

**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 PALADIN LABS CANADIAN HOLDING INC. AND  
PALADIN LABS INC.**

**APPLICATION OF PALADIN LABS INC. UNDER SECTION 46 OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

Applicant

**FACTUM OF THE FOREIGN REPRESENTATIVE  
(Motion Returnable April 25, 2023)**

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## **TABLE OF CONTENTS**

<b>PART I – INTRODUCTION</b> .....	<b>1</b>
<b>PART II – SUMMARY OF THE FACTS</b> .....	<b>4</b>
A.    Background.....	4
B.    Developments in the Chapter 11 Cases .....	6
C.    The Bidding Procedures Order .....	9
D.    The Bar Date Order.....	17
<b>PART III – ISSUES AND THE LAW</b> .....	<b>18</b>
A.    This Court has Jurisdiction to Grant the Fourth Supplemental Order .....	18
B.    Recognition of the Bidding Procedures Order is Appropriate.....	20
C.    Recognition of the Bar Date Order is Appropriate .....	22
<b>PART IV – RELIEF REQUESTED</b> .....	<b>24</b>

## PART I – INTRODUCTION

1. Paladin Labs Inc. (“**Paladin**”) files this factum in its capacity as the foreign representative (the “**Foreign Representative**”) in respect of the proceedings commenced by Endo International plc (“**Endo Parent**”) and certain of its affiliates (collectively, the “**Debtors**”), including Paladin and Paladin Labs Canadian Holding Inc. (collectively, the “**Canadian Debtors**”), under chapter 11 of the United States Code (the “**Chapter 11 Cases**”), in support of its motion for the Fourth Supplemental Order, among other things, recognizing and enforcing the following orders granted by the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) in the Chapter 11 Cases:

- (a) *Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief* (the “**Bidding Procedures Order**”); and
- (b) *Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol* (the “**Bar Date Order**”).<sup>1</sup>

2. The Bidding Procedures Order approves procedures (the “**Bidding Procedures**”) for a two-phase marketing and sale process to be conducted by the Debtors to identify value-maximizing transactions for the sale or sales of substantially all of the Debtors’ assets pursuant to section 363 of the Bankruptcy Code (the “**Sale**”). The Bidding Procedures are underpinned by the Stalking Horse Bid by Tensor Limited (the “**Stalking Horse Bidder**”), an entity formed by the Ad Hoc First Lien Group, providing for the acquisition of substantially all of the business and assets of the Debtors, including the Canadian Debtors, through a credit bid of the Debtors’ first lien indebtedness and certain cash consideration.

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<sup>1</sup> Capitalized terms used in this factum but not otherwise defined have the meanings ascribed to them in the affidavit of Daniel Vas sworn April 18, 2023 (the “**Third Vas Affidavit**”) or the affidavit of Daniel Vas sworn August 17, 2022 in connection with the commencement of these Part IV proceedings (the “**First Vas Affidavit**”).

3. The Bar Date Order establishes a process and procedures for the filing of claims against the Debtors, approves the procedures for providing notice to known and unknown creditors, and sets various deadlines by which particular types of creditors must file their claims.

4. The Debtors originally filed motions on November 23, 2022 for approval of the Bidding Procedures Order (the “**Bidding Procedures Motion**”) and the Bar Date Order (the “**Bar Date Motion**”). Certain of the Debtors’ stakeholders filed objections to the Bidding Procedures Motion, the Bar Date Motion, and the Debtors’ motion seeking an extension of the exclusive periods during which only the Debtors may file a chapter 11 plan and solicit acceptances thereof (the “**Exclusivity Extension Motion**”).

5. On January 27, 2023, the Bankruptcy Court entered the Mediation Order ordering a mediation among the Debtors, the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group, the Non-RSA 1Ls, the Official Committee of Unsecured Creditors (the “**UCC**”), the Official Committee of Unsecured Creditors (the “**OCC**”), the future claimants’ representative (the “**FCR**”), the Multi-State Endo Executive Committee (the “**Multi-State EC**”), and certain agencies of the United States of America (collectively, the “**Mediation Parties**”).

6. The Mediation ultimately resulted in the Ad Hoc First Lien Group reaching resolutions with the UCC, the OCC, the Ad Hoc Cross-Holder Group and the Non-RSA 1Ls as reflected in the Resolution Stipulation and an Amended and Restated Restructuring Support Agreement (the “**Amended RSA**”). As a result of these resolutions, the Debtors were able to move forward with the Bidding Procedures Motion, the Bar Date Motion and the Exclusivity Extension Motion with the support of the UCC and the OCC (collectively, the “**Committees**”), the Ad Hoc Cross-Holder Group and the Non-RSA 1Ls.

7. The Bankruptcy Court heard the Debtors' motions on March 28 and 29, 2023 and granted the Bidding Procedures Motion after overruling objections by the U.S. Trustee and the FCR. The Bar Date Motion and the Exclusivity Extension Motion were granted by the Bankruptcy Court on an unopposed basis.

8. The Bidding Procedures Order does not approve the Stalking Horse Bid or any other Sale of the Debtors' assets, nor does it approve any of the resolutions reached by the Ad Hoc First Lien Group with certain Mediation Parties as described above. The Debtors intend to seek Bankruptcy Court approval of the Stalking Horse Bid or other Successful Bid(s) at a subsequent hearing to consider the Sale (the "**Sale Hearing**") following the completion of the sale and marketing process set forth in the Bidding Procedures. In addition, any sale of property of the Canadian Debtors in connection with such Successful Bid(s), whether the Stalking Horse Bid or otherwise, will be subject to approval and recognition of this Court pursuant to the Initial Recognition Order (Foreign Main Proceeding) of this Court granted August 19, 2022 (the "**Initial Recognition Order**").

9. The Foreign Representative submits that recognition of the Bidding Procedures Order and the Bar Date Order by this Court is appropriate in the circumstances and is in the best interests of the Canadian Debtors and their stakeholders. The Bidding Procedures will enable the Debtors to undertake a comprehensive marketing process to maximize the value of their business and assets, with the benefit of a Stalking Horse Bid that provides a baseline transaction and certainty to stakeholders regarding the continued operation of the business, including the Canadian Business. The Bar Date Order prescribes a claims and noticing process for creditors to file claims against the Debtors, including the Canadian Debtors, and enables the Debtors to ascertain the universe of potential claims against them.

