C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

Nº: 500-11-058116-209

S U P E R I O R   C O U R T
(Commercial Division)
(Sitting as a court designated pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1995, c. 36, as amended)

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

SPECTRA PREMIUM INDUSTRIES INC.

-and-

SPECTRA PREMIUM HOLDINGS (USA) CORP.

-and-

SPECTRA PREMIUM (USA) CORP.

-and-

SPECTRA PREMIUM PROPERTIES (USA) CORP.

-and-

SPECTRA PREMIUM TAIWAN CO. LTD.

-and-

SPECTRA PREMIUM (SHANGHAI) AUTOMOTIVE TECHNICAL SERVICES CO. LTD.

-and-

SPECTRA PREMIUM (CHONGQING) AUTOMOTIVE SERVICES CO. LTD.

Petitioners

-and-

ERNST & YOUNG INC.

Monitor

LIST OF EXHIBITS

Exhibit R-1: Verified Petition under Chapter 15 for recognition of the Canadian Proceedings and Request for related relief;

Exhibit R-2: Motion for Provisional Relief pursuant to section 1519 of the Bankruptcy Code;

Exhibit R-3: Order granting Provisional Relief pursuant to Bankruptcy Code section 1519;

Exhibit R-4: Final Order granting recognition of Foreign Main Proceedings and certain related relief.

MONTREAL, June 3, 2020

Lavery De Billy

LAVERY, DE BILLY, L.L.P.
Lawyers for Petitioners

Nº: 500-11-058116-209

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

SPECTRA PREMIUM INDUSTRIES INC.
-and- **SPECTRA PREMIUM HOLDINGS (USA) CORP.**
-and- **SPECTRA PREMIUM (USA) CORP**.
-and- **SPECTRA PREMIUM PROPERTIES (USA) CORP.**
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-and- **SPECTRA PREMIUM (SHANGHAI) AUTOMOTIVE TECHNICAL SERVICES CO. LTD.**
-and- **SPECTRA PREMIUM (CHONGQING) AUTOMOTIVE SERVICES CO. LTD.**

Petitioners

AND

ERNST & YOUNG INC.

Monitor

LIST OF EXHIBITS

O/file: 001320-00060 BL 1332

Me Jean Legault: 514 878-5561
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R-1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 15
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,[1]	:	Case No. 20-_______ (___)
Debtors in a Foreign Proceeding.	:	(Joint Administration Requested)

PETITIONER'S VERIFIED PETITION UNDER CHAPTER 15 FOR RECOGNITION OF THE CANADIAN PROCEEDINGS AND REQUEST FOR RELATED RELIEF

Ernst & Young Inc., in its capacity as the court-appointed monitor and duly authorized foreign representative (in such capacity, the "Petitioner"), as defined by section 101(24) of title 11 of the United States Code (the "Bankruptcy Code"), of Spectra Premium Industries Inc. ("Spectra"), Spectra Premium Holdings (USA) Corp. ("Spectra Holdings US"), Spectra Premium (USA) Corp. ("Spectra US"), Spectra Premium Properties (USA) Corp. ("Spectra Properties US," and, together with Spectra Holdings US and Spectra US, the "US Subsidiaries," and collectively with Spectra, the "Debtors"), through its United States co-counsels, Landis Rath & Cobb LLP and Norton Rose Fulbright US LLP, respectfully submits this verified petition (the "Verified Petition") seeking (i) recognition of the Debtors' insolvency proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pending before the Superior Court, sitting in the Commercial Division for the district of Montréal (the "Canadian Court"), File No. 500-11-058116-209 (the "Canadian Proceedings")

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[1] The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors' ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Québec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group's corporate headquarters in Boucherville, Québec, Canada.

as (a) foreign main proceedings or, (b) in the alternative, foreign nonmain proceedings, and (ii) related relief, including provisional relief under section 1519 of the Bankruptcy Code. In support thereof, the Petitioner respectfully states as follows:

PRELIMINARY STATEMENT

1. The Petitioner, as the foreign representative of the Debtors, commenced these Chapter 15 cases by filing petitions (the "Petitions") contemporaneously with, and accompanied by, all certifications, statements, lists and documents required under Chapter 15 of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). As set forth below and in (i) the *Declaration of Guillaume Pierre Michaud in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* (the "Michaud Declaration") and (ii) the *Memorandum of Law in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* (the "Memorandum of Law"), each of which was filed contemporaneously herewith:

(a) a foreign proceeding respecting each of the Debtors was duly commenced in Canada;

(b) each Debtor's head office and "nerve center" is located in Boucherville, Québec, Canada;

(c) each Debtor is eligible to be a debtor under section 109(a) of the Bankruptcy Code;

(d) the Petitioner is duly authorized to serve as the Debtors' foreign representative and to petition for relief under Chapter 15 of the Bankruptcy Code in connection with the Canadian Proceedings pending in Canada; and

(e) the Petitioner is entitled to the relief requested herein.

2. The Petitioner seeks recognition of the Canadian Proceedings. On March 9, 2020, the Debtors commenced the Canadian Proceedings. On March 10, 2020, the Canadian Court entered an initial order (the "Initial Order"), a true and correct copy of which is annexed hereto as **Exhibit A**, that, among other things, appointed the Petitioner as the Monitor of the Debtors and certain of their affiliates that are also debtors in the Canadian Proceedings (such affiliates, the "Non-Chapter 15 Canadian Debtors" and together with the Debtors, the "Spectra Group")[2] to monitor the Spectra Group's businesses and financial affairs and facilitate their restructuring. The Petitioner, by virtue of its appointment by the Canadian Court, is subject to the supervision and oversight of the Canadian Court with respect to the performance of its duties.

3. Pursuant to the Initial Order, the Canadian Court expressly authorized the Petitioner to seek recognition of the Canadian Proceedings under Chapter 15 of the Bankruptcy Code, and ancillary relief in respect thereto. Specifically, the Initial Order provides, in relevant part, that "[the Petitioner] may act as a 'foreign representative' of the [Spectra Group] or in any other similar capacity in any insolvency, bankruptcy or reorganisation proceedings outside of Canada" and further that "the [Petitioner], with the prior consent of the [Spectra Group], 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 [Initial 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 [Petitioner] shall be the foreign representative of [Spectra Group]." Initial Order

[2] The Non-Chapter 15 Canadian Debtors are: (i) Spectra Premium Taiwan Co. Ltd.; (ii) Spectra Premium (Shanghai) Automotive Technical Services Co. Ltd.; and (iii) Spectra Premium (Chongqing) Automotive Services Co. Ltd.

¶¶ 26(l), 49. In addition, the Canadian Court requested "the aid and recognition of . . . 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 [Canadian Court] in carrying out the terms of the [Initial] Order" and found that "for the purposes of any application to a foreign court, [the Debtors'] centre of main interest is located in the Province of Quebec, Canada." Initial Order ¶¶ 50, 51.

4. The Petitioner commenced these Chapter 15 cases and seeks an order substantially in the form of the proposed order granting recognition to each of the Canadian Proceedings annexed hereto as **Exhibit B** (the "Proposed Order"). In particular, the Petitioner is requesting all relief afforded automatically upon recognition of a foreign main proceeding pursuant to sections 1509 and 1520 of the Bankruptcy Code or, in the alternative, discretionary relief pursuant to section 1521 of the Bankruptcy Code, including a stay of the commencement or continuation of any individual action or proceeding concerning the Debtors' assets, rights, obligations or liabilities.

5. The Petitions satisfy all of the requirements set forth in section 1515 of the Bankruptcy Code. In addition, each of the Debtors is eligible to be a debtor under section 109(a) of the Bankruptcy Code, because each of the Debtors has property in the United States, in the form of, as the case may be, stock in a US Subsidiary (Spectra and Spectra Holdings US), leases of three distribution facilities and related fixtures and equipment (Spectra US), and an undrawn retainer in a bank account held by the Petitioner's Delaware counsel (all Debtors).

6. Based on the foregoing and the reasons described herein and in the Memorandum of Law, the Petitioner is entitled to entry of an order granting recognition to the Canadian Proceedings as foreign main proceedings or, in the alternative, as foreign nonmain proceedings,

under Chapter 15 of the Bankruptcy Code, as well as related relief under sections 1507, 1509, and 1521 of the Bankruptcy Code.

JURISDICTION AND VENUE

7. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. The Petitioner properly commenced these Chapter 15 cases pursuant to sections 1504 and 1509 of the Bankruptcy Code by filing petitions for recognition of the Canadian Proceedings under section 1515 of the Bankruptcy Code.

8. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Petitioner consents to the entry of a final order by the Court in connection with this Verified Petition to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

9. Venue is proper before the Court pursuant to 28 U.S.C. § 1410, as the Debtors have assets in the United States located in Delaware and such venue is consistent with the interests of justice and the convenience of the parties.

BACKGROUND

I. The Spectra Group's Corporate Structure, Operations, and Assets and Liabilities

10. On the date hereof (the "Petition Date"), the Petitioner filed with this Court a verified voluntary petition for each of the Debtors under Chapter 15 of the Bankruptcy Code.

B. The Spectra Group's Corporate Structure

11. The Spectra Group comprises eight corporate entities located in Canada, the United States, Sweden, and China. An organizational chart showing the Spectra Group's corporate structure is annexed hereto as **Exhibit C**. Of the Spectra Group's eight entities, Spectra and six of its subsidiaries are debtors in the Canadian Proceedings.

12. Spectra and the US Subsidiaries are debtors in ***both*** the Canadian Proceedings and these Chapter 15 cases. Those entities are described below:

The Chapter 15 Canadian Debtors
Spectra Premium Industries Inc. is a Québec corporation organized under the *Canada Business Corporations Act*, with its registered office located at 1 Place Ville Marie in Montréal, Québec, Canada, H3B 4M4, Suite 4000 and its corporate headquarters located in Boucherville, Québec, Canada. Spectra is the ultimate corporate parent of each of the other Spectra Group entities. Spectra's primary shareholders are, directly or indirectly, (i) Fonds de solidarité des travailleurs du Québec (F.T.Q.); (ii) CDP Investissements inc.; (iii) Fondaction, Le fonds de développement de la confédération des syndicats nationaux pour la coopération et l'emploi; (iv) Desjardins Régional et Coopératif Desjardins; and (v) Spectra's president, Jacques Mombleau.
Spectra Premium Holdings (USA) Corp. is a US corporation organized in Delaware. Spectra Holdings US is a wholly-owned subsidiary of Spectra and the direct parent of the remaining Debtors in these Chapter 15 cases.
Spectra Premium (USA) Corp. is a US corporation organized in Delaware. Spectra US is a wholly-owned subsidiary of Spectra Holdings US and is the sole operating entity for the Debtors' US business.
Spectra Premium Properties (USA) Corp. is a US corporation organized in Indiana. Spectra Properties US is a wholly-owned subsidiary of Spectra Holdings US.

13. Spectra's China-based subsidiaries (i.e., the Non-Chapter 15 Canadian Debtors), however, are debtors in ***only*** the Canadian Proceedings. The Petitioner has not filed Chapter 15 petitions on their behalf. Those entities are described below:

The Non-Chapter 15 Canadian Debtors
Spectra Premium Taiwan Co. Ltd. ("Spectra Taiwan") is a corporation organized in Taiwan. Spectra Taiwan has six employees and is an intermediary in the Spectra Group's supply chain; it purchases parts from Taiwanese suppliers to sell them to Chinese suppliers that use these parts in the products that are later sold to Spectra or Spectra US.
Spectra Premium (Shanghai) Automotive Technical Services Co. Ltd. ("Spectra Shanghai") is a China corporation organized in Shanghai. Spectra Shanghai is a dormant entity with no employees, but may have some assets and/or liabilities related to the operations of the Spectra Group.
Spectra Premium (Chongqing) Automotive Services Co. Ltd. ("Spectra Chongqing") is a China corporation organized in Chongqing. Spectra Chongqing is a dormant entity with no employees, but may have some assets and/or liabilities related to the operations of the Spectra Group.

14. The remaining member of the Spectra Group—"Spectra Sweden"—is ***not*** a debtor in ***either*** the Canadian Proceedings or these Chapter 15 cases. As discussed in greater detail below, Spectra Sweden is subject to a separate insolvency proceeding in Sweden and, therefore, the Petitioner is not currently authorized to seek relief under Chapter 15 on Spectra Sweden's behalf. Spectra Sweden is described below:

Spectra Sweden
Spectra Premium AB f/k/a TechRoi Fuel Systems AB ("Spectra Sweden") is a Swedish corporation organized in Trollhättan. In 2018, Spectra acquired an 80.1% ownership interest in Spectra Sweden.

Additional information concerning the Debtors in these Chapter 15 cases—Spectra and the US Subsidiaries—is provided below.

15. **Spectra.** As noted above, Spectra is a Canadian corporation, the ultimate corporate parent company of each of the US Subsidiaries, and the seat of the Debtors' management team. Spectra owns a radiator-component manufacturing plant in Nova Scotia and leases 14 locations across Canada to manufacture and/or distribute its products, including a

450,000 square foot plant located in Boucherville, Québec and a 186,000 square foot plant located in Laval, Québec. The Spectra Group employs over 1,100 people worldwide, with the bulk of its workforce (approximately 835 employees) located in Canada, where the group is managed. The Spectra Group operates from its head office located in Boucherville, Québec, Canada and its installations in the Montréal region. Control of operations is centered at the group's corporate headquarters in Boucherville and its installations in the Montréal region where main production occurs and where operational, financial, and human resources management takes place.

16. **US Subsidiaries.** Spectra US is the Spectra Group's sole operating entity in the United States. Spectra US operates in only the "aftermarket" business to facilitate distribution of third-party products and Spectra-manufactured products within the US market through three distribution centers, one located in Greenfield, Indiana,[3] one located in Knightstown, Indiana, and another located in Redlands, California (together, the "US Distribution Facilities").[4] Spectra US employs 319 people at the US Distribution Facilities; however, as mentioned above, substantially all of Spectra US's financial, customer-management, and other administrative services are performed by employees located in the Spectra Group's head office in Boucherville, Québec. Spectra US sources (i) 85% of its products from China-based suppliers, and (ii) 15% of its products from other suppliers, including Spectra. Spectra Holdings US and Spectra Properties US do not have any operations or employees, but are guarantors of certain of the Spectra

[3] Spectra US currently occupies and leases a 250,000 square foot warehouse in Greenfield, Indiana, which lease will expire on May 31, 2020. Spectra US has entered into a new lease agreement with the existing landlord for the construction and lease of a new 500,000 square foot facility nearby that was recently completed and ready for occupation in February 2020. Given Spectra's financial condition and its need to restructure its Canada and US operations, Spectra US has postponed the planned relocation from its Greenfield facility to this new facility. Spectra will seek to negotiate a new or extended lease for the current facility.

