

Court File No. CV-23-00703933-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) TUESDAY, THE 31ST
MR JUSTICE PENNY) DAY OF OCTOBER, 2023

**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 QUALITY RUGS OF CANADA
LIMITED AND THE OTHER COMPANIES LISTED IN
SCHEDULE "A" HERETO**

(collectively, the "**Applicants**")

CCAA STAY EXTENSION ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day by videoconference.

ON READING the Notice of Motion dated October 29, 2023 including the Affidavit of John Pacione sworn October 30, 2023, the Application Record of Waygar Capital Inc. ("**Waygar**"), including the affidavit of Don Rogers sworn October 31, 2023, and the third report of RSM Canada Limited as the Court-appointed monitor of the Applicants (in such capacity, the

“**Monitor**”) dated October 30, 2023, and on hearing the submissions of counsel for the Applicants, counsel for Waygar, counsel for Ironbridge Equity Partners Management Limited (“**Ironbridge**”), and counsel for the Monitor, and other stakeholders appearing on the motion,

SERVICE

1. **THIS COURT ORDERS** that the time for and manner of service of the Applicants’ Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that the Stay Period pursuant to the Amended and Restated Initial Order made September 5, 2023 in these proceedings (the “**ARIO**”) is hereby extended until and including November 24, 2023, or such later date as this Court may order.

AMENDMENTS TO ARIO

3. **THIS COURT ORDERS** that paragraphs 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 31(a), 31(b), 31(e), 31(f), and 31(g) of the ARIO are no longer of any further force or effect.

4. **THIS COURT ORDERS** that paragraph 31(c) of the ARIO shall be read to authorize the Monitor to assist The Fuller Landau Group Inc., in its capacity as the court-appointed receiver of the Applicants in proceedings advanced under court file number CV-23-00703874-00CL (the “**Receivership Proceedings**”), in responding to information requests of creditors of the Applicants.


5. **THIS COURT ORDERS** that paragraph 31(h) of the ARIO shall be read to permit the Monitor to continue to have access to the premises, books and records of the Applicants to the extent that same may be necessary for the Monitor to adequately complete such reports to the Court as may be necessary or appropriate in connection with the transitioning of these proceedings to the Receivership Proceedings.

6. **THIS COURT ORDERS** that paragraph 34 of the ARIO shall only be read to apply to information of the Applicants which may be in the possession or control of the Monitor.

GENERAL

7. **THIS COURT ORDERS** that the Monitor shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceedings, including all rights, approvals, releases and protections in favour of the Monitor.

8. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



Schedule “A” – Other Applicants

A.1 QSG Opcos (in addition to QRCL)

1. Timeline Floors Inc.
2. Ontario Flooring Ltd
3. Weston Hardwood Design Centre Inc
4. Malvern Contract Interiors Limited

A.2 Holding Companies

5. Quality Commercial Carpet Corporation;
6. Joseph Douglas Pacione Holdings Ltd.;
7. John Anthony Pacione Holdings Ltd.;
8. Jopac Enterprises Limited;
9. Patjo Holdings Inc.

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
QUALITY RUGS OF CANADA LIMITED AND THE OTHER COMPANIES LISTED IN
SCHEDULE "A" HERETO**

Court File No.: CV-23-00703933-00CL

collectively, The Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

CCAA STAY EXTENSION ORDER

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