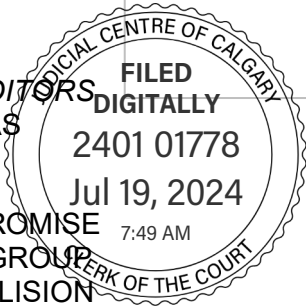


COURT FILE NUMBER 2401-01778
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **MLT AIKINS LLP**
Barristers and Solicitors
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Telephone: 204.957.4663
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: July 25, 2024
Time: 10:00 a.m.
Where: Calgary Courts Centre via WebEx
<https://albertacourts.webex.com/meet/virtual.courtroom60>
Before: The Honourable Justice B.E.C. Romaine

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, as amended (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 99 days, from the initial expiry date of July 25, 2024 up to and including October 31, 2024;
 - (iii) approving the activities of the Monitor, FTI Consulting Canada Inc. (the "**Monitor**") as set out in the Third Report of the Monitor dated July 18, 2024 (the "**Third Report**");
 - (iv) approving the fees and disbursements of the Monitor, its legal counsel Cassels Brock & Blackwell LLP, and the Applicants' legal counsel, MLT Aikins LLP up to June 30, 2024, as set out in the Third Report; and

(v) 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 Third Report.

GROUND 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 approving a stalking horse bid pursuant to the asset purchase and sale agreement between the purchaser, Lift Auto Group Operating Corporation (“**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**”).
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’s and CMD Holdings, among other things.
7. On March 13, 2024, Lift and one other Qualified bidder (as defined in the SISP) attended the auction contemplated by the SISP (the “**Auction**”).
8. At the conclusion of the Auction, Lift Auto submitted a more competitive bid than the initial Stalking Horse Bid (the “**Enhanced Lift APA**”), which was ultimately selected as the Winning Bid. Pursuant to the Enhanced Lift APA, Lift Auto did not purchase certain assets of Royal Vista, CMD Glass and Mayland Heights (the “**Remaining Assets**”).

9. On March 14, 2024, the Monitor filed the Bid Selection Certificate confirming the Enhanced Lift APA was the Successful Bid. On March 15, 2024, the Monitor filed its Closing Certificate confirming all conditions of the Enhanced Lift APA were satisfied.
10. Following the filing of the Monitor's Closing Certificate, the Monitor proceeded to market the Remaining Assets.
11. On March 26, 2024, 5807698 Manitoba Ltd. ("**580 Manitoba**") and 10191777 Manitoba Ltd. ("**101 Manitoba**", and together with 580 Manitoba, the "**Royal Vista Purchasers**") entered into an asset purchase agreement with Royal Vista and CMD Holdings (the "**Royal Vista APA**") respecting certain Remaining Assets of Royal Vista and CMD Holdings.
12. On March 27, 2024, the Honourable Justice J.J. Gill granted a Sale Approval and Vesting Order approving the Royal Vista APA and vesting the applicable assets in the Royal Vista Purchasers.
13. On March 27, 2024, the Honourable Justice J.J. Gill further granted an Order to, among other things, extend the Stay Period up to and including July 25, 2024 (the "**March 2024 Stay Extension**").
14. On July 18, 2024, the Monitor submitted a Closing Certificate for filing with the Court in respect of the Royal Vista APA confirming all conditions to closing have been satisfied.
15. Following the closing of the Royal Vista APA, the Applicants have continued to work with the Monitor to wind down the operations of Mayland Heights and attend to post-closing matters from the Enhanced Lift APA.

Stay Extension

16. Pursuant to the March 2024 Stay Extension, the Stay Period is scheduled to expire on July 25, 2024. The request to extend the Stay Period by 99 days up to and including October 31, 2024 is necessary to finalize the remaining matters of the within CCAA proceedings.

17. The Monitor and the Applicants require additional time to:
 - (a) complete a reconciliation of the working capital calculation with respect to the Enhanced Lift APA (the “**Working Capital Calculation**”);
 - (b) collect the confirmed amount owing following completion of the Working Capital Calculation; and
 - (c) bring an application to this Court to seek approval for a distribution of the funds being held by the Monitor and any remaining cash on hand held by the Applicants in accordance with the results of the independent security review performed by counsel to the Monitor.