10. This Court commonly approves sale and marketing processes and claims procedures that are similar in substance to the relief granted by the Bankruptcy Court in the Bidding Procedures Order and Bar Date Order. The Foreign Representative submits that recognition of these orders pursuant to section 49 of the CCAA is consistent with the principles of comity and in the best interests of the Canadian Debtors and their stakeholders.

## **PART II – SUMMARY OF THE FACTS**

11. The facts with respect to this motion are more fully set out in the Third Vas Affidavit and the First Vas Affidavit.

### **A. Background**

12. As described in the First Vas Affidavit, Endo Parent and its affiliates (collectively, “**Endo**”) operate a global specialty pharmaceutical group that develops, manufactures, and sells life-enhancing branded and generic products to customers in a wide range of medical fields. Endo Parent is an Irish publicly-traded company headquartered in Dublin, Ireland, whose shares trade on the NASDAQ.<sup>2</sup> While Endo’s global headquarters are in Ireland, the majority of its business is conducted in the United States.

13. The Canadian Debtors are integrated members of the broader Endo group. Paladin, the Canadian operating company, sells specialty pharmaceutical products that it owns, licences or distributes to a variety of customers, including wholesalers, hospitals, governmental entities and pharmacies.<sup>3</sup>

14. As described in the First Vas Affidavit, the Chapter 11 Cases were necessitated by a confluence of factors, including a significant recent decline in Endo’s financial performance

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<sup>2</sup> [First Vas Affidavit](#) at para 7.

<sup>3</sup> [First Vas Affidavit](#) at para 9.

(caused primarily by the loss of patent protection on one of its leading revenue generating products) and a highly leveraged capital structure that became unsustainable in light of Endo's declining financial performance. Endo's capital structure consists of funded debt obligations in the aggregate principal amount of US\$8.15 billion, which obligations are guaranteed by the Canadian Debtors.<sup>4</sup>

15. On August 16, 2022, the Debtors commenced the Chapter 11 Cases by filing voluntary petitions in the Bankruptcy Court. On August 18, 2022, the Bankruptcy Court granted certain First Day Orders, including the Foreign Representative Order authorizing Paladin to act as the Foreign Representative for purposes of these Canadian recognition proceedings.<sup>5</sup>

16. On August 19, 2022, this Court granted (a) the Initial Recognition Order, among other things, recognizing Paladin as the "foreign representative" in respect of the Chapter 11 Cases and the Chapter 11 Cases as a "foreign main proceeding"; and (b) a Supplemental Order (Foreign Main Proceeding), among other things, appointing KSV Restructuring Inc. as information officer in respect of these Canadian recognition proceedings (the "**Information Officer**") and recognizing certain of the orders made by the Bankruptcy Court in the Chapter 11 Cases.<sup>6</sup>

17. This Court has granted recognition to certain other orders granted by the Bankruptcy Court in the Chapter 11 Cases pursuant to a Second Supplemental Order dated October 13, 2022 and a Third Supplemental Order dated November 29, 2022.<sup>7</sup>

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<sup>4</sup> [First Vas Affidavit](#) at para 14.

<sup>5</sup> Third Vas Affidavit at paras 2 to 4, Motion Record at Tab 2 [[CL p. A15:A3413](#)].

<sup>6</sup> Third Vas Affidavit at paras 2 to 4, Motion Record at Tab 2 [[CL p. A15:A3413](#)].

<sup>7</sup> Third Vas Affidavit at para 5, Motion Record at Tab 2 [[CL p. A16:A3414](#)].

**B. Developments in the Chapter 11 Cases**

18. The Debtors filed the Bidding Procedures Motion and the Bar Date Motion on November 23, 2022. These motions were ultimately heard by the Bankruptcy Court on March 28 and 29, 2023, following multiple adjournments.<sup>8</sup>

19. A number of the Debtors' stakeholders initially filed objections to one or more of the Bidding Procedures Motion, the Bar Date Motion and the Exclusivity Extension Motion, including the UCC, the OCC, the FCR, the Ad Hoc Cross-Holder Group, the Non-RSA 1Ls, an ad hoc group of unsecured noteholders of the Debtors, the U.S. Trustee, and certain distributors, manufacturers and pharmacies having business relationships with the Debtors (the "DMPs").<sup>9</sup>

20. On January 23, 2023, the Committees filed the Joint Standing Motion seeking standing to permit the Committees to commence and prosecute three complaints related to the validity of the liens of the Prepetition First Lien Secured Parties (as defined in the Cash Collateral Order) and one complaint related to prepetition compensation of the Debtors' executives and other personnel.<sup>10</sup>

21. On January 27, 2023, the Bankruptcy Court entered the Mediation Order ordering the Mediation among the Debtors and the other Mediation Parties.<sup>11</sup> On March 3, 2023, the Debtors informed the Bankruptcy Court at a status conference that the Ad Hoc First Lien Group had reached resolutions in principle with the OCC, the UCC, the Ad Hoc Cross-Holder Group and the Non-RSA 1Ls that would resolve certain of those parties' objections relating to the Debtors' proposed marketing and sale process.

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<sup>8</sup> Third Vas Affidavit at para 46 & 90, Motion Record at Tab 2 [[CL p. A34:A3431](#) & [CL p. A51:A3449](#)].

<sup>9</sup> Third Vas Affidavit at para 14, Motion Record at Tab 2 [[CL p. A18:A3416](#)].

<sup>10</sup> Third Vas Affidavit at para 16, Motion Record at Tab 2 [[CL p. A19:A3417](#)].

<sup>11</sup> Third Vas Affidavit at para 17, Motion Record at Tab 2 [[CL p. A:20:A3418](#)].



22. Those resolutions were reflected in the following documents, among others, that were filed with the Bankruptcy Court on March 24, 2023:

- (a) *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters* (the “**Resolution Stipulation**”), which includes, as exhibits, a term sheet memorializing the resolution reached with the UCC (the “**UCC Resolution Term Sheet**”) and a term sheet memorializing the resolution reached with the OCC (the “**OCC Resolution Term Sheet**”) and, together with the UCC Resolution Term Sheet, the “**Committees Resolution Term Sheets**”); and
- (b) *Notice of Filing of Amended and Restated Restructuring Support Agreement*, containing the Amended RSA which attaches, among other things, an amended restructuring term sheet, an amended wind-down budget, an Amended Voluntary Public/Tribal Opioid Trust Term Sheet (the “**Public/Tribal Opioid Term Sheet**”), and an amended Purchase and Sale Agreement setting forth the terms of the Stalking Horse Bid (the “**Stalking Horse Agreement**”).

