

Court Administration

MAY 28 2026

Halifax, N.S.

Hfx. No. 551716

SUPREME COURT OF NOVA SCOTIA

In the matter of the *Companies' Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended

An Application by CFFI Ventures Inc. (the "Applicant") for creditor protection under s. 11 of the CCAA, and other relief

**BRIEF OF LAW OF CFFI VENTURES INC.
Motion for SISP Approval**

McINNES COOPER
1969 Upper Water St., Suite 1300
Halifax, NS B3J 3R7

Stephen Kingston
Tel: 902-444-8569
Email: stephen.kingston@mcinnescooper.com

Ben Pryde
Tel: 902-444-8453
Email: ben.pryde@mcinnescooper.com

Counsel for the Moving Party, CFFI Ventures Inc.

TO: The Service List

PART I - OVERVIEW

1. The Applicant, CFFI Ventures Inc. (“CFFI”), obtained relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “CCAA”) pursuant to an Order of this Court dated March 13, 2026.

2. At that time, the Applicant intended to advance a plan of arrangement under the CCAA involving a transfer of substantially all of its assets to an entity owned by the HPS Secured Creditors (as defined below). The Applicant had previously pursued a similar arrangement under s. 130 of the *Companies Act*, R.S.N.S. 1989, c. 81.

3. Following the commencement of these CCAA proceedings, certain stakeholders expressed a preference to proceed by way of a sale process rather than by way of a plan of arrangement. To avoid unnecessary delays and costs, CFFI agreed to pivot to a sale and investment solicitation process.

4. The Applicant now seeks orders: (a) approving the proposed sale and investment solicitation process (the “SISP”); and (b) extending the Stay Period (as defined below) to **September 4, 2026**.

5. It is submitted that this Honourable Court should approve the proposed SISP. The SISP will result in a broad canvassing of the market on timelines developed by the Monitor, while preserving complete flexibility with respect to potential transaction structures and the scope of target assets. It also takes into account the value of the secured HPS Indebtedness and the HPS Secured Creditors’ intention to bid for CFFI’s assets (as described below). The proposed SISP will test the market with a view to maximizing value for CFFI’s stakeholders and the proposed process is both fair and reasonable.

6. Finally, CFFI submits that the requested extension to the Stay Period is necessary and appropriate to provide the breathing room it requires to pursue a successful SISP.

PART II - FACTS

7. The facts underlying this motion are more set out in the Affidavits of Brittany Bartlett sworn February 14, 2026 (the “**Arrangement Affidavit**”), March 11, 2026 (the “**Initial Order Affidavit**”), March 19, 2026 (the “**ARIO Affidavit**”), May 15, 2026, and May 28, 2026 (the “**SISP Affidavit**”). Capitalized terms used but not otherwise defined herein are as defined in the SISP Affidavit.

A. Background

8. CFFI is a holding company that holds and manages assets including a diversity of equity investments and an extensive collection of artwork and collectibles.¹ It is wholly owned by a number of holding companies and trusts, whose ultimate beneficial owners and beneficiaries are Mr. John Risley and certain family members.²

9. CFFI’s assets are encumbered by certain security interests.³ Chief amongst these is the security interest of HPS Investment Partners LLC (“**HPS**”) in all of CFFI’s or the Affiliate Guarantors’ present and after-acquired personal property and interest in capital stock (with limited exclusions), which secures CFFI’s obligations under a Note Purchase and Guarantee Agreement dated as of October 23, 2017, as amended and restated on April 25, 2019 (the “**Note Purchase**

¹ Arrangement Affidavit at paras. 10, 12. A simplified corporate organization chart for CFFI and its various portfolio companies as of March 19, 2026 appears as Exhibit “A” to the ARIO Affidavit. CFFI’s portfolio companies are discussed in additional detail in the Arrangement Affidavit at paras. 18-41.

² Arrangement Affidavit at para. 15.