[4] Spectra US does not manufacture any of its products in the United States.

Group's indebtedness and have other potential liabilities in respect of the Spectra Group's operations in the United States.

C. The Spectra Group's Businesses and Operations

17. Founded in 1989, the Spectra Group is a privately held group of companies with its registered office in Montréal, Québec and its corporate headquarters in Boucherville, Québec, Canada. The Spectra Group specializes in the design, manufacturing and distribution of cooling systems, fuel delivery, ignition and engine management, climate control, and under car components for automotive vehicles as well as light and heavy trucks. The Spectra Group owns and operates five manufacturing plants, 16 warehouses, and a distribution network in the United States, Canada, and Mexico.

18. In recent years, the Spectra Group has generated annual revenues between $500 million and $593 million.[5] The Spectra Group has historically operated four different business divisions: (i) the aftermarket ("Aftermarket") division; (ii) the original equipment manufacturer ("OEM") division; (iii) the automotive tooling and equipment ("Tooling") division; and (iv) a more recent industrial ("Industrial") division.

> ***Aftermarket Division.*** The Aftermarket division focuses on the distribution of generic spare automotive parts, including fuel pumps and cooling products, that are either manufactured by Spectra in Canada or purchased from third-party suppliers (which, for the most part, are based in China). Historically, the Aftermarket business accounts for approximately 80% of the Spectra Group's sales, and of that amount, (i) Spectra accounts for approximately 20% of Aftermarket sales, and (ii) Spectra US accounts for approximately 80% of Aftermarket sales
>
> ***OEM Division.*** Through the OEM division, the Spectra Group manufactures and distributes various gas tanks that are used by automotive manufacturers in their assembly lines. The OEM division represents approximately 15 % of the Spectra Group's sales. OEM division sales are typically generated by (i) Spectra in the

5 Unless otherwise stated herein, all dollar amounts are in Canadian dollars ("CAD").

North America market (approximately 61% of total OEM sales) or (ii) Spectra Sweden for use by its sole client, Volvo Car AB (approximately 39% of total OEM sales).

Tooling Division. The Tooling division was established in 2014 and includes the manufacture and distribution of automotive tooling equipment for sale to various Spectra Group entities and third-party automotive-part manufacturers. The Tooling division represents approximately 4% of the Spectra Group's sales and are made by Spectra exclusively in the US market (approximately 90% of Tooling sales) and Mexico (approximately 10% of Tooling sales).

Industrial Division. The Industrial division is the most recent division and manufactures and distributes automotive parts and tooling for various types of industrial vehicles. The Industrial division represents approximately 1% of the sales of the Spectra Group and sales of the Industrial division are made exclusively by Spectra in the United States.

19. Although each Spectra Group entity has its own board of directors, the Spectra Group's overall strategic and day-to-day operations are managed on a consolidated basis by the same management team located at its Boucherville headquarters and installations in Montréal. In addition, the vast majority of the Spectra Group's other back-office, financial, customer-management, and administrative services are performed by employees in the Boucherville corporate headquarters and Montréal installations. Indeed, many of the employees based in the Spectra Group's Québec head office, work (directly or indirectly) for Spectra US and, among other things, manage relationships with Spectra US's suppliers and most of its clients.

D. The Spectra Group's Assets and Liabilities

20. **Assets.** As of January 31, 2020, the approximate book value of the Spectra Group's assets (excluding Spectra Sweden) totalled approximately $349 million, as set forth below:

[***Remainder of Page Intentionally Left Blank***]

Asset Type	Approx. Book Value
Accounts receivable	$78,398,000
Inventories	$125,061,000
Property, Plant and Equipment	$35,102,000
Inventories on Sea or Rail	$26,583,000
Other	$84,257,000
Total:	**$349,401,000**

21. **Indebtedness.** As of January 31, 2020, the total indebtedness of the Spectra Group (excluding Spectra Sweden) comprised approximately $136,820,820 in secured indebtedness and approximately $112,194,832 in unsecured indebtedness. The Spectra Group's funded and other indebtedness is as follows:

	Principal Amount
Secured Indebtedness	
Revolving Credit Facility	$102,875,000
BLC Capex Secured Term Loan	$20,700,000
EDC Secured Term Loan	$6,100,000
Other Secured Indebtedness	$7,145,820
Total Secured Indebtedness:	**$136,820,820**
Unsecured Indebtedness	
IQ Unsecured Term Loan	$5,000,000
Asian Vendors and Suppliers	$47,983,972
Certain Accrued Liabilities	$6,768,606
Other Unsecured Creditors	$52,442,254
Total Unsecured Indebtedness:	**$112,194,832**
Total Indebtedness:	**$249,015,652**

Revolving Credit Facility

22. Spectra and the other Debtors are party to a certain Second Amended and Restated Credit Agreement dated as of April 27, 2018 (as amended, the "Revolving Credit Agreement") by and among Spectra and Spectra US, as co-borrowers, Wells Fargo Capital Finance Corporation Canada ("Wells Fargo") as administrative agent and lender, and Canadian

Imperial Bank of Commerce as lender. The Revolving Credit Agreement provides for up to $150,000,000 and is a secured asset-backed revolving credit facility (the "Revolving Credit Facility") used to finance the Spectra Group's day-to-day operations. The obligations under the Revolving Credit Facility are guaranteed by Spectra Holdings US and Spectra Properties US, and secured by a lien on substantially all of the Debtors' property. The lien that secures the Revolving Credit Facility is a first ranking lien on short term assets (primarily accounts receivable and inventories) and a lien that ranks after the lien that secures the BLC Capex Secured Term Loan (defined below) in respect of other property.

23. As of March 5, 2020, the Revolving Credit Facility had an outstanding principal balance of $75,569,629.43 (including an outstanding letter credit for a nominal amount of $3,000,000) plus US$19,640,912.46 (including an outstanding letter credit for a nominal amount of US$2,000,000).

BLC Capex Secured Term Loan

24. Spectra is party to a certain term loan credit agreement dated as of August 16, 2019 (the "BLC Capex Secured Term Loan Credit Agreement") by and among Spectra as borrower, Laurentian Bank of Canada ("BLC") as administrative agent and lender, and Export and Development Canada ("EDC") as lender. The BLC Capex Secured Term Loan Credit Agreement provides for a $23,000,000 secured term loan (the "BLC Capex Secured Term Loan") used to finance certain capital expenditures in connection with the Spectra Group's businesses. The obligations under the BLC Capex Secured Term Loan are guaranteed by the US Subsidiaries and secured by a lien on substantially all of the Debtors' property. The lien that secures the BLC Capex Secured Term Loan ranks after the lien that secures the Revolving Credit Facility, in respect of short term assets (primarily accounts receivable and inventories).

25. As of January 31, 2020, the BLC Capex Secured Term Loan had an outstanding principal balance of $20,700,000.

EDC Secured Term Loan (Spectra Sweden)

26. Spectra is also party to a certain term loan credit agreement dated as of October 9, 2019 (the "EDC Secured Term Loan Credit Agreement") by and among Spectra as borrower and EDC as lender. The EDC Secured Term Loan Credit Agreement provides for a $6,100,000 secured term loan (the "EDC Secured Term Loan") to finance the acquisition of manufacturing equipment for use by Spectra Sweden. The obligations under the EDC Secured Term Loan are secured by a lien on substantially all of the property of Spectra and guaranteed by a Guaranty Agreement granted by Spectra Sweden which is secured by a lien on substantially all of the property of Spectra Sweden.

27. As of January 31, 2020, the EDC Secured Term Loan had an outstanding principal balance of $6,100,000.

Other Secured Indebtedness

28. The Spectra Group has, from time to time, various other secured creditors in respect of certain equipment financings, vendor-related liens asserted or assertable under applicable law, and other secured payables. As of January 31, 2020, the Spectra Group has approximately $7,145,820 in other secured indebtedness, all or substantially all of which relates to amounts owed to Varilease Finance Inc.

IQ Unsecured Term Loan

29. Spectra is party to a certain unsecured term loan agreement dated as of July 19, 2019 (the "IQ Unsecured Term Loan") by and between Spectra as borrower and Investissement Québec ("IQ") as lender. The IQ Unsecured Term Loan was provided to Spectra under IQ's

"Essor" program to provide Spectra with certain working-capital financing. The Essor program is jointly administered by IQ and the Ministère de l'Économie et de l'Innovation to support, among other things, innovative investment projects by manufacturing companies.

30. As of January 31, 2020, the IQ Unsecured Term Loan had an outstanding principal balance of $5,000,000.

Unsecured Trade and Other Indebtedness

31. The Spectra Group also has various other unsecured creditors in respect of certain trade and other payables, including, without limitation, vendor and supplier claims, rent payments, transportation costs, and other service charges. As of January 31, 2020, the Spectra Group has approximately $107,194,832 in other unsecured indebtedness.

II. Events Leading to the Filing of the Canadian Proceedings

32. The Spectra Group's profitability has steadily declined in recent years, with pre-tax income of approximately $32 million at year-end January 31, 2017 and just $2 million at year-end January 31, 2018, and recording net losses of approximately $6 million at year-end January 31, 2019 and approximately $13 million at year-end January 31, 2020. Consequently, the Spectra Group is under severe liquidity pressure and is unable to timely pay all of its obligations and operating expenses. As of the Petition Date, the Spectra Group had more than $47 million in various unpaid trade claims (substantially all of which it owes to China-based vendors) and is facing increasing pressure from its suppliers and other claimholders.

33. The Spectra Group's steady decline and mounting losses are primarily the result of two things: unforeseen challenges facing Spectra Sweden and evaporating margins in the Aftermarket division.

B. Spectra Sweden's Challenges and the Aftermarket Division's Struggles

34. In 2018, Spectra made its initial investment in its new subsidiary, Spectra Sweden, in order to manufacture fuel tanks for the Swedish OEM market. Spectra Sweden's sole customer was Volvo Car AB. Spectra forecasted that its investment in Spectra Sweden would be approximately $24 million, which would be used to build out Spectra Sweden's manufacturing facilities; however, actual costs exceeded projections and required a far larger investment of $37 million. Spectra Sweden struggled from the start, required Spectra to inject yet more capital (bringing Spectra's total intercompany claim against Spectra Sweden to the approximate amount of $39 million), but has not yet reached a profitable threshold. Spectra Sweden is also indebted to various suppliers and Swedish taxing authorities. As a result, on February 12, 2020, Spectra Sweden commenced insolvency proceedings in Sweden. Spectra Sweden is not a Canadian Debtor or a Debtor in these Chapter 15 cases.

35. In addition to the costly investment in Spectra Sweden, the Spectra Group's primary business segment—the Aftermarket division—has begun to suffer. The Aftermarket division accounts for approximately 80% of the Spectra Group's revenues, with a majority of those sales coming from the US market. Several factors have combined to cause a drastic decline in the Aftermarket division's profitability. Namely, (i) decreased customer demand for the Spectra Group's high cost, high quality products; (ii) excess production capacity for fuel pumps and cooling products in the US market, which has enabled customers to negotiate lower pricing; and (iii) tariffs on Chinese imports (i.e., the vast majority of the Spectra Group's supply chain) in the United States, which at one point reached 25%.

C. The Spectra Group's Efforts to Reorganize

36. Beginning in June 2019, the Spectra Group engaged the Petitioner as its financial advisor to, among other things, identify cost savings, enhance operations, and develop strategies to address the Spectra Group's near- and long-term financial and operational needs. The Spectra Group has since implemented a number of cost-cutting measures, including multiple rounds of significant layoffs at Spectra's Canadian manufacturing plants. In addition, the Spectra Group raised additional capital from its shareholders and hired automotive-industry consultants to review Spectra's business model and propose a plan to reorganize the Aftermarket division to increase profitability.

37. The Spectra Group has explored various potential operational restructurings in recent months, including creating its own Philippines-based supply chain to reduce its dependence on Chinese suppliers and avoid costly US tariffs on Chinese imports. In the end, that option was not feasible. Instead, the Spectra Group began formulating an operational restructuring plan that would significantly reduce its Aftermarket division and result in a recentralization of its activities in Canada with a focus on growing its profitable Tooling and Industrial divisions.

38. The Spectra Group continues to evaluate its options, in addition to the planned restructuring of the Aftermarket division,[6] and expects to continue to work constructively with its advisors and various stakeholders to determine a path forward. The Spectra Group, with the Petitioner's help, met with Wells Fargo (the administrative agent for the Revolving Credit Facility) to explore the possibility of a consensual restructuring. The parties were able to

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[6] The Petitioner currently forecasts a progressive reduction in the sale of low-margin Aftermarket products over the next four months. Spectra will continue to seek to work with its clients to maintain important relationships while refocusing the Aftermarket division on Spectra's higher-margin products.

negotiate a forbearance agreement with Wells Fargo (the "Forbearance Agreement") that will allow the Spectra Group to operate while it attempts to restructure its businesses through the Canadian Proceedings.

39. Despite the Spectra Group's cost-savings program and its early efforts to adjust its Aftermarket division, it has limited liquidity and, thus, little flexibility in dealing with its unpaid vendors. Indeed, that pressure has made it impossible for Spectra to continue to meet its short-term obligations; without a stay of proceedings, Spectra would likely be forced to stop operating and liquidate. Accordingly, the Spectra Group, in conjunction with the Petitioner, has determined that an in-court restructuring will provide needed flexibility and preserve the value of the Spectra Group's businesses for the benefit of all stakeholders.

III. The Canadian Proceedings

40. On March 9, 2020, each member of the Spectra Group—except for Spectra Sweden—commenced insolvency proceedings in the Canadian Court under the CCAA. On March 10, 2020, the Canadian Court entered the Initial Order appointing the Petitioner as Monitor of the Spectra Group and authorizing the Petitioner to commence these Chapter 15 cases.

41. The Spectra Group's primary goals for the Canadian Proceedings are:

- Stabilize the Spectra Group's current operations and manage relationships with key suppliers and customers;
- Allow the Spectra Group a breathing spell to evaluate, with the help of the Petitioner and their respective advisors, a range of operational restructuring alternatives; and
- Negotiate a consensual plan of arrangement that will be submitted to the Spectra Group's creditors, including, if appropriate, the consummation of one or more strategic transactions for some or all of the Spectra Group's assets.

Wells Fargo is supportive of the Spectra Group's efforts to reorganize through the commencement of the Canadian Proceedings and has agreed to maintain the Revolving Credit Facility under certain conditions. The Spectra Group expects that its cashflows will be sufficient to fund the Canadian Proceedings and these Chapter 15 cases without the need to obtain additional financing or award Wells Fargo an administrative charge available under the CCAA.

