

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

**MOTION RECORD OF OEM AUTOMOTIVE CORNWALL INC., OEM AUTOMOTIVE
SOLUTIONS INC., AND OEM AUTOMOTIVE HOLDINGS INC.**

(Returnable February 27, 2024, at 10:00am via videoconference)

February 21, 2024

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ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

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TAB 1

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

NOTICE OF MOTION
(returnable February 27, 2024 @ 10:00am via Judicial Videoconference)

OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, and collectively with Solutions and Cornwall, the “**Companies**”) have each filed a Notice of Intention to Make a Proposal (an “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). Solutions, in concert with Cornwall and Holdings, will make a motion to a judge presiding over the Ontario Superior Court of Justice (in Bankruptcy & Insolvency) (the “**Court**”) on Tuesday, February 27, 2024 at 10:00 a.m., or as soon after that time as the motion can be heard, which motion shall be heard virtually by judicial videoconference to be set by the Court office and may be attended online by accessing the videoconference link to be posted on the Court’s *Caselines* portal for this matter. A direct link will be circulated by email to those members of the Service List with known email addresses prior to the hearing.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an order, substantially in the form attached hereto as Schedule “A” (the “**Draft Order**”)
 - (a) abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
 - (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including April 14, 2024;
 - (c) approving the second report of BDO Canada Limited in its capacity as proposal trustee of the Companies (in that capacity, the “**Proposal Trustee**”) to be filed separately with the Court (the “**Second Report**”) and approving the actions of the Proposal Trustee described in the Second Report; and
 - (d) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report (the “**Fee Affidavits**”); and
2. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

- (a) The Companies are each incorporated and existing under the federal laws of Canada;
- (b) the Companies are related parties and, together, operate as a Volkswagen dealership in Cornwall, ON;
- (c) on December 22, 2023, the Companies each filed an NOI under the BIA;

Initial NOI Relief Order

- (d) on January 17, 2024, the Companies applied for, and the Court issued, an order (the “**Initial NOI Relief Order**”) granting the following material relief:

- (i) the administrative consolidation of the three NOI proceedings, so that they same will be heard jointly;
- (ii) extension of the time to file a proposal pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
- (iii) approval of the First Report of the Trustee dated January 11, 2024;
- (iv) approval of a Sale and Investment Solicitation Process (the “SISP”), to be administered by the Proposal Trustee;
- (v) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP but also to mitigate a dispute among shareholders;
- (vi) approval of interim financing, funded by the Companies’ senior secured lender, Bank of Montreal (“BMO”), along with an interim financing charge to secure the Companies’ obligations under the interim financing facility;
- (vii) an administrative charge to secure payment of the Proposal Trustee and key insolvency professionals; and
- (viii) a directors’ charge to secure the Companies obligation to indemnify the directors and officers for post-NOI liabilities that may arise,

Developments Since Initial NOI Relief Order

Generally

- (e) since the Initial NOI Relief Order was granted, the Companies have worked diligently and in good faith with the Proposal Trustee to stabilize the business operations and facilitate the SISP process. Such efforts include but are not limited to working with the Proposal Trustee to, among other things: (i) to facilitate the Proposal Trustee’s access and financial oversight to the business as contemplated by the Initial NOI Relief Order; (ii) stabilize the financial operations of the

business, including address critical supplier issues; (iii) to communicate with creditors and other stakeholders, such as Volkswagen Canada, employees, suppliers and customers; and, (iv) facilitate the Proposal Trustee's operation of the SISP by helping to identify potentially interested parties, providing necessary financial and business documentation for due diligence and providing access to the Companies' facilities.

Implementation of the SISP

- (f) critically, the SISP has been administered by the Proposal Trustee and the Companies as required under the Initial NOI Relief Order and is on track to meet the Court-approved milestones, including:
 - (i) February 29, 2024 – deadline for submission of initial expressions of interest;
 - (ii) March 15, 2024 – deadline for submission of binding letters of intent;
 - (iii) March 19, 2024 – offer selection date;
 - (iv) April 3, 2024 – date by which to finalize definitive agreement; and
 - (v) April 30, 2024 – latest date by which to obtain Court approval and complete the approved transaction;
- (g) a detailed discussion of progress on the SISP shall be included in the Second Report;

The Second Report

- (h) the Second Report includes a detailed discussion of these proceedings and the activities of the Proposal Trustee and its counsel since the First Report of the Proposal Trustee dated January 11, 2024, filed;

- (i) the Second Report shall include affidavits of each of the Proposal Trustee and its counsel in respect their fees and disbursements, the taxation and approval of which is sought pursuant to the terms of the Initial NOI Relief Order;

RELIEF REQUESTED

NOI Extension

- (j) the stay of proceedings will expire March 5, 2024;
- (k) the Companies seek an extension of time to file a proposal to and including April 14, 2024, in order to allow continued stabilization of the Companies' business and allow Proposal Trustee to advance the proposed SISP;
- (l) the Extended Cash Flows evidences sufficient funding to continue operating through to the end of requested extension period;
- (m) if the requested extension is granted, the Companies will be able to advance the SISP to determine whether a sale or investment transaction may be completed and explore options for making viable proposals to its creditors in conjunction therewith;
- (n) without the extension, the Companies will not be in a position to make viable proposals to their creditors before March 5, 2024 and will likely become bankrupt, to the detriment of their creditors and stakeholders;
- (o) none of the Companies' creditors will be materially prejudiced if the requested extension is granted;
- (p) the Companies' have acted, and are acting, in good faith and with due diligence;

Approval of Second Report & Fees

- (q) the Second Report and the fees affidavits appended thereto accurately reflect the activities, fees and disbursements of the Proposal Trustee and its counsel;

- (r) as required by the Initial Relief NOI Order, the BIA and prevailing insolvency practice, the Proposal Trustee must seek approval of its fees and disbursements and those of its counsel;

SUPPORT OF PROPOSAL TRUSTEE & OTHER GROUNDS

- (s) the Proposal Trustee supports the relief being sought by the Companies;
- (t) the senior secured lender and interim lender, BMO, supports the relief sought herein;
- (u) Volkswagen Canada has been kept updated as to the process contemplated hereby and has not signalled that it opposes the same;
- (v) the shareholders support the relief sought herein;
- (w) the other grounds set out in the Bourret Feb 21 Affidavit;
- (x) the other grounds set out in the Second Report;
- (y) the Consolidated Practice Direction Concerning the Commercial List and the inherent and equitable jurisdiction of this Court;
- (z) sections 50.4(9), 50.6, 64.1 and 64.2 of the BIA;
- (aa) rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (bb) such further and other grounds as counsel may advise and this Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Bourret Feb 21 Affidavit and the exhibits thereto;
- (b) the Second Report and the appendices thereto; and
- (c) such further and other material as counsel may advise and this Court may permit.

Date: February 21, 2024

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*Lawyers for OEM Automotive Cornwall
Inc. OEM Automotive Solutions Inc., and
OEM Automotive Holdings Inc.*

TO: ATTACHED SERVICE LIST

TAB A

SCHEDULE “A”*DRAFT ORDER**[see attached]*

District of Ontario
 Division No. 12 - Ottawa
 Court File No. BK-23-03025642-0033
 Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE)	TUESDAY, THE 27 TH DAY
)	
JUSTICE RYAN BELL)	OF FEBRUARY, 2024

IN THE MATTER OF THE BANKRUPTCY AND
 INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
 TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
 SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
 AND OEM AUTOMOTIVE HOLDINGS INC.

ORDER
(NOI Stay Extension & Administrative Relief)

THIS MOTION, made by OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”) and OEM Automotive Holdings Inc. (“**Holdings**”, and collectively with Solutions and Cornwall, the “**Companies**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”), for an order (this “**Order**”), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including April 14, 2024;
- (c) approving the second report of BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in the Companies’ BIA proposal

proceedings (collectively, the “**Proposal Proceedings**”), dated February <*>, 2024 (the “**Second Report**”), and approving the activities of the Proposal Trustee described in the Second Report; and

(d) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report as Appendix “<*>” and “<*>” (the “**Fee Affidavits**”),

was heard by this Honourable Court (the “**Court**”) on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Motion Record of the Companies, including the Affidavit of Caroline Bourret sworn February 21, 2024 and the exhibits thereto, and on reading the Second Report including the Fee Affidavits, and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee, counsel for Bank of Montreal (as senior secured creditor and interim lender), counsel to the other parties listed on the participant information form, no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn February 21, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME

2. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including April 14, 2024.

APPROVAL OF SECOND REPORT & FEES

3. **THIS COURT ORDERS** that the Second Report and the actions, activities and conduct of the Proposal Trustee described therein be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the Fee Affidavits be and are hereby taxed and approved.

GENERAL

5. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-23-03025639-0033
Bankruptcy Estate File No. 33-3025639

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**ORDER
(NOI STAY EXTENSION & ADMINISTRATIVE RELIEF)**

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AUTOMOTIVE SOLUTIONS INC.*

**THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND
OEM AUTOMOTIVE HOLDINGS INC.**

Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

Proceedings commenced at Ottawa

**NOTICE OF MOTION
(returnable February 27, 2024 @ 10:00am)**

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TAB 2

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

AFFIDAVIT OF CAROLINE BOURRET
(sworn February 21, 2024)

I, CAROLINE BOURRET, of the City of Cornwall, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:

1. I am President and director of each of OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Holdings Inc. (“**Holdings**”) and OEM Automotive Cornwall Inc. (“**Cornwall**”) (collectively, the “**Companies**”; and each, a “**Company**”). The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits and from information and advice provided to me by third parties. Where I have relied upon such information and advice, I verily believe same to be true.

OVERVIEW

2. On December 22, 2023, each of the Companies filed a Notice of Intention to Make a Proposal (collectively, the “**NOIs**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”) was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).

3. As part of these proceedings, I previously swore an affidavit on January 9, 2024 (my “**First Affidavit**”) in connection with the Companies’ motion to Court on January 17, 2024. Capitalized terms used herein but not otherwise defined herein have the meanings given to them in my First Affidavit. Attached hereto and marked as **Exhibit “A”** is my copy of First Affidavit (without exhibits).

4. On January 19, 2024, the Companies applied for and the Court issued an order (the “**Initial NOI Relief Order**”) granting the following material relief:

- (a) the administrative consolidation of the three NOI proceedings, so that they same will be heard jointly;
- (b) extension of the time to file a proposal pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
- (c) approval of the First Report of the Trustee dated January 11, 2024;
- (d) approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee;

- (e) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP but also to mitigate a dispute among shareholders;
- (f) approval of interim financing, funded by the Companies' senior secured lender, Bank of Montreal ("**BMO**"), along with an interim financing charge to secure the Companies' obligations under the interim financing facility;
- (g) an administrative charge to secure payment of the Proposal Trustee and key insolvency professionals; and
- (h) a directors' charge to secure the Companies obligation to indemnify the directors and officers for post-NOI liabilities that may arise.

