2026 **Hfx No. 551716**

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CFFI VENTURES INC.

BRIEF OF LAW OF FTI CONSULTING CANADA INC. IN ITS CAPACITY AS MONITOR OF CFFI VENTURES INC.

August 25, 2026

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova
Email: mkonyukhova@stikeman.com
Tel: 416-869-5230

Nicholas Avis
Email: navis@stikeman.com
Tel: 416-869-5563

Lawyers for the Monitor

To: The Service List

Contents

2026 **Hfx No. 551716**

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CFFI VENTURES INC.

BRIEF OF LAW
OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR OF
CFFI VENTURES INC.

PART I: OVERVIEW

1. This Brief is filed by FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the "**Monitor**") of CFFI Ventures Inc. ("**CFFI**"), in support of its motion returnable September 17, 2026.

2. CFFI is a Nova Scotia holding company with a diverse portfolio of equity investments. CFFI commenced this proceeding under the *Companies' Creditors Arrangement Act* (the "**CCAA**") on March 13, 2026. Its primary secured creditors, the HPS Secured Creditors, are owed approximately US$1.12 billion under the Note Purchase Agreement (as defined below).

3. The Monitor, assisted by FTI Capital Advisors – Canada ULC (the "**Sale Advisor**"), conducted a Court-approved sale and investment solicitation process (the "**SISP**"). No qualifying notices of intent to bid ("**NOIs**") were received. As a result, and in accordance with the terms of the SISP, the HPS Secured Creditors submitted a bid, which constitutes the "Successful Bid" under the SISP.

4. In accordance with the terms of the SISP, the Monitor now brings this motion seeking:

   (a) an Order (the "**Approval and Vesting Order**"), *inter alia*:

(i) approving the asset purchase agreement (the "**APA**") between New Tide Capital LP as purchaser (the "**Purchaser**") and CFFI as vendor, and the transactions contemplated therein (collectively, the "**Transaction**"), inclusive of minor amendments that CFFI and the Purchaser may deem necessary, with the consent of the Monitor;

(ii) vesting in the Purchaser CFFI's right, title and interest in and to the Purchased Assets (as defined in the APA) free and clear of any claims and encumbrances other than certain Assumed Liabilities and Permitted Encumbrances (each as defined in the APA), as set out in the APA;

(iii) authorizing CFFI to take such additional steps as may be necessary for the completion of the Transaction and the conveyance of the Purchased Assets (as defined in the APA) to the Purchaser;

(iv) deeming all persons to have waived any and all defaults, rights, or non-compliance with any covenant, warranty, representation, undertaking, pledge, term, provision, condition, or obligation (whether express or implied) in any Organizational Document, contract, or other arrangement, directly or indirectly arising out of or in connection with: (A) CFFI's insolvency; (B) the commencement of this CCAA proceeding or the *Companies Act* Proceeding; and (C) the APA and/or the consummation of the Transaction;

and

(b) an Order (the "**Enhanced Powers Order**"), *inter alia*:

(i) enhancing the Monitor's powers and authority; and

(ii) approving the fees and disbursements of the Monitor and its counsel, Stikeman Elliott LLP ("**Stikeman Elliott**"); and

(iii) approving the (A) Pre-Filing Report of the Proposed Monitor dated March 12, 2026, (B) Supplement to the Pre-Filing Report of the Proposed Monitor dated March 13, 2026, (C) First Report of the Monitor dated March 19, 2026, (D) Second Report of the Monitor dated May 19, 2026, (E) Third Report of the Monitor dated June 1, 2026 (the "**Third Report**"), (F) Fourth Report of the Monitor dated June 8, 2026, and (G) the Fifth Report of the Monitor dated August 25, 2026 (the "**Fifth Report**", and (A) through (G) collectively, the "**Reports**"), and the activities and conduct of the Monitor as set out therein.

5. CFFI has concurrently brought a motion seeking an Order (the "**Stay Extension Order**"), *inter alia*:

   (a) extending the stay of proceedings until and including December 18, 2026 (the "**Stay Extension**");

   (b) removing Cormorant Utility Services Limited ("**Cormorant**") and some of its subsidiaries from the list of Non-Filing Affiliates;

   (c) approving the payment of certain pre-filing sales harmonized sales tax ("**HST**") obligations; and

   (d) providing for the tolling of any limitations period applicable to the Class Action (as defined below).

6. This Brief addresses only the proposed Sale Approval Order and Enhanced Powers Order. As set out in the Fifth Report, the Monitor supports CFFI's request for the proposed Stay Extension Order but does not advance arguments on that issue here.

PART II: FACTS

A. Background

7. CFFI is a Nova Scotia holding company that owns and manages a portfolio of equity investments (the "**Equity Investments**") in various industries.[1]

[1] Fifth Report at para. 18.

8. On February 17, 2026, CFFI obtained a preliminary interim order under s. 130 of the *Companies Act* to advance a plan of arrangement (the "***Companies Act* Plan**").[2]

9. After certain stakeholders raised concerns with the proposed *Companies Act* Plan, CFFI commenced this CCAA proceeding. This Court granted an initial order on March 13, 2026, and an amended and restated initial order (the "**ARIO**") on March 23, 2026.[3]

10. On June 12, 2026, this Court approved the SISP in an oral decision, with written reasons released June 15, 2026.[4] On June 30, 2026, the Court granted the SISP Approval Order, which approved the SISP and extended the Stay Period up to and including September 18, 2026.[5]

11. CFFI's financial difficulties stem from its debt levels and the maturity of certain obligations.[6] Its principal secured indebtedness includes:

    (a) a note purchase and guarantee agreement dated as of October 23, 2017, as amended and restated on April 25, 2019 (as amended, restated, amended and restated or otherwise modified from time to time, the "**Note Purchase Agreement**"), by and among CFFI (as borrower), certain affiliates of CFFI (as guarantors), HPS Investment Partners, LLC ("**HPS**") as agent and lead arranger, and each of MP III Offshore Master Lux, L.P., Mezzanine Partners III, L.P., and AP Mezzanine Partners III L.P. (collectively, the "**HPS Secured Creditors**", and together with HPS, the "**HPS Parties**"), as secured creditors;[7] and

    (b) a secured guarantee dated as of May 24, 2022 (the "**CFFI Guarantee**"), pursuant to which CFFI has guaranteed the due and punctual payment and performance of all obligations of Cormorant Utility Services Limited ("**Cormorant**") to certain secured creditors under an amended and restated credit agreement dated March 28, 2025, among Cormorant (as borrower), and SFPC Quantum LP ("**Quantum**") (as

