

**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 A PLAN OF COMPROMISE OR ARRANGEMENT OF
2807727 ALBERTA LTD.**

Applicant

FACTUM OF THE MONITOR

September 20, 2026

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TO: THE SERVICE LIST

PART I - NATURE OF THE MOTION

1. On September 5, 2025, Iovate Health Sciences International Inc. (“**Iovate International**”), Iovate Health Sciences U.S.A. Inc., and Northern Innovations Holding Corp. (collectively, the “**NOI Applicants**”) each filed a notice of intention to make a proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). On October 31, 2025, this Court granted an order (the “**Initial Order**,” and as amended on November 28, 2025, the “**ARIO**”) granting the NOI Applicants, Xiwang Iovate Holdings Company Limited (“**Iovate Holdings**”), and Iovate Health Sciences Australia PTY Ltd (collectively, the “**Original Applicants**”) protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). By the same order, this Court appointed AlixPartners Restructuring, Inc.¹ (“**Alix**”) as the monitor of the Original Applicants (in such capacity, the “**Monitor**”).

2. Since the commencement of these proceedings, this Court has granted various orders, including orders approving a sale and investment solicitation process (the “**SISP**”), enhancing the Monitor’s powers, and approving the Transaction (as defined below) that had emerged from the SISP.

3. To continue to move these CCAA proceedings toward an orderly resolution, the Monitor seeks an order (the “**Distribution and Fee Approval Order**”), among other things:

¹ Effective June 1, 2026, AlixPartners Restructuring, Inc. was substituted in place of KSV Restructuring Inc. as Court Officer in these proceedings pursuant to an order dated June 3, 2026 issued by the Ontario Superior Court of Justice (Commercial List). The professionals involved in the Monitor’s mandate from the outset remain unchanged.

- (a) authorizing and empowering the Monitor to make one or more distributions at such times and in such amounts as it considers appropriate to the Administrative Agent, on behalf of the Lenders, from the Administrative Reserve (each as defined below);
- (b) releasing and terminating the Court-ordered priority charge granted on the Property in favour of the Directors and Officers (each as defined in the ARIO) of the Original Applicants in the amount of CAD\$1,310,000 (the “**Directors’ Charge**”);
- (c) granting a release (the “**D&O Release**”) in favour of the current and former directors of the Original Applicants as of the Closing Date in respect of the Released Claims (each as defined below);
- (d) extending the stay period to and including January 29, 2027;
- (e) approving the fees and disbursements of the Monitor and its counsel, Osler, Hoskin & Harcourt LLP (“**Osler**”); and
- (f) approving the Sixth Report of the Monitor dated September 16, 2026 (the “**Sixth Report**”) and the activities of the Monitor described therein.

4. Granting the Distribution and Fee Approval Order is a critical step in the orderly resolution of these CCAA proceedings. In light of the Monitor’s progress toward resolving the Potential D&O Claims (as defined below), and given the contributions of the Released Parties (as defined below) to this restructuring, it is reasonable and appropriate to release the Directors’ Charge, grant the D&O Releases, and authorize the Monitor to distribute to the Administrative Agent the amounts it had held back to satisfy the Directors’ Charge and address related matters.

5. Approving the Sixth Report and the Monitor's activities, along with the fees and disbursements of the Monitor and its counsel, is also fair and reasonable in the circumstances. Finally, extending the stay period is necessary and appropriate to provide additional time for the release of an Ontario Court of Appeal decision that may be relevant to the WEPP Relief (as defined below).

PART II - THE FACTS

A. Background to the CCAA proceedings

6. Prior to the closing of the Transaction, the Original Applicants were part of a group of companies engaged in the development, production, and sale of health and nutrition products in Canada, the United States, and internationally.² At August 31, 2025, Iovate International's indebtedness to a syndicate of lenders (the "**Lenders**") under an amended and restated credit agreement dated June 30, 2021 (the "**Credit Agreement**") amounted to approximately \$115.8 million.³

7. On September 5, 2025, the NOI Applicants each filed an NOI under the BIA after receiving demand letters from the Lenders, among other issues.⁴ On October 31, 2025, this Court granted the Initial Order under the CCAA, which included a stay of proceedings in favour of the Original Applicants and five related foreign entities (the "**Non-Applicant Stay Parties**").⁵

² Sixth Report at para. 2.0(1). Capitalized terms used but not otherwise defined herein are as defined in the Sixth Report. Unless otherwise noted, all currency references herein are in US Dollars.

