

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION**

In re:

Pelican International Inc., *et al.*,

Debtors in a Foreign Proceeding.¹

Chapter 15

Case No. 25-01030

(Joint Administration Requested)

**MOTION FOR PROVISIONAL RELIEF PURSUANT TO
SECTION 1519 OF THE BANKRUPTCY CODE**

FTI Consulting Canada Inc. in its capacity as the duly-appointed foreign representative (“FTI” or the “Foreign Representative”) for the above-captioned debtors (collectively, the “Debtors”), which are the subject of a proceeding (collectively, the “Canadian Proceeding”) currently pending before the Superior Court of Québec (Commercial Division) (the “Canadian Court”) initiated pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”), submits this motion (the “Motion”), pursuant to sections 105(a) and 1517, 1519, 1520 and 1521 of Title 11 of the United States Code (the “Bankruptcy Code”), seeking entry of an order substantially in the form attached hereto as **Exhibit A** (the “Provisional Order”), granting (on a provisional basis pending entry of an order by this Court on the Foreign Representative’s application for an order granting recognition of the Canadian Proceeding as a foreign main proceeding) certain relief available under section 1519(a) of the Bankruptcy Code, including relief available pursuant to sections 361, 362, 364, and 365(e) of the Bankruptcy Code,

¹ The Debtors in these chapter 15 proceedings, together with the last four digits of their employment identification number, are: Pelican International Inc. (“Pelican”) (6357); Pelican US Topco LLC (“US Topco”) (8910); and Confluence Outdoor Inc. (“Confluence”) (7554). The location of the Debtors’ headquarters is 21 avenue Peronne, Montréal, Québec, Canada, H3S 1X7. The address of the Foreign Representative is 1000 Sherbrooke West, Suite 915, Montréal, Québec, Canada, H3A 3G4.

with respect to the Debtors and their property located within the territorial jurisdiction of the United States (the “U.S. Debtor Property”).

PRELIMINARY STATEMENT

1. In support of the requested relief, the Foreign Representative respectfully refers the Court to, and incorporates herein by reference, the following: (a) the *Verified Petition for (I) Recognition of Foreign Main Proceeding, (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order, and (IV) Related Relief* (the “Verified Petition”);² (b) the *Declaration of Antoine Martin Franco in Support of the Foreign Representative’s Verified Petition for (I) Recognition of Foreign Main Proceeding, (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order and (IV) Related Relief* (the “Franco Declaration”); and (c) the *Declaration of Sandra Abitan in Support of the Foreign Representative’s Verified Petition for (I) Recognition of Foreign Main Proceeding, (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order, and (IV) Related Relief* (the “Abitan Declaration”). The Foreign Representative further represents to the Court as follows:

2. On March 18, 2025 (the “CCAA Petition Date”), National Bank of Canada (“NBC”), as administrative agent, collateral agent and hypothecary representative (in such capacity, the “Agent”), of a syndicated secure loan which includes NBC, Bank of Montreal, Fédération des Caisses Desjardins du Québec and Toronto Dominion Bank (collectively the “Lenders”) commenced the Canadian Proceeding under the CCAA in respect of the Debtors to

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Verified Petition, the Franco Declaration, or the Initial Order, as applicable.

effectuate a court-supervised sale process, and preserve value during the sales process. On March 19, 2025, the Canadian Court granted the initial order (as may be amended by any amended and restated initial order, the “Initial Order”), a copy of which is attached to the proposed Provisional Order as Exhibit 1, providing certain immediate relief to the Debtors. Some of that relief is similar to what would be seen in typical “first day” orders in a complex U.S. chapter 11 case.

3. The Lenders initiated the Canadian Proceeding with the goal of selling substantially all of the Debtors’ assets through a sale and investment solicitation process (the “SISP”) in the Canadian Proceeding approved by order of the Canadian Court. On March 19, 2025, issued an order approving the SIPS (the “SISP Order”).³

4. As is typical in proceedings under the CCAA, the Canadian Court scheduled a “comeback” hearing for March 28, 2025, at which the Lenders will seek issuance of their proposed amended and restated Initial Order (the “Amended and Restated Initial Order”).⁴

5. On the date hereof (the “Petition Date”), the Foreign Representative filed the Verified Petition, seeking, among other things, recognition by this Court of its status as the Debtors’ foreign representative, recognition of the Canadian Proceeding as a “foreign main proceeding” under section 1517 of the Bankruptcy Code, and certain related relief (the “Recognition Order”). Entry of orders granting the relief requested herein is necessary for the efficient prosecution of the Canadian Proceeding. Such relief prior to the entry of the Recognition Order will provide the Monitor with the necessary breathing room and stability to conduct a Canadian Court-supervised sale process, and protect the Debtors and their assets in the U.S. during

³ A certified copy of the SISP Order as issued by the Canadian Court in the Canadian Proceeding is attached to the Verified Petition as Exhibit B.

⁴ The Lenders’ proposed Amended and Restated Initial Order is attached to the Verified Petition as Exhibit C. The Foreign Representative will file a true and correct copy of the Amended and Restated Initial Order upon its issuance by the Canadian Court.

the Canadian Proceeding for the benefit of all creditors. While the Lenders obtained relief in respect of the Debtors from potential persons seeking to, among other things, exercise rights or remedies against the Debtors or affect their business or their property pursuant to the Initial Order, the Debtors may be exposed to potentially adverse action in the United States by creditors, contract counterparties or other parties in interest whose conduct, were they subject to the jurisdiction of the Canadian Court, would be barred by the Initial Order. Of particular concern, is that certain of the Debtors are parties to executory contracts and unexpired leases integral to the Debtors' business, with U.S. entities who may attempt to terminate, declare a default, or otherwise impair the Debtors' interest in such contracts based on the filing of the Canadian Proceeding or these chapter 15 cases. The provisional relief requested by the Foreign Representative is needed to prevent any individual party from harming all creditors by taking actions in the U.S. or with regard to U.S. Property that would be barred by the Initial Order.

6. Chapter 15 of the Bankruptcy Code is intended to prevent precisely these negative effects on a debtor's restructuring in a foreign country by complementing and facilitating that foreign proceeding. Therefore, and for the reasons further described herein, the Foreign Representative respectfully submits that provisional relief is appropriate to avoid disruption to the Canadian Proceeding, prevent serious immediate and irreparable harm to the Debtors' business and assets, and aid the restructuring efforts in the Canadian Proceeding.

JURISDICTION AND VENUE

7. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Recognition of a foreign proceeding and other matters under chapter 15 of the Bankruptcy Code are core matters pursuant to 28 U.S.C. § 157(b)(2)(P).

8. These chapter 15 cases have been properly commenced pursuant to sections 1504 and 1509 of the Bankruptcy Code by the filing of petitions for recognition of the Canadian Proceeding under section 1515 of the Bankruptcy Code.

9. Venue is proper before the Court pursuant to 28 U.S.C. § 1410.

10. The bases for the relief requested herein are sections 105(a), 361, 362, 364, 365(e), 1517, 1519, and 1521 of the Bankruptcy Code.

BACKGROUND⁵

11. The Debtors are headquartered in Québec, Canada, and have assets and operations in Canada and the United States, including a manufacturing plant in Greenville, South Carolina. The headquarters of the Debtors is located at 21 avenue Peronne, Montréal, Québec, Canada, H3S 1X7.

12. Pelican is a leading designer, manufacturer and marketer of non-motorized nautical recreation products. It offers a comprehensive line of products covering all major paddle sports market segments: from family-oriented recreational equipment to high-performance touring and fishing kayaks and a wide range of accessories and winter utility sleds. Pelican's extensive family of products also spans all major lifestyles, retail channels and price points.

13. Pelican differentiates itself through its product design and production technology expertise. Pelican performs end-to-end new product research, development, manufacturing, and assembly in-house.

⁵ A far more detailed discussion of the Pelican Group's (defined below) background, operations, assets and debt structure, and the circumstances giving rise to these cases, is set forth in the Franco Declaration.

14. Proprietary production technologies in sheet extrusion and thermoforming, coupled with a demand-flow manufacturing strategy, allow Pelican to minimize costs and offer short lead times.

15. Pelican operates out of three leased facilities in the province of Québec; (i) a 297,769 sq. ft. facility in Laval, Québec that houses its head office, production activities and a part of its warehousing (the “Laval Facility”) (ii) a 320,403 sq. ft. facility located in Valleyfield, Québec, featuring state-of-the-art production equipment and advanced production capabilities (the “Valleyfield Facility”) and (iii) a 246,000 sq. ft. warehouse premises in Varennes, Québec (the “Varennes Premises”).

16. The Pelican Group’s operations also include U.S.-based subsidiaries Confluence and non-debtor GSI Outdoors Inc. (“GSI” and, together with the Debtors, the “Pelican Group”).⁶ Confluence designs, manufactures, distributes and sells higher end nautical recreational products such as kayaks, canoes, stand-up paddle boards, inflatable kayaks and stand-up paddle boards, and related accessories. Confluence operates out of a 550,000 sq. ft. leased facility located in Greenville, South Carolina.

17. The Pelican Group sells its products through six main channels: independent specialty stores, Outdoor specialty stores (*e.g.*, Sail), big-box sporting good chains (*e.g.*, Dick’s Sporting Goods), big-box general merchandise & hardware chains (*e.g.*, Walmart, Costco), international customers, and e-commerce (*e.g.*, Amazon, Confluence’s own website). While the majority of the Pelican Group’s products are sold in North American, the Pelican Group also sells its products internationally. The Pelican Group has a longstanding relationship with its major customers, with many relationships having existed for more than 20 years

⁶ Pelican owns 100% of the ownership interests in US Topco, which is a non-operating Delaware holding company. US Topco, in turn, owns 100% of the stock of Confluence and 85% of the ownership interests in GSI.

18. Despite seeing significant growth and expansion during and in the years following the COVID-19 pandemic, the Debtors have faced significant financial difficulties since 2023 namely in light of (i) the sharp decline in demand for kayaks and other products following the exceptional boom that water sports and other outdoor recreational products experienced during the COVID-19 pandemic, combined with large inventory surpluses (ii) cost of debt service to its Lenders and significant financial obligations pursuant to its leases and (iii) uncertainty due to the threat of U.S. tariffs.