42. Pursuant to the Initial Order, the Canadian Court expressly authorized the Petitioner to seek recognition of the Canadian Proceedings under Chapter 15 of the Bankruptcy Code in this Court, and ancillary relief in respect thereto. The Petitioner commenced these Chapter 15 cases and seeks an order substantially in the form of the Proposed Order. In particular, the Petitioner is requesting all relief afforded automatically upon recognition of a foreign main proceeding pursuant to sections 1509 and 1520 of the Bankruptcy Code and, in the alternative, discretionary relief available under section 1521 of the Bankruptcy Code. The Petitioner also seeks provisional relief to maintain the status quo and protect the Debtors' US businesses and assets until this Court considers the approval of the Verified Petition and entry of the Proposed Order. The Petitioner submits that this Court's assistance is necessary to protect the Debtors' rights and, ultimately, to implement their operational restructuring through the Canadian Proceedings.

IV. <u>The Debtors' Property in the United States</u>

43. As of the date hereof, the Debtors have substantial properties in the United States and in this District. The Debtors' US assets are summarized below:

Debtor Entity	Asset Description	Situs[7]
Spectra	• Stock in Spectra Holdings US. • Undrawn retainer in a client trust account.	• Delaware.
Spectra Holdings US	• Stock in Spectra Properties US. • Stock in Spectra US. • Undrawn retainer in a client trust account.	• Delaware. • Indiana.
Spectra Properties US	• Undrawn retainer in a client trust account.	• Delaware.
Spectra US	• Lease of distribution facility and related equipment and other property located in Greenfield, Indiana. • Lease of distribution facility and related equipment and other property located in Knightstown, Indiana. • Lease of distribution facility and related equipment and other property located in Redlands, California. • Certain accounts receivable. • Undrawn retainer in a client trust account.	• Delaware. • California • Indiana.

The Debtors each hold an interest in an undrawn retainer with Landis Rath & Cobb LLP, the Petitioner's Delaware counsel. Pursuant to the terms of a letter dated March 5, 2020, the Debtors deposited $10,000 in a non-interest bearing client trust account with Wilmington Savings Fund Society, FSB in Delaware (the "Client Trust Account"). Such funds remain in the Client Trust Account as of the date hereof. Pursuant to the Petitioner's arrangements with their Delaware counsel, Landis Rath & Cobb LLP is only permitted to apply the funds in the Client Trust Account to outstanding invoiced amounts at the Petitioner's direction.

STATUTORY BASES FOR RECOGNITION OF CANADIAN PROCEEDINGS

44. Chapter 15 of the Bankruptcy Code was specifically designed to assist foreign representatives, such as the Petitioner, in the performance of their duties. One of the primary objectives of Chapter 15 is the "fair and efficient administration of cross-border insolvencies that

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[7] The Petitioner understands that, under US law, a particular asset or property may have its situs in multiple jurisdictions. This chart includes a nonexhaustive list of jurisdictions in which the Debtors' property may be found. As mentioned, the Petitioner continues to review and evaluate the Debtors' books and records and may later discover additional US assets and properties, including claims and causes of action. The Petitioner reserves all rights in respect of the Debtors' US assets and other properties.

protects the interests of all creditors, and other interested entities, including the debtor." 11 U.S.C. § 1501(a)(3).

45. The Verified Petition satisfies all of the requirements set forth in section 1515 of the Bankruptcy Code. In addition, the Debtors are eligible to be debtors under section 109(a) of the Bankruptcy Code, because they each have property in the United States. Moreover, the relief requested herein is necessary and is appropriate under Chapter 15 of the Bankruptcy Code. Granting recognition to the Canadian Proceedings in the United States is consistent with the goals of international cooperation and assistance to foreign courts that are embodied in Chapter 15 of the Bankruptcy Code.

46. The criteria for recognition under Chapter 15 are satisfied under the facts of these Chapter 15 cases. Relief under Chapter 15 of the Bankruptcy Code is necessary to ensure that the Debtors receive a breathing spell to formulate a plan of arrangement that will effect a critical restructuring of the Debtors' operations, including substantial changes to their Canadian and US supply and distribution networks. The Debtors seek to maximize the value of their estates for the benefit of all affected creditors under the auspices of the Canadian Court in the Canadian Proceedings.

RELIEF REQUESTED

47. The Petitioner, as the foreign representative of the Debtors, seeks entry of the Proposed Order granting the following relief:

(a) recognition of each of the Canadian Proceedings as a foreign main proceeding, as defined in section 1502(4) of the Bankruptcy Code or, in the alternative, as a foreign nonmain proceeding as defined in section 1502(5) of the Bankruptcy Code;

(b) all relief afforded a foreign main proceeding automatically upon recognition pursuant to section 1520 of the Bankruptcy Code and, as applicable, discretionary relief pursuant to section 1521 of the Bankruptcy Code; and

(c) such other and further relief as this Court may deem just and proper.

48. The Petitioner believes that the Canadian Proceedings, with the assistance of this Court, offer the best means to facilitate the Debtors' operational and financial restructuring and achieve a global, equitable resolution of their liabilities. Recognition of the Canadian Proceedings as foreign main proceedings or, in the alternative, as foreign nonmain proceedings, under Chapter 15 is critical to achieving these goals for several reasons.

49. Most importantly, Chapter 15 relief would provide the Petitioner with the requisite authority to assert control over the Debtors' assets in the United States.[8] In particular, the relief requested would ensure that the Petitioner and the Debtors can continue operating in the US market without the potential interruption by the Debtors' various domestic and foreign creditors. Indeed, as discussed above, the Debtors are under intense pressure from their vendors and other creditors due to the Debtors' strained liquidity position. Although the Debtors are working with stakeholders—including their largest secured creditor, Wells Fargo—any disruption to the Debtors' day-to-day operations could threaten their ability to pursue a value-maximizing restructuring in the Canadian Proceedings and even cause the Debtors to cease operations. Consequently, a stay of enforcement proceedings against the Debtors and their properties in the United States is critical. If such actions are not stayed, the Debtors efforts to consummate a consensual, global reorganization (including a full operational restructuring) may be jeopardized and the Petitioner may be forced to expend resources unnecessarily (i) to defend

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[8] If and when the Petitioner and/or the Debtors, as applicable, determines that it needs to pursue claims or causes of action actions, including litigation to enforce Canadian judgments, in the United States for the benefit of the Debtors' creditors, recognition of the Canadian Proceedings may be necessary to allow the Petitioner access to United States courts pursuant to section 1509(b) of the Bankruptcy Code.

actions against the Debtors or their assets in the United States, or (ii) to bring actions to enjoin the transfer of the Debtors' assets or to preserve the proceeds of such transfers for the benefit of all creditors and parties in interest. In addition, Chapter 15 relief will provide the Debtors and the Petitioner with the standard relief conferred on foreign debtors and representatives. Such relief, including authorizing the Petitioner to seek discovery, could prove essential to the administration of the Canadian Proceedings and the Debtors efforts to maximize value for creditors.

50. Based on the foregoing, the Petitioner concluded that relief under Chapter 15 is appropriate and necessary to enhance the objectives of the Canadian Proceedings and, therefore, commenced these Chapter 15 cases.

FIRST DAY RELIEF IN THESE CHAPTER 15 CASES

51. The Petitioner commenced these Chapter 15 cases to assist the Debtors' operational and financial restructuring by, among other things, preserving the value of the US Subsidiaries' assets. To facilitate the Debtors' Chapter 15 cases, the Petitioner has filed certain motions requesting "first day" relief (the "First Day Motions") concurrently with this Verified Petition. The Petitioner has reviewed each of the First Day Motions and proposed orders (including the exhibits thereto), and the facts set forth therein are true and correct to the best of the Petitioner's knowledge, information, and belief. The Petitioner further believes that the relief sought in each First Day Motion will help enable the Debtors to transition into, and operate in, the Canadian Proceedings and these Chapter 15 cases with minimum interruption or disruption to their businesses or loss of productivity or value and, therefore, such relief is in the best interests of the Debtors, their estates, and their stakeholders.

I. Joint Administration

52. The Petitioner filed a motion seeking the joint administration of these Chapter 15 cases (the "Joint Administration Motion"). The Debtors are affiliated entities with closely related financial affairs and business operations, thus, joint administration will ease the administrative burden on the parties. The Petitioner anticipates that the various notices, applications, motions, other pleadings, hearings and orders in these cases will affect each of the Debtors. The failure to administer these cases jointly would result in duplicative pleadings and service, which would impose avoidable expenses on all interested parties.

53. Joint administration will permit this Court to use a single docket for the jointly administered cases and combine notices to creditors and the Debtors' other parties-in-interest. Accordingly, the relief sought in the Joint Administration Motion will protect parties-in-interest by ensuring that such parties will be appropriately apprised of all matters before the Court in each of the jointly administered cases.

II. Notice Procedures Motion

54. The Petitioner filed a motion (the "Notice Procedures Motion") requesting this Court to enter an order specifying the form and manner of service of the notice (the "Recognition Notice") regarding (i) the filing of the Debtors' Chapter 15 Petitions and certain related pleadings, including the Verified Petition, (ii) the deadline to object to this Court's entry the Proposed Order granting recognition of the Canadian Proceedings as foreign main proceedings or, in the alternative, as foreign nonmain proceedings, under the Bankruptcy Code on a final basis, and (iii) the hearing (the "Recognition Hearing") for this Court to consider the Petitions and entry of the Proposed Order.

55. The Debtors have hundreds of potential creditors and other parties-in-interest in Canada and the United States all of which need to be provided with notice of the Provisional Relief Order (defined below), the Proposed Order, the Recognition Hearing, and any relevant response deadlines. Under the facts and circumstances of these Chapter 15 cases, the Petitioner submits that service of the Recognition Notice in the manner proposed in the Notice Procedures Motion will provide the various parties-in-interest in these Chapter 15 cases due and sufficient notice and service of such matters and any associated objection deadline and hearing dates. The Recognition Notice also provides multiple efficient ways for any party receiving such notice to obtain copies of pleadings filed in these Chapter 15 cases, as it provides a telephone number, a website maintained by the Petitioner and an email address that can be used to obtain such documents. At the same time, it does not burden the Petitioner or the Debtors with the significant costs necessarily attendant to copying and mailing the various documents associated with the Recognition Notice to hundreds of creditors and other parties-in-interest.

III. Provisional Relief Motion

56. The Petitioner filed the *Petitioner's Motion for Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code* (the "Provisional Relief Motion"), contemporaneously with this Verified Petition, seeking entry of an order (the "Provisional Relief Order") granting (i) provisional relief on an interim basis enforcing the Initial Order and staying any collection and enforcement activity by creditors against the Debtors' assets in the United States, including any action by any lessor or contract counterparty to terminate or modify any lease or contract, pending the entry of the Proposed Order and (ii) such other and further relief as this Court deems just and proper. The Petitioner submits that preliminary relief under section 1519 of the Bankruptcy Code pending this Court's determination with respect to recognition of the Canadian

Proceedings as foreign main proceedings or, in the alternative, as foreign nonmain proceedings, is necessary to protect the Debtors, preserve their property, and prevent irreparable harm to the Debtors' estates and creditors.

57. The Debtors, through Spectra US, operate a substantial US distribution network, including three leased warehouses, related equipment and property, and various vendors and other counterparties. In addition, all of the Debtors' US assets are collateral for the Spectra Group's Canada-based secured lenders. As a result of the Spectra Group's rapidly deteriorating financial condition and severe liquidity pressure, discussed above, the Debtors have struggled to timely satisfy their obligations to both US and foreign creditors and other counterparties. The Debtors' US operations and assets are an important component of the Spectra Group's overall business and, therefore, will figure prominently in any plan of arrangement proposed in the Canadian Proceedings. The Debtors, however, will likely be unable to successfully reorganize their US business if their assets are subject to piecemeal enforcement by US and/or foreign creditors and counterparties. The Petitioner therefore submits that failure to secure the Debtors' assets will irreparably harm the Debtors and their estates and, ultimately, compromise their ability to maximize value, on an equitable basis, for all creditors. The relief sought in the Provisional Relief Motion directly addresses those concerns and is narrowly tailored to channel claims to the Canadian Proceedings to facilitate the orderly administration of the Debtors' affairs under the Canadian Court's supervision. A stay of actions against the Debtors, their rights, and their interests in property will not only preserve the Debtors' assets for the benefit of their creditors, but also allow the Debtors to devote their full attention to effectively and efficiently administering their affairs in the Canadian Proceedings.

58. Accordingly, the Petitioner respectfully submits that the Provisional Relief Motion should be granted for the benefit of all creditors.

OTHER PROCEEDINGS INVOLVING THE COMPANY

59. Pursuant to section 1515 of the Bankruptcy Code, a Chapter 15 must "be accompanied by a statement identifying all foreign proceedings (as defined in the Bankruptcy Code) with respect to the debtor that are known to the foreign representative." 11 U.S.C. § 1515(c).

60. Other than the Canadian Proceedings, the Petitioner is not aware of any other foreign proceeding involving the Debtors.[9] The Petitioner will promptly inform this Court if it becomes aware of any such foreign proceeding, or if it commences a foreign proceeding in another jurisdiction to aid in the administration of the Debtors' reorganization in the Canadian Proceedings.

NOTICE

61. Pursuant to section 1517(c) of the Bankruptcy Code, a petition for recognition shall be decided at the "earliest possible time." Accordingly, the Petitioner requests that this Court set the date for the hearing on recognition and to consider the Proposed Order (the "Hearing") on April 8, 2020, or as soon thereafter as possible. In addition, the Petitioner requests that this Court approve the manner of service set forth in the Notice Procedures Motion.

CONCLUSION

WHEREFORE, the Petitioner respectfully requests that this Court grant the relief requested herein and such other and further relief as may be just and proper.

[9] As mentioned above, Spectra's subsidiary, Spectra Sweden, is in insolvency proceedings now pending in Sweden. Spectra Sweden is neither a Canadian Debtor nor a Debtor in these Chapter 15 cases.

[*Signature on following page*]

Dated: March 11, 2020
Wilmington, Delaware

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Counsel to the Petitioner

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 15
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,[1]	:	Case No. 20-______ (___)
Debtors in a Foreign Proceeding.	:	(Joint Administration Requested)

I, Eric St-Amour, a Partner of Ernst & Young Inc., in its capacity as the Monitor of Spectra Premium Industries Inc. and its affiliated Debtors (the "Monitor"), pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury as follows:

I have the full authority to verify this petition on behalf of the Monitor.

I have read the foregoing petition, and I am informed and believe that the factual allegations contained therein are true and accurate.

