



Estate File No.: 31-3314544

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

**NOTICE OF BANKRUPTCY AND FIRST MEETING OF
CREDITORS
(Subsection 102(1))**

Take notice that:

1. Paladin Labs Inc. (the "Company") filed an assignment in bankruptcy on December 23, 2025 and KSV Restructuring Inc. was appointed as Licensed Insolvency Trustee (the "Trustee") of Company by the Office of the Superintendent of Bankruptcy, subject to affirmation by the creditors of the Trustee's appointment.
2. The first meeting of creditors of the bankrupt will be held on the 8th day of January, 2026 at 2:15 p.m. (EST), to be convened via Teams at:

Link: <https://www.microsoft.com/en-ca/microsoft-teams/join-a-meeting>
Meeting ID: 214 707 390 659 69
Passcode: ot73Ei3p
3. To be entitled to vote at the meeting, creditors must lodge with the Trustee, prior to the meeting, proofs of claim and, where necessary, proxies.
4. Enclosed with this notice is a form of proof of claim, a form of general proxy, and a list of creditors with claims of twenty-five dollars (\$25) or more, showing the amounts of their claims according to the Company's books and records. Creditors can email their claims and proxy to info@ksvadvisory.com.
5. Creditors must prove their claims against the Company to receive dividends, if any, in the bankruptcy proceedings.

DATED at Toronto, Ontario, this 29th day of December, 2025

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
LICENSED INSOLVENCY TRUSTEE OF
PALADIN LABS INC.,
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITIES**



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-3314544
Estate No.: 31-3314544

In the Matter of the Bankruptcy of:

Paladin Labs Inc.

Debtor

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Ordinary Administration

Date and time of bankruptcy:	December 23, 2025, 14:16	Security:	\$0.00
Date of trustee appointment:	December 23, 2025		
Meeting of creditors:	January 08, 2026, 14:15 Meeting Via Teams ID:21470739065969 PW:ot73Ei3p, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: December 23, 2025, 14:20

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

-- Form 78 --
Statement of Affairs (Corporate Bankruptcy)
(Subsection 49(2) and Paragraph 158(d) of the Act / subsections 50(2) and 62(1) of the Act)

In the Matter of the Bankruptcy of
Paladin Labs Inc.
of the City of Toronto, in the Province of Ontario

To the bankrupt:
You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 19th day of December 2025. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration by a duly authorized director, if the bankrupt is a corporation, or by yourself, in other cases..

Give reasons for the bankrupt's/debtor's financial difficulty (Select all that apply and provide details):

- ☐ Negative market conditions;
☐ Lack of Working Capital/Funding;
☐ Overhead Increasing;
☐ Faulty Accounting;
- ☐ Foreign Exchange Fluctuations;
☐ Competition;
☐ Faulty Infrastructure or Business Model;
☐ Tax Liabilities;
- ☐ Economic Downturn;
☐ Legislated or Regulatory Restrictions;
☐ Unsuccessful Marketing Initiatives;
☐ Labour;
- ☐ Poor Financial Performance;
☐ Natural Disaster;
☐ Personal Issues;
☐ Other (Please specify).
- ☒ Legal Matters (Provide details);
☐ Increased Cost of Doing Business;
☐ Poor Management;

Provide relevant details:
[Legal Matters] Overwhelming liabilities from awards of damages by a court in civil proceedings.

ASSETS			LIABILITIES		
(totals from the list of assets as stated and estimated by bankrupt/debtor)			(totals from the list of liabilities as stated and estimated by bankrupt/debtor)		
1. Cash on hand		2,286.91	1. Secured creditors		0.00
2. Deposits in financial institutions		0.00	2. Preferred creditors, securities, and priorities		0.00
3. Accounts receivable and other receivables			3. Unsecured creditors		196,051,090.00
Total amount	5,694.00		4. Contingent, trust claims or other liabilities estimated to be provable for		0.00
Estimated realizable value	0.00	0.00			
4. Inventory		0.00	Total liabilities		196,051,090.00
5. Trade fixtures, etc.		0.00			
6. Livestock		0.00	Surplus		196,048,803.09
7. Machinery and equipment		0.00			
8. Real property or immovables		0.00			
9. Furniture		0.00			
10. Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.)		0.00			
11. Vehicles		0.00			
12. Securities (shares, bonds, debentures, etc.)		0.00			
13. Other property		0.00			
Total of lines 1 to 13		2,286.91			
If bankrupt is a corporation, add:					
Amount of subscribed capital	0.00				
Amount paid on capital	0.00				
Balance subscribed and unpaid	0.00				
Estimated to produce	0.00	0.00			
Total assets		2,286.91			
Deficiency		-196,048,803.09			
Total value of assets located outside Canada included in lines 1 to 13		0.00			

