

**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

June 23, 2026

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TO: **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. (and collectively, the “**NOI Applicants**”) each filed a notice of intention to make a proposal (each an “**NOI**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).
2. 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 (“**AlixPartners**”) as the monitor of the Original Applicants (the “**Monitor**”).
3. Since the commencement of these proceedings, this Court has granted various orders, including orders approving a sale and investment solicitation process (the “**SISP**”) and enhancing the Monitor’s powers. On April 16, 2026, this Court granted an approval and reverse vesting order (the “**ARVO**”) approving the Transaction (as defined below) that had emerged from the SISP.
4. Now that the Transaction has closed, the Monitor seeks relief that would permit it to facilitate claims for terminated employees under the Wage Earner Protection Program (“**WEPP**”).

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), attached as Appendix “A” to the Fifth Report of the Monitor dated June 19, 2026 (the “**Fifth Report**”). The professionals involved in the Monitor’s mandate from the outset remain unchanged.

and continue to move these CCAA proceedings toward an orderly resolution. The Monitor accordingly seeks an order (the “**Stay Extension, WEPP, and Fee Approval Order**”):

- (a) deeming 2807727 Alberta Ltd. (“**Residual Co.**”) to be the former employer of any former employees of Iovate International who were terminated between the date of the Initial Order and the Effective Time (as defined in the ARVO) and whose claims against Iovate International were transferred to Residual Co. pursuant to the ARVO (the “**Terminated Employees**”) for the purposes of entitlement to termination pay and severance pay under the WEPP (such deeming, the “**WEPP Relief**”) or, in the alternative, making the declaration contemplated by s. 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 (“**WEPPA**”) in respect of Residual Co. or, in the further alternative, Iovate International;
- (b) approving the fees and disbursements of the Monitor and its counsel, Osler, Hoskin & Harcourt LLP (“**Osler**”);
- (c) approving the Fifth Report and the activities of the Monitor described therein; and
- (d) extending the Stay Period (as defined below) to October 30, 2026.

5. The WEPP Relief is necessary to provide eligible Terminated Employees with a route to obtain critical payments under the WEPP. While there is developing case law regarding the circumstances in which terminated employees may have access to payments under the WEPP in cases involving reverse vesting transactions, granting the WEPP Relief would be consistent with other orders of this Court and courts in other Canadian jurisdictions, which have deemed a Residual Co. in a reverse vesting transaction to be a “former employer” for the purposes of the WEPP.

Because the Terminated Employees no longer have recourse to a solvent entity in respect of their outstanding termination and severance pay, granting the WEPP Relief would remedy the very mischief that the WEPPA was designed to address, namely the absence of a solvent employer who can pay wages owing to former employees.

6. Approving the activities and the Fifth Report of the Monitor, 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 the Monitor with the time and stability required to consider the most efficient manner to address the Potential D&O Claims (as defined below) and complete certain wind-down activities.

PART II - THE FACTS

A. Background to the CCAA proceedings

7. 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

8. On September 5, 2025, the NOI Applicants each filed an NOI under the BIA after receiving demand letters from a syndicate of lenders (the “**Lenders**”), among other issues.³

9. 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**”), and certain charges granted on the Property (as defined in the

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

³ Affidavit of Wesley Parris sworn October 29, 2025 at paras. 151, 153-154; Fifth Report at para. 1.0(1).

Initial Order).⁴ The United States Bankruptcy Court for the Southern District of New York (the “**New York Court**”) later recognized and enforced the Initial Order with respect to certain entities by order entered on November 12, 2025.⁵

10. On November 28, 2025, this Court granted: (a) an order approving the SISP; and (b) the ARIO, which authorized the Monitor to perform certain functions in connection with a letter agreement dated November 11, 2025 between the Original Applicants and Origin Merchant Partners (the “**Sales Agent**”).⁶ This Court granted the Monitor additional powers by order dated December 12, 2025, which permitted the Monitor to more directly supervise and, where appropriate, manage the Original Applicants’ business, and to exercise any powers that may be properly exercised by a board of directors or any officers of the Original Applicants.⁷

11. After assisting in the conduct of the extensive SISP, the Monitor ultimately selected the bid submitted by 1001542267 Ontario Inc. (the “**Purchaser**”) as the successful bid.⁸ Iovate Holdings and the Purchaser subsequently entered into a Subscription Agreement dated April 2, 2026 (the “**Subscription Agreement**”) for a going-concern sale of substantially all of the business and assets of the Original Applicants (the “**Transaction**”) to be consummated pursuant to a “reverse vesting” structure.⁹

⁴ Fifth Report at paras. 1.0(2)-(3); Fourth Report of the Monitor dated April 9, 2026 (the “**Fourth Report**”) at para. 1.0(3). 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.

