



Court File No. CV-24-00729624-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
JUSTICE CONWAY

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THURSDAY, THE 9TH
DAY OF JANUARY, 2025

**IN THE MATTER OF THE RECEIVERSHIP OF
NAUTILUS FITNESS CANADA, INC.**

Applicant

**APPLICATION UNDER SECTION 101 OF THE *COURTS*
OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

CLAIMS PROCEDURE ORDER

THIS MOTION made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Nautilus Fitness Canada, Inc. ("**Nautilus**") acquired for, or used in relation to a business carried on by Nautilus, for an Order pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the inherent jurisdiction of this Court was heard this day by way of judicial videoconference via Zoom.

ON READING the Motion Record of the Receiver, including the Notice of Motion and the First Report of the Receiver dated December 17, 2024, and such other materials that were filed, and on hearing the submissions of counsel to the Receiver and such other counsel that were present, no else appearing although duly served as appears from the affidavit of service, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated and this Motion is properly returnable today and hereby dispenses with further service or notice thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, for the purposes of this Order (this "**Claims Procedure Order**"), in addition to the terms defined elsewhere herein, the following terms shall have the following meanings:

- (a) "**Appointment Date**" means the date the Receiver was appointed, being November 15, 2024;
- (b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) "**Calendar Day**" means a day, including Saturday, Sunday or any statutory holiday in the Province of Ontario, Canada;
- (d) "**CJA**" means the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
- (e) "**Claim**" means any D&O Claim and any right or claim of any Person that may be asserted or made in whole or in part against Nautilus, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever in existence on the Appointment Date (including any claim by a Director or Officer against Nautilus for contribution and/or indemnity arising from any D&O Claim relating to the time period prior to the Appointment Date), and any interest accrued thereon or costs payable in respect thereof as of the Appointment Date, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust

(statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing or arising at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts that existed prior to the Appointment Date, including, without limiting the foregoing, any right or claim of a former employee of Nautilus, or any tax claim;

- (f) **"Claimant"** means any Person having or asserting a Claim;
- (g) **"Claims Bar Date"** means 5:00 p.m. (Eastern Prevailing Time) on **April 11, 2025**, or such later date as the Court may order or the Receiver may determine under the authority of this Order;
- (h) **"Claims Officer"** means one or more individuals appointed in accordance with this Claims Procedure Order to act as a claims officer for the purposes of the Claims Procedure;
- (i) **"Claims Package"** means a document package that contains a copy of the Instruction Letter, the Notice Letter, a Proof of Claim, and such other materials as the Receiver may consider appropriate or desirable;
- (j) **"Claims Procedure"** means the procedures outlined in this Claims Procedure Order, including the Schedules hereto, in connection with the identification, quantification and resolution of Claims against Nautilus and/or the Directors or Officers (or any of them), as amended or supplemented by further order of the Court;
- (k) **"Court"** means the Ontario Superior Court of Justice (Commercial List);

- (l) **"D&O Claim"** means any right of any Person against the Directors or Officers of Nautilus, or any of them, in existence on the Appointment Date, that relates to any claim for which they might be liable as a result of any act as a Director or Officer of Nautilus;
- (m) **"D&O Indemnity Claim"** means any existing or future right of any Director or Officer against Nautilus which arose or arises as a result of any Person filing a Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by Nautilus;
- (n) **"Directors"** all current and former directors of Nautilus, including any individuals who may be deemed to be a current or former director of Nautilus, and "Director" means any one of them;
- (o) **"Dispute Notice"** means a written notice delivered to the Receiver by a Claimant who has received a Notice of Revision or Disallowance, indicating that Claimant's intention to dispute such Notice of Revision or Disallowance and providing the reasons for the dispute, substantially in the form attached as Schedule "E" hereto;
- (p) **"Disputed Claim"** means a Claim that is validly disputed in accordance with this Claims Procedure Order and which remains subject to adjudication in accordance with this Claims Procedure Order;
- (q) **"Instruction Letter"** means the instruction letter to Claimants, substantially in the form attached hereto as Schedule "A";
- (r) **"Known Claimants"** means with respect to Nautilus or any of the Directors or Officers:
 - (i) any Person that the books and records of Nautilus disclose was owed monies by Nautilus as of the Appointment Date, where such monies remain unpaid in full or in part as of the date hereof;

