

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA

In re: _____ : Chapter 15
COVER-ALL HOLDING CORP. *et al* : Case No. 10-20835
Debtors in a Foreign Proceeding : _____

**SUMMONS IN A CHAPTER 15 CASE SEEKING RECOGNITION
OF A FOREIGN NONMAIN PROCEEDING**

TO: _____ :

A petition for recognition of a foreign nonmain proceeding under chapter 15 of the United States Bankruptcy Code was filed in this bankruptcy court on March 25, 2010 by a representative of the debtor named above. A copy of the petition is attached to this summons.

YOU ARE SUMMONED and required to file a motion or answer to the petition for recognition with the clerk of the bankruptcy court within 21 days after the date of issuance of this summons.

ANSWER DUE APRIL 16, 2010.

Address of the clerk: Clerk, US Bankruptcy Court
Suite 300, The Madison
400 Washington Street
Reading PA 19601

At the same time, you must also serve a copy of the motion or answer upon the foreign representative's attorney.

Name and address of foreign representative's attorney:

Morton R. Branzburg, Esq.
Klehr Harrison Harvey Branzburg & Ellers
260 South Broad Street
Philadelphia, PA 19102-5003
(215) 568-6060

If you make a motion, your time to answer is governed by Fed. R. Bankr. P. 7012.

IF YOU FAIL TO RESPOND TO THIS SUMMONS, YOUR FAILURE WILL BE DEEMED TO BE YOUR CONSENT TO ENTRY OF AN ORDER RECOGNIZING THE FOREIGN NONMAIN PROCEEDING.

Timothy B. McGrath, Clerk

Date: March 26, 2010

By: *Donna Martz* Deputy Clerk

Pursuant to Fed. R. Bankr. P. 1010, service shall be made on the debtor, any entity against whom provisional relief is sought under section 1519 of the Bankruptcy Code, and on any parties as the court may direct.

Fed. R. Bankr. P. 1011(b) provides that a motion or answer to the petition shall be filed within 21 days after service of the summons unless the court prescribed a different time.

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA
READING DIVISION

In re:)
COVER-ALL HOLDING CORP, ¹ et al.,
Debtors in a Foreign Proceeding.) Chapter 15
Case No. 10-[] ()
) (Joint Administration Requested)
)

PETITION FOR RECOGNITION AND CHAPTER 15 RELIEF

Cover-All Holding Corp. ("Cover-All Holding") and Ernst & Young, Inc. ("E&Y, and together with Cover-All Holding, and, individually, the "Foreign Representative"), in their capacity as the foreign representative of the above-captioned debtors (collectively, the "Debtors"), with reorganization proceedings (the "Canadian Proceeding") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, (as amended, the "CCAA") currently pending before the Court of Queen's Bench of Alberta, Canada, Judicial District of Calgary, (the "Canadian Court"), respectfully submits this petition (the "Petition") seeking entry of an order, substantially in the form attached hereto as Exhibit A, granting: (a) recognition by this Court of the Foreign Representative as the Debtors' "foreign representative" as defined in section 101(24) of title 11 of the United States Code (the "Bankruptcy Code"); and

¹ The Debtors, along with the last four digits of each U.S. Debtor's federal tax identification number, if any, are: Cover-All Holding Corp. (a non-U.S. Debtor that does not maintain a U.S. federal tax identification number); Cover-All Building Systems Inc. (a non-U.S. Debtor that does not maintain a U.S. federal tax identification number); Cover-All Holdings U.S., LLC (9107); Cover-All U.S. Holding Corp. (9362); Eastern Cover-All, Inc. (a U.S. Debtor that does not maintain a U.S. federal tax identification number); NorthStar Cover-All, Inc. (a U.S. Debtor that does not maintain a U.S. federal tax identification number); NorthStar Cover-All, LLC (5968); Quick Structures, LLC (1513); Summit Project Management, LLC (a U.S. Debtor that does not maintain a U.S. federal tax identification number); Summit Structures U.S., LLC (a U.S. Debtor that does not maintain a U.S. federal tax identification number); and Summit Structures, LLC (4501). The location of the Debtors' corporate headquarters and the service address for all of the Debtors is: 3815 Wanuskewin Road, Saskatoon, Saskatchewan, Canada S7P 1A4, Attn: Todd Payne.

(b) recognition of the Canadian Proceeding as a “foreign main proceeding” pursuant to sections 1515, 1517, and 1520 of the Bankruptcy Code.²

Preliminary Statement

1. Cover-All Holding and its Debtor and non-debtor affiliates (collectively, “Cover-All”)³ are the leading manufacturers of pre-engineered membrane building systems (“PMBS”) for the North American and European non-residential construction market. Cover-All pioneered the use of PMBS for permanent structures, first in Canada, and then later in the United States and Europe. Headquartered in Saskatoon, Saskatchewan, Canada, Cover-All provides engineering, manufacturing and design building services through its global dealer network. Cover-All’s steel-framed, engineered fabric buildings for concerts, sporting events, facilities and other uses are sold and used in locations throughout Canada, the United States, the United Kingdom and Germany.

2. Cover-All has its origins and main base of operations in Saskatchewan. Over the last two decades, Cover-All expanded its operations through all of Canada and certain regions in the United States. Further, Cover-All’s European subsidiaries established a European dealer network, providing the company with access into the European market. As a result of this expansion, the Debtors and their European non-debtor subsidiaries are the largest supplier of PMBS in North America, with an estimated market share of 25%.

3. Notwithstanding Cover-All’s rapid and successful expansion into new operating markets, however, the heart of Cover-All’s operations, including its manufacturing facility,

² In support of the Petition, the Foreign Representative has filed contemporaneously herewith the *Declaration of Nathan Stobbe in Support of Petition for Recognition and Chapter 15 Relief* (the “Stobbe Declaration”) and the *Declaration of Nathan Stobbe Pursuant to 11 U.S.C. § 1515 and Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure* (the “1515 Declaration”), which are incorporated herein by reference.

³ A chart showing all of the Cover-All entities that have filed petitions under chapter 15 of the Bankruptcy Code is attached hereto as Exhibit B.

administrative functions, and key personnel that exercise day-to-day control over budget and operations, has remained in Canada.

4. Despite its expanded presence, the Debtors still were affected by depressed business conditions in the wake of the recent global recession. During 2008 and 2009, the Debtors' annual revenues declined and demand fell for PMBS. Further, more recently, the Debtors discovered certain engineering structural issues related to their leading TITAN building series that may cause further losses and must be addressed. Indeed, over the last month, the Debtors' loss of liquidity has been particularly acute, causing the Debtors to explore their restructuring options and commence negotiations with their prepetition secured creditors.

5. To preserve value while determining and effectuating its strategic options, on March 24, 2010, Debtor Cover-All Holding, and its Canadian-based and United States-based subsidiaries, commenced the Canadian Proceeding.⁴ On March 24, 2010, the Canadian Court issued an interim order staying certain creditor actions and appointing the E&Y as the Debtors' monitor in the Canadian Proceeding and authorizing the Foreign Representative to apply for relief in this Court pursuant to chapter 15 of the Bankruptcy Code.⁵

6. In addition to the protection provided in the Canadian Court's order, the Debtors require the protection afforded to foreign debtors pursuant to chapter 15 of the Bankruptcy Code for their valuable assets in the United States, which include, among other things, accounts receivable and inventory. As more fully described in the Stobbe Declaration, the Debtors require certain chapter 15 protections to stay certain litigation currently pending against them in the United States that could threaten to disrupt their orderly restructuring in the Canadian

⁴ A true and correct copy of the application commencing the Canadian Proceeding is attached hereto as Exhibit C.

⁵ A true and correct copy of the interim order is attached as Exhibit D.

Proceeding.⁶ The Debtors also require the protections of chapter 15 to ensure smooth operations without disruption during the pendency of their restructuring in the Canadian Proceeding.

7. To better facilitate an efficient corporate restructuring in the Canadian Proceeding, pursuant to this Petition, the Foreign Representative now seeks recognition of itself from this Court as the Debtors' "foreign representative" within the meaning of section 101(24) of the Bankruptcy Code and of the Canadian Proceeding as a "foreign main proceeding," within the meaning of section 1502(4) of the Bankruptcy Code.

Jurisdiction

8. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157.

9. This case was properly commenced pursuant to section 1504 of the Bankruptcy Code by the filing of a petition for recognition of the Canadian Proceeding under section 1515 of the Bankruptcy Code.

10. Venue is proper pursuant to 28 U.S.C. §§ 1410(1) and 1410(3).

11. The statutory bases for relief are sections 1504, 1515, 1517, 1520, and 1521 of the Bankruptcy Code.

Background

I. Cover-All's Business and Operations

A. Canadian Operations and Assets

12. The Debtors conduct the majority of their operations in Canada, including managing and administering the affairs of the global Cover-All enterprise. Manufacture of all buildings sold by the Debtors, including by the Debtors' U.S.-based entities, takes place at the

⁶ See Dallas Cowboys Football Club, Ltd. v. Summit Structures, LLC and Cover-All Building Systems Inc., Case No. 3:10-cv-00467-F (N.D. Tex. March 5, 2010) (Complaint).

Debtors' 170,000 square foot manufacturing facility owned by Canadian Debtor Cover-All Buildings Systems, Inc. The facility is situated on twenty acres of land in Saskatoon, Saskatchewan, and is the central location from which steel and fabric are produced for all buildings manufactured by the Debtors. Virtually all the Debtors' management, human resources, engineering, tax and accounting functions take place at this main facility. In addition, Canadian Debtor Cover-All Buildings Systems, Inc. leases offices in Edmonton, Calgary, and Lucknow, Ontario.

13. The Debtors also conduct certain project management installation services and product servicing in Canada in conjunction with their prefabricated building products. In 2009, sales from project management and installation services were \$36 million, representing 32% of Cover-All's total annual revenue.

14. As of the date hereof (the "Petition Date"), Cover-All employed approximately 483 employees, approximately 400 of whom (i.e., 83%) were employed by the Debtors in Saskatoon, Saskatchewan. An additional approximately 84 employees are located in Manitoba, Ontario, Alberta, the United States and Germany. In Saskatoon, approximately 182 employees work in the corporate office and approximately 218 work in the manufacturing facility.

15. Based on the Debtors' unaudited consolidated financial statements dated January 30, 2010, Cover-All's assets had a book value of approximately \$141.1 million. Of this, approximately \$32.2 million consists of current assets while the remaining \$108.9 million consists of non-current assets. The current assets include cash totaling approximately \$5.6 million, accounts receivable of approximately \$12.5 million and inventory of approximately \$11.1 million.

