

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

June 18, 2026

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TO: THE SERVICE LIST

To the Honourable Associate Chief Justice Jamieson, AxiPartners Restructuring, Inc. (formerly KSV Restructuring Inc.) (“**AlixPartners**”) in its capacity as Court-appointed monitor (the “**Monitor**”) of the Applicants, submits:

PART I – OVERVIEW¹

1. This brief is filed by the Monitor in support of its motion seeking an Order (the “**Stay Extension Order**”) extending the Stay until and including August 31, 2026.

PART II – FACTS

2. The facts relevant to this motion are more fully set out in the Ninth Report of the Monitor dated June 15, 2026 (the “**Ninth Report**”).

Overview

3. The Applicants are private companies incorporated under the laws of Nova Scotia.²

4. Prior to these proceedings, the primary business of the Operating Companies was the manufacturing and sale of alcoholic beverages.³ BLCL is primarily a real estate investment company.⁴

¹ Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Ninth Report of the Monitor dated June 15, 2026 [“**Ninth Report**”].

² Ninth Report at 2.1.

³ Ninth Report at 2.2.

⁴ Ninth Report at 2.3.

5. Pursuant to the Initial Order granted December 13, 2024 (as amended by the Amended and Restated Initial Order granted December 20, 2024), the Applicants were granted protection under the CCAA and AlixPartners was appointed as Monitor of the Applicants.⁵

6. The Stay was subsequently extended by Orders of this Court, including by the Ancillary and Distribution Order granted March 23, 2026, which extended the stay period until and including June 30, 2026.⁶

7. In recent months, the Monitor has been working to resolve several outstanding matters necessary to conclude these proceedings including: (a) distributions to the Applicants' creditors in these proceedings; and (b) the allocation between the Operating Companies and BLCL of (i) fees and costs of the Monitor, the Monitor's legal counsel and the Applicants' counsel incurred in these proceedings (the "**Fee Allocation**"), and (ii) a debt repayment made by BLCL to RBC prior to the commencement of these proceedings (the "**RBC Debt Repayment**") and whether the RBC Debt Repayment should be allocated to the Spirit Co (as was done by RBC) or BLCL (as proposed by the BLCL parties) (collectively, the "**Outstanding Issues**").⁷

PART III – ISSUES

8. The sole issue to be determined are whether this Court should extend the Stay until and including August 31, 2026.

⁵ Ninth Report at 1.1.

⁶ Ninth Report at 1.5.

⁷ Ninth Report at 3.1.

PART IV – SUBMISSIONS

A. Stay Extension Should be Granted

9. Pursuant to section 11.02(2) of the CCAA, the Court has jurisdiction to extend the stay of proceedings following the issuance of an initial order.⁸ 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.⁹

10. The Stay currently expires on June 30, 2026.

11. The Monitor recommends that the Stay be extended to and including August 31, 2026 for the following reasons:

- (a) the Monitor, which was granted enhanced authority pursuant to an order of the Court dated July 17, 2025, has acted in good faith and with due diligence in carrying out its enhanced powers in these proceedings;
- (b) it will provide the Monitor with additional time to either finalize a consensual resolution of the Fee Allocation or to draft materials to have the issue determined by the Court;
- (c) it will provide affected stakeholders with an opportunity to consider the RBC Debt Repayment and to respond and advance their positions, as applicable;

⁸ CCAA, [s 11.02\(2\)](#).

⁹ CCAA, [s 11.02\(3\)](#).

- (d) no stakeholder is prejudiced by the proposed extension of the Stay and there are sufficient funds on hand to fund these proceedings; and
- (e) neither the Applicants nor the Monitor are aware of any party opposed to the proposed extension of the Stay.¹⁰

12. Accordingly, the Monitor believes the requested extension of the Stay to and including August 31, 2026 is necessary and appropriate in the circumstances.

PART IV – RELIEF REQUESTED

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

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 18th day of June, 2026.



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¹⁰ Ninth Report at 5.1.

LIST OF AUTHORITIES

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.