- (ii) any Person who commenced a legal proceeding against Nautilus or one or more Directors or Officers in respect of a Claim, which legal proceeding was commenced and served prior to the Appointment Date; and
- (iii) any other Person of whom the Receiver has knowledge as at the date of this Claims Procedure Order, as being owed monies by Nautilus.
- (s) **"Notice Letter"** means the notice to Claimants for publication substantially in the form attached hereto as Schedule "B";
- (t) **"Notice of Revision or Disallowance"** means a notice informing a Claimant that the Receiver has revised or disallowed all or part of such Claimant's Claim set out in such Claimant's Proof of Claim, substantially in the form attached as Schedule "D" hereto;
- (u) **"Officers"** means all current and former officers of Nautilus, including any individuals who may be deemed to be a current or former officer of Nautilus, and **"Officer"** means any one of them;
- (v) **"Person"** means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other corporate, executive, legislative, judicial, regulatory or administrative entity howsoever designated or constituted, including, without limitation, any present or former shareholder, supplier, customer, employee, agent, client, contractor, lender, lessor, landlord, sub-landlord, tenant, sub-tenant, licensor, licensee, partner or advisor;
- (w) **"Proof of Claim"** means the proof of claim to be completed and filed by a Person setting forth a Claim and which shall include all supporting documentation in respect of such Claim, substantially in the form attached as Schedule "C" hereto;
- (x) **"Proven Claim"** means the amount of a Claimant's Claim, as finally determined under the Claims Procedure;

- (y) **"Receiver's Website"** means the case website maintained by the Receiver at:
<https://www.ksvadvisory.com/experience/case/nautilus-fitness-canada>;
- (z) **"Receivership Order"** means the order of this Court dated November 15, 2024, appointing the Receiver and granting the Receiver certain powers in respect of Nautilus; and
- (aa) **"Receivership Proceeding"** means the proceedings commenced pursuant to the Receivership Order.

INTERPRETATION

- 3. **THIS COURT ORDERS** that all references to time herein shall mean Eastern Prevailing Time and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein. Any reference to an event occurring on a day that is not a Business Day shall mean the next following day that is a Business Day.
- 4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".
- 5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

GENERAL PROVISIONS

- 6. **THIS COURT ORDERS** that the Claims Procedure and the forms attached as schedules to this Claims Procedure Order are hereby approved. Notwithstanding the foregoing, the Receiver may, from time to time, make non-substantive changes to the forms as the Receiver may consider necessary or desirable, including the Instruction Letter, Notice Letter, Notice of Revision or Disallowance, Proof of Claim, and Dispute Notice.
- 7. **THIS COURT ORDERS** that the Receiver is hereby authorized to: (i) use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed; (ii) where the Receiver is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order

as to the completion, execution and submission of such forms; (iii) request any further documentation from a Claimant that may be required to determine the validity, classification, nature and/or the amount of a Claim (in whole or in part); (iv) request that any Claimant file a revised Proof of Claim; and (v) subject to the terms of this Claims Procedure Order, attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim.

8. **THIS COURT ORDERS** that if any Claim arose in a currency other than Canadian Dollars, then the Person making the Claim shall complete its Proof of Claim and indicate the amount of the Claim in such currency, rather than in Canadian Dollars or any other currency. Where no currency is indicated, the Claim shall be presumed to be in Canadian Dollars. The Receiver shall subsequently calculate the amount of such Claim in Canadian Dollars, using the Bank of Canada daily average exchange rate in effect on the Appointment Date.

RECEIVER'S ROLE

9. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed rights, duties, responsibilities and obligations at law and under the CJA, the Receivership Order, and any other Orders of this Court in the Receivership Proceeding, is hereby authorized, directed and empowered to implement the Claims Procedure provided for herein and to take such other actions and fulfill such other roles as are contemplated by the Claims Procedure Order or incidental thereto.

