

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No.: 500-11-066105-251

DATE: October 15, 2025

BY THE HONOURABLE LUC MORIN, S.C.J.

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF:

FIERA PRIVATE DEBT FUND VI LP
-and-
FIERA PRIVATE DEBT FUND VII LP

Applicants

-and-

CANADOIL FORGE LTD

Debtor

-and-

FTI CONSULTING CANADA INC.

Proposed Receiver

JUDGMENT¹

[1] *Fiera Private Debt Fund VI LP* and *Fiera Private Debt Fund VII LP* (collectively the "**Fiera Entities**") are seeking the appointment of *FTI Consulting Inc.* ("**FTI**") to act as receiver pursuant to section 243 of the *Bankruptcy and Insolvency Act*². They are also seeking the approval of an Interim Financing of \$650,000 and of an Administration Charge to cover for the fees of the Proposed Receiver and its counsel. The Application is supported by the *Royal Bank of Canada* (the "**Bank**").

[2] The Fiera Entities' first attempt to appoint a Receiver pursuant to Section 243 BIA was dismissed by the Court on September 26th, notably based on the fact that the Court saw no good reasons in swapping the Court officer from FTI to *Raymond Chabot Inc.* ("**RCI**") without there being unnecessary duplication of fees.

[3] In the context of this first attempt, the Court also dismissed the Fiera Entities' request to increase the existing interim financing and the administration charge.

[4] It is not necessary to cite at length the reasons justifying such refusal, they are clearly laid out in the September 26th decision.

[5] This led to a limited extension of the Interim Receivership Order until October 14, 2025. The objective was to provide the Fiera Entities with proper time to determine whether FTI should be appointed as Receiver and complete its burgeoning analysis as to whether a bankruptcy might impact the value of the Debtor's assets.

[6] In this current second attempt to appoint a Receiver, the Fiera Entities are seeking the appointment of FTI to act as Receiver while providing details on the upcoming Sale and Solicitation Process ("**SSP**"). A two-phase process aimed at facilitating a transaction before the end of December, clearly in time to avoid the increase of fees resulting from a forced winterization of the Debtor's plant.

¹ *Les juges de la Cour supérieure doivent soumettre leurs projets de jugement au Service de traduction, mais en raison de contraintes techniques et opérationnelles, une traduction du présent jugement ne peut être jointe immédiatement et sans délai conformément à l'article 10 de la Charte de la langue française. Après vérification auprès du Service de traduction, la traduction du présent jugement devrait être disponible sous peu, mais considérant les enjeux d'affaires importants propres à une affaire soulevant des enjeux d'insolvabilité et de l'impact qu'une incertitude sur la finalité puisse avoir sur le sort réservé au salaire impayé des quelques 100 employés, le Tribunal émettra le présent jugement en langue anglaise, la traduction sera produite au dossier de la Cour dans les meilleurs délais. En optant pour cette solution, le Tribunal tient à souligner que dans la présente affaire, les procédures et les documents contractuels liant les parties étaient rédigées en anglais.*

² *Bankruptcy and Insolvency Act*, R.S.C. ch. B-3 ("**BIA**").

[7] This decision will address the four issues raised by the Fiera Entities' Application: (i) the appointment of FTI as Receiver pursuant to Section 243 BIA, (ii) the need for Interim Financing, (iii) the need for an Administration Charge and (iv) the outstanding wages and salaries owed to the employees.

a) The Appointment of FTI as Receiver is Just and Appropriate

[8] The Court is now satisfied that the appointment of FTI to act as Receiver is just and appropriate under the circumstances.

[9] In coming to this conclusion, the Court has considered a variety of criteria, and in accordance with case law³ believes that the appointment of FTI (i) is necessary, (ii) will serve to protect and preserve the Debtor's assets, and (iii) given the imminence of the SSP, will likely facilitate a potential transaction in respect to the Debtor's assets.

[10] Also, the Court is now satisfied that the contemplated receivership should be relatively short-lived and that the choice of FTI rather than RCI will avoid duplication of fees.

[11] A brief word on the decision to initiate the SSP, despite the fact that the prior notice period issued by the Fiera Entities has not yet expired.

[12] The Court of Appeal in *Séquestre de Media5 Corporation*⁴ reminds us that a secured creditor seeking to exercise its rights through a BIA receivership is still subject to the requirements set out in the *Civil Code of Québec*. The protections and prerequisites of the CCQ. continue to apply.

