

**Court File No. CV-16-11358-00CL**

**FirstOnSite G.P. Inc.**

**FIRST REPORT OF  
FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS THE MONITOR**

**April 27, 2016**

**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 A PLAN OF COMPROMISE OR ARRANGEMENT OF  
FIRSTONSITE G.P. INC.

**FIRST REPORT OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor**

**INTRODUCTION**

1. On April 21, 2016 (the “**Filing Date**”), FirstOnSite G.P. Inc. (“**FirstOnSite GP**” or the “**Applicant**”) filed for and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Order of this Court granted April 21, 2016 (the “**Initial Order**”), FTI Consulting Canada Inc. (“**FTI**”) was appointed as the Monitor in these proceedings (the “**Monitor**”). The Initial Order provided, *inter alia*, a stay of proceedings against the Applicant through to and including May 20, 2016 and extended the relief under the Initial Order to FirstOnSite Restoration L.P. (“**FirstOnSite LP**”, together with FirstOnSite GP, “**FirstOnSite**” or the “**Companies**”). The proceedings commenced by the Applicant under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. At the hearing for the Initial Order, a comeback hearing in respect of the Initial Order was set by the Court for May 2, 2016 (the “**Comeback Hearing**”). At the Comeback Hearing, the Applicant will be seeking an Amended and Restated Initial Order (the “**Amended and Restated Initial Order**”) granting super-

priority to the charges granted pursuant to the Initial Order, as further discussed below.

3. The purpose of this report (this “**Report**”) is to provide this Court with information on the following:
  - (a) a summary of FTI’s activities since the commencement of the CCAA Proceedings;
  - (b) an overview of the Applicant’s activities since the commencement of the CCAA Proceedings;
  - (c) parties asserting lien claims in connection with FirstOnSite; and
  - (d) the super-priority of the Court-ordered charges being sought by the Applicant.

#### **TERMS OF REFERENCE**

4. In preparing this report, the Monitor has relied upon unaudited financial information of FirstOnSite, FirstOnSite’s books and records, certain financial information prepared by FirstOnSite and discussions with various parties, including senior management (“**Management**”) of the Companies (collectively, the “**Information**”).
5. Except as described in this Report:
  - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

- (b) the Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
6. Future oriented financial information reported or relied on in preparing this Report is based on Management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.
7. The Monitor has prepared this Report in connection with the Applicant’s motion for the Amended and Restated Initial Order scheduled to be heard at the Comeback Hearing (the “**Comeback Motion**”). This Report should be read in conjunction with the affidavit of Kevin McElcheran sworn April 22, 2016 in support of the Comeback Motion.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings given to them in the Pre-Filing Report or the Demos Affidavit (each as defined below).

## **GENERAL BACKGROUND**

9. Background information regarding FirstOnSite and the CCAA Proceedings is provided in, *inter alia*, the affidavit of Mr. David Demos sworn April 20, 2016 and filed in support of the Initial Order (the “**Demos Affidavit**”) and the pre-filing report of FTI, in its capacity as proposed monitor, dated April 21, 2016 (the “**Pre-Filing Report**”). Copies of these materials, the Initial Order and other documentation relating to these CCAA Proceedings have been posted on the Monitor’s Website at <http://cfcanada.fticonsulting.com/firstonsite> (the “**Monitor’s Website**”).

## **ACTIVITIES OF THE MONITOR SINCE THE COMMENCEMENT OF THE CCAA PROCEEDINGS**

10. The Initial Order appointed FTI as the Monitor in these CCAA Proceedings. Since its appointment as Monitor, FTI's activities to date have included, *inter alia*:

