

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C. 1985, c.
C-36)

No: 500-11-042345-120

IN THE MATTER OF THE PROPOSED PLAN OF
COMPROMISE AND ARRANGEMENT OF:

AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.
and
AERO TECHNICAL US, INC.

Insolvent Debtors/Petitioners

and

FTI CONSULTING CANADA INC.

Monitor

and

WELLS FARGO BANK NATIONAL ASSOCIATION, as
Fondé de Pouvoir

and

CRÉDIT SUISSE AG, CAYMAN ISLAND BRANCH, as
Fondé de Pouvoir

and

AVEOS HOLDING COMPANY as Fondé de Pouvoir

and

BREOF/BELMONT BAN L.P.

and

THE ATTORNEY GENERAL OF CANADA

and

AON HEWITT, as administrator of the Aveos Fleet
Performance Inc. pension plans

and

QUEBEC REVENUE AGENCY

and

CANADA REVENUE AGENCY

and

REGISTRAR OF THE PERSONAL AND MOVABLE
REAL RIGHTS REGISTER OF QUEBEC

and

GLOBAL PROBITY GROUP LTD.

Mis en cause

MOTION FOR AN ORDER AUTHORIZING THE SALE OF CERTAIN ASSETS
OF THE PETITIONERS AND FOR A VESTING ORDER
(TRAINING MATERIALS)

(Sections 11 and 36 of the *Companies' Creditors Arrangement Act* ("CCAA"))

TO THE HONOURABLE JUSTICE JEAN-YVES LALONDE, J.S.C., OF THE SUPERIOR COURT, SITTING
IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE
PETITIONERS RESPECTFULLY SUBMIT THE FOLLOWING:

I. INTRODUCTION

1. On or around August 2, 2012, the Petitioners filed a *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for a Vesting Order (Components Maintenance Centre) and Authorizing an Agreement for Lease Termination* (the "**CMC Motion**") in the present matter, the whole as appears from the Court record herein.
2. For the purposes of providing context and by way of introduction, the Petitioners hereby refer this Honourable Court to the CMC Motion and reiterate as if recited at length, to the extent applicable, the allegations contained therein. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Initial Order or in the CMC Motion.
3. The Divestiture Process and the analysis conducted by Aveos and the CRO under the supervision of the Monitor resulted in an asset purchase agreement, dated July 31, 2012 (the "**GPG Agreement**") with the *mis en cause* Global Probity Group Ltd. hereinafter "**GPG**" or the "**Purchaser**") the whole as more fully detailed below. A copy of the GPG Agreement is filed in support hereof as **Exhibit P-1**.
4. The GPG Agreement contemplates the sale of certain intellectual property consisting of aircraft maintenance training material (as set forth at Schedule 2 of the GPG Agreement, the "**Purchased Assets**"), the whole as more fully detailed below (the "**GPG Transaction**").
5. The present Motion seeks this Court's Approval and a Vesting Order required to give effect to and complete the GPG Transaction as contemplated in the GPG Agreement.

II. THE GPG TRANSACTION

6. As appears from the Sixth Report to the Court of the Chief Restructuring Officer (the "**Sixth CRO Report**"), to be filed at, or prior to, the hearing hereof as **Exhibit P-2**, Aveos, under the direction of the CRO, solicited and reviewed expressions of interest and bids for the Purchased Assets.
7. Save for the condition that the requisite approval and vesting order requested from this Honourable Court be granted, the GPG Transaction is not subject to any conditions precedent or subsequent.
8. In considering such factors as those mentioned above and the overall terms and conditions pertaining to the GPG Agreement, Aveos and the CRO consider GPG to be the most desirable purchaser in the circumstances.