[97] Pour résumer, un créancier hypothécaire peut obtenir la nomination d'un syndic de faillite comme séquestre en vertu du par. 243(1) LFI afin de vendre l'entreprise de son débiteur si les exigences préalables suivantes sont respectées :

- (1) le débiteur est insolvable;
- (2) la garantie hypothécaire porte sur la totalité ou la quasi-totalité du stock, des comptes recevables ou des autres biens acquis ou utilisés par le débiteur insolvable;
- (3) ces biens sont utilisés dans le cadre des affaires du débiteur insolvable;
- (4) **le préavis prévu par l'art. 244 a été donné et le délai prévu par le par. 243(1.1) LFI a été respecté;**

³ *Textron Financial Canada Limited v. Chetwynd Motels Ltd.*, 2010 BCSC 477, par. 50. See also: *Maple Trade Financing Inc. v. CY Oriental Holdings Ltd.*, 2009 BCSC 1527, par. 25.

⁴ *Séquestre de Media5 Corporation*, 2020 QCCA 943. See also: *Saskatchewan (Procureur général) c. Lemare Lake Logging Ltd.*, 2015 CSC 53, [2015] 3 R.C.S. 419

(5) les exigences de fond et de procédure préalables à l'exercice d'un recours hypothécaire prévues dans le *Code civil du Québec* ont été respectées, soit (i) **la publication d'un préavis d'exercice d'un droit hypothécaire** selon les formalités des articles 2757 et 2758 al. 1 C.c.Q., et (ii) le respect des délais prévus par l'art. 2758 al. 2 C.c.Q., **sous réserve de l'art. 2767 C.c.Q. si les circonstances s'y prêtent.**

[98] Si ces exigences préalables sont satisfaites, le tribunal peut alors procéder à la nomination du séquestre **s'il est d'avis que cette nomination est juste et opportune, en tenant compte de l'ensemble des circonstances**, notamment celles identifiées aux paragraphes [93] à [96] ci-avant, soit :

(6) le créancier hypothécaire qui demande la nomination du séquestre a agi de bonne foi et sans but détourné;

(7) la nomination du séquestre et les pouvoirs qui lui sont conférés ne nuiront pas aux droits des autres créanciers de façon telle que leurs créances seraient plus en péril qu'en cas de faillite du débiteur;

(8) la nomination du séquestre et les pouvoirs qui lui sont conférés ne sont pas susceptibles d'empêcher la mise en œuvre d'une proposition concordataire en vertu de la *LFI* ou d'un arrangement sous la *LACC*, dans la mesure où il est raisonnable de croire qu'une telle proposition ou qu'un tel arrangement pourrait recevoir les approbations requises; et si

(9) ces mesures se justifient dans les circonstances particulières du dossier en tenant compte des objectifs plus larges de la *LFI* et du droit de l'insolvabilité, notamment qu'elles **contribueront utilement à éviter, dans la mesure du possible, les pertes sociales et économiques résultant de la liquidation d'une société commerciale insolvable, tout en favorisant le règlement juste et ordonné des dettes de la société visée.**

[Emphasis added]

[13] That being said, to the extent that the conditions set forth at article 2767 CCQ. are met, the Court can authorize a secured creditor to exercise its secured rights *before* the expiry of the prior notice delays:

2767. Surrender is also forced where the court, upon application by the creditor, orders surrender of the property before the period indicated in the prior notice expires, **where there is reason to fear that otherwise recovery of his claim may be endangered, or where the property may decline or depreciate rapidly. In the latter cases, the creditor is authorized to exercise his hypothecary rights immediately.**

The application need not be served on the person against whom the hypothecary right is exercised, but the order shall be served on him. If the order is subsequently rescinded, the creditor is bound to return the property or pay back the price of alienation.

[Emphasis added]

[14] In the Court's view, it is appropriate under the current circumstances to implement the SSP despite the prior notice delays having yet to expire.

[15] The directors and officers have effectively abandoned the company. Operations have ceased abruptly. With winter approaching, the significant costs and risks associated with a forced winterization of the plant cannot be ignored. Counsel for one of the directors — who is also a principal of the Debtor — has attended all hearings and does not oppose the implementation of the SSP.

[16] The Court therefore finds that the Fiera Entities' claim is at risk, and that the immovable properties securing their collateral are likely to deteriorate and lose value quickly. The SSP must be implemented without delay, particularly given the tight timeline for completing a potential transaction by the end of December — by which point, in any case, the prior notice period will have expired.

b) The Interim Financing is not Appropriate

[17] With respect to the Interim Financing request, the Court remains uneasy, as the evidence presented by the Fiera Entities suggesting that the assets subject to the security structure are unlikely to generate sufficient value to cover the secured indebtedness.

[18] This was corroborated by Mr. Franco's testimony.

[19] While the Court is mindful of the "*you never know*" argument advanced by Mr. Franco and counsel for the Fiera Entities, it must nonetheless assess the matter through the lens of likelihood and probability⁵.

[20] Here, the evidence suggests that it is more probable that both the Bank and the Fiera Entities will suffer significant losses and that therefore, the purpose of the Interim Financing is to minimize such losses, not to create any value for other stakeholders. As the Court pointed out before, this is a non-operational enforcement process. Nothing more, nothing less.