19. In particular, with respect to the Debtors' secured debt, the Pelican Group's current debt and capital structure does not allow it to be sufficiently profitable. The Pelican Group has been unable to generate sufficient revenues to satisfy its obligations under the Credit Agreement, which has triggered an event of default. Ultimately, this resulted in the imposition by the Lenders of forbearance conditions since August 2024. As of March 18, 2025, the aggregate outstanding amounts in capital owed by the Debtors to the Lenders respectively in CAD and USD are CAD \$39,976,554.72 and USD \$62,670,338.63.

20. These financial difficulties have left the Debtors with little choice other than to seek protection from their creditors in the Canadian Proceeding.

21. In recent years, the Debtors attempted to implement certain restructuring measures to address their liquidity issues. In 2024, the Debtors scaled back operations at their Laval facility, relocating certain equipment to the Valleyfield facility. In addition, the Debtors unsuccessfully attempted to sell GSI as a going concern, as more fully described in the Franco Declaration.

22. The Lenders commenced the Canadian Proceeding on March 18, 2025, to seek the Canadian Court's protection while it engages, with the assistance of the Monitor, the SISP Advisor,

and other advisors, in a Canadian Court-supervised sale process to preserve value and maintain reduced operations as a going concern for the benefit of all of its creditors and other stakeholders.

THE INITIAL ORDER

23. The Initial Order entered in the Canadian Proceeding contains provisions staying actions against the Debtors and their properties that are similar, albeit not identical, to those found in section 362 of the Bankruptcy Code. Initial Order, ¶ 21 (the “Stay Provisions”).

24. In addition, the Initial Order provides protections that ensure that counterparties to agreements with the Debtors continue to perform under such agreements or not otherwise declare default or breach under such agreement or otherwise discontinue or interfere with the Debtors’ contractual rights. *Id.*, at ¶¶ 30–35. Similarly, the Initial Order requires that any party that provided any form of letter of credit, guarantee, or bond continue to honor all such letters, guarantees, and bonds. *Id.* at ¶ 36.

25. In addition to these protections for the Debtors’ business and properties, the Initial Order also approves Interim Financing to fund the restructuring efforts. As explained above and more fully in the Franco Declaration, prior to the CCAA Petition Date, the Debtors were suffering from a significant lack of liquidity and, accordingly, the Interim Lender will fund the Canadian Proceeding and the SISP to be supervised by the Canadian Court. The Initial Order approves this financing on an interim basis, including the approval of an “Interim Lender Charge” which places a security interest in the amount of CAD \$4.8 million on the Debtors’ assets as security for obligations due under the Interim Financing Loan Agreement. *See id.*, at ¶¶ 37–43 (the “Interim Financing Provisions”).

26. Further, the Initial Order empowers the Monitor to take basic actions necessary to begin the restructuring process in the Canadian Proceeding under the CCAA, including the power to: (i) downsize or cease operations; (ii) pursue avenues to finance, market, assign, transfer or

dispose of the business or property; (iii) transfer, assign, lease or convey Property outside the ordinary course of business up to a limit of CAD \$75,000 per transaction or CAD \$250,000 in the aggregate; (iv) terminate or temporarily or permanently lay off employees; (v) subject to the provisions of Section 32 of the CCAA, disclaim or resiliate, any of the Debtors' agreements, contracts, or arrangements of any nature whatsoever; and (vi) subject to Section 11.3 of the CCAA, assign any rights and obligations of the Debtors. *See id.*, at ¶¶ 50–54 (the “Restructuring Provisions”). The Initial Order also grants the Monitor certain powers, including the power to oversee the Debtors' restructuring under the CCAA, to control the financial affairs and operations of the Debtors and their business, to run a Sale Process (as defined in the Initial Order) of the Debtors' assets, and to operate and control the Debtors' Accounts (as defined in the Initial Order). *See id.*, at ¶¶ 55-65 (the “Monitor Provisions”).

27. The Initial Order also approves an Administration Charge and Directors and Officers' Charge (each as defined in the Initial Order), and in connection with each the beneficiaries of such charges are granted a security interest in the Debtors' property. *See id.*, at ¶¶ 47-49 (relating to the Directors and Officers' Charge), ¶ 66 (relating to the Administration Charge), and ¶¶ 67-73 (relating to the priority and general provisions of CCAA charges). The Administration Charge is designed to ensure the compensation of the Monitor, its legal counsel administering the Canadian Proceeding and these chapter 15 cases, as applicable, the Debtors' Canadian counsel and the Interim Lender's counsel related to the Canadian Proceeding and restructuring. The Directors and Officers' Charge is intended to ensure that the Directors continue to work with the Debtors in their current roles, as such individuals are critical to the ongoing operation of the Debtors and the efficient administration of the Canadian Proceeding.

28. The Initial Order also approves the Debtors' KERP and establishes a KERP Charge to secure the Debtors' obligations to Key Employees under the KERP, *see id.*, at ¶¶ 45-46 (the "KERP Provisions"). The Foreign Representative is not seeking provisional relief with respect to, or interim recognition of, the KERP Provisions, but will seek recognition of these provisions (including as they appear in the Amended and Restated Initial Order) in connection with final recognition of the Canadian Proceeding through the Verified Petition.

RELIEF REQUESTED

29. Through this Motion, the Foreign Representative requests, pursuant to sections 105(a), 1519, and 1521 of the Bankruptcy Code, that the Court enter the Provisional Order, substantially in the form attached hereto as **Exhibit A**, granting provisional relief (the "Provisional Relief"), effective as of the Petition Date through the date of entry of the Recognition Order, including without limitation:

- a. Recognition and enforcement in the United States, on a provisional basis, of the Initial Order.
- b. Recognizing the Foreign Representative as the foreign representative of the Debtors with full authority to administer the Debtors' assets and affairs in the United States.
- c. Finding and ruling that section 361 of the Bankruptcy Code is made applicable with respect to each of the Debtors and U.S. Debtor Property.
- d. Finding and ruling that section 362 of the Bankruptcy Code is made applicable with respect to each of the Debtors and the U.S. Debtor Property.
- e. Finding and ruling that section 364 of the Bankruptcy Code is made applicable with respect to each of the Debtors and the U.S. Debtor Property. For the avoidance of doubt and without limiting the generality of the foregoing, the Provisional Order shall grant liens and security interests in the Debtors' property located within the territorial jurisdiction of the United States pursuant to section 364(d)(1) of the Bankruptcy Code in respect of, and in accordance with, the Administration Charge and the Directors and Officers' Charge, and the Interim Lender Charge, each as set out in the Initial Order.

- f. Finding and ruling that section 365(e) of the Bankruptcy Code shall apply with respect to these chapter 15 cases and the Debtors' executory contracts and unexpired leases.
- g. Finding and ruling that the Foreign Representative shall have the rights and protections to which a foreign representative is entitled under chapter 15 of the Bankruptcy Code.
- h. Finding and ruling that notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) the Provisional Order shall be effective immediately and enforceable upon entry, (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement, or realization of the relief granted in the Provisional Order, and (iii) the Foreign Representative is authorized and empowered, and may, in his discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of the Provisional Order.

BASIS FOR RELIEF

30. The Foreign Representative has contemporaneously filed the Verified Petition seeking recognition and a ruling that the Canadian Proceeding is a foreign main proceeding under section 1517 of the Bankruptcy Code. Section 1519 of the Bankruptcy Code permits the Court "from the time of filing a petition for recognition until [it] rules on the petition" to grant provisional relief pending recognition of the foreign proceeding where such relief is "urgently needed to protect the assets of the debtor or the interests of the creditors." 11 U.S.C. § 1519(a) (emphasis added). Sections 1519(a)(1)-(3) of the Bankruptcy Code define the scope of available provisional relief, which includes:

- a. staying execution against the Debtors' assets;
- b. entrusting the administration or realization of all or part of the Debtors' assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and
- c. any relief referred to in paragraph (3), (4), or (7) of section 1521(a).

31. The Foreign Representative seeks imposition of sections 361, 362, 364, and 365(e) of the Bankruptcy Code and provisional recognition of the Initial Order in the Provisional Order, for the purpose of maintaining the status quo until the Court enters an order on the Verified Petition. The Foreign Representative seeks provisional relief under sections 105(a) and 1519 of the Bankruptcy Code. Under the Recognition Order, the Foreign Representative will seek continuation of the stay via section 1521(a)(1) of the Bankruptcy Code, and pursuant to 1521(a)(6) of the Bankruptcy Code the extension, on a final basis, of the other relief granted under the Provisional Order.

32. The provisional relief requested herein is an “effective mechanism” to implement the chapter 15 policies of promoting cooperation between courts of the United States and courts of foreign countries involved in cross-border restructuring cases. The “fair and efficient administration of cross border [cases] that protects the interest of all creditors, and other interested entities,” including the Debtors, is essential to the “protection and maximization of the value of the [Debtors’] assets.” 11 U.S.C. § 1501(a).

33. Furthermore, the provisional relief sought here is of a type frequently granted in chapter 15 cases. Bankruptcy courts in the United States have routinely imposed the section 362 stay or ordered similar relief to maintain the status quo pending recognition or disposition of foreign proceedings in ancillary cases under both chapter 15 and section 304 of the Bankruptcy Code, including in respect of recognition proceedings that relate to restructurings of corporations in Canadian courts. *See, e.g., In re The Lion Electric Company*, Case No. 24-18898 (Bank. N.D. Ill., Dec. 20, 2024) (granting provisional relief making section 362 of the Bankruptcy Code applicable on a limited basis); *In re NextPoint Fin. Inc.*, No. 23-10983 (TMH) (Bankr. D. Del. July 7, 2023) (same); *In re Original Traders Energy Ltd.*, Case No. 23-13519 (EPK) (Bankr. S.D. Fla.

May 15, 2023) (granting provisional relief and staying and enjoining all actions); *In re IMV Inc.*, Case No. 23-10589 (KBO) (Bankr. D. Del. May 9, 2023) (granting provisional relief making section 362 of the Bankruptcy Code applicable on a limited basis); *In re Acerus Pharma. Corp.* Case No. 23-10111 (TMH) (Bankr. D. Del. Jan. 31, 2023) (same); *In re Condor Flugdienst GmbH*, Case No. 20-18167 (TB) (Bankr. N.D. Ill. Oct. 8, 2020) (granting provisional relief, in the context of German proceedings, and ordering a provisional stay enjoining certain actions); *In re Argent Energy (Canada) Holdings, Inc.*, Case No. 16-20060 (DRJ) (Bankr. S.D. Tex. Feb. 24, 2016) (granting provisional relief and noting actions and proceedings are stayed in a manner coextensive with section 362); *In re Big Sky Farms, Inc.*, Case No. 09-03293 (Bankr. N.D. Iowa Nov. 12, 2009) (granting provisional relief making section 362 of the Bankruptcy Code applicable pending a hearing on petition for recognition).