List of Assets

Arrange by Nature of asset and number consecutively

No.	Nature of asset ¹	Address/Location	Asset located outside Canada	Details	Percentage of bankrupt's/debtor's interest	Total value of the bankrupt's/debtor's interest	Estimated realizable value	Equity or Surplus	Placeholder (values on this line are for notification)
101	Cash on hand	n/a	<input type="checkbox"/>	Cash on Hand	100.00	2,286.91	2,286.91	2,286.91	<input type="checkbox"/>
501	Other personal property	n/a	<input type="checkbox"/>	Other - Investments	100.00	581.00	0.00	581.00	<input type="checkbox"/>
1001	Taxes Refund	n/a	<input type="checkbox"/>	In Estate - Federal - 2025	100.00	2,172,927.00	0.00	2,172,927.00	<input type="checkbox"/>
1301	Accounts receivable	100 Boulevard Alexis-Nihon, Suite 600, Montreal, QC, H4M 2P2	<input type="checkbox"/>	Debts Due - Business - Various Accounts Receivable	100.00	5,694.00	0.00	5,694.00	<input type="checkbox"/>
Total						2,181,488.91	2,286.91		

¹ Choose one option for each item: Cash on hand; Deposits in financial institutions; Accounts receivable and other receivables; Inventory; Trade fixtures, etc.; Livestock; Machinery and equipment; Residential rental property; Commercial building; Industrial building; Land; Immovable industrial equipment; Other real property; Furniture; Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.); Vehicles; Securities (shares, bonds, debentures, etc.); Bills of exchange, promissory note, etc.; Tax refunds; Other personal property.

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
1	Canada Revenue Agency Attn: Insolvency Intake Centre	Shawinigan - National Verification and Collection Centre 4695 Shawinigan-Sud Blvd, Shawinigan QC G9P 5H9	Corporate taxes			334,752.00	0.00	0.00	0.00	334,752.00			0.00	<input type="checkbox"/>
2	Paladin Labs Canadian Holdings Inc. (PLH)	5330 Carmel Crest Ln Charlotte NC 28226 USA	Intercompany loans			195,716,338.00	0.00	0.00	0.00	195,716,338.00			0.00	<input type="checkbox"/>
Total						196,051,090.00	0.00	0.00	0.00	196,051,090.00				

² Choose one option for each item: Accounts payable; Owed rent; Owed wages; Severance pay; Corporate taxes; Sales taxes; Employee source deductions; Litigation/legal costs and awards; Subordinated debenture; Bills of exchange; Promissory notes; Lien notes; Mortgages or hypothec on real or immovable property; Chattel mortgages or movable hypothec; General Security Agreement; Intercompany loans; Bank loans (except real property mortgage); Finance company loans; Shareholder loans; Shares and subscribed capital; Other claim or liability.

³ Choose one option for each item with a preferred or priority amount: Unpaid supplier; Farmer, fisherman or aquaculturist; Owed wages; Unpaid amount regarding pension plan; Municipal taxes; Rent; Customer of a bankrupt securities firm; Deemed trust in favour of the Crown; Priming charges and interim financing; Environmental liabilities; Other.

DocuSigned by:

Patrick J. Bartels Jr.

06ACF578458A4F8...
Patrick J Bartels Jr.

23-Dec-2025

Date

I, Patrick J Bartels Jr., of the City of Charlotte in the State of North Carolina, do swear (or solemnly declare) that this statement and the attached lists are, to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 23rd day of December 2025 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) remotely by Patrick J Bartels Jr. stated as being located in the City of Charlotte in the State of North Carolina before me at the City of Toronto in the Province of Ontario, on this 23rd day of December 2025 in accordance with provincial Regulation 606/15, Oath or Declaration Remotely.

Document ID: 05AC5E784594458

Patrick J. Bartels Jr.

Patrick J Bartels Jr.

Signed by:

Catherine Theriault

6385550D44C9472...

Catherine Theriault, Commissioner of Oaths

For the Province of Ontario

Expires February 19, 2028

Court No.