⁵ Fifth Report at para. 1.0(4).

⁶ Fourth Report at para. 1.0(5).

⁷ Fourth Report at para. 1.0(6).

⁸ Fourth Report at paras. 3.1(1), 3.2(4).

⁹ Fifth Report at para. 1.0(7).

12. On April 16, 2026, the Court granted:

- (a) the ARVO, which approved the Subscription Agreement and the Transaction; and
- (b) a Stay Extension, Distribution Order and Ancillary Relief Order (the “**Ancillary Relief Order**”), which: (i) extended the stay of proceedings to and including June 26, 2026 (the “**Stay Period**”); (ii) authorized and empowered the Monitor to make one or more distributions to Royal Bank of Canada as agent (the “**Administrative Agent**”) for the Lenders, on behalf of the Lenders; and (iii) authorized the Monitor to make payments to the Sales Agent, and provided for the release of the Sales Agent Charge and KERP Charge (each as defined in the Ancillary Relief Order) upon the payment of all amounts owing thereunder.¹⁰

B. Transaction closing matters

13. The Transaction closed on May 27, 2026.¹¹ Upon delivering to the Purchaser the Monitor’s certificate contemplated by the ARVO:

- (a) Residual Co. was added as an Applicant in these CCAA proceedings, and each of the Original Applicants and the Non-Applicant Stay Parties were removed from the purview of the ARIO and all other orders of the Court granted in these CCAA proceedings, except for the terms of the ARVO;

¹⁰ Fifth Report at para. 1.0(8). The Sales Agent Charge was granted by the ARIO: Fourth Report at para. 1.0(5). The KERP Charge, approved by order of this Court on February 2, 2026, secured amounts to be paid to key employees under a key employee retention plan: Fourth Report at para. 1.0(9).

¹¹ Fifth Report at para. 1.0(10).

- (b) all Excluded Assets (with some exceptions) vested in Residual Co., and all Excluded Contracts and Excluded Liabilities were transferred to Residual Co.; and
- (c) the Purchaser subscribed for and acquired the Purchased Shares, representing 100% of the equity interests in Iovate Holdings, free and clear of all Encumbrances except the Permitted Encumbrances.¹²

14. As of August 31, 2025, approximately US\$115.8 million was owing to the Lenders. Following the closing of the Transaction, the Monitor:

- (a) facilitated a distribution of approximately US\$87.1 million to the Administrative Agent, on behalf of the Lenders, from the US\$90 million in cash proceeds of the Transaction;
- (b) assisted in facilitating distributions to the beneficiaries of the Sales Agent Charge and KERP Charge, which have now been satisfied and therefore automatically released and terminated in accordance with the terms of the Ancillary Relief Order;¹³ and
- (c) in consultation with the Administrative Agent, retained a holdback of US\$1.9 million (the “**Administrative Reserve**”) from the purchase price to cover any further professional fees and/or other limited costs through the completion of these proceedings.¹⁴

¹² Fifth Report at para. 2.0(2). Capitalized terms not otherwise defined are as defined in the Subscription Agreement.

¹³ Fifth Report at para. 2.0(3).

¹⁴ Fifth Report at para. 2.0(4).

15. The Court-ordered priority charge on the Property in favour of directors and officers of the Original Applicants in the amount of CAD\$1,310,000 (the “**Directors’ Charge**”) has not yet been released, however, as the Monitor is aware of two potential claims against certain of the directors and officers of the Original Applicants (the “**Potential D&O Claims**”).¹⁵ The Directors’ Charge was instead collateralized through a holdback in the amount of CAD\$1,310,000 held in the Monitor’s trust account from the purchase price under the Transaction.¹⁶

16. The Monitor is in the process of gathering and reviewing information in relation to the Potential D&O Claims.¹⁷ Once the Monitor has conducted its review, it will likely return to the Court to seek further relief with respect to the Directors’ Charge and the Potential D&O Claims.¹⁸

PART III - THE ISSUES

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

- (a) grant the WEPP Relief;
- (b) approve the Fifth Report and the Monitor’s activities described therein;
- (c) approve the accounts of the Monitor and its counsel; and
- (d) extend the Stay Period.