³ Fourth Report of the Monitor dated April 9, 2026 at para. 6.1(1)-(2) (the "**Fourth Report**"); Sixth Report at para. 2.0(3).

⁴ Affidavit of Wesley Parris sworn October 29, 2025 at paras. 151, 153-154 (the "**October 29 Parris Affidavit**"); Sixth Report at para. 1.0(1).

⁵ The Non-Applicant Stay Parties consist of: Infinity Insurance Co. Ltd., Iovate Health Sciences Europe Limited, Muscletech LLC, XP Sports LLC and SimpleVita Nutrition LLC.: Sixth Report at para.1.0(1).

8. Since the commencement of these proceedings, this Court has granted various orders, including orders approving the SISP, enhancing the Monitor’s powers, granting Court-ordered priority charges on the Property, authorizing distributions, and extending the stay of proceedings.⁶

9. On April 16, 2026, the Court granted: (a) an approval and reverse vesting order (the “**ARVO**”) 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.; and (b) the “**Ancillary Relief Order**,” which, among other things, authorized the Monitor to make one or more distributions to Royal Bank of Canada as agent (the “**Administrative Agent**”) for 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.⁷

10. On June 25, 2026, on the recommendation of the Monitor in its Fifth Report dated June 19, 2026 (the “**Fifth Report**”), the Court granted an order that, among other things, extended the stay period to and including October 30, 2026.⁸

B. Post-closing matters

11. The Transaction closed on May 27, 2026 (the “**Closing Date**”).⁹ On the Closing Date, 2807727 Alberta Ltd. (“**Residual Co.**”) was added as an applicant in these proceedings, and each of the Original Applicants and the Non-Applicant Stay Parties was removed from the purview of the ARIO and all other orders granted in these proceedings, except for the terms of the ARVO.

⁶ Sixth Report at para. 1.0(4).

⁷ Sixth Report at para. 1.0(5).

⁸ Sixth Report at para. 1.0(7).

⁹ Sixth Report at para. 1.0(6).

Residual Co. is now the only remaining applicant in these CCAA proceedings. It is not an operating entity and has no employees.¹⁰

12. Following closing, the Monitor facilitated certain distributions from the US\$90 million in cash proceeds of the Transaction: (a) a distribution of approximately \$87.1 million to the Administrative Agent, on behalf of the Lenders; and (b) distributions to the beneficiaries of the Sales Agent Charge and the KERP Charge (as defined in the ARIO), which have each since been automatically released and terminated in accordance with the Ancillary Relief Order.¹¹

13. In consultation with the Administrative Agent, the Monitor retained the following amounts from the purchase price under the Transaction:

- (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 (the maximum amount of the Directors’ Charge) to collateralize the Directors’ Charge, which had not been released as at closing.¹²

14. Taking into account the distribution made following the closing of the Transaction, and the principal payments of \$2.5 million previously made to the Administrative Agent pursuant to an order of this Court dated February 2, 2026, the Monitor understands that in excess of \$26.2 million remains owing to the Lenders under the Credit Agreement (the “**Indebtedness**”) (before accounting for interest that has continued to accrue).¹³

¹⁰ Sixth Report at para. 2.0(2).

¹¹ Sixth Report at para. 2.0(3).

¹² Sixth Report at para. 2.0(5).

¹³ Sixth Report at para. 2.0(4).

