

2024

Hfx No. 538745

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C., 1985,
c. C- 36, as amended (the "**CCAA**")

AND IN THE MATTER OF an application by Blue Lobster Capital Limited,
3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova
Scotia Limited (collectively, the "**Applicants**")

BRIEF OF LAW OF THE MONITOR

September 2, 2026

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TO: THE SERVICE LIST

To the Honourable Associate Chief Justice Jamieson, AlixPartners Restructuring, Inc. (“**AlixPartners**”), in its capacity as Court-appointed monitor (the “**Monitor**”) of Blue Lobster Capital Limited (“**BLCL**”), 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (the “**Applicants**”), submits:

PART I – OVERVIEW

1. This brief is filed by the Monitor in support of its motion seeking an Order to, among other things:

- (a) extend the stay period until and including November 30, 2026; and
- (b) approve the Eleventh Report of the Monitor dated August 28, 2026 (the “**Eleventh Report**”) and the Monitor’s activities described therein.

PART II – FACTS

2. The facts relevant to this motion are more fully set out in the Eleventh Report. Capitalized terms used herein and not otherwise defined have the meanings given to them in the Eleventh Report.

Overview

3. The Applicants are private companies incorporated under the laws of Nova Scotia.¹

¹ Eleventh Report of the Monitor dated August 28, 2026 [“**Eleventh Report**”] at 2.1.

4. Prior to these proceedings, the primary business of the Applicants was the manufacturing and sale of alcoholic beverages, which were sold to liquor boards in Ontario, Nova Scotia and Prince Edward Island, as well as to restaurants and directly to consumers.²

5. Pursuant to the Initial Order granted by the Supreme Court of Nova Scotia (the “**Court**”) on December 13, 2024, the Applicants were granted protection under the CCAA and KSV Restructuring Inc. (now AlixPartners Restructuring, Inc.) was appointed as Monitor of the Applicants.

6. The Initial Order was amended by the Amended and Restated Initial Order granted by the Court on December 20, 2024, which, among other things, extended the stay of proceedings.³

7. The stay of proceedings was subsequently extended by Orders of this Court, including by the Stay Extension Order dated June 25, 2026, which extended the stay period until and including September 9, 2026.⁴

PART III – ISSUES

8. The issues to be determined are whether this Court should:

- (a) extend the stay of proceedings until and including November 30, 2026; and
- (b) approve the Eleventh Report and the Monitor’s activities described therein.

² Eleventh Report at 2.2.

³ Eleventh Report at 1.2.

⁴ Eleventh Report at 1.15.

PART IV – SUBMISSIONS

A. Stay Extension Should be Granted

9. Pursuant to section 11.02(2) of the CCAA, this Court has jurisdiction to extend the stay of proceedings following the issuance of an initial order.⁵ An extension may only be granted where the Court is satisfied that: (a) circumstances exist that make the order appropriate; and (b) the debtor has acted, and continues to act, in good faith and with due diligence.⁶

10. The stay of proceedings currently expires on September 9, 2026.

11. The Monitor recommends that the stay be extended to and including November 30, 2026 for the following reasons:

- (a) the Monitor, which has been granted enhanced powers in these proceedings, has acted in good faith and with due diligence;
- (b) it will provide the Monitor with additional time to sell the Lost Bell Property, settle the Outstanding Issues, seek Court approval to make distributions to unsecured creditors and to make the approved distributions;
- (c) no stakeholder is prejudiced by the proposed extension of the stay period;
- (d) there is sufficient liquidity to fund these proceedings through the proposed stay extension period; and

⁵ CCAA, [s 11.02\(2\)](#).

⁶ CCAA, [s 11.02\(3\)](#).

- (e) neither the Applicants nor the Monitor are aware of any party opposed to an extension of the stay of proceedings.⁷

12. Accordingly, the Monitor believes the requested extension of the stay period to and including November 30, 2026 is necessary and appropriate in the circumstances.

C. Approval of the Eleventh Report and Monitor's Activities

13. The Monitor seeks approval of the Eleventh Report and the activities of the Monitor referred to therein. There are good policy and practical reasons for court approval of a Monitor's report and activities, including that such approval:

- (a) allows the Monitor to move forward with next steps in the CCAA proceedings;
- (b) brings the Monitor's activities before the Court;
- (c) allows an opportunity for the concerns of the stakeholders to be addressed, and any problems to be rectified;
- (d) enables the Court to satisfy itself that the Monitor's activities have been conducted in prudent and diligent manners;
- (e) provides protection for the Monitor not otherwise provided by the CCAA; and
- (f) protects the creditors from the delay and distribution that would be caused by (i) re-litigation of steps taken to date, and (ii) potential indemnity claims by the Monitor.⁸

⁷ Seventh Report at 5.1.

⁸ *Re Target Canada Co*, 2015 ONSC 7574 at [para 22](#).

14. Since the filing of the Tenth Report dated August 10, 2026, the Monitor has taken the following steps, among others:

- (a) advanced the Outstanding Issues and sought approval of same at the motion heard on August 19, 2026;
- (b) continued the sale process for the Lost Bell Property;
- (c) reviewed and commented on the marshalling brief of law filed by the Monitor at the Court's request; and
- (d) prepared the Eleventh Report and reviewed all motion material filed in connection with this motion.⁹

15. The Monitor has acted in good faith pursuant to the Monitor's duties and powers set out in the CCAA and the Orders made in this CCAA proceeding.

PART IV – RELIEF REQUESTED

16. For the reasons set out above, the Monitor requests the Court grant the Stay Extension Order.

⁹ Eleventh Report at 6.1.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 2nd day of September 2026.



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LIST OF AUTHORITIES

1. *Re Target Canada Co*, [2015 ONSC 7574](#)

Companies' Creditors Arrangement Act, RSC 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

11.02 (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.