

**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**

**NOTICE OF MOTION
(Re: Contempt of Court)
(Returnable on a date to be scheduled by the Court)**

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**”) will make a motion before Justice J. Dietrich or another Judge of the Ontario Superior Court of Justice (Commercial List) at 330 University Avenue, Toronto, Ontario (the “**Court**”) on a date to be scheduled.

PROPOSED METHOD OF HEARING: The motion is to be heard:

☐ in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;

☐ in writing as an opposed motion under subrule 37.12.1 (4);

☒ in person;

☐ by telephone conference;

☐ by video conference.

THE MOTION IS FOR:

1. An Order that, among other things:
 - (a) abridges the time for service and filing of this notice of motion on Mr. Timothy Shaw, if necessary;
 - (b) compels Mr. Shaw, his agents, representatives, and anyone else acting on his behalf to deliver to the Monitor any and all Property (as defined in paragraph 5 of the Initial Order granted in these proceedings dated May 13, 2025 (the “**Initial Order**”)) in their possession and control;
 - (c) declares that Mr. Shaw is in breach of the Property Preservation Order of Justice Dietrich dated May 30, 2025 (as defined below);
 - (d) declares that Mr. Shaw is in contempt of Court;
 - (e) orders that Mr. Shaw be imprisoned for such period of time and on such terms as this Honourable Court deems just;
 - (f) orders that Mr. Shaw pay to the Monitor, in trust for the Applicants, costs in the amount of \$10,000 per day, beginning on June 19, 2025, for each day that:
 - (i) any remaining Property in Mr. Shaw’s possession and control is not delivered to the Monitor, and in particular for each day that Mr. Shaw remains in possession and control of the Property belonging to Fusion; and
 - (ii) Mr. Shaw refuses to provide confirmation to the Monitor it has complied with the intellectual property requirements set out in the Property Preservation Order;
 - (g) orders the aid and recognition of foreign courts, as may be necessary, to give effect to the orders requested herein; and

(h) such further and other relief as this Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Generally

2. SAIL is the parent company of a global business (the “**Almex Group**”) that is in the business of the manufacturing of conveyor belt vulcanizing equipment, technology, services and expertise;
3. Fusion is an indirect subsidiary of SAIL that operates from Atlanta, Georgia, and manufactures primarily presses and rubber products;
4. On March 29, 2025, SAIL filed a notice of intention to make a proposal (“**NOI**”) pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended;
5. FTI consented to act as the proposal trustee of SAIL’s estate;
6. On May 13, 2025, the Court granted the Initial Order with respect to SAIL and Fusion which, among other things:
 - (a) continued the NOI proceeding commenced by SAIL under the purview of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”);
 - (b) appointed FTI as the Monitor with enhanced powers;
 - (c) granted a stay of all proceedings until May 30, 2025;
7. Also on May 13, 2025, the Court granted an order an order approving a sale and investment solicitation process with respect to the Applicants;
8. On May 30, 2025, the Court extended the stay of proceedings under the CCAA to and including July 18, 2025;

Concerns with the Tim Shaw's Treatment of the Almex Group's Property

9. In the course of the NOI proceeding, the Proposal Trustee faced significant challenges obtaining reliable information and cooperation from SAIL's only director and former CEO and President, Mr. Shaw;
10. Upon the commencement of the CCAA proceeding, the Monitor was granted enhanced powers due, in part, to concerns about SAIL's management;
11. Mr. Shaw was terminated by SAIL on May 13, 2025, but he has nevertheless continued to engage in conduct that frustrates the Applicants' restructuring efforts;
12. On May 15, 2025, the Monitor wrote to Mr. Shaw to express concerns that Mr. Shaw may have, amongst other things:
 - (a) contacted the Applicants' employees regarding the copying and acquisition of proprietary information (the "**Proprietary Information**"), including engineering drawings and calculations, order history, pricing tools, electrical drawings and marketing information;
 - (b) obtained portable hard drives owned by the Applicants that contain Proprietary Information, including the Applicants' engineering and marketing data; and
 - (c) advised certain of the Applicants' employees that he intended to establish a new business to compete with the Applicants, that he intended to use the Proprietary Information in furtherance of same, and that he had been soliciting certain of the Applicants' employees to resign from their employment with the Applicants and start employment with his new business;
13. The Monitor demanded that Mr. Shaw, his agents, and his representatives, among other things, cease certain conduct and return to the Monitor all Proprietary Information in his, his agents' or his representatives' possession, and to return to the Monitor all other Property owned by the Applicants;

14. Mr. Shaw has failed to fully comply with the Monitor's demands;
15. On May 17, 2025, the Monitor learned that Mr. Shaw changed the locks to a property rented by SAIL;

Removal of Fusion's Property

16. The Monitor has determined that in the period leading up to the CCAA proceedings and continuing for an amount of time after the commencement of the CCAA proceedings, Property was removed from Fusion's premises by or at the direction of Mr. Shaw;
17. The Property removed from Fusion's premises includes approximately 20 presses in development for clients, which are approximately 80% to 90% complete and cumulatively valued (at retail) at approximately \$1 million (the "**In-Production Presses**");
18. The Property removed from Fusion's premises has been moved to:
 - (a) an adjacent building at 2939 Miller Road, Stonecrest, Georgia ("**Building 4**"), which is owned or controlled by Mr. Shaw and/or his wife Mrs. Pamela Shaw;
 - (b) movable trailers, which are believed to be at Building 4; and
 - (c) a personal residence believed to be owned by Mr. Shaw;

