

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF 3306133 NOVA SCOTIA LIMITED, 1003940 NOVA SCOTIA LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, BRACE CAPITAL LIMITED, BRACE HOLDINGS LIMITED AND 4648767 NOVA SCOTIA LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

3306133 Nova Scotia Limited, 1003940 Nova Scotia Limited, Headline Promotional Products Limited, Brace Capital Limited, Brace Holdings Limited and 4648767 Nova Scotia Limited

Respondents

BRIEF OF LAW

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To the Honourable Justice Keith, KSV Restructuring Inc., in its capacity as court-appointed CCAA¹ monitor (the “**Monitor**”), submits:

PART I - OVERVIEW

1. The Monitor brings this motion seeking an order, among other things: (a) approving an extension of the Stay Period to December 12, 2025; and (b) approving the Eighth Report and the Monitor’s activities described therein.

¹ Capitalized terms not defined herein have the meaning defined in the Eighth Report of the Monitor dated June 13, 2025 (the “**Eighth Report**”).

PART II - FACTS

Background²

2. The Companies are private companies incorporated under the laws of Nova Scotia.
3. The Media Companies formerly published The Chronicle Herald, the Cape Breton Post, The Telegram (St. John's) and The Guardian (Charlottetown), as well as several digital publications.
4. The Media Companies' names were changed to 1003940 Nova Scotia Limited (formerly known as The Halifax Herald Limited) and 3306133 Nova Scotia Limited (formerly known as Saltwire Network Inc.), being their original numbered companies, following completion of the Media Companies Transaction.

The Real Properties³

5. The Media Companies own the following locations (the "**Real Properties**") from which they formerly operated, each of which is currently listed for sale:
 - (a) 311 Bluewater Road, Bedford ("**Bluewater**");
 - (b) 2 Second Street, Yarmouth ("**Second Street**");
 - (c) 255 George Street, Sydney ("**George Street**"); and
 - (d) 36 Austin Street, St. John's ("**Austin Street**").

² Eighth Report, at s. 2.0, paras. 1-3.

³ Eighth Report, at s. 2.0, para. 8, s. 3.0, para. 2.

6. The status of the Real Properties is summarized below:

- (a) Bluewater and Austin Street – As discussed in the Monitor’s Fifth Report to Court dated September 30, 2024, CBRE was selected as the listing agent for Bluewater and Austin Street. CBRE commenced sale processes for both properties and has been canvassing the market, including developers, investors, financial parties and potential users.
- (b) Bluewater - As discussed in the Monitor’s Seventh Report, the large printing press that was previously housed at Bluewater was in process of being removed. The removal process was complicated due to the size of the press and its integration with building systems. The removal process has taken much longer than anticipated but is nearly complete. CBRE has re-engaged to market Bluewater and activity is expected to increase now that the press removal process is nearly complete.
- (c) Austin Street - CBRE listed the property on the Multiple Listing Service for \$5.4 million on December 12, 2024. CBRE continues to market the property and has attended several showings. As of the date of the Eighth Report, no offers for this property have been accepted.
- (d) George Street - As discussed in the Monitor’s Seventh Report, in February 2025, the Former George Street Purchaser elected to terminate the Former George Street Transaction. The \$50,000 deposit paid by the Former George Street Transaction was forfeited and paid to 3306.

On March 6, 2025, an offer to purchase the property was submitted to the Monitor, on behalf of 3306. Following discussions with Fiera, the Monitor entered into negotiations with the Prospective George Street Purchaser, resulting in a signed

agreement of purchase and sale dated March 16, 2025. A deposit of \$100,000 was paid by the Prospective George Street Purchaser and is held in trust by the realtor, Coldwell Banker Boardwalk Realty. The agreement is subject to diligence, which presently consists of a Phase II Environmental Site Assessment, is subject to Court approval, has a deadline of July 4, 2025 to waive conditions and a closing date on or before July 25, 2025, if conditions are waived.

- (e) Second Street - As discussed in the Monitor's Seventh Report, on December 16, 2024, the Companies and the Monitor executed a new listing agreement with ReMax Banner Real Estate (Yarmouth), setting the listing price at \$350,000. No offers have been accepted to date. 3306 is currently generating revenue from the property through a one-year lease with a tenant, set to expire in February 2026.

Stay Extension⁴

- 7. The Stay Period currently expires on June 27, 2025.
- 8. The Monitor recommends that the Stay Period be extended to December 12, 2025 for the following reasons, among others:
 - (a) in CCAA cases as in these proceedings where the Court has granted enhanced powers to the CCAA monitor, the monitor is held to the good faith standard otherwise applicable to the CCAA debtor(s). In that capacity, the Monitor believes it is discharging its duties and obligations under the CCAA and other orders made in these proceedings in good faith and with due diligence;

⁴ Eighth Report, at s. 7.0, paras. 1-2.

- (b) the Stay Extension will allow for the continued marketing of the Real Properties so that recoveries can be maximized in these proceedings;
- (c) the Stay Extension will allow for time to deal with the remaining wind-down activities;
- (d) the Monitor does not believe that any creditor will be prejudiced if the extension is granted as the Companies will either complete, with Court approval, a transaction for George Street or seek Court approval to provide for a further advance under the DIP Facility such that they will be able to meet their obligations; and
- (e) the Monitor is not aware of any party opposed to the requested extension.

