

**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 NORWOOD INDUSTRIES INC.**

Applicant

**FACTUM OF THE APPLICANT
(CCAA COMEBACK HEARING RETURNABLE SEPTEMBER 19, 2025)**

September 17, 2025

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PART I - OVERVIEW

1. On September 12, 2025, Norwood Industries Inc. (“**Norwood**”), a manufacturer of portable sawmills, obtained an initial order under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) granting, among other things, protection from its creditors through a stay of proceedings, an administration charge and a director’s charge, and appointing KSV Advisory Inc. as monitor (the “**Monitor**”).
2. The primary objective of these CCAA proceedings is to achieve operational stability while Norwood pursues a going concern and value maximizing transaction for the benefit of its stakeholders.
3. Due to severely constrained liquidity, Norwood already ran a robust pre-filing sale and investment solicitation process (“**SISP**”) which failed to result in an executable transaction. However, there are three parties currently known to Norwood who have provided credible expressions of interest. The Applicant has provided a Bid Process Letter to these parties to obtain final executed binding offers in a relatively short timeframe due to the Applicant’s liquidity.¹
4. As a result, on this motion, the Applicant seeks an Amended and Restated Initial Order (“**ARIO**”), among other things:
 - a. extending the Stay Period to and including November 30, 2025;
 - b. increasing the Administration Charge from \$250,000 to \$500,000,
 - c. approving a charge to secure the fees and disbursements of G2 (the “**CRO Charge**”);

¹ Any capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Affidavit #1 of Rhett Ross sworn September 9, 2025 (the “**First Rhett Affidavit**”) or the Affidavit #2 of Rhett Ross sworn September 16, 2025 (the “**Second Rhett Affidavit**”).

- d. approving a charge to secure the Success Fee owed to G2 in the event of a consummation of a Transaction (the “**Success Fee Charge**”).

5. The Applicant submits that the stay extension and the Charges sought are reasonable and necessary in the circumstances, to allow the Applicant and the CRO to engage with the three buyers and ensure that the best viable option is chosen for the Applicant and its stakeholders.

6. The relief sought on this motion is supported by the Monitor and by the largest lender to the Applicant, Monroe Capital Management Advisors LLC (“**Monroe**”).

PART II - THE FACTS

7. The facts in support of this application are as set out in the Affidavit of Rhett Ross dated September 9, 2025 and the Affidavit of Rhett Ross dated September 16, 2025.

A. Business

8. Norwood is a globally recognized designer and manufacturer of portable sawmills and related productions with operations (the “**Business**”) in Canada and the United States.² The business commenced over 30 years ago in Barrie, Ontario and has since grown significantly with sales across 123 countries and over 35,000 fielded sawmills.³

9. Norwood’s Canadian operations are conducted from leased premises located in Barrie, Ontario (the “**Barrie Premises**”).

² Second Rhett Affidavit, para. 6.

³ Second Rhett Affidavit, para. 6.

10. The Business is supported by approximately 49 employees; 45 of which are salaried employees and 4 of whom are hourly employees. All of these employees are located in Ontario and none of them are unionized. Norwood does not have a pension plan.⁴

B. Secured Lenders/Banking Arrangements

11. The financing required to operate the Business has been provided by Monroe, as agent for a syndicate of lenders pursuant to the Monroe Credit Agreement, in the initial aggregate principal amount of USD \$32,345,449 and with revolving commitments in the principal amount of CAD \$12,500,000.⁵

12. Norwood also holds a Canadian dollar bank account and a USD bank account with Royal Bank of Canada (“**RBC**”), which are primarily used for deposit of customer cheques and payment of operational liabilities.⁶

13. Norwood also holds corporate credit cards issued by RBC with an approximate balance as of September 5, 2025 of \$199,752.⁷

14. Monroe is the primary secured lender to Norwood pursuant to various security granted by Norwood including a guarantee and trademark and patent security agreements.⁸ RBC has a second priority security interest in all of Norwood's personal property pursuant to a general security agreement.⁹

⁴ First Rhett Affidavit, para. 14-15.

⁵ Second Rhett Affidavit, para. 7.

⁶ First Rhett Affidavit, para. 18.

⁷ First Rhett Affidavit, para. 19.

⁸ First Rhett Affidavit, para. 25.

⁹ Second Rhett Affidavit, para. 8.

