

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF LIGADO NETWORKS LLC, LIGADO NETWORKS
CORP., LIGADO NETWORKS HOLDINGS (CANADA) INC., LIGADO NETWORKS
(CANADA) INC., ATC TECHNOLOGIES, LLC, LIGADO NETWORKS INC. OF
VIRGINIA, ONE DOT SIX LLC, ONE DOT SIX TVCC LLC, LIGADO NETWORKS
SUBSIDIARY LLC, LIGADO NETWORKS FINANCE LLC and LIGADO NETWORKS
BUILD LLC**

**APPLICATION OF LIGADO NETWORKS LLC UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED**

**FACTUM OF THE APPLICANT
(returnable October 9, 2025)**

October 8, 2025

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TABLE OF CONTENTS

Part I – Overview	1
Part II – Summary of the Facts	2
Background of the Proceedings	2
Overview of the Debtors.....	3
Restructuring Support Agreement	4
AST Transaction and AST Definitive Documents Order	4
The Plan and Disclosure Statement Order	5
Confirmation Order.....	7
DIP Amendment Order	9
Contract Rejection Order	10
Remaining Foreign Orders.....	10
Part III – The Issues	11
Part IV – The Law and Argument.....	12
Overview of Part IV of the CCAA	12
Recognition of Foreign Orders	13
The Confirmation Order should be Recognized and Given Effect in Canada.....	13
The DIP Amendment Order should be Recognized	18
The Remaining Foreign Orders Should be Recognized	20
Approval of the Fees is Appropriate	20
Approval of the Information Officer’s Report and Activities is Appropriate	21
Part V – Orders Sought.....	22

Schedule A List of Authorities	23
Schedule B Relevant Statutes	24

PART I – OVERVIEW

1. The Applicant, Ligado Networks LLC (“**Ligado**”), files this factum on its own behalf and in its capacity as the foreign representative (in such capacity, the **Foreign Representative**) of Ligado Networks Corp., Ligado Networks Holdings (Canada) Inc., Ligado Networks (Canada) Inc., ATC Technologies, LLC, Ligado Networks Inc. of Virginia, One Dot Six LLC, One Dot Six TVCC LLC, Ligado Networks Subsidiary LLC, Ligado Networks Finance LLC and Ligado Networks Build LLC (collectively with Ligado, the “**Debtors**”) in support of its motion returnable October 9, 2025.

2. Unless otherwise stated herein, capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Affidavit of Douglas Smith, sworn October 6, 2025.

3. The Foreign Representative seeks an Order pursuant to subsection 49(1) of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”), recognizing and enforcing in Canada, the following Foreign Orders entered by the U.S. Court in the Chapter 11 Cases commenced by the Debtors under Chapter 11 of Title 11 of the United States Code (the “**Foreign Proceeding**”), and granting certain related relief:

- (a) Amended Cash Management Order;
- (b) Claims Procedure Order;
- (c) Trade Claims Order;
- (d) Insurance Settlement Order;
- (e) AST Definitive Documents Order;

- (f) Disclosure Statement Order;
- (g) Contract Rejection Order;
- (h) DIP Amendment Order; and
- (i) Confirmation Order.

4. The Foreign Representative also seeks approval of the reports of FTI Consulting Canada Inc. in its capacity as Information Officer (“**Information Officer**”), and the activities and conduct of the Information Officer as described therein, and the fees and disbursements of the Information Officer, counsel to the Information Officer and counsel to the Foreign Representative.

PART II – SUMMARY OF THE FACTS

Background of the Proceedings

5. On the Petition Date, the Debtors commenced the Chapter 11 Cases in the U.S. Court. The U.S. Court granted an order authorizing Ligado to act as foreign representative on behalf of itself and the other Debtors in these Recognition Proceedings in Canada.

Third Affidavit of Douglas Smith, sworn October X, 2025, Motion Record of the Foreign Representative [MR], para 9 Tab 2 [Third Smith Affidavit].

6. On January 16, 2025, the Canadian Court granted, (a) the Initial Recognition Order pursuant to Part IV of the CCAA, among other things, recognizing the Chapter 11 Cases as a foreign main proceeding, and granting a stay of proceedings against the Debtors in Canada, and (b) the Supplemental Order, dated January 16, 2025, among other things, recognizing certain of the First Day Orders issued in the Chapter 11 Cases, appointing the Information Officer, and granting the DIP Lender’s Charge (as defined therein).

Third Smith Affidavit, para 11.

7. On February 10, 2025, the Canadian Court granted the Amended and Restated Supplemental Order, which amended the Supplemental Order to grant a charge on the property in Canada for the benefit of AST in relation to the AST Transaction contemplated by the Plan.