23. A central element of the Resolution Stipulation is that the Stalking Horse Bidder has agreed, subject to the closing of the Stalking Horse Bid, to establish and fund separate voluntary trusts for the benefit of general unsecured creditors (the “**Voluntary GUC Creditor Trust**”) and for present private opioid claimants (the “**PPOC Trust**”). Eligible creditors will have the opportunity to voluntarily opt-in to the applicable trust and execute certain releases, and will thereby be eligible to receive consideration from the applicable trust. The Third Vas Affidavit summarizes the Voluntary GUC Creditor Trust at paragraphs 29 to 31, and the PPOC Trust at paragraphs 34 to 37.

24. The Voluntary GUC Creditor Trust and the PPOC Trust are in addition to the trusts to be established by the Stalking Horse Bidder for the benefit of certain public opioid claimants (the “**Public Opioid Trust**”) and tribal opioid claimants (the “**Tribal Opioid Trusts**”) in the United States, the establishment of which was agreed to at the outset of the Chapter 11 Cases by the Ad Hoc First Lien Group and the Multi-State EC. In connection with the resolutions reached in the

Mediation, the Ad Hoc First Lien Group and the Multi-State EC agreed to certain modifications to the Public Opioid Trust and the Tribal Opioid Trust as described in the amended Public/Tribal Opioid Term Sheet. The Public Opioid Trust and Tribal Opioid Trust are summarized at paragraphs 39 to 43 of the Third Vas Affidavit.

25. Under the terms of the Public/Tribal Opioid Term Sheet, which was negotiated by the Stalking Horse Bidder directly with the Multi-State EC, public entities in Canada with potential or asserted claims against the Debtors (including federal, provincial, municipal or indigenous governments) are not eligible to participate in the Public Opioid Trust or the Tribal Opioid Trust.<sup>12</sup>

26. The Debtors filed the Committees Resolution Term Sheets for information purposes in advance of the Bankruptcy Court hearing on March 28 and 29, 2023, but did not seek Bankruptcy Court approval of the Committees Resolution Term Sheets at that hearing. The parties to the Resolution Stipulation may seek approval of the Committees Resolution Term Sheets in connection with the Sale Hearing. This Court is not being asked to approve or recognize the Committees Resolution Term Sheets, or any voluntary creditor trust to be established by the Stalking Horse Bidder, in connection with the Foreign Representative's motion for recognition of the Bidding Procedures Order and the Bar Date Order.<sup>13</sup>

27. At the Mediation, the Debtors and the Ad Hoc First Lien Group agreed to certain amendments to the Original RSA to resolve the objections of the Ad Hoc Cross-Holder Group and the Non-RSA 1Ls. As a result, any holder of Prepetition First Lien Indebtedness that executed the Amended RSA prior to the hearing of the Debtors' Bidding Procedures Motion on

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<sup>12</sup> Third Vas Affidavit at para. 43, Motion Record at Tab 2 [[CL p. A33:A3431](#)].

<sup>13</sup> Third Vas Affidavit at para. 26, Motion Record at Tab 2 [[CL p. A25:A3423](#)].

March 28, 2023, is entitled to participate in the Amended RSA and the transactions contemplated thereby on the same basis as any holder of Prepetition First Lien Indebtedness that executed the Original RSA.<sup>14</sup>

28. As a result of the resolutions reached in the Mediation and reflected in the Resolution Stipulation and the Amended RSA, the Debtors were able to move forward with the Bidding Procedures Motion, the Bar Date Motion and the Exclusivity Extension Motion with the support of the Ad Hoc First Lien Group, the Ad-Hoc Cross Holder Group, the Non-RSA 1Ls, the UCC and the OCC.<sup>15</sup>

29. The Bankruptcy Court granted the Bidding Procedures Motion, the Bar Date Motion and the Exclusivity Extension Motion at the hearing held on March 28 and 29, 2023, overruling the objections to the Bidding Procedures Motion by the U.S. Trustee and the FCR.<sup>16</sup>

30. The Foreign Representative is not seeking this Court's recognition of the Exclusivity Extension Order at this time given that the Exclusivity Extension Order relates to the exclusivity rights of the Debtors within the Chapter 11 Cases and does not relate to the business or assets of the Canadian Debtors.

### **C. The Bidding Procedures Order**

#### ***(i) Overview***

31. The Bidding Procedures Order, among other things: (a) authorizes and approves the Bidding Procedures; (b) authorizes and approves the terms and conditions of the Expense Reimbursement Amount as set forth in the Stalking Horse Agreement; (c) authorizes the Debtors to carry out certain Reconstruction Steps prior to the selection of the Successful Bid(s) under the

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<sup>14</sup> Third Vas Affidavit at para 23, Motion Record at Tab 2 [[CL p. A22:A3420](#)].

<sup>15</sup> Third Vas Affidavit at para. 24, Motion Record at Tab 2 [[CL p. A23:A3421](#)].

<sup>16</sup> Third Vas Affidavit at para. 46, Motion Record at Tab 2 [[CL p. A33:A3431](#)].

Bidding Procedures to implement the Sale in a tax efficient manner under Irish tax law; (d) authorizes and approves the Sale Notice and the Sale Notice Procedures; and (e) authorizes the Assumption and Assignment Procedures to facilitate the assumption and assignment or rejection of certain Contracts and Leases and approves the related Assumption and Assignment Notice.<sup>17</sup>

**(ii) *The Stalking Horse Bid***

32. The Debtors have finalized the terms of the Stalking Horse Agreement with the Stalking Horse Bidder, an entity formed by the Ad Hoc First Lien Group. The Stalking Horse Agreement is summarized at paragraphs 50 to 52 of the Third Vas Affidavit.

