

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

OAK AND FORT CORP., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 25-11282 (MG)

Jointly Administered

**ORDER RECOGNIZING FOREIGN MAIN
PROCEEDINGS AND GRANTING ADDITIONAL RELIEF**

A hearing having been held (the “Hearing”) to consider the chapter 15 petitions for each of the above-captioned debtors (the “Debtors”) and the Verified Petition, filed on June 7, 2025, and the Supplement to Verified Petition, filed on July 2, 2025 (together, the “Verified Petition,” and together with the chapter 15 petitions, the “Petitions”)² by KSV, the duly authorized foreign representative (the “Foreign Representative”) of the above-captioned debtors (the “Debtors”) for entry of an order pursuant to sections 105(a), 362, 364, 365, 1507(a), 1517, 1520, 1521, 1522 and 1525(a) of the Bankruptcy Code: (i) recognizing the Canadian Proceedings as foreign main proceedings pursuant to sections 1517 and 1520 of the Bankruptcy Code, (ii) recognizing the Foreign Representative as the “foreign representative,” as defined in section 101(24) of the Bankruptcy Code, in respect of the Canadian Proceedings, (iii) recognizing and enforcing the SARIO, and any and all existing and future extensions, amendments, restatements, and/or

¹ The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor’s U.S. Federal Employer Identification Number (“FEIN”) or Canada Revenue Agency Business Number (“BN”), are: Oak and Fort Corp. (BN 0003); 1282339 B.C. Ltd. (BN 0001); Oak and Fort US Group, Inc. (FEIN 1236); Oak and Fort Enterprise (U.S.), Inc. (FEIN 0468), NYM Merger Holdings LLC (FEIN 6949), and Oak and Fort California, LLC (FEIN 6937). The Debtors’ headquarters are located at 100-7 East 6th Ave, Vancouver, British Columbia, Canada.

² Except as otherwise stated herein, capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Verified Petition and, if not therein, the SARIO (including by cross reference herein).

supplements authorized by the Canadian Court, (iv) granting a stay of enforcement and execution against the Debtors' assets and applying section 362 of the Bankruptcy Code in these Chapter 15 Cases pursuant to sections 1520(a)(1), 1521(a) and 105(a) of the Bankruptcy Code, and (v) granting certain additional relief pursuant to sections 1507(a), 1521, and 1525(a) of the Bankruptcy Code; and upon this Court's review and consideration of the Petitions, the Kang Declaration, the Supplemental Kang Declaration, the declaration of Kibben Jackson dated July 2, 2025, the Provisional Relief Motion, and the evidence admitted at the Hearing to consider the Petitions; and due and proper notice of the Petitions having been provided; and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing; and after due deliberation and sufficient cause appearing therefor, the Court makes the following findings of fact and conclusions of law:³

- a. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference to Bankruptcy Judges of the District Court for the Southern District of New York*, dated January 31, 2012 (Preska, C.J.).
- b. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).
- c. Venue is proper in this district pursuant to 28 U.S.C. § 1410(1) and (3).
- d. The Foreign Representative is the duly appointed "foreign representative" of the Debtors, as such term is defined in 11 U.S.C. § 101(24).

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, or any of the following conclusions of law constitute findings of fact, they are adopted as such.

- e. These chapter 15 cases were properly commenced pursuant to 11 U.S.C. §§ 1504, 1509 and 1515.
- f. The Foreign Representative has satisfied the requirements of 11 U.S.C. § 1515 and Fed. R. Bankr. P. 1007(a)(4) and 2002(q).
- g. The Debtors have satisfied the eligibility requirements of 11 U.S.C. §§ 109(a) and 1517(a).
- h. The Canadian Proceedings currently pending before the Canadian Court and provisions made thereunder for the protection, administration and distribution of the Debtors' assets, are "foreign proceedings," as such term is defined in 11 U.S.C. § 101(23).
- i. The Canadian Proceedings are entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.
- j. The Canadian Proceedings are pending in the country where each Debtor's center of main interests is located, are "foreign main proceedings," as such term is defined in 11 U.S.C. § 1502(4), and are entitled to recognition as "foreign main proceedings" pursuant to 11 U.S.C. § 1517(b)(1).
- k. The Foreign Representative is entitled to all the relief provided pursuant to 11 U.S.C. § 1520, without limitation.
- l. Appropriate notice of the filing of, and the Hearing on, the Petition for Recognition was given, which notice is deemed adequate for all purposes, and no other or further notice need be given.
- m. The Foreign Representative is further entitled to all relief expressly set forth in 11 U.S.C. §§ 1521(a)-(b).