³ CFFI’s secured and unsecured debt is discussed in additional detail in the Arrangement Affidavit at paras. 52-70.

Agreement”), as between CFFI, HPS as agent and lead arranger, and certain secured creditors (the **“HPS Secured Creditors”** and together with HPS, the **“HPS Parties”**).⁴

10. SFPC Quantum LP also holds a secured guarantee from CFFI dated as of May 24, 2022 (the **“CFFI Guarantee”**), which guarantees the obligations of Cormorant Utility Services Limited (**“Cormorant”**), as borrower, to SFPC Quantum LP (as both lender and agent) under an Amended and Restated Credit Agreement dated March 28, 2025.⁵ CFFI’s obligations under the CFFI Guarantee are secured by (among other things) SFPC Quantum LP’s security interest in all securities owned or at any time acquired by CFFI in the capital of Cormorant (the **“Cormorant Securities Collateral”**).⁶

11. Pursuant to a Subordination Agreement dated May 24, 2022, HPS agreed to subordinate its security interest in the Cormorant Securities Collateral to SFPC Quantum LP’s priority security interest in that collateral. SFPC Quantum LP is subordinate to HPS, however, with respect to all other collateral.⁷

B. The Companies Act proceedings

12. CFFI and HPS engaged in ongoing discussions to address the Note Purchase Agreement, as the amounts outstanding matured on October 23, 2022 and continue to bear interest.⁸ These discussions culminated in a proposed plan of arrangement (the **“Companies Act Plan”**) under s.

⁴ Arrangement Affidavit at paras. 6, 58.

⁵ Arrangement Affidavit at para. 6.

⁶ Arrangement Affidavit at para. 62.

⁷ Arrangement Affidavit at para. 63.

⁸ Arrangement Affidavit at para. 60.

130 of the *Companies Act*, pursuant to which the HPS Secured Creditors would acquire substantially all of the assets of CFFI.⁹

13. CFFI accordingly applied for an interim order under s. 130 of the *Companies Act*. On February 17, 2026, this Court heard CFFI's application for an interim order on an *ex parte* basis, and granted a preliminary interim order imposing a stay of proceedings pending a come-back hearing scheduled for February 27, 2026.¹⁰

14. In order to accommodate certain jurisdictional concerns raised by the Canada Revenue Agency with respect to the *Companies Act*, however, CFFI decided to commence proceedings pursuant to the CCAA - with the intention of advancing a plan of arrangement (the "**CCAA Plan**") similar to the Companies Act Plan.¹¹

C. The CCAA proceedings

15. On March 13, 2026, this Court granted an order (the "**Initial Order**") granting CFFI relief under the CCAA, including a stay in favour of CFFI and certain non-filing affiliates until March 23, 2026, a directors' and officers' charge, and an administration charge. By the same Order, the Court appointed FTI Consulting Canada Inc. as monitor (in such capacity, the "**Monitor**").¹²

16. On March 23, 2026, the Court granted the Amended and Restated Initial Order, which extended the Stay Period (as defined therein) until May 29, 2026.¹³ On May 22, 2026, this Court

⁹ Arrangement Affidavit at para. 74; SISP Affidavit at para. 26.

¹⁰ Initial Order Affidavit at para. 7.

¹¹ SISP Affidavit at para. 11.

¹² *CFFI Ventures Inc (Re)* (13 March 2026), Halifax Hfx No. 551716 (NSSC) (Initial Order) at paras. 13, 22, 23, 30.