33. In summary, the Stalking Horse Bidder has agreed, subject to the terms and conditions of the Stalking Horse Agreement, the Amended RSA and the Resolution Stipulation, to:

- (a) acquire substantially all of the business and assets of the Endo group, including the Canadian Debtors, through the credit bid of the full amount of the US\$5.9 billion of Prepetition First Lien Indebtedness;
- (b) offer employment to all of the Debtors' employees generally for such positions and responsibilities no less favorable than each employee's current positions and responsibilities;
- (c) assume and cure a significant number of trade contracts;

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<sup>17</sup> Third Vas Affidavit at para 47, Motion Record at Tab 2 [[CL p. A33:A3431](#)].

- (d) establish and fund the Voluntary GUC Creditor Trust, the PPOC Trust, the Public Opioid Trust and the Tribal Opioid Trust for the benefit of eligible claimants who elect to participate in such trusts;
- (e) provide additional cash consideration consisting of (i) a US\$5 million cash payment in respect of unencumbered Transferred Assets; and (ii) the US\$116 million Wind-Down Amount to fund an orderly wind down of the Debtors following completion of the Sale;
- (f) fund certain pre-closing professional fees; and
- (g) assume the Assumed Liabilities, including all Cure Claims and all accrued trade and non-trade payables and accrued royalties to the extent incurred in the ordinary course of business and not otherwise related to an Excluded Contract or unrelated to an ongoing business relationship.<sup>18</sup>

34. The consummation of the transactions contemplated by the Stalking Horse Agreement by the Canadian Sellers is conditional on, among other things:

- (a) this Court having granted the Canadian Sale Recognition Order (defined in the Stalking Horse Agreement as “an Order of the Canadian Court recognizing and giving full force and effect in Canada to the [Bankruptcy Court] Sale Order, which Order shall be in form and substance acceptable to the Buyer and the Debtors”) and such order having become a Final Order; and

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<sup>18</sup> Third Vas Affidavit at paras. 50 to 51, Motion Record at Tab 2 [[CL p. A35:A3433-CL p A35:A3434](#)].

- (b) the Competition Act Approval and the ICA Approval shall have been obtained, in each case, if required. These approvals, which relate to approvals under the *Competition Act* and the *Investment Canada Act*, are not expected to be required in the specific context of the Stalking Horse Bid.<sup>19</sup>

35. As the Stalking Horse Bid is a credit bid of the US\$5.9 billion of Prepetition First Lien Indebtedness, it will not result in any material recoveries for junior secured or unsecured creditors (including the US\$941 million principal amount of Second Lien Notes and the US\$1.345 billion principal amount of Unsecured Notes) except to the extent such creditors are eligible and elect to participate in one of the voluntary trusts to be established by the Stalking Horse Bidder pursuant to the Amended RSA and the Resolution Stipulation, or where their claims are assumed by the Stalking Horse Bidder pursuant to the Stalking Horse Agreement.

**(iii) *The Bidding Procedures***

36. The Bidding Procedures provide for a two-phase marketing, bidding and sale process, followed by an auction if necessary, to determine the Successful Bid(s). The Bidding Procedures provide that the Debtors will consider bids that are made for either (a) all or substantially all of the Debtors' assets, or (b) one or more of certain business or asset segments, including the International Pharmaceuticals business segment carried on primarily by Paladin.<sup>20</sup>

37. The Bidding Procedures contemplate the following key dates and deadlines, certain of which may be extended by the Debtors after consultation with the Consultation Parties and subject to the terms of the Amended RSA and the Stalking Horse Agreement:

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<sup>19</sup> Third Vas Affidavit at para 52(d), Motion Record at Tab 2 [[CL p. A38:A3436](#)].

<sup>20</sup> Third Vas Affidavit at para 53, Motion Record at Tab 2 [[CL p. A38:A3436](#)].

<b>Date and Time (prevailing Eastern time)</b>	<b>Deadline</b>
June 13, 2023 at 4:00 p.m.	Indication of Interest Deadline
June 20, 2023 at 4:00 p.m.	Deadline for Debtors to file Sale Acceleration Election Notice
July 28, 2023 at 10:00 a.m.	Date of Accelerated Sale Hearing (subject to occurrence of Sale Acceleration Election)
August 8, 2023 at 4:00 p.m.	Bid Deadline for any Prospective Bidders to submit a Qualified Bid
August 15, 2023 at 10:00 a.m.	Auction date, if applicable
August 31, 2023 at 11:00 a.m.	Date of Bankruptcy Court Sale Hearing (unless accelerated)

*(iv) Expense Reimbursement Amount*

38. The Bidding Procedures Order approves the terms and conditions of the Expense Reimbursement Amount, which is payable by the Debtors upon the termination of the Stalking Horse Agreement in certain specified circumstances. The Expense Reimbursement Amount is an amount equal to the reasonable and documented out-of-pocket costs, fees and expenses incurred by the Required Holders' Advisors (as defined in the Stalking Horse Agreement) in connection with the development, execution, delivery and approval by the Bankruptcy Court of the Stalking Horse Agreement, which amount shall not exceed US\$7 million.<sup>21</sup>

39. The Debtors are already paying the same fees of the Required Holders' Advisors under the terms of the Cash Collateral Order, and the Stalking Horse Agreement provides that there is no entitlement to recover duplicative amounts on account of the same fees and expenses. Accordingly, the Expense Reimbursement Amount does not give rise to any incremental financial obligation on behalf of the Debtors.<sup>22</sup>

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<sup>21</sup> Third Vas Affidavit at para 61, Motion Record at Tab 2 [[CL p. A41:A3439](#)].

<sup>22</sup> Third Vas Affidavit at para 62, Motion Record at Tab 2 [[CL p. A42:A3440](#)].