I declare under penalty of perjury under the laws of the United States of America that, to the best of my knowledge, information and belief, the foregoing is true and correct.

Executed this 11th day of March 2020 in Montreal, Canada

Eric St-Amour, a Partner of Ernst & Young Inc., in its capacity as the Monitor of Spectra Premium Industries Inc. and its affiliated Debtors

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1 The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors' ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Québec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group's corporate headquarters in Boucherville, Québec, Canada.

Exhibit A

Initial Order

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-058116-209

DATE: MARCH 10, 2020

PRESIDING : THE HONOURABLE LOUIS J. GOUIN, J.S.C.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED:

SPECTRA PREMIUM INDUSTRIES INC.
-and-
SPECTRA PREMIUM HOLDINGS (USA) CORP.
-and-
SPECTRA PREMIUM (USA) CORP.
-and-
SPECTRA PREMIUM PROPERTIES (USA) CORP.
-and-
SPECTRA PREMIUM TAIWAN CO. LTD.
-and-
SPECTRA PREMIUM (SHANGHAI) AUTOMOTIVE TECHNICAL SERVICES CO. LTD.
-and-
SPECTRA PREMIUM (CHONGQING) AUTOMOTIVE SERVICES CO. LTD.

Petitioners

And

ERNST & YOUNG INC.

Monitor

INITIAL ORDER

ON READING the motion for a first day initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "**CCAA**") and the exhibits, the affidavit of Denis Chabot (the "**Chabot Affidavit**") filed in support thereof (the "**Petition**"), the consent of Ernst & Young inc. to act as monitor (the "**Monitor**"), relying upon the submissions of counsel and being advised that the interested parties, including secured creditors who are likely to be affected by the charges created herein were given prior notice of the presentation of the Petition;

GIVEN the provisions of the CCAA;

WHEREFORE, THE COURT:

1. **GRANTS** the Petition.

2. **ISSUES** an order pursuant to the CCAA (the "**Order**"), divided under the following headings:

   - Service
   - Application of the CCAA
   - Effective Time
   - Plan of Arrangement
   - Stay of Proceedings against the Petitioners and the Property and unaffected creditors
   - Stay of Proceedings against the Directors and Officers
   - Possession of Property and Operations
   - No Exercise of Rights or Remedies
   - No Interference with Rights
   - Continuation of Services
   - Non-Derogation of Rights
   - Restructuring
   - Powers of the Monitor
   - Priorities and General Provisions Relating to the Administration Charge
   - General

Service

3. **ORDERS** that any prior delay for presentation of the Petition is hereby abridged and validated so that the Petition is properly returnable today and hereby dispenses with further service thereof.

Application of the CCAA

4. **DECLARES** that the Petitioners are debtors to which the CCAA applies.

5. **ORDERS** that these CCAA proceedings in respect of the Petitioners shall be consolidated in the present matter for administrative purposes only, which shall not effect a consolidation of the assets, property or debt of each of the Petitioners, including for the purposes of any Plan or Plans that may be hereafter proposed.

Effective time

6. **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montreal time, province of Quebec, on the date of this Order (the "**Effective Time**").

Plan of Arrangement

7. **DECLARES** that the Petitioners shall have the authority to file with this Court and to submit to their creditors one or more plans of compromise or arrangement (collectively, the "**Plan**") in accordance with the CCAA.

Stay of Proceedings against the Petitioners and the Property and unaffected creditors

8. **ORDERS** that, until and including March 20, 2020, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Petitioners, or affecting the Petitioners' business operations and activities (the "**Business**") or the Property (as defined hereinbelow), including as provided in paragraph 12 hereinbelow except with leave of this Court. Any and all Proceedings currently under way against or in respect of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to subsection 11.1 CCAA.

9. **ORDERS** that the rights of Her Majesty in right of Canada and Her Majesty in right of a Province are suspended in accordance with the terms and conditions of Subsection 11.09 CCAA.

10. **ORDERS and DECLARES** that Wells Fargo Capital Finance Corporation Canada, in its capacity as administrative agent for itself and for Canadian Imperial Bank of Commerce, as lenders (collectively "**Wells Fargo**"), are unaffected creditors in these CCAA proceedings and are not subject to the stay of proceedings or other limitations of creditors' rights herein ordered. Nothing in this Order shall prevent Wells Fargo from enforcing their security (the "**Wells Fargo Security**") against the Property (as hereinafter defined) of the Petitioners in conformity with their contractual rights, subject only to Wells Fargo advising the Court in advance.

11. **ORDERS** that notwithstanding any other provision of this Order, the Petitioners shall be entitled to continue to utilize the central cash management system currently in place, as described in the Chabot Affidavit, or to replace it with another substantially similar central cash management system acceptable to Wells Fargo (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioners of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than a Petitioner, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under these CCAA proceedings with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

Deemed extension of the Stay Period and Come-back hearing

11.1 **ORDERS** that, on March 20, 2020, at 4 P.M., the Stay Period shall be extended to March 24, 2020, unless any Person wishing to object to such deemed extension serve a detailed written contestation stating the objection to the deemed extension and the grounds for such objection to the Debtors and the Monitor and file with the Court such contestation, the whole no later than at 11 A.M. Montréal Time on March 18, 2020.

11.2 **ORDERS** that, in the event that the Stay Period has not been extended pursuant to paragraph [11.1] of the Order, a hearing on the extension of the Stay Period shall take place on March 20, 2020, at 9:15 AM in a room to be determined of the Montréal Courthouse or on any other date determined by the Court and to be communicated to the service list.

11.3 **ORDERS** that, in the event the Stay Period has been extended to March 24, 2020 pursuant to paragraph [11.1] of this Order or pursuant to a subsequent order of this Court, a full hearing on the orders sought in the Petition shall take place on March 24, 2020, at 9:15 AM in a room to be determined of the Montréal Courthouse and to be communicated to the service list.

Stay of Proceedings against the Directors and Officers

12. **ORDERS** that during the Stay Period and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Petitioners nor against any person deemed to be a director or an officer of the Petitioners under subsection 11.03(3) CCAA (each, a "**Director**", and collectively the "**Directors**") in respect of any claim against such Directors which arose prior to the Effective Time and which relates to any obligation of the Petitioners where it is alleged that any of the Directors is under any law liable in such capacity for the payment of such obligation.

Possession of Property and Operations

13. **ORDERS** that the Petitioners shall remain in possession and control of their present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively the "**Property**"), the whole in accordance with the terms and conditions of this Order.

No Exercise of Rights or Remedies

14. **ORDERS** that during the Stay Period, and subject to, *inter alia*, subsection 11.1 CCAA, all rights and remedies of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Petitioners, or affecting the Business, the

Property or any part thereof, are hereby stayed and suspended except with leave of this Court.

15. **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Petitioners or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that a Petitioner becomes a bankrupt or a receiver as defined in subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") is appointed in respect of a Petitioner, the period between the date of this Order and the day on which the Stay Period ends shall not be calculated in respect of that Petitioner in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

No Interference with Rights

16. **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioners, except with the written consent of the Petitioners and the Monitor, or with leave of this Court.

Continuation of Services

17. **ORDERS** that during the Stay Period and subject to paragraph 16 hereof and subsection 11.01 CCAA, all Persons having verbal or written agreements with the Petitioners or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, utility or other goods or services made available to the Petitioners, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply or, as the case may be, interrupting, delaying or stopping the transit of such goods or services as may be required by the Petitioners, and that the Petitioners shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of the Order are paid by the

Petitioners, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners, with the consent of the Monitor, or as may be ordered by this Court.

18. **ORDERS** that, notwithstanding anything else contained herein and subject to subsection 11.01 CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Petitioners on or after the date of this Order, nor shall any Person be under any obligation on or after the date of the Order to make further advance of money or otherwise extend any credit to the Petitioners.

19. **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, and to paragraph 11 hereof, cash or cash equivalents placed on deposit by the Petitioners with any Person during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person as of the date of the Order or due on or before the expiry of the Stay Period or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn by Petitioners and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into Petitioners' account until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

Non-Derogation of Rights

20. **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the "**Issuing Party**") at the request of the Petitioners shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of the Order, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

Restructuring

21. **DECLARES** that, to facilitate the orderly restructuring of its business and financial affairs (the "**Restructuring**") but subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right, subject to approval of the Monitor and compliance with the terms of the forbearance agreement entered into between certain of the Petitioners and Wells Fargo on March 9, 2020 (the "**Forbearance Agreement**"), or further order of the Court, to:

(a) permanently or temporarily cease, downsize or shut down any of their operations or locations as they deems appropriate and make provision for the consequences thereof in the Plan;

(b) pursue all avenues to finance or refinance, market, convey, transfer, assign or in any other manner dispose of the Business or Property, in whole or part, subject to further order of the Court and sections 11.3 and 36 CCAA, and under reserve of subparagraph (c);

(c) convey, transfer, assign, lease, or in any other manner dispose of the Property, outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed $50,000 or $250,000 in the aggregate;

(d) terminate the employment of such of their employees or temporarily or permanently lay off such of their employees as they deem appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision, on such terms as may be agreed upon between the Petitioners and such employee, or failing such agreement, make provision to deal with, any consequences thereof in the Plan, as the Petitioners may determine;

(e) subject to the provisions of section 32 CCAA, disclaim or resiliate, any of their agreements, contracts or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Petitioners and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and

(f) subject to section 11.3 CCAA, assign any rights and obligations of Petitioners.

22. **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of the Petitioners pursuant to section 32 of the CCAA and subsection 21(e) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Petitioners and the Monitor 24 hours prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Petitioners, provided nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

23. **ORDERS** that the Petitioners shall provide to any relevant landlord notice of the Petitioners' intention to remove any fittings, fixtures, installations or leasehold improvements at least seven (7) days in advance. If a Petitioner have already vacated the leased premises, it shall not be considered to be in occupation of such location pending the resolution of any dispute between the Petitioner and the landlord.

24. **DECLARES** that, in order to facilitate the Restructuring, the Petitioners may, subject to the approval of the Monitor, or further order of the Court, settle claims of customers and suppliers that are in dispute.

25. **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, an sections 18 to 18.2 of the *Act Respecting the Protection of Personal Information in the Private Sector*, R.S.Q. c. P-39.1, the Petitioners are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in its possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to its advisers (individually, a "**Third Party**"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited

purpose set out herein, the personal information shall be returned to the Petitioners or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

Powers of the Monitor

26. **ORDERS** that Ernst & Young inc. (Eric St-Amour) is hereby appointed to monitor the business and financial affairs of the Petitioners as an officer of this Court (the "**Monitor**") and that the Monitor, in addition to the prescribed powers and obligations, referred to in Section 23 of the CCAA:

(a) shall, without delay, (i) publish once a week for two (2) consecutive weeks, in LaPresse+ and the Globe and Mail National Edition and (ii) within five (5) business days after the date of this Order (A) post on the Monitor's website (the "**Website**") a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, a notice to all known creditors having a claim against the Petitioners of more than $1,000, advising them that the Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder;

(b) shall monitor the Petitioners' receipts and disbursements;

(c) shall assist the Petitioners, to the extent required by the Petitioners, in dealing with their creditors and other interested Persons during the Stay Period;

(d) shall assist the Petitioners, to the extent required by the Petitioners, with the preparation of their cash flow projections and any other projections or reports and the development, negotiation and implementation of the Plan;

(e) shall assist the Petitioners in reporting to Wells Fargo in the manner provided for at paragraph 6.5 of the Forbearance Agreement;

(f) shall advise and assist the Petitioners, to the extent required by the Petitioners, to review the Petitioners' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;

(g) shall assist the Petitioners, to the extent required by the Petitioners, with the Restructuring and in their negotiations with their creditors and other interested Persons and with the holding and administering of any meetings held to consider the Plan;

(h) shall report to the Court on the state of the business and financial affairs of the Petitioners or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order;

(i) shall report to this Court and interested parties, including but not limited to creditors affected by the Plan, with respect to the Monitor's assessment of, and recommendations with respect to, the Plan;

(j) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of the Order, including, without limitation, one or more entities related to or affiliated with the Monitor;

(k) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under the Order or under the CCAA;

(l) may act as a "foreign representative" of the Petitioners or in any other similar capacity in any insolvency, bankruptcy or reorganisation proceedings outside of Canada and may engage legal counsels in the relevant jurisdiction to the extent that the Monitor considers necessary in its capacity as "foreign representative" or in any other similar capacity;

(m) may give any consent or approval as may be contemplated by the Order or the CCAA; and

(n) may perform such other duties as are required by the Order or the CCAA or by this Court from time to time.

Unless expressly authorized to do so by this Court, the Monitor shall not otherwise interfere with the business and financial affairs carried on by the Petitioners, and the Monitor is not empowered to take possession of the Property nor to manage any of the business and financial affairs of the Petitioners.

27. **ORDERS** that the Petitioners and its Directors, officers, employees and agents, accountants, auditors and all other Persons having notice of the Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Petitioners in connection with the Monitor's duties and responsibilities hereunder.

28. **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Petitioners with information in response to requests made by them in writing addressed to the Monitor and copied to the Petitioners' counsel. In the case of information that the Monitor has been advised by the Petitioners is confidential, proprietary or competitive, the Monitor shall not provide such information to any Person without the consent of the Petitioners unless otherwise directed by this Court.

29. **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Petitioners or continues the employment of the Petitioners' employees, the Monitor shall benefit from the provisions of section 11.8 of the CCAA.

30. **DECLARES** that no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out the provisions of any order of this Court, except with prior leave of this Court, on at least seven day notice to the Monitor and its counsel. The entities related to or affiliated with the Monitor referred to in subparagraph 26(j) hereof shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.

31. **ORDERS** that Petitioners shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Petitioners' legal counsel and other advisers, directly related to these proceedings, the Plan and the Restructuring, whether incurred before or after the Order, and shall provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.

32. **DECLARES** that the Monitor, the Monitor's legal counsel (including US legal counsel), if any, the Petitioners' legal counsel and the Monitor and the Petitioners' respective advisers, as security for the professional fees and disbursements incurred both before and after the making of the Order and directly related to these proceedings, the Plan and the Restructuring, be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of $300,000 (the "**Administration Charge**").

Priorities and General Provisions Relating to the Administration Charge

33. **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.

34. **ORDERS** that, except as otherwise expressly provided for herein, the Petitioners shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, the Administration Charge unless the Petitioners obtain the prior written consent of the Monitor and the prior approval of the Court.

35. **DECLARES** that the Administration Charge shall attach, as of the Effective Time, to all present and future Property of the Petitioners, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.