[2] *Ibid* at para. 1.
[3] *Ibid* at paras. 2, 4, and 22.
[4] *Ibid* at para. 9; see also *CFFI Ventures Inc. (Re)*, 2026 NSSC 195.
[5] Fifth Report at para. 10.
[6] *Ibid* at para. 20.
[7] *Ibid* at para. 24(b).

both lender and agent) (as amended, restated, amended and restated or otherwise modified from time to time, the "**Cormorant Credit Agreement**").[8]

B. The SISP

12. The SISP established a process for soliciting a broad range of transactions—including a sale of CFFI's shares, assets and/or business, and/or an investment in CFFI. The Monitor conducted the SISP with the Sale Advisor, in consultation with CFFI.[9]

13. The SISP contemplated two phases:

(a) the first phase ("**Phase 1**") called for NOIs that identified the potential purchaser and provided a general description of the assets and/or businesses of CFFI that would be the subject of the bid, reflecting a reasonably likely prospect of culminating in a Qualified Bid; and

(b) the second phase ("**Phase 2**") would have allowed Qualified Bidders to submit a binding offer meeting the requirements set forth in the SISP (a "**Qualified Bid**") by the Qualified Bid Deadline.[10]

14. A Qualified Bid was required to, *inter alia*:

(a) contemplate consideration sufficient to result in the repayment in full and in cash, on closing of such transaction, of all amounts outstanding under the Note Purchase Agreement (or such lower amount as agreed to by the HPS Secured Creditors in their sole discretion), or consideration which, if combined with another bid or bids for the remaining shares, business and/or assets of CFFI, would have resulted in the repayment in full and in cash of such amount; and

(b) be reasonably capable of being consummated within 45 days of being selected as the Successful Bid.[11]

---

[8] *Ibid* at para. 24(b).
[9] *Ibid* at paras. 27-28.
[10] *Ibid* at para. 29.
[11] *Ibid* at para. 30.

15. In the event that no NOIs were received on or before the NOI Deadline, then: (a) the SISP could be terminated by the Monitor, in consultation with CFFI, the HPS Secured Creditors and Quantum; and (b) the HPS Secured Creditors could submit a transaction that would be deemed to be the Successful Bid, provided that: (i) the terms thereof were acceptable to the Monitor and the Sale Advisor; and (ii) such bid did not provide for consideration in excess of the debt owed to the HPS Secured Creditors.[12]

C. Efforts to Solicit the Market

16. The Monitor commenced the SISP on June 23, 2026. The Monitor and Sale Advisor sent marketing materials to 159 potential bidders, including: (a) North American family offices (meaning private firms that manage the finances of high-net-worth families, with a focus on those offices that have a history of investments similar to CFFI's largest Equity Investments); (b) strategic investors (meaning competing businesses or businesses in industries adjacent to the Equity Investments); and (c) financial investors (such as private equity funds and asset managers) with a history of investments (or management of investments) that are similar to CFFI's largest Equity Investments. Initial outreach was completed on or around June 23, 2026, with follow-up communications on July 2, 9, and 16, 2026.[13]

17. The Monitor and Sale Advisor hosted calls with 21 potential bidders, 19 of whom entered into non-disclosure agreements with CFFI.[14]

18. On or about June 25, 2026, the HPS Secured Creditors provided a draft purchase agreement contemplating the HPS Bid, including an allocation schedule (the "**HPS Allocation Schedule**") that allocation portions of the NPA Indebtedness to be assumed pursuant to the HPS Bid to CFFI's individual assets that were to be acquired pursuant to such bid.[15] The HPS Allocation Schedule acted as an indicative price floor. Unless the HPS Secured

[12] *Ibid* at para. 32.
[13] *Ibid* at paras. 37-40.
[14] *Ibid* at para. 41.
[15] *Ibid* at paras. 42-43.

Creditors agreed to a lower amount for a particular asset, potential bidders had to meet or exceed the amount allocated to any particular asset in the HPS Allocation Schedule. [16]

19. Potential bidders that signed non-disclosure agreements received access to a confidential data room containing diligence information, a confidential information memorandum (including the HPS Allocation Schedule), and a template NOI.[17]

20. The Monitor and Sale Advisor responded diligently to all inquiries to ensure potential bidders had the information necessary to consider a transaction.[18]

D. Results of the SISP

21. By the NOI Deadline, the Monitor received seven bids (the "**Phase 1 Bids**"). The Phase 1 Bids were shared with CFFI, the HPS Secured Creditors, and Quantum, and each of these parties was consulted by the Monitor.[19]

22. Three Phase 1 Bids were submitted by parties that had executed non-disclosure agreements and obtained access to the SISP data room; the remaining four were submitted by parties that had not executed non-disclosure agreements and had not received any confidential information in the SISP.[20]

23. The Monitor and Sale Advisor, in consultation with CFFI, reviewed each Phase 1 Bid against Section 6(e) of the SISP, and specifically, whether each Phase 1 Bid reflected a reasonably likely prospect of culminating in a Qualified Bid.[21]

24. Only two Phase 1 Bids included a purchase price—and both assigned values substantially below the HPS Allocation Schedule. The remaining five bids provided no indication of value.[22]

---

[16] *Ibid* at para. 59.
[17] *Ibid* at para. 43.
[18] *Ibid* at para. 45.
[19] *Ibid* at paras. 48 and 52.
[20] *Ibid* at para. 49.
[21] *Ibid* at para. 50.
[22] *Ibid* at para. 51.

25. Counsel to the HPS Secured Creditors advised the Monitor that the HPS Secured Creditors did not consider any of the Phase 1 Bids to reflect a reasonably likely prospect of culminating in a Qualified Bid.[23]

26. The Monitor and Sale Advisor proposed to both the HPS Secured Creditors and Quantum that the SISP be terminated and not proceed to Phase 2 on the basis that none of the Phase 1 Bids reflected a reasonably likely prospect of culminating in a Qualified Bid and, accordingly, none of the Phase 1 Bids satisfied the definition of an NOI under the SISP. Both the HPS Secured Creditors and Quantum agreed.[24]

27. On July 29, 2026, the Monitor notified the parties that had submitted Phase 1 Bid that their bids did not constitute NOIs. On July 30, 2026, the Monitor advised the Service List that the SISP was terminated.[25]

E. The Transaction

28. As no NOI was received by the NOI Deadline and in accordance with paragraph 12 of the SISP, the HPS Secured Creditors submitted the HPS Bid. Its material terms are:[26]

(a) **Parties**: CFFI as vendor and New Tide Capital LP as purchaser. New Tide Capital LP is an affiliate of HPS Investment Partners, LLC, which is itself a subsidiary of BlackRock;

(b) **Purchase Price**: The purchase price for the Purchased Assets is the value of the Assumed Liabilities;

(c) **Purchased Assets**: The Purchased Assets include Transferred Cash, Transferred Equity Interests, Transferred Receivables, Transferred Tangible Property, CFFI Insurance Policies, Assigned Contracts, and Other Assets;

(d) **Assumed Liabilities**: The Purchaser will assume (i) any Liabilities under the Assigned Contracts and Permitted Encumbrances; (ii) Assumed Employee

[23] *Ibid* at para. 53.
[24] *Ibid* at para. 54.
[25] *Ibid* at para. 55.
[26] *Ibid* at paras. 63-64.