40. The Stalking Horse Bidder is not entitled to any “break-up fee” under the Stalking Horse Agreement.<sup>23</sup>

(v) *The Reconstruction Steps*

41. The Bidding Procedures Order authorizes the Debtors to carry out certain Reconstruction Steps prior to the selection of the Successful Bid(s) to implement the Sale in a tax efficient manner under Irish tax law.<sup>24</sup> The basic structure of the Reconstruction Steps involves two existing Irish-domiciled Debtors (the “**Transferor Debtors**”) each transferring its business and assets to a newly incorporated entity that will file a Chapter 11 petition and become subject to the jurisdiction of the Bankruptcy Court in the Chapter 11 Cases.<sup>25</sup>

42. The Reconstruction Steps are designed to provide the same tax benefit to the Debtors’ estate regardless of the identity of the ultimate Successful Bidder(s). The Reconstruction Steps must be completed before the Debtors have identified the Successful Bidder(s) under the Bidding Procedures to achieve the desired outcome under Irish tax law.<sup>26</sup>

43. The Reconstruction Steps do not involve any actions by the Canadian Debtors or by Endo Luxembourg Finance Company I S.a.r.l., the direct parent company of Paladin Holdings.<sup>27</sup> Certain Health Canada approvals will be required in connection with the transfer of product authorizations held by Endo Ventures Limited, one of the Transferor Debtors.<sup>28</sup>

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<sup>23</sup> Third Vas Affidavit at para 63(b), Motion Record at Tab 2 [[CL p. A42:A3440](#)].

<sup>24</sup> Third Vas Affidavit at para 64, Motion Record at Tab 2 [[CL p. A43:A3441](#)].

<sup>25</sup> Third Vas Affidavit at para 65, Motion Record at Tab 2 [[CL p. A43:A3441](#)].

<sup>26</sup> Third Vas Affidavit at para 66, Motion Record at Tab 2 [[CL p. A43:A3441](#)].

<sup>27</sup> Third Vas Affidavit at para 68, Motion Record at Tab 2 [[CL p. A44:A3442](#)].

<sup>28</sup> Third Vas Affidavit at para 68, Motion Record at Tab 2 [[CL p. A44:A3442](#)].



(vi) *Sale Notice Procedures*

44. The Bidding Procedures Order authorizes and approves (a) the form of notice of the Sale, the Auction (if any) and the Sale Hearing (the “**Sale Notice**”); and (b) the procedures for distributing the Sale Notice to known claimants and the Supplemental Notice Plan for providing notice to unknown claimants.

45. The Supplemental Notice Plan consists of a multi-faceted supplemental outreach and media notice plan designed to provide publication notice to the Debtors’ unknown creditors, whose claims could relate to use of the Debtors’ opioid or other products. The Supplemental Notice Plan has been designed to reach potential, unknown claimants in a variety of ways, including television, social media, online displays and advertisements, billboards, print media, press releases and community outreach. The Supplemental Notice Plan is one of the largest legal notice programs deployed in chapter 11 cases and its total cost of implementation is expected to be approximately US\$16.3 million.<sup>29</sup>

46. The media notice plan component of the Supplemental Notice Plan is estimated to reach over 80% of adults over the age of eighteen in Canada on average three to four times. The Simplified Print Notice will be published in English in the *Globe and Mail*, *National Post*, *Canadian Living*, *Maclean’s* and *Reader’s Digest* and in French in *Le Journal de Montreal* and *Reader’s Digest*. Notice to potential Canadian creditors will also be provided through online advertisements, social media advertising, and press releases.<sup>30</sup>

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<sup>29</sup> Third Vas Affidavit at para 73, Motion Record at Tab 2 [[CL p.A46:A3444](#)].

<sup>30</sup> Third Vas Affidavit at para 74, Motion Record at Tab 2 [[CL p.A46:A3444](#)].

*(vii) Assumption and Assignment Procedures*

47. The Bidding Procedures Order (a) approves the Assumption and Assignment Procedures to facilitate the assumption and assignment and rejection of certain Contracts or Leases and the related Assumption and Assignment Notice; and (b) provides that the Assumption and Assignment Procedures shall govern the assumption and assignment of all of the Debtors' Contracts and Leases to be assumed and assigned in connection with the Sale, subject to the payment of any Cure Costs necessary to cure any defaults arising under any such Contract or Lease.<sup>31</sup> Pursuant to paragraph 41 of the Bidding Procedures Order, the Assumption and Assignment Procedures do not apply to the DMPs and certain other specified parties.

48. The Assumption and Assignment Notice provides notice to applicable counterparties to Contracts and Leases that are proposed to be assumed and assigned to the Successful Bidder in connection with the Sale (each an "**Assigned Contract**") and will list the applicable Cure Cost in respect of such Assigned Contract as reflected in the Debtors' records.<sup>32</sup>

49. The Assumption and Assignment Notice also provides notice to counterparties that the closing of the Sale shall constitute (a) an amendment to each Assigned Contract as necessary to render null and void any terms of such Assigned Contract to the extent such terms create an obligation of the Debtors or their insurers for losses, damages, expenses or any other amounts whatsoever relating to any actual or potential Opioid-Related Activities (as defined therein) or other conduct prior to the Closing; and (b) an agreement by each counterparty to such Assigned Contract to release the Debtors and their insurers from all obligations arising under such

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<sup>31</sup> Third Vas Affidavit at para 75, Motion Record at Tab 2 [[CL p.A46:A3444](#)].

<sup>32</sup> Third Vas Affidavit at para 76, Motion Record at Tab 2 [[CL p.A47:A3445](#)].

indemnification and reimbursement rights to the extent relating to any conduct occurring prior to the Closing.<sup>33</sup>

50. The Assumption and Assignment Notice sets out the process that any counterparty must follow to object to the proposed Cure Cost, the assumption and assignment of an Assigned Contract, or the deemed amendment of any indemnity provisions in an Assigned Contract.<sup>34</sup>

**D. The Bar Date Order**

51. The Bar Date Order entered by the Bankruptcy Court, among other things: (a) establishes deadlines for filing Proofs of Claim; (b) establishes a deadline for mailing the Bar Date Notice; (c) approves the procedures for filing Proofs of Claim; (d) approves the form of notice and process to provide notice to known creditors and parties in interest; (e) approves the Supplemental Notice Plan for providing publication notice of the Bar Dates to unknown creditors and parties in interest; (f) approves the Confidentiality Protocol; and (g) approves the Proof of Claim Forms.<sup>35</sup>

52. The Bar Date Order establishes the following Bar Dates by which particular types of creditors must file their Claims:

<b>Matter</b>	<b>Deadline (prevailing Eastern time)</b>
General Bar Date	July 7, 2023 at 5:00 p.m.
Governmental Bar Date	May 31, 2023 at 5:00 p.m.
State/Local Governmental Opioid Bar Date	The earlier of (i) 10:00 a.m. on the date set for the first disclosure statement hearing for any chapter 11 plan in the Chapter 11 Cases; and (ii) 5:00 p.m. on the date that is 35 days after the date on which the Debtors file on the docket and serve a supplemental notice setting a deadline for such parties.

