

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF DE CLOET GREENHOUSE MFG. LTD.

APPLICATION OF DE CLOET GREENHOUSE MFG. LTD. UNDER
SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT
ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**FACTUM OF THE APPLICANT
(Second Recognition Order)**

September 16, 2026

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PART I – NATURE OF THE MOTION

1. This factum is filed in support of a motion under section 49 of the *Companies' Creditors Arrangement Act* (the "**CCAA**") by De Cloet Greenhouse Mfg. Ltd. (the "**Canadian Debtor**"), in its capacity as the foreign representative (in such capacity, the "**Foreign Representative**") of itself and the other Debtors¹, for an Order (the "**Second Recognition Order**"), among other things, recognizing and giving full force and effect in Canada to the September 14 Foreign Orders entered by the U.S. Bankruptcy Court.

2. On August 18, 2026, the Debtors filed voluntary petitions for relief with the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**") pursuant to chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**" and the cases commenced thereby, the "**Chapter 11 Cases**").² On August 20, 2026, the U.S. Bankruptcy Court granted various relief on an interim basis, authorizing the Debtors to continue to operate their business in accordance with the Bankruptcy Code (the "**First Day Orders**").³

3. On August 28, 2026, this Court granted an Initial Recognition Order, among other things, recognizing the Canadian Debtor as the Foreign Representative of itself and the other Debtors, recognizing the United States of America as the centre of main interests for the Canadian Debtor, and recognizing the Canadian Debtor's Chapter 11 Case as a foreign main proceeding. On the same day, this Court granted a Supplemental Recognition Order (Foreign Main Proceeding) (the "**Supplemental Order**"), among other things, recognizing certain of the First Day Orders, granting a stay of proceedings in respect of the Canadian Debtor and its directors and officers in Canada, granting an administration charge, a charge in favour of the directors and officers of the Canadian

¹ The "**Debtors**" include BFG Supply Co., LLC; Bamboo Purchaser, Inc.; BFG Purchaser Parent, Inc.; BFG Supply Holdings, Inc.; BFG Holdings I, Inc.; BFG Supply Canada Holdings, Inc.; BFG Kalamazoo, LLC; BFG Logistics, LLC; L&L Nursery Supply, Inc.; Gard'N-Wise Distributors, Inc.; International Greenhouse Contractors, LLC; Greenhouse Solutions, LLC; Greenhouse Contracting Services, LLC; Green-Tek, LLC; GROSouth, Inc.; BFG VG Supply Acquisition, LLC; and the Canadian Debtor.

² Affidavit of Adam Zalev sworn September 11, 2026 at para. [11](#) [*Third Zalev Affidavit*].

³ Third Zalev Affidavit at para. [13](#).

Debtor and a charge in favour of the lenders under the debtor-in-possession facility entered into by the Debtors (the “**DIP Facility**”), and appointing AlixPartners Restructuring, Inc. as information officer (in such capacity, the “**Information Officer**”), in this proceeding (the “**Canadian Recognition Proceeding**”).⁴

4. To further the ongoing restructuring of the Debtors, the Foreign Representative now seeks the Second Recognition Order recognizing certain orders that were entered by the U.S. Bankruptcy Court without the need for a hearing on September 14, 2026, and giving those orders full force and effect in Canada (collectively, the “**September 14 Foreign Orders**”). The September 14 Foreign Orders consist of: (i) final versions of certain of the First Day Orders that were entered on an interim basis (collectively, the “**Final First Day Orders**”); (ii) one further interim order; and (iii) certain additional orders, including the Bidding Procedures Order, the Sealing Order and the Reflect Retention Order (each as defined below) (collectively, the “**Second Day Orders**”).