¹³ *CFFI Ventures Inc (Re)* (23 March 2026), Halifax Hfx No. 551716 (NSSC) (Amended and Restated Initial Order) at para. 13.

issued a further Order extending the Stay Period to June 15, 2026 and permitting CFFI to pay severance and retention benefits to certain former employees.¹⁴

17. Since the commencement of these CCAA proceedings, CFFI and its management team have worked diligently and in good faith to manage CFFI's ongoing operations and its various equity interests in other entities, assemble the information required to respond to requests from the Monitor, and assist the Monitor and CFFI's legal counsel in resolving issues arising during the course of the CCAA proceedings.¹⁵

D. The proposed SISP

18. Following the commencement of the CCAA proceedings, SFPC Quantum LP and Brendan Paddick expressed a preference to proceed by way of a sale process rather than by way of a plan of arrangement.¹⁶

19. In an effort to avoid the unnecessary delays and expense that may have arisen in connection with advancing the CCAA Plan, given the positions being taken by various stakeholders, CFFI agreed to pivot and to proceed by way of a sale process. CFFI notified the Court and the service list of this change by way of a letter dated April 28, 2026.¹⁷

20. Since that time, CFFI has been working to advance a sale and investment solicitation process.¹⁸ The proposed SISP was provided in draft form to the Monitor on May 20, 2026, and

¹⁴ *CFFI Ventures Inc (Re)* (22 May 2026), Halifax Hfx No. 551716 (NSSC) (Order) at paras. 2, 4.

¹⁵ SISP Affidavit at para. 7.

¹⁶ SISP Affidavit at para. 12.

¹⁷ SISP Affidavit at para. 13.

¹⁸ SISP Affidavit at para. 14.

was updated based on feedback from the Monitor—in particular, by revising milestones in the SISP and adding provisions that limited HPS’s ability to bid in excess of the HPS Indebtedness.¹⁹

21. The proposed SISP sets out the parameters by which the Monitor will prepare marketing materials, establish a data room, solicit interest in executable transaction alternatives, negotiate any bids received, and select a successful bid to bring forward for court approval.²⁰ Pursuant to the SISP:

- (a) Interested parties must enter into a non-disclosure agreement and submit a notice of intent to bid that identifies the potential purchaser, provides a general description of the assets and/or business(es) of CFFI that would be the subject of the bid, and reflects a reasonably likely prospect of culminating in a binding offer that meets the requirements set out in the SISP (a “**Qualified Bid**”), as determined by the Monitor (each a “**NOI**”) by July 21, 2026 (the “**NOI Deadline**”).²¹
- (b) To constitute a Qualified Bid, a bid must satisfy certain criteria, including contemplating consideration sufficient to repay the HPS Indebtedness in full and in cash (or any lower amount agreed to by the HPS Secured Creditors in their sole discretion), either on its own or when combined with another bid.²²

¹⁹ SISP Affidavit at para. 17.

²⁰ SISP Affidavit at para. 19. The terms of the SISP are set out in more detail in the SISP Affidavit at paras. 19-31.

²¹ SISP Affidavit at para. 20. A summary of the significant dates and processes within the proposed SISP is set out in the SISP Affidavit at para. 25.

²² SISP Affidavit at para. 21.

- (c) If multiple Qualified Bids with overlapping subject shares or assets have been received by the Monitor on or before the Qualified Bid Deadline, the Monitor will proceed with an auction process to determine the successful bid(s).²³
- (d) Following selection of the successful bid and the finalization of all definitive agreements, the Monitor will apply for court approval of the contemplated transactions.²⁴

22. The SISP also provides for certain rights in favour of HPS, which are described further below. These provisions were developed in light of HPS' security position and the quantum of CFFI's outstanding debt under the Note Purchase Agreement (the "**HPS Indebtedness**"), on CFFI's understanding that the security granted by CFFI to the HPS Parties is valid, and the amount of the HPS Indebtedness greatly exceeds the value of CFFI's assets. The Monitor will be filing a Report opining on these issues in advance of the hearing of this Motion.²⁵

PART III - ISSUES

23. The issues to be considered on this motion are whether:
- (a) the SISP should be approved; and
 - (b) the Stay Period should be extended.

²³ SISP Affidavit at para. 23.

²⁴ SISP Affidavit at para. 24.

²⁵ SISP Affidavit at paras. 15-16.