16. Further, as of January 31, 2010, the Debtors' liabilities amounted to approximately \$96.0 million, including approximately \$29.1 million of current liabilities (including approximately \$5.5 million of current bank debt) and approximately \$66.9 million of non-current liabilities. Of these total liabilities, approximately \$6.1 million consisted of accounts payable. Further, the Debtors' long-term debt, as further described in the discussion of the Debtors' capital structure below, was approximately \$49.6 million (including approximately \$33.5 million under the Senior Facility (defined below) and approximately \$16.1 under the Subordinate Facility (defined below)).

B. U.S. Operations and Assets

17. To increase revenue, the Debtors established organically and through various acquisitions, a sales and installation presence in the United States. Although the Debtors' Canadian-based entities manufacture all products sold in the United States and coordinate all management and administration of the Debtors' United States entities, the Debtors' Canadian-based entities do not conduct any direct sales or services in the United States. Instead, approximately 65 U.S. employees employed by Cover-All's nine U.S.-based Debtor entities provide services through three main geographic operating divisions: (a) an Eastern division; (b) a Midwest division; and (c) a Great Plains division. Generally, the Debtors' Canadian entities sell prefabricated buildings and products to the Debtors' U.S. subsidiaries, who in turn resell those products in the U.S. market. Revenues are swept back from the U.S.-based Debtors to Canadian-based Debtor Cover-All Building Systems, Inc., in repayment of amounts due on account of the initial sales.

18. Cover-All generates approximately \$30 million in annual revenue in the United States. Cover-All maintains three offices in the United States, each located in Belle Plaine, Iowa (which services the Midwest division), South Haven, Minnesota (which

services the Great Plains division), and Allentown, Pennsylvania (which services the Eastern division). The Allentown facility maintained by Debtor Summit Structures, LLC, provides sales and installation services in Pennsylvania and New York, and generates approximately \$8 to \$10 million in yearly revenues. Cover-All's larger and more complex projects not easily undertaken by Cover-All's other corporate-owned dealers are performed at the Allentown facility.

19. The Debtors' U.S. entities rely on the Debtors' Canadian entities extensively for financing and products. The Debtors' Canadian entities regularly provide intercompany loans to the U.S.-based Debtors to finance their operations and product purchases. All products sold to customers by the Debtors' U.S. entities are manufactured in the Debtors' main manufacturing facilities in Saskatoon and then sold to the U.S. entities, with purchases funded by such intercompany loans. Although the Debtors' U.S. entities maintain certain limited local U.S. bank accounts, any excess funds in those accounts are swept into the Debtors' main concentration, in part to pay off the intercompany loan balances and shared administrative costs. Further all cash in United States bank accounts is collateral of Cover-All's Canadian lenders. Finally, the President, Chief Executive Officer and Secretary of Cover-All Building Systems, Inc., Cover-All's main operating entity, who are also directors and/or officers of all U.S. entities, are based in Canada

II. The Debtors' Capital Structure

20. The Debtors' principal capital structure consists of certain secured credit facilities and an unsecured intercompany loan.

21. Each of the Debtors, except for NorthStar Cover-All, LLC, and NorthStar Cover-All Inc., is either a borrower or guarantor under that certain (a) senior secured credit facility (the "Senior Facility") in the aggregate principal amount of up to \$54 million, dated October 23, 2007

by and among 1353537 Alberta Ltd. (a predecessor entity to Cover-All Building Systems Inc. (the “Borrower”), as borrower, Canadian Imperial Bank of Commerce (“CIBC”), in its capacity as Lead Arranger and Administrative Agent, CIBC, in its capacity as Operating Lender and the lenders party thereto from time to time and (b) subordinate credit facility (the “Subordinate Facility,” and, collectively with the Senior Facility, the “Credit Facilities”) dated October 23, 2007, by and among the Borrower, as borrower, and CIBC, in its capacity as Lead Arranger and Administrative Agent and the lenders party thereto from time to time.

A. The Debtors’ Secured Debt Obligations

22. The Debtors’ secured debt obligations consists of the secured debt under the Senior Facility and the Subordinate Facility.

- a. **Senior Facility.** The Senior Facility consists of: (i) certain term loans in an aggregate principal amount of \$40 million; (ii) certain revolving loans in an aggregate principal amount at any time outstanding not in excess of \$10 million; and (iii) certain operating loans in an aggregate principal amount at any time outstanding not in excess of \$4 million. As of the Petition Date, CIBC has \$20 million in term loan commitments, \$4 million in revolving loan commitments and \$4 million in operating loan commitments. The Bank of Nova Scotia has \$20 million in term loan commitments, \$6 million in revolving loan commitments and \$0 in operating loan commitments. With the exception of NorthStar Cover-All, LLC, and NorthStar Cover-All Inc., each of the Debtors, as well as non-debtors Summit Structures Limited, a British entity, and Cover-All Europe GmbH, a German entity, acts as guarantor under the Senior Facility. Further, the Senior Facility is secured by a first lien on substantially all the assets of each Debtor. As of the Petition Date, approximately \$33.5 million remains outstanding under the Senior Facility.
- b. **Subordinate Facility.** The Subordinate Facility consists of a term loan in the principal amount of \$15 million. Roynat Capital Inc. also has certain commitments under the Subordinate Facility. With the exception of NorthStar Cover-All, LLC, and NorthStar Cover-All Inc., each of the Debtors, as well as non-debtors Summit Structures Limited, a British entity, and Cover-All Europe GmbH, a German entity, acts as guarantor under the Senior Facility. Further, the Senior Facility is secured by a second lien on substantially all the assets of each Debtor. As of the Petition Date, approximately \$16.1 million remains outstanding under the Subordinate Facility.

B. Debtor Cover-All Holding's Intercompany Loan

23. Debtor Cover-All Holding also is indebted to Debtor Cover-All Building Systems Inc. in the amount of \$9.2 million in unsecured intercompany financing.

III. Events Giving Rise to the Debtors' Restructuring

24. Cover-All's present financial difficulties are the result of a combination of external market and internal financial factors that have adversely affected business conditions. Cover-All took advantage of favorable economic conditions leading up to the onset of the global economic crisis in 2008 by ensuring that the global demand for Cover-All's building models was matched by professional sales teams and large distribution chains. Cover-All's revenues reached approximately \$129 million in 2008, their highest point since the company was founded in 1993. However, as access to credit began to tighten in 2007 and 2008, so too did Cover-All's customer base. The resulting effect was a substantial and continuing contraction of the prefabricated building industry, especially in North America.

25. The world-wide economic downturn negatively impacted virtually every market in which Cover-All operates. The global recession has created escalating external and economic pressures not only for Cover-All, but for the prefabricated building industry as a whole. The recession not only has led to a decrease in demand, but also has resulted in over-capacity of buildings and building supplies, which in turn has led to deflationary price competition among manufacturers, which has harmed Cover-All's revenues.

26. In addition, Cover-All's debt burdens have caused it to fail to meet certain financial covenants under its Senior Facility, causing an event of default under the Senior Facility. On March 16, 2010, CIBC provided Cover-All a formal notice of default. Amounts owing under the Senior Facility may be accelerated as a result of the default. Neither Cover-All Building Systems, Inc. nor the guarantors under the Senior Facility currently would be in a

position to pay any such accelerated amounts. Moreover, CIBC has notified Cover-All that no further availability remains under either Credit Facility. The cumulative effect of these and other economic challenges has weakened Cover-All considerably, leaving it unable to deal with any further economic shocks without judicial relief.

27. Finally, Cover-All recently has become aware of potential engineering issues with its TITAN series of prefabricated buildings. Cover-All also recently analyzed results of a review of the TITAN series, which demonstrated that certain engineering issues with the TITAN buildings may make their structure susceptible to collapse under certain weather conditions, including heavy snow and/or strong winds. On or about March 17, 2010, Cover-All notified its customers, dealers and principal insurers regarding these issues, and advised CIBC in this regard. Cover-All estimates that significant costs could arise from the need to replace and/or repair most or all of the TITAN series buildings and potential litigation that may arise due to the engineering issues. Further, Cover-All has begun an extensive evaluation of all other Cover-All building lines, and has suspended production and sales on all such lines until completion and analysis of the results of the external evaluation.

28. Given these economic and operational challenges, Cover-All has attempted, in recent weeks, to prevent further erosion of value, including by commencing the Canadian Proceeding. Further, Cover-All, in recent weeks, has addressed certain additional risks, including (a) potential acceleration of amounts owing under Cover-All's prepetition credit facilities, (b) costs associated with replacement or repair of TITAN buildings, (c) suspension of production and sale of all building lines during the pendency of the external evaluation, (d) litigation claims arising from TITAN engineering issues and (e) potential termination of

dealer contracts (which typically contain a mutual termination clause on notice) following Cover-All's issuance of the Notice Letter.

29. Subsequent to this analysis, Cover-All determined that the most efficient and expeditious means of preserving value for the estates and creditors would be to initiate an in-court restructuring under the CCAA. Accordingly, to conserve future resources, protect cash flow and to prevent current and potential litigants from continuing and commencing litigation against the Debtors, the Debtors commenced the Canadian Proceeding.

30. The Debtors have prepared a cash flow forecast to gauge their use of available funds during the Canadian Proceeding. As set forth in the forecast, with a temporary suspension of production and sales, the Debtors believe they have sufficient funds for the initial stages of the Canadian Proceeding. The principal uses of funds during the interim period will consist of costs associated with the external evaluation of Cover-All's product lines and professional fees associated with the Canadian Proceeding and Chapter 15 Cases. CIBC and the other prepetition secured lenders have reviewed the cash flow forecast and have approved Cover-All's use of cash as contemplated therein. However, the Debtors have advised the lenders that they may require further financing upon completion of the external review in amount sufficient to bridge the Debtors to a sale or other restructuring transaction in the Canadian Proceeding.

IV. The Canadian Proceeding

31. To undertake a comprehensive court-supervised restructuring, the Debtors commenced the Canadian Proceeding pursuant to the CCAA. The Debtors believe they would be unable to service and repay their debts under the Credit Facility and other outstanding obligations outside of a court-supervised process under the CCAA. As further described in the Stobbe Declaration, the CCAA is a Canadian federal statute that enables financially troubled corporations the opportunity to restructure their affairs. By allowing a company to restructure its

financial affairs, through a formal “plan of arrangement,” the CCAA presents an opportunity for troubled businesses to avoid liquidation and allows such businesses’ creditors to receive some distribution for outstanding amounts owing to them, by preserving the going-concern value of the company.

A. Proceedings Under the CCAA

32. Although previously restricted to larger corporations, the CCAA now provides that any corporation with assets or operations in Canada and with liabilities to creditors in excess of \$5 million can commence restructuring proceedings.⁷ Proceedings are commenced by filing a written petition in a court with jurisdiction over the applicable debtor entity. Here, the Debtors filed their petition in the Court of Queen’s Bench of Alberta, Canada, Judicial District of Calgary, which had jurisdiction over the Debtors.