III. GROUNDS FOR THE RELIEF SOUGHT IN RESPECT OF THE GPG TRANSACTION

9. The recommendation made by the CRO takes into account the commitment of GPG to complete the GPG Transaction, the conditions attached thereto, the time required to close the GPG Transaction and other relevant considerations, the whole as set forth above and in the Sixth CRO Report.
10. The terms and conditions of the GPG Transaction were considered by Aveos and the CRO as: a) being most favourable to Aveos and the stakeholders in the circumstances and b) best meeting the various criteria and conditions set forth in the Divestiture Process, the whole as more fully appears in the Sixth CRO Report.
11. It is submitted that the consideration, terms and conditions of the GPG Transaction are favourable to Aveos, and allow Aveos to obtain the best possible value for the Purchased Assets in the current circumstances, the whole as more fully detailed in the Sixth CRO Report.
12. It is therefore respectfully submitted that it is in the interest of the Petitioners, their stakeholders and in the interest of justice that Petitioners be authorized by this Honourable Court to proceed with the GPG Transaction and that the Court authorize the GPG Transaction.
13. The only beneficiaries of deemed trusts and secured creditors that are likely to be affected by the proposed GPG Transaction are the mis en cause and also the members, former members, and any other persons entitled to pension benefits under the Pension Plans as defined at paragraph 19 of the Initial Order, who hold or may assert to hold either deemed trust claims or universal movable hypothecs, as appears from the updated security search report to be filed at the hearing hereof as **Exhibit P-3**.
14. In view of the universal nature of the Charges under the CCAA, the deemed trusts and the applicable universal movable hypothecs and security interests granted in favour of

the *mis en cause* Secured Lenders, the proceeds of sale will automatically be subject to such Charges, deemed trusts and universal hypothecs and security interests without the need for an order of this Court under subsection 36(6) of the CCAA. Notwithstanding the foregoing, the conclusions of this Motion provide, for clarity, that existing Charges, deemed trusts and universal hypothecs and security interests will attach to the proceeds of sale which will stand in place and stead of the Purchased Assets.

15. It is moreover respectfully submitted that it is urgent that this Honourable Court approve and authorize the GPG Transaction and that the said GPG Transaction be completed without delay considering, *inter alia*, that:
 - a) time is of the essence in that the expediency with which the GPG Transaction would take place is a significant consideration;
 - b) the terms and conditions of the GPG Agreement are favourable for the Petitioners and it is unlikely that the Petitioners would obtain a more favourable purchase price and/or terms and conditions in the future if the GPG Transaction is not completed forthwith; and
 - c) if the Petitioners are precluded from effecting the GPG Transaction, this would be prejudicial to the Petitioners and their stakeholders.

IV. VESTING ORDER

16. It is a condition of closing in the GPG Agreement that the Court render an order vesting all of the right, title and interest of Aveos in and to the Purchased Assets described therein.
17. The GPG Transaction contemplates the transfer and conveyance of the Purchased Assets, free and clear of all hypothecs, liens, charges and encumbrances pursuant to such vesting order.
18. Accordingly, Aveos respectfully seeks an order from this Honourable Court vesting the Purchased Assets in GPG, free and clear of such charges and encumbrances.
19. Aveos requests that Exhibit P-1 be filed under seal of confidentiality and that redacted copies only, removing the financial details, be filed in the Court record and made available to the Service List, in order to avoid any prejudice should Aveos need to return to the market in the event of a problem with closing the GPG Transaction.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

- [1] **GRANT** the *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for a Vesting Order (Training Materials)* (the "**Motion**");