15. As of the date of the Sixth Report, the Monitor holds approximately \$2,850,000, which is comprised of: (a) the Administrative Reserve of approximately \$1,900,000, which includes estimated amounts to cover the professional fees arising in connection with the completion of these proceedings and any bankruptcy of Residual Co.; and (b) and the Directors' Charge of CAD\$1,310,000, converted to USD.¹⁴

C. Update on the CCAA proceedings

(a) The WEPP Relief

16. In its Fifth Report, the Monitor described certain relief that it was seeking with respect to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47 (the “**WEPP Relief**”). At a hearing before this Court on June 25, 2026, the Monitor advised this Court that the Attorney General of Canada (the “**Attorney General**”) had informed the Monitor that it would oppose the WEPP Relief. The Monitor accordingly agreed to adjourn the WEPP Relief to a future date.¹⁵

17. As of the date of the Fifth Report, the Monitor was aware of a decision (the “**WEPP Decision**”) then pending before this Court that the Monitor anticipated may be relevant to the availability of the WEPP Relief. The Monitor understands that the WEPP Decision has since been issued, and that the Attorney General has sought leave to appeal it before the Ontario Court of Appeal.¹⁶ The WEPP Relief remains adjourned at this time.¹⁷

(b) The Potential D&O Claims

18. Pursuant to the ARIO: (a) the Original Applicants indemnified their Directors and Officers against obligations and liabilities incurred in that capacity after the commencement of these

¹⁴ Sixth Report at para. 4.0(1).

¹⁵ Sixth Report at para. 2.0(6).

¹⁶ Sixth Report at para. 2.0(7).

¹⁷ Sixth Report at para. 2.0(8).

proceedings, other than as a result of gross negligence or wilful misconduct (the “**D&O Indemnity**”); and (b) the Directors and Officers were granted the Directors’ Charge in an aggregate amount not to exceed CAD\$1,310,000 as security for the D&O Indemnity.¹⁸

19. Through the course of these proceedings, two parties—the Administrative Agent and Xiwang Foodstuffs Co., Ltd. (“**Xiwang Foodstuffs**”), the indirect majority shareholder of the Original Applicants—advised the Monitor that they were contemplating making post-filing claims against certain Directors and Officers of the Original Applicants (the “**Potential D&O Claims**”).¹⁹ In the Fifth Report, the Monitor advised that it was aware of these Potential D&O Claims, and that it would return to Court to seek further relief with respect to the Directors’ Charge and the potential claims against the Directors and Officers after completing its review of information in relation to the Potential D&O Claims.²⁰

20. The Monitor has since had further discussions with the Administrative Agent and Xiwang Foodstuffs regarding the Potential D&O Claims, and understands that they have also had direct discussions with one another. As a result of these discussions, both parties 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.²¹

21. As discussed in further detail below, the Monitor has determined that it is reasonable and appropriate at this time to release the Directors’ Charge without running a claims process.²²

¹⁸ Sixth Report at para. 3.0(1).

¹⁹ Sixth Report at para. 3.0(3).

²⁰ Sixth Report at para. 3.0(2).

²¹ Sixth Report at para. 3.0(3).

²² Sixth Report at para. 3.0(5).

Although the Monitor has not investigated the merits of the Potential D&O Claims, it has concluded that the cost of such an investigation—which would ultimately be borne by the Lenders—is neither necessary nor desirable in circumstances where neither the Administrative Agent nor Xiwang Foodstuffs Co. intends to advance the Potential D&O Claims.²³

PART III - THE ISSUES

22. The issues to be considered on this motion are whether this Court should:

- (a) approve the D&O Release;
- (b) authorize the proposed distribution;
- (c) approve the Sixth Report and the Monitor’s activities described therein;
- (d) approve the accounts of the Monitor and its counsel; and
- (e) extend the stay period to and including January 29, 2027.