Liabilities; and (iii) the NPA Indebtedness (being all debt outstanding under the Note Purchase Agreement and all related documentation, which the Monitor estimates to be approximately US$1.12 billion as at March 13, 2026);

(e) **Excluded Assets**: All assets that are not Purchased Assets;

(f) **Excluded Liabilities**: All Claims of and against CFFI that are not Assumed Liabilities;

(g) **Assigned Contracts**: The Purchased Assets include certain Assigned Contracts, being contracts that the Purchaser has elected to assume.

(h) **Organizational Documents**: No consent shall be required or shall be sought for the assignment of any Contract that is an "Organizational Document" pursuant to which the Purchaser shall be deemed to be a party at Closing following the purchase and transfer of the corresponding Transferred Equity Interests. "Organizational Documents" includes articles or certificates of incorporation, shareholder agreements, partnership agreements, limited partnership agreements, trust agreements, and similar charters, agreements, or documents. Many of the Transferred Equity Interests are affected by Organizational Documents that contain provisions such as rights of first refusal, rights of first offer, tag-along rights, repurchase rights in the event of an insolvency, transfer restrictions, and change of control restrictions (collectively, the "**Restrictions**"). The proposed Approval and Vesting Order contains relief that waives defaults or non-compliance with terms in any Organizational Document arising out of, or in connection with (a) CFFI's insolvency; (b) the commencement of this CCAA proceeding or the *Companies Act* Proceeding; and (c) the APA and the consummation of the Transaction.

(i) **Non-Assigned Assets**: If at Closing any Purchased Assets cannot be transferred due to, amongst other things, any necessary consents, approvals, waivers or modifications not being obtained, then the Closing shall proceed and the Purchaser shall satisfy the full amount of the Purchase Price at Closing net of any Non-Assigned Asset Holdback Amounts. All Transferred Equity Interests in Cormorant constitute Non-Assigned Assets until the earlier of the Cormorant Indebtedness being repaid or refinanced, Quantum consenting to the transfer, or a Court Order approving the transfer;

(j) **"As is, Where is"**: The Purchased Assets are to be sold on an "as is, where is" basis, with limited representations and warranties from CFFI;

(k) **Employees**: Eight employees will be offered employment at the Purchaser or an affiliate of the Purchaser on terms that are substantially similar with respect to their current base salary, title, duties and benefits with CFFI, subject to completion of the Transaction.

F. The Need for Enhanced Monitor Powers

29. Following Closing, all of CFFI's employees are expected to transition to the Purchaser and all directors are expected to resign. CFFI will then lack the personnel needed to administer its estate, wind down its business, or advance this CCAA proceeding toward termination.[27]

30. The proposed Enhanced Powers Order expands the Monitor's powers to administer CFFI's estate post-Closing and facilitate the orderly completion of these CCAA proceedings. These enhanced powers take effect upon Closing, triggered by delivery of the Monitor's Closing Certificate.[28]

PART III: ISSUES

31. The issues on this motion are whether this Court should:

(a) approve the APA and the Transaction;

(b) grant the Default Relief;

(c) expand the Monitor's powers; and

[27] *Ibid* at para. 96.
[28] *Ibid* at paras. 96-97.

(d) approve the fees and disbursements of the Monitor and Stikeman Elliott, and the activities of the Monitor.

PART IV: LAW & ARGUMENT

A. Approval of the Transaction

32. Section 36 of the CCAA authorizes this Court to permit a debtor to sell or otherwise dispose of its assets outside the ordinary course of business, free and clear of security, charges, or other restrictions.[29] It is well established that a going-concern sale of a business advances the CCAA's remedial objectives by avoiding the devastating social and economic costs of liquidation.[30]

33. Section 36(3) of the CCAA provides a non-exhaustive list of factors that the Court is to consider in deciding whether to approve a sale:

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

---

[29] CCAA, s. 36.

[30] *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 at paras. 70 and 77 ***["Century Services"***]; *Consumers Packaging Inc. (Re),* 2001 CanLII 6708 (ON CA) at paras. 5 and 9; *Nortel Networks Corp (Re)*, 2009 CanLII 39492 (ON SC) at paras. 35-40, 48; *First Leaside Wealth Management Inc. (Re)*, 2012 ONSC 1299 at para. 32; *Canwest Publishing Inc./Publications Canwest Inc. (Re)*, 2010 ONSC 2870 at para. 13 ["***Canwest***"].

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.[31]

34. These statutory factors are not exhaustive. In *Canwest*, the Court held that the s. 36(3) criteria largely overlap with the common law principles in *Royal Bank of Canada v. Soundair Corp.*, which remain relevant to the statutory test. The *Soundair* principles require the Court to consider:

(a) whether the party conducting the sale made sufficient efforts to obtain the best price and did not act improvidently;

(b) whether the interests of all parties have been considered;

(c) the efficacy and integrity of the process by which offers are obtained; and

(d) whether there has been unfairness in the working out of the process.[32]

35. The s. 36(3) factors and the *Soundair* principles overlap considerably and both sets of factors are satisfied in this case for the reasons below. Accordingly, this Court should approve the Transaction.

i. The Process Leading to the Transaction Was Reasonable

36. The Transaction is the product of a Court-approved SISP that was designed to maximize value for all stakeholders. The Monitor and Sale Advisor conducted the SISP in accordance with the SISP Approval Order. The process was fair, open, transparent, and appropriate:

(a) the CCAA proceeding was commenced on March 13, 2026, and the public has been aware of CFFI's intention to implement a restructuring via SISP since CFFI disclosed such intention to the Court on April 28, 2026;[33]

---

[31] CCAA, s. 36(3).
[32] *Royal Bank v. Soundair Corp.*, 1991 CanLII 2727 (ON CA).
[33] Fifth Report at para. 36.