[21] Attorneys for both the Fiera Entities and the Bank argued that the employees might ultimately benefit from a transaction that would seek to resume the Debtor's operations. This remote possibility fails to appreciate that a significant portion of the employees are likely to have found a new job if and when a transaction further to the SSP unfolds, allowing the plant to resume its operations.

[22] Moreover, they argued that the tax authorities might also potentially benefit from added value that "*you never know*" could be derived from the SSP.

⁵ Article 2804 C.c.Q.

[23] But again, dealing with likelihood and probabilities, it is unlikely that employees and tax authorities will benefit from the SSP and any potential transaction that may be derived therefrom.

[24] For clarity, the Court is not suggesting that this decision should be read as a general precedent against interim financing in situations involving underwater loans. However, in the present circumstances, there appears to be little to indicate that the process serves any purpose beyond enforcement — with an emphasis on minimizing losses rather than generating value beyond the secured indebtedness.

[25] In such a context, the Court cannot disregard the statutory limitations provided at Article 2762 CCQ., which specifically precludes a secured creditor from seeking fees to “preserved the charged property”.

[26] Adding secured debt over and above this overwhelming secured debt seems unproductive and hazardous at this stage.

[27] As mentioned before, there are many other stakeholders that may be affected by the Debtor’s insolvency, a handful of which are in the Courtroom today. Approximately **\$3,4M** of deemed trust amounts remain unpaid by the Debtor, and there are also approximately **\$865,000** of unpaid wages and salaries to the employees who were collectively laid off *à la dépêche*. Some of these amounts *may* rank ahead of the Bank and the Fiera Entities’ secured rights.

[28] As confirmed by Mr. Franco, these claims have not been fully analyzed as of yet and therefore it is difficult to properly assess the extent of their quantum. Which is another reason to opt for a prudent approach and not dismiss or subordinate such potential claims at this stage.

[29] Understandably, the focus has been on the preservation of assets and the implementation of the SSP.

[30] While it is now well established that both the BIA and the CCAA can accommodate a wide range of restructuring outcomes — including asset liquidations aimed at facilitating a business transfer — Courts must remain attentive to where the proposed process falls along that broad spectrum. At one end lies a true business restructuring through a plan of arrangement; at the other, a straightforward liquidation of assets sold off in parts. The circumstances of this case fall much closer to the latter.

[31] The Fiera Entities and the Bank make no secret of the fact that the intended path forward is an aggressive, non-operational liquidation process, with the hope of concluding a transaction by the end of December. Both the Bank and the Fiera Entities are in realization mode — as is their right — driven by concerns that the proceeds may not fully cover their secured debts.

[32] In this context, the criteria typically applied to approve interim financing under the BIA proposal regime⁶ or the CCAA⁷ cannot be adopted uncritically by the Court, especially considering the fact that the Receivership section of the BIA contains no similar provisions.

[33] Suggesting that the Interim Financing would serve any purpose beyond mitigating the Bank and the Fiera Entities' expected losses, or that it would benefit other stakeholders, is difficult to support. And it makes little sense to add security over assets that are unlikely to generate sufficient return to cover the already secured indebtedness, be it conventionally or through statutory preferences.

[34] The Court will say it again: Interim financing is not intended to compensate for a deficient collateral structure, nor to shift the burden of a secured creditor's risk onto other stakeholders.

[35] The Fiera Entities had the burden of convincing the Court that the proposed Interim Financing was to cover necessary expenses aimed at preserving value for the benefit of all stakeholders and the Court is of the view that they failed.

[36] The Court therefore finds the request to for Interim Financing unfounded and inappropriate under the circumstances.

c) **The Receiver and his Attorneys should benefit from an Administration Charge**

[37] The Receiver and its counsel (Norton Rose Fulbright) are seeking an Administration Charge, which the Court believes is appropriate under the circumstances.

[38] The directors and officers of the Debtor abandoned ship the day prior the Interim Receivership was issued, and it is well founded for the secured creditors to seek the appointment of a Court officer to take control of the assets and implement a process seeking to transfer the assets in a non-operational context.

[39] The Court will therefore grant an Administration Charge for an amount of **\$300,000**, which represents approximately one month's worth of professional fees as per the cash flow filed in support of the Application.

[40] That being said, this Administration Charge shall rank *after* the priority in favour of the employees for outstanding wages and salaries in accordance with Section 81.4 of the BIA.

[41] More on that in the next section of this judgment.

⁶ Section 50.6 (5) BIA.

⁷ Section 11.2 (4) CCAA.

[42] Meanwhile, as agreed with the parties during the hearing, the Administration Charge ordered on August 29th through the Interim Receivership Order will be terminated, considering the end of the Interim Receiver's mandate.

d) Outstanding Wages and Salaries must be Paid in Priority

[43] The Court made it clear throughout the process that it was concerned about the salaries and wages owed to the employees — particularly with respect to their final pay for work performed up to August 29th, the date the Interim Receivership Order was issued.