5. This Court has the jurisdiction to grant the Recognition Order under Part IV of the CCAA, and the requested relief is both consistent with the principles of comity and cooperation that underlie Part IV. Recognition of the September 14 Foreign Orders is necessary to protect and preserve the value of the Canadian Debtor’s business as a going concern for the benefit of a broad range of stakeholders. In particular, the requested relief will facilitate the efficient administration of the Chapter 11 Cases and the Canadian Recognition Proceeding and provide the Debtors with the opportunity to pursue the Court-approved sales processes (the “**Sales Processes**”).⁵

⁴ Third Zalev Affidavit at para. [14](#).

⁵ Third Zalev Affidavit at para. [7](#).

PART II – FACTS

6. The facts relating to this motion are set out in the Affidavit of Adam Zalev sworn August 21, 2026 (the “**Second Zalev Affidavit**”), the Affidavit of Adam Zalev sworn September 11, 2026 (the “**Third Zalev Affidavit**”) and the Affidavit of Joshua Gordon sworn September 15, 2026 (the “**Gordon Affidavit**”). Capitalized terms used but not otherwise defined herein have the meanings given to them in the Second Zalev Affidavit or the Third Zalev Affidavit, as applicable.

A. Status of the Restructuring

7. Since the Petition Date, the Debtors have continued to operate their businesses in accordance with the First Day Orders, including, among other things: (i) commencing liquidation sales in the United States for certain segments of the business; (ii) taking steps to exit leases determined to have no value to the estates; (iii) with the assistance of SSG Advisors, LLC (“**SSG**”), marketing the Debtors’ business, including the Canadian Debtor’s business, on a going concern basis; and (iv) operating the Canadian Debtor’s business in the ordinary course.⁶

8. On September 1, 2026, the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors (the “**UCC**”) for the Chapter 11 Cases, as an estate fiduciary required to act in the best interests of all unsecured creditors of the Debtors (including unsecured creditors of the Canadian Debtor).

B. September 14 Foreign Orders

Final First Day Orders and Second Interim Cash Management Order

9. Each of the Final First Day Orders is a final version of a First Day Order previously entered by the U.S. Bankruptcy Court on an interim basis and recognized by this Court pursuant to the Supplemental Order, with certain modifications described in the Third Zalev Affidavit, the Gordon

⁶ Third Zalev Affidavit at paras. [20](#) & [21](#).

Affidavit and the First Report of the Information Officer dated September 16, 2026 (the “**First Report**”).⁷

10. Certain of the September 14 Foreign Orders were entered without substantive modification to the proposed forms, while others were modified based on discussions with the Debtors’ stakeholders, including the Office of the United States Trustee, the UCC, the DIP Agent and the pre-filing secured lenders.⁸

11. In light of ongoing discussions with stakeholders, the motions to approve the Final DIP Order and the Final Cash Management Order have been adjourned to September 29, 2026.⁹ The Foreign Representative will return at a later date to seek recognition from this Court of those orders, if ultimately granted. In the interim, the Foreign Representative is seeking recognition of the Final First Day Orders that were granted by the U.S. Bankruptcy Court, and a further interim order in respect of cash management (the “**Second Interim Cash Management Order**”), while discussions remain ongoing.

12. The Final First Day Orders that are now the subject of this motion are:

- (a) the Final Liquidation Procedures Order, which authorizes the Debtors to assume the Consulting Agreement on a final basis and complete sales of the Debtors’ Assets, including the Receivables, on an “as is, where is” basis, free and clear of Encumbrances;¹⁰

⁷ Third Zalev Affidavit at paras. [6](#) & [23-46](#); Gordon Affidavit at paras. [4-5](#); First Report of the Information Officer dated September 16, 2026 at 3.1 [*First Report*].

⁸ Third Zalev Affidavit at paras. [5](#) & [19](#); Gordon Affidavit at paras. [4-5](#).

⁹ Gordon Affidavit at para. [6](#).

¹⁰ Third Zalev Affidavit at paras. [28-29](#).