- [2] **DECLARE** sufficient and valid the service and notice of the Motion on all persons and **DISPENSE** with any further requirements for service or notice thereof;
- [3] **DECLARE** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order, as amended and restated, or, otherwise, in the Motion;
- [4] **AUTHORIZE** Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. (hereinafter "**Aveos**") to enter into and give effect to the asset purchase agreement, being **Exhibit P-1** to the Motion, (the "**GPG Agreement**") between Aveos and Global Probity Group Ltd. (the "**Purchaser**");
- [5] **AUTHORIZE** and **RATIFY** the GPG Agreement and the transaction contemplated therein (the "**GPG Transaction**"), and **ORDER** that Exhibit P-1 be sealed and that a redacted copy removing financial information therefrom be filed in the Court record and made available to the Service List;
- [6] **AUTHORIZE** the sale, transfer and conveyance of the Purchased Assets pursuant to and identified in the GPG Agreement (the "**Purchased Assets**");
- [7] **AUTHORIZE** Aveos to perform its obligations under the GPG Agreement and the GPG Transaction;
- [8] **AUTHORIZE** Aveos to:
- a) take any and all actions necessary to proceed with the GPG Agreement and the GPG Transaction, including, without limitation, to execute and deliver any documents and assurances governing or giving effect to the GPG Agreement and the GPG Transaction as Aveos, in its discretion, may deem to be reasonably necessary or advisable to conclude the GPG Agreement and the GPG Transaction, including the execution of such deeds, contracts, or documents as may be contemplated in the GPG Agreement and all such deeds, contracts or documents are hereby ratified, approved and confirmed; and
 - b) take any and all steps, as are, in the opinion of Aveos, necessary or incidental to the performance of its obligations pursuant to the GPG Agreement and the GPG Transaction;
- [9] **ORDER** and **DECLARE** that, upon the delivery of a Monitor's certificate, to the Purchaser, substantially in the form attached as **Schedule A** hereto (the "**Monitor's Certificate**"), all of Aveos' right, title, benefit and interest in and to the Purchased Assets, shall vest absolutely and exclusively in the Purchaser, free and clear of and from any and all rights, titles, interests, security interests (whether contractual, statutory, or otherwise), hypothecs (legal or contractual),

prior claims, mortgages, pledges, trusts, deeds of trust or deemed trusts (whether contractual, statutory or otherwise), liens (statutory or otherwise), executions, levies, charges or other financial or monetary claims, options, rights of first offer or first refusal, real property licences, encumbrances, obligations, conditional sale arrangements, adverse claims, priorities, options, judgments, writs of seizure and sale, leasing agreements or other similar restrictions of any kind, whether attached, perfected, registered or filed and whether secured, unsecured, legal, possessory or otherwise, remedies from facts which exist as at or before the Closing of the Transaction (as defined in the GPG Agreement), whether known or unknown, or any and all other rights of use, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, each of which and collectively being herein referred to as the "Claims," including, without limiting the generality of the foregoing:

- a) any encumbrance or charge created by the Initial Order, as amended, rendered by the undersigned or by any other order of this Honourable Court in these proceedings;
- b) all charges, security interests or claims, inasmuch as they relate to property of Aveos, evidenced by registration at or with the Quebec Personal and Movable Real Rights Registry (Québec) ("RDPRM"), the Quebec Land Registry, any provincial personal property registry system including without limitation, registrations pursuant to the Personal Property Security Act (Ontario), the Personal Property Security Act (Manitoba) and the Personal Property Security Act (British Columbia), the Canadian Intellectual Property Office or any other personal property registry system, or pursuant to the Bank Act (Canada), the Trademarks Act (Canada) or any other legislation;

[10] **ORDER** and **DECLARE**, for greater certainty, that all hypothecs, encumbrances and Claims affecting or relating to the Purchased Assets, upon delivery of the Monitor's Certificate, be and are expunged and discharged as against the Purchased Assets;

[11] **ORDER** that, upon receipt of a copy of the signed Monitor's Certificate having been delivered to the Purchaser, Aveos is authorized to receive payment of the Purchase Price from the Purchaser;

[12] **DECLARE** that notwithstanding

- a) the pendency of these proceedings;
- b) any application for a bankruptcy order issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA") in respect of Aveos and any bankruptcy order issued pursuant to any such applications; and

c) any assignment in bankruptcy or any receivership;

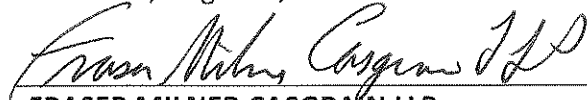
the GPG Agreement and GPG Transaction shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of Aveos and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, or fraudulent conveyance, transfer for under value or other reviewable transaction under the CCAA, the BIA, Articles 1631 et seq. of the *Civil Code of Québec*, S.Q. 1991, c. 164 ("C.C.Q.") or any other applicable federal or provincial legislation;

