

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ARXX CORPORATION,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 13-13313 (KJC)

(Jointly Administered)

Ref. Docket No.: 8

ORDER GRANTING RECOGNITION AND RELATED RELIEF

THIS MATTER was brought before the Court by Duff & Phelps Canada Restructuring Inc., the court-appointed receiver (the “**Receiver**”) and authorized foreign representative of ARXX Corporation; ARXX Building Products Inc.; ARXX Building Products U.S.A. Inc.; ECB Holdings, LLC; APS Holdings, LLC; Unisas Holdings, LLC; and Eco-Block International, LLC (collectively, the “**ARXX Debtors**”).¹ The ARXX Debtors are in a proceeding (the “**Canadian Proceeding**”) under Canada's *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, pending before the Ontario Superior Court of Justice, Commercial List (the “**Ontario Court**”).

The Receiver filed the chapter 15 petitions of the ARXX Debtors on December 27, 2013 [Docket Nos. 1-7] (the “**Petitions**”), commencing the above-captioned cases (the “**Chapter 15 Cases**”) under chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “**Bankruptcy Code**”). Contemporaneously therewith, the Receiver filed the *Verified Petition for Recognition of Foreign Proceedings and Related Relief* [Docket No. 8] (the “**Verified Petition**” and collectively with the Petitions, the “**Chapter 15 Petitions**”)² seeking the entry of an order (i) recognizing the Canadian Proceeding as a “foreign main proceeding” under section 1517 of the

¹ The last four digits of the United States Tax Identification Number, or similar foreign identification number, as applicable, follow in parentheses: ARXX Corporation (8386); ARXX Building Products Inc. (3569); ARXX Building Products U.S.A. Inc. (1061); ECB Holdings, LLC (8386); APS Holdings, LLC (8386); Unisas Holdings, LLC (8386); and Eco-Block International, LLC (8386). The ARXX Debtors’ executive headquarters is located at 800 Division Street, Cobourg, ON, Canada K9A 5V2.

² Capitalized terms used but not defined herein shall have the meanings given to them in the Verified Petition.

Bankruptcy Code, (ii) applying sections 362 and 365(e) of the Bankruptcy Code in these Chapter 15 Cases, and (iii) giving full force and effect in the United States to the Order of the Ontario Court dated December 9, 2013, including any extensions or amendments thereof authorized by the Ontario Court (the “**Receivership Order**”).

At a hearing held on January 31, 2014, the Court considered and reviewed the Chapter 15 Petitions and the other pleadings and exhibits submitted by the Receiver in support thereof. Any other objections to the Chapter 15 Petitions that have not been withdrawn or resolved have been overruled.

After due deliberation and sufficient cause appearing therefore, the Court finds and concludes as follows:

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, section 1501 of the Bankruptcy Code, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated as of February 29, 2012.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P), and the Court may enter a final order consistent with Article III of the United States Constitution.

C. Venue is proper in this District pursuant to 28 U.S.C. § 1410(3) because placing venue in this District will be consistent with the interests of justice and convenience for ARXX Debtors, having regard to the relief sought by the Receiver.

D. The Receiver is a “person” within the meaning of section 101(41) of the Bankruptcy Code, and is the duly appointed “foreign representative” of the ARXX Debtors within the meaning of section 101(24) of the Bankruptcy Code.

E. The Chapter 15 Cases were properly commenced pursuant to section 1504 and 1509 of the Bankruptcy Code, and the Chapter 15 Petitions meet the requirements of sections 1504 and 1515 of the Bankruptcy Code.

F. The Canadian Proceeding is a “foreign proceeding” within the meaning of section 101(23) of the Bankruptcy Code.

G. The Canadian Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

H. The Canadian Proceeding is pending in Ontario, Canada, where each of the ARXX Debtors has an “establishment” within the meaning of section 1502(2) of the Bankruptcy Code, and as such (i) constitutes a “foreign main proceeding” pursuant to 11 U.S.C. § 1502(4) and (ii) is entitled to recognition as a foreign main proceeding pursuant to 11 U.S.C. § 1517(b)(1).

I. The Receiver is entitled, as additional relief pursuant to section 1521 of the Bankruptcy Code, to the application of section 365(e) of the Bankruptcy Code in the Chapter 15 Cases.

J. The relief granted herein is necessary and appropriate, in the interest of the public and international comity, and consistent with the public policy of the United States.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceeding is hereby recognized as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.

2. The Receivership Order (and any amendments or extensions thereof as may be granted from time to time by the Ontario Court) is hereby given full force and effect in the United States pursuant to sections 1507 and 1521 of the Bankruptcy Code.

3. To the extent not inconsistent with the Receivership Order, section 365(e) of the Bankruptcy Code applies in the Chapter 15 Cases pursuant to section 1521 of the Bankruptcy Code. Notwithstanding the foregoing, nothing in this paragraph 3 shall limit, abridge, or otherwise affect the rights afforded to Comerica Bank pursuant to paragraphs 22-25 of the Receivership Order or the ARXX Debtors’ authorizations to issue certificates substantially in the form annexed to the Receivership Order as Schedule “A” for any amount borrowed pursuant to the Receivership Order.

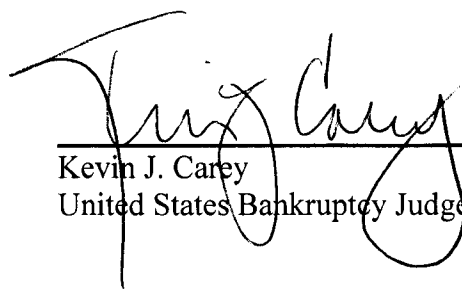
4. All other prior relief granted in this Court's *Order Granting Provisional Relief in Aid of Canadian Proceeding* [Docket No. 17] pursuant to section 1519(a) of the Bankruptcy Code is hereby extended on a final basis pursuant to section 1521(a)(6) of the Bankruptcy Code.

5. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order; any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases; and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

6. The Chapter 15 Petitions and supporting papers shall be available upon request at the offices of Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 to the attention of Beth A. Olivere.

7. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: Jan 31, 2014
Wilmington, Delaware


Kevin J. Carey
United States Bankruptcy Judge