(b) CFFI's restructuring has received significant press coverage and the service list is extensive;[34]

(c) details regarding the SISP were posted on the Monitor's webpage on June 19, 2026, and the Monitor commenced the SISP and began circulating materials on June 23, 2026—shortly after it was approved orally by this Court;[35]

(d) the SISP cast a wide net: marketing materials and a process letter were sent to 159 potential bidders, including North American family offices, strategic investors, and financial investors, with initial outreach completed on or around June 23, 2026 and follow-up communications sent on July 2, 9, and 16, 2026;[36]

(e) potential bidders had adequate access to information: 19 entered into non-disclosure agreements with CFFI and received access to a confidential data room containing diligence information, a confidential information memorandum, and a template NOI, and the Monitor and Sale Advisor worked diligently to answer their questions;[37]

(f) Phase 1 spanned 29 days—an adequate amount of time to canvass the market and provide potential bidders with an opportunity to prepare an NOI;[38] and

(g) CFFI, the HPS Secured Creditors, and Quantum were all consulted on the Phase 1 Bids.[39]

ii. The Monitor Approved the SISP and Supports the Transaction

37. The Monitor, assisted by the Sale Advisor, conducted the SISP, which sufficiently tested the broad range of potential transactions available to generate value. All parties that expressed interest had an opportunity to participate.

---

[34] *Ibid* at para. 36.
[35] *Ibid* at para. 37.
[36] *Ibid* at para. 38.
[37] *Ibid* at para. 41.
[38] *Ibid* at para. 46.
[39] *Ibid* at para. 52.

38. The Monitor supports the Transaction as fair and reasonable, and as the best available opportunity for CFFI.[40]

iii. The Transaction Is Preferable to a Bankruptcy

39. The Monitor is of the view that the proposed Transaction is superior to a bankruptcy as it results in the debt owing to the HPS Secured Creditors being paid (or assumed) by the Purchaser. The HPS Secured Creditors would likely experience a shortfall in a bankruptcy scenario.

40. The Transaction yields no recovery for unsecured creditors—but neither would a bankruptcy.

41. The Transaction provides continued employment to eight of CFFI's employees on terms that are substantially similar with respect to their current base salary, title, duties and benefits with CFFI.

iv. Secured Creditors Were Consulted

42. The Monitor engaged throughout with CFFI's primary secured creditors—the HPS Secured Creditors and Quantum. Both were consulted on, and provided copies of, all Phase 1 Bids, both agreed to terminate the SISP without proceeding to Phase 2.[41]

v. Effects on Creditors and Other Interested Parties

43. The Transaction results in CFFI's largest source of debt—the NPA Indebtedness—being assumed by the Purchaser, a solvent entity affiliated with HPS Investment Partners, LLC, which is itself a subsidiary of BlackRock, the world's largest asset manager.[42]

44. The NPA Indebtedness is held by the HPS Secured Creditors—CFFI's largest and first-ranking secured creditors (excluding the Cormorant Shares)—who hold the predominant economic interest in CFFI's assets and support the Transaction.

---

[40] *Ibid* at para. 62.
[41] *Ibid* at paras. 50 and 52.
[42] *Ibid* at paras. 64 and 95.

45. Quantum, as the creditor holding first-ranking security over the Cormorant Shares, does not oppose the Transaction. The APA provides that the Cormorant Shares will be transferred only on the earlier of: (a) the Cormorant Indebtedness being fully repaid or refinanced; (b) Quantum consenting to the transfer; or (c) the Court granting an Order approving the transfer.[43]

46. The Purchaser is also assuming liabilities under the Assigned Contracts, Permitted Encumbrances and Assumed Employee Liabilities.[44]

47. Unsecured creditors will not recover under the Transaction, except in connection with the Assumed Liabilities. That absence of recovery is not, by itself, a basis to refuse a sale: courts routinely approve CCAA sales that generate no unsecured creditor recovery where the sale is the best available transaction and superior to bankruptcy.[45]

vi. The Consideration Is Reasonable and Fair

48. The consideration comprises the assumption of the HPS Secured Creditors' debt under the Note Purchase Agreement. There is no better opportunity for CFFI than the Transaction.

49. In March 2026, Ernst & Young LLP ("**EY**") assessed the fair market value of the assets proposed to be acquired under the *Companies Act* Plan—assets that largely mirror those being acquired in the proposed Transaction—at $367.0 million in the aggregate. The Monitor's Third Report confirmed EY's valuation as reasonable. By contrast, the HPS Secured Creditors are assuming the NPA Indebtedness, which is approximately US$1.12 billion.[46]

50. The Transaction represents the best available offer for CFFI's business and, having been achieved through a fair, open, and transparent sales process, reflects the fair value of CFFI's business.[47]

---

[43] *Ibid* at para. 70.
[44] *Ibid* at para. 64(d).
[45] *Ibid* at paras. 91-93.
[46] *Ibid* at paras. 25, 56-61.
[47] *Ibid* at para. 62.

vii. The "Related Person" Requirements Are Satisfied

51. Prior to the commencement of the SISP, Quantum, the Canada Revenue Agency, and Mr. Paddick asserted that HPS was a "related party" for the purposes of the CCAA and sought various disclosures in connection with such assertions. Although both CFFI and HPS disputed this characterization, they were willing to have HPS treated as a "related party" under the SISP for the limited purpose of subsection 36(4) of the CCAA to avoid further delays and expenses.[48]

52. Subsection 36(4) of the CCAA requires that the Court be satisfied that in a related-party sale:

(a) good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the company; and

(b) the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition.[49]

53. Both requirements of s. 36(4) are satisfied:

(a) **good faith efforts**: Good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to CFFI. The SISP cast a wide net, with marketing materials sent to 159 potential bidders. The Monitor and Sale Advisor canvassed a broad group of potential purchasers using good faith and professional efforts. No potential bidder submitted a qualifying NOI; and

(b) **superior consideration**: Only two Phase 1 Bids included a purchase price, and both fell below the HPS Allocation Schedule. The remaining five provided no value indication. The Purchaser's consideration is the highest price achieved pursuant to the SISP.[50]

---

[48] *Ibid* at para. 90.
[49] CCAA, s. 36(4).
[50] Fifth Report at para. 90.

54. For these reasons, the Monitor submits that the s. 36(4) related-person factors are satisfied and that this Court should grant the Sale Approval Order.

