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Estate File No.: 32-3337751

**IN THE MATTER OF THE BANKRUPTCY OF  
1000016601 ONTARIO INC.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**TRUSTEE'S REPORT TO CREDITORS ON  
PRELIMINARY ADMINISTRATION**

**1. Introduction**

1. On February 24, 2026, 1000016601 Ontario Inc., formerly Norwood Industries Inc. (the "**Company**"), filed an assignment in bankruptcy. KSV Restructuring Inc. ("**KSV**") is the Licensed Insolvency Trustee appointed by the Office of the Superintendent of Bankruptcy (Canada) to act as Trustee in Bankruptcy of the Company's bankrupt estate (in such capacity, the "**Trustee**"), subject to affirmation at the first meeting of creditors to be held on March 16, 2026.

**1.1 Currency**

1. All currency references in this report (this "**Report**") are to Canadian dollars unless otherwise noted.

**1.2 Restrictions**

1. In conducting its review and preparing this Report, the Trustee has relied upon financial and other information provided by the Company.
2. The Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information contained in this Report should perform its own diligence.

## 2. Background

1. The Company was incorporated pursuant to the laws of the Province of Ontario. The Company is a wholly owned subsidiary of AStar Intermediate Corporation, an Ontario corporation. The Company operated from leased premises in Barrie, Ontario.
2. The Company's primary business was designing, engineering, manufacturing and selling portable sawmills and related forestry equipment to outdoorsmen, craftsmen, hobbyists and professional sawyers. The Company sold more than forty production-enhancing attachments and accessories which allowed its customers to expand and customize their sawmills, including hydraulic systems, log loaders, levelers and saw head extensions. The Company also sold replacement parts and consumables, including blades, sharpeners, setters, lubrication systems and engine service kits, and provides after-sales support and technical assistance. The Company held in excess of 85 patents.
3. In April 2025, the Company launched a sale process (the "**SISP**") as part of a strategic review process. The Company retained G2 Capital Advisors ("**G2**") to lead the SISP. G2 marketed the opportunity to financial and strategic parties over nearly five months.
4. Pursuant to an initial order (the "**Initial Order**") issued by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on September 12, 2025, the Company was granted protection under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**") and KSV was appointed the monitor of the Company (the "**Monitor**"). The principal purpose of the CCAA Proceedings was to create a stabilized environment to enable the Company to complete the SISP.
5. Following a bid deadline in the SISP, the Company, in consultation with G2, Monroe Capital LLC ("**Monroe**"), the Company's most significant secured creditor, and the Monitor, selected as the best offer a bid submitted by 100135526 Ontario Inc. (the "**Purchaser**"), an affiliate of Wood Technologies International, a supplier of wood processing, engineering and essential tooling.
6. On October 3, 2025, the Court approved the transaction between the Company and the Purchaser in accordance with an asset purchase agreement dated September 26, 2025 (the "**Transaction**"). The purchase price pursuant to the Transaction was \$2.3 million. Monroe suffered a shortfall on its debt, as discussed below.
7. Further information regarding the CCAA Proceedings and these bankruptcy proceedings are available at KSV's website at: <https://www.ksvadvisory.com/experience/case/norwoodindustries>.

## 3. Bankruptcy Estate

### 3.1 Assets

1. Per the Company's Statement of Affairs filed in the bankruptcy, the Company's assets as of the date of bankruptcy was cash of \$217,000.

## 4. Creditors

### 4.1 Secured Creditors

1. Monroe is the Company's primary secured creditor. As of the commencement of the CCAA Proceedings, Monroe was owed approximately \$31 million. As of the date of bankruptcy, Monroe was owed approximately \$33.6 million<sup>1</sup>, with interest and costs continuing to accrue.
2. Monroe has security over substantially all the Company's business and assets. As detailed in the pre-filing report filed by KSV as proposed monitor, in advance of the CCAA proceedings, KSV instructed its counsel, Norton Rose Fulbright Canada LLP ("**Norton Rose**") to provide it with an opinion as to the validity and enforceability of Monroe's security.
3. Norton's opinion confirms that, subject to certain assumptions and qualifications contained therein, Monroe's security is valid and enforceable. While the majority of the assumptions and qualifications were customary for opinions given to court officers in insolvency proceedings, there were certain additional provisions related to the governing law of the security document, which provisions do not impact Norton Rose's conclusion as to the enforceability of Monroe's security.
4. The net sale proceeds from the Transaction were distributed to Monroe pursuant to an order of the Court dated October 3, 2025.
5. Monroe has agreed that the Trustee can fund the costs of these proceedings from cash in the Trustee's estate account.

### 4.2 Unsecured Creditors

1. Based on the Company's books and records, the Company's unsecured liabilities are approximately \$6 million. A list of the Company's unsecured creditors is provided in the Statement of Affairs.

## 5. Books and Records

1. The Trustee has taken possession of the books, records and data it requires to complete its duties and obligations under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), including bank statements for the year preceding the date of bankruptcy.

## 6. Preferences and Transfers at Undervalue

1. Pursuant to the BIA, the Trustee is required to conduct a review for preferences and transfers at undervalue by examining the Company's bank statements and accounting records for the year preceding the date of the initial bankruptcy event. In respect of non-arm's length transactions, the "look-back" period under the BIA is five years. The Trustee has carried out that review and did not identify any transaction(s) that require further investigation.

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<sup>1</sup> The Monroe indebtedness at the date of bankruptcy includes interest and costs which continued to accrue from the date of the Initial Order.

## 7. Anticipated Realization and Projected Distribution

1. As set out above, substantially all of the Company's assets were sold pursuant to the Transaction, Monroe suffered a significant shortfall on its loans to the Company and the realizable value of the Company's remaining assets is limited to the cash in the Trustee's estate account and certain sundry assets with nominal value. Those assets will be used to pay the costs of these bankruptcy proceedings, with any residual amount distributed to Monroe. The Trustee does not expect that there will be any distributions to the Company's unsecured creditors.

## 8. Other Matters

1. There are no other matters to discuss at this time.

\* \* \*

DATED at Toronto, Ontario, this 13<sup>th</sup> day of March, 2026.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
SOLEY IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF  
1000016601 ONTARIO INC.  
AND NOT IN ITS PERSONAL CAPACITY**