File No.

In the Matter of the Bankruptcy of
Paladin Labs Inc.
of the City of Toronto, in the Province of Ontario

Form 78 (8R22)
Statement of affairs (Business bankruptcy)

KSV Restructuring Inc. - Licensed Insolvency Trustee
Per:

Noah Goldstein - Licensed Insolvency Trustee
220 Bay St. Suite 1300, PO Box 20
Toronto ON M5J 2W4
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Ontario
Division No. 09 - Toronto
Court No. 31-3314544
Estate No. 31-3314544

FORM 31 / 36
Proof of Claim / Proxy
In the Matter of the Bankruptcy of
Paladin Labs Inc.
of the City of Toronto, in the Province of Ontario

The creditor's preference is to receive all notices and correspondence regarding this claim at the following address and/or facsimile number and/or email address (a mailing address must be provided in all cases):

Address: _____
Facsimile: _____
Email: _____
Contact person name or position: _____
Telephone number for contact person: _____

In the matter of the bankruptcy of Paladin Labs Inc. of the City of Toronto in the Province of Ontario and the claim of _____, creditor.

I, _____, of the city of _____, a creditor in the above matter, hereby appoint _____, of _____, to be my proxyholder in the above matter, except as to the receipt of dividends, _____ with or without) power to appoint another proxyholder in his or her place.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above named debtor (or that I am _____ (state position or title) of _____, (name of creditor or representative of the creditor) and that I am authorized to represent and (if the creditor is a corporation) that I have authority to bind the creditor of the above-named debtor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy, namely the 23rd day of December 2025, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. Any debt payable in a currency other than Canadian currency was converted to Canadian currency as of the date of bankruptcy.

(The attached statement of account or affidavit must specify the supporting documents or other evidence in support of the claim)

4. That, to the best of my knowledge, this debt has never been (or this debt has been or part of this debt has been) statute-barred as determined under the relevant legislation.

5. That payment for this debt by the debtor to the creditor has been due (or has been in default) since the ____ day of _____, and that the last payment, if any, on this debt by the debtor to the creditor was made on the ____ day of _____, and/or that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the ____ day of _____, as follows:

(Give full particulars of the claim, including its history, any acknowledgement or legal action)

6. (Check and complete appropriate category)

☐ **A. Unsecured claim of \$ _____**

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and:

(Check appropriate description)

- ☐ Regarding the amount of \$ _____, I do not claim a right to a priority.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6E below.)
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.01) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.02) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.1) of the Act.

- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(e) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(f) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(g) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(i) of the Act.

(Set out on an attached sheet details to support priority claim)

☐ **B. Claim of Lessor for disclaimer of a lease of \$ _____**

That I make a claim under subsection 65.2(4) of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

☐ **C. Secured claim of \$ _____**

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, the particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in the proof of security, by the secured creditor.

☐ **D. Claim by Farmer, Fisherman or Aquaculturist of \$ _____**

That I make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts)

☐ **E. Claim by Wage Earner of \$ _____**

- ☐ That I make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
- ☐ That I make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

☐ **F. Claim by Pension Plan for unpaid amount of \$ _____**

- ☐ That I make a claim under subsection 81.5 of the Act in the amount of \$ _____,
- ☐ That I make a claim under subsection 81.6 of the Act in the amount of \$ _____,

☐ **G. Claim against Director of \$ _____**

(To be completed when a proposal provides for the compromise of claims against directors)
That I make a claim under subsection 50(13) of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

☐ **H. Claim of a Customer of a Bankrupt Securities Firm of \$ _____**

That I make a claim as a customer for net equity as contemplated by section 262 of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

7. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

8. That the following are the payments that I have received from the debtor, the credits that I have allowed to the debtor, and the transfers at undervalue within the meaning of section 2 of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act:
(Provide details of payments, credits and transfers at undervalue)

9. (Applicable only in the case of the bankruptcy of an individual.)

- ☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Warning: Subsection 201(1) of the Act provides for the imposition of severe penalties in the event that a creditor or person claiming to be a creditor makes any false claim, proof, declaration or statement of account.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

KSV Restructuring Inc. - Licensed Insolvency Trustee

220 Bay St. Suite 1300, PO Box 20
Toronto ON M5J 2W4
Fax: (416) 932-6266
E-mail: Info@ksvadvisory.com