B. Waiver of Defaults Under Organizational Documents

55. Many Transferred Equity Interests are governed by Organizational Documents that include articles or certificates of incorporation, shareholder agreements, partnership agreements, limited partnership agreements, trust agreements, and similar charters, agreements, or documents. These Organizational Documents contain rights of first refusal, rights of first offer, tag-along rights, repurchase rights upon insolvency, transfer restrictions, and change of control restrictions (collectively, the "**Restrictions**"). For example, the shareholder agreement for one Transferred Equity Interest includes a general restriction on the transfer of the corporation's securities except as otherwise provided for in the shareholder agreement or as specifically consented to in writing by all of the shareholders and grants all shareholders tag-along rights and rights of first refusal in the event that one shareholder receives an offer from a third-party.[51]

56. The proposed Approval and Vesting Order grants Default Relief in respect of any Organizational Document, which has the effect of waiving any and all defaults, rights, or non-compliance with any covenant, warranty, representation, undertaking, pledge, term, provision, condition, or obligation (whether express or implied) in any Organizational Document, contract, or other arrangement, directly or indirectly arising out of or in connection with: (a) CFFI's insolvency; (b) the commencement of this CCAA proceeding or the *Companies Act* Proceeding; and (c) the APA and/or the consummation of the Transaction.

i. Legal Basis for the Default Relief

57. This Court has jurisdiction to grant the Default Relief under (a) s. 36(6) of the CCAA; and (b) the Court's general remedial jurisdiction under s. 11. These jurisdictional bases are complementary.

---

[51] *Ibid* at paras. 74-75.

58. Section 36(6) provides that "[t]he court may authorize a sale or disposition free and clear of any security, charge or other restriction". It is well-established that a general expression following a list of specific items is read *ejusdem generis*—that is, the general expression is confined to things of the same kind.[52] The general expression "other restriction" ought to include contractual restrictions on share transfers, such as consent rights, rights of first refusal, and change of control provisions. Much like security interests and charges, contractual restrictions on share transfers function as encumbrances on an asset affecting value and transferability.

59. Section 11 authorizes the Court to grant "any order that it considers appropriate in the circumstances."[53] The Supreme Court of Canada has described this broad judicial discretion as the "true 'engine'" driving the CCAA.[54] It enables supervising judges to make orders that respond to the circumstances of each case and "meet contemporary business and social needs".[55]

60. In exercising this discretion, the Court considers three baseline factors: (a) the appropriateness of the order sought; (b) due diligence; and (c) good faith.[56] An order is appropriate if it "will usefully further efforts to achieve the remedial purpose of the CCAA."[57] In *Montréal (City) v. Deloitte Restructuring Inc.*, the Supreme Court of Canada articulated these remedial purposes:

> […] These remedial objectives include the following: avoiding the social and economic losses resulting from the liquidation of an insolvent company; maximizing creditor recovery; ensuring fair and equitable treatment of the claims against the debtor company; preserving going-concern value where possible; protecting jobs and communities affected by the company's financial distress; and enhancing the credit system generally […][58]

---

[52] *Conseil scolaire francophone de la Colombie-Britannique v. British Columbia*, 2013 SCC 42 at para. 23; *Consolidated Fastfrate Inc. v. Western Canada Council of Teamsters*, 2009 SCC 53 at para. 42.
[53] CCAA, s. 11.
[54] *Montréal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53 at para. 48 ["***Deloitte Restructuring***"].
[55] *Ibid* at para. 116.
[56] *Ibid* at para. 85.
[57] *Century Services*, *supra* note 30 at para. 70.
[58] *Deloitte Restructuring, supra* note 54 at paras. 85-86.

61. Contractual restrictions on share transfers and similar provisions block the possibility and/or efficiency of sale of a debtor's assets, which undermines the remedial objectives of the CCAA, including the ability to consummate going-concern sales and generate creditor recoveries.

62. It is well accepted that courts have the authority to waive defaults arising in connection with a restructuring proceeding. Courts have approved waivers of defaults in connection with CCAA plans of arrangement, for example.[59] CCAA courts have also included such provisions in approval and vesting orders[60] and reverse vesting orders[61] approving transactions.

63. In *Re Sandvine Corporation et al.*, for instance, the court ordered that "all Persons shall be deemed to have waived" any defaults by any "Acquired Subsidiary" or non-compliance with any contractual term existing between "all Persons" and any "Acquired Subsidiary" arising from, amongst other things, the applicants' insolvency, their CCAA proceedings, or the consummation of the sale transaction.[62]

64. Courts have also approved sale transactions notwithstanding restrictions similar to the Restrictions. In *Arrangement relatif à Xebec Adsorption Inc.*, other shareholders opposed the sale of a debtor's 60% interest in a non-applicant affiliate, which was subject to a right

---

[59] *Grafton Argyle Property Partnership et al. (Re)* (10 April 2026), Halifax No. 545977 (NSSC) (Sanction Order) at para. 20; *420 Investments Ltd. et al. (Re)* (4 June 2025), Calgary 2401-17986 (ABKB) (Plan Sanction Order) at Schedule "1," s. 8.5; *Walgre Transport Inc. et al. (Re)* (30 January 2026), Toronto CV-25-00753605-00CL (Sanction Order) at para. 24; *Tilt Holdings Inc. (Re)* (28 January 2026), Vancouver No. S-258388 (BCSC) (Sanction Order) at para. 16(d) and Schedule "B," s. 6.2.

[60] See, *e.g.*, *Sandvine Corporation et al. (Re)* (30 January 2025), Toronto, CV-24-00730836-00CL (ONSC) (Assignment, Approval and Vesting Order) at para. 20; *Li-Cycle Holdings Corp. et al. (Re)* (1 August 2025), Toronto CV-25-00743053-00CL (ONSC) (Approval and Vesting Order) at para. 32.

[61] See, *e.g.*, *Saltwire Network Inc. et al. (Re)* (18 October 2024), Halifax No. 531463 (NSSC) (Approval and Reverse Vesting Order) at para. 12; *Spring Loaded Technology Incorporated (Re)* (13 April 2026), Halifax No. 550323 (Approval and Reverse Vesting Order) at para. 15; *Rambler Metals and Mining Canada Limited et al. (Re)* (11 September 2023), St. John's 202301G0841 (NLSC) (Approval and Reverse Vesting Order) at para. 17; *Comark Holdings Inc. et al. (Re)* (21 March 2025), Toronto CV-25-00734339-00CL (ONSC) (Approval and Reverse Vesting Order) at para. 14.