10. **THIS COURT ORDERS** that, in carrying out the terms of this Order and taking such other actions and fulfilling such other roles incidental thereto, the Receiver shall: (i) have all of the protections given to it by the Receivership Order and this Order; (ii) incur no liability or obligation, as a result of carrying out the provisions of this Order, except for claims for gross negligence or wilful misconduct; (iii) be entitled to rely on the books, records and information of Nautilus, its parent companies or related entities, all without further independent investigation; and (iv) not be liable for any claims or damages resulting from any errors or omissions in such books, records or information (including with respect to Known Claimants), or in any information provided by any Claimant, except for claims for gross negligence or wilful misconduct.

11. **THIS COURT ORDERS** that Nautilus, the Directors, the Officers and any other Person given notice of this Claims Procedure Order shall fully cooperate with the Receiver in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

NOTICE TO CLAIMANTS

12. **THIS COURT ORDERS** that:

- (a) the Receiver shall, no later than five (5) Business Days following the date granting this Order, post a copy of this Order and the Claims Package on the Receiver's Website;
- (b) as soon as practicable after the granting of this Order, the Receiver shall, for one Business Day, publish the Notice Letter in the *Globe and Mail* (National Edition) and the *New York Times*;
- (c) the Receiver shall, as soon as practicable after the granting of this Order, deliver to each of the Known Claimants a copy of the Claims Package; and
- (d) the Receiver shall deliver, as soon as reasonably possible following receipt of a request therefor, a copy of the Claims Package to any Person claiming to be a Claimant and requesting such material in writing, provided such request is received before the Claims Bar Date.

13. **THIS COURT ORDERS** that, except as specifically provided for in this Order, the Receiver is not under any obligation to provide notice of this Order to any Person having or asserting a Claim, and all Persons shall be bound by the Claims Bar Date, this Order, and any notices published pursuant to paragraphs 12(a) and 12(b) of this Order, regardless of whether or not they received actual notice, and any steps taken in respect of any Claim, in accordance with this Order.

14. **THIS COURT ORDERS** that neither: (i) the reference to a purported Claim as a "Claim" or a purported Claimant as a "Claimant" in this Order, nor (ii) the delivery of a Proof of Claim by the Receiver to a Person, shall constitute an admission by the Receiver or Nautilus of any obligation of Nautilus to any Person.

PROOFS OF CLAIM

15. **THIS COURT ORDERS** that every Person with a Claim shall file with the Receiver by prepaid ordinary mail, registered mail, courier, personal delivery, or email, on or before the Claims Bar Date, a Proof of Claim together with any supporting documentation.

16. **THIS COURT ORDERS** that, to the extent that any D&O Claim is filed in accordance with this Claims Procedure, a corresponding D&O Indemnity Claim shall be deemed to have been filed in respect of each D&O Claim prior to the Claims Bar Date. Directors and Officers shall not be required to take any action or to file a Proof of Claim in respect of such D&O Indemnity Claim.

CLAIMS BAR DATE

17. **THIS COURT ORDERS** that, subject to further order of this Court, any Person who does not deliver a Proof of Claim, together with supporting documentation, on or before the Claims Bar Date: (a) shall be and is hereby forever barred from making or enforcing such Claim, and all such Claim(s) shall be forever extinguished, (b) shall not be entitled to receive any distribution pursuant to the Claims Procedure or further order of this Court, and (c) shall not be entitled to any further notice in the Claims Procedure, and shall not be entitled to participate as a Claimant in respect of such Claim(s).

18. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Bar Date shall be 5:00 p.m. (Eastern Prevailing Time) on April 11, 2025.

19. **THIS COURT ORDERS** that each Person required by this Order to file a Proof of Claim shall include any and all Claims it asserts against Nautilus in a single Proof of Claim.

DETERMINATION OF CLAIMS

20. **THIS COURT ORDERS** that, subject to the terms of this Order, the Receiver shall review all Proof of Claims filed on or before the Claims Bar Date and may accept, revise, or disallow (in whole or in part) the amount, or any other aspect of, a Claim asserted in a Proof of Claim. At any time, the Receiver may: (i) request additional information with respect to any Claim, (ii) request

that the Claimant file a revised Proof of Claim, (iii) attempt to consensually resolve the amount or any other aspect of a Claim, or (iv) admit, revise, or disallow a Claim.