- (b) the Final Critical Vendors Order, which authorizes the Debtors to make certain prepetition payments to vendors of goods and/or services who are critical to the Debtors' operations and business;¹¹
- (c) the Final Utilities Order, which addresses the continued provisions of utilities to the Debtors and provision of adequate assurance to utility providers;¹²
- (d) the Final Taxes Order, which authorizes the Debtors to pay and remit prepetition and postpetition obligations on account of Taxes and Fees and Assessments in accordance with the terms of the order;¹³
- (e) the Final Insurance Order, which authorizes the Debtors to maintain and renew the Insurance Policies, surety bonds, and letters of credit;¹⁴
- (f) the Final Wages Order, which authorizes the Debtors to make payments on account of certain prepetition amounts owing on account of employee and independent contractor obligations and continue to administer their employee benefits programs;¹⁵ and
- (g) the Final Customer Programs Order, which authorizes the Debtors to continue to maintain and administer the Customer Programs, including to honour and fulfill obligations arising thereunder.¹⁶

¹¹ Third Zalev Affidavit at paras. [31](#) & [33](#).

¹² Third Zalev Affidavit at paras. [34-35](#).

¹³ Third Zalev Affidavit at paras. [36-37](#).

¹⁴ Third Zalev Affidavit at paras. [38-39](#).

¹⁵ Third Zalev Affidavit at paras. [40-41](#).

¹⁶ Third Zalev Affidavit at paras. [44-45](#).

13. While the Final Cash Management Order has been adjourned, the Foreign Representative is seeking recognition of a Second Interim Cash Management Order, allowing the continued use of cash collateral, pending a further hearing at the end of September.¹⁷

Second Day Orders

14. In addition to the Final First Day Orders, the Foreign Representative is seeking recognition of certain additional relief necessary for the preservation of the Canadian Debtor's business and going concern value and to maximize value for the Canadian Debtor's stakeholders.

15. The Second Day Orders consist of:

- (a) an Order (the "**Bidding Procedures Order**"), among other things, authorizing and approving the bidding procedures (the "**Bidding Procedures**") to be used in connection with the sale of all, substantially all, or one or more portions of the Debtors' assets and provides for scheduling and related relief in connection with the Bidding Procedures. The Bidding Procedures establish an open process pursuant to which the Debtors, with the assistance of SSG, will solicit interest in a going concern transaction for the Debtors' assets or business, including the Canadian Debtor's business;¹⁸
- (b) an Order (the "**Sealing Order**") sealing the fee letters between the Debtors and the DIP Agent, which set out certain fees in connection with the DIP Facility;¹⁹ and
- (c) an Order (the "**Reflect Retention Order**") authorizing the Debtors to retain and employ Reflect Advisors, LLC ("**Reflect**") and Adam Zalev, as Chief Restructuring

¹⁷ Gordon Affidavit at paras. [4\(g\)](#) & [6](#).

¹⁸ Third Zalev Affidavit at paras. [47-48](#).

¹⁹ Third Zalev Affidavit at para. [52](#).

Officer of the Debtors (the “CRO”) in connection with the Restructuring Proceedings.²⁰

16. In connection with the retention of Reflect and the CRO, the Foreign Representative is seeking limited protections in favour of the CRO and Reflect in connection with the performance of their duties and obligations in respect of the Canadian Debtor, including: (i) the extension of the stay of proceedings in Canada to apply to the CRO and Reflect; (ii) confirmation that the CRO and Reflect will not take possession of the property in Canada for environmental purposes; and (iii) confirmation that none of Reflect, any of its employees, directors, officers or shareholders, or the CRO, shall be deemed to be a director or *de facto* director of the Canadian Debtor.²¹

PART III – THE ISSUES

17. The issue to be determined on this motion is whether this Court should grant the Second Recognition Order, recognizing and giving full force and effect in Canada to the September 14 Foreign Orders pursuant to section 49 of the CCAA.

