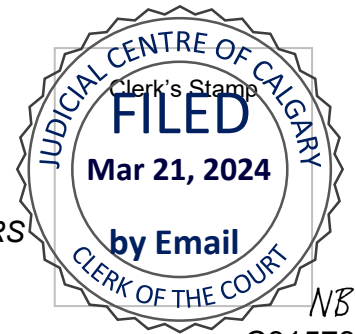


COM March 27, 2024

COURT FILE NUMBER 2401-01778
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
MATTER IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED



AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF COLLISION KINGS GROUP
INC., CMD HOLDINGS INC., EAST LAKE COLLISION
LTD., MAYLAND HEIGHTS COLLISION LTD.,
SUNRIDGE COLLISION LTD., ARROW AUTO BODY
LTD., CMD GLASS LTD., ROYAL VISTA COLLISION
LTD., STATHKO INVESTMENTS LTD., 2199931
ALBERTA LTD., COLLISION KINGS 3 LTD., NICK'S
REPAIR SERVICE LTD., 10026923 MANITOBA LTD.
and BUNZY'S AUTO BODY LTD.

APPLICANTS COLLISION KINGS GROUP INC., CMD HOLDINGS
INC., EAST LAKE COLLISION LTD., MAYLAND
HEIGHTS COLLISION LTD., SUNRIDGE COLLISION
LTD., ARROW AUTO BODY LTD., CMD GLASS LTD.,
ROYAL VISTA COLLISION LTD., STATHKO
INVESTMENTS LTD., 2199931 ALBERTA LTD.,
COLLISION KINGS 3 LTD., NICK'S REPAIR SERVICE
LTD., 10026923 MANITOBA LTD. and BUNZY'S AUTO
BODY LTD.

DOCUMENT **APPLICATION – STAY EXTENSION, ADMIN CHARGE
AND MONITOR'S ACTIVITIES**

ADDRESS FOR **MLT AIKINS LLP**
SERVICE AND Barristers and Solicitors
CONTACT 360 Main St. 30th Floor
INFORMATION OF Winnipeg, MB R3C 4G1
PARTY FILING THIS Telephone: 204.957.4663
DOCUMENT Fax No.: 204.957.0840
Attention: JJ Burnell
File No.: 0137640.00022

NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must attend Court by videoconference or phone when the application is heard as shown below:

Date: March 27, 2024
Time: 3:00 p.m.
Where: Edmonton Courts Centre – via WebEx
Before: The Honourable Justice J.J. Gill

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

REMEDY CLAIMED OR SOUGHT:

1. Pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"), Collision Kings Group Inc. ("**CKGI**"), CMD Holdings Inc. ("**CMD Holdings**"), East Lake Collision Ltd. ("**East Lake**"), Mayland Heights Collision Ltd. ("**Mayland Heights**"), Sunridge Collision Ltd. ("**Sunridge**"), Arrow Auto Body Ltd. ("**Arrow**"), CMD Glass Ltd. ("**CMD Glass**"), Royal Vista Collision Ltd. ("**Royal Vista**"), Stathko Investments Ltd. ("**Stathko Investments**"), 2199931 Alberta Ltd. ("**219 Alberta**"), Collision Kings 3 Ltd. ("**CK3L**"), Nick's Repair Service Ltd. ("**Nick's Repair**"), 10026923 Manitoba Ltd. ("**100 Manitoba**") and Bunzy's Auto Body Ltd. ("**Bunzy's**") (collectively, the "**Applicants**" or the "**Collision Kings Group**") are seeking the following relief:
 - (a) an Order substantially in the form attached hereto as **Schedule "A"** (the "**Stay Extension Order**"):
 - (i) declaring that service of this Application and supporting materials is good and sufficient, and if necessary, abridging the time for notice of the Application to the time actually given;
 - (ii) extending the Stay Period (as defined below) in these CCAA proceedings by 120 days, from the initial expiry date of March 29, 2024 up to and including July 25, 2024;
 - (iii) increasing the administration charge approved under the Initial Order of Justice Neilson on February 7, 2024 (the "**Administration Charge**") from \$500,000 to \$1,000,000;
 - (iv) directing counsel to the Applicants, MLT Aikins LLP, to pay the proceeds (the "**Proceeds**") of the Asset Purchase Agreement dated March 13, 2024 between 219 Alberta, CK3L, Arrow, Sunridge, East Lake, Stathko

Investments, Nick's Repair, 100 Manitoba, Bunzy's, Royal Vista, CMD Glass, Mayland Heights and CMD Holdings, as Vendors, and Lift Auto Group Operating Corporation, as Purchaser ("**Lift**"), and which closed on March 15, 2024 (the "**Lift APA**") to the Monitor, FTI Consulting Canada Inc. (the "**Monitor**");