- (a) establishing and making materials available on the Monitor's Website, as further described below;
- (b) establishing the Monitor's hotline and e-mail address, as further described below, and responding to inquiries received by and phone calls directly to the Monitor;
- (c) preparing a list of known creditors having claims against the Companies of more than \$1,000 (the "**Known Creditors List**"), showing the names, addresses and estimated amounts of those claims (except the names, addresses or estimated amounts of the claims of those creditors who are individuals), and making the Known Creditors List publicly available in the prescribed manner;
- (d) finalizing and sending notices to creditors as required under the Initial Order (the "**Creditor Notices**"), as further described below;
- (e) assisting the Companies in connection with their reporting requirements under the DIP Agreement;
- (f) participating in discussions with the Companies and the Companies' legal and financial advisors in connection with the Comeback Hearing and the Sale Approval Motion (as defined below), and reviewing and considering various documentation in connection with the foregoing;
- (g) reviewing disbursements made by the Companies during the CCAA Proceedings; and

- (h) preparing this Report.
11. Pursuant to the Initial Order, Creditor Notices were sent in the prescribed manner to those creditors on the Known Creditors List on or by April 26, 2016. The Creditor Notices contained, *inter alia*, notice of the commencement of these CCAA Proceedings and notice of the Comeback Hearing, and directed parties to the Monitor's Website for relevant materials filed in connection with these CCAA Proceedings. Copies of the forms of Creditor Notices (in English and in French) are attached hereto as Appendix "A".
  12. Pursuant to the Initial Order, the Monitor will also publish notices containing the information prescribed under the CCAA in the Globe & Mail (National Edition) on or about each of April 28, 2016 and May 5, 2016.
  13. In addition, the Monitor has made various materials relating to the CCAA Proceedings available on the Monitor's Website. These materials include, *inter alia*, the Applicant's application materials, the Pre-Filing Report, the Initial Order, the Known Creditors List, the Creditor Notices, the service list, and the Applicant's motion materials in connection with the Comeback Hearing.
  14. The Monitor also established a hotline (416-649-8108) and a toll-free line (1-844-709-6730) to allow creditors and other interested parties to contact the Monitor to obtain additional information concerning the CCAA Proceedings. The Monitor continues to respond to these inquiries in a timely manner.

#### **ACTIVITIES OF THE COMPANIES SINCE THE COMMENCEMENT OF THE CCAA PROCEEDINGS**

15. The Monitor understands from FirstOnSite that the Companies have been involved in providing information regarding the CCAA Proceedings to stakeholders and have performed the following activities in this regard:

- (a) issuing a press release on April 21, 2016 announcing the commencement of the CCAA Proceedings and the Proposed Transaction, a copy of which is attached hereto as Appendix “B”;
  - (b) contacting employees and key suppliers to inform them of the commencement of the CCAA Proceedings and the Proposed Transaction;
  - (c) responding to inquiries from stakeholders; and
  - (d) assisting the Monitor in preparing the Known Creditors List.
16. The Monitor also understands that the Companies have been working with the Purchaser in connection with advancing the Proposed Transaction and satisfying the conditions set out in the APA (should the Proposed Transaction be approved by the Court), and, in connection with the Proposed Transaction, intend to bring a motion before the Court on May 9, 2016, seeking, among other things, Court approval of the Proposed Transaction (the “**Sale Approval Motion**”). The Monitor is not providing any recommendations with respect to the Proposed Transaction at this time and will file a subsequent report in connection with the Companies’ sale process and the resulting Proposed Transaction prior to the hearing of the Sale Approval Motion.

#### **CASH FLOW FORECAST AND RECEIPTS AND DISBURSEMENTS**

17. As discussed in the Pre-Filing Report, the Companies, with the assistance of the Monitor, prepared a consolidated weekly cash flow forecast for the Companies for the period from April 21, 2016 to June 10, 2016 (the “**Cash Flow Forecast**”), a copy of which was attached as Appendix “A” to the Pre-Filing Report.
18. Since the Filing Date, the Monitor has been working, and will continue to work, with the Companies to review disbursements and manage their cash spending during the CCAA Proceedings. The Monitor will provide an update on any

variance in the actual receipts and disbursements compared to the receipts and disbursements set out in the Cash Flow Forecast in a subsequent report of the Monitor for the applicable period.