[62] *Sandvine Corporation et al. (Re)* (30 January 2025), Toronto, CV-24-00730836-00CL (ONSC) (Assignment, Approval and Vesting Order).

of first refusal contained in the articles of association and a shareholders' agreement.[63] The court rejected the opposition and granted the vesting order, holding:

(a) the right of first refusal would not be lost—it simply could not be exercised in the CCAA transaction. "The ROFR is fundamentally ill-suited to a CCAA bidding process and will have a chilling effect";[64] and

(b) the balance of equities overwhelmingly favoured the debtors: going-concern operations would shut down if the transaction did not proceed, greatly reducing the asset's value, and the opposing shareholders offered no viable alternative.[65]

65. The case law is clear: the Court may approve the sale of shares of a non-debtor entity free and clear of rights and limitations such as the Restrictions.

66. Whitewash provisions have also been recognized as appropriate in debt restructurings under the arrangement provisions of the *Canada Business Corporations Act*.[66] Courts have recognized that, without a waiver of defaults, "creditors may seek to frustrate the restructuring and attack the arrangement in a different forum,"[67] or a creditor could rely "on the CBCA Plan and the CBCA process as an event of default that could unravel everything that has been negotiated and approved by the court."[68]

ii. The Default Relief is Appropriate in the Circumstances

67. The Default Relief is appropriate and necessary in the circumstances of this case for the following reasons:

(a) **Facilitation of the Transaction**: Strict compliance with the Restrictions is impractical. Many impose lengthy notice periods, consent requirements, and rights-of-first-refusal exercises that would significantly prolong this proceeding. Tag-along rights would require the Purchaser to purchase third-party equity interests

---

[63] *Arrangement relatif à Xebec Adsorption Inc.*, 2023 QCCS 466 ["***Xebec Adsorption***"].
[64] *Xebec Adsorption, supra* note 63 at para. 78.1.
[65] *Xebec Adsorption, supra* note 63 at para. 78.3.
[66] See *e.g.*, *The Cannabist Company Holdings Inc. et al v. Murchinson Ltd.*, 2025 ONSC 3004 at paras. 83-84 ["***Cannabist***"], aff'd 2026 ONCA 120; *Xplore Inc. (Re)*, 2024 ONSC 5250 at para. 75 ["***Xplore***"].
[67] *Cannabist, supra* note 66 at para. 84.
[68] *Xplore, supra* note 66 at para. 75.

with cash beyond what the APA contemplates. Furthermore, certain Restrictions (particularly change of control and transfer restrictions) would make it particularly challenging to sell CFFI's assets without first obtaining numerous discretionary consents. Without the Default Relief, the Restrictions would effectively preclude the Transaction. The Transaction—the best available outcome for CFFI's stakeholders—should not be derailed by the Restrictions. The Monitor is advised by HPS that, in the event that the proposed relief from the Restrictions is not granted, HPS would be prepared to proceed with a reverse vesting order transaction on essentially the same economic terms as the Transaction.[69]

(b) **No Prejudice to Beneficiaries of the Restrictions**: The proposed Approval and Vesting Order waives compliance with the Restrictions for the Transaction only; the Restrictions are not extinguished. Any future transactions involving the Transferred Equity Interests must comply with applicable Restrictions.[70]

(c) **Balancing of Interests**: The primary beneficiaries of the Restrictions are other shareholders of the Transferred Equity Interests. Preferring the interests of contractual counterparties and Persons effectively in a commercial arrangement with a debtor over the interests of secured creditors is contrary to their relative priorities. Furthermore, the result of the waiver of the Restrictions is that such counterparties will benefit from having a commercial counterparty that is better positioned from a financial perspective.

(d) **Limited Scope**: The Default Relief is targeted and limited. It applies only to defaults, non-compliance, and rights arising from CFFI's insolvency, this CCAA proceeding, and the Transaction. It does not release parties from ongoing obligations under the Organizational Documents or extinguish claims unrelated to the insolvency or the Transaction.

68. The Monitor intends to serve notice of this motion on all counterparties to Organizational Documents that may be affected by the transfer of the Purchased Assets. Where

[69] Fifth Report at paras. 75-76.
[70] *Ibid* at para. 77.

shareholders or unitholders of a portfolio entity are unknown, the Monitor intends to request the portfolio entity to provide the motion materials to its equityholders.[71]

69. For these reasons, this Court should grant the Approval and Vesting Order with the Default Relief.

C. This Court Should Expand the Monitor's Powers

70. This Court has the power to grant the Monitor expanded powers under sections 11 and 23(1)(k) of the CCAA. Section 11 provides this Court with broad discretion to make "any order that it considers appropriate in the circumstances."[72] Section 23(1) sets out a monitor's duties and functions, and subsection 23(1)(k) gives this Court discretion to require a monitor to carry out any other functions in relation to the debtor company that the Court may direct.[73]

71. It is well established that courts may enhance a monitor's powers to act as a "super monitor" under the CCAA when necessary to advance the interests of a debtor company, implement transaction steps, or wind down CCAA proceedings.[74]

72. Courts have determined that expanding a monitor's powers is necessary where the debtor lacks decision-makers due to the resignation of its directors, as is the case here.[75]

73. Consistent with the mandate of s. 11 of the CCAA, expanding the Monitor's powers is necessary and appropriate here. Following Closing, CFFI will require ongoing administration, including facilitating any dealings with the Non-Assigned Assets, winding down CFFI, and bringing this CCAA proceeding to a conclusion.[76]

---

[71] *Ibid* at para. 79.
[72] CCAA, s. 11.
[73] CCAA, s. 23(1)(k).
[74] *Nortel Networks Corporation et al. (Re)*, 2015 ONSC 2987 at para. 42 ["***Nortel***"]; *Just Energy Group Inc. et al. v. Morgan Stanley Capital Group Inc. et al.*, 2022 ONSC 6354 at paras. 68-69; *Harte Gold Corp. (Re)*, 2022 ONSC 653 at paras. 91-92; *Mountain Equipment Co-Operative (Re)*, 2020 BCSC 2037 at para. 9 ["***MEC***"].
[75] *Nortel*, *supra* note 74 at para. 42; *MEC*, *supra* note 74 at para. 9; *Blue Lobster Capital Limited et al. (Re)*, 2025 NSSC 243 at para. 158.
[76] Fifth Report at paras. 96-101.

74. The proposed Enhanced Powers Order includes protections to keep the Monitor's role appropriately defined and scoped. Amongst other things, it provides that the Monitor is not, and shall not be deemed to be, a director, officer, or employee of CFFI. Under the APA, the Purchaser and CFFI will enter into a Transition Services Agreement (the "**TSA**"), pursuant to which the Purchaser will provide transition services for the Non-Assigned Assets—reducing the Monitor's involvement in CFFI's day-to-day operations.[77]

75. No stakeholder is expected to be prejudiced by the expansion of the Monitor's powers.

76. For these reasons, it is respectfully submitted that the expansion of the Monitor's powers is appropriate and should be granted.