I. Provisional Relief Is Needed to Protect the Debtors' Assets and Restructuring Efforts.

34. Provisional relief is needed here to protect the Debtors' assets and the interests of creditors as a whole. *See* 11 U.S.C. § 1519(a). Although a "petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time," there is necessarily a gap between the time the petition for recognition is filed and the time the court makes a decision on whether a proceeding should be recognized. 11 U.S.C. § 1517(c). Prior to recognition, a chapter 15 debtor is not automatically entitled to the automatic stay or any other provisions of the Bankruptcy Code, which, in this case, necessitates an order granting provisional relief. Provisional relief should be granted "where relief is urgently needed to protect the assets of the debtor or the interests of the creditors." 11 U.S.C. § 1519(a).

35. Without the limited application of section 362, there is a real and significant risk that certain of the Debtors' stakeholders, many of whom have contacts with the United States and are subject to personal jurisdiction of this Court, may commence or continue actions in the United

States that are more properly the subject of the Canadian Proceeding, interfere with the Canadian Proceeding, terminate contracts and leases with the Debtors, or act in a manner contrary to the Initial Order.

36. Unilateral actions taken by creditors in the United States would not only hinder the orderly administration of the Canadian Proceeding, but also threaten to interfere with the sale and restructuring process being implemented pursuant to that proceeding. This risk is precisely what provisional relief under section 1519 of the Bankruptcy Code is intended to address. *See, e.g., In re Petition of Garcia Avila*, 296 B.R. 95, 114 (Bankr. S.D.N.Y. 2003) (finding that, under former section 304 of the Bankruptcy Code, irreparable harm would be caused by permitting creditors to execute judgments against bond proceeds because it would “diminish the recovery available to other creditors and possibly wreck the reorganization”).

37. The Interim Financing Provisions and provisional recognition thereof are vital to the success of the restructuring efforts and SISF. As set out in the Franco Declaration, the Debtors require the Interim Financing Loan Agreement to maintain the value of their business during the SISF process and to administer the Canadian Proceeding and these chapter 15 cases for the benefit of their creditors. Without such financing, the Debtors’ restructuring efforts would not be possible. Recognition of the Interim Financing Loan Agreement on a provisional basis ensures that the Interim Lender Charge is applied to the Debtors’ U.S. assets, and provides the Interim Lender the certainty required to provide much-needed financing to the Debtors on an interim basis.

38. Additionally, the Administration Charge and Directors and Officers’ Charge contained in the Initial Order are critical to the restructuring efforts in the Canadian Proceeding. The Administration Charge provides security for the professionals’ fees and disbursements in relation to the Canadian Proceeding and chapter 15 cases, to ensure their continuous involvement

throughout the Canadian Proceeding and these chapter 15 cases. The Directors and Officers' Charge allows for the indemnification of any obligations that the Debtors' Directors and Officers incur in their capacity as such following entry of the Initial Order. Together, these charges ensure that the restructuring professionals and Directors and Officers can continue to work towards a beneficial result for all creditors in the Canadian Proceeding and these chapter 15 cases. Provisional recognition of the Initial Order ensures that the security interest granted in connection with the Administration Charge and the Directors and Officers' Charge is applicable to the Debtors' property in the U.S.

39. Finally, recognition of the Restructuring Provisions and Monitor Provisions ensures that the Monitor will be fully empowered both in Canada and the United States to take necessary steps in respect of the Debtors, their property, and their business, to ensure a successful SISP and restructuring process.

II. The Requested Relief Meets the Standards for a Preliminary Injunction.

40. Entry of the relief requested herein, as provisional relief under chapter 15 of the Bankruptcy Code, is conditioned on a foreign representative demonstrating that a debtor meets the standards applicable to an injunction. *See* 11 U.S.C. § 1519(e). In the Fourth Circuit, a party seeking a preliminary injunction must establish: (1) a likelihood of success on the merits; (2) a likelihood of irreparable harm absent preliminary relief; (3) the balance of equities tips in the movant's favor; and (4) the injunction is in the public interest. *See S.C. Coastal Conservation League v. United States Army Corps of Eng'rs*, No. 24-1942, 2025 U.S. App. LEXIS 2223, at *14-15 (4th Cir. Jan. 31, 2025) (citing and relying on *Winter v. NRDC, Inc.*, 555 U.S. 7, 22, 24, 129 S. Ct. 365, 172 L. Ed. 2d 249 (2008)); *accord Auto Money N. LLC v. Parties Listed on Appendix A to Complaint (In re Auto Money N. LLC)*, 649 B.R. 675, 688 (Bankr. D.S.C. 2023).

A. There Is a Substantial Likelihood of Recognition of the Canadian Proceeding as a Foreign Main Proceeding and Application of Requested Additional Bankruptcy Code Provisions.

41. There is a compelling case for recognition of the Canadian Proceeding as a foreign main proceeding. As explained in the Verified Petition, it is clear that the Canadian Proceeding is a “foreign main proceeding” and the Foreign Representative is a “foreign representative” as those terms are defined in the Bankruptcy Code—indeed, the Canadian Court specifically appointed FTI as the Debtors’ Foreign Representative and ruled that Québec, Canada is the Debtors’ center of main interest (“COMI”). *See* Initial Order at ¶¶ 78-80. In addition, these chapter 15 cases were duly and properly commenced by filing the verified chapter 15 petitions accompanied by all fees, documents, and information required by the Bankruptcy Code and the Bankruptcy Rules. Upon recognition of the Canadian Proceeding as a foreign main proceeding, section 362 of the Bankruptcy Code will automatically apply in these chapter 15 cases pursuant to section 1520(a)(1) of the Bankruptcy Code. 11 U.S.C. § 1520(a)(1). Moreover, the application of section 365(e) on an interim basis, preventing contract counterparties from terminating their prepetition contracts with the Debtors, is entirely consistent with the injunctive relief afforded by the automatic stay under section 362. Even if this Court were to conclude that the COMI of the Debtors is not in Canada, and the Foreign Representative submits that the facts are to the contrary, the Franco Declaration makes clear that each Debtor maintains an establishment in Canada, within the meaning of section 1502(2) of the Bankruptcy Code, and accordingly at a minimum it would be appropriate for the Court to recognize the Canadian Proceeding as a foreign nonmain proceeding with respect to any such Debtor.

B. The Debtors Will Suffer Irreparable Harm Absent Provisional Relief, and Have no Traditional Legal Remedies for that Harm.

42. Entry of the Provisional Order is necessary to prevent serious immediate and irreparable harm to the Debtors and the reorganization efforts in Canada. As noted above, without the imposition of the automatic stay and section 365(e), and provisional recognition of the Initial Order, there is a serious risk that creditors will attempt to pursue action against the Debtors or the U.S. Debtor Property, diminishing the value of the Debtors' business and assets and causing disruption to the sale process and the Canadian Proceeding. Without the Provisional Relief sought herein, the Debtors face the very real risk of counterparties declaring defaults under or terminating contracts, to the detriment of the Debtors' business and creditors. Once contracts and leases have been terminated in the absence of a stay, the harm caused by that termination cannot later be rectified through any traditional legal remedies. Such unilateral action by parties in the U.S. would prejudice not only the Debtors, but also creditors bound by or otherwise complying with the Initial Order. The relief requested herein is necessary to protect against these risks. The purpose of chapter 15 is to provide such protection by, among other things, ensuring that all of a debtor's creditors are enjoined from taking action against the debtor and its assets in the United States, not just foreign creditors, thereby preventing some creditors from getting an unfair advantage over others. *See* 11 U.S.C. § 1501.

43. A number of courts have recognized the need to provide provisional relief in order to ensure the orderly distribution of a debtor's assets in a single proceeding, and avoid the harm that would be caused by prevent piecemeal enforcement against a debtor's assets across multiple jurisdictions. *See e.g., In re Condor Flugdienst GmbH*, Case No. 20-18167 (TB) (Bankr. N.D. Ill. Oct. 8, 2020) (granting provisional relief and finding that unless provisional relief was granted, the assets could be subject to "efforts by creditors to control, possess, or execute upon such assets

and such efforts have a material risk of resulting in [the debtors] suffering irreparably injury, loss or damage”); *In re Energy Coal S.P.A.* 582 B.R. 619, 626–27 (Bankr. D. Del. 2018) (stating that harm to an estate exists where the fair distribution of assets are disrupted); *Victrix S.S. Co., S.A. v. Salen Dry Cargo, A.B.*, 825 F.2d 709, 713–14 (2d Cir. 1987) (same); *In re Banco Nacional de Obras y Servicios Publicos, S.N.C.*, 91 B.R. 661, 664 (Bankr. S.D.N.Y. 1988) (stating that injunctive relief is necessary “to prevent individual American creditors from arrogating to themselves property belonging to the creditors as a group”).

C. The Balance of Harms Weighs in Favor of the Requested Relief.

44. In contrast to the hardships that the Debtors face if the relief sought in the proposed Provisional Order is not granted, preservation of the status quo through limited imposition of the automatic stay, prevention of contract termination, and provisional recognition and enforcement of the Initial Order will not prejudice creditors. Indeed, creditors as a whole will benefit from such relief. The requested relief is temporary. Granting the requested relief actually will benefit the Debtors’ creditors because it will help to ensure that the value of the Debtors’ assets is preserved, protected, and maximized for the benefit of and fair distribution to all creditors. Moreover, any creditor that believes it has been harmed by the requested relief may file a motion with the Court seeking relief therefrom.