C. Financial Difficulties and CCAA Protection

15. Norwood's present financial difficulties were precipitated by a combination of operational and financial challenges, which included:

- (a) a post-COVID sales decline as consumer spending shifted away from home improvement products;
- (b) rising interest rates, which increased borrowing costs and reduced demand in Norwood's core markets;
- (c) a sharp decline in lumber prices, reducing the incentive for hobbyists to mill their own lumber;
- (d) decreased profitability due to price volatility and market normalization; and
- (e) a shift back to professional builders, reducing demand for Norwood's products.¹⁰

16. As a result, in early 2025, Norwood retained G2 Capital Advisors LLC ("**G2**") to assist with a review of strategic alternatives, including a sale of the business. In consultation with G2 and Monroe, Norwood determined that a sale process was in the best interest of stakeholders.¹¹

17. Norwood's liquidity remained constrained during this period. Cash flow forecasts prepared in consultation with KSV, G2 and Monroe demonstrated that Norwood would not have sufficient liquidity to operate beyond the short term without a prompt transaction or additional financing.¹²

18. As a result, Norwood focused on a robust pre-filing SISP to identify parties with a potential interest in purchasing the Business. G2, with the assistance of Norwood's management, identified a comprehensive list of strategic buyers and financial buyers that would be interested in purchasing the Business (the "**Norwood Prospective Purchasers**").

¹⁰ Second Rhett Affidavit, para. 8.

¹¹ Second Rhett Affidavit, para. 9.

¹² Second Rhett Affidavit, para. 10.

19. G2 developed a teaser that contained a summary of the opportunity to purchase the Business which was distributed to the Norwood Prospective Purchasers.¹³

20. G2 contacted by phone or email 153 Norwood Prospective Purchasers regarding the opportunity. Of the parties contacted, 32 Norwood Prospective Purchasers executed non-disclosure agreements and were provided copies of a confidential information memorandum. 22 Norwood Prospective Purchasers were granted access to the data room.¹⁴

21. Seven Norwood Potential Purchasers submitted non-binding expressions of interest (“**EOIs**”). Norwood, in consultation with G2 and Monroe, determined that of these seven EOIs, 2 Norwood Prospective Purchasers appear capable of transacting on commercial terms acceptable to Norwood with an acceptable period of time.¹⁵

22. However, Norwood has now determined that there are presently three credible expressions of interest from interested parties.¹⁶

23. Norwood obtained the Initial Order under the CCAA on September 12, 2025.

D. Bid Process

24. Norwood, in consultation with G2, the Monitor, and Monroe, has issued a bid process letter (the “**Bid Process Letter**”) to the three remaining interested parties which outlines the procedure to be followed for final, binding offers to acquire Norwood’s property, assets and undertaking.¹⁷

¹³ Second Rhett Affidavit, para. 50-51.

¹⁴ Second Rhett Affidavit, para. 52.

¹⁵ First Rhett Affidavit, para. 53.

¹⁶ Second Rhett Affidavit, para. 10.

¹⁷ Second Rhett Affidavit, para. 13.

25. The bid process requires each selected bidder to submit a final executed binding offer – conditional only on Court approval – by 4:00 p.m. (E.T.) on September 22, 2025. The key requirements include:

- a. submission of a redlined version of the offer against the provided template;
- b. concurrent submission of satisfactory proof of financial capacity;
- c. payment of a mandatory deposit, to be held by the Monitor, equal to 10% of the proposed purchase price upon acceptance, with no variance or waiver permitted;
- d. a cover letter, signed by an authorized bidder officer, certifying independent preparation of the offer and an absence of collusion or communication with other bidders regarding the bid content or process. Any evidence of collusion will result in disqualification at Norwood and the Monitor’s sole discretion; and
- e. acknowledgment of the required closing timeline: closing must occur immediately following Court approval, and each cover letter must expressly confirm the bidder’s ability and agreement to meet this timeline.¹⁸

26. The Monitor and Norwood will retain the right, in consultation with Monroe, to accept or reject any offer (regardless of amount), seek additional rounds of bidding, and to take further steps to maximize transaction value. All accepted offers will be submitted to the Court for approval.¹⁹

E. The Charges

27. The Initial Order granted certain charges (the “**Initial Charges**”, and together with the charges sought in the ARIO, the “**Charges**”) on the Property. The Applicant Entities are seeking

¹⁸ Second Rhett Affidavit, para. 14.