D. The Court Should Approve the Monitor's Activities and the Fees and Disbursements of the Monitor and its Counsel

i. Approval of the Monitor's Activities

77. The Monitor seeks approval of the Reports together with the activities of the Monitor as set out in the Reports.

78. In *Re Target Canada Co*., Morawetz R.S.J. (as he then was) stated that a request to approve a monitor's report "is not unusual" and that a practice has developed under the CCAA whereby the monitor will routinely bring a motion for such approval.[78] Regional Senior Justice Morawetz explained that there are good policy and practical reasons for a monitor to seek such relief and for the court to grant it. Amongst other things, approval (a) allows the monitor and stakeholders to move forward confidently with the next step in the proceeding by fostering the orderly building-block nature of CCAA proceedings; (b) brings the monitor's activities before the court, allowing an opportunity for the court and stakeholders to voice their concerns; (c) provides certainty and finality to the processes in the CCAA proceeding and activities undertaken; and (d) provides protection for the monitor not otherwise provided by the CCAA.[79]

---

[77] *Ibid* at para. 87.
[78] *Re Target Canada Co.*, 2015 ONSC 7574 at para. 2.
[79] *Ibid* at paras. 12 and 22.

79. In this case, the Monitor's Reports, and the conduct and activities of the Monitor described in the Reports, should be approved. The Monitor's actions and conduct were necessary and undertaken in good faith. The Monitor has acted reasonably and in a manner consistent with the CCAA and in compliance with the orders of this Court. The Monitor is not aware of any opposition to this relief.[80]

ii. Approval of the Fees and Disbursements of the Monitor and its Counsel

80. The Monitor seeks the approval of: (a) the fees and disbursements of the Monitor for the period from March 4, 2026 to July 31, 2026 in the amount of $1,842,960.03, inclusive of disbursements and applicable taxes; and (b) the fees and disbursements of one of the Monitor's legal counsel, Stikeman Elliott, for the period from March 6, 2026 to July 31, 2026 in the amount of $899,379.03, inclusive of disbursements and applicable taxes.

81. Pursuant to paragraph 29 of the ARIO, the Monitor and its legal counsel shall pass their accounts from time to time before a judge of this Court, and this Court has jurisdiction to approve the accounts of the Monitor and its legal counsel.[81]

82. The test on a motion to pass accounts is the "overriding principle of reasonableness".[82] The overall value contributed by the Monitor and its counsel is the predominant consideration in assessing that reasonableness.[83]

83. The Court does not undertake a line-by-line analysis of the invoices. The guiding principle is whether the fees are fair, reasonable, and proportionate, given the value of the Applicants' assets and liabilities and the complexity of the Applicants' business and this restructuring.[84]

84. The Monitor, assisted by Stikeman Elliott, carried out extensive activities during the periods covered by the Fee Affidavits. The Monitor's more significant responsibilities include: (a) preparing the Third Report, which included conducting a security review and

---

[80] Fifth Report of the Monitor, Appendix "E" at paras. 10-12.
[81] *CFFI Ventures Inc. (Re)*, (23 March 2026) NS Sup Ct, Court File No. Hfx. 551716 (Amended and Restated Initial Order), at para. 29.
[82] *Nortel Networks Inc*., 2022 ONSC 6680 at para. 10.
[83] *Nortel Networks Corporation et al. (Re),* 2017 ONSC 673 at paras. 15 and 21.
[84] *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851 at para. 33.

151696741

assessing the reasonableness of the Fairness Opinion; and (b) designing and implementing the sale and investment solicitation process. The Monitor also dealt extensively with creditors and other stakeholders following commencement of the CCAA proceeding.

85. The time spent, and the resulting fees and disbursements, of the Monitor and Stikeman Elliott are commensurate with their significant role and responsibilities, and their work has advanced the interests of CFFI and its stakeholders.

86. The professional fees of the Monitor and Stikeman Elliott are comparable to those charged for similar services in significant and complex commercial restructuring matters.[85]

87. Accordingly, the Monitor submits that the factors articulated by the courts support the conclusion that its remuneration and that of its legal counsel are fair and reasonable, and that their fees and disbursements, as set out in the Fee Affidavits, should be approved.

PART V: RELIEF SOUGHT

88. For the reasons above, the Monitor respectfully requests that this Honourable Court grant the proposed Sale Approval Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 25th day of August, 2026.

N. Avis

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova
Email: mkonyukhova@stikeman.com
Tel: 416-869-5230

Nicholas Avis
Email: navis@stikeman.com
Tel: 416-869-5563

Lawyers for the Monitor

[85] Fifth Report of the Monitor, Appendix "E" at paras. 8 and 12, Appendix "F" at para. 7.

SCHEDULE "A"
LIST OF AUTHORITIES

1. *420 Investments Ltd. et al. (Re)* (4 June 2025), Calgary 2401-17986 (ABKB) (Plan Sanction Order)
2. *Arrangement relatif à Xebec Adsorption Inc.*, 2023 QCCS 466
3. *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851
4. *Blue Lobster Capital Limited et al. (Re)*, 2025 NSSC 243
5. *Canwest Publishing Inc./Publications Canwest Inc. (Re)*, 2010 ONSC 2870
6. *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60
7. *CFFI Ventures Inc. (Re)* (23 March 2026), NSSC, Court File No. Hfx 551716 (Amended and Restated Initial Order)
8. *CFFI Ventures Inc. (Re)*, 2026 NSSC 195
9. *Comark Holdings Inc. et al. (Re)* (21 March 2025), Toronto CV-25-00734339-00CL (ONSC) (Approval and Reverse Vesting Order)
10. *Conseil scolaire francophone de la Colombie-Britannique v. British Columbia*, 2013 SCC 42
11. *Consolidated Fastfrate Inc. v. Western Canada Council of Teamsters*, 2009 SCC 53
12. *Consumers Packaging Inc. (Re)*, 2001 CanLII 6708 (ON CA)
13. *First Leaside Wealth Management Inc. (Re)*, 2012 ONSC 1299
14. *Grafton Argyle Property Partnership et al. (Re)* (10 April 2026), Halifax No. 545977 (NSSC) (Sanction Order)
15. *Harte Gold Corp. (Re)*, 2022 ONSC 653
16. *Just Energy Group Inc. et al. v. Morgan Stanley Capital Group Inc. et al.*, 2022 ONSC 6354
17. *Li-Cycle Holdings Corp. et al. (Re)* (1 August 2025), Toronto CV-25-00743053-00CL (ONSC) (Approval and Vesting Order)
18. *Montréal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53
19. *Mountain Equipment Co-Operative (Re)*, 2020 BCSC 2037
20. *Nortel Networks Corp. (Re)*, 2009 CanLII 39492 (ON SC)
21. *Nortel Networks Corporation et al. (Re)*, 2015 ONSC 2987
22. *Nortel Networks Corporation et al. (Re)*, 2017 ONSC 673