21. **THIS COURT ORDERS** that where a Claim is revised or disallowed pursuant to paragraph 20 of this Order, the Receiver shall deliver to the Claimant a Notice of Revision or Disallowance and attach the form of Dispute Notice.

22. **THIS COURT ORDERS** that where a Claim has been accepted or admitted by the Receiver, such Claim shall constitute a Proven Claim for the purposes of the Claims Procedure. The acceptance of any Claim or other determination of same in accordance with this Order, in whole or in part, shall not constitute an admission of any fact, thing, obligation, or quantum of any Claim by any Person, save and except in the context of the Claims Procedure.

DISPUTE NOTICE

23. **THIS COURT ORDERS** that a Claimant who intends to dispute a Notice of Revision or Disallowance shall deliver a Dispute Notice to the Receiver so that it is received by the Receiver no later than fourteen (14) Calendar Days after such Claimant is deemed to have received the Notice of Revision or Disallowance in accordance with paragraph 21 of this Order, or such longer period as may be agreed to by the Receiver in writing. The receipt of a Dispute Notice by the Receiver within the fourteen (14) Calendar Day period specified in this paragraph shall constitute an application to have the amount of such Claim determined pursuant to the Claims Procedure provided for in this Order.

24. **THIS COURT ORDERS** that where a Claimant fails to deliver a Dispute Notice in accordance with paragraph 23 of this Order, the amount of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance. Such amount, if any, shall constitute such Claimant's Proven Claim, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished without further act or notification.

25. **THIS COURT ORDERS** that where a Claim has been revised or disallowed pursuant to paragraph 20 of this Order, the revised or disallowed Claim (or revised or disallowed portion thereof) shall not be a Proven Claim until determined otherwise in accordance with the process set out in this Order or as otherwise ordered by the Court.

RESOLUTION OF CLAIMS

26. **THIS COURT ORDERS** that as soon as practicable after a Dispute Notice is received by the Receiver in accordance with this Order, the Receiver may attempt to resolve and settle a Disputed Claim with the Claimant.

27. **THIS COURT ORDERS** that in the event that the Receiver is unable to consensually resolve any Dispute Notice(s) within a reasonable time period, the Receiver shall either: (i) file a report with the Court summarizing such Dispute Notice(s) and shall bring a motion for advice and directions from the Court in respect of the resolution of the outstanding Dispute Notice(s); or (ii) refer the matter to a Claims Officer to adjudicate such Disputed Claim(s).

CLAIMS OFFICER(S)

28. **THIS COURT ORDERS** that the Receiver is hereby authorized (but not obligated) to bring a motion to seek an order of the Court appointing one or more Claims Officer in respect of any and all Disputed Claims.

29. **THIS COURT ORDERS** that the Receiver shall not allow, revise, or otherwise attempt to resolve D&O Claims pursuant to paragraphs 20-27 above, without the approval of the Directors and Officers or further order of this Court. Provided however, the Receiver may address a Claim that is also a D&O Claim in accordance with this Order with respect to whether such Claim is a Proven Claim against Nautilus without any such consent or further order of this Court.

SET-OFF

30. **THIS COURT ORDERS** that the Receiver may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to any Claimant, any claims of any nature whatsoever that Nautilus may have against such Claimant, including in respect of fees or penalties previously paid by Nautilus to a Claimant. However, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by Nautilus of any such claim that Nautilus may have against such Claimant.