A copy of the Initial NOI Relief Order is attached hereto and marked as **Exhibit "B"**

5. I swear this affidavit in support of a motion by the Companies for an order, among other things:

- (a) extending the time for filing a proposal with the official receiver in each of the Proposal Proceedings up to and including April 14, 2024;
- (b) approving the second report of the Proposal Trustee, to be filed separately by the Proposal Trustee (the "**Second Report**"), and the activities of the Proposal Trustee set out therein; and
- (c) approving the fees and disbursements of the Proposal Trustee and its counsel as set out in the Second Report and the fee affidavits appended thereto.

BACKGROUND

6. The Companies are related corporations and part of a single business enterprise, operating a Volkswagen dealership in Cornwall, Ontario. Solutions is the operating company, and Holdings and Cornwall hold title to two (2) distinct parcels of real estate upon which the dealership operates.

7. The Companies acquired an existing Volkswagen dealership in 2019, and immediately thereafter disputes arose between the two shareholders.

8. In late 2023 the Companies were unable to satisfy obligations to BMO and BMO issued demand for repayment of more than \$8,000,000. The obligations to BMO are secured by a first-ranking interest against all assets, property and undertaking of the Companies and are in addition to other secured and unsecured obligations of the Companies in excess of \$2,000,000.

9. On December 22, 2024, with the support of BMO and the shareholders, the Companies initiated these Proposal Proceedings in order to stabilize the business enterprise, ensure the viability of the business and implement a process to maximize returns to the stakeholders.

10. A more detailed discussion of the business and the shareholder matters, as well as the financial challenges and liabilities of the Companies is contained in my First Affidavit.

PURPOSE OF PROPOSAL PROCEEDINGS

11. On December 22, 2023, the Companies commenced these proceedings under the BIA for the purpose of, among other things, creating stability for the Companies to regularize business operations and to permit the Proposal Trustee to conduct the SISP for the marketing and sale of the Companies' business as a going-concern in whole or in part, or to seek an investment in the Companies' business.

12. On January 19, 2024, this Court approved the SISP. A detailed summary of the SISP is included in my First Affidavit and the express terms of the SISP are appended to the Initial NOI Relief Order (which order is attached hereto as Exhibit “A”).

UPDATE SINCE INITIAL NOI RELIEF ORDER

Generally

13. Since the Initial NOI Relief Order was granted, the Companies have worked diligently and in good faith with the Proposal Trustee to stabilize the business operations and facilitate the SISP process. Such efforts include but are not limited to working with the Proposal Trustee:

- (a) to facilitate the Proposal Trustee’s access and financial oversight to the business as contemplated by the Initial NOI Relief Order;
- (b) to stabilize the financial operations of the business, including address critical supplier issues;
- (c) to communicate with creditors and other stakeholders, such as Volkswagen Canada, employees, suppliers and customers; and
- (d) to facilitate the Proposal Trustee’s operation of the SISP by helping to identify potentially interested parties, providing necessary financial and business documentation for due diligence and providing access to the Companies’ facilities.

14. The Second Report shall include the Proposal Trustee’s summary of activities of the Companies and Proposal Trustee since the Initial NOI Relief Order.

SISP Progress

15. As stated, a detailed summary of the SIPS is included in my First Affidavit and the express terms of the SISP are appended to the Initial NOI Relief Order. However, generally the SISP commenced immediately after the Initial NOI Relief Order and has proceeded as required by the Initial NOI Relief Order. The SISP has been facilitated by the Proposal Trustee; a sales agent specialising in automobile dealerships has been retained and is working with interested parties; and, I understand from the Proposal Trustee that the SISP has generated considerable interest.

16. Most notably, however, is that the SISP contemplates, among other things, to following milestones:

- (a) February 29, 2024 – deadline for submission of initial expressions of interest;
- (b) March 15, 2024 – deadline for submission of binding letters of intent;
- (c) March 19, 2024 – offer selection date;
- (d) April 3, 2024 – date by which to finalize definitive agreement; and
- (e) April 30, 2024 – latest date by which to obtain Court approval and complete the approved transaction.

17. The SISP has, from the Companies' perspective, progressed exactly as anticipated and in compliance with the Initial NOI Order. The Second Report shall include the Proposal Trustee's detailed summary of, and comment on, progress on the SISP.

CASH FLOW

18. In connection with the Initial NOI Relief Order, and the initial NOI extension, the Companies prepared, in consultation with the Proposal Trustee, an extended cash flow forecast beyond what is required under the BIA, up to and including April 14, 2024 (the “**Extended Cash Flow**”). A copy of the Extended Cash Flow is attached hereto and marked **Exhibit “C”**.

19. The Proposal Trustee has prepared a comparative analysis of the Companies actual financial performance since the Initial NOI Relief Order which demonstrates that the Companies have been operating in accordance with the Extended Cash Flow. In fact, the Companies have a positive variance between actual and projected financial performance since the NOI. The Second Report shall include this comparative analysis and the Proposal Trustee’s comments on the same.

20. The Extended Cash Flow demonstrates that the Companies will, with access to the interim financing provided by BMO, have sufficient funding to enable them to carry on business through the requested extension.

STAY EXTENSION

21. The stay of proceedings will expire on March 5, 2024. The Companies have been acting in good faith and with due diligence in seeking to manage and preserve their businesses on a going concern basis for the benefit of all of their stakeholders and to permit the Proposal Trustee to implement and conduct the SISP.

22. In order to advance the SISP, the Companies are seeking an extension of time to file a proposal to and including April 14, 2024. This time period aligns with the Extended Cash Flow and will enable the SISP to advance to the point of a definitive agreement for the sale of, or

investment in, the business. It is anticipated that the Companies shall return to Court for approval of any transaction and any further extensions to the within stay of proceedings in order to facilitate any transaction arising out of the SISP.

23. Without the extension, I understand from counsel that the Companies shall be deemed bankrupt on March 6, 2023. In which case, they will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. The extension is supported by BMO, as senior secured creditor, the shareholders and the Proposal Trustee.

24. If the extension applied for is granted, the Companies would likely be able to make a viable proposal to their creditors following the completion of the SISP.

CONCLUSION

25. The relief sought on the within motion will provide stability to the Companies' business and enable the Companies to pursue a restructuring through the SISP, for the benefit of all stakeholders. All of the relief sought is supported by the Companies' senior secured creditor, BMO, the Shareholders and the Proposal Trustee. Additionally, the Companies are not aware of any creditor or stakeholder who opposes such relief or would be materially prejudiced in the event that such relief is granted.

26. I swear this affidavit in support of the Companies motion as set out above and for no other or improper purpose.

SWORN BEFORE ME via videoconference this 21st day of February, 2024. The affiant is was located in the City of Cornwall, in the Province of Ontario and the commissioner was located in the City of Toronto, in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

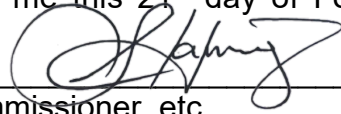
Shahrzad Hamraz 85218H



CAROLINE BOURRET

TAB A

This is Exhibit "A" referred to in the
Affidavit of Caroline Bourret sworn
before me this 21st day of February, 2024.

A handwritten signature in black ink, appearing to be "K. H. King", written over a horizontal line.

A Commissioner, etc.

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE
CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS
INC.

AFFIDAVIT OF CAROLINE BOURRET
(sworn January 9, 2024)

I, CAROLINE BOURRET, of the City of Cornwall, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:

1. I am President and director of each of OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Holdings Inc. (“**Holdings**”) and OEM Automotive Cornwall Inc. (“**Cornwall**”) (collectively, the “**Companies**”; and each, a “**Company**”). The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits and from information and advice provided to me by third parties. Where I have relied upon such information and advice, I verily believe same to be true.
2. On December 22, 2023, each of the Companies filed a Notice of Intention to Make a Proposal (collectively, the “**NOIs**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”) was named proposal trustee (the

“Proposal Trustee”) in each of the Companies’ proposal proceedings (collectively, the **“Proposal Proceedings”**). Attached hereto and collectively marked as **Exhibit “A”** are copies of the certificates of filing from the Superintendent of Bankruptcy.

3. This affidavit is sworn in support of a motion by the Companies for an order, among other things:

- (a) administratively consolidating the Companies’ Proposal Proceedings under one title of proceeding;
- (b) extending the time for filing a proposal with the official receiver in each of the Proposal Proceedings by 45 days up to and including March 5, 2024;
- (c) authorizing the Companies to enter into a term sheet (as detailed herein, the **“Interim Financing Term Sheet”**) with the Bank of Montreal (**“BMO”**), as interim lender, approving the Interim Financing Term Sheet and granting BMO a super priority charge (the **“Interim Financing Charge”**) in the maximum principal amount of \$500,000 against the Companies’ property, assets and undertakings as security for all of the Companies obligations to BMO under the Interim Financing Term Sheet;
- (d) granting a super priority charge (the **“Administration Charge”**) against the Companies’ assets, undertakings and properties in an amount not to exceed \$400,000 in favour of the Companies’ legal counsel, the Proposal Trustee and the Proposal Trustee’s legal counsel, and any fee or commission payable to any sales

agent (the “**Sales Agent**”) engaged by the Proposal Trustee in connection with the SISP (as defined herein);

- (e) granting a charge in an amount not to exceed \$100,000 (the “**Directors’ Charge**”) against the Companies’ assets, undertakings and properties in favour of the Companies’ directors and officers, to secure the Companies’ obligation to indemnify the directors against certain claims;
- (f) approving the SISP (as defined herein) for the solicitation of offers to purchase and/or invest in the Companies’ business and authorizing the Proposal Trustee, with the assistant of the Sales Agent, to conduct the SISP;
- (g) authorizing and directing the Companies and/or the Proposal Trustee to engage a Sales Agent to assist with and facilitate the SISP, subject to the supervision of the Proposal Trustee;
- (h) enhancing the scope of the power and authority of the Proposal Trustee, as set out herein, so as to enable the Proposal Trustee to fully administer the SISP and to monitor and oversee the operations of the Companies’ business enterprise through the Proposal Proceedings; and
- (i) approving the first report of the Proposal Trustee, to be filed separately by the Proposal Trustee (the “**First Report**”), and the activities of the Proposal Trustee set out therein.

THE BUSINESS ENTERPRISE

Overview

4. The Companies are related corporations and part of a single business enterprise, operating a Volkswagen dealership in Cornwall, Ontario. As set out in more detail below, Solutions is the operating company, and Holdings and Cornwall hold title to two (2) distinct parcels of real estate upon which the dealership operates.

5. The Companies are intrinsically linked, have the same senior creditors and share management. The Companies are presently insolvent and have initiated the Proposal Proceedings, with the support of its ultimate shareholders and senior secured creditor, in order to stabilize the business enterprise, ensure the viability of the business and implement a process to maximize returns to the stakeholders.

Background

6. The dealership was an existing business that was bought by the Companies in 2019.

7. I relocated to Cornwall, with my family, to acquire the existing dealership with a silent partner. Prior to acquiring the dealership, I had worked for more than 25 years in the automotive business – including both “in house” with Porsche Canada and Volkswagen Canada and later with my own consulting firm.

8. The acquisition of the dealership was originally supposed to close in March 2019. However, one of the principals of the vendor had a major stroke just prior to closing. This delayed the deal considerably and my original silent partner withdrew to pursue other investments.