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<sup>33</sup> Third Vas Affidavit at para 77, Motion Record at Tab 2 [[CL p.A47:A3445](#)].

<sup>34</sup> Third Vas Affidavit at para 78, Motion Record at Tab 2 [[CL p.A47:A3445](#)].

<sup>35</sup> Third Vas Affidavit at para 81, Motion Record at Tab 2 [[CL p.A48:A3446](#)].

<b>Matter</b>	<b>Deadline (prevailing Eastern time)</b>
Amended Schedule Bar Date	For claimants holding Claims negatively impacted by the filing of a previously unfiled schedule of assets and liabilities or statement of financial affairs or an amendment or supplement to such schedules or statements, the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) 5:00 p.m. on the date that is 30 days after the date on which the Debtors provide notice of such filing, amendment or supplement.
Rejection Damages Bar Date	For counterparties to executory contracts or unexpired leases that have been rejected by the Debtors, the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) 5:00 p.m. on the date that is 30 days after the effective date of such rejection.

53. Since the parties entitled to receive notice of the Sale are substantially identical to the parties entitled to receive notice of the Bar Dates, the granting of the Bar Date Order enables the Debtors to provide concurrent notice of the Sale and Bar Dates to all parties in interest.<sup>36</sup> Providing concurrent notice will result in substantial cost-savings to the Debtors' estates and is more efficient than running a separate mass-noticing program at a later date solely with respect to Bar Dates.

### **PART III – ISSUES AND THE LAW**

54. The issue to be considered on this motion is whether the Court should grant the Fourth Supplemental Order recognizing and giving effect in Canada to the Bidding Procedures Order and the Bar Date Order.

#### **A. This Court has Jurisdiction to Grant the Fourth Supplemental Order**

55. The Foreign Representative is seeking the granting of the Fourth Supplemental Order pursuant to section 49 of the CCAA.

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<sup>36</sup> Third Vas Affidavit at para 82, Motion Record at Tab 2 [[CL p.A48:A3446](#)].

56. In the Initial Recognition Order, this Court recognized the Chapter 11 Cases as a “foreign main proceeding” pursuant to section 47 of the CCAA. When a foreign main proceeding has been recognized under Part IV of the CCAA, subsection 49(1) empowers the court to make any order that it considers appropriate if the court is satisfied that it is necessary for the protection of the debtor company’s property or the interests of creditors.<sup>37</sup>

57. This Court has noted that “[t]he purpose of Part IV of the CCAA is to effect cross-border insolvencies and create a system under which foreign insolvency proceedings can be recognized in Canada.”<sup>38</sup> This statement corresponds with the stated purposes of Part IV of the CCAA set out in section 44 of the CCAA, which include the promotion of: (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions; and (b) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies.

58. The principle of comity is central to achieving these objectives. Comity mandates that Canadian courts should recognize and enforce the judicial acts of other jurisdictions, provided that those other jurisdictions have assumed jurisdiction on a basis consistent with principles of order, predictability and fairness.<sup>39</sup>

59. Where a cross-border insolvency proceeding is most closely connected to another jurisdiction, it is appropriate for the court in that jurisdiction to exercise principal control over the process given the principles of comity and to avoid a multiplicity of proceedings. Section 52 of the CCAA provides that if a proceeding is recognized by a Canadian court under the CCAA as

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<sup>37</sup> [CCAA, s. 49\(1\)](#).

<sup>38</sup> [Zochem Inc. \(Re\)](#), 2016 ONSC 958 at para 15.

<sup>39</sup> [Hollander Sleep Products, LLC \(Re\)](#), 2019 ONSC 3238, at para. 41. [Re Babcock & Wilcox Canada Ltd.](#), 2000 CanLII 22482 (ONSC) at para. 21.

a foreign proceeding, “the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.”<sup>40</sup>

60. Typically, a Canadian court will only refuse to recognize an order of another court in situations where subsection 61(2) of the CCAA is engaged. Subsection 61(2) of the CCAA provides that “Nothing in this Part [IV] prevents the court from refusing to do something that would be contrary to public policy.”<sup>41</sup> Canadian courts have held that this exception to recognition should be interpreted narrowly.<sup>42</sup>

61. Accordingly, this Court has the jurisdiction to grant the Fourth Supplemental Order.

**B. Recognition of the Bidding Procedures Order is Appropriate**

62. The Bidding Procedures Order was granted by the Bankruptcy Court following a full hearing on notice to parties in interest. There was a period of more than four months between the filing of the Bidding Procedures Motion and the Bankruptcy Court hearing to consider the motion, and a number of stakeholders initially filed objections to the relief sought.<sup>43</sup> Many of these objections were resolved as part of the Mediation ordered by the Bankruptcy Court, such that the Bidding Procedures Motion proceeded with the support of the Ad Hoc First Lien Group, the Ad Hoc Cross-Holder Group, the Non-RSA 1Ls, the UCC and the OCC.<sup>44</sup> Only two parties objected to the Bidding Procedures Motion at the Bankruptcy Court hearing – the FCR and the U.S. Trustee – and those objections were overruled by Judge Garrity of the Bankruptcy Court.<sup>45</sup>

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<sup>40</sup> [CCAA, s. 52.](#)

<sup>41</sup> [CCAA, s. 61\(2\).](#)

<sup>42</sup> [Marciano \(Séquestre de\), 2012 QCCA 1881](#) at para. [76](#) (CanLII); leave to appeal refused 2013 CanLII 21748 (SCC) (CanLII).

<sup>43</sup> Third Vas Affidavit at para 14, Motion Record at Tab 2 [[CL p. A18:A3416](#)].

<sup>44</sup> Third Vas Affidavit at para 17, Motion Record at Tab 2 [[CL p. A20:A3418](#)].

<sup>45</sup> Third Vas Affidavit at para 56, Motion Record at Tab 2 [[CL p. A40:A3438](#)].