PART IV - LAW & ARGUMENT

A. The SISP should be approved

24. It is well-established that CCAA courts have the jurisdiction to approve a sale process in relation to a CCAA debtor's business and assets prior to or in the absence of a plan of compromise and arrangement.²⁶

25. In determining whether to approve a sale process, courts apply factors set out in *Nortel*, in light of the considerations that may ultimately apply to any subsequent sale approval motion pursuant to s. 36 of the CCAA.²⁷

26. Relevant criteria include: (i) whether a sale transaction is warranted at the time; (ii) whether the sale will benefit the entire economic community; (iii) whether any of the debtors' creditors have a *bona fide* reason to object to the sale; (iv) whether there is a better viable alternative; (v) whether the proposed process is fair, transparent, commercially efficient, cost-effective in the circumstances, and preserves the integrity of the CCAA process; and (vi) whether all parties to the process are acting in good faith and with due diligence.²⁸ These factors all weigh in favour of approving the proposed SISP.

(a) A sale is warranted at this time

27. A SISP is the appropriate next step—and indeed the best viable alternative—in these CCAA proceedings.

28. While the Applicant originally intended to effect a sale of substantially all of the assets of CFFI first through the Companies Act Plan, then through the CCAA Plan, a pivot to the proposed

²⁶ *In Re Hudson's Bay Company*, 2025 ONSC 6764 at para. 22 [*Hudson's Bay*].

²⁷ *Hudson's Bay* at paras. 23-26, citing *Nortel Networks Corp. (Re)*, 2009 CanLII 39492 (ONSC) at paras. 47-48. See also *Re LJM Developments (Hamilton) Inc.*, 2026 ONSC 2114 at paras. 34-35.

²⁸ *Fiera Private Debt Fund v. SaltWire Network Inc.*, 2024 NSSC 89 at para. 27.

SISP was ultimately necessary to avoid the costly delays and expense that may have arisen in advancing the CCAA Plan given certain stakeholders' positions.²⁹ The decision to proceed with the SISP is in response to the requests of various creditors, with the support of the HPS Secured Creditors.

29. The proposed SISP would benefit stakeholders, as it provides for a broad canvassing of the market in search of a value-maximizing transaction. CFFI's liquidity position must be addressed, as pursuing a plan of arrangement would only create cost and delay given the positions taken by certain stakeholders.

(b) CFFI's creditors have no *bona fide* reason to object

30. The proposed SISP represents a fair and reasonable process developed through the Applicant's diligence and good faith efforts.³⁰ It reflects feedback from the Monitor, and was provided in draft form to counsel for Canada Revenue Agency, SFPC Quantum LP, and Mr. Paddick by email on the evening of May 21, 2026.³¹ CFFI will continue to engage with stakeholders with respect to their questions and/or views with respect to the proposed SISP.³²

31. The proposed SISP is designed to allow for bids for all or some of CFFI's assets,³³ which is a common term in Court-approved sale processes.³⁴ It therefore provides the greatest flexibility with respect to transaction structures that will maximize value for stakeholders.

²⁹ SISP Affidavit at paras. 13, 26.

³⁰ SISP Affidavit at para. 7.

³¹ SISP Affidavit at paras. 17, 32.

³² SISP Affidavit at para. 35.

³³ SISP Affidavit at para. 34.

³⁴ See, e.g., *Just Energy Group Inc (Re)* (18 August 2022), Toronto CV-21-00658423-00CL (ONSC) (SISP Approval Order) at Schedule "B," para. 2 [*Just Energy*]; *Good Natured Products Inc (Re)* (11 July 2024), Vancouver S-244212 (BCSC) (Order Made After Application) at Schedule "C," para. 7 [*Good Natured*].