23. *Nortel Networks Inc.*, 2022 ONSC 6680

24. *Rambler Metals and Mining Canada Limited et al. (Re)* (11 September 2023), St. John's 202301G0841 (NLSC) (Approval and Reverse Vesting Order)

25. *Royal Bank v. Soundair Corp.*, 1991 CanLII 2727 (ON CA)

26. *Saltwire Network Inc. et al. (Re)* (18 October 2024), Halifax No. 531463 (NSSC) (Approval and Reverse Vesting Order)

27. *Sandvine Corporation et al. (Re)* (30 January 2025), Toronto, CV-24-00730836-00CL (ONSC) (Assignment, Approval and Vesting Order)

28. *Spring Loaded Technology Incorporated (Re)* (13 April 2026), Halifax No. 550323 (Approval and Reverse Vesting Order)

29. *Target Canada Co. (Re)*, 2015 ONSC 7574

30. *The Cannabist Company Holdings Inc. et al v. Murchinson Ltd.*, 2025 ONSC 3004, aff'd 2026 ONCA 120

31. *Tilt Holdings Inc. (Re)* (28 January 2026), Vancouver No. S-258388 (BCSC) (Sanction Order)

32. *Walgre Transport Inc. et al. (Re)* (30 January 2026), Toronto CV-25-00753605-00CL (Sanction Order)

33. *Xplore Inc. (Re)*, 2024 ONSC 5250

SCHEDULE "B"
<u>STATUTORY AUTHORITIES</u>

***Companies' Creditors Arrangement Act*, RSC 1985, c C-36** ——————————————

General power of court
11 Despite anything in the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

[…]

Monitors
Duties and functions
23 (1) The monitor shall

(a) except as otherwise ordered by the court, when an order is made on the initial application in respect of a debtor company,

(i) publish, without delay after the order is made, once a week for two consecutive weeks, or as otherwise directed by the court, in one or more newspapers in Canada specified by the court, a notice containing the prescribed information, and

(ii) within five days after the day on which the order is made,

(A) make the order publicly available in the prescribed manner,

(B) send, in the prescribed manner, a notice to every known creditor who has a claim against the company of more than $1,000 advising them that the order is publicly available, and

(C) prepare a list, showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner;

(b) review the company's cash-flow statement as to its reasonableness and file a report with the court on the monitor's findings;

(c) make, or cause to be made, any appraisal or investigation the monitor considers necessary to determine with reasonable accuracy the state of the company's business and financial affairs and the cause of its financial difficulties or insolvency and file a report with the court on the monitor's findings;

(d) file a report with the court on the state of the company's business and financial affairs — containing the prescribed information, if any —

(i) without delay after ascertaining a material adverse change in the company's projected cash-flow or financial circumstances,

(ii) not later than 45 days, or any longer period that the court may specify, after the day on which each of the company's fiscal quarters ends, and

(iii) at any other time that the court may order;

(d.1) file a report with the court on the state of the company's business and financial affairs — containing the monitor's opinion as to the reasonableness of a decision, if any, to include in a compromise or arrangement a provision that sections 38 and 95 to 101 of the Bankruptcy and Insolvency Act do not apply in respect of the compromise or arrangement and containing the prescribed information, if any — at least seven days before the day on which the meeting of creditors referred to in section 4 or 5 is to be held;

(e) advise the company's creditors of the filing of the report referred to in any of paragraphs (b) to (d.1);

(f) file with the Superintendent of Bankruptcy, in the prescribed manner and at the prescribed time, a copy of the documents specified in the regulations;

(f.1) for the purpose of defraying the expenses of the Superintendent of Bankruptcy incurred in performing his or her functions under this Act, pay the prescribed levy at the prescribed time to the Superintendent for deposit with the Receiver General;

(g) attend court proceedings held under this Act that relate to the company, and meetings of the company's creditors, if the monitor considers that his or her attendance is necessary for the fulfilment of his or her duties or functions;

(h) if the monitor is of the opinion that it would be more beneficial to the company's creditors if proceedings in respect of the company were taken under the Bankruptcy and Insolvency Act, so advise the court without delay after coming to that opinion;

(i) advise the court on the reasonableness and fairness of any compromise or arrangement that is proposed between the company and its creditors;

(j) make the prescribed documents publicly available in the prescribed manner and at the prescribed time and provide the company's creditors with information as to how they may access those documents; and

(k) carry out any other functions in relation to the company that the court may direct.

[…]

Restriction on disposition of business assets
36 (1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

Notice to creditors
(2) A company that applies to the court for an authorization is to give notice of the application to the secured creditors who are likely to be affected by the proposed sale or disposition.

Factors to be considered
(3) In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

Additional factors — related persons
(4) If the proposed sale or disposition is to a person who is related to the company, the court may, after considering the factors referred to in subsection (3), grant the authorization only if it is satisfied that

(a) good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the company; and

(b) the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition.

Related persons
(5) For the purpose of subsection (4), a person who is related to the company includes

(a) a director or officer of the company;

(b) a person who has or has had, directly or indirectly, control in fact of the company; and

(c) a person who is related to a person described in paragraph (a) or (b).

Assets may be disposed of free and clear

(6) The court may authorize a sale or disposition free and clear of any security, charge or other restriction and, if it does, it shall also order that other assets of the company or the proceeds of the sale or disposition be subject to a security, charge or other restriction in favour of the creditor whose security, charge or other restriction is to be affected by the order.

Restriction — employers

(7) The court may grant the authorization only if the court is satisfied that the company can and will make the payments that would have been required under paragraphs 6(5)(a) and (6)(a) if the court had sanctioned the compromise or arrangement.

Restriction — intellectual property

(8) If, on the day on which an order is made under this Act in respect of the company, the company is a party to an agreement that grants to another party a right to use intellectual property that is included in a sale or disposition authorized under subsection (6), that sale or disposition does not affect that other party's right to use the intellectual property — including the other party's right to enforce an exclusive use — during the term of the agreement, including any period for which the other party extends the agreement as of right, as long as the other party continues to perform its obligations under the agreement in relation to the use of the intellectual property.