IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 15
Monette Farms Ltd., *et al.*,[1]	Case No. 26-10547-LSS
Debtors.	(Jointly Administered)
	Re: D.I. 4

SUPPLEMENT IN SUPPORT OF VERIFIED PETITION FOR (I) RECOGNITION OF FOREIGN MAIN PROCEEDINGS, (II) RECOGNITION OF FOREIGN REPRESENTATIVE, AND (III) RELATED RELIEF UNDER CHAPTER 15 OF THE BANKRUPTCY CODE

FTI Consulting Canada Inc. ("FTI"), in its capacity as the authorized foreign representative (the "Foreign Representative") of the above-captioned debtors (collectively, the "Debtors"), which are the subject of the proceedings (the "Canadian Proceedings") currently pending before the Court of King's Bench of Alberta (the "Canadian Court"), initiated pursuant to Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA"), hereby submits this supplement (this "Supplement") in further support of the *Verified Petition for (I) Recognition of Foreign Main Proceedings, (II) Recognition of Foreign Representative, and (III) Related Relief under Chapter 15 of the Bankruptcy Code* [D.I. 4] (the "Verified Petition").[2]

[1] The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Employer Identification Number ("FEIN") or Canada Revenue Agency Business Number ("BN"), are: Monette Farms Ltd. (BN 0221); Monette Land Corp. (BN 9609); DMO Holdings Ltd. (BN 3689); Goat's Peak Winery Ltd (BN 0281); Monette Farms BC Ltd. (BN 3314); Monette Farms Ontario Corp. (BN 3538); NexGen Seeds Ltd. (BN 3684); Monette Produce Ltd. (BN 0959); Monette Seeds Ltd. (BN 5307); Monette Farms Land GP Ltd. (BN 9220); Monette Farms Land II GP Ltd. (BN 2423); Monette Farms BC GP Ltd. (BN 0958); DMO Holdings USA, Inc. (FEIN 7641); 1012595 DE INC. (FEIN 4459); Monette Seeds USA LLC (FEIN 7430); Monette Farms Arizona, LLC (FEIN 4502); Monette Farms USA, Inc. (FEIN 2442); Monette Produce, LLC (FEIN 9419). The Debtors' executive headquarters are located at: 280023 Range Road 14, Rocky View County, AB T4B 4L9, Canada. The Foreign Representative's service address for purposes of these Chapter 15 Cases is 520 5th Ave SW, Suite 1610, Calgary, AB T2P 3R7, Canada.

[2] Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Verified Petition.

RELEVANT BACKGROUND

1. On April 21, 2026, the Foreign Representative commenced these Chapter 15 Cases by filing voluntary petitions for relief under Chapter 15 of the Bankruptcy Code for each of the Debtors. Additional information regarding the Debtors, the Canadian Proceedings, and the facts and circumstances surrounding the Chapter 15 Cases are set forth in the Oliver Declaration [D.I. 5] and the Helkaa Declaration [D.I. 6].

2. On April 22, 2026, the Court held a first day hearing (the "First Day Hearing") to consider, among other things, the *Foreign Representative's Motion for Provisional Relief* [D.I. 7] (the "Provisional Relief Motion"). At the First Day Hearing, the Court expressed certain concerns with the relief sought in the Provisional Relief Motion, including with respect to the Foreign Representative's request for a stay of certain actions and proceedings against the Non-Debtor Stay Parties[3] and the Debtors' current, former, and future directors and officers (the "D&Os", and together with the Non-Debtor Stay Parties and the Monitor, the "Proposed Stay Parties"). In light of the Court's concerns, counsel to the Foreign Representative withdrew the request for this relief on a provisional basis, though reserved the right to seek such relief at the hearing to consider the Verified Petition (the "Recognition Hearing").