¹⁵ Fifth Report at paras. 1.1(1)(b), 2.0(5), 3.0(1).

¹⁶ Fifth Report at para. 2.0(5).

¹⁷ Fifth Report at para. 3.0(2).

¹⁸ Fifth Report at para. 3.0(3).

PART IV - THE LAW

A. The WEPP Relief should be granted

18. The WEPP Relief is intended to provide the Terminated Employees with an avenue to some recovery. While approximately 103 employees in Canada remain employed by Iovate International, approximately 52 Canadian employees were terminated by Iovate International between the date of the Initial Order and the closing of the Transaction.¹⁹ These Terminated Employees received their full wages, including all accrued vacation pay, owing up until the date of termination, but were not paid termination or severance pay. Pursuant to the terms of the ARVO, employee claims for severance, termination pay, and any other contractual amounts (other than salaries and other wages) were vested in Residual Co.²⁰

19. The Monitor therefore seeks relief to facilitate claims for eligible Terminated Employees of Iovate International under the WEPP, solely for the purpose of their entitlement to termination and severance pay under that scheme.²¹ In particular, the Monitor requests that this Court deem Residual Co. to be the former employer, solely for the purposes of the WEPPA, of any former employees of Iovate International who were terminated between the date of the Initial Order and the Effective Time and whose claims against Iovate International were transferred to Residual Co. pursuant to the ARVO.²²

20. While the Monitor recognizes that there is developing case law regarding the circumstances in which terminated employees may have access to payments under the WEPP in cases involving

¹⁹ Fifth Report at para. 4.0(1).

²⁰ Fifth Report at para. 4.0(2).

²¹ Fifth Report at para. 4.0(4).

²² Fifth Report at para. 4.0(3).

reverse vesting transactions,²³ the Monitor considers it appropriate to seek approval of the WEPP Relief in the current circumstances for the benefit of the Terminated Employees. The WEPP Relief is consistent with precedents from this Court and courts in other Canadian jurisdictions, and is essential to ensure that the Terminated Employees are not treated unfairly simply because of the Transaction's reverse vesting structure.

(a) The operation of the WEPPA

21. Section 5(1) of the WEPPA provides that an individual is eligible to receive a payment under the WEPP if, among other things: (i) the individual's employment is ended for a reason prescribed by regulation; (ii) the individual is owed eligible wages by a former employer; (iii) the former employer is the subject of proceedings under the CCAA; and (iv) a court determines under s. 5(5) of the WEPPA that the criteria prescribed by regulation are met. Section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPP Regulation**") in turn provides that, for the purposes of s. 5(5) of the WEPPA, "a court may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations." That said, it is ultimately "for the Minister to decide if an applicant under the WEPPA is *eligible* to receive a payment."²⁴

²³ In particular, the Monitor understands that there are decisions currently pending before this Court in *Synaptive Medical Inc. (Re)*, Toronto CV-25-00739279-00CL (CCAA), CL-26-00000173-0000 (Receivership) and before the Court of Appeal of Quebec in *Valeo Pharma inc. (Re)*, Montreal 500-09-031382-252 (500-11-064718-246) that may be relevant to the availability of the relief that the Monitor is seeking on this Motion: see *1001270243 ONTARIO INC. v. BDC CAPITAL INC. et al.* (5 May 2026), Toronto CV-25-00739279-00CL (ONSC) ([Endorsement](#)), setting a hearing for June 10, 2026 regarding a motion in respect of entitlement under the WEPPA; *Attorney General of Canada c. Valeo Pharma inc.*, [2025 QCCA 483](#), granting leave to appeal *Arrangement relatif à Valeo Pharma inc.*, [2025 QCCS 580](#).

²⁴ *Attorney General of Canada c. Former Gestion Inc.*, [2024 QCCA 1441](#) at para. 16 [*Just for Laughs* QCCA] (emphasis in original), ref'g leave to appeal *Arrangement relatif à Former Gestion Inc.*, [2024 QCCS 3645](#) [*Just for Laughs* QCCS]. See also *In the Matter of The Body Shop Canada Limited*, [2024 ONSC 7052](#) at para. 43 [*The Body Shop*].