D. Public Interest Favors Granting the Requested Relief.

45. As noted above, the requested relief is consistent with the policies underlying the Bankruptcy Code, including the provision of a breathing spell for a debtor and the equitable treatment of all creditors. Additionally, granting the requested relief is in the public interest because it will facilitate the Debtors’ efforts to complete a court-supervised restructuring for the benefit of their creditors and other stakeholders—including those in the United States. *See Am. Film Techs, Inc. v. Taritero (In re Am. Film Techs., Inc.)*, 175 B.R. 847, 849 (Bankr. D. Del. 1994)

(“It is ‘one of the paramount interests’ of this court to assist the Debtor in its reorganization efforts.”) (quoting *Gathering Rest., Inc. v. First Nat’l Bank of Valparaiso (In re Gathering Rest., Inc.)*, 79 B.R. 992, 1001 (Bankr. N.D. Ind. 1986)). Moreover, granting the requested relief is in the public interest because it promotes cooperation between jurisdictions in cross-border insolvencies, which is an express purpose of chapter 15 of the Bankruptcy Code. 11 U.S.C. § 1501(a). See, e.g., *In re Big Sky Farms, Inc.*, Case No. 09-03293, D.I. 9 (Bankr. N.D. Iowa Nov. 12, 2009) (granting provisional injunctive relief “would effectuate the public policy consideration supporting section 1525 of the Bankruptcy Code which mandates cooperation ‘to the maximum extent possible’ between this Court and the Canadian Court and Monitor”).

46. For these reasons, courts in many districts have frequently granted requests for similar provisional relief in chapter 15 cases. See, e.g., *In re The Lion Electric Company*, Case No. 24-18898 (Bank. N.D. Ill., Dec. 20, 2024) (granting provisional relief pursuant to section 1519, including relief coextensive with section 362, in the context of a Canadian proceeding); *In re NextPoint Fin. Inc.*, No. 23-10983 (TMH) (Bankr. D. Del. July 7, 2023) (same); *In re IMV Inc.*, Case No. 23-10589 (KBO) (Bankr. D. Del. May 9, 2023) (same); *In re Acerus Pharma. Corp.* Case No. 23-10111 (TMH) (Bankr. D. Del. Jan. 31, 2023) (same); *In re Condor Flugdienst GmbH*, Case No. 20-18167 (TB) (Bankr. N.D. Ill. Oct. 8, 2020) (granting provisional relief in the context of German proceedings); *In re Argent Energy (Canada) Holdings, Inc.*, Case No. 16-20060 (DRJ) (Bankr. S.D. Tex. Feb. 24, 2016) (granting provisional relief pursuant to section 1519, including relief coextensive with section 362, in the context of a Canadian proceeding); *In re Bluberi Gaming Tech., Inc.*, Case No. 16-05364 (TAB) (Bankr. N.D. Ill. Feb. 23, 2016) (granting provisional relief, in the context of Canadian proceedings, and generally making section 362 applicable); *In re Big*

Sky Farms, Inc., Case No. 09-03293 (Bankr. N.D. Iowa Nov. 12, 2009) (granting provisional relief, including application of section 362).

NOTICE

47. The Foreign Representative will provide notice of this Motion to the “Core Notice Parties” as set forth in the *Motion for Order (A) Scheduling Hearing on Recognition of Chapter 15 Petitions and (B) Specifying Form and Manner of Service of Notice* filed contemporaneously herewith and to the parties against whom provisional relief is being sought. The Foreign Representative submits that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided.

WAIVER OF FEDERAL RULE OF CIVIL PROCEDURE 65(c)

48. Bankruptcy Rule 7065 expressly provides that “a temporary restraining order or preliminary injunction may be issued on application of a debtor, trustee, or debtor in possession without compliance with Rule 65(c).” To the extent Rule 65 of the Federal Rules of Civil Procedure applies, the Foreign Representative believes that the security requirements imposed by Rule 65(c) are unwarranted under the circumstances and, accordingly, respectfully requests a waiver of such requirements pursuant to Bankruptcy Rule 7065.

WHEREFORE the Foreign Representative respectfully requests that this Court enter the Provisional Order substantially in the form attached hereto as **Exhibit A** granting the relief requested herein and such other and further relief as may be just and proper.

Dated: March 19, 2025
Columbia, South Carolina

Respectfully Submitted,

/s/ Mary M. Caskey

HAYNSWORTH SINKLER BOYD, P.A.

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-and-

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Counsel to the Foreign Representative

EXHIBIT A

Provisional Order

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION**

In re:

Pelican International Inc., *et al.*,

Debtors in a Foreign Proceeding.¹

Chapter 15

Case No. 25-01030

(Jointly Administered)

**ORDER GRANTING PROVISIONAL RELIEF PURSUANT TO
SECTION 1519 OF THE BANKRUPTCY CODE**

Upon the *Motion for Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code*, and (the “Motion”)² filed by FTI Consulting Canada Inc., in its capacity as the foreign representative (“FTI” or the “Foreign Representative”) of the above-captioned debtors (collectively, the “Debtors”) seeking entry of an order granting provisional relief (this “Order”) under the Bankruptcy Code to protect the Debtors and their property within the territorial jurisdiction of the United States pending recognition of the Debtors’ proceedings currently pending in Canada pursuant to the CCAA (the “Canadian Proceeding”); and upon this Court’s review and consideration of the Motion, the Verified Petition, the Franco Declaration, and the Abitan Declaration; this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 109 and 1501; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); venue being proper before this Court pursuant to 28 U.S.C. § 1410; appropriate, sufficient and timely notice of the Motion and the hearing thereon having been given pursuant to Bankruptcy Rules 1011(b) and 2002(q); and upon the record established at

¹ The Debtors in these chapter 15 proceedings, together with the last four digits of their employment identification number, are: Pelican International Inc. (“Pelican”) (6357); Pelican US Topco LLC (“US Topco”) (8910); and Confluence Outdoor Inc. (“Confluence”) (7554). The location of the Debtors’ headquarters is 21 avenue Peronne, Montréal, Québec, Canada, H3S 1X7. The address of the Foreign Representative is 1000 Sherbrooke West, Suite 915, Montréal, Québec, Canada, H3A 3G4.

² Capitalized terms used by not otherwise defined herein shall have the meanings ascribed to them in the Motion.

such hearing; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors; it appearing that the relief requested in the Motion is necessary and beneficial to the Debtors; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The findings and conclusions in this Order constitute the Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), made applicable to these proceedings pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. All finding and conclusions in this Order are provisional in nature and apply solely to with respect to the relief granted herein. No finding or conclusion made in this Order is or shall be binding on any party seeking to challenge such finding or conclusion in the context of approval of the Recognition Order.

C. This Court has jurisdiction over these matters pursuant to 28 U.S.C. §§ 157 and 1334. These are core proceedings pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this District pursuant to 28 U.S.C. § 1410.

D. The Foreign Representative has demonstrated a substantial likelihood of success on the merits that (a) the Canadian Proceeding is a "foreign main proceeding" as that term is defined in section 1502(4) of the Bankruptcy Code, or, in the alternative, a "foreign non-main proceeding" under sections 1502(4), 1502(5), 1515, and 1517 of the Bankruptcy Code (b) the Foreign

Representative is a "foreign representative" as that term is defined in section 101(24) of the Bankruptcy Code, (c) all statutory elements for recognition of the Canadian Proceeding, including the sale procedures provisions contained therein, are satisfied in accordance with section 1517 of the Bankruptcy Code, (d) upon recognition of the Canadian Proceeding as a foreign main proceeding, section 362 and section 363 of the Bankruptcy Code will automatically apply in these chapter 15 cases pursuant to section 1520(a)(1) of the Bankruptcy Code, and (e) that application of section 365(e) on an interim basis to prevent contract counterparties from terminating or modifying their prepetition contracts with the Debtors is entirely consistent with the injunctive relief afforded by the automatic stay under section 362.

E. The Foreign Representative has demonstrated that (a) the commencement of any proceeding or action in the United States against the Debtors and their businesses and all of their assets should be stayed pursuant to sections 1519, 1521, and 105(a) of the Bankruptcy Code, which protections, in each case, shall be coextensive with the provisions of section 362 of the Bankruptcy Code but subject to the limitations set forth in section 1519(f) of the Bankruptcy Code, to permit the fair and efficient administration of the Canadian Proceeding, including an orderly marketing and sale process for all or substantially all of the assets and property (or an investment in the business) of the Debtors and/or a reorganization pursuant to any applicable order of the Canadian Court, for the benefit of all stakeholders, and (b) the relief requested will neither cause an undue hardship nor create any hardship to parties in interest that is not outweighed by the benefits of the relief granted herein.

F. The Foreign Representative has demonstrated that the Debtors have assets in the United States, including bank accounts, retainers, and contracts and leases governed by United States law.

G. The Foreign Representative has demonstrated that without the protection of sections 362 and 365(e) of the Bankruptcy Code, there is a material risk that counterparties to certain of the Debtors' contracts and leases and other creditors may take the position that the commencement of the Canadian Proceeding or these chapter 15 cases authorizes them to terminate or modify such contracts or exercise remedies as creditors. Such acts may severely impair the Debtors' restructuring efforts and result in irreparable damage the Debtors' businesses and the value of the Debtors' assets, and substantial harm to the Debtors' creditors and other parties in interest.

H. The Foreign Representative has demonstrated that absent the relief granted herein, there is a material risk that one or more parties in interest will take action against the Debtors or their assets. As a result, the Debtors may suffer immediate and irreparable injury, loss, or damage for which there is no adequate remedy at law and therefore it is necessary that this Court grant the relief requested in the Verified Petition and Motion without prior notice to parties in interest or their counsel. Further, unless this Order is entered, the Debtors' assets could be subject to efforts by creditors to control, possess, or execute upon such assets and such efforts could result in the Debtors suffering immediate and irreparable injury, loss or damage by, among other things, creditors (a) interfering with the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code, and (b) interfering with or undermining the success of the Canadian Proceeding. The Foreign Representative has demonstrated that without provisional approval of the Initial Order, the proposed sale of the Debtors' assets to a purchaser may be impaired to the detriment of its creditors.

I. The Foreign Representative has demonstrated that no other remedy at law is adequate.

J. The Foreign Representative has demonstrated that no injury will result to any party that is greater than the harm to the Debtors' businesses, assets, and property in the absence of the relief requested in the Verified Petition and Motion.

K. The interests of the public and public policy of the United States will be served by entry of this Order.

L. The Foreign Representative and the Debtors are entitled to the full protections and rights available pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Initial Order attached hereto as **Exhibit 1** is hereby given full force and effect in the United States on an interim basis, and including, without limitation, the financing provisions contained therein, and the stay of any commencement or continuation of any actions against the Debtors or their assets (except as otherwise expressly provided herein), until otherwise ordered by this Court; *provided, however*, that this Order does not provide for enforcement within the territorial jurisdiction of the United States of the KERP Provisions of the Initial Order (without prejudice to the Foreign Representative's right to seek recognition and enforcement of such provisions pursuant to the Verified Petition).
3. While this Order is in effect, the Foreign Representative and the Debtors are entitled to the full protections and rights pursuant to section 1519(a)(1), which protections shall be coextensive with the provisions of section 362 of the Bankruptcy Code but subject to the limitations set forth in section 1519(f) of the Bankruptcy Code, and this Order shall operate as a

stay of any execution against the Debtors' assets within the territorial jurisdiction of the United States (except as otherwise expressly provided herein).