63. The Bidding Procedures approved by the Bankruptcy Court will enable the Debtors to undertake a comprehensive, two-phase marketing and sale process, followed by an auction if necessary, to determine the Successful Bid(s). The sale and marketing process will be conducted with the benefit of a Stalking Horse Bid that provides a baseline transaction and certainty to stakeholders regarding the continued operation of the business, including the Canadian Business. The Bidding Procedures are intended to maximize the value of the Debtors' business and assets for the benefit of stakeholders. To this end, Canadian courts frequently recognize bidding procedures approved by U.S. bankruptcy courts in chapter 11 cases.<sup>46</sup>

64. The approval of the Bidding Procedures is not against Canadian public policy, and in fact is consistent with similar relief typically granted in Canadian restructuring proceedings. Canadian courts frequently approve sales processes, including sales processes that incorporate a stalking horse bid.<sup>47</sup> In *Danier Leather*, this Court approved a sale process that included a stalking horse agreement and found that “the use of a sale process that includes a stalking horse agreement maximizes the value of a business for the benefit of its stakeholders and enhances the fairness of the sale process.”<sup>48</sup>

65. The Bidding Procedures are – as their name suggests – procedural in nature. They are intended to establish a process through which the Debtors will determine whether there are any superior offers to the Stalking Horse Bid for the sale of substantially all of their business and

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<sup>46</sup> See [Voyager Digital Ltd., Order \(recognition of Foreign Orders\) granted August 11, 2022, Court File No. CV-22-00683820-00CL \(Ont. Sup. Ct. J. \[Commercial List\]\)](#), at para. 3(i); [Knotel Canada Inc. Supplemental Order \(Foreign Main Proceeding\) granted March 12, 2021, Court File No. CV-21-00658434-00CL \(Ont. Sup. Ct. J. \[Commercial List\]\)](#), at para 4(j); [Sungard Availability Services \(Canada\) Ltd., Order \(recognition of Foreign Orders\) granted May 16, 2022, Court File No. CV-22-00679628-00CL \(Ont. Sup. Ct. J. \[Commercial List\]\)](#), at para. 3(c).

<sup>47</sup> [Re Nortel Networks Corp., 2009 ONSC 4467](#), at para. 1; [Re Brainhunter Inc, 2009 ONSC 72333](#), at para. 19; [CCM Master Qualified Fund v. blutip Power Technologies, 2012 ONSC 1750](#), at para. 14; [Cannapiece Group Inc v. Carmela Marzili, 2022 ONSC 6379](#) at para.8; and [Harte Gold Corp., Endorsement of Penny, J. dated December 20, 2021, Court File No. CV-21-00673304-00CL \(Ont. Sup. Ct. J. \[Commercial List\]\)](#).

<sup>48</sup> [Re Danier Leather Inc., 2016 ONSC 1044](#) at para. 20. See also [Cannapiece Group Inc v. Carmela Marzili, 2022 ONSC 6379](#) at paras. 4 and 8.

assets. The Stalking Horse Bid or other Successful Bid(s) identified through the process will be subject to Bankruptcy Court approval at the Sale Hearing.

66. Similarly, recognition of the Bidding Procedures Order by this Court does not constitute final approval of the Successful Bid(s) identified in the Bidding Procedures or any of the resolutions between the Ad Hoc First Lien Group and applicable stakeholders set out in the Resolution Stipulation or the Amended RSA. Any sale or disposition of property of the Canadian Debtors in connection with the Successful Bid(s) remains subject to approval of this Court pursuant to the Initial Recognition Order.

67. The Foreign Representative submits that recognition of the Bidding Procedures Order by this Court is consistent with Part IV of the CCAA, the principles of comity, and the approval of sale processes commonly granted in Canadian restructuring proceedings. Recognition of the Bidding Procedures Order will enable the Canadian Debtors, jointly with the other Debtors, to proceed with the sale process to identify one or more transactions that maximize the value of their business and assets.

**C. Recognition of the Bar Date Order is Appropriate**

68. The Foreign Representative also requests that this Court grant recognition to the Bar Date Order pursuant to section 49 of the CCAA. The Bar Date Order prescribes a claims process to be undertaken concurrently with providing notice to stakeholders regarding the Bidding Procedures. The Bar Date Order will enable the Debtors, including the Canadian Debtors, to ascertain the nature, validity and amount of claims asserted against them.

69. Notably, the parties entitled to receive notice of the Sale are substantially identical to the parties entitled to receive notice of the Bar Dates. The Debtors sought and obtained the Bar Date Order at the same time as the Bidding Procedures Order to enable concurrent notice of the Sale



and Bar Dates to all parties in interest, which will result in substantial cost-savings to the Debtors' estates and other efficiencies.

70. The Bar Date Order provides that the Debtors will cause a Bar Date Notice Package – consisting of the Bar Date Notice, the applicable Proof of Claim Form, and the Proof of Claim instructions – to be sent by first class mail to Known Actual Claimants, Known Potential Claimants, and Known Parties in Interest Entitled to Notice (as defined and prescribed in paragraph 10 of the Bar Date Order).<sup>49</sup> The Bar Date Notice will provide notice of the Bar Dates by which particular types of claims against the Debtors must be filed.

71. The Supplemental Notice Plan has been tailored to Endo's particular circumstances to ensure the greatest possible reach to all known and potentially unknown claimants relating to the Debtors' sale and marketing of opioids and other products. The Supplemental Notice Plan ranks among one of the largest legal notice programs deployed in chapter 11 cases.<sup>50</sup>

72. As it relates to Canadian creditors, the media component of the Supplemental Notice Plan is estimated to reach over 80% of adults over the age of eighteen in Canada on average three to four times.<sup>51</sup> The Supplemental Notice Plan provides for notice to be published in Canada in numerous English- and French-language publications and for notice to be provided through various online advertisements, social media advertising and press releases.<sup>52</sup>

73. Accordingly, recognition of the Bar Date Order is appropriate and necessary in the circumstances. The relief will ensure potential Canadian claimants receive notice of the Bar Dates in order to file Proofs of Claim in the Chapter 11 Cases, and is therefore necessary for the

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<sup>49</sup> Third Vas Affidavit at para 85, Motion Record at Tab 2 [[CL p. A50:A3448](#)].

<sup>50</sup> Third Vas Affidavit at para 73, Motion Record at Tab 2 [[CL p. A46:A3444](#)].

<sup>51</sup> Third Vas Affidavit at para 74, Motion Record at Tab 2 [[CL p. A46:A3444](#)].