PART IV – THE LAW

A. This Court Has Jurisdiction to Recognize the Foreign Orders

18. Part IV of the CCAA is intended to provide mechanisms for dealing with cross-border insolvencies and to promote, among other things: (a) cooperation between Canadian courts and courts in foreign jurisdictions; (b) the fair and efficient administration of cross-border insolvencies in a manner that protects the interests of creditors, interested persons and debtor companies; and (c) the protection and maximization of the value of a debtor company’s property.²²

²⁰ Third Zalev Affidavit at para. [54](#).

²¹ Third Zalev Affidavit at para. [56](#).

²² *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, s. [44](#) [CCAA]; *Zochem Inc. (Re)*, [2016 ONSC 958](#) at para. [15](#).

19. Pursuant to the Initial Recognition Order, this Court recognized the Canadian Debtor's Chapter 11 Case as a "foreign main proceeding" under sections 47 and 48 of the CCAA. This Court also granted the Supplemental Order, which, among other things, recognized certain First Day Orders entered by the U.S. Bankruptcy Court in the Chapter 11 Cases and granted related relief in Canada.²³

20. Where a foreign proceeding has been recognized under Part IV of the CCAA, section 49(1) provides this Court with broad jurisdiction to grant "any order that it considers appropriate" on the application of the foreign representative, provided that the Court is satisfied that the order is necessary for the protection of the debtor company's property or the interests of a creditor or creditors.²⁴

21. Section 52(1) of the CCAA further provides that, where an order recognizing a foreign proceeding has been made, this Court shall cooperate, "to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding". An order under Part IV may be made on any terms and conditions that the Court considers appropriate in the circumstances.²⁵

22. Comity is the central principle governing Part IV of the CCAA and requires that Canadian courts recognize and enforce orders granted by a foreign jurisdiction, provided that the foreign court has "assumed jurisdiction on a basis consistent with order, predictability and fairness."²⁶ Canadian courts have consistently encouraged comity and cooperation among courts in different jurisdictions in cross-border insolvency proceedings, and in particular courts in Canada and the United States have made efforts to complement, coordinate and accommodate each other's proceedings. Such cooperation avoids multiplicity of proceedings, inconsistent decisions and

²³ Third Zalev Affidavit at paras. [6](#) & [14](#).

²⁴ CCAA, s. [49\(1\)](#).

²⁵ CCAA, ss. [50](#) & [52\(1\)](#).

²⁶ *Hollander Sleep Products, LLC (Re)*, [2019 ONSC 3238](#) at para. [41](#). [*Hollander Sleep Products*].

uncertainty regarding the effect of restructuring proceedings on creditors and other stakeholders in different jurisdictions.²⁷

23. This Court has already recognized the Canadian Debtor's Chapter 11 Case as a foreign main proceeding and determined that recognition of the First Day Orders and the related relief granted under the Supplemental Order was appropriate.²⁸ The same jurisdictional basis applies to the September 14 Foreign Orders now before this Court. Accordingly, this Court has jurisdiction under sections 49, 50 and 52 of the CCAA to grant the Second Recognition Order and recognize and give full force and effect in Canada to the September 14 Foreign Orders.

B. The September 14 Foreign Orders Should be Recognized and Enforced in Canada

24. When deciding whether to recognize a foreign order, Canadian courts have considered, among other factors: (i) the promotion of comity and cooperation between the courts; (ii) respect for the “overall thrust of foreign bankruptcy and insolvency legislation in any analysis,” unless it diverges radically from the process in Canada; (iii) the equitable and, to the extent reasonably possible, equal treatment of common or like stakeholders regardless of their location; (iv) permitting the enterprise to reorganize as a global entity, including allowing one jurisdiction to take charge of the principal administration of the enterprise's reorganization; and (v) the notice given to stakeholders.²⁹ As set out below, considering these factors and the principles of Part IV outlined above, the Second Recognition Order should be granted.