Third Smith Affidavit, para 14.

8. The Canadian Court also granted an Order, dated February 10, 2025, recognizing certain Second Day Orders, the AST Break-Up Fee Order, dated January 27, 2025, and the Final DIP Order, dated February 5, 2025, each entered by the U.S. Court.

Third Smith Affidavit, para 13.

9. In furtherance of the restructuring of the Debtors, the U.S. Court granted the Foreign Orders, as listed above, in the Chapter 11 Cases. The Foreign Representative is seeking recognition of the Foreign Orders in Canada.

Overview of the Debtors

10. The Debtors are a mobile communications company that operates a satellite network across North America, providing mobile satellite services to government and commercial customers for over 25 years.

Third Smith Affidavit, para 16.

11. Three of the Debtors, each of which is a subsidiary of Ligado, are Canadian companies: Ligado Networks Corp. (“**Networks Corp.**”), Ligado Networks Holdings (Canada) Inc. (“**Holdings**”) and Ligado Networks (Canada) Inc. (“**Networks Inc.**” and, collectively with Networks Corp. and Holdings, the “**Canadian Debtors**”).

Third Smith Affidavit, para 21.

12. Networks Corp. is the sole operating entity in Canada. Networks Inc. and Networks Corp. hold the Canadian spectrum and regulatory licenses on behalf of the Debtors. Holdings is an inactive holding company. The Debtors have two satellite gateway locations in Canada: one in Ottawa, Ontario, and a second location in Saskatoon, Saskatchewan.

Third Smith Affidavit, para 22.

13. The Debtors' prepetition indebtedness as of the Petition Date includes approximately US\$8.6 billion in funded debt. The purpose of the Plan, among other things, is to provide for a comprehensive restructuring of the Debtors' prepetition funded debt obligations.

Third Smith Affidavit, para 25.

Restructuring Support Agreement

14. On January 5, 2025, the Debtors and the Consenting Stakeholders entered into the Restructuring Support Agreement, which contemplates, among other things, a restructuring of the Debtors pursuant to a Chapter 11 plan, the equitization of all of the Debtors' prepetition funded indebtedness (except for debt that is repaid or rolled up through the DIP Facility), recognition proceedings pursuant to the CCAA, and entry into the AST Transaction (described in more detail below).

Third Smith Affidavit, para 27.

AST Transaction and AST Definitive Documents Order

15. The AST Transaction has the potential to expand mobile connectivity across the United States and Canada, providing significant commercial benefits to the Debtors' estates and their stakeholders. AST will: (a) contribute certain warrants, convertible notes, and/or cash to the Debtors, (b) make certain annual usage-right payments to the Debtors designed to cover the

Debtors' costs of gaining access to and maintaining the relevant spectrum rights, and (c) pay to the Debtors a certain percentage of revenues derived from AST's use of the Debtors' spectrum rights.

Third Smith Affidavit, para 34.

16. On June 23, 2025, the U.S. Court granted the AST Definitive Documents Order, which, among other things, approved the AST Definitive Documents and authorized the Debtors' entry into and performance under the AST Definitive Documents.

Third Smith Affidavit, para 32.

The Plan and Disclosure Statement Order

17. On June 24, 2025, the Debtors filed the Plan and the Disclosure Statement. On June 24, 2025, the U.S. Court entered the Disclosure Statement Order which, among other things, approved the Disclosure Statement and the solicitation and voting procedures for the Plan.

Third Smith Affidavit, para 40.

18. On July 17, 2025, the Debtors filed the initial Plan Supplement. On September 19, 2025, the Debtors filed an updated version of the Plan Supplement

Third Smith Affidavit, para 42.

19. The Plan provides for the equitization of the Debtors' prepetition funded debt, except for debt that is rolled into the Exit First Lien Facility. General Unsecured Claims, including all such claims held by Canadian creditors, are unimpaired and will have an estimated recovery of 100% per the Plan, and any such claims that are due prior to the Effective Date shall be paid in the ordinary course of business.

Third Smith Affidavit, para 46.

20. The Plan includes certain release, exculpation and injunction provisions, subject to certain opt-out rights, including: (a) the Debtor Release pursuant to Article VIID.1 of the Plan ; (b) the Third-Party Release by all holders of Claims and Interests pursuant to Article VIID.2 of the Plan; (c) an exculpation of certain parties including the Debtors, the Reorganized Debtors, and their current and former officers, directors, professionals, among others; and (d) an injunction implementing the provisions of Article VIII of the Plan pursuant to Article VIII.F of the Plan.

Third Smith Affidavit, para 47.