B. Stay of Process Under the CCAA

33. Generally, once a debtor files a CCAA petition, the Canadian court promptly will issue an order giving the company 30 days of protection (often referred to as the “Stay”) from its creditors to allow for the preparation of the plan of arrangement.⁸ The court has discretion to extend the Stay against creditors upon further application by the company for such extension.⁹ Typically, the court will continue the protection beyond the initial 30-day period if the company can demonstrate a high likelihood that it will file a plan of arrangement and that an extension of the Stay would not be prejudicial to the creditors, as a whole.¹⁰ The CCAA does not limit the number of extensions that can be granted.

⁷ See CCAA § 3(1).

⁸ See CCAA § 11.02(1).

⁹ See CCAA § 11.02(2).

¹⁰ See CCAA § 11.02(3).

C. The Monitor

34. A monitor (the "Monitor") is an independent third party appointed by the court to observe the company's ongoing operations and assist with formulating a plan of arrangement.¹¹ It is not uncommon to see a company's auditors acting as the Monitor. E&Y has been appointed by the Canadian Court as the Debtors' Monitor in the Canadian Proceeding.

35. A Monitor's duties generally include supervising the debtor company's business and affairs, reporting to the Canadian court on any major events that might impact the viability of the company, assisting the company in the preparation of the plan of arrangement, notifying creditors (and shareholders) of any meetings and tabulating votes at such creditor and shareholder meetings. The Monitor also prepares a report on the plan of arrangement that is usually included in the mailing of the plan.

D. The Plan of Arrangement

36. The ultimate goal of a CCAA proceeding is formulation and creditor and court approval of a formal plan of arrangement to restructure the debtor company's obligations. As in United States chapter 11 proceedings, the debtor company in a CCAA proceeding can provide for treatment to creditors that leave such creditors "unaffected" or "unimpaired."

37. Only those creditors that file a formal proof of claim with the Monitor are eligible to vote on any proposed plan. For the plan to be binding on any class of creditors, a majority of the proven creditors in that class, by number, along with 2/3 of the proven creditors in that class, by dollar value, must vote to accept the plan.¹² If a class of creditors approves the plan, it is binding on all creditors within the class, subject to the court's final approval and resolution of any objections. Unlike under chapter 11 of the Bankruptcy Code, the CCAA does not have a

¹¹ See CCAA § 11.7(1).

¹² See CCAA § 11.6(1).

“cram down” concept. Consequently, each class of creditors or shareholders entitled to vote on the plan must vote to accept the plan in order for it to be binding on creditors. Further, if any class of creditors does not vote to accept the plan or if the court rules that the plan cannot be approved, the court can lift the Stay upon application of creditors, permitting creditors to exercise remedies otherwise available to them outside of a CCAA proceeding.

V. The Chapter 15 Cases

38. To protect the Debtors from actions in the United States, whether against United States assets or otherwise, and to ensure recognition and enforcement in the United States of certain Canadian Court orders entered in the Canadian Proceeding, the Foreign Representative has filed these chapter 15 cases (collectively, the “Chapter 15 Cases”) seeking: (a) recognition of the Foreign Representative’s status as the Debtors’ “foreign representative” as defined under section 101(24) of the Bankruptcy Code; and (b) recognition of the Canadian Proceeding as a “foreign main proceeding” under section 1517(b)(1) of the Bankruptcy Code.

39. Congress enacted chapter 15 to ensure that a U.S. bankruptcy court can recognize and enforce actions and orders of a foreign court in a restructuring proceeding undertaken in a jurisdiction where the debtor has its “center of main interests” or an “establishment.” Chapter 15 provides for both the granting of provisional relief during the pendency of the foreign proceeding, such as application of section 362 of the Bankruptcy Code to U.S. assets, and recognition and enforcement in the U.S. of any orders entered in the foreign proceeding.

40. Here, the overwhelming majority of the Debtors’ assets are in Canada, along with substantially all of their operations and employees, thereby establishing Canada as their center of main interests.

Relief Requested

41. By this Petition, the Foreign Representative respectfully requests that this Court enter an order: (a) granting recognition by this Court of the Foreign Representative as the Debtors' "foreign representative" as defined in section 101(24) of the Bankruptcy Code; and (b) granting recognition of the Canadian Proceeding as a "foreign main proceeding" pursuant to sections 1515, 1517, and 1520 of the Bankruptcy Code.¹³

Basis for Relief

42. Relief under chapter 15 prevents dismemberment of U.S. or non-U.S. business assets through actions commenced in the U.S. and ensures that disruptions that otherwise could derail a party's foreign restructuring are avoided.

43. Consistent with these principles, the Foreign Representative commenced the Chapter 15 Cases to obtain full recognition and enforcement of the Canadian Proceeding in the United States. The Foreign Representative anticipates that the Chapter 15 Cases will complement the Debtors' primary proceedings in Canada and ensure the effective and efficient administration of their restructuring. Further, the Foreign Representative submits that recognition of the Canadian Proceeding will allow the Debtors to restructure in the most efficient manner without prejudicing the rights of U.S. creditors. Any dissenting creditor will have full access and opportunity to participate in the Canadian Proceeding.

I. The Canadian Proceeding Is a Foreign Proceeding

44. Section 101(23) of the Bankruptcy Code defines a "foreign proceeding" as:

¹³ To the extent this Court does not recognize the Canadian Proceeding as a "foreign main proceeding" with respect to any Debtor entity, the Debtors hereby seek to obtain recognition of the Canadian Proceeding as a "foreign nonmain proceeding" with respect to any such Debtor entity pursuant to sections 1515, 1517, and 1521 of the Bankruptcy Code.

Further, the Debtors reserve the right to request further relief pursuant to section 1521 of the Bankruptcy Code of the prior to or at the hearing on the Petition.

a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation.

11 U.S.C. § 101(23).

45. Although Congress only recently enacted chapter 15 in 2005, and courts have not yet fully developed precedent on it, at least one court has opined on the factors necessary to demonstrate that a proceeding constitutes a “foreign proceeding.” In In re Betcorp Ltd., 400 B.R. 266, 277 (Bankr. D. Nev. 2009), the court examined chapter 15’s legislative history as well as the Model Law on Cross-Border Insolvency, which ultimately formed the basis for chapter 15, and disaggregated section 101(23) of the Bankruptcy Code into a seven-factor test to determine whether a proceeding constitutes a “foreign proceeding.” Specifically, the court found that a “foreign proceeding” must be a proceeding:

- (i) in which “acts and formalities [are] set down in law so that courts, merchants and creditors can know them in advance, and apply them evenly in practice;”
- (ii) that has either a judicial or an administrative character;
- (iii) collective in nature, in that it considers the rights and obligations of all creditors;
- (iv) located in a foreign country;
- (v) authorized or conducted under a law related to insolvency or the adjustment of debt, even if the debtor that has commenced such proceedings is not actually insolvent;
- (vi) in which the debtor’s assets and affairs are subject to the control or supervision of a foreign court or other authority competent to control or supervise a foreign proceeding; and
- (vii) for the purpose of reorganization or liquidation.

See Betcorp, 400 B.R. at 275-82; see also In re Overnight and Control Commission of Avánzit, S.A., 385 B.R. 525, 533 (Bankr. S.D.N.Y. 2008) (discussing factors).

46. As further supported by the facts discussed in the Stobbe Declaration and the 1515 Declaration, the Debtors' proceeding in the Canadian Court, commenced to restructure the Debtors' financial obligations, constitutes a "foreign proceeding" under the Betcorp test.

47. *First*, the Debtors commenced the Canadian Proceeding under the CCAA, a law relating to adjustment of debts that specifically allows corporations to seek creditor and court approval of a "compromise or arrangement" that may compromise the claims and interests of creditors and shareholders. See CCAA § 11.

48. *Second*, the proceeding is "judicial," having commenced before the Canadian Court, which has the power to enter "any order that is considers appropriate in the circumstances." See id.

49. *Third*, the Canadian Proceeding is collective in nature, considering all creditors' rights. Indeed, all creditor classes in the Canadian Proceeding either are unimpaired or impaired and entitled to participate in the proceedings. In Betcorp, for instance, the bankruptcy court discussed the contrasts between a true collective proceeding, where such proceeding "considers the rights and obligations of all creditors," and a non-collective proceeding, such as a "receivership remedy instigated at the request, and for the benefit, of a single secured creditor." See Betcorp, 400 B.R. at 281. Here, all parties in interest that file a proof of claim in the Canadian Proceeding will have the opportunity to participation in formulation and voting upon a plan of arrangement. Further, arguably, the Canadian Proceeding is more collective in nature than even proceedings under chapter 11 of the Bankruptcy Code, as classes of creditors cannot be bound to a plan of arrangement unless the Debtors obtain the statutorily required votes of each class. Consequently, the Canadian Proceeding is collective in nature, meeting the third prong of the Betcorp test.

50. ***Fourth***, the Canadian Court is located in Alberta, Canada, a foreign country.

51. ***Fifth***, as described above, the CCAA is a Canadian law governing, among other things, corporate restructuring, as contemplated by the Canadian Proceeding.

52. ***Sixth***, the Canadian Court supervises the Debtors' assets and affairs during the pendency of the Canadian Proceeding, as any party-in-interest seeking to object to orders sought in the Canadian Proceeding may appeal to, and obtain relief from, the Canadian Court.

53. ***Finally***, the Canadian Proceeding has one objective: the restructuring of the Debtors. The Foreign Representative eventually will submit, pursuant to the CCAA, a plan of arrangement, which will provide for a restructuring of the Debtors on a consensual basis with the Debtors' creditors. The Foreign Representative therefore respectfully submits that the Debtors have commenced the Canadian Proceeding for a reorganization purpose, as required by section 101(23) of the Bankruptcy Code. Cf. In re Avánzit, 385 B.R. at 533-34 (recognizing a "financial restructuring" as a "reorganization" for purposes of the sections 101(23) and 1517 analysis, especially where the plan at issue provides for repayment of debts).

54. Courts in this Circuit and other districts regularly recognize Canadian restructuring proceedings under the CCAA and other Canadian insolvency statutes as "foreign proceedings" as that term is used in section 101(23) of the Bankruptcy Code. See, e.g., In re Abitibi-Consolidated Inc., Case No. 09-11348 (Bankr. D. Del. August 3, 2009) [Docket No. 59] (recognizing Canadian debtor's CCAA proceeding as "foreign proceeding"); In re Nortel Networks Corp., Case No. 09-10164 (Bankr. D. Del. Feb. 27, 2009) [Docket No. 40] (same); In re Pope & Talbot, Inc., Case No. 08-11933 (Bankr. D. Del. Sept. 8, 2008) [Docket No. 22] (recognizing Canadian receivership proceeding as "foreign proceeding"); In re Destinator Technologies, Inc., Case No. 08-11003 (Bankr. D. Del. June 6, 2008) [Docket No. 43]

(recognizing Canadian debtor's CCAA proceeding as "foreign proceeding"); see also *In re Mount Real Corp.*, Case No. 06-41636 (Bankr. D. Minn. Sept. 6, 2006) [Docket No. 8] (recognizing proceeding under Canadian Bankruptcy and Insolvency Act as "foreign proceeding"); *In re MuscleTech Research & Dev.*, Case Nos. 06-10092, 04-MD-1598, 06-CV-538, 06-CV-539 (Bankr. S.D.N.Y. Mar. 3, 2006) [Docket No. 46] (recognizing Canadian debtor's CCAA proceeding as "foreign proceeding").