4. While this Order is in effect, pursuant to sections 1519(a)(3) and 1521(a)(7) of the Bankruptcy Code, sections 362 and 365(e) of the Bankruptcy Code are hereby made applicable in these cases to the Debtors and the property of the Debtors within the territorial jurisdiction of the United States, other than those provisions of section 362 made expressly inapplicable by section 1519(f) of the Bankruptcy Code.

5. This Order shall be sufficient and conclusive notice and evidence of the grant, validity, perfection, and priority of the liens granted in the Canadian Proceeding as they apply to the Debtors and their property located in the territorial jurisdiction of the United States in respect of the Administration Charge, the Directors and Officers' Charge, and the Interim Lender Charge without the necessity of filing or recording this Order or any financing statement, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction; *provided* that the Debtors are authorized to execute, and the administrative agent under the Interim Financing may file or record, any financing statements, mortgages, other instruments or any other documentation to further evidence the liens authorized, granted, and perfected hereby and by the Initial Order.

6. Pursuant to Sections 364(e), 1519(a)(3), 1521(a)(7), and 105(a) of the Bankruptcy Code, the validity of the indebtedness, and the priority of the liens authorized by the Initial Order made enforceable in the United States by this Order, shall not be affected by any reversal or modification of this Order, on appeal or the entry of an order denying recognition of the CCAA Proceeding pursuant to Section 1517 of the Bankruptcy Code.

7. Notwithstanding anything to the contrary contained herein, this Order shall not be construed as (a) enjoining the police or regulatory act of a governmental unit, including a criminal action or proceeding, to the extent not stayed pursuant to section 362 of the Bankruptcy Code, (b) staying the exercise of any rights that section 362(o) of the Bankruptcy Code does not allow to be stayed, or (c) staying any act authorized by the Canadian Court.

8. Any creditor that believes it has been harmed by the provisional relief may file a motion seeking relief from, or modification of, this Order with the Court on not less than seven (7) business days' written notice to (i) local counsel to the Foreign Representative, Haynsworth Sinkler Boyd, P.A., 1201 Main Street, 22nd Floor Columbia, SC 29201, Attn: Mary M. Caskey (mcaskey@hsblawfirm.com); (ii) counsel for the Foreign Representative, Troutman Pepper Locke LLP, Hercules Plaza, 1313 N. Market Street, Suite 1000, Wilmington, Delaware 19899, Attn: David M. Fournier (david.fournier@troutman.com), Evelyn J. Meltzer (evelyn.meltzer@troutman.com), and Kenneth A. Listwak (ken.listwak@troutman.com), and this Court will hear such motion on a date to be scheduled by this Court.

9. To the extent applicable, Rule 65 of the Federal Rules of Civil Procedure has been satisfied in that notice to any person that is required prior to entry and issuance of this Order has been provided. Pursuant to Bankruptcy Rule 7065, the provisions of Federal Rule of Civil Procedure 65(c) are hereby waived, to the extent applicable. To the extent applicable, the provisions of Bankruptcy Rule 7001 are waived with respect to this Order.

10. The Foreign Representative, the Debtors, and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

11. Notwithstanding any applicability of any Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Verified Petition and Motion.

13. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

14. This Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing.

Exhibit 1

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

NO: 500-11-065405-256

DATE: MARCH 19, 2025

PRESIDING: THE HONOURABLE ANDRES C. GARIN, J.S.C.

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

PELICAN INTERNATIONAL INC.

-and-

PELICAN US TOPCO LLC

-and-

CONFLUENCE OUTDOOR INC.

Debtors

AND

NATIONAL BANK OF CANADA

Applicant

AND

FTI CONSULTING CANADA INC.

Proposed Monitor

AND

KPMG INC.

Proposal Trustee of Pelican International Inc.

COPIE CERTIFIÉE CONFORME AU
DOCUMENT DÉTENU PAR LA COUR


PERSONNE DÉSIGNÉE PAR LE GREFFIER
EN VERTU DE 67 C.P.C.

INITIAL ORDER

[1] **ON READING** the *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order*

dated March 18, 2025 (the "**Application**") of the National Bank of Canada, in its capacity as agent for National Bank of Canada, Bank of Montreal, Fédération des Caisses Desjardins du Québec and The Toronto-Dominion Bank, in any capacity (the "**Lenders**") in respect of Pelican International Inc., Pelican US Topco LLC and Confluence Outdoor Inc. (collectively the "**Debtors**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"), the sworn statement and the exhibits filed in support thereof;

- [2] **CONSIDERING** that on February 28, 2025, Pelican International Inc. ("**Pelican**") filed a *Notice of Intention to Make a Proposal* under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") bearing court/estate file no. 41-3193685 (the "**Pelican NOI Proceedings**") and that, pursuant to this Order, such Pelican NOI Proceedings will be continued in accordance with the CCAA.
- [3] **CONSIDERING** that KPMG Inc. was appointed as the proposal trustee in the Pelican NOI Proceedings (the "**Proposal Trustee**").
- [4] **CONSIDERING** the pre-filing report to the Court submitted by the Proposed Monitor dated March 18, 2025 (the "**Monitor's Report**");
- [5] **CONSIDERING** the notification of the Application;
- [6] **CONSIDERING** the submissions of the attorneys present at the hearing on the Application and the testimony of the witnesses heard;
- [7] **CONSIDERING** the provisions of the CCAA;
- [8] **CONSIDERING** the reasons for judgment given on the Application heard on March 19, 2025.

THE COURT HEREBY:

- [9] **GRANTS** the Application.
- [10] **ISSUES** an order pursuant to the CCAA (this "**Order**"), divided under the following headings:
- I. Service
 - II. Definitions
 - III. Effective Time
 - IV. Application of the CCAA, Termination of the Pelican NOI Proceedings, Discharge of the Proposal Trustee and Administrative Consolidation
 - V. Plan of Arrangement
 - VI. Stay of Proceedings against the Debtors and the Property
 - VII. Possession of Property and Operations
 - VIII. No Exercise of Rights or Remedies
 - IX. No Interference with Rights
 - X. Continuation of Services

- XI. Non-Derogation of Rights
- XII. Interim Financing
- XIII. Secured Creditors are to be Treated as Unaffected Creditors
- XIV. Key Employee Retention Plan
- XV. Restructuring
- XVI. Powers of the Monitor
- XVII. Sale and Investment Solicitation Process
- XVIII. Priorities and General Provisions Relating to CCAA Charges
- XIX. Comeback Hearing and Hearing Scheduling and Details
- XX. Foreign Proceedings
- XXI. General

I. SERVICE

- [11] **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable today and hereby dispenses with further service thereof.
- [12] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Applicant (as defined below) to interested parties, including the secured creditors which are likely to be affected by the charges created herein.

II. DEFINITIONS

- [13] **ORDERS** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

III. EFFECTIVE TIME

- [14] **DECLARES** that this Order and all its provisions are effective as of 12:01 a.m. Montréal time, province of Québec, on March 19, 2025 (the "**Effective Time**").

IV. APPLICATION OF THE CCAA, TERMINATION OF THE PELICAN NOI PROCEEDINGS, DISCHARGE OF THE PROPOSAL TRUSTEE AND ADMINISTRATIVE CONSOLIDATION

- [15] **DECLARES** that the Debtors are debtor companies to which the CCAA applies.
- [16] **ORDERS** that the Pelican NOI Proceedings are hereby terminated and continued under the CCAA and that, as of the date hereof, the provisions of Part III of the BIA shall have no further application to Pelican, provided that (a) any and all steps, agreements and procedures validly taken, done or entered into by Pelican or the Proposal Trustee during the Pelican NOI Proceedings shall remain valid and binding, and (b) nothing herein shall affect, vary, derogate from, limit or amend, any and all steps, agreements and procedures validly taken during the Pelican NOI Proceedings, and (c) KPMG Inc. shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee at law or otherwise.

[17] **ORDERS** that, notwithstanding Section 50.4(8) of the BIA, Pelican shall not be deemed to have made an assignment in bankruptcy as a result of not having filed a proposal with the Official Receiver.

[18] **ORDERS** the consolidation of these CCAA proceedings of the Debtors (the "**CCAA Proceedings**") under one single Court file and that all existing and future proceedings, filings, and other matters in relation to the CCAA Proceedings be filed jointly and together in Court file number 500-11-065405-256.

[19] **DECLARES** that the consolidation of the CCAA Proceedings in respect of the Debtors shall be for administrative purposes only and shall not effect a consolidation of the assets and property or of the debts and obligations of each of the Debtors including, without limitation, for the purposes of any Plan or Plans (as defined herein below) that may be hereafter proposed.

V. PLAN OF ARRANGEMENT

[20] **DECLARES** that the Monitor shall have the requisite authority to file with this Court and to submit to the creditors, or to certain creditors, one or more plans of compromise or arrangement, for and on behalf of the Debtors (a "**Plan**" or "**Plans**") in accordance with the CCAA.

VI. STAY OF PROCEEDINGS AGAINST THE DEBTORS AND THE PROPERTY

[21] **ORDERS** that, until and including March 28, 2025, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), including but not limited to seizures, right to distrain, executions, writs of seizure or execution, judicial or extrajudicial right of resolution or resiliation, right of set-off or compensation between mutual claims arising prior to the Effective Time or mutual claims arising respectively prior to and after the Effective Time, any and all actions, applications, arbitration proceedings and other lawsuits existing at the time of this Order in which any of the Debtors is a defendant, party or respondent (either individually or with other Persons (as defined below)) shall be commenced or continued against or in respect of any of the Debtors, or affecting any of the Debtors' business operations and activities (the "**Business**") or any of the Property (as defined herein below), including as provided in paragraph [31] herein except with leave of this Court. All Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to Section 11.1 of the CCAA.

[22] **ORDERS** that the rights of His Majesty in right of Canada and His Majesty in right of a Province are suspended in accordance with the terms and conditions of Section 11.09 of the CCAA.