- n. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, is consistent with the public policy of the United States, is warranted under 11 U.S.C. §§ 105(a), 362, 364, 365(a), 365(e), 1504, 1507, 1509, 1517, 1520, 1521, 1522 and 1525, and will not cause hardship to creditors of the Debtors or other parties in interests that is not outweighed by the benefits of granting such relief.
- o. The relief granted hereby is necessary to effectuate the purposes and objectives of chapter 15 and to protect the Debtors and the interests of their creditors and other parties in interest.
- p. Absent the requested relief, the efforts of the Debtors, the Canadian Court and the Foreign Representative in conducting the Canadian Proceedings and effecting their restructuring therein may be thwarted by the actions of certain creditors, a result that will obstruct the purposes of chapter 15 as reflected in section 1501(a) of the Bankruptcy Code.
- q. Each of the injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the prospects for success of the Debtors' restructuring in the Canadian Proceedings, (iii) confers material benefits on, and is in the best interests of, the Debtors and their creditors, and (iv) is necessary to the overall objectives of such restructuring.
- r. On June 6, 2025, the Canadian Court entered the Initial Order.
- s. On June 20, 2025, the Canadian Court entered the ARIO.
- t. On June 23, 2025, the Court entered the Provisional Relief Order.
- u. On July 4, 2025, the Canadian Court entered the SARIO.

- v. The SARIO, among other things, (i) authorized and empowered Oak and Fort Corp. to obtain and borrow under a credit facility on the terms and subject to the conditions set forth in the Interim Financing Term Sheet, provided that borrowings under such credit facility shall not exceed CAD \$2,500,000 unless permitted by further Order of the Canadian Court, (ii) authorized and directed each of the Debtors to pay and perform all of its obligations to the Interim Lender (the “Interim Financing Obligations”) under and pursuant to the Interim Financing Term Sheet and the Definitive Documents (such facility, the “Interim Facility”) as and when the same become due and are to be performed, and (iii) as security for the Interim Financing Obligations (but, for the avoidance of doubt, no obligations incurred before the entry of the SARIO), the SARIO granted the Interim Lender the Interim Lender’s Charge on the Debtors’ Property, having the characteristics, attributes, and priority as set forth in the SARIO.
- w. In addition to the Interim Lender’s Charge, the SARIO also provides for additional Charges with respect to the Debtors’ Property—the Administration Charge, Directors’ Charge, and Intercompany Charge, with all Charges having the respective characteristics, attributes, priorities, and limitations set forth in the SARIO, including specifically, paragraphs 48 and 50 therein. The Directors’ Charge and Intercompany Charge are subordinate to the Administration Charge and Interim Lender’s Charge.
- x. In the SARIO, the Canadian Court requested the aid and recognition of courts in the United States in enforcing and carrying out the relief granted in the SARIO.

- y. Entry of this Order, recognizing and enforcing the SARIO in the United States and applying (i) the Interim Lender's Charge (subject to termination thereof pursuant to the SARIO) to the Debtors' Property that is within the territorial jurisdiction of the United States, including the proceeds thereof (collectively, the "US Property") and (ii) the protections provided by the Bankruptcy Code as contained in this Order, including pursuant to Section 364(c), (d) and (e) of the Bankruptcy Code, is necessary to implement the SARIO as it relates to the Debtors and their US Property, and entry of this Order is a condition precedent to the Debtors' ability to draw the Second Advance under the Interim Facility.
- z. The Foreign Representative has demonstrated that recognition of the SARIO is warranted and that, based on the record before this Court, including the SARIO itself, (i) the Debtors are unable to obtain the requisite financing on an unsecured basis (even if such unsecured credit were to be a super-priority administrative expense), (ii) the Interim Facility is necessary to preserve the Property of the Debtors, (iii) the terms of the Interim Facility are fair, reasonable, and adequate, given the circumstances and in the Debtors' reasonable business judgment, (iv) the Debtors are unable to obtain credit that does not have the priority set forth in the SARIO, and (v) the terms of the Interim Facility were entered into in good faith by the Debtors and the Interim Lender.
- aa. Each of the injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the success of the Debtors' restructuring in the Canadian Proceedings, (iii) confers material benefits on, and is in the best interests of, the

Debtors and their creditors, and (iv) is important to the overall objectives of such restructuring.