22. WEPPA “is clearly remedial legislation intended to provide protection to workers who suffer lost wages as a result of a bankruptcy or restructuring.” As such, the legislation must “be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objectives.”²⁵

(b) WEPP Relief is available in a reverse vesting context and would ensure fairness for the Terminated Employees

23. The WEPP Relief is: (a) fair and reasonable in the circumstances; and (b) necessary to ensure that the Terminated Employees receive the same treatment under the ARVO that they would receive under a traditional vesting order (an “AVO”).

24. A reverse vesting order (an “RVO”) is a transaction structuring mechanism that generally involves a series of steps whereby: (a) the purchaser becomes the sole shareholder of the debtor company; (b) the debtor company retains its assets, including key contracts and permits; and (c) the liabilities not assumed by the purchaser are vested out and transferred, together with any excluded assets, into a newly incorporated entity. The assets and liabilities vested in the separate entity (here, Residual Co.) may then be addressed through a bankruptcy or similar process. An AVO, by contrast, is the mechanism used to implement an asset sale in which the assets of a debtor company that the purchaser acquires are vested in the purchaser free and clear of any encumbrances or claims, other than those assumed by the purchaser.²⁶ The RVO structure was

²⁵ *Just for Laughs QCCS* at para. 27 (footnotes omitted), citing the *Interpretation Act*, R.S.C. 1985, c. I-21, s. 12.

²⁶ *Just Energy Group Inc. et. al. v. Morgan Stanley Capital Group Inc. et. al.*, [2022 ONSC 6354](#) at para. 27 [*Just Energy*].

necessary here to preserve key licenses, tax losses, and contracts without additional cost and delay, to the benefit of stakeholders.²⁷

25. While RVOs attract special scrutiny,²⁸ transactions structured as AVOs and RVOs can arrive at a similar result in practice: a purchaser acquires what it wants—the purchased assets (in an AVO) or the purchased debtor company’s desired attributes (in an RVO)—and leaves behind what it does not. Under either structure, a purchaser may likewise decide to retain some employees but not others.

26. If the Transaction were structured as an AVO, the availability of a declaration under s. 5(5) of the WEPPA would be a straightforward matter. In the AVO context, this Court regularly concludes that the criterion set out in s. 3.2 of the WEPP Regulation—namely that all employees of their former employer (*i.e.* the debtor company) were terminated, other than those retained to wind down its operations—is satisfied, even though another group of former employees continues employment with the purchaser.²⁹ The Monitor therefore expects that, in an equivalent transaction structured as an AVO, the criteria for a WEPP declaration would be satisfied as all employees of the former employer (*i.e.*, Iovate International) would be terminated, even if other former employees were hired by the Purchaser.

27. The question of whether terminated employees should be denied WEPP relief because their former employer was restructured pursuant to an RVO, rather than an AVO, was directly

²⁷ *Iovate Health Sciences International Inc. (Re)* (16 April 2026), Toronto BK-25-03268936-0031 (ONSC) ([Endorsement](#)) at para. 12.

²⁸ See, e.g., *Harte Gold Corp. (Re)*, [2022 ONSC 653](#) at para. 38; *Just Energy* at para. 33. RVOs have, however, more recently been recognized as “a common way for insolvency and restructuring matters to be resolved”: *Cleo Energy Corp (Re)*, [2025 ABKB 621](#) at para. 10 [*Cleo Energy*].

²⁹ See, e.g., *DCL Corporation*, [2023 ONSC 4475](#) at paras. 13-14; *The Body Shop* at paras. 39-41.

considered in *Just for Laughs*.³⁰ In granting the requested WEPP relief in that case, the Quebec Superior Court (Commercial Division) noted that the purpose of the legislation would be defeated if the structure of the transaction impacted terminated employee entitlements under the WEPP:

[32] The problem or “mischief” sought to be cured by WEPPA is the absence of a solvent employer who can pay wages owing to former employees. Seen in this context, the cessation of the employer’s business operations, or the transfer of its liabilities to an insolvent third party, are irrelevant to the application of the Act. In the case of both an asset sale and a reverse vesting order, employees who have lost their jobs have no solvent employer from whom they can claim lost wages. [...]

[35] It would be contrary to the object of the Act to deny compensation to a terminated employee simply because the former employer transfers its liability to a third party under a reverse vesting order. [...]