VII. STAY OF PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

- [23] **ORDERS** that during the Stay Period and except as permitted under Subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Debtors nor against any person deemed to be a former, present or future director or an officer of any of the Debtors under Subsection 11.03(3) of the CCAA (each, a “**Director**” or an “**Officer**”, as applicable, and collectively the “**Directors and Officers**”) in respect of any claim against such Director or Officer which arose prior to the Effective Time and which relates to any obligation of the Debtors where it is alleged that any of the Directors and Officers is under any law liable in such capacity for the payment of such obligation

VIII. POSSESSION OF PROPERTY AND OPERATIONS

- [24] **ORDERS** that subject to the rights and powers granted to the Monitor pursuant to the present Order, the Debtors shall remain in possession and control of their present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof and all bank accounts (collectively the “**Property**”), the whole in accordance with the terms and conditions of this Order.
- [25] **ORDERS** that subject to the rights and powers granted to the Monitor pursuant to the present Order, each of the Debtors are authorized, with the prior authorization of the Monitor, to complete outstanding transactions and engage in new transactions with other Debtors, and to continue, on and after the date of this Order, to buy and sell goods and services, and allocate, collect and pay costs, expenses and other amounts from and to the other Debtors, or any of them (collectively, the “**Intercompany Transactions**”) in the ordinary course of business. All ordinary course Intercompany Transactions among the Debtors shall continue on terms consistent with existing arrangements or past practice, subject to such changes thereto, or to such governing principles, policies or procedures as the Monitor may require, or subject to this Order or further Order of this Court.
- [26] **ORDERS** the Debtors to record details of all Intercompany Transactions during the CCAA Proceedings.
- [27] **ORDERS** that the Monitor, for and on behalf of the Debtors, shall be entitled, but not required to pay all reasonable expenses incurred by the Debtors in the operation of the Business, in the ordinary course of business, after the date of this Order, and in carrying out the provisions of this Order, which expenses may include, but are not limited to :
- (a) all charges and capital expenditures reasonably necessary to preserve the Property or the Business including, without limitation, payments for insurance, maintenance and security services; and

- (b) payment for products or services rendered to the Debtors after the date of this Order or payments to obtain the delivery of products or the rendering of services covered by a contract entered into prior to the date of this Order.

[28] **ORDERS** that the Monitor, for and on behalf of the Debtors, is authorized but not required to remit or pay the following expenses, in accordance with legal requirements :

- (a) all outstanding and future wages, salaries, expenses, benefits and vacation pay payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any advisor or counsel retained or employed by the Debtors in connection with these proceedings, at their standard rates and charges.

[29] **ORDERS** that the Monitor, for and on behalf of the Debtors and without liability thereof, shall remit, in accordance with legal requirements, or pay :

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Québec Pension Plan, and (iv) income taxes; and
- (b) all goods and services, harmonized sales or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtors and in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order.

IX. NO EXERCISE OF RIGHTS OR REMEDIES

[30] **ORDERS** that during the Stay Period, and subject to, *inter alia*, Section 11.1 of the CCAA, all rights and remedies, of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, landlord or any other entity, whether based in Canada, in the US or elsewhere (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), against or in respect of any of the Debtors, or affecting the Business, the Property or any part thereof, including, any contractual right of any third party to modify any of the Debtors' existing rights as a result of any event of default or of non-performance by the Debtors under any agreement (including any bond, surety, indemnity or other comparable agreement), including by reason of the insolvency of the Debtors, the commencement CCAA Proceedings and/or any admissions or evidence filed by the Debtors in the CCAA Proceedings, are hereby stayed and suspended except with leave of this Court.

[31] **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Debtors or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limiting the foregoing, in the event that the Debtors, or any of them, become(s) bankrupt or a receiver as defined in Subsection 243(2) of the BIA is appointed in respect of the Debtors, the period between the date of this Order and the day on which the Stay Period ends shall not be calculated in respect of the Debtors in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

X. NO INTERFERENCE WITH RIGHTS

[32] **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, fail to renew per the same terms and conditions, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Monitor, or with leave of this Court.

XI. CONTINUATION OF SERVICES

[33] **ORDERS** that during the Stay Period and subject to paragraph [35] hereof and Subsection 11.01 of the CCAA, all Persons having verbal or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, utility or other goods or services made available to the Debtors, are hereby restrained until further order of this Court from discontinuing, failing to renew per the same terms and conditions, altering, interfering with, terminating the supply or, where the case may be, interrupting, delaying or stopping the transit of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtors, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Debtors, as applicable, with the consent of the Monitor, or as may be ordered by this Court.

[34] **ORDERS** that, notwithstanding anything else contained herein and subject to Section 11.01 of the CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Debtors on or after the date of this Order, nor shall

any Person be under any obligation on or after the date of this Order to make further advance of money or otherwise extend any credit to the Debtors.

- [35] **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by any of the Debtors with any Person during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn by the Debtors and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into any of the Debtors' accounts until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

XII. NON-DEROGATION OF RIGHTS

- [36] **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the "**Issuing Party**") at the request of any of the Debtors shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of this Order, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

XIII. INTERIM FINANCING

- [37] **ORDERS** that the Debtors are authorized to borrow from National Bank of Canada, Bank of Montreal, Fédération des Caisses Desjardins du Québec and The Toronto-Dominion Bank (collectively in such capacity the "**Interim Lender**"), from time to time, a maximum principal amount of up to \$4,000,000 (the "**Interim Facility**") outstanding at any time, on the terms and conditions as set forth in the Interim Financing Loan Agreement between the Debtors, the Interim Lender and National Bank of Canada, as agent for the Interim Lender, filed in support of the Application (the "**Interim Financing Loan Agreement**") and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of the Debtors and to pay such other amounts as are permitted by the terms of this Order, and the Interim Financing Documents (as defined below).
- [38] **ORDERS** that the Monitor, for and on behalf of the Debtors, is hereby authorized to execute and deliver the Interim Financing Loan Agreement together with such other credit agreements, guarantees, security documents and other definitive documents (collectively, with the Interim Financing Loan Agreement, the "**Interim Financing Documents**") as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Loan Agreement, and the

Monitor, for and on behalf of the Debtors, is authorized and ordered to perform all of the Debtors' obligations under the Interim Financing Documents.

- [39] **ORDERS** that the Monitor, for and on behalf of the Debtors, shall pay to the Interim Lender or its agent, when due, all amounts owing (including principal, interest, fees and expenses, including, without limitation, all fees and disbursement of counsel and other advisors (including financial advisors) on a full indemnity basis (the "**Interim Lender's Expenses**") under the Interim Financing Documents and shall perform all of their other obligations to the Interim Lender pursuant to the Interim Financing Documents and this Order.
- [40] **DECLARES** that all of the Property of the Debtors is hereby subject to a charge, hypothec and security for an aggregate amount of \$4,800,000 (the "**Interim Lender Charge**") in favour of the Interim Lender as security for all obligations of the Debtors to the Interim Lender with respect to all amounts owing (including principal, interest and the Interim Lender's Expenses) under or in connection with the Interim Financing Documents. The Interim Lender Charge shall subsist without necessity of any publication, registration, recording, filing or perfection, and shall have the priority established by paragraph [67] of this Order.
- [41] **ORDERS** that the Interim Lender may:
- (a) notwithstanding any other provision of this Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Interim Lender Charge and the Interim Financing Documents in all jurisdictions where it deems it is appropriate; and
 - (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Debtors if any of them fail to meet the provisions of the Interim Financing Loan Agreement, of the Interim Financing Documents, or of this Order or any other order which may eventually be issued by this Court.
- [42] **ORDER** that the Interim Lender shall not take any enforcement steps under the Interim Financing Documents or the Interim Lender Charge without providing at least five (5) business days written notice (the "**Notice Period**") of a default thereunder to the Debtors, the Applicant and the Monitor and their legal counsel and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Notice Period, the Interim Lender shall be entitled to take any and all steps under the Interim Financing Documents and the Interim Lender Charge and otherwise permitted at law, but without having to send any demands under section 244 of the BIA;
- [43] **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs [37] to [42] thereof unless either (a) notice of an application for such order is served on the Interim Lender by

the moving party at least seven (7) days prior to the presentation thereof or (b) the Interim Lender apply for or consent to such order.

XIV. SECURED CREDITORS ARE TO BE TREATED AS UNAFFECTED CREDITORS

[44] **ORDERS** that, notwithstanding any other provision of this Order, any claims, rights or remedies of (i) the Lenders, and (ii) National Bank of Canada, in its capacity as agent for the Lenders (the "**Applicant**"), in each case pursuant to any contracts, agreements and arrangements of any nature whatsoever entered into with any of the Debtors, including without limitation, credit agreements, credit card agreements, hedging agreements, forbearance agreements, support and forbearance agreements, the Interim Financing Loan Agreement, any other Interim Financing Documents, guarantees and security agreements shall not be affected, compromised or arranged pursuant to the Plan or any proposal (a "**Proposal**") to be filed pursuant to the BIA and, notwithstanding any provision of this Order or of any other order to be rendered in the context of these proceedings, the Applicant and the Lenders shall remain and be treated, at all times and under all circumstances, as unaffected creditors in these proceedings (including with respect to the stay of proceedings ordered in this Order) or any other proceedings under the BIA, and in any Plan or Proposal. Nothing in this Order shall be construed to prevent the Applicant and the Lenders from being able to enforce any of their security against the Property in accordance with their contractual rights, their rights under this Order and their rights under applicable law.

XV. KEY EMPLOYEE RETENTION PLAN

[45] **ORDERS** that the terms of the key employee retention plan (the "**KERP**") reflected in Exhibit R-13 to the Application, under seal, are hereby approved and the Monitor is hereby authorized to implement the KERP and to make the payments contemplated therein and **DECLARES** that the KERP contains sensitive and confidential information and shall be sealed in the Court file in these proceedings and segregated from, and not form part of, the public record.

[46] **DECLARES** that the eligible beneficiaries under the KERP are entitled to the benefits of and are hereby granted a charge, hypothec and security affecting the Property to the extent of the aggregate amount of \$495,000 (the "**KERP Charge**") having the priority established by paragraph [67] of this Order.

XVI. DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

[47] **ORDERS** that the Debtors shall indemnify the Directors and Officers from all claims relating to any obligations or liabilities they may incur and which have accrued by reason of or in relation to their respective capacities as directors or officers of the Debtors after the Effective Time, except where such obligations or liabilities were incurred as a result of such Director's or Officer's gross negligence,

willful misconduct or gross or intentional fault as further detailed in Section 11.51 of the CCAA.

