



**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

COUNSEL SLIP / ENDORSEMENT

COURT FILE NO.: CL-26-00000261-0000 **DATE:** June 15 , 2026

REGISTRAR: E. Zlatkus and J. Howlett

NO. ON LIST: 5

TITLE OF PROCEEDING: PLAN OF COMPROMISE OR
ARRANGEMENT OF PAYSTONE HOLDINGS INC. et al.

BEFORE: JUSTICE FL MYERS

PARTICIPANT INFORMATION

For Plaintiff, Applicant / Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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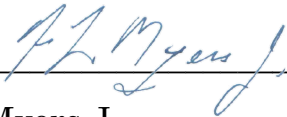
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AMENDED ENDORSEMENT OF JUSTICE FL MYERS:

1. The Applicants move for an extension of the stay of proceedings to June 25, 2026 to allow them to bring a motion to seek approval of a sale of their business to a company controlled by its current ultimate owners.
2. The Applicants had initially intended to bring the sale approval motion today. However, affected creditors have sought further time to determine their positions.
3. The Applicants currently have funding that will run out on or around June 26, 2026. Accordingly, they need the sale motion to be heard by then.
4. **Without prejudice to any position that may be brought by any interested person, the motion to approve the proposed sale by the applicants is scheduled for hearing on June 22, 2026 at 12:00 noon EDT for two hours by Zoom. Counsel are advised to keep their time open from 11:00 a.m. next Monday as the court may start earlier if possible.**
5. This proceeding has some similarities to a “quick flip” receivership in which equity holders or management propose a sale right away to related parties as the only option to stave off business failure. Quick flips are not necessarily a problem. Often, to protect their investments, insiders will attribute value to the enterprise and are willing to contribute equity and sweat equity when the business is so close to failing that others will no longer do so.
6. But quick sales can also contain risks of abuse. Typically, as is the case here, the marketing process will have been conducted prior to the commencement of the court proceeding. It may not have been conducted in an open, transparent manner that allows supervision by those who may suffer loss or by the court on behalf of others who may not be at the table and the public interest.

7. These proceedings remain aimed at protecting the parties and the public from the devastation wrought by business failure and bankruptcy. The principles espoused by the Court of Appeal in *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (ON CA), remain controlling as codified in the CCAA and enhanced in the case of a non-arm's length purchaser.

8. Two parties raised a concern about the scope of releases sought by the Applicants for themselves and others in connection with the proposed business sale. The parties will communicate with the Applicant and the Monitor in the interim to try to resolve their concerns. The issue will also be considered as part of the sale approval motion.



FL Myers J.

Justice FL Myers Digitally signed by Justice FL Myers
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