3. The Court also made certain comments and provided guidance in respect of the Foreign Representative's requests to (i) recognize the Initial Order and ARIO (as defined herein) in full on a provisional basis, and (ii) grant substantive relief related to the DIP Credit Facility under section 364 of the Bankruptcy Code. While the Court ultimately recognized certain provisions of the Initial Order and ARIO and approved relief under section 364 on a provisional

[3] The Non-Debtor Stay Parties are Monette Farms Land LP, Monette Farms Land II LP, and Monette Farms BC LP. Each of the Non-Debtor Stay Parties are Canadian Limited Partnerships which are not eligible to file proceedings under the CCAA. *See* Initial Order ¶ 3.

basis,[4] the Court instructed counsel to review its prior decisions concerning recognition of foreign DIP financing orders and requests for substantive relief under the Bankruptcy Code in Chapter 15 cases.[5]

4. The Foreign Representative submits this Supplement as further support for the relief sought in the Verified Petition and to address certain issues raised by the Court at the First Day Hearing.

SUPPLEMENTARY FILINGS

5. In support of the Verified Petition, the Foreign Representative relies upon and incorporates by reference the Oliver Declaration [D.I. 5] and the Helkaa Declaration [D.I. 6]. In addition, the Foreign Representative relies on the Supplemental Oliver Declaration and the Supplemental Helkaa Declaration, filed contemporaneously herewith.[6]

6. Also filed contemporaneously herewith under certification of counsel is the revised form of order (the "Revised Proposed Order").

FURTHER BASIS FOR RELIEF REQUESTED

A. The Court Should Recognize, Enforce, and Give Full Force and Effect to the Provisions of the Canadian Orders that Stay Actions and Proceedings Against the Proposed Stay Parties.

7. Among other changes, the Revised Proposed Order pares back the relief that the Foreign Representative originally sought in the Verified Petition with respect to the Proposed Stay Parties. Specifically, the Revised Proposed Order no longer extends the protections of section 362

[4] *See Order Granting Provisional Relief* [D.I. 33] (the "Provisional Relief Order").

[5] *See* First Day Hr'g Tr. 25:10-21; 47:20-48:5.

[6] *See Supplemental Declaration of Jeffrey Oliver in Support of Verified Petition*, filed contemporaneously herewith (the "Supplemental Oliver Declaration"), and the *Supplemental Declaration of Deryck Helkaa in Support of Verified Petition,* filed contemporaneously herewith (the "Supplemental Helkaa Declaration" and together with the Helkaa Declaration, the Oliver Declaration, and the Supplemental Oliver Declaration, the "Declarations").

of the Bankruptcy Code to the Proposed Stay Parties, as in the original form of order attached to the Verified Petition (the "Original Proposed Order"). Instead, the Revised Proposed Order recognizes, enforces, and gives full force and effect to the Canadian Orders in the United States, including the provisions of the Canadian Orders that stay and enjoin certain actions or proceedings against the Debtors as well as the Proposed Stay Parties (such provisions, the "Stay Provisions").[7] Revised Proposed Order ¶ 5.[8] Recognition of the Stay Provisions is warranted pursuant to sections 1509 and 1521 of the Bankruptcy Code.

8. Section 1509 of the Bankruptcy Code provides that "if the court grants recognition [as a foreign main proceeding] under section 1517, and subject to any limitations that the court may impose consistent with the policy of [chapter 15] . . . a court in the United States shall grant comity or cooperation to the foreign representative." 11 U.S.C. § 1509(b)(3). As such, so long as the foreign proceedings are fair and impartial, U.S. bankruptcy courts should defer to the judgment of foreign courts. *See In re Ephedra Prods. Liab. Litig.*, 349 B.R. 333, 337 (S.D.N.Y. 2006) (recognizing Canadian claims procedure order where the Court determined that the procedure "plainly affords claimants a fair and impartial proceeding"). Indeed, "[a] U.S. bankruptcy court is not required to make an independent determination about the propriety of individual acts of a foreign court . . . [t]he key determination . . . is whether the procedures used in Canada meet our fundamental standards of fairness." *In re Metcalfe & Mansfield Alt. Invs.*, 421 B.R. 685, 697 (Bankr. S.D.N.Y. 2010) (citation omitted).