PART IV - THE LAW

A. The D&O Release should be granted

23. The proposed Distribution and Fee Approval Order would release the current and former directors and officers of the Original Applicants as of the Closing Date (the “**Released Parties**”) from: (i) any right or claim of any person that may be asserted or made in whole or in part against one or more of the Released Parties that relates to a claim for which such Released Parties are by law liable to pay in their capacity as directors or officers; or (ii) any right or claim of any person that may be asserted or made in whole or in part against one or more Released Parties, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or

²³ Sixth Report at para. 3.0(4).

obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof (collectively, the “**Released Claims**”); provided in respect of (i) and (ii) above the Released Claims are: (A) based in whole or in part on facts existing between October 31, 2025 (the “**Filing Date**”) and the Closing Date or (B) relates to a time period between the Filing Date and the Closing Date and provided further that the Released Claims do not include a claim that cannot be compromised pursuant to subsections 5.1(2) or 19(2) of the CCAA. The D&O Release does not release any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.²⁴

24. This Court’s jurisdiction to issue orders approving third-party releases (*i.e.*, releases in favour of parties other than the CCAA debtor company) outside the context of a plan is well-established. For example, as the Québec Superior Court noted in *Blackrock Metals*, it “is now commonplace for third-party releases, in favor of parties to a restructuring, their professional advisors as well as their directors, officers and others, to be approved outside of a plan in the context of a transaction.”²⁵ In the reverse vesting order context, for instance, courts have granted broad releases in favour of directors and officers, and subsequently terminated the directors’ charge without running a claims process in respect of potential claims against the directors and officers.²⁶ Similarly, CCAA courts have granted releases in favour of directors and officers and discharged directors’ charges in connection with the termination of CCAA proceedings.²⁷

²⁴ Draft Distribution and Fee Approval Order at para. 10, Tab 3 to the Motion Record of the Monitor dated September 16, 2026 (the “**Draft Distribution and Fee Approval Order**”).

²⁵ *Arrangement relatif à Blackrock Metals Inc.*, [2022 QCCS 2828](#) at para. 128, leave to appeal ref’d [2022 QCCA 1073](#), leave to appeal ref’d [2023 CanLII 36969](#) (SCC).

²⁶ See, e.g., *Contract Pharmaceuticals Limited et al (Re)* (17 April 2024), Toronto CV-23-711401-00CL (ONSC) ([Approval and Reverse Vesting Order](#)) at para. 24 and *Contract Pharmaceuticals Limited et al (Re)* (17 September 2024), Toronto CV-23-00711401-00CL (ONSC) ([CCAA Termination Order](#)) at para. 5.

²⁷ See, e.g., *2688182 Alberta Inc. (Re)* (15 May 2025), Toronto CV-25-00734339-00CL (ONSC) ([Expansion of Monitor’s Powers and CCAA Termination Order](#)) at paras. 13, 21 and the accompanying endorsement, *In the Matter of a Plan of Compromise of Arrangement of 2688182 Alberta Inc* (15 May 2025), Toronto CV-25-00734339-00CL (ONSC) ([Endorsement](#)) at paras. 7-12; *Aleafia Health Inc. et al (Re)* (1 March 2024), Toronto CV-23-00703350-00CL (ONSC) ([CCAA Termination Order](#)) at paras. 11, 22 and the accompanying

Circumstances supporting the release of directors and officers in connection with a CCAA termination include situations where the release would facilitate the distribution of funds that would otherwise be held back for a charge to secure an indemnity in their favour.²⁸

25. The factors courts consider when granting third-party releases in CCAA proceedings are well-established: (i) whether the parties to be released were necessary and essential to the restructuring of the debtor; (ii) whether the claims to be released are rationally connected to the purpose of the restructuring and necessary for it; (iii) whether the restructuring could succeed without the releases; (iv) whether the parties being released contributed to the restructuring; and (v) whether the releases benefit the debtors as well as the creditors generally.²⁹

26. The proposed D&O Release satisfies these factors. 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.³⁰ The Monitor is not aware of any party that opposes the releases. Further, the D&O Release is appropriately tailored and consistent with the scope of releases granted in favour of directors and officers in other proceedings. 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.

endorsement, *Aleafia Health Inc. et al (Re)* (1 March 2024), Toronto CV-23-00703350-00CL (ONSC) ([Endorsement](#)) at paras. 5, 7-12; *Biosteel Sports Nutrition Inc. et al (Re)* (31 July 2024), Toronto CV-23-00706033-00CL (ONSC) ([CCAA Termination Order](#)) at paras. 9, 16 and the accompanying endorsement, *Biosteel Sports Nutrition Inc. et al (Re)* (31 July 2024), Toronto CV-23-00706033-00CL (ONSC) ([Endorsement](#)) at paras. 2, 10-12.