[44] Employees are at least one pay short and surely for some, this has caused undue stress on their livelihood.

[45] While the Bank and the Fiera Entities have been eager to persuade the Court of the need for an Administration Charge and additional Interim Financing, they have remained conspicuously silent regarding the **\$865,000⁸** owed in outstanding wages and salaries.

[46] Until now.

[47] The plan is clear: the Fiera Entities and the Bank are suggesting a “*wait and see*” approach, proposing that we wait and see whether the assets will generate sufficient return to pay the employees through the SSP. And the hope that the employees will obtain some relief through the *Wage Earner Protection Program Act*⁹ (“**WEPPA**”) in the meantime.

[48] This is not a good plan.

[49] Aside from the absence of any moral grounds that would justify not paying employees for services rendered up until the day of the issuance of the Interim Receivership Order, the implications of section 81.4 of the BIA in this context are clear.

[50] Especially in a context where FTI – in its capacity of Interim Receiver – already collected \$152,000 worth of receivables and chose to apply a portion of this amount in partial reduction of the professional fees incurred, rather than paying the employees. As confirmed by Mr. Franco during his testimony.

[51] The attorney for the Bank argued that this was done in strict compliance with the Interim Receivership Order implementing the Administration Charge.

[52] This is not only unconvincing — it is fundamentally incorrect. Unlike the professionals involved, who have had ample time to prepare and safeguard their own

⁸ This amount is taken from the testimony of Mr. Emmanuel Phaneuf in the context of the hearing on Receivership Application that took place on September 26th.

⁹ *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1.

interests, employees were left completely in the dark. They remained uninformed and powerless until lunchtime on the very Friday their employer was in Court, facing proceedings brought by the Bank and the Fiera Entities.

[53] Leading to the 2009 amendments to the BIA and the CCAA, the report by the Standing Senate Committee on Banking, Trade and Commerce titled "*Debtors and Creditors: Sharing the Burden — A Review of the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act*"¹⁰ provides valuable insight.

[54] A key takeaway from the report is that employees represent a particularly vulnerable group of stakeholders due to their economic dependence and lack of access to reliable financial information, which leaves them unable to properly assess the risks of continuing to provide services to their employers:

Employees are not, however, like other creditors in every respect, and thus should perhaps be protected differently. For example, they probably have a situation of **economic dependence** not found with other creditors and are **not well placed to assess accurately the probability that their employer will become insolvent**.

[...]

The Bankruptcy and Insolvency Act [*should*] be amended to provide that unpaid claims for wages and vacation pay arising as a result of an employer's bankruptcy be payable to an amount not to exceed the lesser of \$2,000 or one pay period per employee claim. The funding of these claims should be assured by creating a super priority over secured claims to inventory and accounts receivable. **The secured creditor or creditors should be able to assume the rights of the employees against the directors.**

[Emphasis added]

[55] This led to the enactment of Section 84.1 of the BIA and WEPPA, designed to relieve employees from the constant uncertainty of whether they will be paid each week.

[56] Instead, the responsibility shifts to those with the knowledge and ability to manage the situation — the directors and officers, the lenders, and, to some extent, the insolvency professionals. These individuals have privileged access to financial information and can therefore better assess and tolerate the risks involved, unlike the employees who remain in the dark.

[57] As the Court has often emphasized, with greater power comes greater responsibility. Those who are "*in the know*" must take a proactive approach when addressing outstanding wages and salaries.

¹⁰ Report by the Standing Senate Committee on Banking, Trade and Commerce titled *Debtors and Creditors: Sharing the Burden — A Review of the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act*, November 2003
Available at <https://sencanada.ca/content/sen/committee/372/bank/rep/bankruptcy-e.pdf>

[58] Showing up in Court without a clear plan to resolve these wage issues should be discouraged. Fortunately, such cases are rare.

[59] Sophisticated professionals, secured by a charge over all the Debtor's assets and enjoying privileged relationships with both the Fiera Entities and the Bank — parties who rely on their services to mitigate losses — are clearly in a better position than the employees.

[60] The suggestion that FTI's professional fees — initially retained by the Fiera Entities — and McCarthy Tétrault — retained by the Bank — are somehow at risk is, at best, sophistry.

[61] To advocate for a “*wait and see*” approach regarding the employees' unpaid wages, while at the same time insisting that professional fees be paid without delay, is simply unacceptable.

[62] To eliminate any uncertainty going forward, the Court will direct FTI, now acting as Receiver, to pay the outstanding wages and salaries from the receivables collected since August 29th — the date of the interim Receivership Order, up to \$2,000 per employee, in accordance with Section 81.4 of the BIA.

[63] Mr. Franco testified that approximately \$40,000 had been applied toward professional fees, leaving around \$120,000 available. This remaining amount must be paid to the employees immediately, in payment of their outstanding salaries and wages in accordance and to the extent provided at section 81.4 of the BIA. The same approach shall apply to any realizations from short-term assets going forward, reminding the Receiver of subsection 81.4(5) of the BIA in this regard.