21. A party is not be a Released Party pursuant to the Plan, with respect to the releases, if the party (i) filed an Objection to the Plan, or (ii) opted out of the releases set forth in Article VIID.2.

Third Smith Affidavit, para 49.

22. The Plan defines Releasing Parties to include all of the Released Parties, plus the holders of all Claims or Interests whose vote to accept or reject the Plan is solicited but do not opt out of granting releases set forth in Article VIID.2, and the holders of all classes of Claims and Interests who were given notice of the opportunity and served with a form to opt out of granting the releases set forth in Article VIID.2 but did not timely opt out.

Third Smith Affidavit, para 50.

23. The releases set forth in the Plan do not release (i) any causes of action identified in the Schedule of Retained Causes of Action, (ii) the rights provided or reserved for under the AST Definitive Agreements Order, (iii) any post-Effective Date obligations, or (iv) the liability of any Released Party that is result of any act or omission that constitutes gross negligence, intentional fraud or wilful misconduct.

Third Smith Affidavit, para 53.

24. The Plan contemplates that, upon emergence, the DIP Facility will convert to the Exit First Lien Facility. The Plan further provides that confirmation of the Plan pursuant to the Confirmation Order constitutes deemed approval of the Exit First Loan Facility and the Exit First Lien Loan Facility Documents, to the extent not approved by the Bankruptcy Court previously, including all transactions contemplated thereby.

Third Smith Affidavit, para 60.

Voting on the Plan

25. Pursuant to the Disclosure Statement Order, the deadline to vote for the Voting Classes was July 24, 2025, at 4:00 p.m. prevailing Eastern Time. Each of the Voting Classes overwhelmingly voted to accept the Plan.

Third Smith Affidavit, para 64.

26. 100% of ballots received for each of Classes 4, 5, 9 and 10 voted to accept the Plan, and 99.578% in number and 99.996% in amount for ballots received for Class 3 voted to accept the Plan. Out of the over 500 stakeholders who voted on the Plan, only one Class 3 creditor – a \$203,227 creditor (holding 0.004% of the claims in Class 3) - voted against the Plan; meaning that 99.996% of the Class 3 creditors who voted, voted in favour of the Plan. In every other impaired Class, 100% of the voting Creditors voted in favour of the Plan.

Third Smith Affidavit, para 66.

Confirmation Order

27. The Confirmation Hearing was held on September 22, 2025.

28. The United States Trustee for Region 3 (“**U.S. Trustee**”) and the United States of America each filed an Objection to confirmation of the Plan. The Debtors consensually addressed all of the

objections raised by the United States of America pursuant to amendments to the form of Confirmation Order.

Third Smith Affidavit, paras 69-71.

29. On September 29, 2025, the U.S. Court entered the Confirmation Order which, among other things, confirmed the Plan, finding that the Plan, all documents contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arm's length, are fair and reasonable, are supported by reasonably equivalent value and fair consideration, and are in the best interests of the Debtors and their Estates.

Third Smith Affidavit, para 73.

30. The Confirmation Order also granted certain related relief, including authorizing the Debtors and Reorganized Debtors to take all actions consistent with the Confirmation Order and the Plan as may be necessary or appropriate to effectuate the Restructuring Transactions, and approving the injunctions, releases, and exculpation provisions set forth in the Plan.

Third Smith Affidavit, para 73.

31. The Plan will enable the Reorganized Debtors to emerge with a deleveraged capital structure and sufficient liquidity that will enable the Debtors to execute their business plan. The Foreign Representative is seeking an order from the Canadian Court recognizing and enforcing the Confirmation Order and authorizing the Debtors to take any and all steps to consummate the Restructuring Transactions.

Third Smith Affidavit, para 77.

DIP Amendment Order

32. The U.S. Court entered the Final DIP Order on February 5, 2025, which was recognized by the Canadian Court on February 10, 2025. On September 23, 2025, the U.S. Court entered the DIP Amendment Order, which, among other things, approved the proposed amendment to the DIP Amendment, and approved the Letter Agreement.

33. The DIP Amendment provides for, among other things, (a) incremental Backstop Funding Commitments of up to approximately \$547 million to be used solely to pay the Refund Amount to AST and certain related fees, (b) a roll-up of certain Prepetition First Lien Secured Obligations on a 1:2 basis such that (x) for each \$2.00 of the Backstop Funding Commitments provided on the effective date of the DIP Amendment, \$1.00 of Prepetition First Lien Secured Obligations will convert to Roll-Up Loans, and (y) for each \$2.00 of incremental DIP Loans actually funded in the future, \$1.00 of Prepetition First Lien Secured Obligations will convert to Roll-Up Loans at such future time, and (c) payment of certain fees as consideration for the Backstop Funding Commitments.