36. **DECLARES** that the Administration Charge, shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and the declaration of insolvency made herein; (ii) any petition for a receiving order filed pursuant to the BIA in respect of the Petitioners or any receiving order made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioners; or (iii) any negative covenants, prohibitions or other similar provisions with respect to

borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Petitioners (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

(a) the creation of any of the Administration Charge shall not create or be deemed to constitute a breach by the Petitioners of any Third Party Agreement to which it is a party; and

(b) any of the beneficiaries of the Administration Charge shall not have liability to any Person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the Administration Charge.

37. **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a receiving order filed pursuant to the BIA in respect of the Petitioners and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioners, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Petitioners pursuant to the Order and the granting of the Administration Charge, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances, preferential payments, transfers at under value or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

38. **DECLARES** that the Administration Charge shall be valid and enforceable as against all Property of the Petitioners and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Petitioners, for all purposes.

General

39. **DECLARES** that the Petitioners are authorized, with the consent of the Monitor, to continue making payments to the US customs and any custom broker in the normal course of business, even if such payments relate to amounts owed by the Petitioners prior to the Effective Date.

40. **ORDERS** that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors, employees, legal counsel or financial advisers of the Petitioners or of the Monitor in relation to the Business or Property of the Petitioners, without first obtaining leave of this Court, upon five (5) days written notice to the Petitioners' counsel and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.

41. **DECLARES** that the Order and any proceeding or affidavit leading to the Order, shall not, in and of themselves, constitute a default or failure to comply by the Petitioners under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.

42. **DECLARES** that, except as otherwise specified herein, the Petitioners and the Monitor are at liberty to serve any notice, proof of claim form, proxy, circular or 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 addresses as last shown on the records of the Petitioners and that any such service 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 business days after mailing if by ordinary mail.

43. **DECLARES** that the Petitioners and any party to these proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that the Petitioners shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter.

44. **ORDERS** that the financial statements (Exhibits R-6 to R-12), the cash flow (Exhibit R-14), the Forbearance Agreement (Exhibit R-15) and the KERP Summary (Exhibit R-16) shall be sealed and kept confidential.

45. **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, 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 Petitioners and the Monitor and has filed such notice with this Court, or

appears on the service list prepared by the Monitor or its attorneys, save and except when an order is sought against a Person not previously involved in these proceedings.

46. **DECLARES** that the Petitioners or the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of the Order on notice only to each other.

47. **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) day notice to the Petitioners, the Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order, such application or motion shall be filed during the Stay Period ordered by this Order, unless otherwise ordered by this Court.

48. **DECLARES** that the Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.

49. **DECLARES** that the Monitor, with the prior consent of the Petitioners, 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 Monitor shall be the foreign representative of the Petitioners. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

50. **REQUESTS** the aid and recognition of any Court, regulatory or administrative body in any Province of Canada and any Canadian federal court, regulatory 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.

51. **DECLARES** that, for the purposes of any application to a foreign court, the Petitioners' centre of main interest is located in the Province of Quebec, Canada.

52. **ORDERS** the provisional execution of the Order notwithstanding any appeal.

Louis J. Gouin J.S.C.

LOUIS J. GOUIN, J.S.C.

Mr. Jean Legault and
Mr. Jonathan Warin
Lavery, de Billy
Attorneys for Petitioners

Mr. Luc Morin and
Mr. Guillaume Michaud
Norton Rose Fulbright Canada
Attorneys for the Monitor

Exhibit B

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 15
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,[1]	:	Case No. 20-______ (___)
Debtors in a Foreign Proceeding.	:	(Joint Administration Requested)

FINAL ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDINGS AND CERTAIN RELATED RELIEF

This matter came before the Court upon the *Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief* [D.I. •] (the "Verified Petition")[2] of Ernst & Young Inc. (the "Petitioner"), in its capacity as the court-appointed monitor of the above captioned debtors (collectively, the "Debtors") in insolvency proceedings (the "Canadian Proceedings") commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") pending before the Superior Court, sitting in the Commercial Division for the district of Montréal (the "Canadian Court") and as the duly authorized foreign representative as defined by section 101(24) of title 11 of the United States Code (the "Bankruptcy Code"); and the Court having jurisdiction to consider the Verified Petition and the relief requested therein in accordance with sections 157 and 1334 of title 28 of the United States Code, sections 109 and 1501 of the Bankruptcy Code, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012 (the "Amended Standing Order"); and consideration of the

[1] The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors' ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Québec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group's corporate headquarters in Boucherville, Québec, Canada.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Verified Petition.

Verified Petition and the relief requested therein being a core proceeding pursuant to section 157(b) of title 28 of the United States Code; and due and proper notice of the relief sought in the Verified Petition having been provided; and it appearing that no other or further notice need be provided; and the Court having entered the Provisional Relief Order [D.I. •] on March [•], 2020; and a hearing having been held to consider the relief requested in the Verified Petition (the "Hearing") on a final basis; and the appearances of all interested parties having been noted in the record of the Hearing; and the Court having considered, among other things, (i) the Verified Petition, the *Memorandum of Law in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief*, and the *Declaration of Guillaume Pierre Michaud in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* [D.I. •] (collectively, the "Chapter 15 Papers"), (ii) the record of the Hearing, and (iii) all of the proceedings before the Court in these Chapter 15 cases; and the Court having found and determined that the relief sought in the Verified Petition is in the best interests of the Debtors, their creditors, and all parties in interest and that the legal and factual bases set forth in the Chapter 15 Papers and at the Hearing establish just cause for the relief granted herein; and after due deliberation thereon and sufficient cause appearing therefor

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and

1334 of title 28 of the United States Code and the Amended Standing Order.

C. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

D. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

E. On March 11, 2020, these Chapter 15 cases were commenced by the Petitioner's filing of a voluntary Chapter 15 Petition for Recognition of a Foreign Proceeding for each Debtor contemporaneously with the filing of the Verified Petition. Attached to the Verified Petition is an order (the "Initial Order") of the Canadian Court entered in the Canadian Proceedings appointing the Petitioner as Monitor and foreign representative of the Debtors and granting additional relief.

F. Each of the Canadian Proceedings is a "foreign proceeding" as defined by section 101(23) of the Bankruptcy Code.

G. The Petitioner is the duly appointed "foreign representative" of each of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.

H. These Chapter 15 cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

I. The Petitioner has satisfied the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 2002(q).

J. Each of the Canadian Proceedings is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

K. Canada is the center of main interests of each of the Debtors, and accordingly, each of the Canadian Proceedings is a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code, and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(l) of the Bankruptcy Code.

L. The Petitioner is entitled to all the relief available pursuant to section 1520 of the Bankruptcy Code, including, without limitation, application of the automatic stay pursuant to section 362 of the Bankruptcy Code.

M. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted pursuant to sections 1517, 1520, and 1521 of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Verified Petition is granted as to each of the Debtors as set forth herein.

2. Each of the Canadian Proceedings in respect of the following Debtors is granted recognition as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code:

a. Spectra Premium Industries Inc.

b. Spectra Premium Holdings (USA) Corp.

c. Spectra Premium (USA) Corp.

d. Spectra Premium Properties (USA) Corp.

3. The Initial Order is hereby enforced on a final basis and given full force and effect in the United States, including, without limitation, the stay of proceedings to the extent set forth in the Initial Order.

4. All relief afforded to foreign main proceedings pursuant to section 1520 of the Bankruptcy Code is hereby granted to each of the Canadian Proceedings, each of the Debtors, and the Petitioner, as applicable.

5. Section 362 of the Bankruptcy Code shall hereby apply with respect to each of the

Debtors and their respective property that is within the territorial jurisdiction of the United States.

6. All entities (as that term is defined in section 101(15) of the Bankruptcy Code), other than the Petitioner and its authorized representatives and/or agents are hereby enjoined from, without limitation:

(a) enforcing any rights or obligations or otherwise executing against any of the Debtors' assets or other properties;

(b) commencing or continuing, including the issuance or employment of process, of a judicial, administrative, arbitral, or other action or proceeding, or to recover a claim, including without limitation any and all unpaid judgments, settlements, or otherwise against the Debtors in the United States;

(c) taking or continuing any act to create, perfect, or enforce a lien or other security interest, set-off, or other claim against the Debtors or any of their property;

(d) transferring, relinquishing, or disposing of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Petitioner;

(e) enforcing, commencing, or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations, or liabilities; and

(f) terminating any agreements, leases, contracts, or understandings, or otherwise enforcing rights, accelerating obligations, or exercising remedies of any kind in respect thereof.

7. Subject to sections 1520 and 1521 of the Bankruptcy Code, the Canadian Proceedings, and the Initial Order, and the transactions consummated or to be consummated thereunder, shall be granted comity and given full force and effect in the United States to the same extent as in Canada, and each is binding on all creditors of the Debtors and any of their successors and assigns.

8. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all prior relief granted to the Debtors or the Petitioner by this Court pursuant to section 1519(a) of the Bankruptcy Code shall be extended and the Provisional Relief Order shall remain in full force and effect,

notwithstanding anything to the contrary contained therein.

9. Notwithstanding any applicable Bankruptcy Rules to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Petitioner is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Verified Petition.

11. The Petitioner, the Debtors, and/or each of their successors, representatives, advisors, or counsel shall be entitled to the protections contained in sections 306 and 1510 of the Bankruptcy Code.

12. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief, any adversary proceeding brought in and through these Chapter 15 cases, and any request by an entity for relief from the provisions of this Order that is properly commenced and within the jurisdiction of this Court.

Dated: ______________________, 2020
Wilmington, Delaware

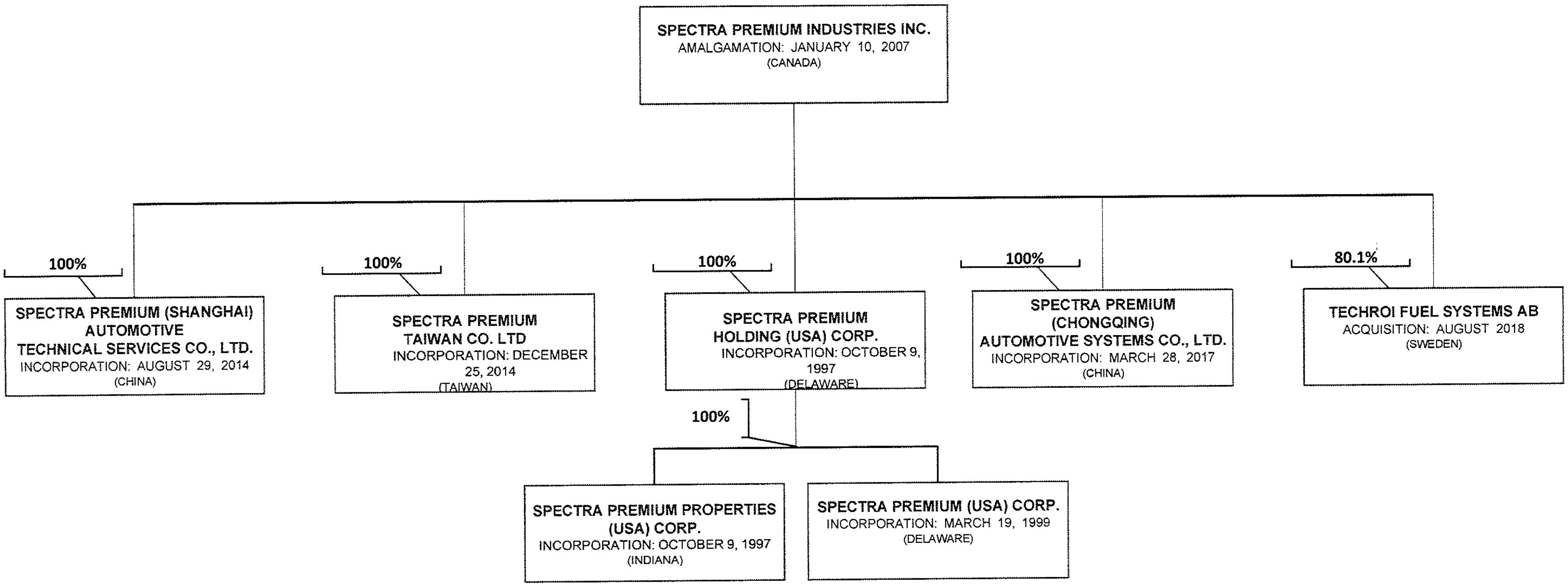
____
United States Bankruptcy Judge

Exhibit C

Organization Chart

SPECTRA PREMIUM

ORGANIZATION CHART



R-2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 15
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,[1]	:	Case No. 20-______ (___)
Debtors in a Foreign Proceeding.	:	(Joint Administration Requested)

PETITIONER'S MOTION FOR PROVISIONAL RELIEF
PURSUANT TO SECTION 1519 OF THE BANKRUPTCY CODE

Ernst & Young Inc., in its capacity as the court-appointed monitor and duly authorized foreign representative (in such capacity, the "Petitioner"), as defined by section 101(24) of title 11 of the United States Code (the "Bankruptcy Code"), of Spectra Premium Industries Inc. ("Spectra"), Spectra Premium Holdings (USA) Corp. ("Spectra Holdings US"), Spectra Premium (USA) Corp. ("Spectra US"), Spectra Premium Properties (USA) Corp. ("Spectra Properties US," and, together with Spectra Holdings US and Spectra US, the "US Subsidiaries," and collectively with Spectra, the "Debtors"), through its United States co-counsels, Landis Rath & Cobb LLP and Norton Rose Fulbright US LLP, hereby moves this Court, pursuant to section 1519 of title 11 of the United States Code (the "Bankruptcy Code") for entry of an order, substantially in the form of the proposed order attached hereto as **Exhibit A** (the "Provisional Relief Order"), (i) granting provisional relief on an interim basis (a) enforcing the Initial Order (as defined below) and (b) staying any collection and enforcement activity by creditors, lessors, and any other parties against the Debtors and their assets in the United States pending this

[1] The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors' ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Québec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group's corporate headquarters in Boucherville, Québec, Canada.

Court's consideration of the Recognition Order (defined herein) and (ii) granting such other and further relief as this Court deems just and proper (the "Motion"). In support of this Motion, the Petitioner relies upon (i) the *Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief* (the "Verified Petition"),[2] (ii) the *Memorandum of Law in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* (the "Memorandum of Law"), and (iii) *Declaration of Guillaume Pierre Michaud in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* (the "Michaud Declaration"), each of which was filed contemporaneously herewith and is incorporated herein by reference. In further support of the relief requested herein, the Petitioner respectfully represents as follows:

PRELIMINARY STATEMENT

1. The Petitioner has filed this Motion seeking a provisional stay in order to maintain the status quo until the Court can consider the Petitioner's request for recognition of the Canadian Proceedings as foreign main proceedings or, in the alternative, as foreign nonmain proceedings. The requested relief is necessary to advance key objectives of Chapter 15: to protect and maximize the value of the Debtors' assets, and to ensure the equal treatment of similarly situated creditors. Without the relief requested, creditors in the United States invoking self-help remedies will gain an unfair advantage at the expense of the Debtors' other creditors, including those that are subject to, and acting in full compliance with, the stay issued in the

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2 Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Verified Petition.