28. The Quebec Court of Appeal refused leave to appeal this decision, concluding that “the judge addressed a specific situation and offered a response authorized by the *WEPPA* and its regulations.”³¹

29. Having regard for the purpose of the WEPPA, the Terminated Employees should receive the same treatment here as they would in an AVO context. Under the Transaction, as in the AVO counterfactual, the Terminated Employees have been terminated. The other employees of the business, now owned by the Purchaser, are the equivalent of employees who are hired directly by a purchaser as part of an AVO. Residual Co., for its part, effectively stands in for the debtor

³⁰ *Just for Laughs* QCCS at para. 1 (footnotes omitted): “The central question raised by this application is whether the *Wage Earner Protection Program Act* (WEPPA) applies to the former employees of insolvent corporations that are restructured under a reverse vesting order issued pursuant to the *Companies’ Creditors Arrangement Act* (CCAA).”

³¹ *Just for Laughs* QCCA at paras. 15-19.

company as the Terminated Employees' former employer, by virtue of the reverse vesting mechanism.

30. Aligning outcomes in the AVO and RVO contexts is not only a matter of basic fairness; it also finds ample support in precedents. In addition to *Just for Laughs*, the Superior Court of Quebec has facilitated terminated employees' access to the WEPP in circumstances where, following an RVO, other employees stayed on with the debtor company.³²

31. To similar effect, this Court has, for the purposes of the WEPP, deemed the residual co. in RVO transactions to be the "former employer" of employees whose claims were transferred to a residual co., even where some of the employees were to be retained by the purchaser.³³ In other words, this Court has granted orders in similar contexts on similar terms to the WEPP Relief sought here.

32. The WEPP Relief is necessary to ensure that the Terminated Employees are not prejudiced by an artificial distinction between AVOs and RVOs. As the Court of King's Bench of Alberta has

³² See *Syndic d'Intelgenx Corp.*, [2024 QCCS 3678](#) at paras. 24, 40-44, accompanying the order in *Intelgenx Technologies Corp. et al (Re)* (30 September 2024), Montreal 500-11-064115-245 (QCCS) ([Order \(Extending the Stay Period, Expanding the Powers of the Monitor and WEPPA\)](#)) at para. 16, where the court declared that the debtor company involved in the RVO was a "former employer" that met the criteria prescribed by s. 3.2 of the WEPP Regulation.

³³ See, e.g., *Contract Pharmaceuticals Limited (Re)* (17 April 2024), Toronto CV-23-711401-00CL (ONSC) ([Endorsement](#)) at paras. 22-23, 32(c), 40; *Contract Pharmaceuticals Limited et al (Re)* (17 April 2024), Toronto CV-23-711401-00CL (ONSC) ([Ancillary Relief Order](#)) at para. 4; *Validus Power Corp. et al. and Macquarie Equipment Finance Limited*, [2024 ONSC 250](#) at para. 38 (contemplating continuing employment opportunities for employees of the purchased entities); *Validus Power Corp. et al. (Re)* (4 January 2024), Toronto CV-23-00705215-00CL (ONSC) ([Approval and Vesting Order](#)) at para. 34; *Just Energy* at paras. 56, 67; *Just Energy Group Inc. et al (Re)* (3 November 2022), Toronto CV-21-00658423-00CL ([Approval and Vesting Order](#)) at para. 34. In the interest of transparency, we note that the WEPP relief sought in these cases did not appear to be contested.

recognized, “[t]erminated employees have no control over how insolvency and restructuring transactions are structured after their termination.”³⁴

33. The Monitor therefore submits that this Court should deem Residual Co. to be the “former employer” of the Terminated Employees solely for purposes of the WEPPA to facilitate access to termination and severance pay under the WEPP, or, in the alternative, make the declaration contemplated by s. 5(5) of the WEPPA in respect of Residual Co or, in the further alternative, Iovate International.

B. The Monitor’s activities and report should be approved

34. The Monitor seeks approval of the Fifth Report and the activities of the Monitor described therein.³⁵

35. 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.³⁶

³⁴ *Cleo Energy* at para. 46.

³⁵ Fifth Report at para. 1.1(1)(d).

³⁶ *Laurentian University of Sudbury*, [2022 ONSC 2927](#) at paras. 13-14, citing *Target Canada Co. (Re)*, [2015 ONSC 7574](#) at paras. 2, 12, 22.