- [13] **ORDER** and **DIRECT** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after execution and delivery thereof;
- [14] **DECLARE** that the present Order constitutes the only authorization required by Aveos to proceed with the GPG Agreement and the GPG Transaction and, for greater certainty, **DECLARE** that the parties involved in the GPG Agreement are exempted from requiring or obtaining any authorization that may be required from any person or authority whatsoever;
- [15] **DECLARE** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in place and stead of the Purchased Assets and that, from and after the delivery of the Monitor's Certificate, all Claims shall attach to the proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold;
- [16] **ORDER** that neither the Purchaser nor any affiliate thereof shall assume or be deemed to assume any liabilities or obligations whatsoever of any of Aveos or the mis en causes (other than as expressly assumed under the terms of the GPG Agreement or the GPG Transaction or of the Order to be rendered herein);
- [17] **ORDER** that the GPG Agreement being Exhibit P-1 to the Motion, and any related or ancillary agreements shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [18] **ORDER** that all persons shall cooperate fully with Aveos and the mis en cause, the Purchaser and their respective affiliates and the Monitor and do all such things that are necessary or desirable for the purposes of giving effect to and in furtherance of the Order to be rendered herein, the GPG Agreement and the GPG Transaction;
- [19] **REQUEST** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America

and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order to be rendered herein;

- [20] **ORDER** that the Order to be rendered herein shall have full force and effect in all provinces and territories in Canada;
- [21] **ORDER** the provisional execution of the Order to be rendered herein, notwithstanding any appeal and without the necessity of furnishing any security;
- [22] **THE WHOLE WITHOUT COSTS.**

Montréal, August 8, 2012



FRASER MILNER CASGRAIN LLP

Attorneys for Petitioners

SCHEDULE A

Superior Court of Quebec 500-11-042345-120

Monitor's Certificate

(Pursuant to the Order rendered by the Hon. Jean-Yves Lalonde, j.s.c., on August ● 2012)

Pursuant to an Order of the Honourable Mark Schrager, j.s.c. of the Superior Court of Quebec (the "Court") dated March 19, 2012, as amended and restated by further Orders issued on March 30, 2012, April 5, 2012 and May 4, 2012 (collectively, the "Initial Order"), FTI Consulting Canada Inc. was appointed monitor (the "Monitor") of Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. ("Aveos") and of Aero Technical US, Inc. (together with Aveos, the "Petitioners") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA").

Pursuant to the Initial Order and from further Orders issued by the Court, the Petitioners benefit from a stay of proceedings granted thereby pursuant to the CCAA.

Pursuant to an Order of the Court dated August ●, 2012 (the "Authorization of Sale and Vesting Order") the Court, *inter alia*, authorized and approved the transaction and conveyance of certain assets (the "Purchased Assets") by and between the Petitioners on the one hand, and Global Probity Group Ltd., on the other hand (the "Purchaser"), and provided for, among other things, the vesting in the Purchaser of all of the Petitioners' rights, title and interest in and to the Purchased Assets, free and clear of any and all Claims, encumbrances, charges, liens and hypothecs, the whole in accordance with the *Authorization of Sale and Vesting Order*, which vesting is to be effective with respect to the Purchased Assets upon delivery by the Monitor to the Purchaser of this certificate;

Unless otherwise indicated herein, capitalized terms have the meaning ascribed to them in the *Authorization of Sale and Vesting Order*;

THE MONITOR HEREBY CERTIFIES that:

1. It has received written confirmation from the Petitioners that the closing of the GPG Transaction has occurred; and
2. The GPG Transaction has been completed to the satisfaction of the Monitor.

MADE AT MONTRÉAL, THIS ● DAY OF ●, 2012.