9. Aware that I needed a new silent partner, the second principal of the vendor connected me with Cameron Grant (“**Cameron**”) as a potential investor. The Grant family operated a body shop that had an existing relationship with the dealership and had considerable real estate holdings and wealth. I entered into a business partnership with Cameron and the Grant family for the purpose of acquiring the dealership.

10. The Companies acquired the business and assets of the dealership in November 2019 and have continued to operate as a Volkswagen dealership to date.

11. The Companies are incorporated pursuant to the laws of Canada. Attached hereto and collectively marked as **Exhibit “B”** are copies of corporate profiles for each Company.

Current Ownership & Operations

12. As stated, the Companies are related and operate a single business enterprise. They share management and have the same directors, they also share back-office functions and accounting, books and records and financial statements. Solutions is the operating company, and Holdings and Cornwall are holding companies responsible for real estate.

13. The Companies are each wholly owned subsidiaries of Seaway Auto Group Inc. (“**Seaway**”). Seaway, in turn, is owned:

- (i) 51% by me (Caroline Bourret); and
- (ii) 49% by 11678833 Canada Inc., which is beneficially owned by Cameron Grant;
(collectively, the “**Shareholders**”).

14. As stated, Solutions is the operating entity – operating as a retail Volkswagen dealership. The dealership services Cornwall and South-Eastern Ontario, providing sales, leasing and services

in respect of new and used Volkswagen vehicles, as well as trade-in vehicles. Solutions pays rent to Holdings and Cornwall in the monthly amounts of approximately \$10,000 and \$6,000 respectively. There are no formal leases but all such rent amounts have been recorded and accounted for in the Companies books and records, and tax filings.

15. As of January 2024, the Companies have, collectively, twenty-four (24) full-time employees and (1) part-time employee. The employees are non-unionized, and there is no employer-sponsored pension plan. The Companies are current on all payroll obligations and source deductions.

16. All business activities of the enterprise are managed and directed through Solutions.

CREDITORS

Secured Creditors

17. The Bank of Montreal (“**BMO**”) established certain credit facilities in favour of the Companies:

- (a) a term sheet dated April 21, 2023, pursuant to which BMO established five (5) facilities in favour of Solutions in a maximum aggregate principal amount of (CAD) \$6,413,640;
- (b) a term sheet dated October 31, 2019, pursuant to which BMO established a term loan in favour of Holdings in the amount of (CAD) \$1,040,000;
- (c) a term sheet dated October 31, 2019, pursuant to which BMO established a term loan in the amount of (CAD) \$560,000 in favour of Cornwall,

(collectively, the “**BMO Credit Agreements**”).

Copies of BMO Credit Agreements are collectively attached hereto and marked as **Exhibit “C”**.

18. In connection with the BMO Credit Agreements, the Companies and others granted various security documents in favor of BMO, including certain general security agreements and guarantees. Cornwall granted a collateral mortgage and a general assignment of rents against the property in the principal amount of \$560,000. Holdings also granted a collateral mortgage and a general assignment of rents against the property in the principal amount of \$1,040,000. Copies of the general security agreements and guarantees granted by the Companies are collectively attached hereto and marked as **Exhibit “D”**. Copies of the mortgages and assignments of rents are collectively attached hereto and marked as **Exhibit “E”**.

19. Additionally, the indebtedness under the BMO Credit Agreements is guaranteed by Seaway Toyota (1990) Inc. (the body shop entity operated by the Grants – the “**Grant’s Seaway**”), myself, and Cameron. Grant’s Seaway provided a limited guarantee to BMO in the maximum amount of \$850,000, and Cameron and I provided a joint and several limited guarantee in the maximum amount of \$1,000,000. Copies of these guarantees are collectively attached hereto and marked as **Exhibit “F”**.

20. Pursuant to a vendor takeback with Glenn Joseph MacDonell (“**MacDonell**”) dated November 12, 2019 (the “**VTB**”), MacDonell advanced \$1,000,000 to Holdings and Cornwall to purchase the premises at 632 Pitt Street, Cornwall. In connection with the VTB, the Companies granted various security documents in favour of MacDonnell. Cornwall granted a collateral mortgage in the amount of \$1,000,000. Holdings also granted a collateral mortgage in the amount

of \$1,000,000. Copies of the charge registered on title are attached hereto and marked as **Exhibit “G”**.

21. MacDonnell agreed to subordinate his security to BMO pursuant to an Assignment, Postponement and Subordination agreement dated November 6, 2019. A copy of the subordination agreement is attached hereto and marked as **Exhibit “H”**.

22. Pursuant to a loan agreement dated November 8, 2019, related lenders Christina Grant, 1921534 Ontario Ltd., and Grant’s Seaway provided a loan to 11678833 Canada Inc. (which is owned by Cameron) in the amount of \$1,800,000 (the “**Grant Loan**”). A copy of the Grant Loan is attached hereto and marked as **Exhibit “I”**.

23. In turn, 11678833 Canada Inc. lent the funds to Seaway (the sole shareholder of the Companies) pursuant to a loan and option agreement dated November 8, 2019 (the “**116 Loan**”). A copy of the 116 Loan is attached hereto and marked as **Exhibit “J”**.

24. In connection with the Grant Loan, the Companies and others executed a guarantee, indemnity, assignment and postponement agreement in favour of Christina Grant, 1921534 Ontario Ltd., and Grant’s Seaway. A copy of the guarantee, indemnity, assignment and postponement agreement is attached hereto and marked as **Exhibit “K”**. I have satisfied my guarantee obligations.

25. In connection with the 116 Loan, the Companies and others executed a guarantee, indemnity, assignment and postponement agreement in favour of 116883 Canada Inc. As I held 51% of the equity of Seaway (the sole shareholder of the Companies), I personally guaranteed 51% of the 116 Loan (\$918,000). As Cameron held 49% of the equity, he personally guaranteed

49% of the 116 Loans (\$882,000). I have paid my guarantee and was released from it following a legal dispute. Cameron has not paid his guarantee. A copy of the guarantee, indemnity, assignment and postponement agreement is attached hereto and marked as **Exhibit “L”**.

26. Pursuant to a loan agreement dated November 8, 2019 between me, Eric Tourangeau, Seaway, and the Companies (the “**Bourret Loan**”), Eric Tourangeau and I provided a loan to Seaway in the amount of \$918,000. A copy of the Bourret Loan is attached hereto and marked as **Exhibit “M”**.

27. In connection with the Bourret Loan, the Companies executed a guarantee, indemnity, assignment and postponement agreement in favour of me and Eric Tourangeau. A copy of the guarantee, indemnity, assignment and postponement agreement is attached hereto and marked as **Exhibit “N”**.

28. A copy of the parcel search for the real property owned by Holdings and the real property owned by Cornwall are collectively attached hereto and marked as **Exhibit “O”**. As reflected therein, BMO holds the first-ranking mortgage security against both of the properties.

29. In addition to the foregoing, such parties as disclosed in the searches appended hereto have registered security interests against one or more of the Companies. Based on my discussions with legal counsel, I understand that the security held by BMO, ranks first in priority over all of the Companies’ personal property, other than in respect to any priority claims that may exist in law. Copies of *Personal Property Security Act* search report certificates for Ontario for each of the Companies are collectively attached hereto and marked as **Exhibit “P”**.

Equipment Loan

30. Solutions acquired a tractor for snow removal for \$47,000 from Reis Equipment Centre – an equipment dealer in Winchester, ON – and financed the purchase with De Lage Landen Financial on a 0% interest, 60-month term at \$700/month, ending in in November 2025. The Companies are current on its payments. De Lage Landen Financial has a registered security interest in the tractor.

Unsecured Creditors

31. As at December 22, 2023, the Companies are indebted to their unsecured creditors in the approximate aggregate amount of \$94,844, as reflected in the Companies' respective lists of creditors filed in connection with the NOIs, broken down as follows on a Company-by-Company basis (all values approximate): (a) Solutions – \$94,844; (b) Holdings – \$0; (c) Cornwall – \$0. Attached hereto and collectively marked as **Exhibit “Q”** are copies of the list of creditors for each Company, filed in their respective NOI Proceedings.

Government Remittances

32. As at the date hereof, the Companies are current with all government remittances for source deductions, save and except for source deductions accrued and accruing in respect of standard payroll processing, which will continue in the ordinary course.

33. As concerns HST, as at the date of filing, the Companies books were not up to date, owing to the fact that the Companies did not have a controller for the past six (6) months. The Companies did make significant HST payments prior to the NOI filing, will be entitled to significant HST credits and are reconciling their accounts. At this time, we do not know what amount of pre-filing HST will be owing.

SHAREHOLDER DISPUTE

34. As stated, I purchased the dealership in partnership with Cameron. The business relationship was strained from the beginning. I was responsible for the day-to-day operations and Cameron was supposed to be a silent partner. This did not prove to be the case and I found myself at odds with Cameron and his family regarding operational matters.

35. Eventually this led to formal disputes among the shareholders. As required by the shareholder agreement, the Companies and I initiated arbitration proceedings. This culminated in certain claims and counterclaims made in proceedings filed in the Ontario Superior Court of Justice by and/or against me, Cameron, and the Companies (the “**Shareholder Proceedings**”). Copies of the pleadings referred to above are collectively attached and marked as **Exhibit “R”** hereto.

36. Ultimately judgement was rendered *against* Cameron, his brother Christopher, and 11678833 Canada Inc. in *favour* of the Companies, pursuant to which the amount of \$573,264.45 with interest at 4% per year commencing on November 3, 2022, \$5,073 for prejudgement interest, and \$30,000 for costs and disbursements is due and payable to the Companies. The same has not been satisfied, and the Companies filed a Writ of Seizure and Sale on October 24, 2023. A copy of the issued Writ of Seizure and Sale is attached hereto and marked as **Exhibit “S”**.

FINANCIAL CHALLENGES

37. Since the purchase of the dealership, I have felt like I was working at cross-purposes with Cameron and the Grant family. Regardless, owing to this incompatibility and ultimate shareholder dispute, the Company was required to devote a disproportionate amount of time, personnel and financial resources to dealing with the same. The result is that the business suffered.

38. The shareholder dispute, its impact on the business and general market conditions during and while the economy emerged from COVID (i.e., supply chain disruption and consumer trends) caused liquidity issues which, ultimately, led the Company to a position that it could not meet the liquidity/cash flow covenants under the BMO Credit Agreements. We had a number of discussions with BMO, who wanted the owners to inject additional equity funding. On a Microsoft Teams meeting in early November 2023 between BMO, me, Cameron and others, BMO requested that we inject funds. I was unable to do so as I had already invested fully in the company. Cameron and family advised they were not prepared to fund.

DEMAND

39. On December 13, 2023, BMO made formal demand for repayment. Copies of BMO's Demand and Section 244 notices, delivered on the Companies, are collectively attached and marked as **Exhibit "T"** hereto.

40. The Companies are unable to issue full repayment in response to BMO's demand and, following discussions with BMO, the Proposal Trustee and counsel, agreed that these Proposal Proceedings, funded by BMO as interim lender, would be a preferred means by which to preserve and realize value for all stakeholders.

41. The Shareholders each agreed to commence this process. Copies of the resolutions authorizing these proceedings for each of the Companies are collectively attached and marked as **Exhibit "U"** hereto.