32. During a case conference on May 22, 2026, counsel to SFPC Quantum LP and Mr. Paddick each indicated that they may wish for CFFI's shares in Cormorant to be marketed outside of the scope of the SISP.³⁵ It is submitted, however, that dividing CFFI's assets in this manner would be detrimental to the Monitor's marketing efforts, and would unduly limit flexibility with respect to potential transaction structures. The removal of CFFI's Cormorant shares from the SISP would preclude or complicate a sale of all of CFFI's assets, without providing a benefit. Running multiple sale processes would also add incremental cost, create inefficiency, and preclude certain transactions.³⁶

(c) The proposed SISP is fair and efficient

33. The proposed SISP is fair, transparent, commercially efficient, and cost-effective in the circumstances. Amongst other things, it contemplates a broad canvassing of the market on timelines provided by the Monitor, provides complete flexibility with respect to potential transaction structures and the scope of target assets, and accounts for the significant secured indebtedness of CFFI to the HPS Secured Creditors.³⁷

34. The terms of the proposed SISP also include certain rights granted in favour of HPS which, it is submitted, are justified and reasonable in light of its security and the amount of the HPS Indebtedness.

(i) Qualified Bid consideration requirement

35. HPS has advised CFFI that the HPS Secured Creditors are committed to acquiring all or substantially all of CFFI's assets or business by way of a credit bid or debt assumption transaction

³⁵ SISP Affidavit at paras. 15, 33.

³⁶ SISP Affidavit at para. 34.

³⁷ SISP Affidavit at para. 36.

- unless the SISP results in a transaction(s) that will provide for the repayment of the HPS Indebtedness or such lower amount as may be agreed to by the HPS Secured Creditors in their sole discretion, in full and in cash on closing.³⁸

36. The proposed SISP accordingly provides that NOI(s) and Qualified Bid(s) must result in such repayment—if any lower amount were offered, CFFI anticipates that the HPS Secured Creditors would provide a superior bid.³⁹

37. Courts “regularly impose minimum bid amounts” - such as where a sale process stipulates that “any qualified bid must satisfy the indebtedness of a creditor with first ranking security.” Courts have stated that “there is nothing improper about doing so.”⁴⁰ In *The One*, for instance, the Court approved a sale process in a receivership with a minimum bid amount representing approximately 80% of the senior secured creditors’ outstanding indebtedness, citing the fact that there was “little utility” in conducting a sales process to yield a lower bid that the receiver knew would not be accepted by the senior secured lenders.⁴¹

38. Here, any bids that do not provide for the repayment of the HPS Indebtedness (or such lower amount as may be agreed to by the HPS Secured Creditors) would have no prospect of success, as the HPS Secured Creditors’ planned transaction would be superior. Requiring a minimum bid amount in the SISP therefore promotes certainty and efficiency. As the Court observed in *The One*, “all parties are assisted, and the process is improved, if potential bidders

³⁸ SISP Affidavit at para. 27.

³⁹ SISP Affidavit at para. 28.

⁴⁰ *KEB Hana Bank v. Mizrahi Commercial (The One) LP et al.*, 2024 ONSC 3739 at para. 92 [*The One*]. See, e.g., *Sino-Forest Corporation (Re)* (30 March 2012), Toronto CV-12-9667-00-CL (ONSC) (Sale Process Order) at Schedule “A,” para. 21; *Good Natured* at Schedule “C,” para. 33; *Thentia Global Systems Inc (Re)* (12 March 2026), Toronto CL-26-00000052-0000 (ONSC) (Sale and Investment Solicitation Process Approval Order) at paras. 19, 29, 35 of the appended Sale and Investment Solicitation Process [*Thentia Global*].

