32.69
	MNP Sencrl Srl/ LLP		23e Etage 1155 Boul. René-Lévesque Ouest Montreal QC H3B 2K2	3,147.52
	Momentis (Informatique/Systems		5500 Royalmount Avenue Suite 250 Montreal QC H4P 1H7	3,449.25
	Norampac-Division De Casades C		400 Forbes Vaudreuil QC J7V 6N8	6,748.76
	OMNITRANS CUSTOMS BROKERS		4300 Jean Talon Ouest Montreal QC H4P 1W3	8,317.81
	OMNITRANS INC.		4300 Jean Talon Ouest Montreal QC H4P 1W3	1,785.96
	PAPETERIE LES ENTREPRISES INC.		9106 Henri Bourassa O. Saint-Laurent QC H4S 1L5	318.46
	PATRIZIA CASTIGLIONE		4030 St. Ambroise Suite 441 Montreal QC H4C 2C7	574.88
	PETERS PLUS INC.		4855 Rue Levy Saint-Laurent QC H4R 2P9	1,092.26
	RCI ENVIRONNEMENT INC		PO BOX 15615, STATION A TORONTO ON M5W 1C1	1,050.81
	SELECTCOM TELECOM		300-5167 Jean Talon East Montreal QC H1S 1K8	356.18
	SERVICORP		6445, Chemin De La Cote-de-liesse Saint-Laurent QC H4T 1S9	21.51
	SOS TECHNOLOGIES ACTION URGENC		185 Merizzi Saint-Laurent QC H4T 1Y3	343.78
	TECHNOLOGIES & SOLUTIONS FOR T		1576 C Chemin Ste-Angelique St. Lazare QC J7T 2X8	3,312.12
	TRAFFIC TECH INTERNATIONAL INC.		16711 Voie de Service N Kirkland QC H9H 3L1	2,680.83
	UPS CANADA		PO BOX 4900 STATION A TORONTO ON M5W 0A7	10,277.82
	WILLIAMS AND CO.		Brooke House - 3-5 Dewsbury Rd Cleckheaton, West Yorkshire BD1 93RS England	2,481.30
				<u>\$149,361.38</u>

# SUPERIOR COURT

(Commercial Division)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No. 500-11-057370-195

DATE: October 24, 2019

---

PRESIDING : Me Chantal Flamand, registraire

---

IN THE MATTER OF THE RECEIVERSHIP OF:

SPORT CARTISE INC.

Debtor

-and-

HSBC BANK CANADA

Petitioner

-and-

ERNST & YOUNG INC.

Receiver

---

**ORDER APPOINTING A RECEIVER**  
(Section 243 of the *Bankruptcy and Insolvency Act*)

---

- [1] **ON READING** the Petitioner's Motion to Appoint a Receiver (the "**Motion**") pursuant to Article 243 of the *Bankruptcy and Insolvency Act* (the "**BIA**"), the affidavit and the exhibits in support thereof;
- [2] **SEEING** the service of the Motion;



- [3] **SEEING** the submissions of Petitioner's attorneys and the absence of contestation of the Debtor;
- [4] **SEEING** that Petitioner sent the Debtor a notice pursuant to the terms of Article 244 of the BIA;
- [5] **SEEING** that it is appropriate to appoint a receiver to the Property (such as defined herein) of the Debtor;

**WHEREFORE THE COURT:**

- [6] **GRANTS** the Motion;

**SERVICE**

- [7] **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof;

**APPOINTMENT**

- [8] **APPOINTS** Ernst & Young Inc., trustee, to act as receiver (the "**Receiver**") to the Property of Sport Cartise Inc. (the "**Debtor**") until one of the following events comes to pass:

- (a) the sale of all the Property; or
- (b) the issuance of any order by the Court terminating the mandate of the Receiver;

- [9] **DECLARES** that the order (the "**Order**") and its effects shall survive the filing by the Debtor of a notice of intention to make a proposal or of a proposal pursuant to the terms of the BIA, the issuance of an initial order in regard of the Debtor pursuant to the terms of the *Companies Creditors Arrangements Act* (the "**CCAA**") or the bankruptcy of the Debtor, unless the Court orders otherwise.