## **LIEN CLAIMS**

19. As discussed in the Pre-Filing Report, the Monitor understands that various provincial construction lien and similar legislation (collectively, “**Provincial Lien Legislation**”) may in certain circumstances give rise to the ability of certain parties to register liens on property that is the subject of projects being performed by FirstOnSite.
20. Pursuant to the Initial Order, the Applicant obtained a stay as against any person who has supplied services and/or materials to FirstOnSite to preserve and perfect a lien under Provincial Lien Legislation (each a “**Lien Claim**”) against any projects to which FirstOnSite is a contracting party. The Initial Order further provides that (a) any person who wishes to preserve or perfect a Lien Claim (each a “**Lien Claimant**”) shall be required to provide to the Monitor and FirstOnSite a notice setting the amount and particulars of its Lien Claim, and (b) upon serving a Lien Notice, the Lien Claimant shall be entitled to a charge on the Charged Property in an amount equivalent to the value that the Lien Claimant would otherwise be entitled to in connection with a lien under the applicable Provincial Lien Legislation (collectively, the “**Lien Charge**”).
21. Under the Initial Order, the Monitor is authorized to review and reduce or disallow a Lien Claim set out in a Lien Notice, or refer such matter for determination by the Court, on notice to the applicable Lien Claimant.
22. Since the commencement of the CCAA Proceedings, certain suppliers of materials and/or services have made inquiries in connection with existing or potential lien claims, and/or have submitted a Lien Notice pursuant to the process



set out in the Initial Order. The Monitor is reviewing such matters with the Companies and will report further on such matters, as appropriate.

### **SUPER-PRIORITY OF COURT-ORDERED CHARGES**

23. The Applicant sought and obtained the following charges (collectively, the “**Charges**”) pursuant to the Initial Order, ranking in the relative priority set out below:
- a) First – the Administration Charge to a maximum of \$1 million;
  - b) Second – the DIP Lender’s Charge to a maximum of \$15 million;
  - c) Third – the KERP Charge to a maximum of \$2.26 million;
  - d) Fourth – the Financial Advisor’s Charge to a maximum of \$1.1 million; and
  - e) Fifth – the Lien Charge, to the extent necessary to secure any Lien Claims that may arise (provided that the Lien Charge shall rank subordinate to the security interest granted in favour of Wells Fargo in respect of the Pre-Filing ABL Facility and to the security interest granted in favour of BDC in respect of the Pre-Filing BDC Loan (each as defined below)).
24. Pursuant to the Initial Order, the Charges rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) with notice of the Initial Order (being Wells Fargo Capital Finance Corporation Canada (“**Wells Fargo**”) as agent under the pre-filing senior secured asset-backed loan facility (the “**Pre-Filing ABL Facility**”), Business Development Bank of Canada (“**BDC**”) as lender under the letter offer of credit entered into on November 25, 2014 (the “**Pre-Filing BDC Loan**”), BDC Capital Inc. as lender under the letter offer of credit entered into on November 25, 2014, and Torquest), provided that the Lien Charge ranks, as noted above, subordinate to the security interest granted