<sup>52</sup> Third Vas Affidavit at para 74, Motion Record at Tab 2 [[CL p. A46:A3444](#)].

protection of the interests of stakeholders. Recognition of the Bar Date Order will also enable the Debtors, including the Canadian Debtors, to determine the universe of claims against them that will need to be addressed as part of any restructuring.

74. The Bar Date Order is similar in nature to claims procedure orders which are commonly granted in Canadian insolvency proceedings. Canadian courts overseeing Part IV proceedings have granted recognition to bar date orders granted in Chapter 11 proceedings in a number of cases.<sup>53</sup>

75. The Foreign Representative submits that recognition of the Bar Date Order is in the best interests of the Debtors and their stakeholders. The claims process set forth in the Bar Date Order sets out the procedures for creditors to file claims against the Debtors, including the Canadian Debtors, and will enable the Debtors to ascertain the universe of potential claims against them that will need to be addressed as part of any restructuring. Recognition of the Bar Date Order is therefore an important step in the Debtors' efforts to advance their restructuring efforts.

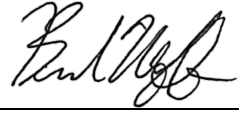
#### **PART IV – RELIEF REQUESTED**

76. For the reasons set forth above, the Foreign Representative respectfully requests that the Court grant the Fourth Supplemental Order in the form attached to the Motion Record recognizing and giving effect in Canada to the Bidding Procedures Order and the Bar Date Order.

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<sup>53</sup> See [Voyager Digital Ltd., Order \(recognition of Foreign Orders\) granted August 11, 2022, Court File No. CV-22-00683820-00CL \(Ont. Sup. Ct. J. \[Commercial List\]\)](#), at para. 3(h); [Sungard Availability Services \(Canada\) Ltd., Order \(recognition of Foreign Orders\) granted May 16, 2022, Court File No. CV-22-00679628-00CL \(Ont. Sup. Ct. J. \[Commercial List\]\)](#), at para. 3(d); [Revlon, Inc., Recognition Order \(Claims Bar Date and Related Relief\) granted September 21, 2022, Court File No: CV-22-00682880-00CL \(Ont. Sup. CT. J \[Commercial List\]\)](#), at para 3(a).

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 20<sup>th</sup> day of April, 2023.

A handwritten signature in black ink, appearing to be "E. M. D.", written in a cursive style.

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Goodmans LLP

**SCHEDULE A**  
**LIST OF AUTHORITIES**

<b>Tab</b>	<b>Description</b>
1.	<a href="#"><u>Re Zochem Inc., 2016 ONSC 958</u></a>
2.	<a href="#"><u>Re Hollander Sleep Products, LLC, 2019 ONSC 3238</u></a>
3.	<a href="#"><u>Re Babcock &amp; Wilcox Canada Ltd, [2000] OJ NO 786 (Ont Sup Ct J (Commercial Division))</u></a>
4.	<a href="#"><u>Re Marciano, 2012 QCCA 1881; leave to appeal refused 2013 CanLII 21748</u></a>
5.	<a href="#"><u>Voyager Digital Ltd., Order (recognition of Foreign Orders) granted August 11, 2022, Court File No. CV-22-00683820-00CL (Ont. Sup. Ct. J. [Commercial List])</u></a>
6.	<a href="#"><u>Knotel Canada Inc., Supplemental Order (Foreign Main Proceeding) granted March 12, 2021, Court File No. CV-21-00658434-00CL (Ont. Sup. Ct. J. [Commercial list])</u></a>
7.	<a href="#"><u>Sungard Availability Services (Canada) Ltd., Order (recognition of Foreign Orders) granted May 16, 2022, Court File No. CV-22-00679628-00CL (Ont. Sup. Ct. J. [Commercial List])</u></a>
8.	<a href="#"><u>Re Nortel Networks Corp., 2009 ONSC 4467</u></a>
9.	<a href="#"><u>Re Brainhunter Inc, 2009 ONSC 72333</u></a>
10.	<a href="#"><u>CCM Master Qualified Fund v. blutip Power Technologies, 2012 ONSC 1750</u></a>
11.	<a href="#"><u>Cannapiece Group Inc v. Carmela Marzili, 2022 ONSC 6379</u></a>
12.	<a href="#"><u>Harte Gold Corp., Endorsement of Penny, J. dated December 20, 2021, Court File No. CV-21-00673304-00CL (Ont. Sup. Ct. J. [Commercial List])</u></a>
13.	<a href="#"><u>Re Danier Leather Inc., 2016 ONSC 1044</u></a>
14.	<a href="#"><u>Revlon, Inc., Recognition Order (Claims Bar Date and Related Relief) granted September 21, 2022, Court File No: CV-22-00682880-00CL (Ont. Sup. CT. J [Commercial List])</u></a>

**SCHEDULE B**  
**STATUTORY REFERENCES**

***COMPANIES' CREDITORS ARRANGEMENT ACT***  
**R.S.C. 1985, c. C-36, as amended**

s. 44

The purpose of this Part is to provide mechanisms for dealing with cases of cross-border insolvencies and to promote:

- (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions in cases of cross-border insolvencies;
- (b) greater legal certainty for trade and investment;
- (c) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies;
- (d) the protection and the maximization of the value of debtor company's property; and
- (e) the rescue of financially troubled businesses to protect investment and preserve employment.

s. 49(1)

If an order recognizing a foreign proceeding is made, the court may, on application by the foreign representative who applied for the order, if the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of a creditor or creditors, make any order that it considers appropriate, including an order

- (a) if the foreign proceeding is a foreign non-main proceeding, referred to in subsection 48(1);
- (b) respecting the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor company's property, business and financial affairs, debts, liabilities and obligations; and
- (c) authorizing the foreign representative to monitor the debtor company's business and financial affairs in Canada for the purpose of reorganization.

s. 50

An order under this Part may be made on any terms and conditions that the court considers appropriate in the circumstances.

s. 52(1)

If an order recognizing a foreign proceeding is made, the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.

61(2)

Nothing in this Part prevents the court from refusing to do something that would be contrary to public policy.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF PALADIN LABS CANADIAN HOLDING INC. AND PALADIN LABS INC.

APPLICATION OF PALADIN LABS INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**FACTUM OF THE APPLICANT  
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Returnable April 25, 2023)**

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