NOTICE OF TRANSFEREES

31. **THIS COURT ORDERS** that the Receiver shall not be obligated to send notice to or otherwise deal with a transferee or assignee of a Claim as the Claimant in respect thereof unless and until: (i) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver, and (ii) the Receiver has acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for all purposes hereof constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by all notices given or steps taken in respect of such Claim, in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

32. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim, and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to send notice to and to otherwise deal with such Claim only as a whole, and then only to and with the Person last holding such Claim in whole as the Claimant in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with this Order and the Receiver has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Claimant in respect of such Claim may by notice to the Receiver, in writing, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Claimant, transferee or assignee of the Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

DIRECTIONS

33. **THIS COURT ORDERS** that the Receiver or any other Person with an economic interest in this Claims Procedure may at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Order and the Claims Procedure set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

34. **THIS COURT ORDERS** that the Receiver may, unless otherwise specified by this Order, serve and deliver the Claims Package, and any letters, notices or other documents to Claimants, or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons (with copies to their counsel, if applicable) at the last address shown in the books and records of Nautilus or set out in such Person's Proof of Claim. Any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to have been received: (i) if sent by ordinary mail, on the third (3rd) Business Day after mailing within Ontario, the fifth (5th) Business Day after mailing within Canada (other than within Ontario), and the tenth (10th) Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by electronic or digital transmission by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day. Notwithstanding anything to the contrary in this Order, Notices of Revision or Disallowance shall be sent only by (i) email to an address that has been provided in writing by the Claimant or (ii) courier.

35. **THIS COURT ORDERS** that any notice or other communication (including Proofs of Claim and Dispute Notices) to be given under this Order by any Person to the Receiver shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, or email addressed to:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, Box 20
Toronto, Ontario L6H 0C3

Attention: Jason Knight / Maha Shah
Email: jknight@ksvadvisory.com / mshah@ksvadvisory.com

With a Copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130

Toronto, Ontario M5X 1A4

Attention: Thomas Gray / Linda Fraser-Richardson

Email: grayt@bennettjones.com / fraserrichardsonl@bennettjones.com

Any such notice or other communication by a Person shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day, or if delivered outside of normal business hours, the next Business Day.

36. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Order.

MISCELLANEOUS

37. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation of Proofs of Claim, and the filing by a Person of any Proof of Claim, shall not, for that reason only, grant any Person any standing in the Receivership Proceeding or rights to a distribution.

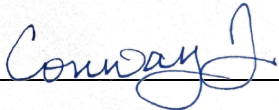
38. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall prejudice the rights and remedies of any Persons under any applicable insurance policy or prevent or bar any Person from seeking recourse against or payment from Nautilus' insurance policy or policies that exist to protect or indemnify other Persons, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Directors or Officers (or any of them) or Nautilus; provided, however, that nothing in this Claims Procedure Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Claims Procedure Order limit, remove, modify or alter any defence to such Claim available to the insurer pursuant to the provisions of any insurance policy or at law; and further provided that any Claim or portion thereof for which the Person receives payment directly from, or confirmation that the Person is covered by, Nautilus' insurance policy or policies that exist to protect or indemnify

other Persons shall not be recoverable as against Nautilus or the Directors or Officers (or any of them), as applicable.

39. **THIS COURT ORDERS** that the Receiver may from time to time apply to the Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of its powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

40. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada to give effect to this Claims Procedure Order and to assist the Receiver and its agents in carrying out the terms of this Claims Procedure Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Procedure Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Claims Procedure Order.

41. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Prevailing Time) on the date of this Order without the need for entry or filing.



SCHEDULE "A"

IN THE MATTER OF THE RECEIVERSHIP OF NAUTILUS FITNESS CANADA, INC.

**APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, C. C.43, AS AMENDED**

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

I. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) dated January 9, 2025 (the "**Claims Procedure Order**"), KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of Nautilus Fitness Canada, Inc. ("**Nautilus**"), has been authorized to conduct a claims procedure (the "**Claims Procedure**") with respect to Claims against Nautilus and/or its present or former Directors and Officers ("**Directors/Officers**"), as applicable.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, including a Proof of Claim form, and related materials may be accessed from the Receiver's Website at:
<https://www.ksvadvisory.com/experience/case/nautilus-fitness-canada>.

