



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: BK-25-03268936-0031

DATE: September 22, 2026

NO. ON LIST: 3

TITLE OF PROCEEDING: IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 2807727 ALBERTA LTD.

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Laura Culleton Ben Muller	Counsel for the Monitor	Iculleton@osler.com bmuller@osler.com
Murtaza Tallat	Monitor	murtaza.tallat@alixpartners.com
Chris Burr	Counsel for Royal Bank of Canada as Administrative Agent	chris.burr@blakes.com

ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] Defined terms used but not defined herein have the meaning set out in the factum of the Monitor filed for use on this motion.
- [2] AlixPartners Restructuring, Inc. as Court-appointed monitor (the “**Monitor**”) of the Applicant, 2807727 Alberta Ltd. (“**Residual Co.**”, formerly Xiwang Iovate Holdings Company Limited, Iovate Health Sciences International Inc., Iovate Health Sciences U.S.A. Inc., Iovate Health Sciences Australia PTY Ltd, and Northern Innovations Holding Corp., collectively, the “**Original Applicants**”) seeks an order:
- (a) authorizing and empowering the Monitor to make one or more distributions at such times and in such amounts as the Monitor considers appropriate to the Administrative Agent from the Administrative Reserve;
 - (b) releasing and terminating the Directors' Charge;
 - (c) granting a release in favour of the current and former directors of the Original Applicants as of May 27, 2026 (the “**Closing Date**”) in respect of the Released Claims;
 - (d) extending the Stay Period to and including January 29, 2027;
 - (e) approving the Sixth Report, and the actions, conduct and activities of the Monitor referred to therein; and
 - (f) approving the fees and disbursements of the Monitor and its counsel as described in the fee affidavits attached to the Sixth Report.
- [3] A number of orders have previously been made in this proceeding. Including on April 16, 2026, an approval and reverse vesting order (the “**ARVO**”) was made approving a going-concern sale of substantially all of the business and assets of the Original Applicants (the “**Transaction**”) pursuant to a subscription agreement between Iovate Holdings and 1001542267 Ontario Inc. A Distribution, Stay Extension and Ancillary Relief Order was also made that day which, among other things, authorized the Monitor to make one or more distributions to Royal Bank of Canada as agent (the “**Administrative Agent**”) for a syndicate of lenders (the “**Lenders**”), subject to the Monitor retaining a reserve in an amount to be agreed to by the Monitor and the Administrative Agent, acting reasonably.
- [4] The Transaction closed on May 27, 2026. Following initial distributions, the Monitor understands that in excess of \$26.2 million remains owing to the Lenders under the Credit Agreement (the “**Indebtedness**”). The Monitor retained a) \$1,900,000 to fund the wind-down and termination of these proceedings and a claims process in respect of the Potential D&O Claims (the “**Administrative Reserve**”); and b) CAD\$1,310,000, being the maximum amount of the Directors' Charge, to collateralize the Directors' Charge, which had not been released as at closing (the “**Directors' Charge Holdback**”).

- [5] Through the course of these proceedings, the Monitor was advised by two parties that they were contemplating post-filing claims against certain of the Directors and Officers of the Original Applicants (the “**Potential D&O Claims**”): the Administrative Agent and Xiwang Foodstuffs Co., Ltd. (“**Xiwang Foodstuffs**”), the indirect majority shareholder of the Original Applicants. The Monitor has had further discussions with both parties, and understands that both parties have also had direct discussions with each other, in each case regarding the Potential D&O Claims. As a result of these discussions, both the Administrative Agent and Xiwang Foodstuffs have confirmed to the Monitor that they do not intend to pursue a post-filing claim against the Directors and Officers of the Original Applicants that could benefit from the Directors' Charge, without prejudice to each of their rights to pursue such other claims against the Directors and Officers of the Original Applicants.
- [6] The Monitor is of the view that it is reasonable and appropriate at this time to release the Directors' Charge without running a claims process, release such Directors and Officers from the Released Claims and for the Monitor to distribute the amount it has held back to satisfy the Directors' Charge to the Administrative Agent. I agree. The proposed D&O Release only releases claims relating to the period between the Filing Date and the Closing Date, and does not release claims that cannot be compromised pursuant to subsections 5.1(2) or 19(2) of the CCAA. The Released Parties have facilitated and contributed to these CCAA proceedings, which ultimately saw the Original Applicants' business continue until such time as it was sold for the benefit of a variety of stakeholders including creditors, suppliers, customers and employees. Given the corresponding release of the Directors' Charge, I am satisfied that the requested release is appropriate and the factors to be considered by this grant in granting third parties releases (see *Lydian International Limited (Re)*, 2020 ONSC 4006 at para. 54) support the relief requested. Counsel also advises that the applicable directors have been served. No person appears today to raise any opposition to this relief.
- [7] Given the proposed release and termination of the Directors' Charge and resolution of the Potential D&O Claims, the Monitor, in consultation with the Administrative Agent, has reviewed the estimated costs of completing the remaining matters in these proceedings and is of the view that the Administrative Reserve may be reduced to \$550,000. As the Lenders remain owed in excess of \$26.2 million, the Monitor is of the view that it is reasonable and appropriate to distribute the amounts being released from the Administrative Reserve, and the funds securing the Directors' Charge to the Administrative Agent, on behalf of the Lenders. I agree.
- [8] The Stay Period currently expires on October 30, 2026 and the Monitor seeks to extend the Stay Period to January 29, 2027. Pursuant to s. 11.02(2) of the CCAA, this Court is empowered to extend the stay of proceedings granted to a debtor company. The Court must consider whether: (a) the order sought is appropriate in the circumstances; and (b) the applicant has been acting in good faith and with due diligence. The requested extension is intended to provide the Monitor, time necessary to address outstanding issues including the adjourned WEPP Relief as described in the Sixth Report. As well, Residual Co., which is the only remaining Applicant in these proceedings, with the assistance and oversight of the Monitor, has been acting, and continues to act, in good faith and with due diligence. The evidence is that no creditor will be materially prejudiced by the proposed extension of the Stay Period and that the Monitor is holding the Administrative Reserve which is projected to provide sufficient liquidity to fund the expenses in these CCAA proceedings through the extension of the Stay Period. Accordingly, the requested stay extension is approved.
- [9] The request to approve the Sixth Report is not unusual and there are good policy and practical reasons for doing so: see *Laurentian University of Sudbury*, 2022 ONSC 2927 at paras. 13-14, citing *Target Canada*

Co. (Re), 2015 ONSC 7574 at paras. 2, 12, 22. No opposition to the approval of the Sixth Report has been raised and the approval of the Sixth Report is appropriate in the circumstances as the Monitor has acted reasonably and in good faith. The draft order provided contains the typical language that only the Monitor is entitled to rely on the approval.

[10] The Monitor also seeks approval of the fees and disbursements of the itself and its legal counsel as set out in the fee affidavits attached to the Sixth Report. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the property and liabilities as well as the complexity of the Proceeding. In considering these guiding principles, the fees of the Monitor and its counsel are appropriate and are approved.

[11] Order to go in the form signed by me this day with immediate effect.

Date: Sep 22, 2026



Justice J. Dietrich