²⁸ *ENTREC Corporation (Re)*, [2020 ABQB 751](#) at paras. 8-9.

²⁹ *Lydian International Limited (Re)*, [2020 ONSC 4006](#) at para. 54.

³⁰ Sixth Report at para. 3.0(5).

27. Granting the D&O Release is rationally connected to this restructuring, as it would permit the Monitor to release the Directors' Charge and distribute to the Administrative Agent the amount that it had held back to satisfy the Directors' Charge (as discussed below).³¹ Without the D&O Release, the Monitor would be required to run a claims process in respect of any post-filing claims against the Directors and Officers. Such a process would be neither necessary nor desirable and would only erode the Lenders' collateral, however: parties have had ample opportunity to indicate to the Monitor whether they were seeking to bring such a claim, and the two parties who would be most familiar with whether any post-filing claim against the Directors and Officers would be warranted have decided not to pursue such a claim.³²

B. The proposed distribution should be authorized

28. The Monitor seeks authorization to make one or more distributions at such times and in such amounts as the Monitor considers appropriate to the Administrative Agent, on behalf of the Lenders, from the Administrative Reserve.³³

29. As of the date of the Sixth Report, the Monitor is holding approximately \$2,850,000, which is comprised of: (a) the Administrative Reserve of approximately \$1,900,000, which includes estimated amounts to cover the professional fees arising in connection with the completion of these proceedings and any bankruptcy of Residual Co.; and (b) and the Directors' Charge (CAD\$1,310,000), converted to USD.³⁴

30. As these CCAA proceedings have progressed, Monitor, in consultation with the Administrative Agent, has reviewed the estimated costs of completing the remaining matters in

³¹ Sixth Report at para. 3.0(5).

³² Sixth Report at para. 3.0(3).

³³ Sixth Report at para. 1.1(1)(d).

³⁴ Sixth Report at para. 4.0(1).

these proceedings. In light of the proposed resolution of the Potential D&O Claims through the D&O Release (as discussed above), the Monitor is of the view that the Administrative Reserve may be reduced from approximately \$1,900,000 to \$550,000,³⁵ and that the Directors' Charge of CAD\$1,310,000 should be released.³⁶ The Monitor therefore seeks authorization 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.³⁷

31. Courts may authorize a distribution of available cash to creditors during pending CCAA proceedings under s. 11 in the absence of a plan, with reference to facts like the validity of a secured creditor's security, the amount outstanding, and the effect on stakeholders.³⁸ This Court cited similar factors in approving previous distributions to the Administrative Agent on behalf of the Lenders.³⁹

32. The proposed distribution to the Administrative Agent is reasonable and appropriate in light of these factors. The Lenders were the Original Applicants' only secured creditors.⁴⁰ The Monitor has received opinions from its Canadian and US counsel as to the respective validity of the security granted by the applicable security documents.⁴¹ The proposed distribution would not exceed the full amount of the Indebtedness under the Credit Agreement, which the Monitor understands exceeds \$26.2 million.⁴² Further, the Administrative Reserve that the Monitor will

³⁵ Sixth Report at para. 4.0(1).

³⁶ Sixth Report at paras. 3.0(5), 4.0(1).

³⁷ Sixth Report at para. 4.0(3).

³⁸ See, e.g., *Hudson's Bay Company, Re*, [2025 ONSC 2903](#) at paras. 17-23; *In the Matter of BZAM Ltd.* (15 October 2024), Toronto CV-24-00715773-00CL (ONSC) ([Endorsement](#)) at para. 16.

³⁹ *Iovate Health Sciences International Inc. et al (Re)* (16 April 2026), Toronto BK-25-03268936-0031 (ONSC) ([Endorsement](#)) at para. 23.

⁴⁰ October 29 Parris Affidavit at para. 109.