PROPOSAL PROCEEDINGS

42. On December 22, 2023, the Companies commenced these proceedings under the BIA for the purpose of, among other things, creating stability for the Companies to regularize business and to permit the Proposal Trustee to conduct a sales and investment solicitation process (the “**SISP**”) for the marketing and sale of the Companies’ business as a going-concern in whole or in part, or to seek an investment in the Companies’ business, as detailed below.

INTERIM FINANCING

43. In connection with the within motion and in particular the request for the NOI extension, the Companies prepared, in consultation with the Proposal Trustee, an extended cash flow forecast beyond what is required under the BIA, up to and including April 14, 2024 (the “**Extended Cash Flow**”), a copy of which will be attached to the First Report.

44. The Extended Cash Flow demonstrates that the Companies will require funds to enable them to carry on business during the restructuring process and fund working capital and the costs of the Proposal Proceedings.

45. BMO, in its capacity as the proposed lender under the Interim Financing Term Sheet (the “**Interim Financing Lender**”), has offered to make available to the Companies a debtor-in possession loan in the maximum amount of \$500,000 (the “**Interim Financing Loan**”) pursuant to the terms of the Interim Financing Term Sheet, substantially in the form attached hereto and marked as **Exhibit “V”**, to fund operations and the cash shortfall anticipated in the Extended Cash Flow.

46. It is a fundamental term of the Interim Financing Term Sheet that the Court grant an order on terms acceptable to the Interim Financing Lender which, among other things, grants the Interim

Financing Charge, which shall rank behind only the Administration Charge (as defined below) and ahead of the Directors' Charge (as defined below), but in priority to all other claims and encumbrances.

47. The Companies believe that the terms of the Interim Financing Term Sheet are reasonable in the circumstances and should be approved. In the absence of the Interim Financing Loan, the Companies will not be able to conduct the SISP and will be forced to shut down the business and commence a liquidation of its assets, resulting in the loss of value and jobs detrimental to all of the Companies creditors and stakeholders.

ADMINISTRATION CHARGE

48. In order to protect the fees and expenses of each of the Companies' legal counsel, the Proposal Trustee and counsel for the Proposal Trustee, and any fee incurred by any third party sales agent engaged by the Proposal Trustee, the Companies seek the Administration Charge ranking in priority to all claims and encumbrances, including the Director's Charge and Interim Financing Charge. Such amount is reasonable in the circumstances. The continued services of the professionals are critical to the progress and success of these Proposal Proceedings and the SISP and, without such charge, the foregoing professionals are unlikely to continue in their capacities in support of these proceedings.

DIRECTORS' CHARGE

49. As part of these proceedings, the Companies are seeking the Directors' Charge ranking in priority to all other claims and encumbrances, with the exception of the Administration Charge and the Interim Financing Charge, as security for the Companies' indemnification for possible liabilities that may be incurred by the directors and officers after the filing date, including HST

arrears, wages, vacation pay, and source deductions. Such amount is reasonable in the circumstance as, among other things, there is no existing coverage for directors and officers under the existing insurance policies.

SISP

50. The Proposal Trustee, in consultation with BMO and the Companies, and subject to the approval of this Court, developed a detailed SISP to be administered by the Proposal Trustee, as summarized below and detailed in the draft SISP Procedures attached hereto and marked as **Exhibit “W”**. The final SISP will be appended to the First Report.

51. The following is a summary of the SISP:

- (a) the SISP is dual track – allowing for potential offers to invest in and restructuring the business, as well as bids to acquire the business and assets of the Companies (the “**Opportunity**”);
- (b) the Proposal Trustee will administer the SISP, including retaining a sales agent specializing in automobile dealerships (the “**Sales Agent**”), to market the Opportunity (as of the swearing of this affidavit, the Proposal Trustee is in discussions with potential sales agents);
- (c) immediately following Court approval, the Proposal Trustee, in consultation with the Companies and the Sales Agent, will identify potentially interested parties;
- (d) if management of the Companies or any shareholder participates in the SISP, such parties will not be given access to any information about any offer or any offeror;

- (e) a “teaser” will go out to all such potentially interested parties and anyone requesting the same;
- (f) any party executing a non-disclosure and confidentiality agreement will be invited to review a virtual dataroom including the salient details of the business and assets of the Companies and to submit non-binding expressions of interest by February 29, 2024;
- (g) the Proposal Trustee will review the expressions of interest and invite select parties by no later than March 5, 2024 to submit binding letters of intent by March 15, 2024;
- (h) all offers must be, and all transactions will proceed, on an “as is, where is” basis;
- (i) the final bid will be selected and definitive agreement negotiated;
- (j) the Proposal Trustee will then seek Court approval of the selected transaction (or transactions);
- (k) the transaction(s) shall close shortly following Court approval.

52. The following is a summary of the material milestones and projected timelines of the SISP:

<u>Milestone</u>	<u>Deadline</u>
Go to market	Monday, January 29, 2024
Expression of Interest Date (EOI Deadline)	Thursday, February 29, 2024 (5:00 PM Eastern Time)

EOI Offer Selection Date	Tuesday, March 5, 2024
Binding Letter of Intent Date (LOI Deadline)	Friday, March 15, 2024 (5:00 PM Eastern Time)
Offer Selection Date	Tuesday, March 19, 2024
Definitive Transaction Agreement	Wednesday, April 3, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Tuesday, April 30, 2024

Notwithstanding the foregoing, the SISP and the draft order contemplates that the above deadlines may be extended, where the Proposal Trustee believes the same to be appropriate.

53. The SISP has been developed with the Proposal Trustee and has the support of all key stakeholders. I also understand from counsel that the terms of the SISP are consistent with prevailing insolvency practices and will provide a transparent process to maximize value of the stakeholders. The Companies believe that, in the circumstances, the SISP is appropriate and reasonable.

ENHANCED AUTHORITY OF PROPOSAL TRUSTEE

54. So as to facilitate the SISP, all parties agree that granting the Proposal Trustee certain enhanced authority and powers, as set out in the draft order enclosed herewith, will assist the Proposal Trustee to more efficiently administer the SISP and to monitor the Companies' business operations during the course of the Proposal Proceedings. The Proposal Trustee consents to and supports the enhancement of its authority as set out in the draft order.

STAY EXTENSION

55. Under the BIA, the initial stay of proceedings will expire on January 20, 2024. The Companies are acting in good faith and with due diligence in seeking to preserve their businesses on a going concern basis for the benefit of all of their stakeholders and to permit the Proposal Trustee to implement and conduct the SISP.

56. In order to commence and advance the SISP, the Companies are seeking an extension of time to file a proposal for 45 days to and including March 5, 2024.

57. Without the extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. The extension is supported by BMO, as senior secured creditor, the Shareholders and the Proposal Trustee.

58. If the extension applied for is granted, the Companies would likely be able to make a viable proposal to their creditors following the completion of the SISP.

ADMINISTRATIVE CONSOLIDATION

59. The Companies are related parties with a single business enterprise and a common senior, secured creditor. The SISP contemplates the solicitation of offers to purchase the Companies' assets, undertakings and properties, in whole or in part, and/or invest in the Companies' business, and that such process be administered in a unified manner. Procedural consolidation is integral to maintaining stability for the Companies as it is linked to the stay of the Shareholder Proceedings and key stakeholder claims amongst each other. Accordingly, the Companies seek an order

- 19 -

administratively consolidating their Proposal Proceedings, without prejudice to the right of any party to seek or oppose substantive consolidation in respect of the Proposal Proceedings. The relief is sought by the Companies to avoid a multiplicity of proceedings and unnecessary costs.

CONCLUSION

60. The relief sought on the within motion will provide stability to the Companies' business and enable the Companies to pursue a restructuring through the SISP, for the benefit of all stakeholders. All of the relief sought is supported by the Companies' senior secured creditor, BMO, the Shareholders and the Proposal Trustee. Additionally, the Companies are not aware of any creditor or stakeholder who opposes such relief or would be materially prejudiced in the event that such relief is granted.

61. I swear this affidavit in support of the Companies motion as set out above and for no other or improper purpose.

SWORN BEFORE ME via videoconference this 9th day of January, 2024. The affiant is was located in the City of Cornwall, in the Province of Ontario and the commissioner was located in the City of Toronto, in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Shahrzad Hamraz



CAROLINE BOURRET

**THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

Proceedings commenced at Ottawa

AFFIDAVIT

LOOPSTRA NIXON LLP

130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix / Shahrzad Hamraz

Tel: (416) 748 4776 / (416) 748 5116

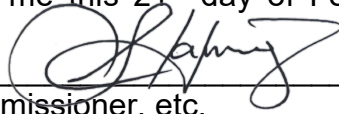
Fax: (416) 746 8319

Email: gphoenix@LN.law / shamraz@LN.law

*Lawyers for OEM Automotive Cornwall Inc. OEM
Automotive Solutions Inc., and OEM Automotive
Holdings Inc.*

TAB B

This is Exhibit "B" referred to in the
Affidavit of Caroline Bourret sworn
before me this 21st day of February, 2024.

A handwritten signature in black ink, appearing to read "Lamy", is written over a horizontal line.

A Commissioner, etc.



District of Ontario
 Division No. 12 - Ottawa
 Court File No. BK-33-03025642
 Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE
 JUSTICE A. KAUFMAN

)
)
)

WEDNESDAY, THE 17TH DAY
 OF JANUARY, 2024

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
 TO MAKE A PROPOSAL OF
 OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE
 CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS
 INC.

ORDER
(Procedural Consolidation, Stay Extension, SISP, Engagement of Sales Agent
Enhanced Trustee Powers & Court-Ordered Charges)

THIS MOTION, made by OEM Automotive Solutions Inc. ("**Solutions**"), OEM Automotive Cornwall Inc. ("**Cornwall**") and OEM Automotive Holdings Inc. ("**Holdings**", and collectively with Solutions and Cornwall, the "**Companies**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), for an order (this "**Order**"), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) administratively consolidating the estates of the Companies;

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- (c) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including March 5, 2024;
- (d) approving the first report of BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the “**Trustee**”) in the Companies’ BIA proposal proceedings (collectively, the “**Proposal Proceedings**”), dated January 11, 2024 (the “**First Report**”), and approving the activities of the Trustee described in the First Report;
- (e) approving the sale and investment solicitation process (the “**SISP**”) attached as Schedule “B” hereto;
- (f) authorizing and approving the Trustee’s engagement of Dealer Solutions North America, Inc. (the “**Sales Agent**”) to assist with the implementation of the SISP;
- (g) enhancing certain powers of the Trustee;
- (h) authorizing the Companies to enter into an interim financing term sheet (the “**Interim Financing Term Sheet**”) with the Bank of Montreal (“**BMO**”), as interim lender, attached as Exhibit “V” to the Affidavit of Caroline Bourret sworn January 9, 2024 (the “**Bourret Affidavit**”); and
- (i) granting the super-priority Administration Charge, Directors’ Charge and Interim Financing Charge (*each as defined in this Order*),

was heard by this Honourable Court (the “**Court**”) on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Motion Record of the Companies, including the Bourret Affidavit and the exhibits thereto, the First Report and the appendices thereto, and on hearing the submissions of counsel for the Companies, counsel for the Trustee, counsel for BMO, and the other parties listed on the participant information form and no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn January 10, 2024 and January 12, 2024, filed:

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SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

ADMINISTRATIVE CONSOLIDATION

2. **THIS COURT ORDERS** that the Proposal Proceedings of Solutions (Estate Number 33-3025642), Cornwall (Estate Number 33-3025639) and Holdings (Estate Number 33-3025645) are hereby administratively consolidated, and the Proposal Proceedings are hereby authorized and directed to continue, under the following title of proceedings, *nunc pro tunc*:

**Court File No: BK-33-03025642
Estate File No. 33-3025642**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

3. **THIS COURT ORDERS** that the Companies shall file a copy of this Order in the Court file for each of the Proposal Proceedings but that all other or further materials in the Proposal Proceedings shall be filed with the Court only in the Solutions Estate and Court File, being Court File Number BK-33-03025642 / Estate No. 33-3025642.