25. These factors strongly support the recognition of the September 14 Foreign Orders. Each of the September 14 Foreign Orders treats the Debtors' stakeholders in Canada and the United

²⁷ *Hollander Sleep Products* at paras. [41-42](#); *Babcock & Wilcox Canada Ltd. (Re)*, [2000 CanLII 22482](#) (ONSC) at paras. [9-10](#) [*Babcock & Wilcox Canada*].

²⁸ Third Zalev Affidavit at para. [14](#); *In the matter of De Cloet Greenhouse Mfg. Ltd.* (August 28, 2026), ONSC (Commercial List), Court File No. CL-26-0000372-0000 ([Initial Recognition Order](#)).

²⁹ *Babcock & Wilcox Canada* at para. [21](#). See also *Xerium Technologies Inc. (Re)*, [2010 ONSC 3974](#) at paras. [26-27](#); *Paladin Labs Canadian Holding Inc.*, [2024 ONSC 539](#) at para. 22.

States equally. Recognition of the September 14 Foreign Orders will further the principles of comity and cooperation, facilitate the coordinated administration of the Chapter 11 Cases and this Canadian Recognition Proceeding, and protect and preserve the value of the Canadian Debtor's business.³⁰ This Court further recognized that the Canadian and United States operations of the Debtors are highly integrated, that coordination of the two proceedings will ensure fair treatment of both United States and Canadian stakeholders, and that the U.S. Bankruptcy Court appropriately took jurisdiction over the Chapter 11 Cases.³¹ The September 14 Foreign Orders should be recognized and given full force and effect in Canada.

(i) Final First Day Orders and Second Interim Cash Management Order

26. The relief provided for in the orders is necessary to permit the Debtors to continue operating their businesses during the Chapter 11 Cases and preserve the value of their businesses while they implement the Sales Processes with a view to maximizing value for their stakeholders.³² The Final First Day Orders are final versions of orders previously entered by the U.S. Bankruptcy Court on an interim basis and recognized by this Court pursuant to the Supplemental Order.³³ Each Final First Day Order is substantially similar to the corresponding interim First Day Order, save for certain modifications made with the consent or at the request of the major stakeholders.³⁴ The relief under the Second Interim Cash Management Order is substantially similar to the relief previously granted and recognized by this Court.³⁵

27. Recognition of the Final First Day Orders and the Second Interim Cash Management Order is consistent with the relief previously granted in this Canadian Recognition Proceeding

³⁰ Third Zalev Affidavit at paras. [7](#), [24](#) & [55](#).

³¹ *In the matter of De Cloet Greenhouse Mfg. Ltd.* (August 28, 2026), ONSC (Commercial List), Court File No. CL-26-0000372-0000 ([Endorsement of Dunphy, J.](#)).

³² Third Zalev Affidavit at paras. [7](#) & [58-59](#).

³³ Third Zalev Affidavit at para. [26](#).

³⁴ Gordon Affidavit at para. [4](#).

³⁵ Gordon Affidavit at para. [4\(g\)](#) & [Exhibit "N"](#).

and ought to be granted on the same basis and in furtherance of comity.³⁶ The orders address relief required for the continued operation of the Debtors' businesses, the implementation and conduct of an orderly liquidation, the maintenance of relationships with critical vendors, the ability to maintain their historical cash management system and the ability to satisfy obligations owing on account of employees, utilities, taxes, insurance and customer programs.³⁷ Recognition of the Final First Day Orders will facilitate the continued operation and preservation of the Canadian Debtor's business while the Debtors pursue their restructuring and the proposed Sales Processes.

28. The Information Officer has indicated that it supports the recognition of the Final First Day Orders, on the basis that it views the Final First Day Orders as: (i) common in chapter 11 cases; (ii) in many cases procedural or administrative in nature; and/or (iii) frequently recognized by Canadian courts in cross border insolvency proceedings. Further, the Information Officer views the recognition of the Final First Day Orders as furthering the principles of comity, facilitating efficient coordination, and ensuring the equal treatment of Canadian and United States stakeholders.³⁸

(ii) Bidding Procedures Order

29. Recognition of the Bidding Procedures Order is appropriate in the circumstances. This Court frequently recognizes orders in cross border proceedings that establish a going-concern sales process for debtor companies' businesses.³⁹

³⁶ Third Zalev Affidavit at para. 6.