**RECEIVER'S POWERS**

- [10] **AUTHORIZES** the Receiver to exercise the following powers:

**10.1 Powers related to the possession of the Property**

**AUTHORIZES** the Receiver to take possession of all the property of the Debtor, of every nature and kind whatsoever, wherever situated, and regardless of whose possession it may be (the "**Property**") and to exercise the following powers listed hereinafter in the place and stead of the Debtor in respect of the Property :



## **10.2 Powers related to the preservation of the Property**

- (a) all the powers necessary for the preservation and for the protection of the Property;
- (b) all the powers necessary to control the Property, the place of business and the premises occupied by the Debtor;
- (c) all the powers necessary to grant the Receiver access, at all times, to the place of business and to the premises of the Debtor, to the Property, and to change the locks granting access to such premises and places of business of the Debtor;
- (d) all the powers necessary to grant the Receiver access to all the accounting records of the Debtor, as well as to any document, contract, register of any nature or kind whatsoever, wherever they may be situated and regardless of the medium on which they may be recorded (the "Records"), as well as the powers necessary to make copies of all the Records necessary or useful to the execution of the Receiver's functions;
- (e) all the powers necessary to undertake an analysis of the Debtor's Records;

## **10.3 Powers related to the Debtor's operations**

- (f) carry on, all or any part of the Debtor's operations;
- (g) all the powers necessary to control the Debtor's receipts and disbursements;
- (h) all the powers necessary to collect all the accounts receivable and all the other claims of the Debtor and to transact in respect of same, as well as to sign any document for this purpose;
- (i) all the powers necessary to open any required bank account, pursuant to the terms and conditions the Receiver may determine, with any chartered Canadian bank, or any other financial institution, the whole, in order to cash any item payable to the Debtor, and to issue any payment which, in the opinion of the Receiver, is necessary or useful to the Debtor's operations;

## **10.4 Powers related to the disposition or sale of the Property**

- (j) all the powers necessary to carry out the sale or the disposition of the Property in the ordinary course of business of the Debtor, to transact in that regard, and to sign any document or any contract required or useful for these purposes or meant to give effect to any such sale or disposition;



- (k) all the powers necessary to interest or solicit one or several potential buyers of all or any part of the Property, including, without limitation, the right to carry out a public call for tenders or private solicitations in order to dispose of the Property;
- [11] **ORDERS** the Receiver to petition the Court for authorization to sell all or any part of the Debtor's Property outside the ordinary course of business, upon finding a purchaser and pursuant to conditions it deems reasonable in the circumstances, provided however that no such authorization will be required where the property to be sold has net orderly liquidation value of less than \$50,000 for a single transaction or \$150,000 in the aggregate;
- [12] **GRANTS** the Receiver all the powers necessary to initiate, prosecute and continue the prosecution of any and all proceedings it considers appropriate, including for the purpose of Sections 34 and 249 of the BIA, within the performance of its duties regarding the Property;
- [13] **AUTHORIZES** the Receiver to retain the services of any lawyer, or of any person or business in order to appropriately fulfil its functions;
- [14] **DECLARES** that the Receiver may provide creditors and other relevant stakeholders with information in response to requests made by them in writing. A copy of such requests must be sent to the Petitioner's attorney. Where the Receiver has been advised by the Petitioner that information is confidential, proprietary or competitive, the Receiver shall not provide such information to any person without the consent of the Petitioner unless otherwise directed by this Court.

#### **DEBTOR'S DUTIES**

- [15] **ORDERS** the Debtor, its directors, officers, employees, agents and representatives to forthwith provide the Receiver with access to the Property, to the places of business and to the premises of the Debtor, as well as to the Records;
- [16] **ORDERS** the Debtor, its directors, officers, employees, agents and representatives to cooperate with the Receiver in the exercise of the powers that are granted pursuant to the terms of the Order;
- [17] **ORDERS** the Debtor not to dispose, alienate, encumber or otherwise transact in any manner whatsoever, with regard to the Property, other than in the ordinary course of business or with the authorization of the Receiver;

#### **NON-INTERFERENCE WITH THE RECEIVER, THE DEBTOR AND THE PROPERTY**

- [18] **ORDERS** that subject to any other order rendered by the Court, which may only be rendered after a prior notice has been duly sent to the Receiver and to the Petitioner, no proceeding, seizure, revendication, or any other enforcement process shall be commenced or enforced against the Property;



- [19] **ORDERS** that no person shall interrupt, modify, terminate or fail to execute its obligations pursuant to any contract, agreement, license or permit entered into with the Debtor without the prior consent of the Receiver or without the authorization of the Court;

#### CONTINUATION OF SERVICES

- [20] **ORDERS** that any person having an oral or written agreement with the Debtor, as well as any supplier of goods or services to the Debtor is hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, as may be required by the Receiver and that the Receiver shall be authorized to continue use of the Debtor's current premises, telephone numbers, facsimile numbers, internet addresses, domain names and other services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver, in accordance with the normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court;