- in favour of Wells Fargo in respect of the Pre-Filing ABL Facility and to the security interest granted in favour of BDC in respect of the Pre-Filing BDC Loan, and provided further that nothing in the Initial Order affects or otherwise alters the priority of any claims in respect of any amounts owing by FirstOnSite in respect of supplied services or materials that are given priority over other Encumbrances by statute.
25. The Initial Order provides that the Applicant and the chargees entitled to the benefit of the Charges are entitled to seek priority of the Charges ahead of all or certain additional Encumbrances on a subsequent motion on notice to those parties likely to be affected thereby.
  26. As noted above, the Applicant is seeking the Amended and Restated Initial Order pursuant to which the Charges would (subject to approval of the Court) rank ahead of all Encumbrances, provided that the Lien Charge shall continue to rank subordinate to the security interest granted in favour of Wells Fargo in respect of the Pre-Filing ABL Facility and to the security interest granted in favour of BDC in respect of the Pre-Filing BDC Loan, and that nothing in the Amended and Restated Initial Order shall affect or otherwise alter the priority of any claims in respect of any amounts owing by FirstOnSite in respect of supplied services or materials that are given priority over other Encumbrances by statute. The Charges would continue to rank in the same relative priority as amongst themselves as set out in the Initial Order and described above.
  27. The Monitor has been advised by counsel to the Applicant that all known secured parties have been served with the Applicant's Comeback Motion.
  28. In the Pre-Filing Report, the Monitor set out its views with respect to the Charges and their rankings. For the reasons set out in the Pre-Filing Report, the Monitor remains of the view that the Charges and their rankings (as amended by the proposed Amended and Restated Initial Order) are required and reasonable in the circumstances of the CCAA Proceedings in order to preserve going concern

operations of the Companies and maintain their enterprise value and, accordingly, supports the proposed ranking of the Charges under the proposed Amended and Restated Initial Order.

#### MONITOR'S CONCLUSIONS

29. The Monitor is of the view that the relief requested by the Applicant is necessary, reasonable and justified in the circumstances, and respectfully recommends that the Applicant's request for the Amended and Restated Initial Order be granted by the Court.

All of which is respectfully submitted this 27<sup>th</sup> day of April, 2016.

FTI Consulting Canada Inc.  
In its capacity as Monitor of  
FirstOnSite G.P. Inc.



Paul Bishop  
Senior Managing Director



Michael Basso  
Director

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**Appendix A**

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**Creditor Notices**



FTI Consulting  
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79 Wellington Street West  
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Toronto ON M5K 1G8

April 26, 2016

To: Whom It May Concern

**Re: FirstOnSite G.P. Inc. and FirstOnSite Restoration L.P. (collectively, “FirstOnSite” or the “Companies”)**

On April 21, 2016, FirstOnSite G.P. Inc. sought and obtained an initial order (the “**Initial Order**”) from the Ontario Superior Court of Justice (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The Initial Order provides, among other things, a stay of proceedings until May 20, 2016 (the “**Stay Period**”), which may be extended by the Court from time to time. The protections and authorizations provided under the Initial Order were also extended to FirstOnSite Restoration L.P., and FTI Consulting Canada Inc. was appointed as the monitor (the “**Monitor**”) in the CCAA proceedings. FirstOnSite is continuing operations pursuant to the Initial Order.

A copy of the Initial Order and copies of the materials filed in respect of the CCAA proceedings may be obtained on the Monitor’s website at <http://cfcanada.fticonsulting.com/firstonsite> or on request from the Monitor by calling 1-844-709-6730 or by emailing [firstonsite@fticonsulting.com](mailto:firstonsite@fticonsulting.com).

Pursuant to the Initial Order, all persons having oral or written agreements with FirstOnSite or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by FirstOnSite provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by FirstOnSite in accordance with normal payment practices of FirstOnSite or such other practices as may be agreed upon by the supplier or service provider and each of FirstOnSite and the Monitor, or as may be ordered by the Court. The Initial Order prohibits FirstOnSite from making payment of amounts relating to the supply of goods or services provided to FirstOnSite prior to April 21, 2016, other than certain payments specified in the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal action against FirstOnSite and all rights and remedies of any party against or in respect of FirstOnSite or their assets are stayed and suspended except with the written consent of FirstOnSite and the Monitor, or by leave of the Court.

In addition, pursuant to the Initial Order, the rights of any person who has supplied services and/or materials to FirstOnSite to preserve or perfect a lien under applicable legislation in respect of a project to which FirstOnSite is a contracting party are stayed and any person wishing to preserve, perfect or otherwise enforce such a claim will be required to comply with the process set out in the Initial Order, which process is set out at paragraphs 19 to 23 of the Initial Order.

