

SUPERIOR COURT

(Commercial Division)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**No. 500-11-058942-208
500-11-058944-204
500-11-058943-206
500-11-058941-200
500-11-058946-209
500-11-058945-201**

DATE: November 12th, 2020

PRESIDING : THE HONOURABLE YVES POIRIER, J.S.C.

IN THE MATTER OF THE RECEIVERSHIP OF:

G.I. SPORTZ INC.

-and-

TIPPMANN US HOLDCO INC.

-and-

GI SPORTZ DIRECT LLC

-and-

TIPPMANN SPORTS, LLC

-and-

MISSION LESS LETHAL LLC

-and-

TIPPMANN FINANCE LLC

Debtor

-and-

GIS DEBT ACQUISITION PARTNERSHIP

Creditor

-and-

KSV RESTRUCTURING INC.

Receiver

APPROVAL AND VESTING ORDER

- [1] **ON READING** the Receiver's *Motion for the Issuance of an Approval and Vesting Order* (the "**Motion**"), the affidavit and the exhibits in support thereof;
- [2] **CONSIDERING** the provisions of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**");
- [3] **CONSIDERING** the service of the Motion;
- [4] **CONSIDERING** the First Report of KSV Restructuring Inc. in its capacity as Receiver dated October 27, 2020 (the "**Report**");
- [5] **CONSIDERING** the representations of counsels;
- [6] **SEEING** that it is appropriate to issue an order approving the transaction(s) (the "**Transaction**") contemplated by the agreement entitled the Asset Purchase Agreement (the "**Purchase Agreement**") by and between the Receiver, as vendor (in such capacity the "**Vendor**"), and Kore Outdoor Inc. and Kore Outdoor (US) Inc. (collectively, the "**Purchaser**"), as purchaser, dated October 27, 2020, a copy of which was filed as Appendix "D" to the Report and Confidential Appendix "3" to the report filed under seal, and vesting in the Purchaser, in accordance with the terms of the Purchase Agreement, the assets described in the Purchase Agreement (the "**Purchased Assets**").

WHEREFORE THE COURT:

- [7] **GRANTS** the Motion;

SERVICE

- [8] **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [9] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

- [10] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendor is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Receiver.

EXECUTION OF DOCUMENTATION

- [11] **AUTHORIZES** the Vendor and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Purchase Agreement (Appendix "D" to the Report) and any other ancillary document which could be required or useful to give full and complete effect thereto.
- [12] **AUTHORIZES** the Vendor to execute and perform its obligations under the Transition Services Agreement substantially in the form attached to the Purchase Agreement with such alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Receiver.

AUTHORIZATION

- [13] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Vendor to proceed with the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF PURCHASED ASSETS

- [14] **ORDERS** and **DECLARES** that upon the issuance of a Receiver's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, in accordance with the terms of the Purchase Agreement, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all charges, security interests or charges evidenced by registration, publication or filing pursuant to the *Civil Code of Québec*, or any other applicable legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, easements and restrictive covenants listed on Schedule "B" hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [15] **DECLARES** that upon issuance of the Certificate, the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the *Code of Civil Procedure* and a forced sale as per the provisions of the *Civil Code of Québec*.
- [16] **ORDERS** and **DIRECTS** the Receiver to file with the Court a copy of the Certificate, forthwith after issuance thereof.

[17] **ORDERS** and **DECLARES** that upon the issuance of a Receiver's certificate substantially in the form appended as Schedule "C" hereto (the "**Designated Assets Receiver's Certificate**"), all rights, title and interest in and to the Designated Assets as set out in such Designated Assets Receiver's Certificate shall vest absolutely and exclusively in and with the Purchaser, in accordance with such Designated Assets Receiver's Certificate, free and clear of and from all Encumbrances, excluding however, the Permitted Encumbrances, and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Designated Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Designated Assets in each case effective as of the applicable time and date of the Designated Assets Receiver's Certificate.

PROTECTION OF PERSONAL INFORMATION

[18] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on **Schedules "1.1(b) and 6.2"** to the Purchase Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor;

VALIDITY OF THE TRANSACTION

[19] **ORDERS** that notwithstanding:

- (i) the pendency of these proceedings;
- (ii) any petition for a receiving order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition; or
- (iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendor, the Purchaser or the Receiver.

LIMITATION OF LIABILITY

[20] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Receiver to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Receiver shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the BIA;

[21] **DECLARES** that no action lies against the Receiver by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph;

GENERAL

[22] **ORDERS** that the Purchaser or the Vendor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

[23] **ORDERS** that the Confidential Appendices 1-3 to the First Report be kept confidential and under seal until the earlier of a) the closing of the Transaction; or b) further order of this Court.

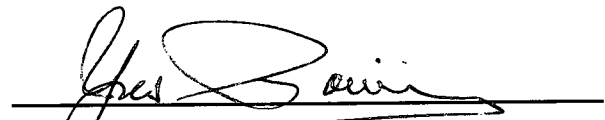
[24] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;

[25] **DECLARES** that the Receiver, as Foreign Representative of the Debtors, shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Receiver as may be deemed necessary or appropriate for that purpose;

[26] **REQUESTS** 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;

[27] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

THE WHOLE WITHOUT COSTS.


Yves Poirier, j.s.c.