- [48] **ORDERS** that the Directors and Officers of the Debtors shall be entitled to the benefit of and are hereby granted a charge, security and hypothec in the Property to the extent of the aggregate amount of \$1,300,000 (the "**Directors and Officers' Charge**"), as security for the indemnity provided in paragraph [47] **Erreur ! Source du renvoi introuvable.** hereof as it relates to obligations and liabilities of the Directors and Officers in such capacity which may arise after the Effective Time. The Directors and Officers' Charge shall have the priority established by paragraphs [67] and [68] of this Order.
- [49] **ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors and Officers' Charge, and (b) the Directors and Officers shall only be entitled to the benefit of the Directors and Officers' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the Directors and Officers are entitled to be indemnified in accordance with paragraph **Erreur ! Source du renvoi introuvable.** of this Order.

XVII. RESTRUCTURING

- [50] **DECLARES** that, to facilitate the orderly restructuring of their business and financial affairs (the "**Restructuring**") but subject to such requirements as are imposed by the CCAA, the Monitor, in consultation with the Interim Lender, shall have the right to:
- (a) permanently or temporarily cease, downsize, or shut down any of the Debtors' operations or locations as it deems appropriate and make provision for the consequences thereof in a Plan;
 - (b) pursue all avenues to finance or refinance, market, convey, transfer assign or in any other manner, dispose of the Business or Property, in whole or part, subject to the prior written approval of the Interim Lender and further order of the Court and sections 11.3 and 36 of the CCAA, and under reserve of subparagraph [50](c);
 - (c) convey, transfer, assign, lease, or in any other manner, dispose of the Property, outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed \$75,000 individually or \$250,000 in the aggregate;
 - (d) terminate the employment of such of the Debtors' employees or temporarily or permanently lay off such of their employees as the Monitor deems appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision, on such terms as may be agreed upon

between the Monitor, as applicable, and such employee, or failing such agreement, make provision to deal with, any consequences thereof in a Plan, as the Monitor may determine;

- (e) subject to the provisions of Section 32 of the CCAA, disclaim or resiliate, any of the Debtors' agreements, contracts, or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Monitor and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
- (f) subject to Section 11.3 of the CCAA, assign any rights and obligations of the Debtors.

[51] **DECLARES** that, in order to facilitate the Restructuring, the Monitor, in consultation with the Interim Lender, may also settle claims of creditors, customers and suppliers that are in dispute.

[52] **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of any of the Debtors pursuant to Section 32 of the CCAA and Subsection [50](e) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Monitor 24 hours' prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Debtors, provided nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

[53] **ORDERS** that the Monitor shall provide to any relevant landlord notice of any of Debtors' intention to remove any fittings, fixtures, installations, or leasehold improvements at least seven (7) days in advance. If the Debtors have already vacated the leased premises, it shall not be considered to be in occupation of such location pending the resolution of any dispute between the Debtors and the landlord.

[54] **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, and the equivalent provisions of the *Act Respecting the Protection of Personal Information in the Private Sector*, RSQ, c. P-39.1., the Debtors and the Monitor are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisers (individually, a "**Third Party**"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Debtors binding them to

maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Debtors or destroyed. If a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Debtors.

XVIII. POWERS OF THE MONITOR

[55] **ORDERS** that FTI Consulting Canada Inc. is hereby appointed to monitor the business and financial affairs of the Debtors as an officer of this Court (the "**Monitor**") and that the Monitor, in addition to the prescribed powers and obligations, referred to in Section 23 of the CCAA:

- (a) shall, as soon as practicable, (i) publish once a week for two (2) consecutive weeks or as otherwise directed by the Court, in *La Presse+* and the *Globe and Mail National Edition* and (ii) within five (5) business days after the date of this Order (A) post on the Monitor's website (the "**Website**") a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, a notice to all known creditors having a claim against the Debtors of more than \$1,000, advising them that this Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder;
- (b) shall control the Debtors' receipts and disbursements whether through copies of bank records or access to the electronic platform to visualize the activities in the accounts, wherever they may be;
- (c) shall assist the Debtors in dealing with their creditors and other interested Persons during the Stay Period;
- (d) shall assist the Debtors with the preparation of their cash flow projections and any other projections or reports and the development, negotiation, and implementation of a Plan;
- (e) shall advise and assist the Debtors to review the Debtors' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
- (f) shall assist the Debtors with the Restructuring and in their negotiations with their creditors and other interested Persons and with the holding and administering of any meetings held to consider a Plan;

- (g) shall report to the Court on the state of the business and financial affairs of the Debtors or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order and may file consolidated reports for the Debtors;
- (h) shall report to the Interim Lender, on demand and as requested by the Interim Lender, as the case may be, on the state of the operations, business and financial affairs of the Debtors or developments in these proceedings or any related proceedings, including with respect to any solicitation efforts to be made in connection with the Debtors' Property;
- (i) shall report to this Court and interested parties, including but not limited to creditors affected by any Plan, with respect to the Monitor's assessment of, and recommendations with respect to, such Plan;
- (j) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of this Order, including, without limitation, one or more entities related to or affiliated with the Monitor;
- (k) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under this Order or under the CCAA;
- (l) may give any consent or approval as may be contemplated by the Order or the CCAA;
- (m) may hold and administer funds in connection with arrangements made among the Debtors, any counterparties and the Monitor, or by Order of this Court; and
- (n) may perform such other duties as are required by this Order or the CCAA or by this Court from time to time.

[56] **ORDERS** that, in addition to the powers provided for in paragraph [55] of this Order, the Monitor shall also be authorized, but not required, to exercise the following powers for and on behalf of the Debtor:

- (a) conduct and control the financial affairs and operations of the Debtors and carry on the business of the Debtors;
- (b) negotiate, complete, close and implement any transaction for the sale, use or monetization of the Property or the Business;
- (c) if appropriate, develop and implement a Plan or Plans on behalf of the Debtors;

- (d) enter into any agreements for and on behalf of the Debtors with respect to the Business or the Property;
- (e) incur obligations in the daily ordinary course of business;
- (f) retain or terminate employees or contractors;
- (g) administer and wind down all employee benefit plans of the Debtors and making and endorsing all filings related thereto (including, without limitation, financial statements, tax returns and tax filings);
- (h) cease to carry on all or part of the Business in consultation with the Applicant and the Interim Lender;
- (i) access, at all times, the places of business and the premises of the Debtors, the Property, and change the locks to such places of business and premises of the Debtors;
- (j) collect all accounts receivable and all other claims of the Debtors and transacting in respect of same, including proceeds payable pursuant to the sale of Property and signing any document for this purpose;
- (k) report to, meet with and discuss with the Debtors' representatives, as the Monitor deems appropriate, regarding all matters relating to the Property and these proceedings, and sharing information with them subject to such terms as to confidentiality as the Monitor deems advisable;
- (l) execute and deliver the Interim Financing Documents, as provided for by this Order;
- (m) exercise all rights granted to the Debtors pursuant to this Order;
- (n) take steps for the preservation and protection of the Business or the Property;
- (o) exercise such shareholder or member rights, including voting rights, as may be available to the Debtors;
- (p) provide the Applicant and the Interim Lender with any information they may require with respect to the Business, the Property or the Debtors;
- (q) give any consent or approval as may be contemplated by this Order or the CCAA;
- (r) market or solicit one or several potential purchasers for all or any part of the Business and/or Property, including, without limitation, the right to carry out a public call for tenders or private solicitations in order to dispose of the Business and/or Property (the "**Sale Process**");

- (s) negotiate, accept, complete, close and implement any transaction for the sale, use or monetization of the Property or the Business in accordance with the Sale Process, as further described under paragraph **Erreur ! Source du renvoi introuvable.** of this Order, including, without limitation:
 - (i) take whatever steps necessary or desirable to carry out the Sale Process;
 - (ii) execute such documents as may be necessary in connection with the Sale Process;
 - (iii) negotiate and enter into agreements in the context of the Sale Process with regards to the Property and Business;
 - (iv) incur any obligations necessary or incidental to the exercise of the aforesaid powers and for the implementation of the Sale Process; and
 - (v) apply to the Court for any vesting order or any other order which may be necessary or appropriate in order to convey the Property or the Business to a purchaser or purchasers thereof.
- (t) continue to engage the services of the Debtors' employees for and on behalf of the Debtors, until the Monitor, acting for and on behalf of the Debtors, terminates the employment of such employees. The Monitor shall not be liable for any employee related liabilities, including any successor-employer liabilities as provided for in section 11.8(1) of the CCAA, other than such amounts as the Monitor may specifically agree in writing to pay;
- (u) oversee and direct the preparation of cash flow statements and assist in the dissemination of financial or other information in these proceedings;
- (v) execute, assign, issue, endorse documents of whatever nature in respect of any of the Property, whether in the Monitor's name or in the name and on behalf of any of the Debtors (including without limitation, financial statements, tax returns and tax filings);
- (w) initiate, prosecute, make and respond to applications and motions in, and continue the prosecution of any and all proceedings on behalf of or involving one or more of the Debtors (including the within proceedings) and settle or compromise any proceedings or claims by and against one or more of the Debtors. The authority hereby conveyed shall extend to such appeals or application and motions for judicial review in respect of any order or judgment pronounced in any such proceedings;
- (x) exercise any rights which the Debtors may have;
- (y) make any distribution or payment required under any Order in these proceedings; and

- (z) perform such other duties or take any steps reasonably incidental to the exercise of such powers and obligations conferred upon the Monitor by this Order or any Order of this Court.

Unless expressly authorized to do so by this Court, the Monitor shall not take possession of the Property nor shall the Monitor be deemed to have done so.

[57] **DECLARES** that the Monitor shall be authorized, but not required to operate and control, on behalf of the Debtors, all existing accounts of the Debtors maintained at any financial institution (individually, an "**Account**" and collectively, the "**Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including, without limitation:

- (a) carrying out banking and other transactions on behalf of one of the Debtors and to sign documents or take any other action that is necessary or appropriate for the exercise of this power;
- (b) opening any required bank account, on the terms and conditions the Monitor may determine, with any chartered Canadian bank or any other financial institution, the whole, in order to cash any item payable to the Debtors, and issuing any payment which, in the opinion of the Monitor, is necessary or useful to the Debtors' operations;
- (c) exercising control over funds credited to or deposited in the Accounts;
- (d) make any disbursements on the Accounts authorized by this Order or any other order granted in these Procedures;
- (e) give directions from time to time with respect to the Accounts and the funds credited to or deposited therein, including transferring funds credited to or deposited in any other account as the Monitor may direct; and
- (f) add or remove persons having signing authority with respect to an Account or order the closure of an Account.