FTI CONSULTING CANADA INC.

in its capacity as Monitor of the Petitioners

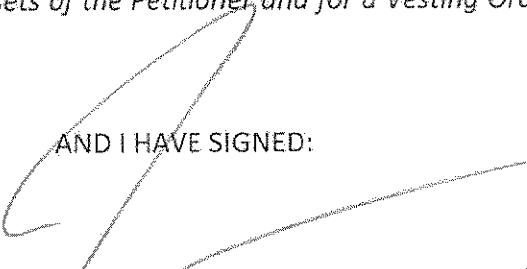
MS. TONI VANDERLAAN, MR. GREG WATSON, OR
ANOTHER DULY AUTHORIZED REPRESENTATIVE

AFFIDAVIT

I, the undersigned, **JONATHAN SOLURSH**, of R.e.I. Group inc. and authorized representative of the Chief Restructuring Officer of the Petitioners in the present matter, domiciled, for the purposes hereof, at BAN3, 4th Floor, 2311 Blvd. Alfred Nobel, in the City of Montreal, Province of Quebec, do solemnly declare:

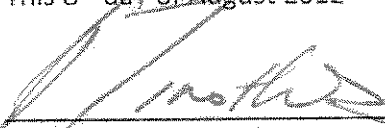
1. I am the Chief Restructuring Officer of the Petitioners in the present matter;
2. I have personal knowledge of all of the facts alleged in the present *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioner and for a Vesting Order (Training Materials)*, which are true.

AND I HAVE SIGNED:



JONATHAN SOLURSH

SOLEMNLY DECLARED before me at Montreal,
This 8th day of August 2012



**COMMISSIONER OF OATHS FOR THE
PROVINCE OF QUÉBEC**



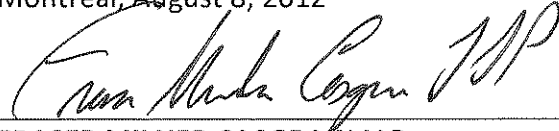
NOTICE OF PRESENTATION

TO: SERVICE LIST
TO: Global Probity Group Ltd.
c/o Schwartz Law LLP
Attn: Jamieson Collins

TAKE NOTICE that the *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioner and for a Vesting Order (Training Materials)* will be presented before one of the Honourable judges of the Superior Court, sitting in and for the Commercial Division for the District of Montreal, in the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, in room 15.09, on August 14, 2012, at 14h15 or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, August 8, 2012

A handwritten signature in black ink, appearing to read "Fraser Milner Casgrain LLP", written over a horizontal line.

FRASER MILNER CASGRAIN LLP
Attorneys for Petitioners

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36)

No: 500-11-042345-120

IN THE MATTER OF THE PROPOSED PLAN OF
COMPROMISE AND ARRANGEMENT OF:

AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.
and
AERO TECHNICAL US, INC.
Insolvent Debtors/Petitioners
and

FTI CONSULTING CANADA INC.

Monitor

Et al.

PETITIONERS' LIST OF EXHIBITS

Exhibit P-1:	Purchase Agreement between Aveos Fleet Performance Inc. and Global Probitry Group Ltd. dated July 31, 2012.
Exhibit P-2	Sixth Report to the Court of the Chief Restructuring Officer to be filed in Court
Exhibit P-3	<i>En liasse</i> , updated security search reports prepared by Fraser Milner Casgrain, to be filed <i>séance tenante</i>

These Exhibits are available upon request.

Montréal, August 8, 2012



FRASER MILNER CASGRAIN LLP

Attorneys for Petitioners

No. 500-11-042345-120

**SUPERIOR COURT (Commercial Division)
DISTRICT OF MONTRÉAL**

IN THE MATTER OF THE PROPOSED PLAN OF
COMPROMISE AND ARRANGEMENT OF:

**AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.**
and
AERO TECHNICAL US, INC.

Insolvent Debtors/Petitioners

and

FTI CONSULTING CANADA INC.

Monitor

et al.

Me Roger P. Simard / Me Ari Y. Sorek

 **#548732-1**

**MOTION FOR AN ORDER AUTHORIZING THE SALE OF CERTAIN ASSETS
OF THE PETITIONERS AND FOR A VESTING ORDER (TRAINING
MATERIALS), AFFIDAVIT, NOTICE OF PRESENTATION AND LIST OF
EXHIBITS**

(Sections 11 and 36 of the Companies' Creditors Arrangement Act)

ORIGINAL



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