- bb. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted under 11 U.S.C. §§ 105(a), 362, 364, 365, 1507, 1509, 1517, 1520, 1521, 1522 and 1525, and will not cause hardship to creditors of the Debtors or other parties in interests that is not outweighed by the benefits of granting that relief.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Petitions and the relief requested therein are GRANTED as set forth herein.
2. The Canadian Proceedings are granted recognition with respect to each of the Debtors as a foreign main proceeding pursuant to 11 U.S.C. §§ 1517(a) and 1517(b)(1).
3. KSV is recognized as the “foreign representative” as defined in section 101(24) of the Bankruptcy Code in respect of the Canadian Proceedings.
4. The Debtors and the Foreign Representative are granted all relief set forth in 11 U.S.C. § 1520.
5. The SARIO, including any and all existing and future extensions, amendments, restatements, and/or supplements thereof authorized by the Canadian Court, and all terms and provisions therein are hereby given full force and effect, on a final basis, with respect to the Debtors and the Debtors’ property that now or in the future is located within the territorial jurisdiction of the United States, including, without limitation, (a) staying the commencement or continuation of any actions against the Debtors or its assets (except as otherwise expressly provided herein or therein); and (b) the approval of the Interim Facility consistent with the SARIO and the Interim Financing Term Sheet, and the indemnity and releases contained therein.

6. The Court recognizes the Interim Lender's Charge, as defined in the SARIO, which applies to all of Debtors' assets located in the United States, subject to the priorities, terms, and conditions of the SARIO, to secure current and future amounts outstanding under the Debtors' Interim Financing Obligations and the Interim Facility.

7. The claims of the Interim Lender with respect to the Interim Financing Obligations to the extent of the Interim Lender's Charge shall be secured by super-priority liens in all US Property (collectively, the "DIP Liens") and (to the extent that claims against the Debtors are adjudicated or paid within the territorial jurisdiction of the United States) shall be allowed super-priority administrative expense claims against the Debtors with priority over all other liens in the US Property or claims of any kind against the Debtors (to the extent that claims against the Debtors are adjudicated or paid within the territorial jurisdiction of the United States), now existing or hereafter arising, subject only to, and consistent with, the rank and priorities set forth in the SARIO.

8. Within the territorial jurisdiction of this Court, this Order shall be sufficient and conclusive notice and evidence of the grant, validity, perfection, and priority of the DIP Liens without the necessity of executing any guarantee, security or other document or filing or recording this Order or any financing statement, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction; provided that the Debtors are authorized to execute, and the Interim Lender may, within the territorial jurisdiction of this Court, file or record, any financing statements, mortgages, other instruments or any other document to further evidence the liens authorized, granted, and perfected hereby and by the SARIO.

9. To the extent this Court's approval is required, the Debtors are hereby authorized and empowered to execute and deliver the Interim Financing Term Sheet and the Definitive Documents, as applicable, and the Debtors are hereby authorized and directed to pay and perform

all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender due under and pursuant to the Interim Financing Obligations, Interim Facility, the Interim Financing Term Sheet, and the Definitive Documents and SARIO including, but not limited to, the fees and expenses of the Interim Lender's Canadian and United States counsel, and other advisors, as and when the same become due and are to be performed, notwithstanding any other provision of this Order and without any further order of this Court.

10. The terms of the Interim Financing Obligations and the Interim Facility have been negotiated in good faith and at arm's-length between the Debtors and the Interim Lender. Any financial accommodations made to the Debtors by the Interim Lender in connection with and pursuant to the Interim Facility (pursuant to, and consistent with, the SARIO,) shall be deemed to have been made by the Interim Lender, in good faith, as that term is used in section 364(e) of the Bankruptcy Code. Accordingly, pursuant to sections 364(e), 1519(a)(3), 1521(a)(7), and 105(a) of the Bankruptcy Code, section 364(e) of the Bankruptcy Code hereby applies for the benefit of the Interim Lender, and the validity of the indebtedness, and the DIP Liens and the priority thereof pursuant to the SARIO, shall not be affected by any reversal or modification of this Order on appeal.

11. Pursuant to 11 U.S.C. § 1520(a)(1), the automatic stay authorized by 11 U.S.C. § 362 shall apply with respect to the Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States; *provided however*, the foregoing relief shall not abridge or modify, and shall rather in all respects be subject to, the rights and protections of the Interim Lender as provided by this Order, the SARIO, and/or any other order of the Canadian Court in the Canadian Proceedings.

12. The Foreign Representative is authorized to operate the business of the Debtors that is the subject of the Canadian Proceedings and is granted (and is authorized to exercise) the rights and powers of a trustee in a bankruptcy in the United States during these chapter 15 cases to the extent provided by 11 U.S.C. § 1520(a)(3).