18. The Applicants are currently reviewing the Working Capital Calculation and have until August 12, 2024 to dispute the Working Capital Calculation in accordance with s. 3.7(b) of the Enhanced Lift APA. If the Working Capital Calculation is disputed by the Applicants, the parties have a period of 30 days to resolve the dispute. If the Working Capital Calculation cannot be resolved by the end of the 30-day period, the dispute with respect to such objection shall be submitted to the Monitor for determination, which shall be final and binding.

19. Extending the Stay Period to October 31, 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 Enhanced Lift APA and the Royal Vista APA.

20. The Applicants have sufficient liquidity to fund their operations and the costs of these CCAA proceedings during the proposed stay extension.

21. Management of the Collision Kings Group, in consultation with the Monitor, has acted and will continue to act in good faith to attend to all post-closing matters in respect of the Enhanced Lift APA and the Royal Vista APA and wind down the CCAA proceedings.

Approval of Monitor’s Activities

22. 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.

23. The Monitor has been working diligently with the Applicants to implement and administer the SISP, coordinate and oversee the Auction, select the Winning Bid, facilitate all closing and post-closing requirements for the Enhanced Lift APA, market the Remaining Assets, enter into the Royal Vista APA and attend all closing requirements for the Royal Vista APA.
24. 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 Third Report, to date.

Fee Approval

25. The fees and disbursements of the Monitor, the Monitor's legal counsel and the Applicants' legal counsel are fair and 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:

26. The Applicants intend to rely on the following materials and evidence:
 - (a) all Orders issued in the within CCAA proceedings;
 - (b) the Third Report of the Monitor, dated July 18, 2024, to be filed; and
 - (c) such further and other material or evidence as counsel may advise and this Court may permit.

APPLICABLE RULES:

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

APPLICABLE ACTS AND REGULATIONS:

29. The CCAA, including, without limitation, sections 11 and 11.02 and this Court's equitable and statutory jurisdiction thereunder.
30. 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:

31. None.

HOW THE APPLICATION IS PROPOSED TO BE HEARD OR CONSIDERED:

32. By WebEx videoconference before the Honourable Justice B.E.C. Romaine on July 25, 2024 at 10:00 a.m. MT.
33. 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 be heard or considered.

APPENDIX "A" – WEBEX VIDEOCONFERENCE INFORMATION

File #(s) : 2401 01778

Style of Cause: COLLISION KINGS GROUP INC. v. COMPANIES' CREDITORS
ARRANGEMENT ACT

Date/Duration:

Jul 25, 2024 10:00 AM

Total: 60 Minute(s)

Booking Type/List: Commercial

Purpose of Hearing: Commercial Hearing

Counsel: Kaitlin Holly Ward; Danielle Suzanne Marechal; Jeffrey Laurie Oliver; Afshan Naveed; Erinn Valerie Wilson;

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

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

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.**

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 AND APPROVAL OF
MONITOR'S ACTIVITIES**

ADDRESS FOR
SERVICE AND
CONTACT **MLT AIKINS LLP**
Barristers and Solicitors
360 Main St. 30th Floor
Winnipeg, MB R3C 4G1
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: July 25, 2024
LOCATION OF HEARING OR TRIAL: EDMONTON, ALBERTA
NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE B.E.C. ROMAINE

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 Stay Extension Order granted by Justice Gill on March 27, 2024 (the "**Stay Extension Order**"), the Third Report of the Monitor, dated July 18, 2024 (the "**Third Report**") and the Affidavit of Service of Regie Agcaoili sworn July __, 2024; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Court-appointed Monitor, FTI Consulting Canada Inc. (the "**Monitor**"), 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 Justice Lema at paragraph 13 of the ARIO, as extended by the Stay Extension Order of Justice Gill up to and including July 25, 2024, is hereby extended by 99 days, up to and including October 31, 2024.
3. The activities, conduct and actions of the Monitor as set out in the Third Report are hereby approved.
4. 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 Third Report, are hereby approved.

The Honourable Justice B.E.C. Romaine
Justice of the Court of King's Bench of Alberta