

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, C C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC**

**AIDE MÉMOIRE
(Case Conference Scheduled for June 19, 2025)**

June 18, 2025

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A. INTRODUCTION

1. FTI Consulting Canada Inc. (“**FTI**”), in its capacity as monitor (the “**Monitor**”) of Shaw-Almex Industries Limited (“**SAIL**”) and Shaw Almex Fusion, LLC (“**Fusion**” and together with SAIL, the “**Applicants**”) has requested a case conference to schedule two motions:

- (a) the first, seeking an order, amongst other things, declaring that Mr. Timothy Shaw is in breach of the Property Preservation Order (as defined below); and
- (b) the second, seeking an order, amongst other things, declaring that the transfer of shares (the “**Real Holdings Shares**”) of Shaw Almex Spain Real Holdings, S.L. (“**Real Holdings**”) from SAIL to Shaw Almex Global Holdings Limited (“**Global Holdings**”) pursuant to a share sale and purchase agreement dated December 31, 2021 (the “**Share Purchase Agreement**”) was a transfer at undervalue for the purposes of section 96 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), as incorporated into the CCAA by section 36.1 thereof, and void as against the Monitor.

B. MOTION RE: CONTEMPT OF COURT

2. The Applicants are subject to an initial order granted under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) by Justice Dietrich on May 13, 2025 (such order, the “**Initial Order**”). The Initial Order requires that the Applicants remain in possession and control of their Property (as defined in the Initial Order) and to carry on their business in a manner consistent with the preservation of their Property.

3. Mr. Shaw is SAIL’s only director and former CEO and President. Mr. Shaw has repeatedly engaged in conduct that frustrates the Applicants’ restructuring efforts. In particular, Mr. Shaw (or his agents, representatives, or others acting on his behalf) continues to retain possession and control of certain of the Applicants’ Property and refuses to deliver such Property to the Monitor. Mr. Shaw has also indicated to certain current employees of SAIL that he intends to establish a new business to compete with the Applicants.

4. On May 30, 2025, this Court granted an order that, among other things, compelled Mr. Shaw to cooperate with the Monitor and to return to the Monitor any and all Property (such order, the “**Property Preservation Order**”). The Property Preservation Order required Mr. Shaw’s compliance with respect to certain orders “as soon as reasonably practicable and, in any event, no later than five business days from the date of this Order” (being June 6, 2025).

5. Mr. Shaw has failed to comply with the Property Preservation Order, despite the Monitor’s efforts to work cooperatively with him. The Monitor has grave concerns about the standard of care exercised by Mr. Shaw to protect the Property in his possession and control, particularly given that the facility where much of it is currently held was recently burglarized.

6. The Monitor would like the motion regarding Mr. Shaw’s contempt of court to be scheduled as soon as possible, and if possible, concurrently with the Applicants’ stay extension motion scheduled for June 27, 2025. The Monitor proposes that motion records and facta be exchanged on an expedited basis given the importance of recovering and preserving the Property. Mr. Shaw has not advised the Monitor whether he is represented by counsel, notwithstanding the Monitor’s multiple inquiries in relation to same.

C. MOTION RE: SHARE PURCHASE AGREEMENT DETERMINATION

7. Real Holdings indirectly holds the real property where SAIL’s Spanish subsidiary conducts its business. The real property has been identified as an important asset by the potential purchasers of the Applicants’ business. Prior to the Share Purchase Agreement signed on December 31, 2021, SAIL was the registered owner of Real Holdings.

8. Pursuant to the Share Purchase Agreement, SAIL (acting through Mr. Shaw) purported to sell to Global Holdings the Real Holdings Shares for €2,400,600 payable in 20 annual installments. Global Holdings is an entity controlled by Mr. Shaw and is not a subsidiary of SAIL.

9. Global Holdings never transferred any cash to SAIL to satisfy the purchase price, although a portion of this debt was allegedly set-off against amounts owing by SAIL to Global Holdings.

10. The Monitor would like the motion to determine whether the Share Purchase Agreement is a transfer at undervalue to be scheduled as soon as possible after the June 27, 2025, stay extension motion. The Monitor proposes that motion records and facts be exchanged on an expedited basis.

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Court File No. CV-25-00743136-00CL

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SUPERIOR COURT OF JUSTICE
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Proceeding commenced at Toronto

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OF THE MONITOR
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