Monitor's Activities⁵

9. Since the date of the Seventh Report, the Monitor, with the assistance of the Former COO, has, among other things:

- (a) worked with CBRE regarding the sale processes for the Real Properties;
- (b) corresponded with Coldwell with regards to George Street;
- (c) worked with Infinity and the Former COO to deal with the removal of the printing press at Bluewater;
- (d) coordinated the filing of corporate income tax returns for 2024 for each of the Media Companies;

⁵ Eighth Report, s. 6.0, para. 1.

- (e) corresponded with Canada Revenue Agency regarding the Media Companies' corporate income tax returns for 2024;
- (f) corresponded the Media Companies' HST return filings and corresponded with CRA regarding same;
- (g) monitored the Companies' receipts and disbursements and reported to Fiera as required under the Interim Financing Facility;
- (h) worked with the Former COO to extend the Companies' insurance policies related to the Real Properties; and
- (i) prepared the Eighth Report.

PART III - ISSUES AND ANALYSIS

10. The issues to be addressed on this motion are whether this Court should approve: (a) the proposed extension of the Stay Period; and (b) the Monitor's activities.

PART IV - LAW & ARGUMENT

A. Extension of the Stay Period

11. Pursuant to Section 11.02(2) of the CCAA, the Court has the jurisdiction to extend the stay of proceedings after an initial order has been made.⁶

⁶ CCAA, [s 11.02\(2\)](#).

12. The Court may not make the order unless: (a) the Court is satisfied that the circumstances exist that make the order appropriate; and (b) the Court is satisfied that the debtor has acted, and is acting, in good faith and with due diligence.⁷

13. In CCAA cases as in these proceedings where the Court has granted enhanced powers to the CCAA monitor, the monitor is held to the good faith standard otherwise applicable to the CCAA debtor(s).⁸ In that capacity, the Monitor believes it is discharging its duties and obligations under the CCAA and other orders made in these proceedings in good faith and with due diligence.

14. The proposed extension of the Stay Period is appropriate in this case for the reasons set out above in paragraph 8.

B. Approval of the Monitor's Activities

15. As noted by R.S.J. Morawetz (as he then was) in *Target Canada Co. (Re)*⁹, requests to approve a CCAA monitor's report are not unusual, and there are good policy and practical reasons for the court to do so, including:

- (a) allowing the monitor and stakeholders to move forward confidently with the next step in the proceeding by fostering the orderly building-block nature of CCAA proceedings;

⁷ CCAA, [s 11.02\(3\)](#).

⁸ *Forme Development Group Inc. (Re)*, Court File No.: CV-18-608313-00CL (Endorsement of Mr. Justice Hainey), February 20, 2020, Tab 1 of BoA; *In the Matter of a Compromise or Arrangement of Balboa Inc. et. al*, Court File No.: CV-24-00713245-00CL (Endorsement of Madam Justice Steele) July 31, 2024, Tab 2 of BoA.

⁹ [Target Canada Co. \(Re\)](#), [2015 ONSC 7574](#) at para 23, Tab 3 of BoA.

- (b) bringing the monitor's activities in issue before the court, allowing an opportunity for the concerns of the court or stakeholders to be addressed, and any problems to be rectified in a timely way;
- (c) providing certainty and finality to processes in a CCAA proceeding and activities undertaken (e.g., asset sales), all parties having been given an opportunity to raise specific objections and concerns;
- (d) enabling the court tasked with supervising the CCAA process to satisfy itself that the monitor's court-mandated activities have been conducted in a prudent and diligent manner;
- (e) providing protection for the monitor not otherwise provided by the CCAA; and
- (f) protecting creditors from the delay in distributions that would be caused by:
 - (i) re-litigation of steps taken to date; and
 - (ii) potential indemnity claims by the monitor.

16. For all of these reasons, approval of the Eighth Report and the Monitor's activities described therein is appropriate at this stage.

PART V - RELIEF SOUGHT

17. For the reasons set out above, the Monitor respectfully requests the relief described above in paragraph 1.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 16th day of June, 2025.



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SCHEDULE “A”

LIST OF AUTHORITIES

Tab	Title	Pinpoints
1	<i>Forme Development Group Inc. (Re)</i> , Court File No.: CV-18-608313-00CL (Endorsement of Mr. Justice Hainey) February 20, 2020	
2	<i>In the Matter of a Compromise or Arrangement of Balboa Inc. et. al</i> , Court File No.: CV-24-00713245-00CL (Endorsement of Madam Justice Steele) July 31, 2024	
3	<u><i>Target Canada Co (Re)</i>, 2015 ONSC 7574</u>	23

SCHEDULE “B”

TEXT OF STATUTES, REGULATIONS & BY-LAWS

Companies’ Creditors Arrangement Act, RSC 1985, c C-36

Stays, etc. — other than initial application

(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.

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2024 Hfx No. 531463

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