⁴¹ Fourth Report at para. 6.1(4).

⁴² Sixth Report at para. 2.0(4).

retain after the planned distribution is projected to provide sufficient liquidity to fund the expenses in these CCAA proceedings through the extension of the stay period.⁴³

C. The Monitor's activities and report should be approved

33. The Monitor seeks approval of the Sixth Report and the actions, conduct and activities of the Monitor described therein.⁴⁴

34. This Court has noted that requests to approve a monitor's reports and activities are "not unusual," and there are "good policy and practical reasons" for the court to do so, including: (a) allowing the monitor to move forward with next steps in the CCAA proceeding; (b) allowing the monitor to bring its activities before the Court; (c) enabling the Court to satisfy itself that a monitor's activities have been conducted in a prudent and diligent manner; (d) providing protection for a monitor not otherwise provided by the CCAA; and (e) protecting creditors from delay that may be caused by re-litigation of steps.⁴⁵

35. Since the Fifth Report, the Monitor has engaged in activities including: (a) corresponding with the advisors of the Administrative Agent and Xiwang Foodstuffs in respect of the Potential D&O Claims; (b) corresponding with the Administrative Agent and its advisors regarding all ongoing matters in these proceedings, including the WEPP Relief and funds held back on closing; (c) reviewing the costs required to complete these proceedings and agreed to the revised Administrative Reserve with the Administrative Agent; (d) responding to inquiries from former

⁴³ Sixth Report at para. 5.0(4)(d).

⁴⁴ Sixth Report at para. 1.1(1)(d).

⁴⁵ *Laurentian University of Sudbury*, [2022 ONSC 2927](#) at paras. 13-14, citing *Target Canada Co. (Re)*, [2015 ONSC 7574](#) at paras. 2, 12, 22.

employees of the Original Applicants regarding their claims and entitlements, including in respect of the WEPP Relief; and (e) with the assistance of its legal counsel, drafting the Sixth Report.⁴⁶

36. The Sixth Report and the applicable activities described therein should be approved. The activities of the Monitor have been carried out in accordance with the orders of this Court, and the Monitor has acted reasonably and in good faith throughout. Further, the proposed Distribution and Fee Approval Order is properly limited such that “only AlixPartners, in its capacity as Monitor and in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.”⁴⁷

D. The accounts of the Monitor and its counsel should be approved

37. The ARIO provides that the Monitor and its legal counsel are to be paid their reasonable fees and disbursements, at their standard rates and charges, by the Applicants as part of the costs of these CCAA proceedings, and are required to pass their accounts from time to time.⁴⁸ In accordance with the ARIO, the Monitor seeks approval of the following professional fees and disbursements that have not yet been approved by this Court:

- (a) the total fees of Alix during the period from May 21, 2026 to August 31, 2026, amounting to CAD\$79,484.00, together with disbursements in the amount of CAD\$2,411.85 (each excluding HST); and

⁴⁶ Sixth Report at para. 6.0(1).

⁴⁷ Draft Distribution and Fee Approval Order at para. 11.

⁴⁸ *Xiwan Iovate Holdings Company Limited et al (Re)* (28 November 2025), Toronto BK-25-03268936-0031 ([Amended and Restated Initial Order](#)) at paras. 41-42.

- (b) the total fees of Osler during the period from May 7, 2026 to August 31, 2026, amounting to CAD\$269,280.00, together with disbursements in the amount of CAD\$876.31 (each excluding HST).⁴⁹

38. In considering whether to approve fees and disbursements, courts have regard to the “overriding principle of reasonableness,” and do not engage in a docket-by-docket or line-by-line assessment of the accounts.⁵⁰ The following factors assist a court in assessing the reasonableness of the Monitor’s fees: (a) the nature, extent and value of the assets being handled; (b) the complications and difficulties encountered; (c) the degree of assistance provided by the company, its officers or its employees; (d) the time spent; (e) the Monitor’s knowledge, experience and skill; (f) the diligence and thoroughness displayed; (g) the responsibilities assumed; (h) the results achieved; and (i) the cost of comparable services when performed in a prudent and economical manner.⁵¹

39. This Court should approve the fees and disbursements of the Monitor and its counsel. The Monitor is of the view that the hourly rates charged by Osler are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Osler’s billings reflect work performed consistent with the Monitor’s instructions, and that the overall fees charged by Osler and the Monitor are reasonable and appropriate in the circumstances.⁵²

E. The stay period should be extended

⁴⁹ Sixth Report at para. 7.0(2)-(3).