[64] A final word on WEPPA.

[65] This is a program forming part of the broader social safety net designed by the government to provide swift relief to employees who become collateral victims of their employer's insolvency. It is not intended to serve as a primary tool for financial institutions and lenders to mitigate their losses. Let alone as an add-on to their collateral structure.

[66] That is simply not its purpose.

FOR THESE REASONS, THE COURT:

[67] **GRANTS** in part the Applicants' *Application for the Appointment of a Receiver* (the “**Application**”) pursuant to Section 243 of the *Bankruptcy and Insolvency Act*.

NOTIFICATION

[68] **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable today.

[69] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicants to interested parties, including the secured creditors which are likely to be affected by the charges created herein.

[70] **PERMITS** the service of this order (the "**Order**") at any time and place and by any means whatsoever, including by email.

EFFECTIVE TIME

[71] **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montréal time, province of Québec, October 14, 2025.

APPOINTMENT

[72] **APPOINTS** *FTI Consulting Canada Inc.* (Martin Franco, CPA, CIRP, LIT) to act as receiver (the "**Receiver**") to the Property (as hereinafter defined) of *Canadoil Forge Ltd.* (the "**Debtor**") until one of the following events comes to pass:

- 72.1. the sale of all the Property and the distribution of the proceeds; or
- 72.2. the issuance of any order by the Court terminating the mandate of the Receiver;

[73] **DECLARES** that this Order and its effects shall survive the filing by the Debtor of a notice of intention to make a proposal or of a proposal pursuant to the terms of the BIA, the issuance of an initial order in regard of the Debtor pursuant to the terms of the *Companies' Creditors Arrangements Act* (the "**CCAA**") or the bankruptcy of the Debtor, unless the Court orders otherwise.

RECEIVER'S POWERS

[74] **AUTHORIZES** the Receiver to exercise the following powers:

Powers related to the possession of the Property

[75] **AUTHORIZES** the Receiver to take possession of the Debtor's Property described herein (the "**Property**") and to exercise the following powers listed hereinafter in the place and stead of the Debtor in respect of the Property:

- 75.1. An immovable facing Boulevard Bécancour, in Bécancour, Province of Québec, known and designated as lot THREE MILLION TWO HUNDRED

NINETY-FOUR THOUSAND SIXTY-FOUR (3 294 064) of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2) with the building erected on it, circumstances and dependencies, and in particular the building bearing number 5500, Bécancour Boulevard, Bécancour, Province of Quebec, G9H 3W3 (the "5500 Bécancour Boulevard Property");

- 75.2. An immovable known and designated as consisting of the following lots: lot number THREE MILLION TWO HUNDRED NINETY-FOUR THOUSAND NINETY-FIVE (3 294 095) of the Cadastre du Québec, registration division of Nicolet (Nicolet 2) and lot number THREE MILLION TWO HUNDRED NINETY-FOUR THOUSAND NINETY-NINE (3 294 099) of the Cadastre du Québec, registration division of Nicolet (Nicolet 2) with the building erected on it, circumstances and dependencies, and in particular the building bearing number 805, Alphonse-Deshaies Boulevard, Bécancour, Province of Quebec, G9H 2Y8 (the "805 Alphonse-Deshaies Boulevard Property", collectively with the 5500 Bécancour Boulevard Property, the "**Immovable Properties**");
- 75.3. All present and future rents deriving from the leasing of all or part of the Immovable Properties ("**Rents**"), as well as all insurance indemnities payable under insurance policies covering the Immovable Properties and expropriation indemnities relating to the Immovable Properties, (collectively with the Immovable Properties and the Rents, the "**Immovable Property**"); and
- 75.4. The universality of the Debtor's movable property, present and future, corporeal and incorporeal, of any nature and type whatsoever and wherever located (the "**Movable Property**").

Powers related to the preservation of the Property

- 75.5. all the powers necessary for the preservation and for the protection of the Property;
- 75.6. all the powers necessary to control the Property, the place of business and the premises occupied by the Debtor;
- 75.7. all the powers necessary to grant the Receiver access, at all times, to the place of business and to the premises of the Debtor, to the Property, and to change the locks granting access to such premises and places of business of the Debtor;
- 75.8. all the powers necessary to grant the Receiver access to all the accounting records of the Debtor, as well as to any document, contract, register of any nature or kind whatsoever, wherever they may be situated and regardless of the medium on which they may be recorded (the "**Records**"), as well as

the powers necessary to make copies of all the Records necessary or useful to the execution of the Receiver's functions;

75.9. all the powers necessary to undertake an analysis of the Debtor's Records;

Powers related to the Debtor's operations

75.10. manage, operate, and carry on, all or any part of the Debtor's operations, including the powers to enter into any agreements, incur any obligations in the ordinary course of the business carried on by the Debtor, cease to carry on all or any part of the business, or terminate any agreements of the Debtor;

