



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: TBC

DATE: March 10, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: MITEL NETWORKS CORPORATION

BEFORE: JUSTICE CONWAY

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
Caroline Descours Andrew Harnes	Counsel to Mitel Networks Corporation	<a href="mailto:cdescours@goodmans.ca">cdescours@goodmans.ca</a> <a href="mailto:aharnes@goodmans.ca">aharnes@goodmans.ca</a>
Mike Shakra Thomas Gray	Counsel to the Ad Hoc Group of Senior Lenders	<a href="mailto:shakram@bennettjones.com">shakram@bennettjones.com</a> <a href="mailto:grayt@bennettjones.com">grayt@bennettjones.com</a>
Maria Konyukhova	Counsel to FTI Consulting Canada Inc, the proposed Information Officer	<a href="mailto:mkonyukhova@stikeman.com">mkonyukhova@stikeman.com</a>

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info

## **ENDORSEMENT OF JUSTICE CONWAY:**

- [1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicant dated March 10, 2025. All factual references are from the Affidavit of Janine Yetter, Chief Financial Officer of Mitel (Delaware), Inc. (and officer and/or director of many of the Debtors) and the Affidavit of Andrew Harmes, counsel to Mitel Networks Corporation. Both affidavits were sworn March 10, 2025.
- [2] This application is brought pursuant to Part IV of the CCAA and s. 106 of the CJA in connection with the Chapter 11 Cases commenced by the Debtors in the United States Bankruptcy Court for the Southern District of Texas (Houston Division).

## **Background to the Proposed Restructuring**

- [3] Mitel Networks Corporation (“MNC”) is part of a global company (the “**Mitel Group**” or the “**Company**”) that provides business communications and collaboration solutions. The Mitel Group was originally founded in Canada and has grown to become a global company with over 65 million end users in approximately 146 countries. MNC became a public company in 2010 through an initial public offering and was taken private when it was acquired by Searchlight in 2018. The acquisition resulted in MNC becoming a direct wholly-owned subsidiary of Mitel Networks (International) Limited, a holding company through which the Mitel Group holds its United States, Canadian and international operating segments.
- [4] For the last several years, the Company has experienced significant liquidity challenges. Despite taking certain initiatives to address these constraints through refinancing, the Company began to evaluate its options to pursue a deleveraging transaction that would right-size the Company’s balance sheet, materially reduce annual interest expense, and provide the Company with the necessary liquidity to execute on its go-forward business plan.
- [5] The Company engaged in negotiations with Searchlight, an *ad hoc* group of Senior Lenders, the Junior Lenders, and certain other Consenting Lenders. They have reached an agreement-in-principle on a proposed pre-packaged chapter 11 plan that will, among other things, reduce the Company’s funded indebtedness by over \$1.15 billion and reduce annual cash interest expense by approximately \$135 million, and position the reorganized Debtors for long-term growth.
- [6] On March 9, 2025, the Senior Lenders of the Ad Hoc Group, the Junior Lenders, Searchlight, the Company and certain other parties entered into a Restructuring Support Agreement (the “**RSA**”), which, among other things, attaches a chapter 11 plan of reorganization setting out the terms of the Restructuring Transactions. Pursuant to the RSA, the holders of 100% of the ABL Loan Claims, 72.1% of the Priority Lien Claims,

and over 81.1% of the Non-Priority Lien Term Loan Deficiency Claims have agreed, subject to the terms of the RSA, to vote in favour of the plan.

- [7] The Debtors, consisting of a subset of entities in the Mitel Group, including MNC, commenced the Chapter 11 Cases by filing the Petitions on March 10, 2025. The Debtors are scheduled to appear before the U.S. Bankruptcy Court to seek various First Day Orders, including an order appointing MNC as the Foreign Representative.
- [8] If the U.S. Bankruptcy Court grants the requested First Day Orders, MNC anticipates returning before this Court on March 19, 2025 to seek two additional orders:
  - a. the “**Initial Recognition Order**”, among other things, declaring MNC as the Foreign Representative and recognizing the Chapter 11 Cases as a “foreign main proceeding” in respect of MNC; and
  - b. the “**Supplemental Order**”, among other things, recognizing certain First Day Orders, appointing FTI Canada as the Information Officer, granting the Administration Charge and D&O Charge, and granting the DIP Charge over the assets and property of MNC in Canada to secure the DIP Financing.
- [9] The milestones for the Restructuring Transactions are expected to occur over a relatively short period of time with the transactions anticipated to be consummated by May 23, 2025, subject to extensions.

### **Mitel Canada**

- [10] MNC is the sole Canadian entity in the Mitel Group and the principal entity through which the Company conducts its business in Canada. Most of MNC’s customers and vendors are located in Canada although MNC also does some business with non-Canadian customers and vendors. MNC owns much of the Company’s intellectual property, which is used by other entities in the Mitel Group in return for royalty fees payable to MNC.
- [11] MNC’s registered and head office is located at leased premises in Ottawa, Ontario. MNC has approximately 323 employees in Canada. None of MNC’s employees are unionized.
- [12] MNC’s revenue during the third fiscal quarter of 2024 represented approximately 2.9% of the Company’s total consolidated revenue. MNC is a guarantor of the Company’s approximately \$1.31 billion of funded indebtedness and has granted security in respect of its guarantees to the Senior Loans and Junior Loans. MNC is a Debtor in the Chapter 11 Cases

### **The Interim Stay Order**

- [13] At today's hearing, MNC seeks the Interim Stay Order. That order provides for a temporary stay of proceedings to protect the assets of MNC, ensure stability, and facilitate a coordinated cross-border restructuring.
- [14] These orders have frequently been granted by this Court. As Chief Justice Morawetz noted in *Paladin Labs Canadian Holding Inc.*, 2022 ONSC 4748, at para. 20, the granting of these interim stay orders is "in accordance with the principles of cooperation and comity and is within the Court's jurisdiction...". He confirmed this court's jurisdiction to grant interim stay orders in *YRC Freight Canada Company (Re)*, 2023 ONSC 4492, at paras. 10 and 11.
- [15] Chief Justice Morawetz also noted the necessity of granting these orders due to (as is the case here) the period of time between the commencement of chapter 11 cases and the date on which the foreign representative is formally appointed and able to return to this court to seek an initial recognition order and supplemental order: *Paladin*, at para. 18.
- [16] It is appropriate to grant the Interim Stay Order in this case. It is consistent with the automatic stay for the Debtors in the Chapter 11 Cases. It is necessary for the preservation of value of the Canadian Business and the efforts to implement the Restructuring Transaction. It will provide stability and protect value of the Canadian Business until MNC is able to return to court for the Initial Recognition Order and the Supplemental Order. The form of order (including the stay in favour of MNC's directors and officers) is consistent with those previously granted by this court in *Paladin* and other Part IV recognition cases.
- [17] **This matter will be returning to me on March 19, 2025 at 9:30 a.m. (one hour, confirmed with the Commercial List office) for MNC to seek the Initial Recognition Order and Supplemental Order.**
- [18] Interim Stay Order to go as signed by me and attached to this Endorsement. This order is effective from the date and time set out therein and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is located at the bottom left of the page.