[7] The Stay Provisions include the following paragraphs of the Canadian Orders: ¶ 3 (Non-Applicant Stay Parties); ¶ 16 (No Proceedings Against the Group or the Property); ¶¶ 17-18 (No Exercise of Rights or Remedies); ¶ 19 (No Interference with Rights); ¶ 22 (Proceedings Against Officers and Directors).

[8] A redline comparing the Revised Proposed Order to the Original Order is filed contemporaneously herewith under certification of counsel.

9. Moreover, section 1521(a) of the Bankruptcy Code "gives a court broad discretion to 'grant any appropriate relief' to further the purpose of chapter 15" provided that the "interest of the creditors and other interested entities, including the debtor, are sufficiently protected." *In re Energy Coal S.P.A.*, 582 B.R. 619, 627 (Bankr. D. Del. 2018). "In assessing requested relief under [section 1521], the court should be guided by principles of comity and cooperation with foreign courts in deciding whether to grant the foreign representative additional post-recognition relief." *Id*. (quotations and citations omitted).[9]

10. Here, the Canadian Court has entered the Initial Order and, on May 1, 2026, the Amended and Restated Initial Order (the "ARIO" and together with the Initial Order, the "Canadian Orders"),[10] which enjoin certain actions and proceedings against the Proposed Stay Parties. *See* Oliver Decl. ¶ 27; Canadian Orders ¶¶ 3, 22; Supp. Oliver Decl. ¶ 8. In particular, the Canadian Court found that the Non-Debtor Stay Parties are "integrally related" to the Debtors business and, therefore granted the Non-Debtor Stay Parties and their property with the same rights and protections as the Debtors. *See* Canadian Orders ¶ 3. These protections include (i) staying certain proceedings and enforcement processes against or in respect of the Group[11] and the Monitor except with leave of the Canadian Court (Canadian Orders ¶ 16); (ii) staying all rights and remedies of any person against the Group or the Monitor or affecting the Group's business or

[9] Courts have also utilized section 105(a) in conjunction with section 1521 to "apply the stay to third parties when 'a claim against the non-debtor will have an immediate adverse economic consequence for the debtor's estate.'" *In re ARD Finance, S.A.*, 2026 WL 817458, at *16 (Bankr. S.D.N.Y March 25, 2026) (quoting *Queenie, Ltd. v. Nygard Int'l*, 321 F.3d 282, 287 (2d Cir. 2003)). As discussed, the Foreign Representative is no longer seeking to extend section 362's automatic stay under section 105(a) of the Bankruptcy Code to the Proposed Stay Parties.

[10] The ARIO was filed on the docket of these Chapter 15 Cases on May 4, 2026. *See* D.I. 36.

[11] "Group" refers to the Debtors and the Non-Debtor Stay Parties.

property, subject to certain exceptions (*id.* at ¶¶ 17-18); and (iii) preventing any person from interfering with the Group's contractual rights, licenses, or other agreements (*id.* at ¶ 19).

11. With respect to the D&Os, the Canadian Orders implemented a statutory stay that is provided for under the CCAA (the "D&O Stay"). *See* Canadian Orders ¶ 22. Specifically, the D&O Stay prohibits the commencement or continuation of certain actions or proceedings against the D&Os in respect of pre-petition claims that allege the D&Os are liable as a matter of law for the payment or performance of the Debtors' obligations. *Id*.; Supp. Oliver Decl. ¶ 10. The D&O Stay is subject to an exception under section 11.03(2) of the CCAA, which provides that such stay does not apply in respect of an action against a director on a guarantee given by the director relating to the Debtors' obligations or an action seeking injunctive relief against a director in relation to the Debtors. *See* Supp. Oliver Declaration ¶ 10.