¹⁹ Second Rhett Affidavit, para. 15-16.

to increase the quantum of certain Charges and to approve additional Charges, in each case to an amount that the Monitor confirms is reasonable and appropriate in the circumstances.²⁰

i. Administration Charge

28. The Initial Order granted the Administration Charge in the amount of \$250,000.²¹ The Applicant now proposes that the amount of the Administration Charge be increased to \$500,000.

29. The Administration Charge is proposed to have first priority over all the other Charges, followed by the Director's Charge – which remains at \$364,000, as granted in the Initial Order.²²

ii. CRO Charge

30. The Applicant seeks approval of a CRO Charge, which will secure funds owing to G2 under an exclusive engagement agreement dated February 26, 2025 (as amended, the “**CRO Engagement**”).

31. The scope of G2's advisory services under the CRO Engagement consist of development and preparation of budgets, financial projections, business updates, and related analyses, as well as the assessment, creation, and execution of critical restructuring initiatives. These initiatives are aimed at aligning Norwood's operations and finances with a focus on understanding cash flow and capital needs.²³

32. The CRO Engagement specifies that for the first three weeks of the engagement, G2 is to be paid an additional fee of USD \$10,000 per week (totalling USD \$30,000), after which the fees are expected to fall between USD \$20,000 and \$25,000 per week, billed hourly according to a set

²⁰ First Report of the Monitor, dated September 17, 2025 (the “**Monitor's First Report**”), paras. 5.1(2), 5.2(3), and 5.3(4).

²¹ Second Rhett Affidavit, para. 17.

²² Second Rhett Affidavit, para. 5, 17.

²³ Second Rhett Affidavit, para. 20.

rate schedule. If fees are anticipated in any week to exceed \$25,000, G2 is required to obtain written approval from Norwood's independent director before incurring those additional costs.²⁴

33. The CRO Charge is necessary given Norwood's constrained liquidity during this time and is required in order to ensure that the fees for the CRO are covered.²⁵ The quantum of the CRO Charge sought is \$250,000, of which \$50,000 is already owed to G2.²⁶

34. Monroe and the Monitor support the approval of the CRO Charge and its priority as compared to the other Charges.²⁷

iii. Success Fee Charge

35. The Applicant seeks approval of the Success Fee Charge in the amount of CDN \$1,000,000, which will secure funds owing to G2 in the event that a potential transaction is completed, pursuant to an agreement between Norwood and G2 dated April 24, 2025 (the "**Engagement Letter**").²⁸ Specifically, a transaction is defined to include the sale, transfer, issuance or licensing of equity securities or assets; mergers, joint ventures, financings, recapitalizations, or similar business combinations involving Norwood or its affiliates.²⁹

36. G2's services under the Engagement Agreement include identifying potential counterparties, coordination of NDAs, assistance with financial forecasts and preparation of marketing materials (Teaser, confidential information memorandum), facilitation of a data side, management of due diligence process, evaluation of indications of interest, negotiating terms and assisting with the overall closing of a Transaction.

²⁴ Second Rhett Affidavit, para. 21.

²⁵ Second Rhett Affidavit, para. 24.

²⁶ Second Rhett Affidavit, para. 24.

²⁷ Second Rhett Affidavit, para. 25.

²⁸ Second Rhett Affidavit, para. 26.

²⁹ Second Rhett Affidavit, para. 26.

37. The fee structure under the Engagement Letter includes a (i) monthly fee in the amount of USD \$20,000, of which one-half of any monthly fees paid will be credited against any Success Fee; (ii) success fee upon consummation of a Transaction of USD \$750,000 during the Term or within a 12-month tail period; and (iii) expense reimbursement for reasonable, documented out-of-pocket costs and expenses.³⁰

38. Monroe and the Monitor support the approval of the Success Fee Charge and its priority as compared to the other Charges.³¹

F. Stay Period

39. The Stay Period currently expires on September 22, 2025 (the “**Initial Stay Period**”). The Applicant is seeking an extension of the Stay Period from September 22, 2025 to November 30, 2025 (the “**Extended Stay Period**”). The Extended Stay Period would allow the Applicant time to complete the bid process with a goal of completing a transaction within the Extended Stay Period.