75.11. all the powers necessary to control the Debtor's receipts and disbursements in any accounts at any financial institution;

75.12. all the powers necessary to collect all the accounts receivable and all the other claims of the Debtor and to transact in respect of same, as well as to sign any documents for this purpose;

75.13. all the powers necessary to open any required bank account, pursuant to the terms and conditions the Receiver may determine, with any chartered Canadian bank, or any other financial institution, the whole, in order to cash any item payable to the Debtor, and to issue any payment which, in the opinion of the Receiver, is necessary or useful to the Debtor's operations;

Powers related to the disposition or sale of the Property

75.14. all the powers necessary to carry out the sale or the disposition of the Property in the ordinary course of business of the Debtor, to transact in that regard, and to sign any document or any contract required or useful for these purposes or meant to give effect to any such sale or disposition;

75.15. all the powers necessary to interest or solicit one or several potential buyers of all or any part of the Property, including, without limitation, the right to carry out a public call for tenders or private solicitations in order to dispose of the Property;

75.16. all the powers necessary to engage or to continue the engagement (including on a temporary basis) of consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time, provided that in respect to existing engagements, the continuation of same shall be made on terms and conditions which provide monetary compensation that is no more favourable than the existing terms, to assist with the exercise of the Receiver's powers and duties relating to the disposition of the Property or otherwise, including, without limitation,

those conferred by this Order;

75.17. to petition the Court for the issuance of a vesting order or other orders necessary to convey the Property free and clear of any liens or encumbrances affecting such Property;

75.18. to petition the Court for the issuance of an order authorizing the transfer of certain of the rights and interest of the Debtor in any of its agreements, as the case may be, in accordance with Sections 66 (1.1) and 84.1 of the BIA.

Powers related to the management of the Property

75.19. all the powers necessary to apply for any permits, licenses, approvals, or permissions that may be required by any governmental authority, as well as renewals thereof on behalf of the Debtor and, if the Receiver deems it appropriate, in the name of the Debtor;

75.20. if deemed appropriate, all the powers necessary to contest any proceedings seeking to cancel or modify, in any manner whatsoever, the permits, licenses, approvals, permissions, leases, contracts, renewal rights, agreements and other rights of the Debtor and to present a defense against such proceedings on behalf of the Debtor;

75.21. all the powers necessary to communicate with any authority and with any person to obtain information relating to the Property;

75.22. all the powers necessary, without having any obligation to do so, to: (i) perform all acts, sign all documents and take any action, including with the Superintendent of Bankruptcy, to assign or cause to be assigned the Debtor into bankruptcy and (ii) act as trustee to the bankruptcy of the Debtor.

[76] **ORDERS** the Receiver to petition the Court for authorization to sell all or any part of the Debtor's Property outside the ordinary course of business, upon finding a purchaser and pursuant to conditions it deems reasonable in the circumstances.

[77] **GRANTS** the Receiver all the powers necessary to initiate, prosecute and continue the prosecution of any and all proceedings it considers appropriate, including for the purpose of Sections 34 and 249 of the BIA, within the performance of its duties regarding the Property.

[78] **AUTHORIZES** the Receiver to retain the services of any lawyer, or of any person or business in order to appropriately fulfil its functions.

[79] **DECLARES** that the Receiver may provide creditors and other relevant stakeholders with information in response to requests made by them in writing. A copy of such requests must be sent to the Applicants' attorney. Where the Receiver has been

advised by the Applicants that information is confidential, proprietary or competitive, the Receiver shall not provide such information to any person without the consent of the Applicants unless otherwise directed by this Court. For greater certainty, the foregoing does not apply to information that the Receiver is required to provide in accordance with Sections 245 and 246 of the BIA.

[80] **PERMITS** the issuance by the Receiver and the lawyers of the Applicants or the lawyers of the Royal Bank of Canada ("**RBC**") of *subpoenas* calling as a witness Giacomo Sozzi, any other past or present director, officer or representative of the Debtor or CFC Canadoil, Inc. or any present or former consultant of the Debtor or CFC Canadoil, Inc., including Mallette S.E.N.C.R.L., as well as any other person having knowledge of the business, operations, assets and financial situation of the Debtor or CFC Canadoil, Inc. (i) to be examined by the Receiver, the Applicant, RBC, or any trustee in bankruptcy on the business, operations, assets and financial situation of the Debtor and/or CFC Canadoil, Inc. and any payments or advances made by the Debtor and/or (ii) to communicate and allow copies to be made of any written documents relating to the business, operations, assets and financial situation of the Debtor and/or CFC Canadoil, Inc. and any payments or advances made by the Debtor and/or CFC Canadoil, Inc.