Property Preservation Order Obtained on May 30, 2025

19. In an effort to recover the Property removed from the Applicants' possession and control, the Monitor brought a motion on May 30, 2025, on notice to Mr. Shaw for an order, among other things, compelling him to cooperate with the Monitor and to return to the Monitor the Property in the possession and control of Mr. Shaw, his agents, representatives, and anyone else acting on his behalf (such order, the "**Property Preservation Order**");

20. This Court granted the Property Preservation Order on May 30, 2025;
21. Mr. Shaw had full knowledge of the issuance of the Property Preservation Order: on May 30, 2025, copies of the Property Preservation Order were emailed and couriered to him, with accompanying cover notes flagging the importance of the Property Preservation Order;
22. The Property Preservation Order provided that “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), Mr. Shaw was to:
 - (a) deliver to the Monitor any and all Property in his possession and control;
 - (b) with respect to intellectual property stored on remote servers: (i) deliver to the Monitor copies of and details regarding any such intellectual property; (ii) thereafter delete any of the intellectual property that is stored remotely; and (iii) provide confirmation of the foregoing to the Monitor;

Failure to Comply with the Property Preservation Order

23. Between the date of the Property Preservation Order and the end of day on June 6, 2025, Mr. Shaw delivered to the Monitor certain hard drives and vehicles belonging to the Applicants, but otherwise failed to deliver to the Monitor most of the Property in his possession and control, including In-Production Presses, and he failed to deliver the required confirmation with respect to intellectual property;
24. On June 6, 2025, the Monitor offered to collect the Property held in Building 4 so that Mr. Shaw did not need to arrange for its physical delivery to the Monitor;
25. On June 9, 2025, Mr. Shaw responded by email indicating he would grant the Monitor limited access to Building 4 from 8:00 a.m. through to 6:00 p.m. on June 12, 2025 (the “**Limited Access Period**”);
26. Counsel to the Monitor wrote to Mr. Shaw on June 10, 2025, to, among other things:

- (a) remind him that the Property Preservation Order required his full compliance by no later than June 6, 2025, which compliance was outstanding;
 - (b) provide him with a draft statutory declaration so that he could deliver the required confirmation with respect to intellectual property;
 - (c) advise him that a representative of the Monitor intended to access Building 4 on June 12, 2025, as authorized, but that the Limited Access Period did not provide sufficient time to complete the removal of the Property given that the Property in Building 4 is heavy, bulky equipment that is difficult to move, and that more time would be needed;
27. On June 12, 2025, neither Mr. Shaw nor any of his agents were present to give the Monitor's representative access to Building 4 at 8:00 a.m.;
28. Only after the Monitor's counsel wrote to Mr. Shaw to demand access to Building 4 did Mr. Shaw grant the Monitor's representative access to Building 4, by which point it was approximately 1:00 p.m. on June 12, 2025;
29. Inside Building 4, the Monitor's representative saw approximately 20 presses and various pieces of equipment belonging to the Applicants;
30. The Monitor's representative also found electric wires ripped from the building's walls in what appeared to be an in-progress burglary;
31. Mr. Shaw and the Monitor's representative left Building 4 on the advice of local police, resulting in the Monitor's representative being unable to collect any of the Property;
32. On June 13, 2025, counsel to the Monitor asked Mr. Shaw for further access to Building 4, with a focus on removing the Property;
33. Mr. Shaw has yet to grant the Monitor the requested access to Building 4;

34. Mr. Shaw has not returned to the Monitor a commissioned statutory declaration providing the necessary confirmations with respect to intellectual property, despite counsel to the Monitor making itself available to Mr. Shaw to commission the statutory declaration (as had been requested by Mr. Shaw);
35. Mr. Shaw has advised counsel to the Monitor that he will not turn over to the Monitor the movable trailers holding Property until all equipment owned by “Bristol Herrington” is removed from the trailers (“Bristol Herrington” is believed to be “Bristol Herrington, Inc.”, a non-Applicant entity that is purportedly controlled by Mr. Shaw);

Mr. Shaw is in Breach of the Property Preservation Order

36. Mr. Shaw continues to retain Property that ought to have been delivered to the Monitor by no later than June 6, 2025, in accordance with the Property Preservation Order;
37. Despite the Monitor’s efforts to work cooperatively with Mr. Shaw, Mr. Shaw has failed to meaningfully engage with the Monitor or to demonstrate any sense of urgency or promptness with respect to his obligations under the Property Preservation Order;
38. Mr. Shaw has only delivered to the Monitor a small portion of the Property in his possession and control (such as vehicles and hard drives), and the recovery of that Property has required significant expenditures of time and resources on the Monitor’s part;
39. The Monitor has grave concerns about the standard of care exercised by Mr. Shaw to protect the Property in his possession and control, particularly with respect to the Property held in Building 4;
40. In addition, the Monitor recently learned that in and around the time of the commencement of these CCAA proceedings, Mr. Shaw changed the login information required to access the back-up cloud services for his laptop, which meant

that he had access to the Applicants' remote data storage service following his termination;

41. The Applicants require possession and control of their Property so that the Property can be sold as part of the sale and investment solicitation process, which is at an advanced stage;
42. The price obtainable in the sale and investment solicitation process is likely to be impacted if the Property is not recovered by the Monitor;

Other Grounds

43. The provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, in particular rules 2.03, 3.02, 16.01, 37, 39, and 60.11;
44. The provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and in particular sections 141 to 145;
45. The inherent and equitable jurisdiction of the Court; and
46. Such further and other grounds as counsel may advise and this court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

47. A report of the Monitor, to be filed; and
48. Such further and other materials as counsel may advise and this Honourable Court may permit.

June 18, 2025

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C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR
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FUSION, LLC

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

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Proceeding commenced at Toronto

NOTICE OF MOTION
OF THE MONITOR
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