

Court File Number: CV-20-00646499-000

**Superior Court of Justice**  
Commercial List

**FILE/DIRECTION/ORDER**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GUARDIAN FINANCIAL CORP. AND THE OTHER ENTITIES LISTED ON SCHEDULE "A"**

Applicant(s)

AND

Respondent(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Email/Facsimile No:
See counsel slip attached		

- Order     Direction for Registrar (**No formal order need be taken out**)  
 Above action transferred to the Commercial List at Toronto (**No formal order need be taken out**)
- Adjourned to: **September 10, 2020 comeback date (at 10:30 am)**  
 Time Table approved (as follows): \_\_\_\_\_

**Due to the COVID-19 crisis**, I held a hearing on the above matter today by Zoom videoconference. This hearing was held in accordance with: (a) the Notice to the Profession issued by Chief Justice Morawetz on March 15, 2020 and the Update dated April 2, 2020; and (b) the "Changes to Commercial List operations in light of COVID-19" developed by the Commercial List judges in consultation with the Commercial List Users Committee. The Zoom videoconference facilities were arranged by Stikeman Elliott LLP to facilitate the hearing, as per the foregoing COVID-19 practice directions.

1. Guardian Financial Corp. and related entities (the “Applicants”) are part of the IWG multinational corporate group that offers a network of on-demand office and co-working spaces to a variety of clients across a host of industries in over 1,000 locations in the United States and Canada.
2. On an *ex parte* basis, the Applicants seek creditor protection and certain ancillary relief pursuant to an initial order under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “*CCAA*”).
3. The need for this protection arises because certain of the Applicants’ affiliates in the United States of America filed voluntary petitions for relief in the United States Bankruptcy Court for the District of Delaware. Certain of these “Chapter 11 Debtors” guaranteed leases in Canada held by Applicant entities and limited partnerships (LPs). The Chapter 11 proceedings may result in a technical event of default in a number of these leases. This gives rise to the real concern that the landlords may take action under certain leases in Canada.
4. The Applicants require the protection of the *CCAA* and the other relief sought so that they may mitigate the risk of technical default under the applicable leases and stabilize a volatile situation. The COVID-19 pandemic has resulted in reduced occupancy rates and some occupants have had difficulty paying their occupancy fees on time. While the Applicants continue to negotiate with the landlords, they are not always successful.
5. As part of the application for relief under the *CCAA*, the Applicants seek to extend the stay protections granted by the court to their respective Canadian tenant limited partnerships (the “*CCCA LPs*”).
6. For the reasons that follow, I am satisfied that the Applicant meets the criteria for, and should be granted protection under the *CCAA*; the stay should be extended to the *CCCA LPs*; and the proposed monitor, KSV Kofman Inc. (“*KSV*”) should be appointed as monitor.
7. The Applicants meet the definition of “company” under the *CCAA* and are debtor companies whose liabilities exceed \$5 million. Based on the record and the jurisprudence, the Applicants meet the insolvency test.
8. There should not be material prejudice to any creditors or stakeholders given that the stay is limited to ten days. Further the Applicants will publish the required notices and give notice to all affected landlords within five days of the Order.
9. This initial Order is appropriate in these circumstances to maintain the status quo and allow the Applicants to consult with the landlords with a view to continuing operations for the benefit of both parties.
10. I am also satisfied that the stay should be extended to the *CCAA LPs*. The extension of the stay is appropriate in a case, such as this, where the non-applicants are deeply ingrained in the Applicants’ business operations, and the *CCAA LPs* are central to the Applicants’ restructuring efforts. They hold the leases that permit the Applicants to conduct their business.
11. I am also satisfied that *KSV* is a suitable person to monitor the business. It has already been appointed by this Court as the Information Officer as part of the Initial Recognition Order, and is experienced in *CCAA* proceedings.
12. The relief sought in this initial Order is reasonably necessary for the continued operations of the Applicants while they seek to resolve issues globally and avoid the risk of “lock-

outs” by landlords, which could impede their efforts at restructuring and bring their business to an end.

13. The Applicants have sought limited relief at this juncture, which does not include an administration charge or a directors’ charge. The draft Order also includes certain protections for the landlords.
14. Order to go in the form of the draft signed by me today. The Order is effective from today’s date and it is not necessary that it be entered.

A handwritten signature in black ink, reading "Dietrich J." in a cursive script.

Dietrich J.  
Superior Court of Justice (Toronto)  
August 31, 2020