[81] **AUTHORIZES** the service of any *subpoena* to Giacomo Sozzi, any other past or present director, officer or representative of the Debtor or CFC Canadoil, Inc. or any present or former consultant of the Debtor or CFC Canadoil, Inc., including Mallette S.E.N.C.R.L., as well as any other person having knowledge of the business, operations, assets and financial situation of the Debtor and/or CFC Canadoil, Inc. at any time and place and by any means whatsoever, including by email and ABRIDGES the delay for such persons to appear to six (6) business days or any shorter delay agreed to among lawyers.

[82] **ORDERS** Giacomo Sozzi, any other past or present director, officer or representative of the Debtor or CFC Canadoil, Inc. or any present or former consultant of the Debtor or CFC Canadoil, Inc., including Mallette S.E.N.C.R.L., as well as any other person having knowledge of the business, operations, assets and financial situation of the Debtor and/or CFC Canadoil, Inc., on service of a *subpoena* from the Receiver and/or the Applicants' lawyers and/or RBC's lawyers in accordance with the terms of this Order, to appear at the place indicated on the date and time provided for in the *subpoena*, provided that that where the Person being examined is not a resident of Québec, the examination shall take place remotely, via Microsoft Teams or other similar telecommunications platform. Such examinations are to last, in each case, for no more than one (1) business day, during regular business hours, the whole subject to the rules about pre-trial oral examinations as set out in the Code of Civil Procedure save and except to the extent that those rules are displaced by the terms hereof.

DEBTOR'S DUTIES

[83] **ORDERS** the Debtor, its present and former directors, officers, employees, agents and representatives to forthwith provide the Receiver with access to the Property, to the places of business and to the premises of the Debtor, as well as to the Records.

[84] **ORDERS** the Debtor, its present and former directors, officers, employees, agents and representatives to cooperate with the Receiver in the exercise of the powers that are granted pursuant to the terms of the Order.

[85] **ORDERS** the Debtor not to dispose, alienate, encumber or otherwise transact in any manner whatsoever, with regard to the Property, other than with the authorization of the Receiver.

NON-INTERFERENCE WITH THE RECEIVER, THE DEBTOR AND THE PROPERTY

[86] **ORDERS** that subject to any other order rendered by the Court, which may only be rendered after a prior notice of at least 5 days has been duly sent to the Receiver and to the Applicants, no proceeding, seizure, revendication, or any other enforcement process shall be commenced or enforced against the Property.

[87] **ORDERS** that no proceedings or enforcement measures before any court or tribunal, including without limitation, any action, claim, arbitration proceedings, lawsuits, right of enforcement, right of extrajudicial termination, right of rescission, right of set-off between mutual claims arising before and after the date of this Order, right of seizure, right of enforcement before any court or tribunal (collectively, the "Proceedings") may be brought or continued against or in respect of the Debtor or in relation to the Property, except with the permission of the Court.

[88] **ORDERS** that all Proceedings already commenced against the Debtor or in relation to the Property or affecting the Property be stayed until such time as this Court authorizes their continuation, if any.

[89] **ORDERS** that no person shall interrupt, modify, terminate or fail to execute its obligations pursuant to any contract, agreement, license or permit entered into with the Debtor without the prior consent of the Receiver or without the authorization of the Court.

CONTINUATION OF SERVICES

[90] **ORDERS** that any person having an oral or written agreement with the Debtor, as well as any supplier of goods or services to the Debtor is hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, as may be required by the Receiver and that the Receiver shall be authorized to continue use of the Debtor's current premises, telephone numbers, facsimile numbers, internet addresses, domain names and other services, provided in each case that the normal prices or charges for all such goods or services received after

the date of this Order are paid by the Receiver, in accordance with the normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

EMPLOYEES

[91] **ORDERS** the Receiver to pay the employees' outstanding wages and salaries from the proceeds of the Debtor's current assets in its possession to the extent and in accordance with Section 84.1 of the BIA.

[92] **AUTHORIZES** the Receiver to continue to engage the services of the Debtor's employees until the Receiver, acting for and on behalf of the Debtor, terminates the employment of such employees. The Receiver shall not be liable for any employee related liabilities, including any successor-employer liabilities as provided for in sections 14.06(1.2) of the *BIA* other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) and 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*.

PROTECTION OF PERSONAL INFORMATION

[93] **DECLARES** that pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information on identifiable individuals, which information it has in its possession or under its responsibility, to interested parties or to investors, financiers, prospective purchasers or potential strategic partners, as well as to their advisors, but only to the extent desirable or required, and only upon condition that the persons to whom such personal information is disclosed shall undertake to maintain and protect the privacy of such information and limit the use of such information pursuant to confidentiality agreements entered into with the Receiver.

LIMITATION OF LIABILITY

[94] **DECLARES** that subject to the powers granted to the Receiver pursuant hereto, nothing herein contained shall require the Receiver to occupy or to take control, or to otherwise manage all or any part of the Property. The Receiver shall not, as a result of this Order, be deemed to be in possession of any of the Property within the meaning of environmental legislation, the whole pursuant to the terms of the *BIA*, including, in particular, section 14.06(2) of the *BIA*.