36. Since the Fourth Report, and prior to the closing of the Transaction, the Monitor has engaged in various activities, including assisting the Original Applicants in the operation of their day-to-day business, engaging in communications regarding cash flow forecasts, engaging with creditors, assisting the Original Applicants and the Purchaser with respect to assumed contracts and related cure costs, assisting in obtaining recognition of the ARVO from the New York Court, and assisting with closing the Transaction and obtaining third-party debt financing in respect of same.³⁷

37. The Monitor has engaged in additional activities since the closing of the Transaction, including assisting with the payment of the amounts owing under the KERP Charge and the Sales Agent Charge, responding to inquiries from terminated employees, facilitating distributions to the Administrative Agent, corresponding regularly with the Administrative Agent (including regarding next steps concerning the Potential D&O Claims), and drafting the Fifth Report with the assistance of the Monitor's legal counsel.³⁸

38. The Fifth 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 Stay Extension, WEPP, 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."³⁹

³⁷ Fifth Report at para. 6.0(1).

³⁸ Fifth Report at para. 6.0(2).

³⁹ Draft Stay Extension, WEPP, and Fee Approval Order at para. 4, at Tab 3 of the Motion Record of the Monitor dated June 19, 2026.

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

39. 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.⁴⁰ 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 AlixPartners during the period from December 1, 2025 to May 20, 2026, amounting to CAD\$832,328.25, together with disbursements in the amount of CAD\$7,484.58, both excluding HST;⁴¹ and
- (b) the total fees of Osler from December 1, 2025 to May 22, 2026, amounting to CAD\$1,825,042.00, together with disbursements in the amount of CAD\$8,431.11, both excluding HST.⁴²

40. 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.⁴³ 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;

⁴⁰ *Xiwang Iovate Holdings Company Limited et al (Re)* (28 November 2025), Toronto BK-25-03268936-0031 ([Amended and Restated Initial Order](#)) at paras. 41-42.

⁴¹ Fifth Report at para. 7.0(2).

⁴² Fifth Report at para. 7.0(3).

⁴³ *Nortel Networks Inc.*, [2022 ONSC 6680](#) at para. 10 [*Nortel*].

(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.⁴⁴

41. The fees and disbursements are appropriate in light of the Monitor's extensive involvement in these CCAA proceedings and the numerous significant and complex legal issues involved. In light of the Monitor's enhanced powers and expanded mandate, the Monitor's legal counsel was required to address matters that would typically fall within the purview of counsel to the Original Applicants, including: (a) filing various motions and seeking relief on behalf of the Original Applicants; (b) appearing for and attending at numerous court hearings; (c) preparing template agreements for negotiating and closing the Transaction; (d) addressing legal issues on various employee matters; and (e) assisting the Original Applicants' legal counsel on various legal matters.⁴⁵

42. 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.⁴⁶

⁴⁴ *Nortel* at para. 11.

⁴⁵ Fifth Report at para. 7.0(7).

⁴⁶ Fifth Report at para. 7.0(6).

D. The Stay Period should be extended

43. 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.

44. The current Stay Period is set to expire on June 26, 2026.⁴⁷ The Monitor is requesting an extension of the Stay Period to and including October 30, 2026.⁴⁸ The stay extension is necessary and appropriate in the circumstances to provides sufficient time for the Monitor to: (i) review certain information in relation to the Potential D&O Claims and consider the most efficient manner to address them; (ii) conduct certain wind-down activities; and (iii) prepare for a final distribution and termination motion.⁴⁹

45. 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.⁵⁰ The Monitor is holding an Administrative Reserve, which is projected to provide sufficient liquidity to fund the expenses in these CCAA proceedings through the proposed extended Stay Period.⁵¹ The Monitor is not aware of any party opposed to the extension of the Stay Period as of the date of the Fifth Report—in fact, the Administrative Agent, on behalf of the

⁴⁷ Fifth Report at para. 5.0(1).

⁴⁸ Fifth Report at para. 5.0(2).

⁴⁹ Fifth Report at paras. 5.0(3), 5.0(4)(a).

⁵⁰ Fifth Report at para. 5.0(4)(b).

⁵¹ Fifth Report at para. 5.0(4)(d). A cash flow forecast was not provided in the Fifth 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: Fifth Report at para. 5.0(5).

Lenders, supports the proposed extension of the Stay Period.⁵² The Monitor does not believe that any creditor will be materially prejudiced by the proposed extension of the Stay Period.⁵³

PART V - RELIEF REQUESTED

46. The Monitor requests that this Court grant the proposed Stay Extension, WEPP, and Fee Approval Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED as of June 23rd, 2026

A handwritten signature in blue ink, appearing to read "R. P. H.", is positioned above a horizontal line.