- (v) authorizing and directing the Monitor to distribute the Proceeds to pay the Interim Financing Facility, applicable professional fees, operating costs and wind down costs, as necessary;
- (vi) empowering and authorizing, but not obligating, the Monitor to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property and/or the Business (as defined in the ARIO), whether in the Monitor's name or in the name and on behalf of the Applicants, for any purpose pursuant to this Order, and where such powers are exercised, the Monitor shall have exclusive jurisdiction to do so;
- (vii) approving the activities of the Monitor as set out in the Pre-Filing Report of the Monitor dated February 5, 2024 (the "**Pre-Filing Report**"), the First Report of the Monitor dated February 9, 2024 (the "**First Report**") and the Second Report of the Monitor, to be filed (the "**Second Report**", and together with the Pre-Filing Report and the First Report, the "**Monitor's Reports**");
- (viii) approving the fees and disbursements of the Monitor, its legal counsel Cassels Brock & Blackwell LLP, and the Applicants' legal counsel, MLT Aikins LLP, as set out in the Second Report; and
- (ix) such further and other relief as the Applicants may request and this Honourable Court may grant.

2. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Second Report.

GROUNDINGS FOR MAKING THIS APPLICATION:

Background on CCAA Proceedings

3. On February 7, 2024, the Honourable Justice J.T. Neilson granted an initial order under the CCAA (the “**Initial Order**”), providing for, among other things, a 10-day stay of proceedings expiring on February 17, 2024 in favour of the Collision Kings Group (the “**Stay Period**”) and approving a sales and investment solicitation process (the “**SISP**”).
4. On February 14, 2024, the Honourable Justice M.J. Lema granted the amended and restated initial order (the “**ARIO**”) extending the original Stay Period to March 29, 2024.
5. On February 14, 2024, the Honourable Justice M.J. Lema further granted a sale approval and vesting order (the “**Lift SAVO**”) approving a stalking horse bid pursuant to the asset purchase and sale agreement between the purchaser, Lift, and the vendors, CMD Holdings, East Lake, Sunridge, 219 Alberta, CK3L, Arrow, Stathko Investments, Nick’s Repair, 100 Manitoba, and Bunzy’s (the “**Stalking Horse Bid**”). The Lift SAVO provided that the Stalking Horse Bid was approved, “including with any amendments resulting from the Purchaser’s participation in the Auction (as defined in the [SISP]).”
6. The Stalking Horse Bid did not include the businesses and assets owned by Mayland, Royal Vista and CMD Glass and also excluded certain assets of Nick’s Repair, 100 Manitoba, Bunzy and CMD Holdings, among other things.
7. The Lift SAVO provided that it shall only be effective and come into force upon the Monitor filing a Bid Selection Certificate enclosed at Schedule “A” to the Lift SAVO (the “**Monitor’s Bid Selection Certificate**”) confirming that the Stalking Horse Bid, subject to any amendments post-Auction, was selected as the Successful Bid (as that term is defined in the SISP).

Outcome of SISP

8. In accordance with the SISP, by February 7, 2024 the Applicants created a list of Known Potential Bidders and the Monitor made the Data Room available for Potential Bidders. By February 10, 2024, the Monitor had distributed the Teaser Letters and NDAs to all Known Potential Bidders.

9. By the Bid Deadline of March 8, 2024, the Monitor had received one other bid from a Qualified Bidder, other than the Stalking Horse Bid submitted by Lift. Lift was specifically defined in the SISP as a “Qualified Bidder”.
10. In accordance with the SISP, the Monitor provided both parties who made Qualified Bids an opportunity to make further bids through the auction process set out in SISP (the “**Auction**”). The Auction was held on March 13, 2024.
11. At the conclusion of the Auction, Lift Auto submitted the Lift APA, which was a more competitive bid than the initial Stalking Horse Bid, and was ultimately selected as the Winning Bid. Pursuant to the Lift APA, Lift Auto increased the purchase price and agreed to purchase additional assets of Royal Vista, CMD Glass and Mayland Heights.
12. On March 15, 2024, Justice Lema approved two Amending Orders to the Lift SAVO that accommodated these changes to the Stalking Horse Bid.
13. On March 14, 2024, the Monitor filed the Bid Selection Certificate confirming the Lift APA was the Successful Bid. On March 15, 2024, the Monitor filed its Closing Certificate confirming all conditions of the Lift APA were satisfied.

