



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000142-0000 **DATE:** MAY 5, 2026

NO. ON LIST: 4

TITLE OF PROCEEDING: CORTLAND CREDIT LENDING CORPORATION v. SEQUENT AI LTD. et al

BEFORE: JUSTICE W.D. BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Counsel: Valerie Cross Cassandra Federico	Cortland Credit Lending Corporation	valerie.cross@dentons.com cassandra.federico@dentons.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

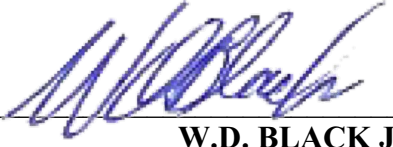
Name of Person Appearing	Name of Party	Contact Info
Counsel to Receiver: Heather Meredith Sanea Tanvir	KSV Restructuring Inc.	hmeredith@mccarthy.ca stanvir@mccarthy.ca
Noah Goldstein Murtaza Tallat	Receiver: KSV Restructuring Inc.	ngoldstein@ksvadvisory.com mtallat@ksvadvisory.com

ENDORSEMENT

[1] This was a motion by KSV (in this endorsement I will use this and other terms as defined in KSV's materials, as Receiver over all assets, undertakings, and properties of the Debtors, seeking an order approving its proposed SISP.

- [2] The Receiver submits, and I agree, that the SISP is a “straightforward, one-phase process designed to maximize the value of the Property for the benefit of all stakeholders.”
- [3] The Property comprises chiefly equity interests in the Operating entities, and the SISP is intended to market the Property in a timely manner, minimizing the impact of the operations of the Operating Entities, and their key customer relationships.
- [4] Prior to ceasing operations in or around March of this year, the Borrower was in the business of owning and supporting companies in the business of reselling information technology hardware and software to Canadian entities.
- [5] The Borrower owns 100% of the shares of the Holding Companies, that in turn own the shares of certain of the operating entities.
- [6] Stoneworks Technologies (one of those operating entities)’s business depends on relationships with key customers, including government entities. Stoneworks Technologies’ business is not subject to long-term contracts and is thus sensitive to insolvency proceedings. It also tends to be seasonal, and tied to government and institutional customers’ practice of typically deploying budgeted capital expenditures in the first quarter.
- [7] Of the Operating Entities, Stoneworks Technologies is also the largest driver of enterprise value.
- [8] Cortland is the primary secured lender of the Debtors.
- [9] On March 12, 2026, as a result of the Debtors’ failure to rectify defaults under the Credit Agreement, Cortland issued a NITES under s. 244(1) of the BIA. On April 2, 2026, the Debtors provided their consent to enforcement, and on April 17, 2026, I granted an order appointing the Receiver.
- [10] That order, among numerous other things, authorized the Receiver to market assets, undertakings and properties of the Debtors acquired for or used in the business carried on by the Debtors.
- [11] In accordance with those terms of the Receivership Order, the Receiver has developed the SISP in order to identify the highest and best offers in respect of the Property to maximize value for the Debtors’ stakeholders.
- [12] For the reasons set out above, the SISP must balance those objectives with the need to maintain key relationships and the ability to operate throughout the process.
- [13] To that end, the SISP is a single-phase process, and contemplates five weeks between the distribution of solicitation notice to potential bidders and the due date for bids and deposits.
- [14] I am satisfied that this relatively expeditious process is reasonable and appropriate in the circumstances at hand. Like Osborne J. (as he then was) in *iSpan Systems LP*, 2023 ONSC 6212, I am not inclined to second-guess the considered recommendations of the experienced and expert Receiver in the case before me.
- [15] In all other respects, the proposed SISP appears to be quite standard.
- [16] I find that the SISP is well-designed to meet the factors set out in *Royal Bank of Canada v. Soundair Corp.*, (1991), 4 O.R. (3d) 1 (C.A.).

[17] Accordingly, I am granting the relief sought, and have signed a copy of the proposed order.



W.D. BLACK J.

DATE: MAY 5, 2026