Third Smith Affidavit, para 84.

34. The proceeds of the Backstop Incremental Loans shall be used solely to fund the Refund Amount to AST, solely to the extent due and payable in accordance with the terms of the Framework Agreement, and the Backstop Incremental OID.

Third Smith Affidavit, para 86.

35. The Backstop Funding Commitments made available to the Debtors under the DIP Amendment will provide them with the financing needed to satisfy the AST Backstop Condition, which is necessary for the Debtors to consummate the AST Transaction, a condition to the restructuring.

Third Smith Affidavit, para 92.

Contract Rejection Order

36. On August 4, 2025, the U.S. Court entered the Contract Rejection Order, which, among other things, authorizes the Debtors to reject the Services Contract and Equipment Lease. No objections were filed for the relief sought pursuant to the Debtor's related motion.

Third Smith Affidavit, para 95.

37. The Debtors have determined that the rejection of two agreements is appropriate. One of the agreements is an equipment lease between Networks Corp., a Canadian Debtor, and Wells Fargo Equipment Finance, Inc. (previously Ricoh Canada Inc.) (the "**Equipment Lease**"), which relates to two multifunction printers that the Debtors no longer use, given the hybrid in-person and remote work model.

Third Smith Affidavit, para 97.

38. Absent rejection of the two agreements, the Debtors would continue to incur charges for services and equipment they no longer require and would be a wasteful drain of estate assets.

Third Smith Affidavit, para 101.

Remaining Foreign Orders

39. The Amended Cash Management Order amends the Cash Management Order (previously recognized by this Honourable Court) to reflect the agreement with the U.S. Trustee regarding the waiver of the requirements of section 345(b) of the Bankruptcy Code on a final basis.

Third Smith Affidavit, para 103.

40. The Claims Procedure Order establishes bar dates and procedures for the filing of claims for all of the Debtors' creditors, including Canadian creditors.

Third Smith Affidavit, para 104.

41. The Trade Claims order authorizes the Debtors, in the reasonable exercise of their business judgment, to pay (a) undisputed Trade Claims (as defined therein) in an amount not to exceed \$950,000 and, (b) any pre or postpetition interest, late fees, penalties and other obligations that have accrued or may accrue on such Trade Claims.

Third Smith Affidavit, para 105.

42. The Insurance Settlement Order authorizes the Debtors, in the reasonable exercise of their business judgment, to follow certain streamlined procedures for resolving and entering into settlements with respective insurers related to SkyTerra-1 Claims (as such term is defined in the Insurance Settlement Order).

Third Smith Affidavit, para 106.

PART III – THE ISSUES

43. The issues before this Honourable Court are whether to:

- (a) recognize the Foreign Orders pursuant to section 49 of the CCAA, and grant certain related relief regarding the consummation of the Restructuring Transactions contemplated by the Plan;
- (b) approve the reports of the Information Officer and the activities of the Information Officer described therein; and
- (c) approve the fees and disbursements of the Information Officer and its counsel, and the Foreign Representative's counsel.

PART IV – THE LAW AND ARGUMENT

Overview of Part IV of the CCAA

44. Pursuant to the Initial Recognition Order, this Court recognized the Chapter 11 Cases as a “foreign main proceeding” under Part IV of the CCAA. When a foreign main proceeding has been recognized under Part IV of the CCAA, the Court is provided with broad jurisdiction to grant “any order that it considers appropriate” if the Court is satisfied it is necessary to protect a debtor company’s property or the interests of creditors and “the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.”

Initial Recognition Order of Justice Cavanagh dated January 16, 2025, Exhibit L, to the Third Smith Affidavit, MR, Tab 2L.

Companies’ Creditors Arrangement Act, R.S.C., 1985, c. C-36, [CCAA], [s. 49\(1\)](#), [s. 50](#), [s. 52\(1\)](#)

45. The central principle animating the exercise of the Court’s discretion under Part IV is comity. Canadian courts will recognize and enforce the judicial acts of other jurisdictions, “provided that those other jurisdictions have assumed jurisdiction on a basis consistent with principles of order, predictability and fairness.”

In The Matter of Voyager Digital Ltd., 2022 ONSC 4553 (CanLII), para [9](#) [Voyager] citing *Hollander Sleep Products, LLC et al., Re*, 2019 ONSC 3238 (CanLII), paras [41-42](#) [Hollander].

46. It is not the role of this Court, in a recognition proceeding, to second-guess or conduct an initial assessment of the merits. Rather, the appropriate inquiry is to consider whether the order made in the foreign proceeding should be recognized.

Paladin Labs Canadian Holding Inc., 2024 ONSC 219 (CanLII), paras [47](#) and [49](#).