Canadian Proceedings. The Canadian Court has requested this Court's assistance in aid of the Canadian Proceedings, and protecting the Debtors and their assets from collection and enforcement actions so that claims can be channeled to and administered in the Canadian Proceedings will fulfill that request, which is exactly the type of cooperation that Chapter 15 is meant to foster.

JURISDICTION AND VENUE

2. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. The Petitioner properly commenced these Chapter 15 cases pursuant to sections 1504 and 1509 of the Bankruptcy Code by filing petitions for recognition of the Canadian Proceedings under section 1515 of the Bankruptcy Code.

3. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Petitioner consents to the entry of a final order by the Court in connection with this Motion to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. Venue is proper before the Court pursuant to 28 U.S.C. § 1410.

5. The statutory predicates for the relief requested herein are sections 105(a), 1521(a)(7), and 1519 of the Bankruptcy Code.

BACKGROUND

6. On the Petition Date, the Petitioner filed with this Court verified voluntary petitions for each of the Debtors under Chapter 15 of the Bankruptcy Code. And contemporaneously with the filing of this Motion, the Petitioner filed the Verified Petition.

7. The Canadian Proceedings were commenced under the CCAA, pursuant to which the Canadian Court entered an order appointing the Petitioner as monitor for the Debtors and certain of their affiliates and further authorizing the Petitioner to act as foreign representative of the Debtors to, among other things, commence these Chapter 15 cases (the "Initial Order").

8. Additional information about the Debtors' businesses, the events leading up to the Petition Date, and the facts and circumstances surrounding the Debtors, the Canadian Proceedings, and the commencement of these Chapter 15 cases can be found in the Verified Petition, which is hereby incorporated by reference.

RELIEF REQUESTED

9. By this Motion, pursuant to sections 105, 1521(a)(7), and 1519 of the Bankruptcy Code, the Petitioner seeks entry of the Provisional Relief Order (i) on an interim basis, (a) enforcing the Initial Order and (b) staying any and all collection and enforcement activity or execution by creditors, lessors and any other parties against the Debtors or their assets in the United States, including, but not limited to, continuing any action or commencing any additional action involving the Debtors or their assets or the proceeds thereof, terminating any contracts or leases, enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Debtors or their assets, commencing or continuing any action to create, perfect or enforce any lien, setoff or other claim against the Debtors or against any of their property and managing or exercising control over the Debtors' assets, pending this

Court's consideration of an order granting recognition to the Canadian Proceedings as foreign main proceedings or, in the alternative, foreign nonmain proceedings and staying all actions in respect of the Debtors, their rights, and their properties pursuant to section 1521 of the Bankruptcy Code in these Chapter 15 cases (the "Recognition Order"); and (ii) granting such other and further relief as this Court deems just and proper.

BASIS FOR RELIEF

10. The Petitioner filed the Petitions in an effort to obtain recognition of the Canadian Proceedings as foreign main proceedings or, in the alternative, as foreign nonmain proceedings, under section 1517 of the Bankruptcy Code and to obtain certain relief related thereto from this Court in connection with the Chapter 15 cases. However, until the Court grants such relief, the Debtors' business and assets are vulnerable to collection and enforcement actions by creditors in the United States. As set forth in the Verified Petition, such actions threaten the "fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities," including the Debtors, and the "protection and maximization of the value of the debtor's assets" contemplated by sections 1501(a)(3) and (a)(4) of the Bankruptcy Code. The Petitioner's ultimate goal is to ensure an orderly administration of the Debtors' financial affairs under the auspices of the Canadian Court in the Canadian Proceedings, with the aid of this Court through these Chapter 15 cases. The Petitioner submits that entry of the Provisional Relief Order under section 1519 of the Bankruptcy Code is the most efficient and effective means of ensuring that result.

11. Accordingly, the Petitioner respectfully requests that the Court enter the Provisional Relief Order, granting provisional injunctive relief pursuant to section 1519 of the

Bankruptcy Code, until such time as the Court has the opportunity to consider the Verified Petition and the entry of the Recognition Order.

I. Provisional Relief Is Authorized Under Section 1519(a) of the Bankruptcy Code

12. Section 1519(a) of the Bankruptcy Code provides:

> From the time of filing a petition for recognition until the court rules on the petition, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including -
>
> (1) staying execution against the debtor's assets;
>
> (2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and
>
> (3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a).

11 U.S.C. § 1519(a). Section 1519(a)(3) of the Bankruptcy Code authorizes the Court to grant, on a provisional basis, any relief available pursuant to section 1521(a)(7). Section 1521(a)(7) provides that the Court may grant a foreign representative any relief available to a trustee, subject to certain exceptions that are not applicable in this case. The automatic stay of section 362 of the Bankruptcy Code is an essential feature of the Bankruptcy Code that clearly falls within this provision. In addition, section 105(a) of the Bankruptcy Code further allows the Court to "issue any order . . . necessary or appropriate to carry out the provisions of [title 11]." 11 U.S.C. § 105(a).

13. Relief under section 1519 of the Bankruptcy Code is governed by the standards applicable to injunctions. *See* 11 U.S.C. § 1519(e). The standard for the grant of a preliminary

injunction requires the Court to balance the Petitioner's likelihood of success against the relative prejudice to the parties. *See HRP Creative Servs. Co., LLC v. FPI-MB Entm't, LLC*, 616 F. Supp. 2d 481, 489 n.14 (D. Del. 2009) (noting that the test for a preliminary injunction involves a balancing of the interests among the parties that will result from preservation of the status quo). In determining whether injunctive relief is appropriate, courts evaluate: (i) the likelihood of success on the merits; (ii) the irreparable harm that will result if the injunction is denied; (iii) whether granting preliminary relief will result in even greater harm to the nonmoving party; and (iv) whether the public interest favors such relief. *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 708 (3d Cir. 2004) (citation omitted); *see also Adams v. Freedom Forge Corp.*, 204 F.3d 475, 484 (3d Cir. 2000). "As a practical matter, if a plaintiff demonstrates both a likelihood of success on the merits and irreparable injury, it almost always will be the case that the public interest will favor the [movant]." *AT&T Co. v. Winback and Conserve Program, Inc.*, 42 F. 3d 1421, 1427 n.8 (3d Cir. 1994). Under this standard, the Petitioner submits that it is entitled to provisional injunctive relief pursuant to section 1519 of the Bankruptcy Code and, therefore, respectfully requests that the Court enter the Provisional Relief Order.

II. The Petitioner Is Likely to Succeed On the Merits of Its Verified Petition

14. Chapter 15 of the Bankruptcy Code applies where assistance is sought in the United States by a foreign representative in connection with a foreign proceeding. *See* 11 U.S.C. § 1501(b)(1). Two of the objectives of Chapter 15 are the "fair and efficient administration of cross-border insolvencies that protects the interest of all creditors, and other interested entities, including the debtor," and the "protection and maximization of the value of the debtor's assets." *Id.* § 1501(a)(3), (a)(4). These Chapter 15 cases have been commenced to obtain the assistance of this Court in the effective and economical administration of the Canadian Proceedings by,

among other things, carrying out the terms of the Initial Order, including the stay provided thereunder.

15. Section 1517(a) of the Bankruptcy Code, which governs the Petitioner's request for entry of the Recognition Order, provides:

> Subject to section 1506, after notice and a hearing, an order recognizing a foreign proceeding shall be entered if—
>
> (1) such foreign proceeding for which recognition is sought is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 1502;
>
> (2) the foreign representative applying for recognition is a person or body; and
>
> (3) the petition meets the requirements of section 1515.

11 U.S.C. § 1517(a). The Bankruptcy Code provides a clear and objective standard for determining the recognition of a foreign proceeding under section 1517 of the Bankruptcy Code. As reflected in Chapter 15's legislative history:

> The decision to grant recognition is not dependent upon any findings about the nature of the foreign proceeding of the sort previously mandated by section 304(c) of the Bankruptcy Code. The requirements of this section [1517], which incorporates the definitions in section 1502 and sections 101(23) and (24), are all that must be fulfilled to attain recognition.

H.R. Rep 109-31, at 113 (2005), *reprinted in* 2005 U.S.C.C.A.N 88, 175. The Petitioner has satisfied the requirements of section 1517 of the Bankruptcy Code and is therefore "likely to succeed on the merits" of its request for entry of the Recognition Order.

A. <u>The Canadian Proceedings are "foreign proceedings"</u>

16. Section 101(23) of the Bankruptcy Code defines the term "foreign proceeding" as:

> a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to

> insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation.

11 U.S.C. § 101(23). The Canadian Proceedings fall squarely within this definition of a "foreign proceeding" since they encompass a comprehensive adjustment of the Debtors' assets and liabilities subject to the control and supervision of the Canadian Court. Accordingly, each of the Chapter 15 cases involve a "foreign proceeding" within the meaning of section 101(23) of the Bankruptcy Code.

B. The Chapter 15 cases were commenced by a "foreign representative"

17. Section 101(24) of the Bankruptcy Code defines a "foreign representative" as:

> a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of such foreign proceeding.

11 U.S.C. § 101(24). Here, through the Initial Order, the Petitioner has been authorized to act as a foreign representative for the Debtors in the Canadian Proceedings. *See* Initial Order ¶¶26, 48 (authorizing the Petitioner to act as foreign representative and to file these Chapter 15 cases).

C. The Chapter 15 cases were properly commenced

18. These Chapter 15 cases were commenced as required by sections 1504 and 1509 of the Bankruptcy Code by the filing of the Petitions under section 1515(a) of the Bankruptcy Code, accompanied by all documents and information required by sections 1515(b) and (c) of the Bankruptcy Code, including a copy of the Initial Order, and a statement identifying all foreign proceedings with respect to the Debtors that are known to the Petitioner. In addition, the Petitioner included with the Petitions a statement under Bankruptcy Rule 1007(a)(4) identifying

all litigation known to be pending in the United States, and a list of all parties against whom provisional relief is sought.[3]

D. The Canadian Proceedings are foreign main proceedings

19. The Bankruptcy Code provides that a foreign proceeding for which Chapter 15 recognition is sought must be recognized as a "foreign main proceeding" if it is pending in the country where the debtor has the "center of its main interests." 11 U.S.C. § 1517(b)(1). Section 1516(c) of the Bankruptcy Code provides that, in the absence of evidence to the contrary, the debtor's registered office is presumed to be the center of the debtor's main interests. *Id.* § 1516(c). Spectra is incorporated under the *Canada Business Corporations Act* and has its registered office in Montréal, Canada. Thus, the presumption provided by section 1516 dictates that Spectra's "center of main interests" is Canada, such that the Canadian Proceedings qualify as "foreign main proceedings" under the Bankruptcy Code as to Spectra. Moreover, although the US Subsidiaries are organized under US law (in either Delaware or Indiana) and thus, the Court may presume that their COMI is in the United States, as set forth in the Verified Petition and the Memorandum of Law, the Petitioner has indisputably demonstrated that the US Subsidiaries' COMI lies in Canada.

20. Although the Bankruptcy Code is silent as to the type of contrary evidence necessary to overcome the presumption provided by section 1516(c) of the Bankruptcy Code, courts have recognized that the following factors are relevant to the "center of main interest" analysis: (i) the location of the debtor's headquarters; (ii) the location of those who actually manage the debtor (which, conceivably, could be the headquarters of a holding company); (iii)

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3 We are not currently aware of any litigation pending against any of the Debtors in the United States.

the location of the debtor's primary assets; (iv) the location of the majority of the debtor's creditors or of a majority of the creditors who would be affected by the case; and (v) the jurisdiction whose law would apply to most disputes. *See In re ABC Learning Ctrs. Ltd.*, Case No. 10-11711, 2010 WL 5439809, at *11 (Bankr. D. Del. Dec. 16, 2010) (citing *In re Bear Stearns*, 389 B.R. 325, 336 (S.D.N.Y. 2008)). Applying those factors here, the section 1516(c) presumption in respect of the US Subsidiaries is rebutted. Specifically, (i) Spectra, the ultimate corporate parent of the US Subsidiaries, is the sole shareholder of Spectra Holdings US, which, in turn, is the sole shareholder of Spectra US and Spectra Properties US; (ii) the Debtors' corporate headquarters are located in Boucherville, Québec, Canada; (iii) the key management personnel of the Debtors are predominantly located in the Boucherville head office and installations of the Spectra Group located in the Montréal region; (iv) the Debtors' primary indebtedness consists of secured debt held by its secured creditors, substantially all of whom are located in Canada (e.g., Wells Fargo, BLC, and EDC); (v) the Debtors' consolidated financial statements are audited in Canada; and (vi) the principal books and records of each of the Debtors are located in the Boucherville head office and at their installations in the Montréal region. Moreover, each of the Debtors' principal corporate functions (including substantially all back-office, administrative, and human resource functions) are undertaken in Canada and the Debtors' Canadian and United States operations are integrated and function in a coordinated way such that the US Subsidiaries would be unable to operate or function independently.

E. <u>Alternatively, the Canadian Proceedings are "foreign nonmain proceedings"</u>

21. Although the Petitioner submits that, as set forth above, the Canadian Proceedings should be recognized as foreign main proceedings, the Court may conclude that one or more of

the Debtors does not have its COMI in Canada. Nevertheless, the Petitioner believes that, at the very least, the Canadian Proceedings are foreign nonmain proceedings in respect of each Debtor.

22. The Bankruptcy Code provides that a foreign proceeding for which Chapter 15 recognition is sought must be recognized as a "foreign nonmain proceeding" if it is pending in the country where the debtor has an "establishment." 11 U.S.C. § 1517(b)(2). Section 1502 defines "establishment" to mean "any place of operations where the debtor carries out a nontransitory economic activity." *See id.* at § 1502(2). "Non-transitory" economic activity requires "a seat for local business activity" in the applicable country with a "local effect on the marketplace." *See Beveridge v. Vidunas (In re O'Reilly)*, 598 B.R. 784, 806 (Bankr. W.D. Pa. 2019); *Mood Media*, 569 B.R. at 561-63 (Bankr. S.D.N.Y. 2017). As described above (and in greater detail in the Verified Petition), each of the Debtors has an "establishment" in Canada given the scope of their business connections to Canada; the Canadian Proceedings should, in the alternative, be recognized as "foreign nonmain proceedings."