Stay Extension

14. Pursuant to the ARIO, the Stay Period is scheduled to expire on March 29, 2024. The request to extend the Stay Period by 120 days up to and including July 25, 2024 is necessary to address post-closing matters following the closing of the Lift APA on March 15, 2024, and finalize the remaining matters of the within CCAA proceedings.
15. The Monitor requires additional time for its counsel to finalize a security review respecting priority to the proceeds from the Lift APA, as well as additional time to bring a distribution application.
16. The Applicants anticipate requiring additional time to either coordinate a sale of, or wind down operations for, the Royal Vista, Mayland Heights and CMD Glass locations, including ensuring all assets have been removed and properly vacating the premises.
17. Extending the Stay Period to July 25, 2024 will ensure all post-closing matters can be addressed with minimal disruptions and ensure the Applicants’ creditors will be able to maximize the recovery generated from the Lift APA.

18. Management of the Collision Kings Group, in consultation with the Monitor, will continue to work in good faith to attend to all post-closing matters in respect of the Lift APA and wind down the CCAA proceedings.

Increasing Administration Charge

19. The Applicants require an increase to the Administration Charge from \$500,000 to the amount of \$1,000,000 in order to continue working to address all post-closing matters and seeing to the wind-down of the CCAA proceedings.

Sale Proceeds of Lift APA

20. The Applicants seek a direction from this Court for MLT Aikins LLP to pay the Proceeds realized from the Lift APA currently held in trust, to the Monitor.
21. The Applicants further seek authorization to enhance the Monitor's powers to distribute the Proceeds to pay the applicable professional fees and operating costs accrued during the CCAA or required for the wind down of the remainder of the Applicants' business, as necessary.
22. Lastly, the Applicants seek authorization to expand and modify the duties of the Monitor, in addition to its powers set forth in the ARIO, so the Monitor will be empowered and authorized, but not obligated, to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property and/or the Business, whether in the Monitor's name or in the name and on behalf of the Applicants, for any purpose pursuant to this Order, and where such power is exercised, the Monitor shall have exclusive jurisdiction to do so.

Approval of Monitor's Activities

23. Since the Initial Order, the Monitor, in consultation with the Applicants, has been working diligently to ensure the Applicants have been able to continue their business operations and retain their existing employees. The Monitor has further assisted with ensuring the Applicants operated within the projected cash flow forecasts.

24. The Monitor has been working diligently with the Applicants to implement and administer the SISP, coordinate and oversee the Auction, select the Winning Bid and facilitate all closing requirements for the Lift APA.
25. The continued participation of the Monitor has been critical to the success of the SISP and ensuring there is a path out of the CCAA for the Applicants. As a result, the Applicants are requesting an Order approving the Monitor's activities, fees and disbursements, as set out in the Reports, to date.

Fee Approval

26. The Monitor's fees, its legal counsel fees and the legal fees of the Applicants are all reasonable in the circumstances and reasonably incurred in efforts to transition the Applicants out of the CCAA. Detailed accounting can be provided on request.

MATERIAL OR EVIDENCE TO BE RELIED ON:

27. The Applicants intend to rely on the following materials and evidence:
 - (a) all Orders issued in the within CCAA proceedings;
 - (b) the First Affidavit of Shane Daerden, sworn January 30, 2024;
 - (c) the Confidential Affidavit of Shane Daerden, sworn on January 30, 2024;
 - (d) the Pre-filing Report of the Monitor, filed on February 9, 2024;
 - (e) the First Report of the Monitor, filed on February 12, 2024;
 - (f) the Second Report of the Monitor, to be submitted; and
 - (g) such further and other material or evidence as counsel may advise and this Court may permit.

APPLICABLE RULES:

28. Rules 6.3, 6.9, and 11.27 of the *Alberta Rules of Court*, Alta Reg 124/2010; and
29. Such further and other rules as counsel may advise and this Honourable Court may permit.

APPLICABLE ACTS AND REGULATIONS:

30. The CCAA, including, without limitation, sections 11 and 11.02 and this Court's equitable and statutory jurisdiction thereunder.
31. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

ANY IRREGULARITY COMPLAINED OF OR OBJECTION RELIED ON:

32. None.

HOW THE APPLICATION IS PROPOSED TO BE HEARD OR CONSIDERED:

33. By WebEx videoconference before the Honourable Justice J.J. Gill on March 27, 2024 at 3:30 p.m. MT.
34. The relevant WebEx login information is enclosed at Appendix "A" hereto.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to

APPENDIX “A” – WEBEX VIDEOCONFERENCE INFORMATION

Counsel: Please ensure that all relevant parties have received Webex information.