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BORDEN LADNER GERVAIS LLP

Mtre Marc Duchesne
Attorneys for Bank of Montreal

AGENCE DU REVENU DU CANADA

Mtre Chantal Comtois

Hearing date: November 11th, 2020

SCHEDULE "A"
DRAFT CERTIFICATE OF THE RECEIVER

CANADA

**PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
Commercial Division

File: No: 500-11-

**IN THE MATTER OF THE RECEIVERSHIP
OF:**

G.I. SPORTZ INC.

-and-

TIPPMANN US HOLDCO INC.

-and-

GI SPORTZ DIRECT LLC

-and-

TIPPMANN SPORTS, LLC

-and-

MISSION LESS LETHAL LLC

-and-

TIPPMANN FINANCE LLC

Debtor

-and-

GIS DEBT ACQUISITION PARTNERSHIP

Creditor

-and-

KSV RESTRUCTURING INC.

Receiver

CERTIFICATE OF THE RECEIVER

RECITALS:

WHEREAS on October 15, 2020, the Superior Court of Quebec (the "**Court**") issued an order for the appointment of a receiver (the "**Receivership Order**") pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**Act**") with respect to the Debtors assets;

WHEREAS pursuant to the terms of the Order, KSV Restructuring Inc. (the "**Receiver**") was named Receiver of the Debtors;

WHEREAS on ●, the Court issued an Order (the "**Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by the Receiver of an agreement entitled Asset Purchase Agreement dated October 27, 2020 (the "**Purchase Agreement**") by and between the Receiver, as vendor (the "**Vendor**") and Kore Outdoor Inc. and Kore Outdoor (US) Inc. (jointly the "**Purchaser**"), as purchaser, a copy of which was filed in the Court record, and into all the transactions contemplated therein (the "**Transaction**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Receiver; and

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the Receiver once the (a) the Purchase Agreement has been executed and delivered; (b) the Purchase Price (as defined in the Purchase Agreement) has been paid by the Purchaser; and (c) and all the conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

THE RECEIVER CERTIFIES THE FOLLOWING:

- (a) the **Purchase Agreement** has been executed and delivered;
- (b) the Purchase Price (as defined in the Purchase Agreement) payable upon the closing of the Transaction and all applicable taxes have been paid; and
- (c) all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

This Certificate was issued by the Receiver at ____ [TIME] on _____ [DATE].

KSV Restructuring Inc., in its capacity as court-appointed Receiver of the Debtors, and not in its personal capacity.

Name: _____

Title: _____

SCHEDULE "B"

PERMITTED ENCUMBRANCES

1. Movable Hypothec dated as of September 12, 2018, granted by G.I. Sportz Inc. in favour of GIS Debt Acquisition Partnership over the universality of all present and future movable property, rights and assets, corporeal and incorporeal including, but not limited to, securities (or the equivalent), trademarks, patents and patent rights, copyrights and inventions registered in every location where GI has material assets as perfected by registration with the Registry of Personal and Movable Real Rights under registration number 18-1008310-0001.
2. Movable Hypothec dated as of September 9, 2020, granted by G.I. Sportz Inc. in favour of Bank of Montreal over the account held by G.I. Sportz Inc. with Bank of Montreal number 0001-4759-105 (and any account replacing such account from time to time and the monetary claims pertaining to same), as perfected by registration with the Registry of Personal and Movable Real Rights under registration number 20-0911050-0001.
3. The General Security Agreement dated as of September 14, 2018, granted by Tippmann Finance LLC, Tippmann US Holdco Inc., Tippmann Sports, LLC, GI Sportz Direct LLC and Mission Less Lethal, LLC (together the "**US Guarantors**") in favour of GIS Debt Acquisition Partnership, granting a general security interest over all right, title and interest in, to and under, all present and after-acquired personal property of the US Guarantors as evidenced by the following UCC Financing Statement file numbers: (i) 20185939331; (ii) 20185939489; (iii) 20185939653; (iv) 20185939786; and (v) 201800007009592.
4. The Security Agreement – Patents, dated September 14, 2018, granted by G.I. Sportz Inc., Tippmann Sports, LLC and Mission Less Lethal, LLC in favour of GIS Debt Acquisition Partnership, granting a security interest in all present and after-acquired right, title and interest in and to all inventions, letters patent and foreign patents and all licences of the use of such afore-mentioned letters patent.
5. The Security Agreement – Trademarks and Service Marks, dated September 14, 2018, granted by G.I. Sportz Inc., Tippmann Sports, LLC and Mission Less Lethal, LLC in favour of GIS Debt Acquisition Partnership, granting a security interest in all present and after-acquired right, title and interest in and to all trademarks and service marks, all licences of use of such marks, all good will associated with such marks, all registrations and certificates of registrations and all proceeds of the foregoing.

SCHEDULE "C"

DRAFT CERTIFICATE OF THE RECEIVER REGARDING DESIGNATED ASSETS

CANADA

**PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
Commercial Division**

File: No: 500-11-

**IN THE MATTER OF THE RECEIVERSHIP
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Debtor

-and-

GIS DEBT ACQUISITION PARTNERSHIP

Creditor

-and-

KSV RESTRUCTURING INC.

Receiver

DESIGNATED ASSETS CERTIFICATE OF THE RECEIVER

RECITALS:

WHEREAS on October 15, 2020, the Superior Court of Quebec (the "**Court**") issued an order for the appointment of a receiver (the "**Receivership Order**") pursuant to section 243 of the