12. Courts have recognized that "the stay of proceedings for officers and directors is a standard feature of proceedings under the CCAA and has routinely been enforced in the United States upon recognition of a foreign proceeding under Chapter 15." *Collins v. Oilsands Quest Inc.*, 484 B.R. 593, 597 (S.D.N.Y. 2012); *see also* Supp. Oliver Declaration ¶ 11 (noting that such a stay is standard in CCAA proceedings). In line with these principles, bankruptcy courts have recognized orders entered in CCAA proceedings that stay actions or proceedings against non-debtors in Chapter 15 cases. *See, e.g.*, *In re Pride Group Holdings Inc.*, Case No. 24-10632-CTG [Docket No. 152] (Bankr. D. Del. May 2, 2024) (recognizing Canadian Orders staying proceedings against non-debtor affiliates and directors and officers); *In re Goli Nutrition Inc.*, Case No. 24-10438-LSS [Docket No. 85] (Bankr. D. Del. Apr. 18, 2024) (recognizing Canadian Orders staying proceedings against debtors' directors and officers); *In re Black Press Ltd.*, Case No. 24-10044-MFW [Docket No. 73] (Bankr. D. Del. Feb. 14, 2024) (recognizing Canadian Order staying

proceedings against non-debtor affiliates and directors and officers); *In re Nexii Building Solutions, Inc.*, Case No. 24-10026-JKS [Docket No. 44] (Bankr. D. Del. Feb. 9, 2024) (same); *In re Hematite Holdings, Inc.*, Case No. 20-12387-MFW [Docket No. 35] (Bankr. D. Del. Oct. 15, 2020) (recognizing Canadian Orders staying actions and proceedings against debtors' directors and officers); *In re BioAmber Inc.*, Case No. 18-11291-LSS [Docket No. 13] (Bankr. D. Del. June 20, 2018) (same).

13. Moreover, as set forth in the Verified Petition and the Supplemental Helkaa Declaration, recognizing the Stay Provisions is warranted because the Debtors' restructuring efforts would be undermined absent such relief. Each of the D&Os are focused on the Debtors' day-to-day operations and restructuring efforts. Interference with these efforts would cause significant disruptions to the Debtors' business operations and sale and investment solicitation process. *See* Supp. Helkaa Decl. ¶ 14. Likewise, the Non-Debtor Stay Parties are integrally related to the Debtors' business, and any potential litigation in the U.S. as to such parties would be disruptive and have an adverse impact on the Debtors' business. *Id*.

14. Parties will not be prejudiced because there is currently no ongoing litigation against any of the Proposed Stay Parties. Further, the interests of all entities, including creditors, are sufficiently protected because the Stay Provisions include exceptions and allow parties to seek leave of the Canadian Court, and the Revised Proposed Order permits parties to seek relief from this Court for matters that are within its jurisdiction.[12]

15. Accordingly, the Foreign Representative respectfully requests that the Court recognize the Stay Provisions in the Canadian Orders.

[12] *See* Revised Proposed Order ¶ 13.

B. Recognizing, Enforcing, and Giving Full Force and Effect to the Other Provisions of the Canadian Orders on a Final Basis is Warranted

16. In addition to the Stay Provisions, the Canadian Orders authorize the Debtors to obtain and borrow up to $95 million under the DIP Credit Facility and provide the DIP Agent and DIP Lenders with the DIP Lenders' Charge. *See* Initial Order ¶¶ 34-39, 40-44 (authorizing up to $40 million of interim borrowing secured by a $90 million DIP Lenders' Charge); ARIO ¶¶ 34-39, 40-44 (authorizing up to $90 million of borrowing secured by a $95 million DIP Lenders' Charge). The Canadian Orders also grant the Debtors other critical relief including, among other things, (i) continuing their business (Canadian Orders ¶¶ 5-12); (ii) implementing an orderly restructuring (*id*. at ¶¶ 13-16);[13] and (iii) appointing the Monitor (*id*. at ¶¶ 26-33).