Instant Brands Acquisition Holdings Inc. et al., 2023 ONSC 4252, para [15](#).

Recognition of Foreign Orders

47. The considerations to be taken into account in considering whether to recognize a foreign order were described by Chief Justice Morawetz, in *YRC Freight Canada Company*:

In considering whether to recognize an order made in a foreign insolvency proceeding, a Canadian court will consider, among other things: (a) the principles of comity and the need to encourage cooperation between courts of various jurisdictions; (b) the need to respect foreign bankruptcy and insolvency legislation; (c) the equitable treatment of stakeholders, and, to the extent reasonably possible, the equal treatment of stakeholders regardless of the jurisdiction in which they reside; and (d) that the appropriate level of court involvement depends to a significant degree upon the court's nexus to the enterprise.

YRC Freight Canada Company, 2024 ONSC 3536, para [12](#).

48. A Canadian court may refuse to recognize an order of another court in situations where subsection 61(2) of the CCAA is engaged, which provides that “Nothing in this Part [IV] prevents the court from refusing to do something that would be contrary to public policy.”

CCAA, [s 61\(2\)](#).

The Confirmation Order should be Recognized and Given Effect in Canada

49. Canadian courts regularly recognize U.S. court orders confirming plans of reorganization pursuant to the U.S. Bankruptcy Code.

Instant Brands Acquisition Holdings Inc., et al., 2024 ONSC 1204 (CanLII), para [17](#).

50. In *Re Xerium Technologies Inc.*, this Court held that it had “the authority and indeed obligation” to recognize the U.S. court’s confirmation order and that the “recognition sought is precisely the kind of comity in international insolvency contemplated by Part IV of the CCAA.”

Re Xerium Technologies Inc., 2010 ONSC 3974, para [23](#) [*Xerium*].

51. The Foreign Representative submits that the Confirmation Order should be recognized for the following reasons:

- (a) each of the Voting Classes overwhelmingly voted to accept the Plan. No Class that was entitled to vote on the Plan voted to reject the Plan;
- (b) all such parties had an opportunity to appear and be heard with respect to the matters relating to the confirmation of the Plan;
- (c) the Plan is in the best interests of creditors and interest holders and satisfies the requirements of the U.S. Bankruptcy Code;
- (d) the Debtors proposed the Plan in good faith and it is the product of extensive, good-faith, arm's-length negotiations between the Debtors and their major stakeholder constituencies;
- (e) Canadian General Unsecured Creditors are unimpaired and receiving 100% recoveries on account of their General Unsecured Claims pursuant to the terms of the Plan;
- (f) the Plan represents the best available outcome for the Debtors and their stakeholders, including Canadian stakeholders; and
- (g) the Plan will enable the Reorganized Debtors to emerge with a deleveraged capital structure and sufficient liquidity that will enable the Debtors to execute their business plan.

Third Smith Affidavit, paras 65, 72(a)(c)(d), 77.

52. As a result of the extensive work undertaken by the Debtors to achieve confirmation of the Plan in the Chapter 11 Cases, the Debtors only received two formal objections, being the U.S. Trustee and the United States Government. The Debtors consensually addressed all of the objections raised by the United States Government pursuant to amendments to the form of Confirmation Order. At the conclusion of the Confirmation Hearing, the U.S. Bankruptcy Court approved the Plan and granted the Confirmation Order, overruling all objections to the Plan.

Third Smith Affidavit, para 69 & 73.

53. It is appropriate for this Honourable Court to grant recognition of the Confirmation Order and give effect to the release provisions contained in the Plan.

54. The Plan contains broad release provisions subject to opt-out rights, which are reasonable and appropriate in the circumstances. The releases include carve-outs for any act or omission determined in a Final Order to have constituted gross negligence, intentional fraud, or willful misconduct. Present and former directors and officers are included as Released Parties, and the releases include a release of, among other things, tort and contractual claims.

Third Smith Affidavit, para 48.

55. The releases (and other discretionary provisions of the Plan) are the product of extensive, good-faith, arm's length negotiations, are given for valuable consideration, and are integral components of the Plan.

Confirmation Declaration, dated August 28, 2025, para. 26, Exhibit P to Third Smith Affidavit, MR, Tab 2P.

Third Smith Affidavit, para 54.

56. The various Released Parties have made substantial contributions to the Debtors throughout the Chapter 11 Cases and such consideration would not have been provided in the

absence of the releases contained in the Plan. Among other things, the Released Parties negotiated the Restructuring Support Agreement, the AST Definitive Documents, and the Plan, provided necessary consents to implement the AST Transaction, entered into significant settlements and provided considerable concessions to the Debtors, provided financial support to the Debtors to facilitate the restructuring, including the funding of the DIP Facility, and consented to the treatment contained in the Plan, facilitating the satisfaction of all General Unsecured Claims in full. The Declaration of Douglas Smith, dated August 28, 2025, and filed in respect of confirmation of the Plan states, at paragraph 29, that “The Released Parties went to great lengths to assure the Debtors’ reorganization.”

