



Court File No.: VLC-S-S-254287
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT*
ACT, RSC 1985, c C-36, as amended**

and

**IN THE MATTER OF OAK AND FORT CORP., 1282339 B.C. LTD.,
OAK AND FORT US GROUP, INC., OAK AND FORT ENTERPRISE
(U.S.), INC., NYM MERGER HOLDINGS LLC and
OAK AND FORT CALIFORNIA, LLC**

PETITIONERS

RESPONSE TO PETITION

Filed by: Business Development Bank of Canada ("BDC")

THIS IS A RESPONSE TO the petition filed June 6, 2025.

BDC estimates that the application will take one day.

PART 1: ORDERS CONSENTED TO

BDC consents to the granting of the orders set out in the following paragraphs of Part 1 of the Petition:

1. None.

PART 2: ORDERS OPPOSED

BDC is opposed to the Orders sought in paragraphs 26 and 27 of the proposed Amended and Restated Initial Order.

PART 3: ORDERS ON WHICH NO POSITION IS TAKEN

1. None.

PART 4: FACTUAL BASIS

1. BDC is a secured creditor, being the holder of, among other things, a General Security Agreement from Oak and Fort Corp.
2. BDC does not consent to a priority over its security in respect of the amount of the requested Directors & Officers Indemnification and Charge.

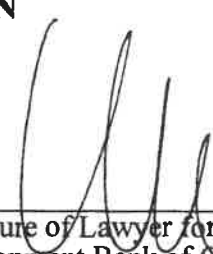
PART 5: LEGAL BASIS

1. BDC is not opposed to the concept of a Directors & Officers Indemnification and Charge (the “**D&O Charge**”) in theory, but *is* opposed to the amount of the Charge. In the Canwest Publishing decision of the Superior Court of Justice in Ontario (2010 ONSC 222 CanLii), a case relied upon in the submissions of the applicant Petitioner, the Court paid particular attention to the following factors set out in paragraphs 56 and 57:
 - (a) Global had been unable to obtain additional or replacement insurance coverage;
 - (b) at paragraph 57, the directors indicated that due to potential significant personal liability they would not continue their service and involvement in restructuring absent a D&O Charge;
2. Neither of those factors have been established in evidence here. There is no evidence that the directors have made any effort to obtain an extension of the existing D&O Insurance;
3. The existing D&O Insurance doesn’t expire for another six months;
4. There is no evidence the directors have attempted to obtain any alternative D&O Insurance; and
5. The D&O Charge in the amount of \$3,400,000.00 is excessive and unreasonable. The directors and officers, having guided the Companies into the circumstances they currently find themselves in, ought not to be able to improve their position through the CCAA filing.

PART 6: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Sandra Riley.

Dated: June 13, 2025.



Signature of Lawyer for Business
Development Bank of Canada
Douglas B. Hyndman
Kornfeld LLP

Petition Respondent's address for service:	KORNFELD LLP 1100 One Bentall Centre 505 Burrard Street, Box 11 Vancouver, BC V7X 1M5
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