17. While the Court was concerned with recognizing the Canadian Orders in full on a provisional basis, parties in interest have now received full notice of both the Canadian Proceedings and these Chapter 15 Cases. No party has objected to approval of the DIP Credit Facility on a final basis in the Canadian Proceedings,[14] nor has any party objected to recognition of the Canadian Orders in these Chapter 15 Cases.

18. Recognition of the Canadian Orders is warranted under section 1521 of the Bankruptcy Code and consistent with relief granted by this Court in other Chapter 15 cases. *See In re Goli Nutrition Inc.*, Case No. 24-10438-LSS [Docket No. 85] (Bankr. D. Del. Apr. 18, 2024) (enforcing on a final basis and giving full force and effect to Amended and Restated Initial Order); *In re BioAmber Inc.*, Case No. 18-11291-LSS [Docket No. 13] (Bankr. D. Del. June 20, 2018) (giving full force and effect to CCAA Initial Order in the United States to the same extent as in

[13] To the extent the Debtors' restructuring requires the Debtors to sell, use, or lease assets located in the United States outside of the ordinary course of business, the Foreign Representative intends to seek further permission of this Court.

[14] One Canadian-based creditor objected to the Initial Order in the CCAA Proceedings but that objection was overruled by the Canadian Court. No party opposed entry of the ARIO in the Canadian Proceedings.

Canada); *In re Lighthouse Immersive Inc., et al.*, Case No. 23-11021-LSS [Docket No. 20] (Bankr. D. Del. Aug. 28, 2023) (granting similar relief); *In re PT Holdco, Inc. et al*, Case No. 16-10131-LSS [Docket No. 32] (Bankr. D. Del. Feb. 19, 2016) (granting similar relief).

19. Accordingly, the Foreign Representative respectfully submits that the Court should recognize, enforce, and give full force and effect to the Canadian Orders in the United States to the same extent as they are given in Canada on a final basis.

C. The Court Should Grant the U.S. DIP Liens and Good Faith Protections Under Section 364 of the Bankruptcy Code on a Final Basis

20. The Verified Petition seeks final approval of the liens (the "U.S. DIP Liens") and good faith protections granted to the DIP Lenders under the Provisional Relief Order pursuant to section 364 of the Bankruptcy Code. Verified Petition ¶ 54; Revised Proposed Order ¶¶ 7-8.

21. In analogous contexts, this Court has ruled that when a Foreign Representative seeks substantive relief under the Bankruptcy Code that "[c]omity does not require [the Court] to defer to the Canadian Court on approval" and that the Court should apply the applicable standards of the Bankruptcy Code in deciding whether to recognize transactions approved by the Canadian Court. *In re Goli Nutrition Inc.*, Case No. 24-10438-LSS, 2024 WL 1748460, at *5 (Bankr. D. Del. Apr. 23, 2024) (analyzing certain transactions approved by the Canadian Court under section 363 of the Bankruptcy Code). The Foreign Representative respectfully submits that, should the Court determine that it must undertake its own independent and substantive analysis, the requirements of section 364 are satisfied.

a. *The U.S. DIP Liens Satisfy Section 364(d) of the Bankruptcy Code*

22. Section 364(d) provides that a debtor may obtain credit secured by a senior or equal lien on property of the estate already subject to a lien, after notice and a hearing, where the debtor is "unable to obtain such credit otherwise" and "there is adequate protection of the interest of the

holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted." 11 U.S.C. § 364(d)(1).