Confirmation Declaration, dated August 28, 2025, para 26, Exhibit P to Third Smith Affidavit, MR, Tab 2P.

Third Smith Affidavit, para 55.

57. Pursuant to the Confirmation Order, the U.S. Court approved the release provisions, finding, among other things, that “the injunctions, releases, and exculpations contained in the Plan (i) were integral and essential to the Plan, (ii) confer substantial benefits on the Estates, (iii) are fair, equitable, and reasonable, (iv) are in the best interests of the Debtors, their Estates, and all parties in interest, (v) are appropriately tailored to the facts and circumstances of these cases; and (vi) given after due notice and opportunity for objection and opt-out (where applicable).” The U.S. Court further found that “the failure to approve these injunctions, exculpations, and releases would jeopardize the Debtors’ ability to confirm and implement the Plan.”

Confirmation Order, pg 10-11, para AA, Exhibit “H” to the Third Smith Affidavit, MR, Tab 2H.

58. Canadian insolvency law permits the granting of third-party releases as part of a restructuring pursuant to the CCAA.

Metcalfe & Mansfield Alternative Investments II Corp. (Re), 2008 ONCA 587, para [70](#) & [73](#), leave to appeal to SCC refused.

59. In *Paladin Labs Canadian Holding Inc.* (“*Paladin*”), Chief Justice Morawetz recognized a U.S. order confirming a Chapter 11 plan that contained various broad releases and injunctions, finding that the releases in the plan were appropriate and consistent with the scope of releases granted in the context of CCAA plans.

Paladin Labs Canadian Holding Inc., (17 April 2024), Ont Sup Ct J [Commercial List] CV-22-00685631-00CL, ([Endorsement of Chief Justice Morawetz](#)), paras 20, and 27-29.

60. The Endorsement of Chief Justice Morawetz in *Paladin* cites to *Mallinckrodt Canada ULC et al.*, noting that this Court granted recognition to a Chapter 11 plan that contained broad releases, including in respect of personal injury opioid claims against the Debtors and third party releases.

[Mallinckrodt Canada ULC et al. \(22 April 2022\)](#), Toronto, Ont. Sup. Ct. [Commercial List] CV-20-00649441-00CL, paras 7 & 14 [*Mallinckrodt Canada*].

61. The Plan and the releases contained therein are consistent with the purpose of the CCAA.

Xerium, para [24-25](#) & [28](#).

62. The terms of the releases may differ in some respects to the releases contained in CCAA plans including, for example, the provisions of the Plan releasing claims against directors and officers that relate to contractual rights of one or more creditors. However, as noted by this Court in *Mallinckrodt Canada*, “Sections 49 and 50 of the CCAA permit Canadian courts to recognize foreign orders confirming plans that comply with the laws of the foreign jurisdiction even if those laws differ from local law.”

CCAA, [5.1\(2\)\(a\)](#).

[Mallinckrodt Canada](#), para 13.

63. It is clear that the Plan complies with all applicable provisions of the U.S. Bankruptcy Code. There are no public policy concerns for this Court not to recognize the relief granted by the U.S. Court. Accordingly, for the reasons set out above, in order to promote comity, cooperation and the fair and efficient administration of the within cross-border proceedings, the Confirmation Order should be recognized in Canada.

Confirmation Order, paras K & L, Exhibit “H” to the Third Smith Affidavit, MR, Tab 2H.

Instant Brands Acquisition Holdings Inc., et al., 2024 ONSC 1204, paras [15](#) & [19](#).

The DIP Amendment Order should be Recognized

64. This Court recognized the Final DIP Order as part of the recognition proceedings on February 10, 2025. The Canadian Debtors are guarantors of the pre-filing secured debt, and the amended DIP will provide financing required to consummate the AST Transaction, which is a major component of the restructuring.

Third Smith Affidavit, para 13.

65. On September 23, 2025, the U.S. Court granted the DIP Amendment Order approving certain amendments to the DIP. These amendments include the Backstop Funding Commitments (i.e. incremental commitments of up to \$574 million), and a partial roll-up of certain Prepetition First Lien Secured Obligations on a 1:2 basis.

Third Smith Affidavit, para 83.

66. Section 11.2(1) of the CCAA provides that a DIP financing charge may not secure an obligation that existed prior to the granting of an initial order. This prohibition applies in a plenary CCAA proceeding.