PART III - THE ISSUES

40. The issues on this motion are whether this Court should grant the ARIO, including approving the increase to the Administration Charge, approving the CRO Charge and the Success Fee Charge and approving the Extended Stay Period.

³⁰ Second Rhett Affidavit, para. 28.

³¹ Second Rhett Affidavit, para. 30; Monitor's First Report, paras. 5.3(4)-(5).

PART IV - THE LAW AND ARGUMENT

A. The ARIO should be granted

i. The Stay of Proceedings should be extended

41. The Initial Stay Period expires on September 22, 2025. Pursuant to section 11.02 of the CCAA, the Court may grant an extension of a stay where: (a) circumstances exist that make the order appropriate; and (b) the debtor company satisfies the Court that it was acted and is acting in good faith and with due diligence.³² These conditions are met in this instance.

42. In the short time since the granting of the Initial Order on September 22, 2025, the Applicant Entities, in consultation and with the assistance of the Monitor, have been working in good faith and with due diligence to, among other things, calculate the cash flow forecast and determine liquidity needs, correspond with the three interested bidders, and draft the Bid Process Letter.³³

43. The Applicant submits that an extension of the stay to November 30, 2025 is appropriate in the circumstances given, among other things:

- a. the Applicant requires an extension to carry out the proposed bid process to achieve a value-maximizing transaction for the benefit of Norwood and its stakeholders;
- b. the time frame will allow any successful transactions to close without the need to for a further stay extension order;

³² *Companies' Creditors Arrangement Act*, [R.S.C. 1985, c. C-36, section 11.02](#). [CCAA]

³³ Second Rhett Affidavit, paras. 13, and 58-59; Exhibit "C" to the Second Rhett Affidavit.

- c. Monroe has agreed to provide the financing necessary to support Norwood's liquidity needs during this period by way of further advances under the existing credit agreement;³⁴
- d. the Applicant Entities have acted, and continue to act, in good faith and with due diligence in respect of all matters relating to these proceedings;
- e. creditors will not suffer any material prejudice if the Stay Period is extended; and,
- f. the Monitor is supportive of the requested extension of the Stay Period.³⁵

ii. The Relief Regarding the Priority Charges are Appropriate

1. The increase to the Administration Charge sought is appropriate

44. Courts have acknowledged the importance of super-priority administration charges to ensure the willingness of professionals and directors and officers to participate in the CCAA proceedings.³⁶

45. The current Administration Charge granted in the Initial Order secured the fees and disbursements of the Monitor, the Monitor's counsel and Norwood's counsel (the "**CCAA Professionals**") to a maximum of \$250,000. An increase in the Administration Charge to \$500,000 is required to secure fees and disbursements of the CCAA Professionals that are anticipated to be required during the CCAA proceedings.³⁷ The Monitor and the secured creditor, Monroe, agree the amounts sought and proposed priority is reasonable.³⁸

³⁴ Second Rhett Affidavit, para. 32.

³⁵ Second Rhett Affidavit, para. 31; Monitor's First Report, para. 7(1).

³⁶ *Timminco Ltd., Re*, [2012 ONSC 506](#) at [para. 66](#); *U.S. Steel Canada Inc. (Re)*, [2014 ONSC 6145](#) at paras. [22](#) and [24](#).

³⁷ Second Rhett Affidavit, para. 17.

³⁸ Second Rhett Affidavit, para. 30; Monitor's First Report, paras. 5.1(2), 5.2(3), 5.3(4), and 5.4(2).

46. The Court has the jurisdiction to grant the Administrative Charge pursuant to section 11.52 of the CCAA.³⁹ This jurisdiction includes the power to increase the amount of such charges.⁴⁰

47. The following 6 factors, confirmed in *Canwest Publishing Inc. Re*, apply to the Court's consideration of whether an administrative charge is appropriate:⁴¹ a) the size and complexity of the business being restructured; b) the proposed role of the beneficiaries of the charges; c) whether there is an unwarranted duplication of roles; d) whether the quantum of the proposed charge appears to be fair and reasonable; e) the position of the secured creditors likely to be affected by the charge; and f) the position of the monitor.

48. The Administrative Charge sought satisfies all six of these factors and should be approved.

2. CRO Charge sought is appropriate

49. The Applicant seeks approval of the CRO Charge in the amount of \$250,000, which is proposed to rank third in priority after the Administration Charge and Director's and Officers Charge.