⁵⁰ *Nortel Networks Inc.*, [2022 ONSC 6680](#) at para. 10 [*Nortel*].

⁵¹ *Nortel* at para. 11.

⁵² Sixth Report at para. 7.0(5).

40. This Court is authorized to extend a CCAA stay pursuant to subsection 11.02(2) of the CCAA, provided that the two considerations outlined in subsection 11.02(3) are satisfied. These are: (a) circumstances exist that make the order appropriate; and (b) the applicant has acted, and is acting, in good faith and with due diligence. Both of the subsection 11.02(3) factors are satisfied.

41. The current stay period is set to expire on October 30, 2026.⁵³ The Monitor is requesting an extension of the stay period to and including January 29, 2027. The extension is necessary and appropriate in the circumstances to provide additional time for the Ontario Court of Appeal's decision to be released as to whether to grant the Attorney General leave to appeal the WEPP Decision, as the Monitor understands that this may take up to several months.⁵⁴ The Court of Appeal's decision will be a relevant factor for the Monitor to consider when determining appropriate steps with respect to the adjourned WEPP Relief.⁵⁵

42. 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.⁵⁶ 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.⁵⁷ As of the date of the Sixth Report, the Monitor is not aware of any party opposed to the extension of the stay period.⁵⁸ The Monitor does not believe that any creditor will be materially prejudiced by the proposed extension of the stay period.⁵⁹

⁵³ Sixth Report at para. 1.0(7).

⁵⁴ Sixth Report at para. 5.0(2)-(3).

⁵⁵ Sixth Report at para. 5.0(3).

⁵⁶ Sixth Report at para. 5.0(4)(b).

⁵⁷ Sixth Report at para. 5.0(4)(d). A cash flow forecast was not provided in the Sixth Report, as Residual Co. is not an operating entity, and the Monitor anticipates that the only costs will be the professional fees in respect of these proceedings: Sixth Report at para. 5.0(5).

⁵⁸ Sixth Report at para. 5.0(4)(e).

⁵⁹ Sixth Report at para. 5.0(4)(c).

PART V - RELIEF REQUESTED

43. The Monitor requests that this Court grant the proposed Distribution and Fee Approval Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of September, 2026.



OSLER, HOSKIN & HARCOURT, LLP
per Laura Culleton

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Lawyers for the Monitor, AlixPartners
Restructuring, Inc.

SCHEDULE “A”