23. Further, should the Court recognize a Canadian Proceeding with respect to any of the Debtors as a foreign nonmain proceeding, the Petitioner has requested discretionary relief with respect to any such Debtor and its property located in the United States pursuant to section 1521 of the Bankruptcy Code. Specifically, the Petitioner request that any relief that is the subject of this Motion be extended pursuant to section 1521(a) of the Bankruptcy Code, including the continued application of the automatic stay with respect to any such Debtor and its property located in the United States.

III. <u>The Debtors will Suffer Irreparable Harm Absent the Provisional Relief Requested</u>

24. The Petitioner believes that application of provisional relief pursuant to section 362 of the Bankruptcy Code in these Chapter 15 cases is critical to the prevention of irreparable

damage to the Debtors' reorganization proceeding in Canada. These Chapter 15 cases were commenced for the purpose of obtaining the assistance of the Court in respect of the Canadian Proceedings and to give effect in the United States to the Initial Order. As set forth in the Verified Petition, unless the Provisional Relief Order is entered, the Debtors face the real possibility of immediate and irreparable harm from (i) individual creditors' collection and enforcement actions and (ii) the Debtors being unable to proceed with the orderly administration in the Canadian Proceedings of the Debtors' US assets pending this Court's entry of the Recognition Order. If individual creditors are free to initiate piecemeal collection and enforcement actions (including through the termination of key contracts), the Debtors' efforts to ensure such an orderly administration will be jeopardized. Absent this Court's entry of the Provisional Relief Order, the Debtors may be forced to expend their limited resources in defense of attachment and other similar collection actions by individual creditors, thereby exposing the Debtors (and their creditors) to irreparable harm. This type of decentralized administration of the Debtors' assets could be extremely prejudicial to the Debtors' reorganization process, and could serve to hinder the Canadian Proceedings.

25. With respect to the potential for collection activity on a piecemeal basis, a number of courts have recognized the need for provisional relief to prevent individual creditors from taking extrajudicial advantage of the recognition process. *See Victrix S.S. Co., S.A. v. Salen Dry Cargo, A.B.*, 825 F.2d 709, 713-14 (2d Cir. 1987) (harm to an estate exists where the orderly determination of claims and the fair distribution of assets are disrupted); *In re Banco Nacional de Obras y Servicios Publicos, S.N.C.*, 91 B.R. 661, 664 (Bankr. S.D.N.Y. 1988) (stating that injunctive relief is necessary "to prevent individual American creditors from arrogating to themselves property belonging to the creditors as a group"); *In re Lines*, 81 B.R. at 270 (stating

that "the premature piecing out of property involved in a foreign liquidation proceeding constitutes irreparable injury").

26. If all creditors are not enjoined, the assets of the Debtors located in the United States may be prematurely seized, or actions commenced, and the orderly determination of claims in the Canadian Proceedings will be rendered impossible. If creditors unilaterally pursue collection or enforcement efforts, or application of setoff, it could diminish the value of the Debtors' assets and cause significant delay and disruption to the Debtors' restructuring process. The purpose of Chapter 15 is to prevent such harm. *See* 11 U.S.C. § 1501.

IV. Provisional Relief Is Warranted Under the Balance of Hardships Test

27. In contrast to the hardships described above, preservation of the status quo through the provisional relief requested will not significantly prejudice creditors. In fact, courts have recognized that provisional maintenance of a stay "actually serve[s] to benefit the estate's creditors by allowing for an orderly administration of the Foreign Debtor's financial affairs." *See In re Innua Canada, Ltd.*, No. 09-16362 (DHS), 2009 WL 1025088, at *2-*4 (Bankr. D.N.J. Mar. 25, 2009). Any creditor or potential creditor that objects to the relief requested herein will have an opportunity to be heard, and may apply to this Court for relief if such creditor believes the terms of the Provisional Relief Order cause harm to such creditor. Moreover, the Petitioner will request that the hearing on the Verified Petition and request for entry of the Recognition Order be held in approximately 28 days from the Petition Date, such that the relief granted in the Provisional Relief Order will only be in place for a limited time and will have a minimal impact on creditors as a whole if the Court were not to recognize the Canadian Proceedings. Individual creditors' rights to initiate piecemeal collection and enforcement actions should therefore be afforded minimal weight in light of the Canadian Proceedings, the filing of the Verified Petition,

and the Petitioner's request for entry of the Recognition Order. By contrast, the Debtors will suffer significant injury from creditor collection efforts, including potential self-help remedies and key contract terminations, if the Court does not grant the relief sought by the Petitioner.

28. In addition, the Petitioner notes that, upon entry of the Recognition Order, section 1520 of the Bankruptcy Code automatically implements sections 362 (the automatic stay) and 363 (sale of estate property) of the Bankruptcy Code. And as mentioned, even if the Recognition Order recognizes the Canadian Proceedings as foreign nonmain proceedings, the Petitioner has requested similar such relief under the discretionary provisions of section 1521 of the Bankruptcy Code. Section 1521(a)(5) of the Bankruptcy Code authorizes the Court to "entrust the administration or realization" of the Debtors' US assets to the Petitioner, along with other relief. 11 U.S.C. § 1521(a)(5). Thus, in the event the Recognition Order is entered, the Petitioner will be entitled to much of the relief provided for by the Provisional Relief Order.

29. Finally, numerous bankruptcy courts in this District have granted relief similar to the relief requested in this Motion. *See, e.g., In re Earth Renew IP Holdings LLC*, Case No. 10-13363 (CSS) (Bankr. D. Del. October 22, 2010) [D.I. 21]; *In re Grant Forest Prods.*, Case No. 10- 11132 (PJW) (Bankr. D. Del. April 19, 2010) [D.I. 47]; *In re Nortel Networks Corp.*, Case No. 0910164 (KG) (Bankr. D. Del. Jan. 14, 2009) [D.I. 29]; *In re MAAX Corp.*, Case No. 08-11443 (CSS) (Bankr. D. Del. July 14, 2008) [D.I. 22].

V. **The Provisional Relief Requested is Consistent with Public Policy**

30. Granting the relief requested in the Provisional Relief Order will help advance the purpose of Chapter 15 as set forth in section 1501 of the Bankruptcy Code.

> Unique to the Bankruptcy Code, Chapter 15 contains a statement of purpose: "[t]he purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency,"

> with the express objectives of cooperation between United States courts, trustees, examiners, debtors and debtors in possession and the courts and other competent authorities of foreign countries; greater legal certainty for trade and investment; fair and efficient administration of cross-border insolvencies that protects the interests of all creditors and other interested entities, including the debtor; the protection and maximization of the debtor's assets; and the facilitation of the rescue of financially troubled businesses.

In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, 374 BR 122, 126 (Bankr. S.D.N.Y. 2007) (internal citations omitted). Entry of the Provisional Relief Order will assist with the orderly administration of the Canadian Proceedings. Fostering cooperation among the Canadian Court and this Court is precisely the goal that Chapter 15 is intended to promote. *See* 11 U.S.C. § 1501(a) (instructing that the purpose of Chapter 15 is to promote cooperation among courts to ensure the "fair and efficient administration of cross-border insolvencies"). Finally, by the Initial Order, the Canadian Court has requested the assistance of this Court to effectuate its orders in the United States. *See* Initial Order ¶¶48, 49. Providing the requested assistance would achieve the objectives underlying Chapter 15. *See* 11 U.S.C. § 1525(a) (instructing that courts "shall cooperate to the maximum extent possible with a foreign court or a foreign representative" in accordance with section 1501).

NOTICE

31. The Petitioner has provided notice of this Motion to the following parties or their respective counsel: (a) the office of the US Trustee for the District of Delaware; (b) Wells Fargo; (d) BLC; (e) EDC; (f) IQ; (f) any lessors of any non-residential real property located in the United States; (g) VFI Corporate Finance; (h) any parties in litigation against any of the Debtors that is pending in the United States; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). As this Motion is seeking "first day" relief, the Petitioner will serve copies of this Motion within two business days of the hearing on

this Motion and any order entered in respect to this Motion. In light of the nature of the relief requested herein, the Petitioner submits that no other or further notice of this Motion is necessary or required.

CONCLUSION

WHEREFORE, the Petitioner respectfully requests this Court (i) enter the Provisional Relief Order, substantially in the form attached hereto, pending the entry of the Recognition Order, and (ii) grant such other and further relief as this Court deems just and proper.

[*Signature on following page*]

Dated: March 11, 2020
Wilmington, Delaware

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Counsel to the Petitioner

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 15
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,[1]	Case No. 20-______ (___)
Debtors in a Foreign Proceeding.	(Joint Administration Requested)

ORDER GRANTING PROVISIONAL RELIEF
PURSUANT TO BANKRUPTCY CODE SECTION 1519

Upon the motion (the "Motion")[2] of Ernst & Young Inc. (the "Petitioner"), in its capacity as the monitor of the above captioned debtors (the "Debtors") in insolvency proceedings (the "Canadian Proceedings") commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") pending before the Superior Court, sitting in the Commercial Division for the district of Montréal (the "Canadian Court") and as the duly authorized foreign representative as defined by section 101(24) of title 11 of the United States Code (the "Bankruptcy Code"), for entry of a provisional order enforcing the Initial Order and granting a stay against any collection or enforcement against the Debtors or the Debtors' assets in the United States and otherwise applying section 362 of the Bankruptcy Code on an interim basis under section 1519 of the Bankruptcy Code; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with sections 157 and 1334 of title 28 of the United States Code, sections 109 and 1501 of the Bankruptcy Code, and the Amended

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1 The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors' ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Quebec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group's corporate headquarters in Boucherville, Quebec, Canada.

2 Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Standing Order of Reference from the United States District Court for the District of Delaware, dated as of February 29, 2012 (the "Amended Standing Order"); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to section 157(b) of title 28 of the United States Code; and due and proper notice of the provisional relief sought in the Motion having been provided under the circumstances; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and the appearances of all interested parties having been noted in the record of the Hearing; and upon (i) the *Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief* (the "Verified Petition"), (ii) the *Memorandum of Law in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief*, and (iii) the *Declaration of Guillaume Pierre Michaud in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* (collectively, the "Chapter 15 Papers"), filed contemporaneously with the Motion, the record of the Hearing and all of the proceedings before the Court in these Chapter 15 cases; and the Court having found and determined that the provisional relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation thereon and sufficient cause appearing therefor,

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order.

C. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

D. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

E. Service of the Motion on the Notice Parties was due, proper, and sufficient under the circumstances and no other notice is required.

F. On March 11, 2020, these Chapter 15 cases where commenced by the Petitioner's filing of a voluntary Chapter 15 Petition for Recognition of a Foreign Proceeding for each Debtor contemporaneously with the filing of the Verified Petition. Attached to the Verified Petition was an order (the "Initial Order") of the Canadian Court in the Canadian Proceedings appointing the Petitioner and granting additional relief.

G. The Petitioner has demonstrated a substantial likelihood of success on the merits that (a) each of the Canadian Proceedings is a "foreign main proceeding" as that term is defined in section 1502(4) of the Bankruptcy Code, (b) the Petitioner is a "foreign representative" as that term is defined in section 101(24) of the Bankruptcy Code, (c) all statutory elements for recognition of the Canadian Proceedings are satisfied in accordance with section 1517 of the Bankruptcy Code, and (d) upon recognition of the Canadian Proceedings as foreign main proceedings, section 362 of the Bankruptcy Code will automatically apply in these Chapter 15 cases pursuant to section 1520(a)(l) of the Bankruptcy Code.

H. The Petitioner has demonstrated that (a) the commencement or continuation of any proceeding or action in the United States against the Debtors and their business and all of their assets should be stayed pursuant to sections 105(a), 1519, and 1521 of the Bankruptcy Code, which protections, in each case, shall be coextensive with the provisions of section 362 of the Bankruptcy Code, to permit the fair and efficient administration of the Canadian Proceedings for the benefit of all stakeholders and (b) the relief requested in the Motion will neither cause an undue hardship nor create any hardship to parties in interest that is not outweighed by the benefits of the relief granted herein.

I. The Petitioner has demonstrated that application of the automatic stay on a provisional basis is crucial to prevent irreparable harm to the Debtors and/or their assets resulting from potential collection, enforcement efforts, or other actions of creditors and/or landlords prior to the disposition of the Petitions for recognition.

J. The Petitioner has demonstrated that no injury will result to any party that is greater than the harm to the Debtors' assets and property in the absence of the relief requested in the Motion.

K. The interests of the public and public policy of United States will be served by entry of this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted as set forth herein.

2. The Initial Order is hereby given full force and effect on an interim basis, including, without limitation, the stay of proceedings to the extent set forth in the Initial Order, and shall be given full force and effect in the United States until otherwise ordered by this Court.

3. While this Order is in effect, the Petitioner, the Debtors, and the Debtors' property are entitled to the full protections and rights pursuant to section 1519(a)(l) of the Bankruptcy Code, which protections shall be coextensive with the provisions of section 362 of the Bankruptcy Code, and this Order shall operate to stay, without limitation, any collection, enforcement efforts, or other actions of creditors, lessors, and any other parties against the Debtors and their property in the United States.

4. All entities (as that term is defined in section 101(15) of the Bankruptcy Code), other than the Petitioner and its authorized representatives and agents, are hereby enjoined from, without limitation:

(a) enforcing any rights or obligations or otherwise executing against any of the Debtors' assets or other properties;

(b) commencing or continuing, including the issuance or employment of process, of a judicial, administrative, arbitral, or other action or proceeding, or to recover a claim, including without limitation any and all unpaid judgments, settlements, or otherwise against the Debtors in the United States;

(c) taking or continuing any act to create, perfect, or enforce a lien or other security interest, set-off, or other claim against the Debtors or any of their property;

(d) transferring, relinquishing, or disposing of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Petitioner;

(e) enforcing, commencing, or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations, or liabilities; and

(f) terminating any agreements, leases, contracts, or understandings, or otherwise enforcing rights, accelerating obligations, or exercising remedies of any kind in respect thereof.

5. Pursuant to Rule 65(b) of the Federal Rules of Civil Procedure (the "Federal Rules"), made applicable to these proceedings pursuant to Bankruptcy Rule 7065, no notice to any person is required prior to entry and issuance of this Order. Pursuant to Bankruptcy

Rule 7065, the provisions of Federal Rule 65(c) are hereby waived, to the extent applicable.

