

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL TO CREDITORS OF
11449346 CANADA INC. o/a P3 PANEL COMPANY
AND 12574764 CANADA LTD. o/a UNITED EDGE
STRUCTURAL COMPONENTS**

FACTUM

April 7, 2025

**PERLEY-ROBERTSON, HILL &
MCDOUGALL LLP**
1400-340 Albert Street
Ottawa, ON K1R 0A5

Joël Turgeon LSO #80984R
Tel: 613.238.2022 x. 424
jturgeon@perlaw.ca

Lawyers for 11449346 Canada Inc. o/a
P3 Panel Company and 12574764
Canada Ltd. o/a United Edge Structural
Components

TO: THE SERVICE LIST

TABLE OF CONTENTS

	PAGE
PART I - RELIEF SOUGHT	1
PART II - FACTS	2
A. Business	2
B. Financial Position.....	4
C. Key Contributors to Financial Challenges	4
D. Pre-Filing Restructuring Efforts	5
E. Urgent Liquidity Crisis	5
F. Material Adverse Effects of Any Shutdown.....	6
G. Interim Financing Needs; Expected Net Positive Returns.....	7
H. Interim Financing Terms.....	7
I. Restructuring Plan; Upcoming Motion.....	8
PART III - ISSUES.....	9
PART IV - LAW AND ARGUMENT	10
A. The Court Should Approve the Interim Financing Facility and Grant the Interim Financing Charge	10
B. The Court Should Grant the Administration Charge	13
C. The Court Should Authorize the Payment of Pre-filing Obligations to Specified Critical Suppliers	15
D. The Court Should Administratively Consolidate the NOI Proceedings	18
PART V - RELIEF REQUESTED	19

PART I - RELIEF SOUGHT

1. This is a motion by 11449346 Canada Inc. o/a P3 Panel Company (“**P3**”) and 12574764 Canada Ltd. o/a United Edge Structural Components (“**United Edge**”, and, together with P3, the “**Companies**”) for an order in the form appended at **tab 3** of the motion record (the “**Draft Order**”):

(a) approving and authorizing the Companies, pursuant to section 50.6 of the *Bankruptcy and Insolvency Act* (the “**BIA**”),¹ to borrow up to \$1 million under an interim financing credit facility (the “**Interim Financing Facility**”) advanced by Phoenix Building Components Inc. (the “**Interim Lender**”) on the terms set out in an interim financing term sheet dated April 2, 2025 (the “**Interim Financing Term Sheet**”);

(b) granting the following charges (together, the “**Charges**”) over the Companies’ current and future assets, properties and undertakings (collectively, the “**Property**”) ranking in priority to all Encumbrances (as defined in the Draft Order) and having the following order of priority between them:

(i) first, a charge pursuant to s. 64.2(2) of the BIA² (the “**Administration Charge**”) in the maximum amount of \$250,000 as security for the Companies’ payment of the fees and disbursements of Albert Gelman Inc., in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”), counsel to the Proposal Trustee, and counsel to the Companies;

¹ [*Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*](#) (the “**BIA**”).

² BIA, [s. 64.2](#).

(ii) second, a charge pursuant to s. 50.6(3) of the BIA³ (the “**Interim Financing Charge**”) in the maximum amount of \$1 million as security for the Companies’ obligations to the Interim Lender under the Interim Financing Term Sheet;

(c) authorizing (but not requiring) the Companies to pay, with the prior approval of the Proposal Trustee and the Interim Lender, amounts owing to critical suppliers identified in Schedule “A” to the Draft Order (“**Specified Critical Suppliers**”) on account of obligations pre-dating the Companies’ notices of intention to make a proposal (“**NOI**”) for goods and services supplied to the Companies, but only if, in the opinion of the Proposal Trustee upon consultation with the Companies and the Interim Lender, such goods and services are essential, and such payment is necessary, to avoid disruption to the business or loss of value in the restructuring; and

(d) administratively (and not substantively) consolidating the Companies’ NOI proceedings.

2. The Charge provisions of the Draft Order follow the Ontario Superior Court Model Orders. A comparison is at **tab 4** of the motion record.