LIST OF AUTHORITIES

1. 2688182 *Alberta Inc. (Re)* (15 May 2025), Toronto CV-25-00734339-00CL (ONSC) ([Expansion of Monitor’s Powers and CCAA Termination Order](#))
2. *Aleafia Health Inc. et al (Re)* (1 March 2024), Toronto CV-23-00703350-00CL (ONSC) ([CCAA Termination Order](#))
3. *Aleafia Health Inc. et al (Re)* (1 March 2024), Toronto CV-23-00703350-00CL (ONSC) ([Endorsement](#))
4. *Arrangement relatif à Blackrock Metals Inc.*, [2022 QCCS 2828](#), leave to appeal ref’d [2022 QCCA 1073](#), leave to appeal ref’d [2023 CanLII 36969](#) (SCC)
5. *Biosteel Sports Nutrition Inc. et al (Re)* (31 July 2024), Toronto CV-23-00706033-00CL (ONSC) ([CCAA Termination Order](#))
6. *Biosteel Sports Nutrition Inc. et al (Re)* (31 July 2024), Toronto CV-23-00706033-00CL (ONSC) ([Endorsement](#))
7. *Contract Pharmaceuticals Limited et al (Re)* (17 April 2024), Toronto CV-23-711401-00CL (ONSC) ([Approval and Reverse Vesting Order](#))
8. *Contract Pharmaceuticals Limited et al (Re)* (17 September 2024), Toronto CV-23-00711401-00CL (ONSC) ([CCAA Termination Order](#))
9. *ENTREC Corporation (Re)*, [2020 ABQB 751](#)
10. *Hudson’s Bay Company, Re*, [2025 ONSC 2903](#)
11. *In the Matter of BZAM Ltd.* (15 October 2024), Toronto CV-24-00715773-00CL (ONSC) ([Endorsement](#))
12. *In the Matter of a Plan of Compromise of Arrangement of 2688182 Alberta Inc* (15 May 2025), Toronto CV-25-00734339-00CL (ONSC) ([Endorsement](#))
13. *Iovate Health Sciences International Inc. et al (Re)* (16 April 2026), Toronto BK-25-03268936-0031 (ONSC) ([Endorsement](#))
14. *Laurentian University of Sudbury*, [2022 ONSC 2927](#)
15. *Lydian International Limited (Re)*, [2020 ONSC 4006](#)
16. *Nortel Networks Inc.*, [2022 ONSC 6680](#)
17. *Target Canada Co. (Re)*, [2015 ONSC 7574](#)
18. *Xiwang Iovate Holdings Company Limited et al (Re)* (28 November 2025), Toronto BK-25-03268936-0031 ([Amended and Restated Initial Order](#))

I certify that I am satisfied as to the authenticity of every authority, and I am satisfied that every quotation from an authority that appears in the factum accurately reproduces the text of the authority.

Date September 20, 2026



Signature

SCHEDULE “B”
TEXT OF STATUTES, REGULATIONS & BY-LAWS

Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36

Claims against directors — compromise

5.1 (1) A compromise or arrangement made in respect of a debtor company may include in its terms provision for the compromise of claims against directors of the company that arose before the commencement of proceedings under this Act and that relate to the obligations of the company where the directors are by law liable in their capacity as directors for the payment of such obligations.

Exception

(2) A provision for the compromise of claims against directors may not include claims that

(a) relate to contractual rights of one or more creditors; or

(b) are based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors.

[...]

General power of court

11 Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

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

(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.

[...]

Claims that may be dealt with by a compromise or arrangement

19 (1) Subject to subsection (2), the only claims that may be dealt with by a compromise or arrangement in respect of a debtor company are

(a) claims that relate to debts or liabilities, present or future, to which the company is subject on the earlier of

(i) the day on which proceedings commenced under this Act, and

(ii) if the company filed a notice of intention under section 50.4 of the *Bankruptcy and Insolvency Act* or commenced proceedings under this Act with the consent of inspectors referred to in section 116 of the *Bankruptcy and Insolvency Act*, the date of the initial bankruptcy event within the meaning of section 2 of that Act; and

(b) claims that relate to debts or liabilities, present or future, to which the company may become subject before the compromise or arrangement is sanctioned by reason of any obligation incurred by the company before the earlier of the days referred to in subparagraphs (a)(i) and (ii).

Exception

(2) A compromise or arrangement in respect of a debtor company may not deal with any claim that relates to any of the following debts or liabilities unless the compromise or arrangement explicitly provides for the claim's compromise and the creditor in relation to that debt has voted for the acceptance of the compromise or arrangement:

(a) any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order, imposed by a court in respect of an offence;

(b) any award of damages by a court in civil proceedings in respect of

(i) bodily harm intentionally inflicted, or sexual assault, or

- (ii)** wrongful death resulting from an act referred to in subparagraph (i);
- (c)** any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity or, in Quebec, as a trustee or an administrator of the property of others;
- (d)** any debt or liability resulting from obtaining property or services by false pretences or fraudulent misrepresentation, other than a debt or liability of the company that arises from an equity claim; or
- (e)** any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (d).

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2807727 ALBERTA LTD.

Court File No.: BK-25-03268936-0031

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

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