4. **THIS COURT ORDERS** that the Trustee is authorized and directed to administer the Proposal Proceedings, on a consolidated basis, for all purposes in carrying out its duties and responsibilities as trustee under the BIA, including, without limitation:

- (a) sending notices to creditors of the Companies pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement;

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- (c) issuing consolidated reports in respect of each of the estates of the Companies;
- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estates of the Companies;
- (e) taxing its fees, and those of its counsel; and
- (f) bringing motions to this Court.

5. **THIS COURT ORDERS** that the administrative consolidation of the Proposal Proceedings shall not:

- (a) affect the separate legal status and corporate structures of any of the Companies;
- (b) cause any of the Companies to be liable to any claim for which it is otherwise not liable; or
- (c) affect the Trustee's or any creditor's right to seek to disallow any claim, including on the basis that such claim is duplicative.

EXTENSION OF TIME

6. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including March 5, 2024.

APPROVAL OF FIRST REPORT

7. **THIS COURT ORDERS** that the First Report and the actions, activities and conduct of the Trustee described therein be and are hereby approved; provided, however, that only the Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

ENHANCEMENT OF TRUSTEE'S POWERS

8. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Trustee under the BIA, the Trustee is empowered and authorized, but not obligated, to do any of the following in the name of and on behalf of the Companies, where the Trustee considers it necessary or desirable:

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(a) exercise any powers which may be properly exercised by a board of directors or any officers of the Companies to cause the Companies, through the Companies' employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") (then engaged, if any), to, without limitation:

(i) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Companies in order to facilitate the performance of any of the Companies' powers or obligations (collectively, the "**Companies' Powers & Obligations**");

(ii) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Trustee deems necessary or appropriate to assist with the exercise of the Trustee's powers and duties and/or the Companies' Powers & Obligations. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be Assistants under this Order;

(iii) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Trustee considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Companies, the realization and/or sale of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the "**Property**") or the opportunity to invest by way of equity or debt in the Companies' business (the "**Business**"), the distribution of any net proceeds of the Property (the "**Proceeds**"), or any other related activities, including, without limitation, in connection with terminating this Proposal Proceedings;

(iv) exercise any rights of the Companies;

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- (v) grant the Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds, and, subject to further Order of this Court, to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (vii) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Trustee) for such purposes;
 - (viii) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of the Companies (including any governmental authority);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies, (i) any tax returns, and (ii) the Companies' employee-related remittances, T4 statements and records of employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;
- (b) monitor the Companies' receipts and disbursements;

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- (c) subject to the protections in favour of the Trustee set out in paragraphs 19, 20 and 21 of this Order, review, and approve (if the Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies of \$5,000 or greater;
- (d) report to this Court at such times and intervals as the Trustee may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (e) assist the Companies, to the extent required by the Companies, in their dissemination to BMO and its counsel on a bi-weekly basis of financial and other information as agreed to between the Companies and BMO, which may be used in these proceedings including reporting on a basis to be agreed with BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (f) advise the Companies in its preparation of the Companies' cash flow statements and reporting reasonably required by BMO, which information shall be reviewed with the Trustee and delivered to BMO and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time; and

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(j) take any steps reasonably incidental to the exercise by the Trustee of the powers listed above or the performance of any statutory obligations.

9. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Trustee shall not take possession of the Property or Business and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Trustee being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

10. **THIS COURT ORDERS** that nothing herein contained shall require the Trustee to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Environmental Protection Act* (Canada), the *Environmental Protection Act* (Ontario), the *Water Resources Act* (Ontario), or the *Occupational Health and Safety Act* (Ontario) and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Trustee shall not, as a result of this Order or anything done in pursuance of the Trustee’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

11. **THIS COURT ORDERS** that the Trustee shall provide any creditor of the Companies with the information provided by the Companies in response to reasonable requests for information made in writing by such creditor addressed to the Trustee. The Trustee shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Trustee has been advised by the Companies is

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confidential, or that the Trustee has determined must be kept confidential so as to facilitate the SISP, the Trustee shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Trustee and the Companies may agree.

APPROVAL OF SISP

Sale Procedure

12. **THIS COURT ORDERS** that the SISP, attached as Schedule "B" hereto, is approved.

13. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to perform their obligations under, and take such steps as they consider necessary or desirable in carrying out, the SISP; and, that any step taken by the Companies or the Trustee in connection with the SISP prior to the date of this Order is approved and ratified.

14. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to engage the Sales Agent on the terms of, or substantially on the terms of, the Sales Agent's consulting agreement, attached as Appendix "H" to the First Report (the "**Sales Agent Agreement**").

15. **THIS COURT ORDERS** that in conducting the SISP, the Trustee shall maintain such degree of confidentiality over the process, including but not limited to any negotiation, undertaking or offer as it deems necessary and appropriate in the circumstances.

16. **THIS COURT ORDERS** that the Trustee and the Sales Agent shall have no personal or corporate liability in connection with the SISP, including, without limitation:

(a) by advertising the SISP, including, without limitation, the opportunity to acquire all or a portion of the Property or the opportunity to invest by way of equity or debt in the Business. For greater certainty, in this Order, Property includes, without limitation, the real property legally described in Schedule "A" hereto and all proceeds thereof;

(b) by exposing the Property to any and all parties, including, but not limited to, those parties who have made their interests known to the Trustee and/or the Sales Agent;

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- (c) by responding to any and all requests or inquiries regarding due diligence conducted in respect of the Companies, the Property or the Business;
- (d) through the disclosure of any and all information regarding the Companies, the Property or the Business arising from, incidental to or in connection with the SISP;
- (e) pursuant to any and all offers received by the Trustee and/or the Sales Agent in accordance with the SISP; and
- (f) pursuant to any agreements entered into by any of the Trustee acting for the Companies in respect of the sale of any of the Property or the investment in or financing of the Business.

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Companies and the Trustee are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers of the Property, investors in or financiers of the Business and their respective advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”) or investments in or financings of the Business or (each, an “Investment”). Each prospective purchaser, investor or financier to whom such information is provided shall limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, it shall return all such information to the Companies or the Trustee, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Companies or the Trustee, or ensure that all other personal information is destroyed.

Duty to Cooperate with the Trustee

18. **THIS COURT ORDERS** that the Companies and all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf shall fully cooperate with the Trustee in the exercise of its powers under the BIA, this Order or any other Order of the Court, including by:

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- (a) advising the Trustee of the existence of any Property of which such party has knowledge of;
- (b) providing the Trustee with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information ("**Records**") of which such party has knowledge of; and
- (d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Trustee with instructions on the use of any computer or other system as requested by the Trustee and providing the Trustee with any and all access codes, account names and account numbers that may be required to gain access to the Records, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Trustee due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

Limitation on the Trustee's Liability

19. **THIS COURT ORDERS** that the Trustee is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Companies.

20. **THIS COURT ORDERS** that the Trustee is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

21. **THIS COURT ORDERS** that the rights, protections, indemnities, charges, priorities, and other provisions in favour of the Trustee set out in the BIA, any other applicable legislation, this Order and any other Order granted in these proceedings, all shall apply and extend to the Trustee

in connection with the Trustee carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

INTERIM FINANCING

22. **THIS COURT ORDERS** that the Companies are authorized and empowered to enter into the Interim Financing Term Sheet and to borrow funds from BMO, on the terms and subject to the conditions thereof, in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures during these proceedings, provided that borrowings under such credit facility shall not exceed \$500,000, unless permitted by further Order of this Court (collectively, the "**Interim Financing Facility**").

23. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**") as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by BMO pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to BMO under and pursuant to the Interim Financing Term Sheet and the Definitive Documents (collectively, the "**Interim Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

24. **THIS COURT ORDERS** that BMO, as interim financing lender, shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Financing Charge**") over and against the Property, as security as security for the Interim Obligations, which Interim Financing Charge shall be in the aggregate amount of the Interim Obligations outstanding at any given time under the Definitive Documents. The Interim Financing Charge shall not secure an obligation that exists before this Order is made. The Interim Financing Charge shall have the priority set out in paragraph 34 of this Order.

25. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

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- (a) BMO, as interim financing lender, may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Financing Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing Charge, BMO, upon five (5) days' notice to the Companies and the Trustee, may exercise any and all of its rights and remedies against the Companies or the Property under or pursuant to the Interim Financing Term Sheet, the Definitive Documents and the Interim Financing Charge, including, without limitation, to cease making advances to the Companies and set off and/or consolidate any amounts owing by BMO to the Companies against the obligations of the Companies to BMO under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Companies or any of them and for the appointment of a trustee in bankruptcy of the Companies or any of them; and
- (c) the foregoing rights and remedies of BMO, as the interim financing lender, shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

26. **THIS COURT ORDERS** that BMO, as interim lender, shall be treated as unaffected in any proposal filed by the Companies under the BIA with respect to any advances made under the Interim Financing Term Sheet or the Definitive Documents and in furtherance thereof, BMO, in its capacity as interim lender under the Interim Financing Term Sheet and the Definitive Documents, shall be unaffected by the stay of proceedings but subject to paragraph 25 of this Order.

ADMINISTRATIVE CHARGE

27. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee and counsel to the Companies shall be paid their reasonable fees and disbursements (the “**Professional Fees**”), in each case at their standard rates and charges, by the Companies as part of the costs of these proceedings. The Companies are authorized and directed to pay the accounts of the Trustee,

counsel for the Trustee and counsel for the Companies on a monthly basis and, in addition, the Companies are authorized to pay to the Trustee, counsel to the Trustee, and counsel to the Companies, such retainers are agreed to among such parties to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Trustee and its legal counsel are referred to a judge of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Sales Agent shall be paid such fees and commissions, and in such manner, as prescribed in the Sales Agent Agreement, subject to any further order of the Court (the “**Sales Agent Fees**”).

30. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee, the Sales Agent and the Companies’ counsel shall be entitled to the benefit of and are granted a charge (the “**Administration Charge**”) over and against the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for, as applicable, the Professional Fees, both before and after the making of this Order in respect of these proceedings and the Sales Agent Fees. The Administration Charge shall have the priority set out in paragraph 34 of this Order.

DIRECTORS’ CHARGE

31. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the NOI Proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director’s or officer’s gross negligence or wilful misconduct.