³⁷ Third Zalev Affidavit at paras. 23-46.

³⁸ First Report at 3.1 & 3.6.

³⁹ *Nevada Copper Inc. et al.* (July 24, 2024), ONSC (Commercial List), Court File No. CV-24-00722252-00CL ([Endorsement of Cavanagh, J.](#)); *In the matter of the Red Lobster Management LLC, et al.* (June 18, 2024), ONSC (Commercial List), Court File No. CV-24-00720567-00CL ([Endorsement of Penny, J.](#)); *Paladin Labs Canadian Holding Inc.*, [2023 ONSC 2516](#) at para. 12.

30. The Bidding Procedures are a continuation of the Debtors' prepetition efforts, with the assistance of SSG, to solicit interest in a going-concern transaction for the Debtors' businesses, including the Canadian Debtor's business.⁴⁰ Recognition and approval of the Bidding Procedures will facilitate the Debtors' efforts to maximize the value of their assets, further comity and is consistent with the overall objective of these Restructuring Proceedings.⁴¹

31. The Debtors have not commenced liquidation sales in Canada in an effort to encourage a going concern sale. The Bidding Procedures Order provides a framework for potential purchasers to engage with the Debtors and develop a bid.

32. The Bidding Procedures are substantially similar to procedures employed in CCAA proceedings and are designated to promote a fair, efficient and competitive sale process for the business and the assets of the Debtors, including the Canadian Debtor. If a stalking horse bidder is selected, it will be identified publicly and parties will have an opportunity to object to the stalking horse bidder or otherwise submit a competing offer. In addition, the Bidding Procedures provide an opportunity for parties to submit bids and participate in an open auction to identify the best bid available. Parties in interest retain the opportunity to object to the process and to the identity of the ultimate purchaser selected. Similarly, contract counterparties retain the right to object to the assignment of their contracts and to payment of the amounts required to cure any monetary defaults. The relevant deadlines are clearly set out in the notices approved by the U.S. Bankruptcy Court.⁴²

33. Any transaction involving assets of the Canadian Debtor located in Canada will remain subject to recognition of the applicable sale order by this Court.⁴³

⁴⁰ Third Zalev Affidavit at paras. [22](#), [48](#) & [51](#).

⁴¹ Third Zalev Affidavit at paras. [7](#), [48](#) & [58-59](#).

⁴² Third Zalev Affidavit at para. [51](#); Gordon Affidavit at [Exhibit "Q"](#).

⁴³ Third Zalev Affidavit at para. [50](#).

34. In short, the Bidding Procedures promote a fulsome and fair process for the identification of a going concern transaction and should be recognized and enforced in Canada.

35. The Information Officer has indicated that it supports the recognition of the Bidding Procedures Order, as: (i) the proposed process is commercially reasonable and consistent with procedures approved by this Court in Canadian and cross-border insolvencies; (ii) the deadlines established by the Bidding Procedures Order provide sufficient time for potential bidders to perform due diligence and submit bids; (iii) the Information Officer will be kept apprised of bids related to the Canadian Debtor's assets; and (iv) creditors of the Canadian Debtor will not be materially prejudiced by the Bidding Procedures.⁴⁴

(iii) Sealing Order

36. The Sealing Order should also be recognized. The Fee Letters contain sensitive and confidential commercial information regarding the structure and amount of the fees payable in connection with the DIP Facility, which could harm the Debtors and the DIP Credit Parties if made publicly available. Redacted copies of the Fee Letters have been publicly filed, and the redactions are limited to the fees payable in connection with the DIP Facility.⁴⁵ Parties wishing to see the redacted information are able to contact the Debtors and enter into appropriate confidentiality provisions to access the information.⁴⁶

37. Recognition of the Sealing Order is appropriate and necessary to ensure comity across the Chapter 11 Cases and the Canadian Recognition Proceeding. The Information Officer supports the recognition of the Sealing Order.⁴⁷

⁴⁴ First Report at 3.3 & 3.6.