CCAA, section [11.2\(1\)](#).

67. Citing the principles of comity, this Court has held that a “rollup of prepetition debt into post-petition super priority financing can, and in appropriate circumstances should, be approved in the context of foreign recognition proceedings pursuant to Part IV of the CCAA.” Further, there is “no impediment” to approving DIP financing, including roll-up provisions, under Part IV of the CCAA.

Instant Brands Acquisition Holdings Inc. et al., 2023 ONSC 4252, para [21](#) (full roll-up).

Hollander Sleep Products, LLC et al., Re, 2019 ONSC 3238, para [46](#) (a creeping roll-up).

Hartford Computer Hardware, Inc. (Re), 2012 ONSC 964 (CanLII), paras [6](#), [15](#) (a partial roll-up).

68. The following factors support recognition of the DIP Amendment Order:

- (a) the DIP Amendment represented the best and only available financing option to the Debtors under the circumstances;
- (b) the Debtors were unable to obtain financing on more favourable terms from sources other than the DIP Lenders;
- (c) the terms of the DIP Amendment are fair and reasonable, have been negotiated in good faith and at arm’s length between the Debtors and the DIP Lenders; and
- (d) the Backstop Funding Commitments made available to the Debtors under the DIP Amendment, once recognized by the Canadian Court, will provide them with the financing needed to satisfy the AST Backstop Condition, which is necessary for the Debtors to consummate the AST Transaction, a condition to the restructuring.

DIP Amendment Order, para 5(a)(viii), Exhibit G to Third Smith Affidavit, MR, Tab 2G.

Third Smith Affidavit, para 92.

69. In addition, the Canadian Debtors' creditors are not prejudiced, as the Canadian Debtors' assets were already encumbered by the existing security granted pursuant to the DIP Facility and approved by this Court.

The Remaining Foreign Orders Should be Recognized

70. The remaining Foreign Orders were duly granted by U.S. Bankruptcy Court as part of the Chapter 11 Cases to advance the Debtors' restructuring and the eventual consummation of the Plan. There are no Canadian public policy reasons that prevent the recognition of the Foreign Orders. In the interests of comity, these orders should be recognized by this Honourable Court.

Approval of the Fees is Appropriate

71. The overarching test on a motion to pass accounts is to consider the "overriding principle of reasonableness", with the predominant consideration in such assessment being the overall value contributed by the applicable parties. As stated by this Court in *Laurentian University of Sudbury*, "the Court does not engage in a docket-by-docket or line-by-line assessment of the accounts as minute details of each element of a professional services may not be instructive when looked at in isolation." As stated by the Court of Appeal: "The focus of the fair and reasonable assessment should be on what was accomplished, and not on how much time it took".

Laurentian University of Sudbury, [2022 ONSC 2927](#), para 9 [Laurentian]; *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851 (CanLII), para [45](#) [Diemer]; *Re Nortel Networks Corporation et al*, 2017 ONSC 673 (CanLII) at paras [13-16](#) [Nortel].

72. The following non-exhaustive list of factors helps courts evaluate the quantum of fees for court officers: (a) the nature, extent and value of the assets being handled; (b) the complications

and difficulties encountered; (c) the degree of assistance provided by the company, its officers or its employees; (d) the time spent; (e) the court officer's knowledge, experience and skill; (f) the diligence and thoroughness displayed; (g) the responsibilities assumed; (h) the results achieved; and (i) the cost of comparable services when performed in a prudent and economical manner.

Confectionately Yours, para [45](#).

73. Ligado respectfully submits that these factors support the approval of the accounts of the Information Officer and its counsel and Canadian Counsel to the Foreign Representative. The professionals involved are experienced restructuring professionals who have assisted the Foreign Representative in connection with advancing these Recognition Proceedings in conjunction with the Chapter 11 Cases. The proceedings have resulted in the approval and confirmation of the Plan, and an efficient process for implementing the Restructuring Transactions for the benefit of all stakeholders. Based on a consideration of the applicable factors, the approval of the accounts of the Information Officer and its counsel, and counsel to the Foreign Representative is appropriate.

Approval of the Information Officer's Report and Activities is Appropriate

74. There are good policy and practical reasons for the approval of a court officer's reports and activities.

[Laurentian](#) at paras 13-14.

75. In this case, the Information Officer's reports describe the activities of the Information Officer undertaken in the applicable period. Court approval provides certain benefits, including bringing the activities before the Court, allowing the Information Officer to move forward with the restructuring, and enabling the Court to satisfy itself that the Information Officer's activities have been conducted in a prudent and diligent manner.

Laurentian at para 14.