50. Pursuant to section 11.52 of the CCAA this Court has authority to order a charge over the assets of a debtor company in an amount that the Court considers appropriate in respect of the fees and expenses of "any financial, legal or other experts engaged by the company for the purposes of proceedings under this Act"⁴². The CRO is an expert that falls under this provision.

³⁹ CCAA, [s. 11.52\(1\)](#).

⁴⁰ CCAA [s. 11.52](#); See for example: *Re Agmedica Bioscience et al* (2 December 2019), Court File No. CV-19-00632052-00CL (Ont. Sup. Ct. [Commercial List]) [Initial Order](#) at [para. 27](#), and *Re Agmedica Bioscience et al* (12 December 2019), Court File No. CV-19-00632052-00CL (Ont. Sup. Ct. [Commercial List]) [Amended and Restated Initial Order](#) at [para. 34](#).

⁴¹ *Canwest Publishing Inc. Re*, [2010 ONSC 222](#) at [para. 54](#).

⁴² CCAA, [s. 11.52\(1\)](#).

CCAA courts routinely grant priority charges to chief restructuring officers and similar professionals under this provision.

51. Courts have previously approved administration charges that cover the monthly fees and expenses of a CRO in order to secure the involvement of these professionals to help achieve the best possible outcome for the stakeholders.⁴³ While the CRO Charge is separate and apart from the Administration Charge in this case, it is still meant to secure the monthly fees and expenses of the CRO and will just have a different priority as compared to the Administration Charge.

52. The Applicant submits that the CRO Charge is warranted and necessary and it is appropriate in the circumstances as G2 plays a key role and will be required to expend substantial professional effort to guide Norwood through the bid process and any sale.⁴⁴

53. The Monitor and Monroe support both the amount and the priority of the CRO Charge.⁴⁵

3. Success Fee Charge is appropriate

54. The Applicant seeks approval of a Success Fee Charge in the amount of \$1,000,000 to be secured as against any sale proceeds from the consummation of a Transaction in line with the Engagement Letter. The Success Fee Charge is junior to each of the Administration Charge, the Director's and Officers Charge, and the CRO Charge and is limited to proceeds arising from a Transaction.

55. Pursuant to section 11 of the CCAA, this Court retains broad discretion to make "any order that it considers appropriate in the circumstances".⁴⁶

⁴³ See for example: *SFP Canada* (Court File No. CV-20-63980-00CL) [Initial Order](#) issued January 23, 2020 at [para. 28](#); *Mizrahi Development Group (The One) Inc., Re* (Court File No. CV-25-00740512-00CL), [Initial Order](#) issued April 22, 2025 at para. 30; *Li-Cycle Holdings Corp., et al.* (Court File No. CV-25-00743053-00CL) [Initial Order](#) at para. 43.

⁴⁴ Second Rhett Affidavit, para. 22.

⁴⁵ Second Rhett Affidavit, para. 30 and Monitor's First Report, para. 5.2(3).

⁴⁶ CCAA, [s. 11](#).

56. Relying on section 11 of the CCAA, Courts have previously approved success fees in the context of restructurings under the CCAA and financial advisor arrangements in respect of sale processes and transactions.⁴⁷

57. Courts have found that a “success fee is both appropriate and necessary where the debtor lacks the financial resources to pay advisory fees on any other basis”.⁴⁸

58. When determining whether to approve the engagement of and/or the fees payable to a financial advisor in an insolvency proceeding, Courts have considered, among other things, the following factors:⁴⁹

- a. whether the Court-officer overseeing the proceedings was involved in the selection of the financial advisor;
- b. whether the debtors and the Court-officer overseeing the proceedings believe that the quantum and nature of the remuneration are fair and reasonable;
- c. whether the fees approved are only payable in the event of a successful outcome; and
- d. whether a success fee is necessary to incentivize the financial advisor.

59. In this case, the Success Fee Charge is appropriate and necessary:

- a. G2 was retained prior to the involvement of the Monitor, but the two parties have been working together since;
- b. G2’s engagement in these proceedings is necessary to ensure that the bid process is carried out effectively and the best possible outcome is obtained for Norwood and its stakeholders;

⁴⁷ [Re Walter Energy Canada Holdings, Inc.](#), 2016 BCSC 107 at paras [19](#), [27](#), [31-32](#), [39-40](#) [**Walter Energy**]; [Re Target Canada Co.](#), 2015 ONSC 303 at para [72](#) [**Target**]; [Re Sino-Forest Corp.](#), 2012 ONSC 2063 at paras [46-47](#) [**Sino-Forest**]; [Re Colossus Minerals Inc.](#), 2014 ONSC 514 at [para 30](#) [**Colossus**].