⁴⁵ Third Zalev Affidavit at paras. [52-53](#).

⁴⁶ Third Zalev Affidavit at para. [53](#).

⁴⁷ First Report at 3.4.

(iv) Reflect Retention Order and CRO Protections

38. Recognition of the Reflect Retention Order is necessary to ensure that the necessary applicable professionals are engaged in Canada to assist with the restructuring of the Canadian Debtor, have the appropriate authority to direct the Canadian Debtor and maximize value for stakeholders. Reflect's engagement will assist the Debtors in efficiently administering the Restructuring Proceedings and avoid confusion regarding the authority of the CRO.⁴⁸

39. In connection with the retention of Reflect, the proposed Second Recognition Order also provides for certain limited protections in favour of the CRO and Reflect in connection with the performance of their duties and obligations in respect of the Canadian Debtor. The protections are customary and are frequently granted in favour of court-appointed chief restructuring officers in CCAA proceedings.⁴⁹ The protections are appropriate and necessary to enable Reflect to focus on the restructuring of the Debtors' business and maximization of value for stakeholders.⁵⁰ The proposed Second Recognition Order is intended to generally be consistent with the Reflect Retention Order and to defer disputes to the U.S. Bankruptcy Court, where any disputes can be determined within the context of the Chapter 11 Cases. The Information Officer has indicated that it supports the granting of the protections in favour of the CRO and Reflect.⁵¹

⁴⁸ Third Zalev Affidavit at para. [55](#).

⁴⁹ See for e.g., *In the matter of Laurentian University of Sudbury* (May 31, 2021), ONSC (Commercial List), Court File No. CV-21-00656040-00CL ([CRO Appointment Order](#)) 5-8; *In the matter of Nunavut Iron Ore, Inc. et al.* (July 29, 2026), ONSC (Commercial List), Court File No. CL-26-00000219-0000 ([CRO Appointment Order](#)) at paras 6-9; *In the matter of Payless Shoesource Canada Inc. and Payless Shoesource Canada GP Inc.* (February 19, 2019), ONSC (Commercial List), Court File No. CV-19-00614629-00CL ([Initial Order](#)) at para. 29.

⁵⁰ Third Zalev Affidavit at para. [56](#).

⁵¹ First Report at 3.5.

PART V – RELIEF REQUESTED

40. The Foreign Representative requests that the Court grant the Second Recognition Order, substantially in the proposed form.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 16th day of September, 2026.

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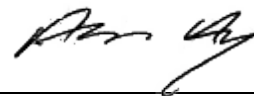
Lawyers for the Foreign Representative