23. As set forth more fully in the Supplemental Helkaa Declaration, in early April 2026, having considered several alternatives, and in light of the imminent maturity of the Senior Facilities Agreement and the Debtors' upcoming growing season, the Debtors determined that the best, value-maximizing path forward was a court-supervised sale and investment solicitation process in Canada supported by, and dependent upon, debtor-in-possession financing. Supp. Helkaa Decl. ¶ 6. At that time, the Debtors were just days away from their critical growing season and urgently needed liquidity to purchase necessary inputs and continue operations. *Id*. Accordingly, the Debtors contacted potential lenders regarding a debtor-in-possession financing package. Given the short turnaround time needed to obtain financing before the growing season, the Debtors contacted lenders who had familiarity with the Debtors' business and assets and the ability to provide the amount of financing needed. *Id*. at ¶ 7. The Debtors reached out to three potential financing sources, including the DIP Lenders (which include all of the members of the existing lender syndicate (the "Syndicate")), and provided various materials, including a proposed DIP term sheet, upon request. *Id*.

24. The Debtors received DIP terms sheets from two potential financing sources, including the DIP Lenders and a third party. Ultimately, the DIP Lenders' term sheet offered materially better terms than the alternative option, including a lower interest rate, significantly lower fees, and a more cost-effective loan structure. In addition, the Syndicate would not agree to have their prepetition liens[15] primed by a new lender, and the potential new lender was not willing

[15] Under the Canadian Orders, the Monitor is required to investigate the Syndicate's liens that arose prior to the filing of the Canadian Proceeding before any distributions are made. *See* Supp. Oliver Decl. ¶ 13.

to provide debtor-in-possession financing to the Debtors on a *pari passu*, junior secured, or unsecured basis. *Id*. at ¶ 8.

25. Therefore, the Foreign Representative submits that the requirements of section 364 of the Bankruptcy Code—*i.e.*, that alternative credit on more favorable terms be unavailable to the Debtors—is satisfied. Moreover, the Syndicate has consented to the priming of their prepetition liens by the DIP Credit Facility, and the Foreign Representative does not seek to prime, on a non-consensual basis, any creditors with existing, valid, enforceable, non-avoidable senior liens in the United States.

26. Accordingly, the Court should grant the DIP Lenders the U.S. DIP Liens under section 364(d) of the Bankruptcy Code on a final basis.

b. *The DIP Lenders Should be Entitled to Good Faith Protections Under Section 364(e) of the Bankruptcy Code*

27. Section 364(e) of the Bankruptcy Code protects a good faith lender's right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. 11 U.S.C. § 364(e).

28. Here, the DIP Credit Facility embodies the most favorable terms on which the Debtor could obtain postpetition financing. As described more fully in the Supplemental Helkaa Declaration, the Debtors and their advisors on the one hand, and the DIP Lenders and their advisors on the other, negotiated the DIP Credit Facility in good faith and at arm's length. *Id*. at ¶¶ 10-11. The terms and conditions of the DIP Credit Facility are appropriate under the circumstances, and the Debtors will benefit materially from approval of the DIP Credit Facility and the liquidity provided thereunder. *Id*. at ¶ 10. Additionally, the fees and other economic consideration provided to the DIP Lenders under the DIP Term Sheet are integral components of the overall terms of the

DIP Credit Facility and were required by the DIP Lenders as consideration of the extension of DIP financing. *Id*.

29. Ultimately, the DIP Credit Facility reflects the best and most viable option available to the Debtors on an executable timeline and on terms capable of supporting both (i) continuation of operations through the seeding season and (ii) completion of a court-supervised sale and investment solicitation process in the Canadian Proceedings that will be designed to achieve the debt reduction milestones set out in the DIP Credit Facility. *Id*.

30. Accordingly, the Court should afford the DIP Lenders the "good faith" protections within the meaning of section 364(e) of the Bankruptcy Code on a final basis.

NOTICE

31. Notice of this Supplement will be provided to the following parties: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the DIP Lenders; (c) counsel to The Bank of Nova Scotia; and (d) all parties that have requested notice pursuant to Rule 2002.

WHEREFORE, for the reasons set forth herein, the Foreign Representative respectfully requests that this Court (i) grant the relief requested in the Verified Petition as set forth in the Revised Proposed Order, and (ii) grant the Foreign Representative such other and further relief as the Court deems proper and just.

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Dated: May 11, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Stephen J. Astringer

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