⁴⁸ *Colossus*, at para. [28](#), [30-31](#).

⁴⁹ *Danier*, at [para. 47](#); *Colossus*, at para. [30](#), [31-36](#); *Walter Energy*, at paras. [31-32](#), [35](#); *Target*, at para. [72](#).

- c. given the Applicant's limited liquidity, the payment of a success fee was the only practical manner in which the Applicant could retain G2's services to solicit interest in the Business;
- d. the Success Fee Charge will only be as against the proceeds of any successful Transaction; and
- e. the Monitor and Monroe are supportive of the quantum and priority of the Success Fee Charge.

60. Courts have previously granted charges to secure success fees in other similar instances.⁵⁰

61. The Applicant submits that it is appropriate and reasonable in the circumstances to grant the Success Fee Charge.

PART V - RELIEF REQUESTED

62. Accordingly, the Applicant respectfully submits that the ARIO in the form found at Tab 3 in the Motion Record be granted.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 17th day of September, 2025.



Sean Collins, KC / Saneea Tanvir
Lawyers for Norwood Industries Inc.

⁵⁰ See [Re Danier Leather Inc.](#), 2016 ONSC 1044 at paras. [47-48](#); Walter, para. [39-43](#); *Good Natured Products Inc., et al.* (Court File No. S-244212) [Order Made After Application](#) issued July 11, 2024, at [para. 14](#); See, [Arrangement relatif à Stokes Inc.](#), 2024 QCCS 4774, at [para 47](#).

**SCHEDULE “A”
LIST OF AUTHORITIES**

Cases Cited

1. *Canwest Publishing Inc. Re*, [2010 ONSC 222](#).
2. *Good Natured Products Inc., et al.* (Court File No. S-244212) [Order Made After Application](#) issued July 11, 2024.
3. *Li-Cycle Holdings Corp., et al.* (Court File No. CV-25-00743053-00CL) [Initial Order](#).
4. *Mizrahi Development Group (The One) Inc., Re* (Court File No. CV-25-00740512-00CL), [Initial Order](#) issued April 22, 2025.
5. *Re Agmedica Bioscience et al* (2 December 2019), Court File No. CV-19-00632052-00CL (Ont. Sup. Ct. [Commercial List]) [Initial Order](#).
6. *Re Agmedica Bioscience et al* (12 December 2019), Court File No. CV-19-00632052-00CL (Ont. Sup. Ct. [Commercial List]) [Amended and Restated Initial Order](#).
7. [Re Colossus Minerals Inc.](#), 2014 ONSC 514.
8. [Re Danier Leather Inc.](#), 2016 ONSC 1044.
9. [Re Sino-Forest Corp.](#), 2012 ONSC 2063.
10. [Re Target Canada Co.](#), 2015 ONSC 303.
11. [Re Walter Energy Canada Holdings, Inc.](#), 2016 BCSC 107.
12. *SFP Canada* (Court File No. CV-20-63980-00CL) [Initial Order](#) issued January 23, 2020.
13. *Timminco Ltd., Re*, [2012 ONSC 506](#).
14. *U.S. Steel Canada Inc. (Re)*, [2014 ONSC 6145](#).

**SCHEDULE “B”
RELEVANT STATUTES**

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

s. 11

General power of court – 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. — initial application

11.02 (1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

(a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the [Bankruptcy and Insolvency Act](#) or the [Winding-up and Restructuring Act](#);

(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.

Stays, etc. — other than initial application

(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

(3) The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

Restriction

(4) Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

Court may order security or charge to cover certain costs

11.52 (1) On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a debtor company is subject to a security or charge — in an amount that the court considers appropriate — in respect of the fees and expenses of

(a) the monitor, including the fees and expenses of any financial, legal or other experts engaged by the monitor in the performance of the monitor's duties;

(b) any financial, legal or other experts engaged by the company for the purpose of proceedings under this Act; and

(c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for their effective participation in proceedings under this Act.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**FACTUM
(Amended and Restated Initial Order
returnable September 19, 2025)**

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