55. Similarly, under former section 304 of the Bankruptcy Code, the statutory predecessor to chapter 15, courts, including at least one court in this District, regularly granted recognition to Canadian reorganization proceedings. See, e.g., Smith v. Dominion Bridge Corp., 1999 WL 111465, at *3 (E.D. Pa. 1999) (recognizing Canadian proceeding under former section 304 of the Bankruptcy Code and general comity principles); *In re Davis*, 191 B.R. 577, 587 (Bankr. S.D.N.Y. 1996) ("Courts in the United States uniformly grant comity to Canadian proceedings.").

56. Accordingly, this Court should find that the Canadian Proceeding satisfies section 101(23) of the Bankruptcy Code and constitutes a "foreign proceeding" as required by section 1517.¹⁴

II. The Foreign Representative Qualifies as a Foreign Representative

57. In addition to qualifying as a foreign proceeding as defined in the Bankruptcy Code, to obtain recognition under chapter 15, the Canadian Proceeding must have a "foreign representative." See 11 U.S.C. § 1517.

¹⁴ In addition, the Foreign Representative submits that recognition of the Canadian Proceeding and any orders that issue from the Canadian Court during the pendency of the Canadian Proceeding would not be "manifestly contrary to the public policy of the United States" so as to justify this Court's exercise of its discretion under section 1506 of the Bankruptcy Code to refuse to recognize the Canadian Proceeding. Indeed, at least one court in this district has noted, courts "have consistently extended comity to Canadian bankruptcy proceedings." *Dominion Bridge Corp.*, 1999 WL 111465, at *3.

58. The Foreign Representative submits that it commenced the Chapter 15 Cases as a duly appointed and authorized “foreign representative” within the meaning of section 101(24). Section 101(24) provides as follows:

The term “foreign representative” means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor’s assets or affairs or to act as a representative of such foreign proceeding.

11 U.S.C. § 101(24).

59. The Canadian Court specifically authorized the Foreign Representative to commence this chapter 15 proceeding. Concurrently herewith, and attached hereto as Exhibit C, the Foreign Representative has filed a copy of the order entered by the Canadian Court commencing the Canadian Proceeding and appointing the Foreign Representative with authority to commence the Chapter 15 Cases. Thus, the Foreign Representative submits that it has met the requirements of section 101(24). Cf. In re SPhinX, Ltd., 351 B.R. 103, 116-17 (Bankr. S.D.N.Y. 2006), aff’d 371 B.R. 10 (S.D.N.Y. 2007) (noting that the foreign representatives had submitted a “copy of the Cayman Court’s order appointing them to administer the Debtors’ winding up under the Companies Law and authorizing their commencement of these chapter 15 cases, thereby satisfying section 101(24) of the Bankruptcy Code”).

III. The Canadian Proceeding is a Foreign Main Proceeding

60. The Canadian Proceeding constitutes a “foreign main proceeding” for the Debtors as defined in section 1517(b)(1) of the Bankruptcy Code.

61. Section 1517(b)(1) of the Bankruptcy Code provides that a “foreign main proceeding” is a “foreign proceeding” pending in the country where the debtor has its center of main interests (“COMI”). 11 U.S.C. § 1517(b)(1).

62. Section 1516(c) provides that, “in the absence of evidence to the contrary, the debtor’s registered office . . . is presumed to be the center of the debtor’s main interests.” 11 U.S.C. § 1516(c); In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, 374 B.R. 122, 127 (Bankr. S.D.N.Y. 2007), aff’d 389 B.R. 325 (S.D.N.Y. 2008). However, the presumption that the location of the debtor’s registered office is also the debtor’s COMI was adopted merely for “speed” and administrative convenience, and is therefore rebuttable. In re SPhinX, Ltd., 351 B.R. 103, 117 (Bankr. S.D.N.Y. 2006), aff’d 371 B.R. 10 (S.D.N.Y. 2007) (citing H.R. Rep. 109-31, pt. 1, 109th Cong., 1st Sess. at 112-13 (2005)). And, as described below, courts look to a number of factors to determine a debtor’s COMI. See Bear Stearns, 374 B.R. at 129–30 (finding that COMI did not lie at the location of the debtor’s registered office in the Cayman Islands, as administration of the debtor’s business occurred in the U.S., and its principal interests, assets, and management resided in the U.S.).

63. Though the Bankruptcy Code does not specify the factors to determine a debtor’s COMI, courts have generally identified five relevant factors. These factors include: (a) the location of the debtor’s headquarters; (b) the location of those persons or entities managing the debtor (which, in certain instances, could be the holding company headquarters); (c) the location of the debtor’s primary assets; (d) the location of the majority of the debtor’s creditors or of a majority of the creditors affected by the case; and (e) the jurisdiction whose law would apply to most disputes. See, e.g., Bear Stearns, 389 B.R. at 336 (citing SPhinX, 351 B.R. at 116-17; In re Tradex Swiss AG, 384 B.R. 34, 43 (Bankr. D. Mass. 2008)); Betcorp, 400 B.R. at 287-88 (discussing Bear Stearns, Tradex and certain European insolvency law cases for COMI analysis). “The flexibility inherent in chapter 15 strongly suggests, however, that [a] court should not apply such factors mechanically,” but with an eye toward “chapter 15’s emphasis on protecting the

reasonable interests of parties in interest pursuant to fair procedures and the maximization of the debtor's value." SPhinX, 351 B.R. at 117.

64. An analysis of these factors demonstrates that Canada constitutes the Debtors' COMI. As set forth in the Stobbe Declaration:

- a. Cover-All Building Systems, Inc., the principal operating Debtor that employs nearly 80% of all the Debtors' employees and the largest short-term creditor of all of the subsidiary Debtor entities, is a corporation organized and existing under the laws of Canada.
- b. All Debtors are managed on a consolidated basis, with the corporate headquarters located in Saskatoon, Saskatchewan.
- c. The Debtors' main operating entity, Cover-All Building Systems, Inc., has its registered head office in Calgary, Alberta.
- d. The President, Chief Executive Officer and Secretary of Cover-All Building Systems, Inc., Cover-All's main operating entity, who are also directors, officers and/or governors of all other U.S. and Canadian entities in the Cover-All group, are based in Canada.
- e. Key contracts including, among others, dealer contracts, key financing documents and consignment agreements, are created in Canada and subject to the jurisdiction of Canadian law.
- f. All the Debtors' customer warranties are serviced in Canada.
- g. All strategic planning for the Debtors takes place at the Debtors' Saskatoon headquarters and all budgets and business plans ultimately get approved by managers operating in Saskatoon.
- h. Manufacture of all buildings sold by the Debtors takes place at the Debtors' main facility situated in Saskatoon, Saskatchewan.
- i. The Debtors primarily are controlled by, and decision-making is made from, their principal place of business in Canada.
- j. All of the Debtors' information technology systems, such as key servers, networks and personnel, are centralized and managed in Saskatoon, Saskatchewan.
- k. All of the Debtors have assets or do business in Canada.

1. All of the Debtors' administrative functions including accounting, financial reporting, budgeting, and cash management are conducted in Canada.
- m. All research and development is carried out at the Debtors' main facility in Saskatoon, Saskatchewan, including the Debtors' corporate-level research and development budget and strategy.
- n. The administrative agent under the Credit Facilities, under which each Debtor, with the exception of NorthStar Cover-All, LLC, and NorthStar Cover-All Inc., either is a borrower or a guarantor, is CIBC, a Canadian-based institution.
- o. The lenders currently party to the Senior Facility are CIBC and the Bank of Nova Scotia, both Canadian-based institutions.
- p. The Credit Facilities are governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

65. In addition to the above factors, the following factors weigh in favor of finding Canada to constitute the Debtors' COMI. First, substantially all of the books and records of the Debtors are maintained by the Debtors in Saskatoon. Second, the working capital and funding needs of the Debtors are satisfied by sources of funds obtained and approved by Canadian-based managers.

66. Moreover, both the United States and Canadian-based Debtors are closely integrated into, and indeed, reliant upon the Canadian-based Cover-All business. Cash management and other banking arrangements for the Cover-All group of entities are integrated, with Cover-All Building Systems, Inc. borrowing and advancing funds on an intercompany basis as necessary. Further, the key contractual relationships of all Debtor entities are closely tied to Canada. Cover-All's key contracts, including dealer contracts and consignment agreements, all are created in Canada and subject to Canadian jurisdictions. Moreover, all corporate-dealer contracts of the Debtors' United States or Canadian subsidiaries are with Canadian parent Cover-All Building Systems, Inc. Due to the integrated nature of these arrangements, the banking and

financing of the Debtors' United States and Canadian subsidiaries cannot easily be separated from those of Cover-All Building Systems, Inc., and *vice versa*.

67. Accordingly, the Foreign Representative respectfully submits that this Court should find that COMI lies in Canada for each of the Debtors, and this Court should recognize the Canadian Proceeding as a "foreign main proceeding" under section 1517(b) of the Bankruptcy Code with respect to the Debtors.

V. This Court Should Recognize The Orders Entered in the Canadian Proceeding

68. Enforcement and recognition of the various orders that will be entered in the Canadian Proceeding aligns with the purposes of chapter 15 and the Canadian Proceeding, and this Court should give such orders full force and effect. As set forth in the preamble to the Model Law on Cross-Border Insolvency, the Model Law seeks to promote:

(a) cooperation between the courts and other competent authorities of this State and foreign States involved in cases of cross-border insolvency; (b) greater legal certainty for trade and investment; (c) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors and other interested persons, including the debtor; (d) protection and maximization of the value of the debtor's assets; and (e) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

See Model Law on Cross-Border Insolvency, available at www.uncitral.org.

69. Section 1521(a) of the Bankruptcy Code permits this Court to, "where necessary to effectuate the purpose of [chapter 15] . . . at the request of the foreign representative, grant any appropriate relief." 11 U.S.C. § 1521(a). Section 1521 also sets forth various forms of relief that may be granted upon recognition of a foreign proceeding, including "entrust[ing] the distribution of all or part of the debtor's assets in the U.S. to the foreign representative." 11 U.S.C. § 1521(b). Further, sections 1525 and 1527 of the Bankruptcy Code, when read in conjunction, direct this Court to cooperate "to the maximum extent possible" with the Canadian Court

regarding “the coordination of the administration and supervision” of the Debtors’ assets and affairs. 11 U.S.C. §§ 1525 and 1527(3).