⁴¹ *The One* at paras. 93, 96.

have an understanding of whether or not a potential bid has a reasonable prospect of gaining traction.”⁴²

(ii) Post NOI Deadline and Qualified Bid Deadline terms

39. The SISP provides that, in the event that no NOI has been received by the NOI Deadline or no Qualified Bid has been received by the Qualified Bid Deadline, the HPS Secured Creditors may provide a credit bid or debt assumption transaction, which shall be deemed to be the Successful Bid provided that: (i) the terms thereof are acceptable to the Monitor; and (ii) such bid or transaction does not provide for consideration in excess of the HPS Indebtedness, excluding consideration in the form of assumed liabilities (apart from the HPS Indebtedness, if applicable).⁴³

40. This provision ensures that, if no NOIs or Qualified Bids are received - in other words, if there are no bids providing for the repayment of the HPS Indebtedness (or such lower amount as may be agreed to by the HPS Secured Creditors) - the HPS Secured Creditors retain an avenue to provide a credit bid or debt assumption transaction, which in such circumstances would necessarily be the best and highest available.

41. Courts have approved SISPs that contemplate a secured creditor reserving the right to make a credit bid in the event that no successful bid emerges.⁴⁴

(iii) Information rights

⁴² *The One* at para. 97.

⁴³ SISP Affidavit at para. 29.

⁴⁴ See, e.g., *King Street Company Inc (Re)* (13 November 2020), Toronto CV-20-00650945-00CL (ONSC) (Order (Sale Process Approval)) at Schedule “A,” para. 31. See also the SISP approved in *Canwest Publishing Inc (Re)* (2 February 2010), Toronto CV-10-8533-00CL (ONSC) (Stay Extension Order and Order Amending the Initial Order and the Procedures for the Sale and Investor Solicitation Process) at Schedule “A,” which contemplated that, if the SISP was terminated or if no qualified bids were received that constituted Superior Offers (as defined therein), then there would be an application to the court for the sanction of a “Senior Lenders CCAA Plan.”

42. The proposed SISP requires the Monitor to provide certain information in respect of the SISP to the HPS Secured Creditors on a confidential basis, including copies of any notice of intent to bid or bids received, and such other information as reasonably requested by the HPS Secured Creditors or its advisors, or as necessary to keep the HPS Secured Creditors informed of such notice of intent to bid or bid - in each case following the NOI Deadline.⁴⁵ On the basis of this information, the HPS Secured Creditors may agree to support a transaction that results in repayment of less than the HPS Indebtedness and/or allow for certain assets of CFFI to be carved out of the pool of assets that it may ultimately seek to acquire by way of a credit bid or debt assumption transaction.⁴⁶

43. Courts have granted secured creditors information rights in respect of bids submitted in sale processes.⁴⁷ It is submitted that such rights are appropriate here in light of the nature and amount of HPS' security. The granting of these information rights to the HPS Secured Creditors would not prejudice other potential bidders. As bids that do not provide adequate consideration cannot be successful under the proposed SISP, seeing other bids would not encourage the HPS Secured Creditors to attempt to lower the amount of their own bid. Conversely, as the HPS Secured Creditors cannot bid in excess of the HPS Indebtedness following the NOI Deadline, they could not increase their bid unfairly to outmanoeuvre others.⁴⁸

⁴⁵ SISP Affidavit at para. 30.

⁴⁶ SISP Affidavit at para. 31.

⁴⁷ See, e.g., *Just Energy* at Schedule "A," para. 15. These include examples of courts permitting lenders to review or assess bids submitted during a SISP: see, e.g., *Thentia Global* at paras. 28, 34 of the appended Sale and Investment Solicitation Process; *Good Natured* at Schedule "C," paras. 19, 26.

⁴⁸ SISP Affidavit at para. 29.

B. The Stay Period should be extended

44. This Court is authorized to extend a CCAA stay pursuant to subsection 11.02(2) of the CCAA, provided that the two considerations outlined in subsection 11.02(3) are satisfied. These are: (a) circumstances exist that make the Order appropriate; and (b) the Applicant has acted, and is acting, in good faith and with due diligence.