[95] **DECLARES** that the powers of the Receiver shall be exercised pursuant to its sole discretion and judgment.

[96] **DECLARES** that section 215 of the *BIA* applies *mutatis mutandis*, and hence that no action lies against the Receiver by reason of its appointment, or the execution of the powers granted by the Court, except by leave of the Court. The entities related to the

Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph.

ADMINISTRATION CHARGE

[97] **DECLARES** that the Receiver and the Receiver's legal counsel (Norton Rose Fulbright), as security for their professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, be entitled to the benefit and are hereby granted a charge, security and hypothec over the Property, to the extent of the aggregate amount of \$300,000 (the "**Administration Charge**").

[98] **DECLARES** that the Administration Charge shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind, including claims of His Majesty in right of Canada and His Majesty in right of a Province subject to a deemed trust and including the Administration Charge created pursuant to the Interim Receivership Order (collectively, the "Encumbrances") affecting the Property whether or not charged by such Encumbrances, but excluding the priority set forth at Section 84.1 of the BIA in respect to outstanding wages and salaries, which shall rank in priority to the Administration Charge to the extent provided thereto.

[99] **ORDERS** that, except as otherwise expressly provided for herein, the Debtor shall not grant any Encumbrances in or against any Charged Property that rank in priority to, or *pari passu* with, the Administration Charge without the prior written consent of the Receiver and the beneficiaries of the Administration Charge, or the prior approval of the Court.

[100] **DECLARES** that the Administration Charge shall attach, as of the Effective Time, to all present and future Property of the Debtor, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.

[101] **DECLARES** that the Administration Charge and the rights and remedies of the beneficiaries of the Administration Charge, as applicable, shall be valid and enforceable and not otherwise be limited or impaired in any way by: (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such application(s) or any assignment(s) in bankruptcy made or deemed to be made in respect of the Debtor; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtor (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

101.1. the creation of the Administration Charge shall not create nor be deemed to constitute a breach by the Debtor of any Third-Party Agreement to which

the Debtor is a party; and

101.2. the beneficiaries of the Administration Charge shall not have any liability to the Debtor whatsoever as a result of any breach of any Third-Party Agreement caused by or resulting from the creation of the Administration Charge.

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

[103] **DECLARES** that the Administration Charge shall be valid and enforceable as against all Property of the Debtor and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Debtor.

ALLOCATION OF REALIZATION, FEES AND DISBURSEMENTS

[104] **ORDERS** that the Receiver shall provide to the Applicants and RBC an allocation of the realization, fees and disbursements attributable to the Debtor's inventory and accounts receivables (collectively, the "**RBC Collateral**") and the other Property of the Debtor (the "**Fiera Collateral**").

[105] **ORDERS** the Receiver to petition the Court for any distribution to the Fiera Entities and RBC to seek prior approval.

GENERAL

[106] **DECLARES** that the interim receivership is no longer in effect and therefore terminated by this Order.

[107] **TERMINATES** the administration charge created pursuant to the interim receivership order rendered by this Court on August 29, 2025; any beneficiaries of that administration charge no longer having any rights in respect thereto.

[108] **DECLARES** that the Order, the Application and the affidavit do not, in and of themselves, constitute a default or failure to comply by the Debtor under any statute, regulation, license, permit, contract, permission, covenant, agreement, undertaking or any other written document or requirement.

[109] **DECLARES** that the Receiver is at liberty to serve any notice, circular or any other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to persons or other appropriate parties at their respective given address as last shown in the Records; the documents served in this manner shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if delivered by ordinary mail.

[110] **DECLARES** that the Receiver may serve any court materials in these proceedings on all represented parties, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that the Receiver shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter.

[111] **DECLARES** that any party interested in these proceedings may serve any court material in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that such party shall deliver a "hard copy" on paper of such PDF or electronic materials to the Debtor's and the Receiver's counsel and to any other party who may request such delivery.

[112] **DECLARES** that, unless otherwise provided herein, ordered by this Court, or provided by the BIA, no document, order or other material need be served on any person in respect of these proceedings, unless such person has served a notice of appearance on the solicitors for the Debtor and the Receiver and has filed such notice with the Court.

[113] **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) days notice to the Receiver, the Applicants and any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

[114] **DECLARES** that the present Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.

[115] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

[116] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

[117] **THE WHOLE**, without costs.



LUC MORIN, S.C.J.

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Mtre Marc-André Otis

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Mtre Mathieu Lamontagne

Ministère de la Justice du Canada

Attorney for Revenue Canada

Mtre Guillaume Pierre Michaud

NORTON ROSE FULBRIGHT LLP

Attorneys for the Receiver *FTI Consulting*

Hearing date: October 14, 2025.