32. **THIS COURT ORDERS** that the directors and officers of the Companies shall be entitled to the benefit of and are granted a charge (the “**Directors’ Charge**”) over and against the Property, which charge shall not exceed an aggregate amount of \$100,000.00, as security for the indemnity provided in paragraph 31 of this Order. The Directors’ Charge shall have the priority set out in paragraph 34 of this Order.

33. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Companies' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 31 of this Order.

PRIORITY OF CHARGES

34. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the Interim Financing Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000);

Second – Interim Financing Charge (to the maximum amount of the Interim Obligations at the relevant time); and

Third – Directors' Charge (to the maximum amount of \$100,000); and

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Directors' Charge or the Interim Financing Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtain the prior written consent of the Trustee and the other beneficiaries of the Charges, or further Order of this Court.

38. **THIS COURT ORDERS** that the Charges, the Interim Financing Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable, and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”), and/or BMO as Interim Lender, shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proposal proceedings and the declarations of insolvency made herein;
- (b) any application(s) for bankruptcy, interim receivership or receivership order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments or deemed assignments for the general benefit of creditors made pursuant to the BIA;
- (d) any application made pursuant to the *Companies Creditors' Arrangement Act* or any order made pursuant to such application;
- (e) the provisions of any federal or provincial statutes; or
- (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Companies and notwithstanding any provision to the contrary in any Agreement

39. Notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Interim Financing Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the Interim Financing Term Sheet or Definitive Documents, the creation of the Charges; or

the execution, delivery or performance of the Interim Financing Term Sheet or Definitive Documents;

(c) the payments made by the Companies pursuant to this Order, the Interim Financing Term Sheet, and the Definitive Documents, and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law, including but not limited to the BIA.

40. **THIS COURT ORDERS** that any Charge created by this Order over one or more leases of real property in Canada shall only be a Charge in the Companies' interest in such real property leases.

SERVICE & NOTICE

41. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 14 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website (defined in the Guide) shall be established in accordance with the Guide with the following URL: www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc.

42. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by ordinary prepaid mail, courier, personal delivery or facsimile transmission to the Companies' creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received

on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

43. **THIS COURT ORDERS** that the Companies, the Trustee and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

44. **THIS COURT ORDERS** that the Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Trustee from subsequently expressly acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Companies, the Business or the Property.

46. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Companies, the Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Companies and the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding or to assist the Companies, the Trustee and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Companies and the Trustee is at liberty and is authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Trustee is authorized and empowered to act as a representative in respect

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of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

48. **THIS COURT ORDERS** that any interested party (including the Companies and the Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraph 34 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

49. **THIS COURT ORDERS** that any interested party (including the Companies and the Trustee) may apply to this Court to vary or amend this Order on not less than seven days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

50. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.



**HONORABLE JUSTICE
ALEXANDRE KAUFMAN**

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SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

1. Owned by OEM Automotive Cornwall Inc.

PIN 60180-0067 (LT)

PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

2. Owned by OEM Automotive Holdings Inc.

PIN 60180-0282 (LT)

PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1
AND 2, 52R4375; CITY OF CORNWALL



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SCHEDULE "B"

SALE AND INVESTMENT SOLICITATION PROCESS

[see attached]

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On December 22, 2023, OEM Automotive Solutions Inc. (o/a Cornwall Volkswagen), OEM Automotive Holdings Inc. and OEM Automotive Cornwall Inc. (collectively, **“Cornwall VW”** or the **“Company”**) each filed a Notice of Intention to Make a Proposal (**“NOI”**) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the **“BIA”**, and the proceedings, the **“NOI Proceedings”**). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the **“Trustee”**) under the NOI Proceedings.
2. To further the Company’s restructuring efforts, on or about January 17, 2024, the Ontario Superior Court of Justice (the **“Court”**) granted an order (the **“Sale Process Approval Order”**) which approved, amongst other things:
 - (a) the Sale and Investment Solicitation Process (**“SISP”**) for the marketing of the Company’s business and assets, including its dealership assets (the **“Dealership Assets”**) and its owned real estate assets (together, the **“Real Property”**, and collectively with the Dealership Assets, the **“Property”**) for the purposes of soliciting (i) offers to acquire the business and assets of the Company and (ii) offers of investment in the business of the Company;
 - (b) the engagement of Dealer Solutions North America Inc. as sales agent (the **“Sales Agent”**) to assist the Trustee with carrying out the SISP; and
 - (c) the Trustee, with the assistance of the Sales Agent, to undertake the SISP.
3. The SISP herein sets out the manner in which: (a) binding offers for executable transactions involving the business and/or Property of the Company and/or the equity or all or substantially all of the Property of the Company, will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The SISP will be conducted by the Sales Agent and the Trustee in the manner set forth herein and in accordance with the Sale Process Approval Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court will have exclusive jurisdiction to hear and resolve such dispute.
5. The Trustee will post on the Trustee’s websites, any such modification, amendment, variation or supplement to the SISP and inform the bidders impacted by the modification.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Company’s Property (the **“Opportunity”**). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern or a sale of all, substantially all or one or more components of the Company’s Property as a going concern or otherwise.

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7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, government organizations or other entities (each “**Person**”) may gain access to or continue to have access to due diligence materials concerning the Property, and how the offers involving the Property will be submitted to and dealt with by the Trustee and the Sales Agent, and how Court approval will be obtained in respect of any Transaction (as defined below).
8. The Sales Agent, with the oversight of the Trustee, intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines herein may be extended by and at the discretion of the Trustee, with the approval of the consulting parties (namely, the debtor-in-possession (“**DIP**”) lender, the Bank of Montreal (the “**DIP Lender**”)), in the event that it is determined that such extension will generally benefit the Company’s creditors and other stakeholders.
10. The Company’s management and/or any of the Company’s equity holders shall not be privy to any of the bid information outlined herein including the evaluation and selection of offers. The Trustee may request, at any time, written confirmation from the Company’s management and any of the Company’s equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Property (each a “**Transaction**”) will be completed with Court approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Company, Sales Agent, the Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the Sale Process Approval Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

<u>Milestone</u>	<u>Deadline</u>
Go to market	Monday, January 29, 2024

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Expression of Interest Date (EOI Deadline)	Thursday, February 29, 2024 (5:00 PM Eastern Time)
EOI Offer Selection Date	Tuesday, March 5, 2024
Binding Letter of Intent Date (LOI Deadline)	Friday, March 15, 2024 (5:00 PM Eastern Time)
Offer Selection Date	Tuesday, March 19, 2024
Definitive Transaction Agreement	Wednesday, April 3, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Tuesday, April 30, 2024

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Monday, **January 29, 2024**:
 - (a) The Sales Agent, with approval of the Trustee, will prepare a list of potentially interested parties, including (i) parties that have approached the Company, Trustee or the Sales Agent indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Sales Agent with the approval of the Trustee, believe may be interested in purchasing all or part of the Property or investing in the Company pursuant to the SISP (the “**Known Potential Bidders**”); and
 - (b) the Sales Agent, with the approval of the Trustee, will prepare:
 - (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Trustee, and the Company (the “**NDA**”).
14. The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Company or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (a “**Potential Bidder(s)**”) must provide to the Sales Agent an executed NDA, and which shall inure to the benefit of any purchaser of the business or Property of the Company, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such

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Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

16. The Sales Agent, with the approval of the Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA to the Sales Agent and provided information as to their financial wherewithal to close a transaction, such access to due diligence material and information relating to the Property as the Sales Agent and the Trustee deem appropriate.
17. Due diligence shall include access to a virtual data room (“VDR”) containing information about the Company, including its Property, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Company, in their reasonable business judgment and after consulting with the Sales Agent and Trustee, may agree. The Sales Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated.
 - (a) A statement of qualification (“SoQ”) which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Sales Agent with the approval of the Trustee.
18. Neither the Sales Agent nor the Company will be obligated to furnish any information relating to the Property to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, select due diligence materials may be withheld from certain Potential Bidders if the Sales Agent, with the approval of the Trustee, determines such information to represent proprietary or sensitive competitive information. Neither the Sales Agent, the Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the sale of the Property.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any transaction they enter into with the Company.

Non-Binding Expressions of Interest

20. To be considered for inclusion in the next round of the process, Expressions of Interest (“EOI”) should describe in sufficient detail all material matters relating to the proposed Transaction. EOI’s must be received by the Trustee and Sales Agent at the address specified in Schedule “1” hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on February 29, 2024**, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee. While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities acquiring the Company (i.e., if acquiring the Company indirectly, through a subsidiary, a limited partnership or other entity), including the identity of any entity that controls such acquiring entity. Additionally, given the nature of this Company’s business, the EOI must state the

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individual/party that will be the dealer principal with Volkswagen Canada (“VW”);

- (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
- (c) Indication of deal structure, including but not limited to: an investment in Cornwall VW (shares, preferred shares, debt purchase, etc., an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, “**Share Purchase Agreement**” or purchase of select, or all or substantially all of the assets of Cornwall VW, “**Asset Purchase Agreement**”, together a “**Sale Proposal**”);
- (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
- (e) Nature of additional diligence required before entering into a binding LOI with Cornwall VW;
- (f) Assumptions and intentions with respect to retention of management and employees;
- (g) Outline any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI is conditional on any other items;
- (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
- (i) Contact Information for those persons who should be contacted with respect to the EOI; and
- (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

Evaluation and Selection of EOIs

- 21. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.
- 22. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday March 5, 2024**, or at such later time as the Sales Agent and Trustee deems appropriate, with the approval of the DIP Lender.

Binding Letters of Intent

23. Potential Bidders with Selected EOIs that wish to make a formal offer to purchase or make an investment in the Company or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements of the Trustee and the Sales Agent at the Trustee's and Sales Agent's address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Trustee and Sales Agent not later than **5:00 PM (Eastern Time) on Friday March 15, 2024** or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee and its stakeholders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make:
 - (i) a Sale Proposal to acquire all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, or purchase of select, or all or substantially all of the Property of Cornwall VW); and/or
 - (ii) an Investment Proposal for an investment in, restructure, recapitalization or reorganize of the Company (shares, preferred shares, debt purchase, etc.).
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Company or its Property and is consistent with any necessary terms and conditions established by the Sales Agent and the Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (d) the LOI includes draft mark-ups of the transaction agreements included in the VDR, including the purchase price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Trustee and the Sales Agent to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the dealership (other than the dealer principal individual/party approval by VW);
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid (including the dealer principal individual/party with VW);
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any

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- liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
- (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
- (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
- (iv) a description of the conditions and approvals required to complete the closing of the transaction;
- (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
- (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and
- (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
 - (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Company prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and

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- (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;
 - (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Tuesday, April 30, 2024**, subject to obtaining Court approval and VW's approval of the dealer principal.
- 24. Following the LOI Deadline, the Sales Agent, the Trustee and the DIP Lender will assess the LOIs received. The Sales Agent, with the approval of the Trustee, will designate the most competitive LOIs that comply with the foregoing requirements to be "**Qualified Bids**". Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
- 25. The Sales Agent shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Tuesday March 19, 2024**, or at such later time as the Trustee deems appropriate.
- 26. The Trustee, in consultation with the Sales Agent and the DIP Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOIs to be a Qualified Bid.
- 27. In the event that the Trustee, in consultation with the Sales Agent, is not satisfied with the number or terms of the Qualified Bids, the Trustee may, in consultation with the Sales Agent and DIP lender, extend the Bid Deadline, or may seek Court approval for amendments to the SISF.
- 28. The Trustee may, in consultation with the Sales Agent, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

- 29. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.