**A hearing for a comeback motion (the “Comeback Hearing”) in respect of the Initial Order has been scheduled for May 2, 2016 before the Court at 330 University Ave, Toronto, Ontario.** At the Comeback Hearing any interested party who wishes to amend or vary the Initial Order will be entitled to appear or bring a motion before the Court. Related Court materials and updates as to the date and time of the Comeback Hearing, if any, will be made available on the Monitor’s website. If you have any questions or wish to bring a motion or seek relief at the Comeback Hearing, you can contact the Monitor



at the contact information provided above and below.

The Company has negotiated the sale of substantially all of the Company's business and assets in Canada and the United States with a subsidiary of Interstate Restoration Inc. and will be seeking Court approval of that transaction at a hearing on a date to be set by the Court. Related Court materials will be made available on the Monitor's website. Pursuant to the terms of the asset purchase agreement in connection with such sale transaction, and subject to approval of the transaction by the Court, most amounts owing to persons who have supplied services and/or materials to FirstOnSite prior to the completion of the transaction are expected to be assumed by the Purchaser on closing.

If you have any questions regarding the foregoing or require further information, please consult the Monitor's website at <http://cfcanada.fticonsulting.com/firstonsite> or by contacting the Monitor by calling 1-844-709-6730 or by emailing [firstonsite@fticonsulting.com](mailto:firstonsite@fticonsulting.com).

26 avril 2016

À qui de droit

**Objet : FirstOnSite G.P. Inc. et FirstOnSite Restoration L.P. (collectivement, « FirstOnSite » ou la « Compagnie »)**

Le 21 avril 2016, FirstOnSite G.P. Inc. a demandé et obtenu une ordonnance initiale (l'« **Ordonnance initiale** ») de la Cour supérieure de justice de l'Ontario (la « **Cour** ») en vertu de la *Loi sur les arrangements avec les créanciers des compagnies* (L.R.C. (1985), ch. C-36) dans sa version modifiée (la « **LACC** »). L'Ordonnance initiale prévoit, entre autres, une suspension d'instance jusqu'au 20 mai 2016 (la « **Période de suspension** »), laquelle Période de suspension pourrait être prorogée par la Cour, de temps à autre. Les protections et autorisations prévues en vertu de l'Ordonnance initiale ont également été accordées à FirstOnSite Restoration L.P. et FTI Consulting Canada Inc. a été désignée à titre de contrôleur (le « **Contrôleur** ») des procédures en vertu de la LACC. FirstOnSite poursuit ses opérations conformément à l'Ordonnance initiale.

Il est possible d'obtenir des copies de l'Ordonnance initiale et des documents déposés dans le cadre des procédures en vertu de la LACC sur le site Web du Contrôleur, à l'adresse <http://cfcanada.fticonsulting.com/firstonsite>, ou sur demande adressée au Contrôleur par téléphone, au 1-844-709-6730, ou par courriel, à l'adresse [firstonsite@fticonsulting.com](mailto:firstonsite@fticonsulting.com).

En vertu de l'Ordonnance initiale et jusqu'à nouvel ordre, il est interdit à toute personne ayant conclu une entente verbale ou écrite avec FirstOnSite ou détenant un mandat statutaire ou réglementaire visant la fourniture de biens et (ou) services d'interrompre, de modifier, d'entraver ou de cesser la fourniture de ces biens ou services dont pourrait avoir besoin FirstOnSite, sous réserve du paiement par FirstOnSite des prix ou frais normaux desdits biens ou services, quels qu'ils soient, reçus après la date de l'Ordonnance initiale, conformément aux pratiques normales de paiement de FirstOnSite ou à d'autres pratiques qui pourraient être convenues entre le fournisseur de biens ou services et FirstOnSite et le Contrôleur ou tel qu'ordonné par la Cour. L'Ordonnance initiale interdit à FirstOnSite d'effectuer des paiements à l'égard de biens ou services fournis à FirstOnSite avant le 21 avril 2016, exception faite de certains paiements spécifiés dans l'Ordonnance initiale.