This letter provides instructions for responding to or completing the Proof of Claim or the Dispute Notice. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims against Nautilus, the Directors/Officers, or any of them, whether liquidated, unliquidated, contingent or otherwise, in existence on the Appointment Date. Please review the enclosed material for the complete definitions of "Claim" and "D&O Claim", to which the Claims Procedure applies.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, Box 20
Toronto, Ontario L6H 0C3

Attention: Jason Knight / Maha Shah
Email: jknight@ksvadvisory.com / mshah@ksvadvisory.com

With a Copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Attention: Thomas Gray / Linda Fraser-Richardson
Email: grayt@bennettjones.com / fraserrichardsonl@bennettjones.com

II. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against Nautilus, the Directors/Officers, or any of them, you **MUST** file a Proof of Claim with the Receiver, regardless of whether the Receiver is already aware of your Claim, which **MUST** include all supporting documentation in respect of such Claim.

THE CLAIMS BAR DATE is 5:00 p.m. (Eastern Prevailing Time) on April 11, 2025 (the “Claims Bar Date”). Proofs of Claim must be completed and filed with the Receiver on or before the Claims Bar Date.

PROOFS OF CLAIM MUST BE ACTUALLY RECEIVED BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date you shall not be entitled to receive any distribution pursuant to the Claims Procedure or further order of the Court, be entitled to any further notice in the Claims Procedure, or be entitled to participate as a Claimant in respect of such Claim.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect on the Appointment Date of November 15, 2024.

Additional Proof of Claim forms can be obtained by contacting the Receiver at the email address indicated above and providing particulars as to your name, address and email address. Further, Proofs of Claim and related materials may also be accessed from the Receiver's Website provided above.

SCHEDULE "B"

IN THE MATTER OF THE RECEIVERSHIP OF NAUTILUS FITNESS CANADA, INC.

**APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, C. C.43, AS AMENDED**

NOTICE LETTER FOR THE CLAIMS PROCEDURE

RE: NOTICE OF CLAIMS PROCEDURE & CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) dated January 9, 2025 (the "**Claims Procedure Order**"), issued in the proceedings under the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, in respect of Nautilus Fitness Canada, Inc. ("**Nautilus**").

Pursuant to the Claims Procedure Order, KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of Nautilus, has been authorized to conduct a claims procedure (the "**Claims Procedure**") with respect to Claims in existence on the Appointment Date against Nautilus and/or the Directors or Officers, as applicable. Unless otherwise defined, all capitalized terms used herein have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, a Proof of Claim form and related materials may be accessed from the Receiver's Website at:

<https://www.ksvadvisory.com/experience/case/nautilus-fitness-canada>.

I. SUBMISSION OF A PROOF OF CLAIM

All persons wishing to assert a Claim **MUST** submit a completed Proof of Claim to the Receiver **before 5:00 p.m. (Eastern Prevailing Time) on April 11, 2025** (the "**Claims Bar Date**"). All persons are responsible for completing the appropriate documents and ensuring that the Receiver receives their completed documents by the Claims Bar Date.

PROOFS OF CLAIM MUST BE ACTUALLY RECEIVED BY THE RECEIVER BY THE CLAIMS BAR DATE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date you shall not be entitled to receive any distribution pursuant to the Claims Procedure or further order of the Court, be entitled to any further notice in the Claims Procedure, or be entitled to participate as a Claimant in respect of such Claim.

II. RECEIVER'S CONTACT INFORMATION

The Receiver can be contacted at the following address to request a Claims Package or for any other notices or enquiries with respect to the Claims Procedure:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, Box 20
Toronto, Ontario L6H 0C3

Attention: Jason Knight / Maha Shah
Email: jknight@ksvadvisory.com / mshah@ksvadvisory.com

With a Copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Attention: Thomas Gray / Linda Fraser-Richardson
Email: grayt@bennettjones.com / fraserrichardsonl@bennettjones.com

SCHEDULE "C"

IN THE MATTER OF THE RECEIVERSHIP OF NAUTILUS FITNESS CANADA, INC.

**APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, C. C.43, AS AMENDED**

PROOF OF CLAIM

All capitalized terms not defined herein have the meanings ascribed to them in the Claims Procedure Order dated January 9, 2025 in the proceedings of Nautilus Fitness Canada, Inc. under the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

1. PARTICULARS OF CLAIMANT

- (a) Full Legal Name of Claimant: _____
- (b) Full Mailing Address of Claimant: _____

- (c) Telephone Number of Claimant: _____
- (d) E-mail Address of Claimant: _____
- (e) Attention (Contact Person): _____

2. PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:

Have you acquired this Claim by assignment? Yes No

(if yes, attach documents evidencing assignment)

Full Legal Name of original creditor(s): _____

3. PROOF OF CLAIM

THE UNDERSIGNED CERTIFIES AS FOLLOWS:

1. I, _____ (*name of Claimant or representative of the Claimant if Claimant is not an individual*), of _____ (*state, city and province*) do hereby certify:
 - (a) that I am the Claimant (*or that I am* _____ *state position or title*) of _____ (*name of Claimant*)
 - (b) that I have knowledge of all the circumstances connected with the Claim referred to below;
 - (c) that complete documentation in support of the Claim referred to below is attached hereto; and
 - (d) Nautilus (and/or the Director(s) and/or Officer(s) identified at Schedule "A", as applicable) was and is still indebted to the Claimant for the amount(s) indicated below, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which Nautilus (and/or the Director(s) and/or Officer(s) identified at Schedule "A", as applicable) is entitled (*any Claims denominated in a foreign currency shall be filed in such currency and will be converted to Canadian dollars at the rate set out in the Claims Procedure Order.*)

4. NATURE OF CLAIM

(CHECK AND COMPLETE APPROPRIATE CATEGORY)

Total Unsecured Claim against Nautilus of \$ _____

Total Secured Claim against Nautilus of \$ _____

Total D&O Claim of \$ _____

In respect of this debt, I hold security over the assets of Nautilus valued at \$ _____ [*List the amount of security*], the particulars of which security and value are attached to this Proof of Claim form.

(If the Claim is secured, provide full particulars of the security, including the date on which the security was given the value for which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security.)

5. PARTICULARS OF CLAIM:

The particulars of the undersigned's total Claim are attached.

(Provide full particulars of the Claim(s) and supporting documentation, including the amount, description of transaction(s) or agreement(s) giving rise to the Claim(s), name of any guarantor(s) which has guaranteed the Claim(s), and amount of Claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed.)

6. FILING OF CLAIM

This Proof of Claim must be returned to and received by the Receiver **before 5:00 p.m. (Eastern Prevailing Time) on April 11, 2025** (the "**Claims Bar Date**").

In each case, completed forms must be delivered by prepaid ordinary mail, registered mail, courier, personal delivery, or email to the Receiver at the following address:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, Box 20
Toronto, Ontario L6H 0C3

Attention: Jason Knight / Maha Shah
Email: jknight@ksvadvisory.com / mshah@ksvadvisory.com

With a Copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Attention: Thomas Gray / Linda Fraser-Richardson
Email: grayt@bennettjones.com / fraserrichardsonl@bennettjones.com

Dated at _____ this _____ day of _____, 2025.

Signature of Claimant or its Authorized Signatory

SCHEDULE "D"

IN THE MATTER OF THE RECEIVERSHIP OF NAUTILUS FITNESS CANADA, INC.

**APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, C. C.43, AS AMENDED**

NOTICE OF REVISION OR DISALLOWANCE

TO: [name and address of Claimant]

PLEASE TAKE NOTICE that this Notice of Revision or Disallowance is being sent pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated January 9, 2025 (the "**Claims Procedure Order**"), in the proceedings of Nautilus Fitness Canada, Inc. under the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended. All capitalized terms not otherwise defined in this Notice of Revision or Disallowance shall have the meanings ascribed to them in the Claims Procedure Order, which is available on the Receiver's Website at: <https://www.ksvadvisory.com/experience/case/nautilus-fitness-canada>.