Virtual Courtroom 86 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

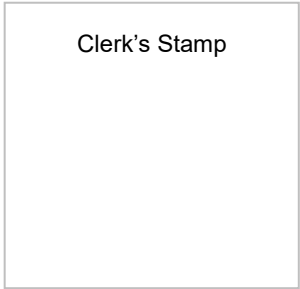
For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

SCHEDULE "A"
Stay Extension Order

COURT FILE NUMBER 2401-01778
COURT COURT OF KING'S BENCH
OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, RSC 1985,
c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
COLLISION KINGS GROUP INC., CMD HOLDINGS
INC., EAST LAKE COLLISION LTD., MAYLAND
HEIGHTS COLLISION LTD., SUNRIDGE
COLLISION LTD., ARROW AUTO BODY LTD.,
CMD GLASS LTD., ROYAL VISTA COLLISION
LTD., STATHKO INVESTMENTS LTD., 2199931
ALBERTA LTD., COLLISION KINGS 3 LTD., NICK'S
REPAIR SERVICE LTD., 10026923 MANITOBA
LTD. and BUNZY'S AUTO BODY LTD.

APPLICANTS COLLISION KINGS GROUP INC., CMD HOLDINGS
INC., EAST LAKE COLLISION LTD., MAYLAND
HEIGHTS COLLISION LTD., SUNRIDGE
COLLISION LTD., ARROW AUTO BODY LTD.,
CMD GLASS LTD., ROYAL VISTA COLLISION
LTD., STATHKO INVESTMENTS LTD., 2199931
ALBERTA LTD., COLLISION KINGS 3 LTD., NICK'S
REPAIR SERVICE LTD., 10026923 MANITOBA
LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT **ORDER – STAY EXTENSION, ADMIN CHARGE
AND APPROVAL OF MONITOR'S ACTIVITIES**

ADDRESS FOR
SERVICE AND
CONTACT **MLT AIKINS LLP**
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INFORMATION OF Telephone: 204.957.4663
PARTY FILING THIS Fax No.: 204.957.0840
DOCUMENT Attention: JJ Burnell
Email: jburnell@mltaikins.com
File No.: 0137640.00022

DATE ON WHICH ORDER WAS PRONOUNCED: MARCH 27, 2024
LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA
NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE J.J. GILL

UPON the application of Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (collectively the "**Applicants**"); **AND UPON** having read the Application, the Initial Order granted by Justice Neilson in the within proceedings on February 7, 2024 (the "**Initial Order**"), the Amended and Restated Initial Order granted by Justice Lema in the within proceedings on February 14, 2024 (the "**ARIO**"), the Affidavit of Shane Daerden, sworn January 30, 2024, the Confidential Affidavit of Shane Daerden sworn January 30, 2024, the Pre-filing Report of the Court-appointed Monitor, FTI Consulting Canada Inc. ("**FTI**" or the "**Monitor**") dated February 5, 2024 (the "**Pre-Filing Report**"), the First Report of the Monitor dated February 9, 2024 (the "**First Report**"), the Second Report of the Monitor dated March __, 2024 (the "**Second Report**"), and the Affidavit of Service sworn March __, 2024; **AND UPON** hearing the submissions of counsel for the Applicants, FTI, and any other interested person present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.
2. The Stay Period approved by the Honourable Justice M.J. Lema at paragraph 13 of the ARIO is hereby extended by 120 days, up to and including July 25, 2024.
3. The Administration Charge approved under the Initial Order is hereby increased from \$500,000 to \$1,000,000.
4. MLT Aikins LLP is hereby directed to pay the sale proceeds realized from the Lift APA (the "**Proceeds**") currently held in trust, to the Monitor.
5. The Monitor is hereby authorized and empowered (but not obligated) to apply any part of the Proceeds to: (i) repay any amounts owing under the Interim Financing Facility; (ii) pay the professional fees of the Monitor, counsel to the Monitor, and counsel to the Applicants, in each case at their standard rates and charges; and/or (iii) pay any operating costs and wind down costs relating the business of the Applicants, as necessary.

6. The powers and duties of the Monitor, in its capacity as the court-appointed Monitor and not in its personal capacity, are hereby modified and expanded such that the Monitor, in addition to its powers set forth in the ARIO, is hereby empowered and authorized, but not obligated, to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property and/or the Business, whether in the Monitor's name or in the name and on behalf of the Applicants, for any purpose pursuant to this Order, and where such powers are exercised, the Monitor shall have exclusive jurisdiction to do so.
7. The activities, conduct and actions of the Monitor as set out in the Pre-Filing Report, the First Report, and the Second Report, are hereby approved.
8. The fees and disbursements of the Monitor, its legal counsel Cassels Brock & Blackwell LLP and the Applicants' legal counsel, MLT Aikins LLP, as set out in the Second Report, are hereby approved.

The Honourable Justice J.J. Gill
Justice of the Court of King's Bench of Alberta