Durant la Période de suspension, il est interdit à toute partie d'intenter ou de continuer une action en justice contre FirstOnSite et tous les droits et recours de l'une ou l'autre des parties à l'encontre ou à l'égard de FirstOnSite ou de ses biens sont suspendus, sous réserve du consentement par écrit de FirstOnSite et du Contrôleur ou de la permission de la Cour.

En outre, en vertu de l'Ordonnance initiale, les droits de toute personne ayant fourni des services et (ou) matériaux à FirstOnSite de conserver ou de parfaire un privilège en vertu des lois applicables à l'égard d'un projet auquel FirstOnSite est partie contractante sont suspendus et toute personne désirant préserver, parfaire ou autrement faire valoir une réclamation en ce sens doit se conformer au processus énoncé dans l'Ordonnance initiale, lequel processus étant énoncé aux paragraphes 19 à 23 de l'Ordonnance initiale.

**Une audience de requête en reprise (l'« Audience de reprise ») à l'égard de l'Ordonnance initiale est prévue le 2 mai 2016 devant la Cour, au 330, avenue University, Toronto, Ontario.** Au cours de



l'Audience de reprise, toute partie intéressée désireuse de modifier l'Ordonnance initiale sera autorisée à comparaître ou à présenter une requête devant la Cour. Les documents pertinents de la Cour et les mises à jour quant à la date et à l'heure de l'Audience de reprise, le cas échéant, seront disponibles sur le site Web du Contrôleur. Si vous avez des questions ou désirez présenter une requête ou solliciter des mesures de redressement à l'Audience de reprise, vous pouvez communiquer avec le Contrôleur aux coordonnées indiquées ci-dessus et ci-dessous.

La Compagnie a négocié avec une filiale d'Interstate Restoration Inc. la vente de la quasi-totalité des intérêts et des actifs de la Compagnie au Canada et aux États-Unis et demandera à la Cour d'approuver cette transaction au cours d'une audience à une date fixée par la Cour. Les documents pertinents de la Cour seront disponibles sur le site Web du Contrôleur. Conformément aux modalités de la convention d'achat des actifs en lien avec ladite transaction de vente et sous réserve de l'approbation par la Cour de la transaction, les sommes dues aux personnes qui ont fourni des services et (ou) matériaux à FirstOnSite avant la conclusion de la transaction sont, pour la plupart, censées être versées par l'acheteur au moment de ladite conclusion.

Si vous avez des questions au sujet de ce qui précède ou si vous avez besoin de renseignements supplémentaires, veuillez consulter le site Web du Contrôleur, à l'adresse <http://cfcanada.fticonsulting.com/firstonsite>, ou communiquez avec le Contrôleur par téléphone, au 1-844-709-6730, ou par courriel, à l'adresse [firstonsite@fticonsulting.com](mailto:firstonsite@fticonsulting.com).



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## Appendix B

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### Press Release

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SOURCE: FirstOnSite Restoration



April 21, 2016 18:00 ET

## Canada's FirstOnSite Restoration to Join Forces With U.S.-Based Interstate Restoration

MISSISSAUGA, ON --(Marketwired - April 21, 2016) - FirstOnSite Restoration G.P. Inc. (the general partner of FirstOnSite Restoration L.P.), Canada's largest independent disaster restoration services provider, today announced that it has reached a definitive asset purchase agreement with U.S.-based Interstate Restoration LLC, subject to Court approval, under which Interstate Restoration will acquire FirstOnSite. The terms of the agreement were not disclosed.

The combination of FirstOnSite and Interstate Restoration will create the second largest independent North American restoration and reconstruction services provider, giving it greater breadth of capabilities and resources to compete more effectively and to provide the highest quality service to clients. With 19 branch locations across the United States, Interstate Restoration is one of the largest emergency restoration and reconstruction service providers for commercial enterprises.