70. Courts in this Circuit have routinely enforced foreign orders in chapter 15 cases. See, e.g., In re Chemokine Therapeutics Corp., Case No. 09-11189 (PJW) (Bankr. D. Del. April 28, 2009) [Docket No. 15] (recognizing and giving full force and effect to two Canadian orders approving the sale of certain assets); In re Abitibi-Consolidated, Inc., Case No. 09-11348 (KJC) (Bankr. D. Del. April 21, 2009) [Docket No. 18] (giving full force and effect to Canadian court order approving debtors’ securitization plan); In re Destinator Technologies, Inc., Case No. 08-11003 (CSS) (Bankr. D. Del. July 8, 2008) [Docket No. 63] (granting enforcement of Canadian order approving sale of two of debtors’ subsidiaries); In re Hollinger, Inc., Case No. 07-11029 (PJW) (Bankr. D. Del. May 30, 2008) [Docket No. 89] (granting full force and effect to Canadian order and authorizing Foreign Representative to take any steps necessary to implement terms of order).

71. The Debtors’ restructuring in the Canadian Court likely will rely on a highly choreographed and detailed set of steps and transactions, not least of which being the likely release and discharge of liens, claims, and other obligations of the Debtors. Without deference to the Canadian Proceeding, and automatic enforcement of Canadian Court orders in the United States, the Debtors cannot obtain certainty and closure in their restructuring, and hence cannot restructure. In short, the Canadian restructuring cannot happen without this Court’s assistance, and the foreign representative respectfully submits that under the circumstances the Debtors have demonstrated that this Court should grant the relief requested.

VI. Compliance with Bankruptcy Rule 2002(q)(1)

72. Rule 2002(q)(1) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) prescribes 21 days’ notice of a hearing to consider granting the relief

requested in a chapter 15 petition. FED. R. BANKR. P. 2002(q)(1). Bankruptcy Rule 9007 permits this Court to shorten the time, form, and manner in which notice shall be given. FED. R. BANKR. P. 9007.

73. The Foreign Representative requests that the recognition hearing be scheduled on a date that is the twenty-fourth (24th) day after the Petition Date, or as soon thereafter as this Court may be available. This will provide the appropriate parties-in-interest with the required 21 days notice (plus any additional days for mailing). Notice of the hearing on the Petition will be provided to those parties required to receive notice pursuant to Bankruptcy Rule 2002(q) or their counsel and to other interested parties in accordance with the procedures established by this Court. The Foreign Representative proposes to notify parties by electronic mail and by U.S. first-class mail.

74. The above-described notice meets the requirements of Bankruptcy Rule 2002(q) because it is provided to the required parties within the proscribed time period, and it is also in keeping with this Court's "discretion to set the particularities of notice procedures" pursuant to Bankruptcy Rule 9007. See In re Pierce, 435 F.3d 891, 892 (8th Cir. 2006).

Conclusion

75. The Foreign Representative respectfully submits that the Petition satisfies the requirements for recognition of: the Canadian Proceeding as a "foreign main proceeding" and the Foreign Representative as the Debtors' "foreign representative."

Notice

76. The Foreign Representative has provided notice of the Petition, pursuant to Bankruptcy Rules 1011(b) and 2002(q) to: (a) the Office of the United States Trustee; (b) all parties to litigation currently pending in the United States in which the Debtors are a party; (c) the United States Department of Justice; (d) the agent for the prepetition senior and

subordinated secured lenders; (e) the clerk of this Court; (f) the Internal Revenue Service; (g) the Commonwealth of Pennsylvania Department of Labor and Industry; (h) the Commonwealth of Pennsylvania Department of Revenue; (i) the Debtors; and (j) the Foreign Representative.

No Prior Request

77. No prior request for the relief sought in this Petition has been made to this or any other court.

WHEREFORE, the Foreign Representative respectfully requests entry of an order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein and such other and further relief as is just and proper.

Dated: March 25, 2010

/s/ Morton Branzburg

KLEHR HARRISON HARVEY BRANZBURG LLP
Morton Branzburg
Kathryn F. Evans
1835 Market Street, Suite 1400
Philadelphia, Pennsylvania 19103
Telephone: (215) 569-3007
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- and -

KIRKLAND & ELLIS LLP
David R. Seligman, P.C. (*pro hac vice* pending)
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Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Counsel to Cover-All Holding Corp., as proposed
Foreign Representative

EXHIBIT A

Proposed Recognition Order

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA
READING DIVISION

In re:) Chapter 15
)
COVER-ALL HOLDING CORP., *et al.*¹) Case No. 10-[] ()
)
Debtors.) (Joint Administration Requested)
)

**ORDER PURSUANT TO 11 U.S.C. §§ 1504, 1515,
1517, 1520, AND 1521 RECOGNIZING FOREIGN
REPRESENTATIVE AND FOREIGN MAIN PROCEEDING**

Upon the *Verified Petition for Recognition and Chapter 15 Relief* (the “Petition”)² seeking recognition of: (a) the Foreign Representative as the “foreign representative” as defined in section 101(24) of the Bankruptcy Code of the above-captioned debtors (collectively, the “Debtors”); and (b) the Debtors’ CCAA proceeding (the “Canadian Proceeding”) pending before the Court of Queen’s Bench of Alberta, Canada, Judicial District of Calgary (the “Canadian Court”), as a foreign main proceeding pursuant to sections 1515 and 1517 of title 11 of the United States Code (the “Bankruptcy Code”); and upon the hearing on the Petition and this Court’s review and consideration of the Petition, the Stobbe Declaration, and the 1515 Declaration;

¹ The Debtors, along with the last four digits of each U.S. Debtor’s federal tax identification number, are: Cover-All Holding Corp. (a non-U.S. Debtor that does not maintain a U.S. federal tax identification number); Cover-All Building Systems Inc. (a non-U.S. Debtor that does not maintain a U.S. federal tax identification number); Cover-All Holdings U.S., LLC (9107); Cover-All U.S. Holding Corp. (9362); Eastern Cover-All, Inc. (a U.S. Debtor that does not maintain a U.S. federal tax identification number); NorthStar Cover-All, Inc. (a U.S. Debtor that does not maintain a U.S. federal tax identification number); NorthStar Cover-All, LLC (5968); Quick Structures, LLC (1513); Summit Project Management, LLC (a U.S. Debtor that does not maintain a U.S. federal tax identification number); Summit Structures U.S., LLC (a U.S. Debtor that does not maintain a U.S. federal tax identification number); and Summit Structures, LLC (4501). The location of the Debtors’ corporate headquarters and the service address for all of the Debtors is: 3815 Wanuskewin Road, Saskatoon, Saskatchewan, Canada S7P 1A4, Attn: Todd Payne.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Petition.

IT IS HEREBY FOUND AND DETERMINED THAT:³

1. This Court has jurisdiction to consider the Petition and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 109 and 1501.
2. The consideration of the Petition and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
3. Venue is proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3).
4. Good, sufficient, appropriate and timely notice of the filing of the Petition and the hearing on the Petition has been given by the Foreign Representative, pursuant to Bankruptcy Rules 1011(b) and 2002(q), to: (a) the Office of the United States Trustee; (b) all parties to litigation currently pending in the United States in which the Debtors are a party; (c) the United States Department of Justice; (d) the agent for the prepetition senior and subordinated secured lenders; (e) the clerk of this Court; (f) the Debtors; and (g) the Foreign Representative.
5. No objections or other responses were filed that have not been overruled, withdrawn or otherwise resolved.
6. The Chapter 15 Cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.
7. The Foreign Representative is a “person” pursuant to section 101(41) of the Bankruptcy Code and is the “foreign representative” of the Debtors as such term is defined in

³ The findings and conclusions set forth herein and in the record of the hearing on the Petition constitute this Court’s findings of facts and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Rules 7052 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

section 101(24) of the Bankruptcy Code, and the Foreign Representative has satisfied the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 1007(a)(4).

8. The Canadian Proceeding is pending in Canada, where the Debtors' "center of main interests," as referred to in section 1517(b)(1) of the Bankruptcy Code, of the Debtors is located, and accordingly, the Canadian Proceeding is a "foreign main proceeding" pursuant to section 1502(4) of the Bankruptcy Code, and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.

9. The Foreign Representative is the duly appointed foreign representative of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.

10. The Foreign Representative is entitled to all the relief provided pursuant to sections 1520 and 1521(a)(4) and (5) of the Bankruptcy Code without limitation, because those protections are necessary to effectuate the purposes of chapter 15 of the Bankruptcy Code and to protect the assets of the Debtors and the interests of the Debtors' creditors.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Petition is granted.

2. The Canadian Proceeding is recognized as a foreign main proceeding pursuant to section 1517(a) and 1517(b)(1) of the Bankruptcy Code, and all the effects of recognition as set forth in section 1520 of the Bankruptcy Code shall apply.

3. Upon entry of this Order: pursuant to section 1520 of the Bankruptcy Code, the Canadian Proceeding shall be given its full force and effect; and, among other things:

- a. the protections of sections 361 and 362 of the Bankruptcy Code apply with respect to the Debtors and the property of the Debtors in the territorial jurisdiction of the United States;
- b. all persons and entities are enjoined from seizing, attaching and/or enforcing or executing liens or judgments against the Debtors' property in

the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Foreign Representative; and

c. all persons and entities are enjoined from commencing or continuing, including the issuance or employment of process of, any judicial, administrative or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof that are located in the United States, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative or other judgment, assessment, order, lien or arbitration award against the Debtors or their assets or proceeds thereof that are located in the United States.

4. The Foreign Representative and the Debtors shall be entitled to the full protections and rights enumerated under section 1521 (a)(4) and (5) of the Bankruptcy Code, and accordingly, the Foreign Representative:

- a. is entrusted with the administration or realization of all or part of the Debtors' assets located in the United States; and
- b. has the right and power to examine witnesses, take evidence or deliver information concerning the Debtors' assets, affairs, rights, obligations, or liabilities.

5. The Foreign Representative is hereby established as the representative of the Debtors with full authority to administer the Debtors' assets and affairs in the United States, including, without limitation, making payments on account of the Debtors' prepetition and postpetition obligations.

6. The banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Debtors' bank accounts without interruption and in the ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Debtors' bank

accounts by respective holders and makers thereof and at the direction of the Foreign Representative or the Debtors, as the case may be.

7. All orders entered, or actions taken, by the Canadian Court in the Canadian Proceeding (including, without limitation, any order or action converting the Canadian Proceeding to another proceeding under Canadian insolvency or receivership law) shall be given full faith, effect and credit in the United States pursuant to section 1521(a) of the Bankruptcy Code, and shall be upon their entry in the Canadian Proceeding immediately valid and fully enforceable and effective as to the Debtors and their property and assets in the United States.

8. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

9. The Foreign Representative, the Debtors and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

10. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief or any adversary proceeding brought in and through the Chapter 15 Cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Dated: Reading, Pennsylvania
[redacted], 2010

United States Bankruptcy Judge

EXHIBIT B

Corporate Structure Chart

Cover-All Holdings Corp. and affiliates

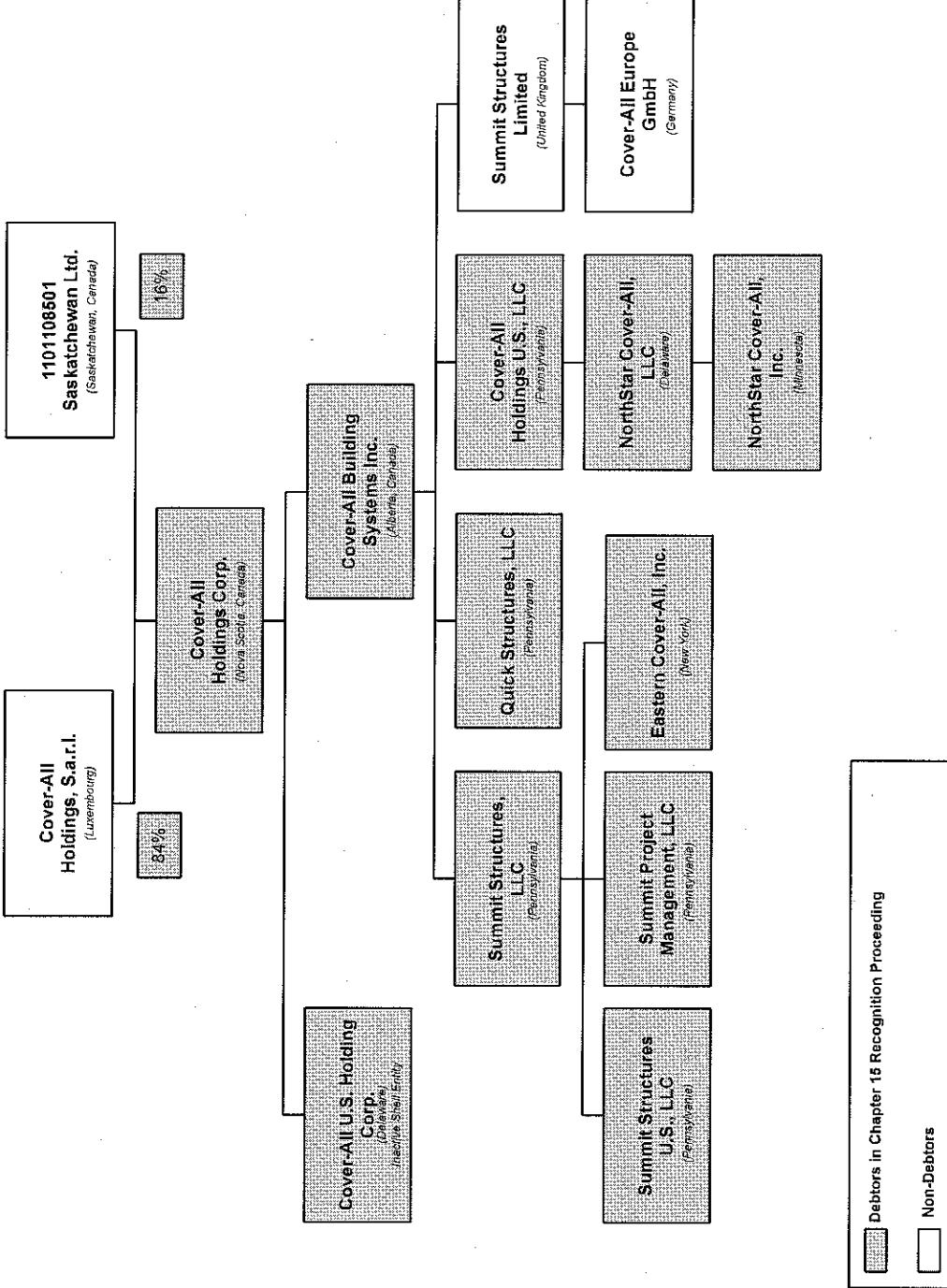


EXHIBIT C

Canadian Application

Action No. 1001- 04970

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**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 COVER-ALL HOLDING CORP.,
COVER-ALL BUILDING SYSTEMS INC.**

AND THOSE ENTITIES LISTED IN SCHEDULE "A" HERETO

PETITION

TO: THE HONOURABLE COURT OF QUEEN'S BENCH OF ALBERTA

AND TO: THOSE PARTIES SET OUT IN SCHEDULE "C" ATTACHED HERETO

1. The Petition of Cover-All Holding Corp., Cover-All Building Systems Inc. and those entities listed in Schedule "A" hereto (the "Applicants") shows that:

- (a) the Applicants are companies to which the CCAA applies;
- (b) the registered head office of the Applicants' main operating entity is located in Calgary, Alberta;
- (c) the Applicants are debtor companies with more than \$5 million in indebtedness and are insolvent within the meaning of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA");
- (d) the business of the Applicants involves the manufacture of engineered steel-framed, fabric-covered buildings for agricultural, industrial, government, commercial, and recreational uses and the sale of these buildings to retail and corporate customers directly or through the Applicants' dealer network;

- 2 -

- (e) as reflected in the Affidavit of Nathan Stobbe sworn March 24, 2010 and the cash-flow forecast attached as Exhibit "D" thereto, there exists a reasonably foreseeable liquidity crisis such that the Applicants are insolvent for the purposes of the CCAA;
- (f) the Applicants urgently require a stay of proceedings from their creditors in order to restructure their affairs in the best interests of their stakeholders;
- (g) the protection sought by the Applicants will provide the Applicants with the necessary time and opportunity to assess and implement a successful restructuring, which may include a sale of some or all of the assets of the Applicants;
- (h) due to the urgency of the Application, it has not been possible to provide all interested parties with notice of the relief requested;
- (i) the circumstances that exist make the Order sought by the Applicants appropriate;
- (j) such other grounds as set out in the Affidavit of Nathan Stobbe, sworn March 24, 2010;
- (k) the provisions of the CCAA and this Honourable Court's equitable and statutory jurisdiction thereunder; and
- (l) such further and other grounds as counsel may advise and this Honourable Court may permit.

2. The Applicants propose that this Petition be heard at the Court House, in the City of Calgary, in the Province of Alberta.

WHEREFORE YOUR APPLICANTS PRAYS:

- (a) an order, if necessary, abridging the time for, validating the manner of, and/or dispensing with service of this Petition;
- (b) an initial order pursuant to the CCAA on substantially the terms set out in the form of Order attached as Schedule "B" of the within Petition; and
- (c) such further and other relief as this Honourable Court may deem just.

- 3 -

DATED at Calgary, Alberta, this 24th day of March, 2010 **AND DELIVERED BY**
McCarthy Tétrault LLP, Solicitors for the Applicants, whose address for service is in care of the said
solicitors at 3300, 421-7th Avenue S.W., Calgary, Alberta, T2P 4K9.

ISSUED out of the office of the Court of Queen's Bench of Alberta, Judicial District of
Calgary, this 24th day of March, 2010.



Clerk of the Court

SCHEDULE "A"
APPLICANTS

Cover-All Holding Corp.

Cover-All Building Systems Inc.

Cover-All U.S. Holding Corp.

Summit Structures, LLC

Quick Structures, LLC

Cover-All Holdings U.S., LLC

Summit Structures U.S., LLC

Summit Project Management, LLC

Eastern Cover-All, Inc.

NorthStar Cover-All, LLC

NorthStar Cover-All, Inc.

SCHEDULE "B"

Action No.

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

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 COVER-ALL HOLDING CORP., COVER-ALL BUILDING
SYSTEMS INC. AND THOSE ENTITIES LISTED IN SCHEDULE "A" HEREOF

BEFORE THE HONOURABLE
MR. JUSTICE LOVECCHIO) AT THE CALGARY COURTS CENTRE
) IN THE CITY OF CALGARY, IN THE
) PROVINCE OF ALBERTA, ON
) WEDNESDAY THE 24TH DAY OF
) MARCH, 2010.

INITIAL ORDER

UPON the application of Cover-All Holding Corp., Cover-All Building Systems Inc. and those entities listed in Schedule "A" hereto (the "Applicants"), AND UPON having read the Petition, the Affidavit of Nathan Stobbe (the "Stobbe Affidavit"); and the Affidavit of Service of Susan M. Scarlett, filed; AND UPON reading the consent of Ernst & Young Inc. to Act as Monitor (the "Monitor") and upon noting that Canadian Imperial Bank of Commerce ("CIBC") and the other lenders under the Applicants' Senior Credit Agreement and Subordinate Credit Agreement (each as defined in the Stobbe Affidavit) (collectively, with CIBC, the "Lenders") the secured creditors who are likely to be affected by the charges granted herein have been provided notice of this application; AND UPON hearing counsel for the Applicants, the Monitor, the Lenders, no one else appearing although duly served as appears from the Affidavit of Service, filed, IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this Order is hereby abridged and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. The Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”) between, among others, the Applicants and one or more classes of their secured and/or unsecured creditors as they deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

4. The Applicants shall:

- (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
- (b) subject to paragraph 12(a) or further Order of this Court, continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”) and Property; and
- (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. The Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Stobbe Affidavit (the “**Cash Management System**”) and that any bank providing the Cash Management System (the “**Cash Management System Provider**”) shall not be under any obligation whatsoever to

inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as Cash Management System Provider, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. Notwithstanding anything in this Order, the Cash Management System Provider shall have, and shall be deemed to have, a priority charge (ranking after the Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge (both as defined below), but in priority to all other charges) for the Cash Management Expenses, where "**Cash Management Expenses**" means any obligations, chargebacks, returns, liabilities, costs, charges, fees or expenses incurred by the Cash Management System Provider under the Cash Management System.

6. To the extent permitted by law, the Applicants shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:
 - (a) except for termination pay, severance pay or damages for wrongful dismissal, vacation pay and bonuses and expenses (to the extent such bonuses and expenses do not constitute wages) accrued prior to the date of this Order, all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the fees and disbursements of any Assistants retained or employed by the Applicants in connection with these proceedings or any U.S. bankruptcy

proceedings, at their standard rates and charges, all substantially in accordance with the Approved Cash Flows (defined below).

7. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order and in carrying out the provisions of this Order, provided the amount of such payments do not vary materially from the cash flow projections approved by the Lenders in writing as may be updated or amended from time to time with the written approval of the Lenders (the "**Approved Cash Flows**"), which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
8. Notwithstanding any other provision of this Order: (a) any single disbursement proposed to be made by the Applicants or any of them in excess of \$50,000 requires the prior written approval of the Lenders; and (b) the Applicants may not spend, utilize, pay, distribute or otherwise disburse any funds not contemplated as a payment or disbursement by the Approved Cash Flows (regardless of whether there are excess funds available), except to the extent that such payments do not vary materially from the Approved Cash Flows.
9. The Applicants shall remit, in accordance with legal requirements, or pay:
 - (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be

deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan; and
- (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be

negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

11. Except as specifically permitted in this Order, the Applicants are hereby directed, until further Order of this Court on notice to the Lenders and the other parties on the service list in these proceedings:
 - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order, except as authorized by this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property except as authorized by this Order; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. The Applicants shall, subject to the consent of the Lenders and the Monitor with respect to the rights provided in subparagraph (c) of this paragraph, have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of their businesses or operations and to dispose of redundant or non-material assets not exceeding \$25,000 in any one transaction or \$100,000 in the aggregate (or in excess of these amounts, by Order of this Court);
 - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants, as applicable, and such employee, or failing such agreement, to deal with the consequences thereof in the Plan; and

(c) pursue all avenues of refinancing and offers for material parts of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above),

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

13. The Applicants, as applicable, shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, as applicable, or by further Order of this Court upon application by the Applicants, as applicable, on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants, as applicable, disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
14. If a lease is disclaimed by the Applicants, or any of them, in accordance with Section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants, as applicable, and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any

claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. Until and including April 23, 2010, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, the written consent of the applicable Applicants, the Monitor and the Lenders, or as otherwise authorized herein, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants, or any of them, to carry on any business which the Applicants are not lawfully entitled to carry on;

- (b) exempt the Applicants, or any of them, from compliance with statutory or regulatory provisions relating to health, safety or the environment;
- (c) prevent the filing of any registration to preserve or perfect a security interest; or
- (d) prevent the registration of a claim for lien.

17. Nothing in this Order shall prevent any party from taking an action against the Applicants, or any of them, where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

18. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, or any of them, except with the written consent of the Applicants, the Lenders and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, or any of them, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or one or more of the Applicants

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants, or any of them, or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the date of this Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

20. Notwithstanding anything else contained in this Order, no creditor of the Applicants shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants, or any them, whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. The Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, after the date hereof, to make payments of the nature permitted by subparagraphs 6(a), 9(a), 9(b) and 9(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.
23. The directors and officers of the Applicants, or of any of them, shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 35 and 37 herein.
24. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
 - (b) the directors and officers of the Applicants, or of any of them, shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.
26. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court and the Lenders at such times and intervals as the Monitor may deem appropriate or the Lenders may reasonably request with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the Lenders, of financial and other information as agreed to between the Applicants and the Lenders which may be used in these proceedings, including reporting on a basis as reasonably required by the Lenders;
 - (d) provide to the Lenders such financial or other information concerning the Applicants as the Lenders may reasonably request;

- (e) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the Lenders, which information shall be reviewed with the Monitor and delivered to the Lenders and their counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the Lenders;
- (f) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (g) advise the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) have full and complete access to the books, records and management, employees and advisors of the Applicants and to the Business and the Property to the extent required to adequately assess the Applicants' Business and financial affairs and perform its duties arising under this Order;
- (i) advise and assist the Applicants with respect to any sales and marketing process to sell the Property and the Business or any part thereof, and administer and conduct any such marketing and sale process;
- (j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (k) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan;
- (l) provide weekly variance reports to the Lenders with respect to the Approved Cash Flows; and

(m) perform such other duties as are required by this Order or by this Court from time to time.

27. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

28. The Monitor shall provide any creditor of the Applicants and the Lenders with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

30. Notwithstanding any other provision of this Order, the Applicants, as part of the costs of these proceedings, shall pay the reasonable fees and disbursements incurred in respect of these proceedings, in each case at their standard rates and charges, of:

- (a) the Monitor and counsel to the Monitor (including, without limitation, Canadian and U.S. counsel);
- (b) counsel to the Applicants (including, without limitation, Canadian and U.S. counsel); and
- (c) counsel to the Lenders (including, without limitation, Canadian and U.S. counsel) and, as applicable, financial advisors and appraisers to the Lenders

and the Monitor, counsel to the Monitor, counsel to the Applicants, and counsel and financial advisors and appraisers to the Lenders are hereby directed to render accounts to the Applicants on a weekly basis and the Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the Applicants and counsel and financial advisors and appraisers to the Lenders on a weekly basis.

31. The Monitor and its legal counsel shall pass their accounts from time to time.

32. As security for the professional fees and disbursements incurred both before and after the granting of this Order in respect of these proceedings:

- (a) the Monitor, counsel to the Monitor and the Applicants' counsel, shall be entitled to the benefits of and are hereby granted a charge (the "**Applicants' Advisors Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000; and
- (b) counsel and financial advisors and appraisers to the Lenders shall be entitled to the benefits of and are hereby granted a charge (the "**Lenders' Advisors**

Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$200,000.

The Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge shall have the priority set out in paragraphs 35 and 37 hereof.

UNAFFECTED CREDITORS

33. Notwithstanding any other provision of this Order, including, without limitation the stay of proceedings granted hereunder:
 - (a) the Lenders shall be treated as unaffected in the Plan or any proposal filed by the Applicants or any of them under the *Bankruptcy and Insolvency Act* (Canada);
 - (b) upon at least two (2) business days notice to the Applicants and the Monitor, the Lenders may exercise any and all of their rights and remedies available to them against the Applicants or any of them and the Property under, in connection with or pursuant to the Senior Credit Agreement or the Subordinate Credit Agreement, and the security granted thereunder and with respect thereto;
 - (c) the foregoing rights and remedies of the Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or any of them, or the Property; and
 - (d) the Applicants shall not seek a continuation of the stay of proceedings without the prior consent of the Lenders and, in that case, on terms and conditions satisfactory to the Lenders.

DIP FINANCING

34. The Applicants shall not enter into or seek approval of any debtor in possession financing arrangements except with the prior approval of the Lenders and on terms and conditions reasonably satisfactory to the Lenders.

VALIDITY AND PRIORITY OF CHARGES

35. The priorities of the Directors' Charge, the Applicants' Advisors' Administration Charge and the Lenders' Advisors Administration Charge, as among them, shall be as follows:

First – Applicants' Advisors' Administration Charge (to the maximum amount of \$500,000) and Lenders' Advisors Administration Charge (to the maximum amount of \$200,000), on a *pari passu* basis as between them; and;

Second – Directors' Charge (to the maximum amount of \$500,000).

36. The filing, registration or perfection of the Directors' Charge, the Applicants' Advisors' Administration Charge and the Lenders' Advisors Administration Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

37. Each of the Directors' Charge, the Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, notwithstanding the order of perfection or attachment, except for any validly perfected security interest in favour of a "secured creditor" as defined in the CCAA not provided with notice of this Order or any Encumbrance existing on the date hereof in respect of any of source deductions from wages, employer health tax, workers compensation, federal or provincial sales taxes and vacation pay, in favour of any Person which is a "secured creditor" as defined in the CCAA not provided notice of this Order.

38. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Applicants' Advisors

Administration Charge or the Lenders' Advisors Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge, Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge, or further Order of this Court.

39. The Directors' Charge, the Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by:
 - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, or any of them, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which they are a party;

- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (iii) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

ALLOCATION

40. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an Order to allocate the Applicants' Advisors Administration Charge, the Lenders' Advisors Administration Charge and the Directors' Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

41. The Monitor shall (i) without delay, publish in the *Globe and Mail* a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.
42. The Applicants and the Monitor shall be at liberty to serve this Order, any other materials and Orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such

service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor may post a copy of any or all such materials on its website at "www.ey.com/ca/cover-all", which shall be established for informational purposes.

GENERAL

43. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
44. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, or any of them, the Business or the Property.
45. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such Orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or to any of the Applicants in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
46. Any of the Applicants or the Monitor is at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, including in any U.S. Bankruptcy Court in respect of proceedings commenced under Chapter 15 of the U.S. Bankruptcy Code in respect of recognition proceedings commenced therein, and any of the Applicants or the Monitor is authorized and

empowered to act as a "foreign representative" of the Applicants or of any of them for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

47. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the Order sought or upon such other notice, if any, as this Court may order.
48. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

J.C.Q.B.A.

**SCHEDULE "A"
APPLICANTS**

Cover-All Holding Corp.

Cover-All Building Systems Inc.

Cover-All U.S. Holding Corp.

Summit Structures, LLC

Quick Structures, LLC

Cover-All Holdings U.S., LLC

Summit Structures U.S., LLC

Summit Project Management, LLC

Eastern Cover-All, Inc.

NorthStar Cover-All, LLC

NorthStar Cover-All, Inc.

No: 1001-

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA JUDICIAL DISTRICT OF CALGARY

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 COVER-
ALL HOLDING CORP.,
COVER-ALL BUILDING SYSTEMS INC. AND
THOSE ENTITIES LISTED IN SCHEDULE "A"
HEREOF

INITIAL ORDER

GOODMANS LLP
Barristers and Solicitors
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Lawyers for the Monitor

No. 1001-04270

A.D. 2010

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL DISTRICT OF CALGARY

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 COVER-ALL
HOLDING CORP.,
COVER-ALL BUILDING SYSTEMS INC.
AND THOSE ENTITIES LISTED IN
SCHEDULE "A" HERETO

PETITION

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EXHIBIT D

Interim Order in the Canadian Proceeding

04270
Action No. 100-04270

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

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 COVER-ALL HOLDING CORP., COVER-ALL BUILDING
SYSTEMS INC. AND THOSE ENTITIES LISTED IN SCHEDULE "A" HEREOF

BEFORE THE HONOURABLE
MR. JUSTICE LOVECCHIO

) AT THE CALGARY COURTS CENTRE
) IN THE CITY OF CALGARY, IN THE
) PROVINCE OF ALBERTA, ON
) WEDNESDAY THE 24TH DAY OF
) MARCH, 2010.

I hereby certify this to be a true copy of
the original Stobbe
Dated this 24 day of March 2010
for Clerk of the Court

INITIAL ORDER

UPON the application of Cover-All Holding Corp., Cover-All Building Systems Inc. and those entities listed in Schedule "A" hereto (the "Applicants"), AND UPON having read the Petition, the Affidavit of Nathan Stobbe (the "Stobbe Affidavit"); and the Affidavit of Service of Susan M. Scarlett, filed; AND UPON reading the consent of Ernst & Young Inc. to Act as Monitor (the "Monitor") and upon noting that Canadian Imperial Bank of Commerce ("CIBC") and the other lenders under the Applicants' Senior Credit Agreement and Subordinate Credit Agreement (each as defined in the Stobbe Affidavit) (collectively, with CIBC, the "Lenders") the secured creditors who are likely to be affected by the charges granted herein have been provided notice of this application; AND UPON hearing counsel for the Applicants, the Monitor, the Lenders, no one else appearing although duly served as appears from the Affidavit of Service, filed, IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this Order is hereby abridged and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. The Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**") between, among others, the Applicants and one or more classes of their secured and/or unsecured creditors as they deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

4. The Applicants shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
 - (b) subject to paragraph 12(a) or further Order of this Court, continue to carry on business in a manner consistent with the preservation of their businesses (the "**Business**") and Property; and
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. The Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Stobbe Affidavit (the "**Cash Management System**") and that any bank providing the Cash Management System (the "**Cash Management System Provider**") shall not be under any obligation whatsoever to

inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as Cash Management System Provider, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. Notwithstanding anything in this Order, the Cash Management System Provider shall have, and shall be deemed to have, a priority charge (ranking after the Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge (both as defined below), but in priority to all other charges) for the Cash Management Expenses, where "**Cash Management Expenses**" means any obligations, chargebacks, returns, liabilities, costs, charges, fees or expenses incurred by the Cash Management System Provider under the Cash Management System.