#### EMPLOYEES

- [21] **AUTHORIZES** the Receiver to continue to engage the services of the Debtor's employees until the Receiver, acting for and on behalf of the Debtor, terminates the employment of such employees. The Receiver shall not be liable for any employee related liabilities, including any successor-employer liabilities as provided for in sections 14.06(1.2) of the *BIA* other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) and 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*;

#### PROTECTION OF PERSONAL INFORMATION

- [22] **DECLARES** that pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information on identifiable individuals, which information it has in its possession or under its responsibility, to interested parties or to investors, financiers, prospective purchasers or potential strategic partners, as well as to their advisors, but only to the extent desirable or required, and only upon condition that the persons to whom such personal information is disclosed shall undertake to maintain and protect the privacy of such information and limit the use of such information pursuant to confidentiality agreements entered into with the Receiver;

#### LIMITATION OF LIABILITY

- [23] **DECLARES** that subject to the powers granted to the Receiver pursuant to the terms of paragraph 10 of the Order, nothing herein contained shall require the Receiver to
- 

occupy or to take control, or to otherwise manage all or any part of the Property. The Receiver shall not, as a result of this Order, be deemed to be in possession of any of the Property within the meaning of environmental legislation, the whole pursuant to the terms of the *B/A*;


- [24] **DECLARES** that the powers of the Receiver shall be exercised pursuant to its sole discretion and judgment;
- [25] **DECLARES** that section 215 of the *B/A* applies *mutatis mutandis*, and hence that no action lies against the Receiver by reason of its appointment or the execution of the powers granted by the Court, except by leave of the Court. The entities related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph;

#### **FEES**

- [26] **DECLARES** that as security for the professional fees and disbursements incurred in relation to these proceedings, both before and after the date of the Order, a charge and security over the Property is hereby constituted in favour of the Receiver, of the Receiver's attorneys and other advisors, to the extent of the aggregate amount of \$50,000 (the "**Administration Charge**");
- [27] **DECLARES** that the Administration Charge shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind (collectively, the "**Encumbrances**") affecting the Property charged by such Encumbrances;
- [28] **DECLARES** that the Administration Charge is effective and shall charge, as of 12:01 a.m. (Montreal time) the day of the Order (the "**Effective Time**"), all the Debtor's Property present and future;
- [29] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a receiver order filed pursuant to the *B/A* in respect of the Petitioner and any receiving order granting such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioner and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Receiver pursuant to the Order and the granting of the Administration Charges do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting a recourse for abuse under an applicable law, and shall be valid and enforceable as against any person, including any trustee in bankruptcy, and any receiver to the Property of the Debtor;
- [30] **AUTHORIZES** the Receiver to collect the payment of its fees and disbursements and those of its attorneys, with the consent of the Petitioner, the whole subject to taxation in conformity with the *B/A*, if applicable;



**GENERAL**

- [31] **DECLARES** that the Order, the Motion and the affidavit do not, in and of themselves, constitute a default or failure to comply by the Debtor under any statute, regulation, license, permit, contract, permission, covenant, agreement, undertaking or any other written document or requirement;
- [32] **DECLARES** that the Receiver is at liberty to serve any notice, circular or any other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to persons or other appropriate parties at their respective given address as last shown in the Records; the documents served in this manner shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if delivered by ordinary mail;
- [33] **DECLARES** that the Receiver may serve any court materials in these proceedings on all represented parties, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that the Receiver shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter;
- [34] **DECLARES** that any party interested in these proceedings may serve any court material in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that such party shall deliver a "hard copy" on paper of such PDF or electronic materials to the Debtor's and the Receiver's counsel and to any other party who may request such delivery;
- [35] **DECLARES** that, unless otherwise provided herein, ordered by this Court, or provided by the BIA, no document, order or other material need be served on any person in respect of these proceedings, unless such person has served a notice of appearance on the solicitors for the Debtor and the Receiver and has filed such notice with the Court;
- [36] **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) days notice to the Receiver, the Petitioner and any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order;
- [37] **DECLARES** that the present Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada;
- [38] **DECLARES** that the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy*
- 

Code, for which the Receiver shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Receiver as may be deemed necessary or appropriate for that purpose;

- [39] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;
- [40] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

(3)

---

**Me Chantal Flamand, registraire**

COPIE CERTIFIÉE CONFORME  
AU DOCUMENT DÉTENU PAR LA COUR

*Arseniv' Osane'*  
Personne désignée par le greffier