45. It is submitted that both of the subsection 11.02(3) factors are satisfied.

46. The current Stay Period is set to expire on June 15, 2026 – which would be partway through the proposed SISP.⁴⁹ The Applicant requests an extension of the Stay Period to **September 4, 2026** to allow the Monitor the necessary time to conduct the proposed SISP (if approved) in accordance with its terms.⁵⁰

47. CFFI has been acting in good faith and with due diligence since the commencement of these CCAA proceedings.⁵¹ It has sufficient cash resources to operate over the proposed extended Stay Period, and is not aware of any creditors that would be prejudiced by the extension of time being sought.⁵²

PART V - RELIEF SOUGHT

48. CFFI respectfully requests that this Court approve the proposed SISP and extend the Stay Period.

⁴⁹ SISP Affidavit at para. 8.

⁵⁰ SISP Affidavit at para. 10.

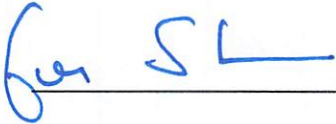
⁵¹ SISP Affidavit at para. 7.

⁵² SISP Affidavit at para. 9.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 28th day of May, 2026.



Stephen Kingston



Ben Pryde

Counsel for the Applicant, CFFI Ventures Inc.

SCHEDULE "A"**LIST OF AUTHORITIES****Cases**

1. *Canwest Publishing Inc (Re)* (2 February 2010), Toronto CV-10-8533-00CL (ONSC) (Stay Extension Order and Order Amending the Initial Order and the Procedures for the Sale and Investor Solicitation Process)
2. *CFFI Ventures Inc (Re)* (13 March 2026), Halifax Hfx No. 551716 (NSSC) (Initial Order)
3. *CFFI Ventures Inc (Re)* (22 May 2026), Halifax Hfx No. 551716 (NSSC) (Order)
4. *CFFI Ventures Inc (Re)* (23 March 2026), Halifax Hfx No. 551716 (NSSC) (Amended and Restated Initial Order)
5. *Fiera Private Debt Fund v. SaltWire Network Inc.*, 2024 NSSC 89
6. *Good Natured Products Inc (Re)* (11 July 2024), Vancouver S-244212 (BCSC) (Order Made After Application)
7. *In Re Hudson's Bay Company*, 2025 ONSC 6764
8. *Just Energy Group Inc (Re)* (18 August 2022), Toronto CV-21-00658423-00CL (ONSC) (SISP Approval Order)
9. *KEB Hana Bank v. Mizrahi Commercial (The One) LP et al.*, 2024 ONSC 3739
10. *King Street Company Inc (Re)* (13 November 2020), Toronto CV-20-00650945-00CL (ONSC) (Order (Sale Process Approval))
11. *Nortel Networks Corp. (Re)*, 2009 CanLII 39492 (ONSC)
12. *Re LJM Developments (Hamilton) Inc.*, 2026 ONSC 2114
13. *Sino-Forest Corporation (Re)* (30 March 2012), Toronto CV-12-9667-00-CL (ONSC) (Sale Process Order)
14. *Thentia Global Systems Inc (Re)* (12 March 2026), Toronto CL-26-00000052-0000 (ONSC) (Sale and Investment Solicitation Process Approval Order)

SCHEDULE "B"**TEXT OF STATUTES, REGULATIONS & BY-LAWS****Companies Act, R.S.N.S. 1989, c. 81****Meeting of creditors or members**

130 (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the court may, on the application in a summary way of the company or of any creditor or member of the company, or, in the case of a company being wound up under the *Companies Winding Up Act*, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be summoned in such manner as the court directs.

(2) If a majority in number representing three fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the court, be binding on all the creditors or class of creditors, or on the members or class of members, as the case may be, and also on the company, or in the case of a company in the course of being wound up under the *Companies Winding Up Act*, on the liquidator, members and contributories of the company.

(3) An order made under subsection (2) shall have no effect until a certified copy of the order has been delivered to the Registrar for registration, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or, in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36**Stays, etc. — other than initial application**

11.02(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

(3) The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

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.