**SCHEDULE A
LIST OF AUTHORITIES**

1. *Babcock & Wilcox Canada Ltd. (Re)*, [2000 CanLII 22482](#) (ONSC)
2. *Hollander Sleep Products, LLC (Re)*, [2019 ONSC 3238](#)
3. *In the matter of De Cloet Greenhouse Mfg. Ltd.* (August 28, 2026), ONSC (Commercial List), Court File No. CL-26-0000372-0000 ([Endorsement of Dunphy, J.](#))
4. *In the matter of De Cloet Greenhouse Mfg. Ltd.* (August 28, 2026), ONSC (Commercial List), Court File No. CL-26-0000372-0000 ([Initial Recognition Order](#))
5. *In the matter of Nunavut Iron Ore, Inc. et al.* (July 29, 2026), ONSC (Commercial List), Court File No. CL-26-00000219-0000 ([CRO Appointment Order](#))
6. *In the matter of Laurentian University of Sudbury* (May 31, 2021), ONSC (Commercial List), Court File No. CV-21-00656040-00CL ([CRO Appointment Order](#))
7. *In the matter of Payless Shoesource Canada Inc. and Payless Shoesource Canada GP Inc.* (February 19, 2019), ONSC (Commercial List), Court File No. CV-19-00614629-00CL ([Initial Order](#))
8. *In the matter of Red Lobster Management LLC, et al.* (June 18, 2024), ONSC (Commercial List), Court File No. CV-24-00720567-00CL ([Endorsement of Penny, J.](#))
9. *Nevada Copper Inc. et al.* (July 24, 2024), ONSC (Commercial List), Court File No. CV-24-00722252-00CL ([Endorsement of Cavanagh, J.](#))
10. *Paladin Labs Canadian Holding Inc.*, [2023 ONSC 2516](#)
11. *Paladin Labs Canadian Holding Inc.*, [2024 ONSC 539](#)
12. *Xerium Technologies Inc. (Re)*, [2010 ONSC 3974](#)
13. *Zochem Inc. (Re)*, [2016 ONSC 958](#)

I certify that I am satisfied as to the authenticity of every authority and that every quotation cited herein accurately reproduces the text of such authority.

Date September 16, 2026



Signature

SCHEDULE B
TEXT OF STATUTES, REGULATIONS & BY-LAWS

Companies' Creditors Arrangement Act, [R.S.C. 1985, c. C-36](#)

PART IV – CROSS-BORDER INSOLVENCIES

PURPOSE

Purpose

44 The purpose of this Part is to provide mechanisms for dealing with cases of cross-border insolvencies and to promote

- (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions in cases of cross-border insolvencies;
- (b) greater legal certainty for trade and investment;
- (c) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies;
- (d) the protection and the maximization of the value of debtor company's property; and
- (e) the rescue of financially troubled businesses to protect investment and preserve employment.

Other Orders

49 (1) If an order recognizing a foreign proceeding is made, the court may, on application by the foreign representative who applied for the order, if the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of a creditor or creditors, make any order that it considers appropriate, including an order

- (a) if the foreign proceeding is a foreign non-main proceeding, referred to in subsection 48(1);
- (b) respecting the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor company's property, business and financial affairs, debts, liabilities and obligations; and
- (c) authorizing the foreign representative to monitor the debtor company's business and financial affairs in Canada for the purpose of reorganization.

Restriction

(2) If any proceedings under this Act have been commenced in respect of the debtor company at the time an order recognizing the foreign proceeding is made, an order made under subsection (1) must be consistent with any order that may be made in any proceedings under this Act.

[...]

Terms and Conditions of Orders

50 An order under this Part may be made on any terms and conditions that the court considers appropriate in the circumstances.

OBLIGATIONS

Cooperation — Court

52 (1) If an order recognizing a foreign proceeding is made, the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.

Cooperation — Other Authorities in Canada

(2) If any proceedings under this Act have been commenced in respect of a debtor company and an order recognizing a foreign proceeding is made in respect of the debtor company, every person who exercises powers or performs duties and functions under the proceedings under this Act shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.

Forms of Cooperation

(3) For the purpose of this section, cooperation may be provided by any appropriate means, including

- (a) the appointment of a person to act at the direction of the court;
- (b) the communication of information by any means considered appropriate by the court;
- (c) the coordination of the administration and supervision of the debtor company's assets and affairs;
- (d) the approval or implementation by courts of agreements concerning the coordination of proceedings; and
- (e) the coordination of concurrent proceedings regarding the same debtor company.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF DE CLOET GREENHOUSE MFG. LTD.

APPLICATION OF DE CLOET GREENHOUSE MFG. LTD. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, C. C-36, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**FACTUM OF THE APPLICANT
(Second Recognition Order)**

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