6. To the extent permitted by law, the Applicants shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:
 - (a) except for termination pay, severance pay or damages for wrongful dismissal, vacation pay and bonuses and expenses (to the extent such bonuses and expenses do not constitute wages) accrued prior to the date of this Order, all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the fees and disbursements of any Assistants retained or employed by the Applicants in connection with these proceedings or any U.S. bankruptcy

proceedings, at their standard rates and charges, all substantially in accordance with the Approved Cash Flows (defined below).

7. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order and in carrying out the provisions of this Order, provided the amount of such payments do not vary materially from the cash flow projections approved by the Lenders in writing as may be updated or amended from time to time with the written approval of the Lenders (the "**Approved Cash Flows**"), which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
8. Notwithstanding any other provision of this Order: (a) any single disbursement proposed to be made by the Applicants or any of them in excess of \$50,000 requires the prior written approval of the Lenders; and (b) the Applicants may not spend, utilize, pay, distribute or otherwise disburse any funds not contemplated as a payment or disbursement by the Approved Cash Flows (regardless of whether there are excess funds available), except to the extent that such payments do not vary materially from the Approved Cash Flows.
9. The Applicants shall remit, in accordance with legal requirements, or pay:
 - (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be

deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan; and
- (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be

negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

11. Except as specifically permitted in this Order, the Applicants are hereby directed, until further Order of this Court on notice to the Lenders and the other parties on the service list in these proceedings:
 - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order, except as authorized by this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property except as authorized by this Order; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. The Applicants shall, subject to the consent of the Lenders and the Monitor with respect to the rights provided in subparagraph (c) of this paragraph, have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of their businesses or operations and to dispose of redundant or non-material assets not exceeding \$25,000 in any one transaction or \$100,000 in the aggregate (or in excess of these amounts, by Order of this Court);
 - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants, as applicable, and such employee, or failing such agreement, to deal with the consequences thereof in the Plan; and

- (c) pursue all avenues of refinancing and offers for material parts of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above),

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

13. The Applicants, as applicable, shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, as applicable, or by further Order of this Court upon application by the Applicants, as applicable, on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants, as applicable, disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
14. If a lease is disclaimed by the Applicants, or any of them, in accordance with Section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants, as applicable, and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any

claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. Until and including April 23, 2010, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, the written consent of the applicable Applicants and the Monitor, or as otherwise authorized herein, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants, or any of them, to carry on any business which the Applicants are not lawfully entitled to carry on;

- (b) exempt the Applicants, or any of them, from compliance with statutory or regulatory provisions relating to health, safety or the environment;
- (c) prevent the filing of any registration to preserve or perfect a security interest; or
- (d) prevent the registration of a claim for lien.

17. Nothing in this Order shall prevent any party from taking an action against the Applicants, or any of them, where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

18. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, or any of them, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, or any of them, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or one or more of the Applicants

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants, or any of them, or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the date of this Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

20. Notwithstanding anything else contained in this Order, no creditor of the Applicants shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants, or any them, whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. The Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, after the date hereof, to make payments of the nature permitted by subparagraphs 6(a), 9(a), 9(b) and 9(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.
23. The directors and officers of the Applicants, or of any of them, shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 35 and 37 herein.
24. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
 - (b) the directors and officers of the Applicants, or of any of them, shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.
26. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the Lenders and/or their financial advisor and counsel, of financial and other information as agreed to between the Applicants and the Lenders which may be used in these proceedings;
 - (d) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the Lenders, which information shall be reviewed with the Monitor and delivered to the Lenders and their counsel or financial advisor on a periodic basis, but not less than weekly;

- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) advise the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the books, records and management, employees and advisors of the Applicants and to the Business and the Property to the extent required to adequately assess the Applicants' Business and financial affairs and perform its duties arising under this Order;
- (h) advise and assist the Applicants with respect to any sales and marketing process to sell the Property and the Business or any part thereof, and administer and conduct any such marketing and sale process;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan;
- (k) assist the Applicants in the provision of weekly variance reports to the Lenders and/or their financial advisor and counsel with respect to the Approved Cash Flows; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

27. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by

fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

28. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
29. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
30. Notwithstanding any other provision of this Order, the Applicants, as part of the costs of these proceedings, shall pay the reasonable fees and disbursements incurred in respect of these proceedings, in each case at their standard rates and charges, of:
 - (a) the Monitor and counsel to the Monitor (including, without limitation, Canadian and U.S. counsel);

- (b) counsel to the Applicants (including, without limitation, Canadian and U.S. counsel); and
- (c) counsel to the Lenders (including, without limitation, Canadian and U.S. counsel) and, as applicable, financial advisors and appraisers to the Lenders

and the Monitor, counsel to the Monitor, counsel to the Applicants, and counsel and financial advisors and appraisers to the Lenders are hereby directed to render accounts to the Applicants on a weekly basis and the Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the Applicants and counsel and financial advisors and appraisers to the Lenders on a weekly basis.

31. The Monitor and its legal counsel shall pass their accounts from time to time.
32. As security for the professional fees and disbursements incurred both before and after the granting of this Order in respect of these proceedings:
 - (a) the Monitor, counsel to the Monitor and the Applicants' counsel, shall be entitled to the benefits of and are hereby granted a charge (the "**Applicants' Advisors Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000; and
 - (b) counsel and financial advisors and appraisers to the Lenders shall be entitled to the benefits of and are hereby granted a charge (the "**Lenders' Advisors Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$200,000.

The Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge shall have the priority set out in paragraphs 35 and 37 hereof.

UNAFFECTED CREDITORS

33. Notwithstanding any other provision of this Order, including, without limitation the stay of proceedings granted hereunder:

- (a) the Lenders shall be treated as unaffected in the Plan or any proposal filed by the Applicants or any of them under the *Bankruptcy and Insolvency Act* (Canada);
- (b) upon at least two (2) business days notice to the Applicants and the Monitor, the Lenders may exercise any and all of their rights and remedies available to them against the Applicants or any of them and the Property under, in connection with or pursuant to the Senior Credit Agreement or the Subordinate Credit Agreement, and the security granted thereunder and with respect thereto;
- (c) the foregoing rights and remedies of the Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or any of them, or the Property; and
- (d) the Applicants shall not seek a continuation of the stay of proceedings without the prior consent of the Lenders and, in that case, on terms and conditions satisfactory to the Lenders.

DIP FINANCING

34. The Applicants shall not enter into or seek approval of any debtor in possession financing arrangements except with the prior approval of the Lenders and on terms and conditions reasonably satisfactory to the Lenders.

VALIDITY AND PRIORITY OF CHARGES

35. The priorities of the Directors' Charge, the Applicants' Advisors' Administration Charge and the Lenders' Advisors Administration Charge, as among them, shall be as follows:

First – Applicants’ Advisors’ Administration Charge (to the maximum amount of \$500,000) and Lenders’ Advisors Administration Charge (to the maximum amount of \$200,000), on a *pari passu* basis as between them; and;

Second – Directors’ Charge (to the maximum amount of \$500,000).

36. The filing, registration or perfection of the Directors’ Charge, the Applicants’ Advisors’ Administration Charge and the Lenders’ Advisors Administration Charge (collectively, the “**Charges**”) shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
37. Each of the Directors’ Charge, the Applicants’ Advisors’ Administration Charge and the Lenders’ Advisors Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment, except for any validly perfected security interest in favour of a “secured creditor” as defined in the CCAA not provided with notice of this Order or any Encumbrance existing on the date hereof in respect of any of source deductions from wages, employer health tax, workers compensation, federal or provincial sales taxes and vacation pay, in favour of any Person which is a “secured creditor” as defined in the CCAA not provided notice of this Order.
38. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors’ Charge, the Applicants’ Advisors’ Administration Charge or the Lenders’ Advisors Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors’ Charge, Applicants’ Advisors Administration Charge and the Lenders’ Advisors Administration Charge, or further Order of this Court.

39. The Directors' Charge, the Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, or any of them, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which they are a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(iii) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

ALLOCATION

40. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an Order to allocate the Applicants' Advisors Administration Charge, the Lenders' Advisors Administration Charge and the Directors' Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

41. The Monitor shall (i) without delay, publish in the *Globe and Mail* a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

42. The Applicants and the Monitor shall be at liberty to serve this Order, any other materials and Orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor may

post a copy of any or all such materials on its website at "www.ey.com/ca/cover-all", which shall be established for informational purposes.

GENERAL

43. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
44. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, or any of them, the Business or the Property.
45. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such Orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or to any of the Applicants in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
46. Any of the Applicants or the Monitor is at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, including in any U.S. Bankruptcy Court in respect of proceedings commenced under Chapter 15 of the U.S. Bankruptcy Code in respect of recognition proceedings commenced therein, and any of the Applicants or the Monitor is authorized and empowered to act as a "foreign representative" of the Applicants or of any of them for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

47. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the Order sought or upon such other notice, if any, as this Court may order.
48. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

"S.S. LoVachio"

J.C.Q.B.A.

Entered this 24 day
of March, 20 10
Clerk of the Court

K. MCAUSLAND



**SCHEDULE "A"
APPLICANTS**

Cover-All Holding Corp.

Cover-All Building Systems Inc.

Cover-All U.S. Holding Corp.

Summit Structures, LLC

Quick Structures, LLC

Cover-All Holdings U.S., LLC

Summit Structures U.S., LLC

Summit Project Management, LLC

Eastern Cover-All, Inc.

NorthStar Cover-All, LLC

NorthStar Cover-All, Inc.

No: 1001- 04270

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

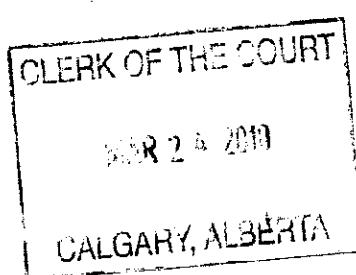
AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF COVER-
ALL HOLDING CORP.,
COVER-ALL BUILDING SYSTEMS INC. AND
THOSE ENTITIES LISTED IN SCHEDULE "A"
HEREOF

INITIAL ORDER

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