Selection of Successful Bid

- 30. The Trustee, in consultation with the Sales Agent and the DIP Lender, will:
 - (a) review each Qualified Bid with consideration of the following:

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- (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the likelihood of VW accepting the purchaser and identified individual/party as the dealer principal;
 - (iv) the likelihood of the Bidder's ability to close a transaction by **April 30, 2024** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid, if required; the net benefit to the Company; and
 - (v) any other factors the Company may, consistent with its fiduciary duties, reasonably deem relevant.
- (b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Party**"), and notify or inform the Successful Party that its bid or Qualified Bid is the Successful Bid.
31. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement evidencing and containing the terms and conditions upon which the Successful Bid was made by **Wednesday April 3, 2024**, unless extended by the Trustee, in consultation with and approval from the DIP lender, subject to the milestones or deadlines set forth in paragraph 12.

Sale Approval Motion Hearing

32. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Party (the "**Sale Approval Motion**"). At the Sale Approval Motion, the Trustee or the Company shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Trustee and/or Sales Agent on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

33. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Sales Agent. Under no circumstances should the Management of the Company be contacted directly without the prior consent of the Sales Agent. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
34. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Company, the Sales Agent and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Trustee, with the approval of the Sales Agent and

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consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

35. Following the LOI Deadline, copies of all LOIs shall be shared by the Sales Agent and the Trustee with the DIP Lender for its exclusive review.

Supervision of the SISP

36. The Sales Agent shall conduct the SISP, with the oversight of the Trustee in the manner set out in this SISP procedure and is entitled to receive all information in relation to the SISP.
37. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Sales Agent or the Trustee and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Company and/or Trustee.
38. Without limiting the preceding paragraph, the Sales Agent and Trustee shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Sales Agent and Trustee for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
40. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior consent of the DIP Lender, the Sales Agent and the Trustee may at any time: (i) pause, terminate, amend or modify the SISP; (ii) remove any portion of the business and the Property from the SISP; (iii) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set out in the SISP; and (iv) establish further or other procedures for the SISP, provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"**Address of the Trustee and Sales Agent****To the Trustee:**

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Peter Naumis

Email: clonergan@bdo.ca

Email: pnaumis@bdo.ca

To the Sales Agent:

Dealer Solutions North America Inc.
305 Renfrew Drive, #202
Markham, Ontario
L3R 9S7

Attention: John Raymond or Etienne Demeules

Email: john.raymond@dsma.com

Email: etienne.demeules@dsma.com

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE CORNWALL INC.

Court File No. BK-23-03025639-0033
Bankruptcy Estate File No. 33-3025639

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**ORDER
(INITIAL NOI RELIEF)**

LOOPSTRA NIXON LLP

135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix

Tel: (416) 746-4710

Fax: (416) 746-8319

Email: gphoenix@LN.law

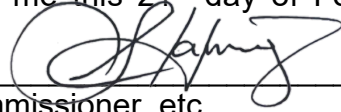
Shahrazad Hamraz

Email: shamraz@LN.law

*Lawyers for OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE HOLDINGS INC. AND OEM
AUTOMOTIVE SOLUTIONS INC.*

TAB C

This is Exhibit "C" referred to in the
Affidavit of Caroline Bourret sworn
before me this 21st day of February, 2024.

A handwritten signature in black ink, appearing to be "K. H. King", written over a horizontal line.

A Commissioner, etc.

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 14TH, 2024


Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
Week Ending		2023-12-31	2024-01-07	2024-01-14	2024-01-21	2024-01-28	2024-02-04	2024-02-11	2024-02-18	2024-02-25	2024-03-03	2024-03-10	2024-03-17	2024-03-24	2024-03-31	2024-04-07	2024-04-14	
		Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Receipts																		
	Notes																	
New Vehicle Sales	1	254,317	181,841	72,000	72,000	72,000	72,000	72,000	72,000	72,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	1,696,158
Used Vehicle Sales	2	-	-	10,000	5,000	70,000	10,000	10,000	10,000	70,000	10,000	10,000	15,000	15,000	111,500	15,000	15,000	376,500
Other Revenue	3	2,370	28,335	-	-	-	5,000	-	-	-	5,000	-	-	-	-	5,000	-	45,705
Parts & Service Sales	4	59,323	42,967	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	662,289
HST Collected	5	41,081	32,909	15,860	15,210	23,660	16,510	15,860	15,860	23,660	21,190	20,540	21,190	21,190	33,735	21,840	21,190	361,485
		357,091	286,051	137,860	132,210	205,660	143,510	137,860	137,860	205,660	184,190	178,540	184,190	184,190	293,235	189,840	184,190	3,142,138
Operating Disbursements																		
Lien Payouts	6	-	-	-	-	-	(4,000)	-	-	-	(4,000)	-	-	-	(4,000)	-	-	(12,000)
Used Vehicle Purchases	7	(34,650)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,650)
Parts Purchases	8	(84,860)	-	(5,000)	(5,000)	(5,000)	(50,000)	(5,000)	(5,000)	(5,000)	(50,000)	(5,000)	(5,000)	(5,000)	(5,000)	(50,000)	(5,000)	(289,860)
Payroll (Including Taxes)	9	-	(48,460)	-	(52,800)	-	(46,000)	-	(46,000)	-	(46,000)	-	(46,000)	-	(46,000)	-	(46,000)	(377,260)
Consulting Fee	10	(4,204)	-	-	-	-	(4,204)	-	-	-	(4,204)	-	-	-	-	(4,204)	-	(16,814)
Employee Benefits	11	-	(4,994)	-	-	-	(7,500)	-	-	-	(7,500)	-	-	-	-	(7,500)	-	(27,494)
WSIB	12	-	-	-	(3,478)	-	-	-	-	-	-	-	-	-	-	-	(5,000)	(8,478)
Corporate Credit Card Repayment	13	-	-	(25,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,000)
Vendor Payments	14	(14,205)	(6,102)	-	-	-	(12,500)	-	-	-	(12,500)	-	-	-	(12,500)	-	-	(57,808)
Repairs and Maintenance CAPEX	15	-	-	-	-	-	(10,000)	-	-	-	(2,500)	-	-	-	(2,500)	-	-	(15,000)
Rent and Utilities - Property 1 OEM Automotive Cornwall Inc.	16	(589)	-	-	(6,224)	-	(998)	-	(6,266)	-	(998)	-	(6,224)	(262)	(998)	-	-	(22,558)
Rent and Utilities - Property 2 OEM Automotive holdings Inc.	17	-	-	(657)	(8,850)	-	-	-	(9,506)	-	-	-	(9,506)	(525)	-	-	-	(29,044)
Insurance Payments	18	-	-	-	-	-	-	(35,135)	-	-	-	-	-	-	-	-	-	(35,135)
HST Paid	19	(13,502)	(27,344)	(45,414)	(12,977)	(11,018)	(42,682)	(11,018)	(13,068)	(11,018)	(45,565)	(15,958)	(18,002)	(16,060)	(18,037)	(40,316)	(15,958)	(357,934)
HST Refund (Remittance)	20	-	-	-	-	-	-	-	-	(18,466)	-	-	-	5,895	-	-	-	(12,571)
Debt Service																		
Floor Plan Payments To/From BMO	21	-	(109,548)	(257,430)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(114,000)	(114,000)	(114,000)	(114,000)	(114,000)	(114,000)	(114,000)	(1,620,978)
BMO Floor Plan Curtailments	22	-	(94,467)	-	-	-	(53,371)	-	-	-	(70,046)	-	-	-	-	(45,671)	-	(263,555)
BMO Floor Plan Interest	23	-	(18,713)	-	-	-	(20,000)	-	-	-	(20,000)	-	-	-	-	(20,000)	-	(78,713)
BMO Goodwill Loan (Interest)	24	-	(11,372)	-	-	-	(12,000)	-	-	-	(12,000)	-	-	-	(12,000)	-	-	(47,372)
Proposal Trustee & its Counsel's Fees	25	-	-	(50,000)	-	-	(75,000)	-	-	-	(50,000)	-	-	-	-	(50,000)	-	(225,000)
Restructuring Costs	26	-	-	(25,000)	-	-	(35,000)	-	-	-	(35,000)	-	-	-	-	(35,000)	-	(130,000)
Sales Agent Work Fees	27	-	-	(7,500)	-	-	(7,500)	-	-	-	(7,500)	-	-	-	-	(7,500)	-	(30,000)
DIP Facility Interest and fees	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	29	-	(222)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(52,722)
Total Disbursements		(152,010)	(321,223)	(419,751)	(169,078)	(95,768)	(460,505)	(130,903)	(159,590)	(114,233)	(485,562)	(138,708)	(202,483)	(133,701)	(218,785)	(377,941)	(189,708)	(3,769,947)
Projected Weekly Cash Flow		205,082	(35,172)	(281,891)	(36,868)	109,893	(316,995)	6,958	(21,730)	91,427	(301,372)	39,833	(18,293)	50,489	74,450	(188,101)	(5,518)	(627,809)
Cumulative Cash Flow			169,910	(111,981)	(148,849)	(38,957)	(355,952)	(348,994)	(370,724)	(279,298)	(580,669)	(540,837)	(559,129)	(508,641)	(434,191)	(622,291)	(627,809)	
Cash Balance																		
Opening Cash Position per Bank Statement		184,654	389,735	354,563	72,672	35,804	145,697	28,702	35,659	38,929	130,356	28,984	68,817	50,524	101,013	175,463	12,362	184,654
Projected Weekly Cash Flow		205,082	(35,172)	(281,891)	(36,868)	109,893	(316,995)	6,958	(21,730)	91,427	(301,372)	39,833	(18,293)	50,489	74,450	(188,101)	(5,518)	(627,809)
Funding from DIP Facility	30	-	-	-	-	-	200,000	-	25,000	-	200,000	-	-	-	-	25,000	-	450,000
Ending Cash Position		\$ 389,735	\$ 354,563	\$ 72,672	\$ 35,804	\$ 145,697	\$ 28,702	\$ 35,659	\$ 38,929	\$ 130,356	\$ 28,984	\$ 68,817	\$ 50,524	\$ 101,013	\$ 175,463	\$ 12,362	\$ 6,845	\$ 6,845

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a Bankruptcy and Insolvency Act (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview


The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

January 10th, 2024

Date




Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024

Date

Notes/Assumptions

- 1 Estimated new vehicle sales considering the Company's sales forecasts, average MSRP of vehicles in inventory, vehicle trade-in values, current market conditions, and the cyclical sales cycle. Week 1 includes the actual sale of three vehicles with higher MSRPs.
- 2 Estimated used vehicle sales considering the Company's sales forecast, sale of trade-in vehicles at auction, taking into account average inventory value, auction sale price, current market conditions, and the cyclical sales cycle. For trade-in vehicles, a two week delay in cash collection from auction is assumed from the trade-in date.
- 3 Other revenue consist of dealer rebates for seasonal promotions, PDI rebates, and new vehicle reserves on vehicle sales.
- 4 Amounts calculated based on historical 2023 weekly sales figures and sales mix. It is assumed that the Parts to Service Sales ratio is 2.5:1.5
- 5 Harmonized Sales Tax (HST) collected on receipts.
- 6 Assumed potential lien payout amounts on the forecasted trade-in vehicles, percentage of trade-in vehicles with liens, and an average lien amount.
- 7 Relates to a used vehicle cash purchase, proceeds from Volkswagen financing for the vehicle expected to be received in Week 14.
- 8 Majority of parts purchases are billed by Volkswagen at the beginning of each month, the rest of the month is calculated using historical 2023's average gross margin on projected parts sales.
- 9 Payroll made up of salaried employee and hourly employee amounts. Employee payroll is administered bi-weekly through an external service provider (inclusive of taxes). Week 1 payroll includes one week of pre-filing amounts as the Company's payroll is paid one-week in arrears. Week 4 includes vacation payout amounts to an employee.
- 10 Estimated contractor payments for part-time finance personnel.
- 11 Continuation of employee benefit plan with the Company's current insurance provider.
- 12 WSIB premium to be paid on a quarterly basis, calculated based on 1.3% of payroll.
- 13 Amount relates to the Company's corporate credit cards with the Bank of Montreal. Future transactions/balances are included in the Vendor Payment totals.
- 14 Payment of go-forward vendor payments, consistent with 2023 average monthly amount.
- 15 Repairs and maintenance amounts for minor repairs that are necessary to maintain the facility.
- 16 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 628 Pitt Street, Cornwall, ON paid to OEM Automotive Cornwall Inc.
- 17 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 632 Pitt Street, Cornwall, ON paid to OEM Automotive Holdings Inc.
- 18 Current insurance policy premiums are to be paid as scheduled.
- 19 Harmonized Sales Tax (HST) paid on disbursements.
- 20 Harmonized Sales Tax (HST) remittance paid monthly for previous month's net HST amounts.
- 21 Represents the net of principal repayment of floor line financing on new vehicles sold and/or new financing provided to purchase of new and used vehicles.
- 22 Vehicles that have been on the floor plan facility for 12 months may be carried for an additional 3 months, subject to monthly curtailments. Additionally new vehicles are subject to an HST curtailment amount after a minimum of 60 days after the vehicle is received. Amounts are based on BMO's floor plan report and is estimated to be reduced as new vehicles are sold through and the corresponding floor facilities repaid.
- 23 Estimated based on latest floor line principal balance using Bank of Montreal Prime Rate + 1% as stated its loan agreement.
- 24 Interest expense on the Goodwill loan facility from Bank of Montreal to finance part of the purchase of VW Cornwall. Principal repayments have been paused on this loan.
- 25 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 26 Costs of the Company's and DIP lender's counsel to the date of filing and monthly amounts thereafter.
- 27 Estimated work fee for the Sales Agent related to the anticipated Court approved sale process.
- 28 Interest and fees related to DIP financing facility is due at maturity, thus no amount is recorded for the cash flow period. At maturity, a commitment fee of 5% of maximum amount (\$500,000) will be due.
- 29 Contingency of \$3,750 per week, starting week 3, is assumed to cover unanticipated costs.
- 30 Relates to DIP financing from lender, up to a maximum amount of \$500,000.




Caroline Bourret

General Manager

January 10th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT

Partner/Senior Vice President

January 10th, 2024

Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE CORNWALL INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 14TH, 2024

Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
Week Ending		2023-12-31	2024-01-07	2024-01-14	2024-01-21	2024-01-28	2024-02-04	2024-02-11	2024-02-18	2024-02-25	2024-03-03	2024-03-10	2024-03-17	2024-03-24	2024-03-31	2024-04-07	2024-04-14	
Receipts	Notes	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	5,900	-	-	-	5,900	-	-	-	5,900	-	-	-	-	17,699
Utilities Collected	2	589	-	-	324	-	998	-	366	-	998	-	324	262	998	-	-	4,858
HST Collected	3	77	-	-	809	-	130	-	815	-	130	-	809	34	130	-	-	2,932
Total Receipts		665	-	-	7,033	-	1,128	-	7,080	-	1,128	-	7,033	296	1,128	-	-	25,490
Operating Disbursements																		
Utilities Payments	4	(589)	-	-	(324)	-	(998)	-	(366)	-	(998)	-	(324)	(262)	(998)	-	-	(4,858)
Property Tax	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Paid	6	(77)	-	(1,300)	(42)	-	(1,430)	-	(48)	-	(520)	-	(42)	(34)	(520)	-	-	(4,012)
HST Refund (Remittance)	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,079	1,079
Debt Service & Restructuring Costs																		-
Scheduled Principal & Interest Payment	8	-	(3,420)	-	-	-	(3,420)	-	-	-	(3,420)	-	-	-	(3,420)	-	-	(13,680)
Proposal Trustee & its Counsel's Fees	9	-	-	(5,000)	-	-	(5,000)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	(13,000)
Restructuring Costs	10	-	-	(5,000)	-	-	(5,000)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	(13,000)
Total Disbursements		(665)	(3,420)	(11,300)	(366)	-	(15,848)	-	(414)	-	(7,938)	-	(366)	(296)	(7,938)	-	1,079	(47,471)
Projected Weekly Cash Flow		-	(3,420)	(11,300)	6,667	-	(14,720)	-	6,667	-	(6,810)	-	6,667	-	(6,810)	-	1,079	(21,981)
Cumulative Cash Flow		-	(3,420)	(14,720)	(8,053)	(8,053)	(22,774)	(22,774)	(16,107)	(16,107)	(22,917)	(22,917)	(16,250)	(16,250)	(23,060)	(23,060)	(21,981)	
Cash Balance																		
Opening Cash Position		24,177	24,177	20,757	9,457	16,124	16,124	1,403	1,403	8,070	8,070	1,260	1,260	7,927	7,927	1,117	1,117	24,177
Projected Weekly Cash Flow		-	(3,420)	(11,300)	6,667	-	(14,720)	-	6,667	-	(6,810)	-	6,667	-	(6,810)	-	1,079	(21,981)
Ending Cash Position		\$ 24,177	\$ 20,757	\$ 9,457	\$ 16,124	\$ 16,124	\$ 1,403	\$ 1,403	\$ 8,070	\$ 8,070	\$ 1,260	\$ 1,260	\$ 7,927	\$ 7,927	\$ 1,117	\$ 1,117	\$ 2,196	\$ 2,196

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

January 10th, 2024
Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024
Date

Notes/Assumptions

- 1 Monthly recurring rent payment collected from the operating company (OEM Automotive Solutions Inc.) for the premises located at 628 Pitt Street, Cornwall, ON.
- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 3 Harmonized Sales Tax (HST) collected on receipts.
- 4 Payment paid on behalf of the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 5 Based on previous year's property tax statement, property tax is billed in two instalments, being the last business day in July and August. The amount expected for this period is \$0.
- 6 Harmonized Sales Tax (HST) paid on disbursements.
- 7 Harmonized Sales Tax (HST) refund (remittance) is paid quarterly. Q1 2024 HST is expected to be paid April 2024 (quarterly filer).
- 8 Debt service payments for mortgage.
- 9 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 10 Costs of the Company's counsel to the date of filing and monthly amounts thereafter.



Caroline Bourret
General Manager

January 10th, 2024
Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024
Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE HOLDINGS INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING APRIL 14TH, 2024

Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
Week Ending		2023-12-31	2024-01-07	2024-01-14	2024-01-21	2024-01-28	2024-02-04	2024-02-11	2024-02-18	2024-02-25	2024-03-03	2024-03-10	2024-03-17	2024-03-24	2024-03-31	2024-04-07	2024-04-14	
Receipts	Notes	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	8,850	-	-	-	8,850	-	-	-	8,850	-	-	-	-	26,549
Utilities Collected	2	-	-	657	-	-	-	-	657	-	-	-	657	525	-	-	-	2,495
HST Collected	3	-	-	85	1,150	-	-	-	1,236	-	-	-	1,236	68	-	-	-	3,776
Total Receipts		-	-	742	10,000	-	-	-	10,742	-	-	-	10,742	593	-	-	-	32,820
Operating Disbursements																		
Utilities Payments	4	-	-	(657)	-	-	-	-	(657)	-	-	-	(657)	(525)	-	-	-	(2,495)
Property Tax	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Paid	6	-	-	(2,685)	-	-	(910)	-	(85)	-	-	-	(995)	(68)	-	-	-	(4,744)
HST Refund (Remittance)	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	969	969
Debt Service & Restructuring Costs																		
Scheduled Principal & Interest Payment	8	-	(6,352)	-	-	-	(6,352)	-	-	-	(6,352)	-	-	-	(6,352)	-	-	(25,407)
Proposal Trustee & its Counsel's Fees	9	-	-	(10,000)	-	-	(3,500)	-	-	-	-	-	(3,500)	-	-	-	-	(17,000)
Restructuring Costs	10	-	-	(10,000)	-	-	(3,500)	-	-	-	-	-	(3,500)	-	-	-	-	(17,000)
Total Disbursements		-	(6,352)	(23,342)	-	-	(14,262)	-	(742)	-	(6,352)	-	(8,652)	(593)	(6,352)	-	969	(65,677)
Projected Weekly Cash Flow		-	(6,352)	(22,600)	10,000	-	(14,262)	-	10,000	-	(6,352)	-	2,090	-	(6,352)	-	969	(32,858)
Cumulative Cash Flow		-	(6,352)	(28,952)	(18,952)	(18,952)	(33,213)	(33,213)	(23,213)	(23,213)	(29,565)	(29,565)	(27,475)	(27,475)	(33,827)	(33,827)	(32,858)	
Cash Balance																		
Opening Cash Position		34,848	34,848	28,496	5,896	15,896	15,896	1,634	1,634	11,634	11,634	5,283	5,283	7,373	7,373	1,021	1,021	34,848
Projected Weekly Cash Flow		-	(6,352)	(22,600)	10,000	-	(14,262)	-	10,000	-	(6,352)	-	2,090	-	(6,352)	-	969	(32,858)
Ending Cash Position		\$ 34,848	\$ 28,496	\$ 5,896	\$ 15,896	\$ 15,896	\$ 1,634	\$ 1,634	\$ 11,634	\$ 11,634	\$ 5,283	\$ 5,283	\$ 7,373	\$ 7,373	\$ 1,021	\$ 1,021	\$ 1,990	\$ 1,990

Note A. Notes to the Unaudited cash flow forecast of the Company

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Caroline Bourret
General Manager

January 10th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024

Date

Notes/Assumptions

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- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
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Caroline Bourret
General Manager

January 10th, 2024
Date



Clark Loneragan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

January 10th, 2024
Date

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

AFFIDAVIT OF CAROLINE BOURRET
(sworn February 21, 2024)

LOOPSTRA NIXON LLP

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THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

MOTION RECORD OF
OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE SOLUTIONS INC.,
AND OEM AUTOMOTIVE HOLDINGS INC.
(returnable February 27, 2024 @ 10:00am)

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