6. Notwithstanding any applicability of any Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. The Petitioner is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

8. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: , 2020
Wilmington, Delaware

____
United States Bankruptcy Judge

R-3

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 15
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,[1]	Case No. 20-10611 (BLS)
Debtors in a Foreign Proceeding.	(Joint Administration Requested)
	Ref. No. 8

ORDER GRANTING PROVISIONAL RELIEF
PURSUANT TO BANKRUPTCY CODE SECTION 1519

Upon the motion (the "Motion")[2] of Ernst & Young Inc. (the "Petitioner"), in its capacity as the monitor of the above captioned debtors (the "Debtors") in insolvency proceedings (the "Canadian Proceedings") commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") pending before the Superior Court, sitting in the Commercial Division for the district of Montréal (the "Canadian Court") and as the duly authorized foreign representative as defined by section 101(24) of title 11 of the United States Code (the "Bankruptcy Code"), for entry of a provisional order enforcing the Initial Order and granting a stay against any collection or enforcement against the Debtors or the Debtors' assets in the United States and otherwise applying section 362 of the Bankruptcy Code on an interim basis under section 1519 of the Bankruptcy Code; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with sections 157 and 1334 of title 28 of the United States Code, sections 109 and 1501 of the Bankruptcy Code, and the Amended

[1] The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors' ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Quebec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group's corporate headquarters in Boucherville, Quebec, Canada.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Standing Order of Reference from the United States District Court for the District of Delaware, dated as of February 29, 2012 (the "Amended Standing Order"); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to section 157(b) of title 28 of the United States Code; and due and proper notice of the provisional relief sought in the Motion having been provided under the circumstances; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and the appearances of all interested parties having been noted in the record of the Hearing; and upon (i) the *Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief* (the "Verified Petition"), (ii) the *Memorandum of Law in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief*, and (iii) the *Declaration of Guillaume Pierre Michaud in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* (collectively, the "Chapter 15 Papers"), filed contemporaneously with the Motion, the record of the Hearing and all of the proceedings before the Court in these Chapter 15 cases; and the Court having found and determined that the provisional relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation thereon and sufficient cause appearing therefor,

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order.

C. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

D. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

E. Service of the Motion on the Notice Parties was due, proper, and sufficient under the circumstances and no other notice is required.

F. On March 11, 2020, these Chapter 15 cases where commenced by the Petitioner's filing of a voluntary Chapter 15 Petition for Recognition of a Foreign Proceeding for each Debtor contemporaneously with the filing of the Verified Petition. Attached to the Verified Petition was an order (the "Initial Order") of the Canadian Court in the Canadian Proceedings appointing the Petitioner and granting additional relief.

G. The Petitioner has demonstrated a substantial likelihood of success on the merits that (a) each of the Canadian Proceedings is a "foreign main proceeding" as that term is defined in section 1502(4) of the Bankruptcy Code, (b) the Petitioner is a "foreign representative" as that term is defined in section 101(24) of the Bankruptcy Code, (c) all statutory elements for recognition of the Canadian Proceedings are satisfied in accordance with section 1517 of the Bankruptcy Code, and (d) upon recognition of the Canadian Proceedings as foreign main proceedings, section 362 of the Bankruptcy Code will automatically apply in these Chapter 15 cases pursuant to section 1520(a)(1) of the Bankruptcy Code.

H. The Petitioner has demonstrated that (a) the commencement or continuation of any proceeding or action in the United States against the Debtors and their business and all of their assets should be stayed pursuant to sections 105(a), 1519, and 1521 of the Bankruptcy Code, which protections, in each case, shall be coextensive with the provisions of section 362 of the Bankruptcy Code, to permit the fair and efficient administration of the Canadian Proceedings for the benefit of all stakeholders and (b) the relief requested in the Motion will neither cause an undue hardship nor create any hardship to parties in interest that is not outweighed by the benefits of the relief granted herein.

I. The Petitioner has demonstrated that application of the automatic stay on a provisional basis is crucial to prevent irreparable harm to the Debtors and/or their assets resulting from potential collection, enforcement efforts, or other actions of creditors and/or landlords prior to the disposition of the Petitions for recognition.

J. The Petitioner has demonstrated that no injury will result to any party that is greater than the harm to the Debtors' assets and property in the absence of the relief requested in the Motion.

K. The interests of the public and public policy of United States will be served by entry of this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted as set forth herein.

2. The Initial Order is hereby given full force and effect on an interim basis, including, without limitation, the stay of proceedings to the extent set forth in the Initial Order, and shall be given full force and effect in the United States until otherwise ordered by this Court.

3. While this Order is in effect, the Petitioner, the Debtors, and the Debtors' property are entitled to the full protections and rights pursuant to section 1519(a)(l) of the Bankruptcy Code, which protections shall be coextensive with the provisions of section 362 of the Bankruptcy Code, and this Order shall operate to stay, without limitation, any collection, enforcement efforts, or other actions of creditors, lessors, and any other parties against the Debtors and their property in the United States.

4. All entities (as that term is defined in section 101(15) of the Bankruptcy Code), other than the Petitioner and its authorized representatives and agents, are hereby enjoined from, without limitation:

(a) enforcing any rights or obligations or otherwise executing against any of the Debtors' assets or other properties;

(b) commencing or continuing, including the issuance or employment of process, of a judicial, administrative, arbitral, or other action or proceeding, or to recover a claim, including without limitation any and all unpaid judgments, settlements, or otherwise against the Debtors in the United States;

(c) taking or continuing any act to create, perfect, or enforce a lien or other security interest, set-off, or other claim against the Debtors or any of their property;

(d) transferring, relinquishing, or disposing of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Petitioner;

(e) enforcing, commencing, or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations, or liabilities; and

(f) terminating any agreements, leases, contracts, or understandings, or otherwise enforcing rights, accelerating obligations, or exercising remedies of any kind in respect thereof.

5. Notwithstanding any applicability of any Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. The Petitioner is authorized to take all actions necessary to effectuate the relief

granted pursuant to this Order in accordance with the Motion.

7. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: March 12, 2020
Wilmington, Delaware

Honorable Brendan L. Shannon
United States Bankruptcy Judge

R-4

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 15
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,[1]	:	Case No. 20-10611 (BLS)
	:	(Jointly Administered)
Debtors in a Foreign Proceeding.	:	**Ref. Nos. 5 & 76**

FINAL ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDINGS AND CERTAIN RELATED RELIEF

This matter came before the Court upon the *Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief* [D.I. 5] (the "Verified Petition")[2] of Ernst & Young Inc. (the "Petitioner"), in its capacity as the court-appointed monitor of the above captioned debtors (collectively, the "Debtors") in insolvency proceedings (the "Canadian Proceedings") commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") pending before the Superior Court, sitting in the Commercial Division for the district of Montréal (the "Canadian Court") and as the duly authorized foreign representative as defined by section 101(24) of title 11 of the United States Code (the "Bankruptcy Code"); and the Court having jurisdiction to consider the Verified Petition and the relief requested therein in accordance with sections 157 and 1334 of title 28 of the United States Code, sections 109 and 1501 of the Bankruptcy Code, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February

[1] The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors' ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Québec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group's corporate headquarters in Boucherville, Québec, Canada.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Verified Petition.

29, 2012 (the "Amended Standing Order"); and consideration of the Verified Petition and the relief requested therein being a core proceeding pursuant to section 157(b) of title 28 of the United States Code; and due and proper notice of the relief sought in the Verified Petition having been provided; and it appearing that no other or further notice need be provided; and the Court having entered the Provisional Relief Order [D.I. 25] on March 12, 2020; and on March 31, 2020, Indiana Becknell Investors 2011 LLC ("IBI") and Alliance Interstate Park Indiana Becknell Investors LLC ("Alliance," and together with IBI, the "Landlords") filed an objection to the Verified Petition [D.I. 33] (the "Landlord Objection"); and on May 21, 2020, Spectra Premium (USA) Corp., IBI, and Spectra Premium Industries Inc. entered into a certain Settlement Agreement (including the Fourth Amendment to Lease, which is an exhibit thereto, the "Settlement Agreement") a sealed copy of which is attached hereto as Exhibit A, whereby the parties agreed to an extension of a lease of certain real property located in Greenfield, Indiana (the "Property"); and pursuant to the Settlement Agreement, it was agreed, *inter alia*, that the Landlord Objection would be withdrawn in the event that, and only after such time as, the Canadian Court and this Court first entered orders approving the Settlement Agreement; and in order to resolve the Landlord Objection, the Debtors and the Petitioner have agreed that this Order shall not be effective until both the Canadian Court and this Court approve the Settlement Agreement; and on May 25, 2020, the Debtors filed that certain *Motion to Approve a Settlement Agreement and an Amendment to a Lease* (the "Canadian Motion") in the Canadian Proceedings, seeking the Canadian Court's approval of the Settlement Agreement; and the Canadian Court scheduled a hearing on the Canadian Motion for May 28, 2020; and no party has timely filed an objection to the Canadian Motion; and a hearing having been held on May 28, 2020, to consider the relief requested in the Verified Petition (the "Hearing") on a final basis; and the appearances of all interested parties having been noted in the record of the Hearing; and the Court having considered, among other things, (i) the Verified Petition, the *Memorandum of Law in Support of (A) Petitioner's*

Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief, and the *Declaration of Guillaume Pierre Michaud in Support of (A) Petitioner's Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* [D.I. 10] (collectively, the "Chapter 15 Papers"), (ii) the record of the Hearing, and (iii) all of the proceedings before the Court in these Chapter 15 cases; and after due deliberation thereon and sufficient cause appearing therefor

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order.

C. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

D. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

E. On March 11, 2020, these Chapter 15 cases were commenced by the Petitioner's filing of a voluntary Chapter 15 Petition for Recognition of a Foreign Proceeding for each Debtor contemporaneously with the filing of the Verified Petition. Attached to the Verified Petition is an initial order of the Canadian Court entered in the Canadian Proceedings appointing the Petitioner as Monitor and foreign representative of the Debtors and granting additional relief. On March 24, 2020, the Canadian Court entered an amended and restated initial order (as heretofore or hereafter amended, the "Initial Order").

F. Each of the Canadian Proceedings is a "foreign proceeding" as defined by section 101(23) of the Bankruptcy Code.

G. The Petitioner is the duly appointed "foreign representative" of each of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.

H. These Chapter 15 cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

I. The Petitioner has satisfied the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 2002(q).

J. Each of the Canadian Proceedings is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

K. Entry into the Settlement Agreement is in the best interest of the Debtors and all payments of the Debtors due under the Settlement Agreement total less than the costs, expenses, and damages that the Debtors would incur if Spectra Premium (USA) Corp were to be promptly removed from the Property, and the Debtors are receiving reasonably equivalent value in exchange for all payments of the Debtors due under the Settlement Agreement.

L. The Debtors and IBI agree that all payments of the Debtors due under the Settlement Agreement shall be binding on any trustee in bankruptcy, interim receiver, or receiver that may be appointed in respect of the Debtors, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under U.S. law.

M. Canada is the center of main interests of each of the Debtors, and accordingly, each of the Canadian Proceedings is a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code, and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(l) of the Bankruptcy Code.

N. The Petitioner is entitled to all the relief available pursuant to section 1520 of the Bankruptcy Code, including, without limitation, application of the automatic stay pursuant to section 362 of the Bankruptcy Code.

O. The relief sought in the Verified Petition is in the best interests of the Debtors, their creditors, and all parties in interest and the legal and factual bases set forth in the Chapter 15 Papers and at the Hearing establish just cause for the relief granted herein.

P. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted pursuant to sections 1517, 1520, and 1521 of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Debtors' entry into the Settlement Agreement, and the Settlement Agreement itself, is hereby authorized and approved.

2. The Settlement Agreement and the payments to be made by the Debtors pursuant to the Settlement Agreement are to be binding on any trustee in bankruptcy, interim receiver or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the Bankruptcy Code or any other applicable law.

3. Upon the Canadian Court's and this Court's approval of the Settlement Agreement, the Landlord Objection will be deemed withdrawn from the record without any further action

required by the Landlords.

4. The Verified Petition is granted as to each of the Debtors as set forth herein.

5. Each of the Canadian Proceedings in respect of the following Debtors is granted recognition as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code:

a. Spectra Premium Industries Inc.

b. Spectra Premium Holdings (USA) Corp.

c. Spectra Premium (USA) Corp.

d. Spectra Premium Properties (USA) Corp.

6. The Initial Order is hereby enforced on a final basis and given full force and effect in the United States, including, without limitation, the stay of proceedings to the extent set forth in the Initial Order.

7. All relief afforded to foreign main proceedings pursuant to section 1520 of the Bankruptcy Code is hereby granted to each of the Canadian Proceedings, each of the Debtors, and the Petitioner, as applicable.

8. Section 362 of the Bankruptcy Code shall hereby apply with respect to each of the Debtors and their respective property that is within the territorial jurisdiction of the United States.

9. All entities (as that term is defined in section 101(15) of the Bankruptcy Code), other than the Petitioner and its authorized representatives and/or agents are hereby enjoined from, without limitation:

(a) enforcing any rights or obligations or otherwise executing against any of the Debtors' assets or other properties;

(b) commencing or continuing, including the issuance or employment of process, of a judicial, administrative, arbitral, or other action or proceeding, or to recover a claim, including without limitation any and all unpaid judgments, settlements, or otherwise against the Debtors in the United States;

(c) taking or continuing any act to create, perfect, or enforce a lien or other security interest, set-off, or other claim against the Debtors or any of their property;

(d) transferring, relinquishing, or disposing of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Petitioner;

(e) enforcing, commencing, or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations, or liabilities; and

(f) terminating any agreements, leases, contracts, or understandings, or otherwise enforcing rights, accelerating obligations, or exercising remedies of any kind in respect thereof.

10. Subject to sections 1520 and 1521 of the Bankruptcy Code, the Canadian Proceedings, and the Initial Order, and the transactions consummated or to be consummated thereunder, shall be granted comity and given full force and effect in the United States to the same extent as in Canada, and each is binding on all creditors of the Debtors and any of their successors and assigns.

11. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all prior relief granted to the Debtors or the Petitioner by this Court pursuant to section 1519(a) of the Bankruptcy Code shall be extended and the Provisional Relief Order shall remain in full force and effect, notwithstanding anything to the contrary contained therein.

12. Notwithstanding any applicable Bankruptcy Rules to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. The Petitioner is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Verified Petition.

14. The Petitioner, the Debtors, and/or each of their successors, representatives, advisors, or counsel shall be entitled to the protections contained in sections 306 and 1510 of the Bankruptcy Code.

15. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief, any adversary proceeding brought in and through these Chapter 15 cases, and any request by an entity for relief from the provisions of this Order that is properly commenced and within the jurisdiction of this Court.

Dated: May 29th, 2020 Wilmington, Delaware

BRENDAN L. SHANNON UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Settlement Agreement

FILED UNDER SEAL