PART V – ORDERS SOUGHT

76. For the reasons set forth herein, Ligado, in its capacity as Foreign Representative respectfully requests that the Court grant the Order requested in its Notice of Motion, dated October 7, 2025.

DATE: October 8, 2025

A handwritten signature in blue ink that reads "Dentons Canada LLP". The signature is written in a cursive, flowing style.

DENTONS CANADA LLP

Lawyers for the Applicant

SCHEDULE A
LIST OF AUTHORITIES

1. In The Matter of Voyager Digital Ltd., [2022 ONSC 4553 \(CanLII\)](#)
2. Hollander Sleep Products, LLC et al., Re, [2019 ONSC 3238 \(CanLII\)](#)
3. Paladin Labs Canadian Holding Inc., [2024 ONSC 219 \(CanLII\)](#)
4. Instant Brands Acquisition Holdings Inc. et al., [2023 ONSC 4252](#)
5. YRC Freight Canada Company, [2024 ONSC 3536](#)
6. Instant Brands Acquisition Holdings Inc., et al., [2024 ONSC 1204 \(CanLII\)](#)
7. Re Xerium Technologies Inc., [2010 ONSC 3974](#)
8. Metcalfe & Mansfield Alternative Investments II Corp. (Re), [2008 ONCA 587](#)
9. Paladin Labs Canadian Holding Inc., (17 April 2024), Ont Sup Ct J [Commercial List] CV-22-00685631-00CL, ([Endorsement of Chief Justice Morawetz](#))
10. [Mallinckrodt Canada ULC et al. \(22 August 2022\)](#), Toronto, Ont. Sup. Ct. [Commercial List] CV-20-00649441-00CL
11. Instant Brands Acquisition Holdings Inc. et al., [2023 ONSC 4252](#)
12. Hartford Computer Hardware, Inc. (Re), [2012 ONSC 964 \(CanLII\)](#)
13. Laurentian University of Sudbury, [2022 ONSC 2927](#)
14. Nova Scotia v. Diemer, [2014 ONCA 851 \(CanLII\)](#)
15. Re Nortel Networks Corporation et al, [2017 ONSC 673 \(CanLII\)](#)
16. Confectionately Yours Inc. (Re), [2002 CanLII 45059 \(ON CA\)](#)

I certify that I am satisfied as to the authenticity of every authority.

October 8, 2025



SCHEDULE B RELEVANT STATUTES

[Companies' Creditors Arrangement Act, RSC 1985, c C-36](#)

Claims against directors — compromise

Exception

[5.1 \(1\)](#) A compromise or arrangement made in respect of a debtor company may include in its terms provision for the compromise of claims against directors of the company that arose before the commencement of proceedings under this Act and that relate to the obligations of the company where the directors are by law liable in their capacity as directors for the payment of such obligations.

Exception

(2) A provision for the compromise of claims against directors may not include claims that

- (a) relate to contractual rights of one or more creditors; or
- (b) are based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors.

Interim financing

[11.2 \(1\)](#) On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the company's property is subject to a security or charge — in an amount that the court considers appropriate — in favour of a person specified in the order who agrees to lend to the company an amount approved by the court as being required by the company, having regard to its cash-flow statement. The security or charge may not secure an obligation that exists before the order is made.

Other orders

[49 \(1\)](#) If an order recognizing a foreign proceeding is made, the court may, on application by the foreign representative who applied for the order, if the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of a creditor or creditors, make any order that it considers appropriate, including an order

- (a) if the foreign proceeding is a foreign non-main proceeding, referred to in subsection 48(1);

(b) respecting the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor company's property, business and financial affairs, debts, liabilities and obligations; and

(c) authorizing the foreign representative to monitor the debtor company's business and financial affairs in Canada for the purpose of reorganization.

Terms and conditions of orders

[50](#) An order under this Part may be made on any terms and conditions that the court considers appropriate in the circumstances.

Cooperation — court

[52 \(1\)](#) If an order recognizing a foreign proceeding is made, the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.

Public policy exception

[61\(2\)](#) Nothing in this Part prevents the court from refusing to do something that would be contrary to public policy.

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

AND IN THE MATTER OF LIGADO NETWORKS LLC, LIGADO NETWORKS CORP., LIGADO NETWORKS HOLDINGS (CANADA) INC., LIGADO NETWORKS (CANADA) INC., ATC TECHNOLOGIES, LLC, LIGADO NETWORKS INC. OF VIRGINIA, ONE DOT SIX LLC, ONE DOT SIX TVCC LLC, LIGADO NETWORKS SUBSIDIARY LLC, LIGADO NETWORKS FINANCE LLC and LIGADO NETWORKS BUILD LLC

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

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