OSLER, HOSKIN & HARCOURT LLP
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⁵² Fifth Report at paras. 5.0(4)(e)-(f).

⁵³ Fifth Report at paras. 5.0(4)(c).

SCHEDULE “A”

LIST OF AUTHORITIES

1. *1001270243 ONTARIO INC. v. BDC CAPITAL INC. et al.* (5 May 2026), Toronto CV-25-00739279-00CL (ONSC) ([Endorsement](#))
2. *Arrangement relatif à Former Gestion Inc.*, [2024 QCCS 3645](#), leave to appeal ref'd [2024 QCCA 1441](#)
3. *Arrangement relatif à Valeo Pharma inc.*, [2025 QCCS 580](#), leave to appeal allowed [2025 QCCA 483](#)
4. *Cleo Energy Corp (Re)*, [2025 ABKB 621](#)
5. *Contract Pharmaceuticals Limited (Re)* (17 April 2024), Toronto CV-23-711401-00CL (ONSC) ([Endorsement](#))
6. *Contract Pharmaceuticals Limited et al (Re)* (17 April 2024), Toronto CV-23-711401-00CL (ONSC) ([Ancillary Relief Order](#))
7. *DCL Corporation*, [2023 ONSC 4475](#)
8. *Harte Gold Corp. (Re)*, [2022 ONSC 653](#)
9. *In the Matter of The Body Shop Canada Limited*, [2024 ONSC 7052](#)
10. *Intelgenx Technologies Corp. et al (Re)* (30 September 2024), Montreal 500-11-064115-245 (QCCS) ([Order \(Extending the Stay Period, Expanding the Powers of the Monitor and WEPPA\)](#))
11. *Iovate Health Sciences International Inc. (Re)* (16 April 2026), Toronto BK-25-03268936-0031 (ONSC) ([Endorsement](#))
12. *Just Energy Group Inc. et al (Re)* (3 November 2022), Toronto CV-21-00658423-00CL ([Approval and Vesting Order](#))
13. *Just Energy Group Inc. et. al. v. Morgan Stanley Capital Group Inc. et. al.*, [2022 ONSC 6354](#)
14. *Laurentian University of Sudbury* (18 May 2022), Toronto CV-21-656040-00CL (ONSC) ([Endorsement](#))
15. *Nortel Networks Inc.*, [2022 ONSC 6680](#)
16. *Syndic d'Intelgenx Corp.*, [2024 QCCS 3678](#)
17. *Target Canada Co. (Re)*, [2015 ONSC 7574](#)
18. *Validus Power Corp. et al. (Re)* (4 January 2024), Toronto CV-23-00705215-00CL (ONSC) ([Approval and Vesting Order](#))
19. *Validus Power Corp. et al. and Macquarie Equipment Finance Limited*, [2024 ONSC 250](#)

LIST OF AUTHORITIES

20. *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.

Date June 23, 2026



Signature

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

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

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.

[...]

Interpretation Act, R.S.C. 1985, c. I-21

Enactments deemed remedial

12 Every enactment is deemed remedial, and shall be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objects.

Wage Earner Protection Program Act, S.C. 2005, c. 47, s. 1

Conditions of eligibility

5 (1) An individual is eligible to receive a payment if

- (a) the individual's employment ended for a reason prescribed by regulation;
- (b) one of the following applies:
 - (i) the former employer is bankrupt,
 - (ii) the former employer is subject to a receivership,
 - (iii) the former employer is the subject of a foreign proceeding that is recognized by a court under subsection 270(1) of the *Bankruptcy and Insolvency Act* and
 - (A) the court determines under subsection (2) that the foreign proceeding meets the criteria prescribed by regulation, and
 - (B) a trustee is appointed, or
 - (iv) the former employer is the subject of proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act* or under the *Companies' Creditors Arrangement Act* and a court determines under subsection (5) that the criteria prescribed by regulation are met; and
- (c) the individual is owed eligible wages by the former employer.
- (d) [Repealed, 2009, c. 2, s. 343]

[...]

Prescribed criteria — other proceedings

(5) On application by any person, a court may, in proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act* or under the *Companies' Creditors Arrangement Act*, determine that the former employer meets the criteria prescribed by regulation.

Wage Earner Protection Program Regulations, SOR/2008-222

Proceedings Under Bankruptcy and Insolvency Act or Companies' Creditors Arrangement Act

3.2 For the purposes of subsection 5(5) of the Act, a court may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations.

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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