[58] **ORDERS** that the Debtors and their Directors, Officers, employees and agents, accountants, auditors and all other Persons having notice of this Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Debtors in connection with the Monitor's duties and responsibilities hereunder.

[59] **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Debtors with information in response to requests made by them in writing addressed to the Monitor and copied to the counsel for the Debtors. In the case of information that the Debtors have advised the Monitor as being confidential, proprietary, or competitive, the Monitor shall not provide such information to any Person without the consent of the Debtors unless otherwise directed by this Court.

- [60] **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Debtors or continues the employment of the Debtors' employees, the Monitor shall benefit from the provisions of Section 11.8 of the CCAA.
- [61] **ORDERS** that neither the Monitor nor any employee or agent of the Monitor shall be deemed (i) to be a director, officer or trustee of the Debtors, (ii) to assume any obligation incumbent upon the Debtors or (iii) to assume any fiduciary duty to the Debtors or any other Person, including any creditor or shareholder of the Debtors.
- [62] **ORDERS** and **DECLARES** that nothing herein shall impose upon the Monitor any obligation to take possession or assume control, care, charge or otherwise manage any of the Property (the "**Possession**"), including the Possession of any Property which may be polluted, which may constitute a pollutant or contaminant or which may cause the discharge, emission, the discharge or deposit of any substance contrary to any federal, provincial or other law relating to the protection, conservation, reclamation, restoration or rehabilitation of the environment or relating to the disposal of waste or any other form of contamination, including the *Canadian Environmental Protection Act*, 1999, CS 1999, c 33, the *Environment Quality Act*, RLRQ c Q-2, or the *Act respecting occupational health and safety*, RLRQ c S-2. 1, and their corresponding regulations (the "**Environmental Legislation**"). However, the provisions hereof in no way exempt the Monitor from any notification or disclosure obligations imposed by the applicable Environmental Legislation. The Monitor shall not, by virtue of this Order or by reason of any action taken as a result of the exercise of its powers and duties under this Order, be deemed to have Possession of any of the Property within the meaning of any Environmental Legislation, unless it is in actual possession thereof.
- [63] **DECLARES** that entities related to or belonging to the same group as the Monitor shall also be entitled to the safeguards, benefits and privileges conferred upon the Monitor under this Order.
- [64] **DECLARES** that Section 215 of the BIA applies *mutatis mutandis*, and no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out of the provisions of any order of this Court, except with prior leave of this Court, on at least seven (7) days' notice to the Monitor and its counsel. The entities related to or affiliated with the Monitor shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.
- [65] **ORDERS** that the Debtors shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Debtors' legal counsel and the Applicant's legal counsel directly related to these proceedings, a Plan and the Restructuring, whether incurred before or after this Order, and shall be authorized to provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.

[66] **DECLARES** that the Monitor, the Monitor's legal counsel (Osler, Hoskin & Harcourt LLP, Troutman Pepper Locke LLP & Haynsworth Sinkler Boyd, P.A.), the legal counsel for the Debtors (Fasken Martineau DuMoulin LLP), the Applicant and the Interim Lender's legal counsel (McCarthy Tétrault LLP), as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, the Plan and the Restructuring, be entitled to the benefit of and are hereby granted a charge, hypothec and security in the Property, to the extent of the aggregate amount of \$1,000,000 (the "**Administration Charge**"), having the priority established by paragraphs [67] and [68] of this Order;

XIX. PRIORITIES AND GENERAL PROVISIONS RELATING TO CCAA CHARGES

[67] **DECLARES** that the priorities of the Administration Charge, the Interim Lender Charge, the KERP Charge and the Directors and Officers' Charge (collectively, the "**CCAA Charges**"), as between such CCAA Charges with respect to any Property to which they apply, shall be as follows:

- (a) first, the Administration Charge;
- (b) second, the KERP Charge;
- (c) third, the Interim Lender Charge; and
- (d) fourth, the Directors and Officers' Charge.

[68] **DECLARES** that each of the CCAA Charges shall rank in priority to any and all claims, rights, hypothecs, mortgages, liens, security interests, priorities, charges, deemed trusts, encumbrances or security of whatever nature or kind, whether or not they have been registered, published or filed, including any deemed trusts in favour of the Crown, (collectively, the "**Encumbrances**") affecting the Property charged by such Encumbrances.

[69] **ORDERS** that, except as otherwise expressly provided for herein, the Debtors shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the CCAA Charges unless the Debtors obtain the prior written consent of the Monitor and of the Interim Lender and the prior approval of the Court.

[70] **DECLARES** that each of the CCAA Charges shall attach, having the priority established by paragraphs [67] and [68] of this Order, as of the Effective Time, to all present and future Property of the Debtors, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.

[71] **DECLARES** that the CCAA Charges and the rights and remedies of the beneficiaries of the CCAA Charges, as applicable, shall be valid and enforceable and not otherwise be limited or impaired in any way by: (i) these proceedings and

the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such application(s) or any assignment(s) in bankruptcy made or deemed to be made in respect of any of the Debtors; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtors (a "**Third-Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) the creation of any of the CCAA Charges shall not create nor be deemed to constitute a breach by the Debtors of any Third-Party Agreement to which any of the Debtors is a party; and
- (b) the beneficiaries of the CCAA Charges shall not have any liability to any Person whatsoever as a result of any breach of any Third-Party Agreement caused by or resulting from the creation of the CCAA Charges.

[72] **DECLARES** that notwithstanding: (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such application(s) or any assignment(s) in bankruptcy made or deemed to be made in respect of any of the Debtor; and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by any of the Debtors pursuant to this Order and the granting of the CCAA Charges, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

[73] **DECLARES** that the CCAA Charges shall be valid and enforceable as against all Property of the Debtors charged by the CCAA Charges and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver any of the Debtors.

XX. COMEBACK HEARING AND HEARING SCHEDULING AND DETAILS

[74] **ORDERS** that a full hearing on the orders sought in the Application shall take place on March 28, 2025 at 9:30 A.M. (the "**Comeback Hearing**"), in a room, including virtually, of the Montreal Courthouse to be communicated to the service list prepared by the Monitor's counsel in connection with these CCAA Proceedings (the "**Service List**") or at any other date, time and place determined by the Court and to be communicated to the Service List.

[75] **ORDERS** that any Person wishing to object to the remainder of the reliefs sought in the Application at the Comeback Hearing must serve responding materials or a written notice stating such party's objection and the grounds for same (a "**Notice of Objection**") to the Applicant and the Monitor (and their respective counsels), with a copy to all other Persons on the service list prepared for the purpose of

these proceedings, no later than 5:00 p.m. on the date that is three (3) calendar days prior to the presentation of such application or motion (the "**Objection Deadline**").

[76] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of these proceedings (the "**Presiding Judge**") may determine: (a) whether such hearing will be in person, by videoconference, by telephone or by written submissions only; and (b) the parties from whom submissions are required (collectively, the "**Hearing Details**"). The Applicant's counsel shall advise all Persons on the Service List of the Hearing Details.

[77] **ORDERS** that, if a Notice of Objection is served by the Objection Deadline, all interested parties shall appear before the Presiding Judge at the Comeback Hearing, to either (i) proceed on some or all of the remainder of the relief sought by the Debtors as part of the Application and/or (ii) establish a schedule for the delivery of materials and the hearing on the matters raised in the Notice of Objection, and render such other orders as the Court may deem appropriate in the circumstances.

XXI. FOREIGN PROCEEDINGS

[78] **ORDERS** that the Monitor (FTI Consulting Canada Inc.) is hereby authorized and empowered, but not required, to act as foreign representative (in such capacity, the "**Foreign Representative**") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.

[79] **ORDERS** that the Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

[80] **DECLARES** that, for the purposes of any applications authorized by paragraphs [78] and [79], the Debtors' centre of main interest is located in the province of Québec, Canada.

XXII. GENERAL

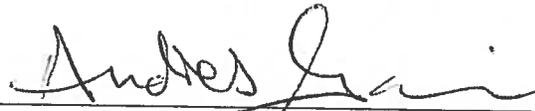
[81] **ORDERS** that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors and Officers, employees, legal counsel or financial advisors of the Debtors or of the Monitor in relation to the Business or Property of the Debtors, without first obtaining leave of this Court, upon ten (10) days' written notice to the Debtors counsel, the Monitor's counsel, and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.

[82] **DECLARES** that this Order and any proceeding or sworn statement leading to this Order, shall not, in and of themselves, constitute a default or failure to comply by the Debtors under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.

- [83] **DECLARES** that, except as otherwise specified herein, the Monitor is at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Debtors and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if by ordinary mail.
- [84] **DECLARES** that the Monitor and any party to the proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing an electronic copy of such materials to counsels' email addresses as provided for on the Service List.
- [85] **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on counsel for the Debtors and counsel for the Monitor and has filed such notice with this Court, or appears on the Service List, save and except when an order is sought against a Person not previously involved in these proceedings.
- [86] **DECLARES** that the Monitor may, from time to time, apply to this Court for directions concerning the exercise of its powers, duties and rights hereunder or in respect of the proper execution of this Order.
- [87] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [88] **AUTHORIZES** the Monitor to apply as they may consider necessary or desirable, with prior written approval of the Interim Lender, with or without notice, to any other court or administrative body, whether in Canada, the United States of America, or elsewhere, for orders which aid and complement this Order and any subsequent orders of this Court, including, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Debtors, the Monitor and the Foreign Representative as may be deemed necessary or appropriate for that purpose.
- [89] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in Canada, the United States of America or elsewhere, to give effect to this Order and to assist the Debtors, the Monitor, and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby requested to make such orders and to provide such assistance to the Debtors, and the Monitor as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or the authorized representative of the Debtors in any foreign proceeding, to assist the

Debtors, and the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.

- [90] **ORDERS** that Exhibit R-13 to the Application and Appendix A to the Monitor's Report is confidential and filed under seal.
- [91] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without security.
- [92] **THE WHOLE**, without costs.



The Honourable ~~Andres C. Garin~~, J.S.C.