The Receiver has reviewed your Proof of Claim dated _____, 2025, and has revised or rejected your Claim in respect of _____ for the following reasons:

Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, your Claim will be allowed as follows:

Original Claim Amount	Disallowed Amount	Revised Allowed Amount
\$	\$	\$
\$	\$	\$
\$	\$	\$

If you intend to dispute this Notice of Revision or Disallowance, you must by no later than 5:00 p.m. (Eastern Prevailing Time) on the day that is fourteen (14) Calendar Days after the date the Receiver sends this Notice of Revision or Disallowance, deliver a Dispute Notice by prepaid ordinary mail, registered mail, courier, personal delivery, or email addressed to:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, Box 20
Toronto, Ontario L6H 0C3

Attention: Jason Knight / Maha Shah
Email: jknight@ksvadvisory.com / mshah@ksvadvisory.com

With a Copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Attention: Thomas Gray / Linda Fraser-Richardson
Email: grayt@bennettjones.com / fraserrichardsonl@bennettjones.com

Any Claimant who fails to deliver a Dispute Notice by the date and time set out above shall be deemed to accept the classification, nature and the amount of its Claim as set out in this Notice of Revision or Disallowance and the Claimant will have those rights set out in the Claims Procedure Order with respect to such Claim.

D-J

DATED at _____ this _____ day of _____, 2025.

KSV Restructuring Inc.

solely in its capacity as Court-appointed Receiver of
Nautilus Fitness Canada, Inc., and not in its personal or corporate capacity

Per: _____

SCHEDULE "E"

IN THE MATTER OF THE RECEIVERSHIP OF NAUTILUS FITNESS CANADA, INC.

**APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, C. C.43, AS AMENDED**

DISPUTE NOTICE

1. PARTICULARS OF CLAIMANT

- (a) Full Legal Name of Claimant: _____
- (b) Full Mailing Address of Claimant: _____

- (c) Telephone Number of Claimant: _____
- (d) E-mail Address of Claimant: _____
- (e) Attention (Contact Person): _____

2. PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:

Have you acquired this Claim by assignment? Yes No

(if yes, attach documents evidencing assignment)

Full Legal Name of original creditor(s): _____

3. DISPUTE OF REVISION OR DISALLOWANCE OF CLAIM:

(Any Claims denominated in a foreign currency shall be filed in such currency and will be converted to Canadian dollars at the rate set out in the Claims Procedure Order.)

We hereby disagree with the value of our Claim as set out in the Notice of Revision or Disallowance dated _____, as set out below:

4. REASONS FOR DISPUTE:

[illegible]

If you intend to dispute the Notice of Revision or Disallowance, you must notify the Receiver of such intent by delivery to the Receiver of this Dispute Notice in accordance with the Claims Procedure Order such that it is received by the Receiver by 5:00 p.m. no later than fourteen (14) Calendar Days after you receive such Notice of Revision or Disallowance at the following address by prepaid ordinary mail, registered mail, courier, personal delivery, or email:

KSV Restructuring Inc.
220 Bay Street, 13th Floor
Toronto, Ontario L6H 0C3

Attention: Jason Knight / Maha Shah
Email: jknight@ksvadvisory.com / mshah@ksvadvisory.com

With a Copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Attention: Thomas Gray / Linda Fraser-Richardson
Email: grayt@bennettjones.com / fraserrichardsonl@bennettjones.com

DATED at _____ this _____ day of _____, 2025.

Signature of Claimant or its Authorized Signatory

**IN THE MATTER OF THE RECEIVERSHIP OF NAUTILUS FITNESS CANADA,
INC.**

Court File No.: CV-24-00729624-00CL

**APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

BENNETT JONES LLP

3400 One First Canadian Place

P.O. Box 130

Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)

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Tel: (416) 777-7924

Email: grayt@bennettjones.com

Linda Fraser-Richardson (LSO# 89718B)

Tel: (416) 777-7869

Email: fraserrichardsonl@bennettjones.com

Lawyers for KSV Restructuring Inc., solely in its
capacity as the Court-appointed Receiver and not
in its personal capacity or corporate capacity

IN THE MATTER OF THE RECEIVERSHIP OF NAUTILUS FITNESS CANADA, INC.
APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MOTION RECORD OF THE RECEIVER
(Returnable January 9, 2025)

BENNETT JONES LLP

3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)
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Thomas Gray (LSO# 82473H)
Tel: (416) 777-7924
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Tel: (416) 777-7869
Email: fraserrichardsonl@bennettjones.com

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solely in its capacity as the Court-appointed
Receiver of Nautilus Fitness Canada, Inc., and not in
its personal or corporate capacity