"By combining FirstOnSite and Interstate Restoration, we will significantly improve our ability to deliver to our clients uninterrupted, best-in-class restoration and reconstruction services on both sides of the border," said Stacy Mazur, CEO, Interstate Restoration. "The combined companies bring financial strength, a broader customer base and a wide array of resources, talented personnel and new proficiencies. FirstOnSite is well known for its experienced workforce and brings a complementary culture that focuses on rebuilding lives after disasters. Together, we will have the scale necessary to respond to commercial and residential emergencies across Canada and the U.S., from localized disasters to major catastrophes."

"Our vision has always been to be the first and best choice for insurers, property owners and employees. Interstate Restoration brings exceptional industry and operational expertise, and this sale allows us to join forces and serve customers across the continent," said Dave Demos, CEO of FirstOnSite Restoration. "Interstate Restoration complements our Canadian service, and we intend to work together to share best practices across the border."

The transaction, which has the full support of each company's board of directors and FirstOnSite's key financial stakeholders, will be implemented by way of proceedings under the Companies' Creditors Arrangement Act (CCAA). As such, today, FirstOnSite sought and has been granted an order by the Ontario Superior Court of Justice for a stay of proceedings under the CCAA.

The companies expect the transaction to close in less than two months. Delos Capital, a U.S.-based private equity fund, will provide Interstate Restoration with committed financing for the transaction.

"As part of our strategy of backing the best management teams in their respective industries, we are proud to support the Interstate Restoration team and FirstOnSite to continue to build the best-in-class restoration company in North America," said Matt Constantino, founder of Delos Capital.

Alvarez & Marsal Canada Securities ULC acted as FirstOnSite's financial advisor and investment banker in the sale and investment solicitation process. Under the terms of the Initial Order, FTI Consulting Canada Inc. will serve as the Court-appointed Monitor of FirstOnSite. Details of the CCAA filing and related matters will soon be available on the Monitor's website: <http://cfcanada.fticonsulting.com/firstonsite>.

**About Interstate Restoration**

Founded in 1998, Interstate Restoration, LLC, based in Ft. Worth, Texas, is one of the largest emergency restoration and reconstruction service providers for commercial enterprises in the United States. Interstate Restoration specializes in assisting property owners and businesses in recovering from fire, flood, natural and human-caused disasters. With 19 regional offices in the U.S., Interstate Restoration has the scalability to respond to any-sized catastrophe and help people get back to business and back to life quickly and safely. For more information, visit [www.interstaterestoration.com](http://www.interstaterestoration.com), call 800-622-6433 or follow us on Twitter at @InterstateRest.

**About FirstOnSite**

FirstOnSite Restoration L.P. is the leading independent Canadian disaster restoration services provider, providing remediation, restoration and reconstruction services nationwide, and for the U.S. large loss and commercial market.

FirstOnSite's organizational structure is distinguished within the industry as it provides degrees of speed, scope and scale, including abilities to embrace innovations and technologies that help meet the unique needs of its customers. With approximately 1,000 employees, 38 locations, 24/7 emergency service and a commitment to customer service, FirstOnSite proudly serves the residential, commercial and industrial sectors. FirstOnSite has been a recipient of the Deloitte Best Managed Company award since 2012, and is an approved vendor for many leading insurance companies and commercial clients. For more information visit: [www.firstonsite.ca](http://www.firstonsite.ca) or call 1.877.778.6731, and follow @firstonsite on Twitter at [www.twitter.com/firstonsite](http://www.twitter.com/firstonsite).

**Contact Information**



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[View Full Site](#)

Interstate Restoration:  
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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  
FIRSTONSITE G.P. INC.

Court File No: CV-16-11358-00CL

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**FIRST REPORT OF THE MONITOR**

**GOODMANS LLP**

Barristers & Solicitors  
Bay Adelaide Centre  
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