

A hearing was held in the above-noted matter this morning by Zoom videoconference.

The counsel in attendance are shown on the counsel slip attached hereto.

Endorsement

The applicants bring this motion seeking an order: i) approving an Estate Account Agreement; ii) authorizing the CCAA debtors to pay pre-filing amounts owing to certain critical suppliers; and iii) extending the stay period to and including March 16, 2021.

For the following reasons, the order should be granted:

1. This court has jurisdiction to approve the Estate Account Agreement pursuant to s. 11 of the CCAA, and has done so to permit debtors to modify their existing cash management systems to, among other things, ensure efficient control of cash, cash movements and cash reporting. See *Victorian Order of Nurses for Canada (Re)*, 2015 ONSC 7371, paras. 20 to 25. I am satisfied that the Agreement, together with the proposed Revised Cash Management System contemplated therein, are reasonable and necessary to provide additional protections for the creditors in the event that any of the SPE are liquidated.
2. If certain critical suppliers are not paid pre-filing arrears, they may cease supplying a debtor company until they are paid their pre-filing claims. The loss of their services could imperil the debtor company's business. The CCAA debtors do not have any readily available means to replace the critical suppliers. The Monitor will oversee payments of pre-filing amounts and there will be a cap of \$1.25 million, in the aggregate, on such payments.
3. This court is permitted to grant an extension of a stay of proceedings where there are circumstances that make the order appropriate; and the debtor company has acted, and is acting, in good faith and with due diligence. The proposed extension of the stay to March 16, 2021 lines up with the date for implementation of a plan in the related Chapter 11 cases in the U.S. I am satisfied that the debtors are acting in good faith and with due diligence. The debtors will have sufficient liquidity to continue their operations during the stay. They are paying their rent in the ordinary course and have renegotiated eight leases with landlords. The debtors are continuing to work to stabilize the business and effect a successful restructuring. It is not expected that any creditor will suffer material prejudice as a result of the extension.

The Monitor is fully supportive of the motion. There is no opposition to the motion.

Order to go in the form attached hereto and signed me. The Order is effective as of today's date and the Order does not need to be entered.



Dietrich J.
Superior Court of Justice (Toronto)
November 19, 2020