13. Pursuant to 11 U.S.C. § 1521(a)(1)-(3), all persons and entities, other than the Foreign Representative and its representatives and agents are hereby enjoined (to the extent they have not been stayed under section 1520(a)) from:

- a. enforcement and execution against any of the Debtors' assets;
- b. the commencement or continuation, including the issuance or employment of process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements or otherwise against the Debtors, which in either case is in any way related to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceedings;
- c. taking or continuing any act to create, perfect or enforce a lien or other security interest, setoff or other claim against the Debtors or any of their property or proceeds thereof;
- d. transferring, relinquishing or disposing of any property of the Debtors to any person or entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative;
- e. commencing or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations or liabilities; and

f. declaring or considering the insolvency of the Debtors, the Initial CCAA Order, SARIO, the Provisional Relief Order, this Order or filing of the Canadian Proceedings or these Chapter 15 Cases a default or event of default under any agreement, contract or arrangement;

provided, in each case, that such injunctions shall be effective solely within the territorial jurisdiction of the United States; and *provided further* that nothing herein shall: (a) prevent any entity from filing any claims against the Debtors in the Canadian Proceedings or (b) prevent any entity from seeking relief from the Canadian Court in the Canadian Proceedings or this Court in these Chapter 15 Cases, as applicable, for relief from the injunctions contained in the Order or (c) abridge or modify, and shall rather in all respects be subject to, the rights and protections of the Interim Lender as provided by this Order, the SARIO, and/or any other order of the Canadian Court in the Canadian Proceedings.

14. Pursuant to 11 U.S.C. § 1521(a)(5), the administration or realization of the Debtors' assets within the territorial jurisdiction of the United States is entrusted to the Foreign Representative and the Foreign Representative is hereby established as the exclusive representative of the Debtors in the United States.

15. Pursuant to 11 U.S.C. §§ 1521(a)(6) and 1521(a)(7), all prior relief granted to the Debtors or the Foreign Representative by this Court pursuant to section 1519(a) or 1521 of the Bankruptcy Code shall be extended and that certain Provisional Relief Order shall remain in full force and effect, notwithstanding anything to the contrary contained therein.

16. Pursuant to 11 U.S.C. § 1521(a)(7), 11 U.S.C. § 365(e) shall apply such that no provision in (or right or obligation under) an executory contract or unexpired lease may be terminated or modified solely because of a provision in such contract or lease that is conditioned

on the insolvency of the Debtors, the filing of the Canadian Proceedings, or the filing of these Chapter 15 Cases.

17. The Canadian Proceedings and all prior orders of the Canadian Court shall be and hereby are granted comity and given full force and effect in the United States.

18. The Foreign Representative, the Debtors and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or the local rules of this Court.

19. No action taken by the Foreign Representative, the Debtors, or their respective successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian Proceedings, this Order, these Chapter 15 Cases, or any adversary proceeding herein, or any further proceeding commenced hereunder, shall be deemed to constitute a waiver of the rights or benefits afforded such persons under 11 U.S.C. §§ 306 and 1510.

20. Notwithstanding any provision in the Bankruptcy Rules to the contrary, including, but not limited to, Bankruptcy Rules 7062 and 1018, (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (iii) the Foreign Representative and the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

21. A copy of this Order shall be served (i) within three business days of entry of this Order, by electronic mail to the extent email addresses are available and otherwise by United States mail, overnight or first-class postage prepaid, upon the Notice Parties (as defined in the *Order Scheduling Recognition Hearing and Specifying Form and Manner of Service of Notice* [Docket

No. 14]), the Office of the United States Trustee, and such other entities as the Court may direct and (ii) by posting on the Monitor's web site at <http://www.ksvadvisory.com/experience/case/oakandfort>. Such service shall constitute good and sufficient service and adequate notice for all purposes.

22. The Court shall retain jurisdiction with respect to: (i) the enforcement, amendment or modification of this Order; (ii) any requests for additional relief or any adversary proceeding brought in or through these Chapter 15 Cases; and (iii) any request by an entity for relief from the provisions of this Order, for cause shown, as to any of the foregoing, and provided the same is properly commenced and within the jurisdiction of this Court.

23. This Order shall be effective and enforceable immediately upon entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

IT IS SO ORDERED.

Dated: New York, New York
July 9, 2025

/s/Martin Glenn
MARTIN GLENN
Chief United States Bankruptcy Judge