3. The Proposal Trustee supports the relief sought. There is no known opposition.

PART II - FACTS

A. Business

4. The Companies design, manufacture and install wall, floor and roof systems for

³ BIA, [s. 50.6](#).

residential and commercial properties. P3 operates the main panel fabrication line and owns the related assets. United Edge operates a truss fabrication line and owns the related assets.⁴

5. The Companies operate from joint facilities in Smith Falls, Ontario. The facilities and land are owned by a third party (“**LandCo**”). LandCo is related to the Companies through partly common management and ownership, but there is no creditor overlap. LandCo is not contemplating an insolvency proceeding at this time.⁵

6. The Companies are involved in 15 new build and improvement projects in Eastern Ontario, and are under contract for several upcoming ones. On each project, the Companies provide products and services pursuant to consulting, supply, and subtrade or sub-subtrade contracts.⁶ The Companies have 65 employees and are currently subcontracting work to 11 subcontractors who employ 62 workers.⁷

7. The Companies are significant contributors to the Smith Falls and Rideau Lakes economy. Most of their supplies are procured from local businesses. This includes lumberyards, hardware manufacturers, tools distributors, and consumables retailers, as well as designers, installers and other subcontracted specialists. The Companies’ suppliers, particularly subcontractors, are predominantly small businesses and sole proprietorships.⁸

8. In the last two and a half years, the Companies reinjected approximately \$11 million in the Smith Falls and Rideau Lakes economy through payroll (approximately \$3 million), goods

⁴ Affidavit of Dylan Sliter sworn April 3, 2025, Tab 2 of the Moving Parties’ Motion Record (the “**Sliter Affidavit**”), paras. 14-16.

⁵ *Id.*, paras. 9-12.

⁶ *Id.*, para. 20.

⁷ *Id.*, paras. 23, 24.

⁸ *Id.*, paras. 22, 25-27.

and services purchased (approximately \$5 million), and taxes paid (approximately \$3 million).⁹

B. Financial Position

9. The total book value of P3 and United Edge's assets is approximately \$6.2 million and \$3.8 million, respectively.¹⁰ The liabilities of P3 and United Edge total approximately \$10.6 million and 2.6 million, respectively.¹¹ Key creditors include:

(a) Canada Revenue Agency (tax remittances) – P3 owes approximately \$250,000 on account of HST/GST, and \$408,000 on account of source deductions. United Edge has no source deduction or net HST/GST liability.¹²

(b) Secured creditors – P3 and United Edge are current in their obligations to equipment and vehicles lessors and financiers, who hold security interest registrations against the equipment and vehicles financed or leased.¹³

(c) Unsecured creditors – P3 and United Edge owe approximately \$9.4 million and \$1.3 million, respectively, to trade suppliers.¹⁴

10. Most of the balance owed is on account of related-party loans.¹⁵

C. Key Contributors to Financial Challenges

11. The Companies' financial challenges were caused by the combined effects of a rapid expansion, inflation, a \$1 million shortfall on a large contract, tariffs and the threat of tariffs, and

⁹ *Id.*, para. 28.

¹⁰ *Id.*, paras. 30, 35.

¹¹ *Id.*, paras. 31, 38.

¹² *Id.*, paras. 32, 39.

¹³ *Id.*, paras. 32, 33, 39, 40.

¹⁴ *Id.*, paras. 32, 39.

¹⁵ *Id.*, paras. 32, 39.

an inability to raise capital. Each factor is discussed in detail in the affidavit of Dylan Sliter sworn April 3, 2025, delivered in support of this motion (the “**Sliter Affidavit**”).¹⁶

D. Pre-Filing Restructuring Efforts

12. Since early 2025, the Companies have been actively preparing a restructuring, with the intent to implement long-term solutions to their financial challenges. Among other things, the Companies assessed their financial position and restructuring options by retaining restructuring counsel, engaging a licensed insolvency trustee firm, compiling creditor lists, and developing cashflow forecasts.¹⁷

13. In parallel, the Companies canvassed known potentially interested parties for investment, sale, refinancing, recapitalization, and other transaction opportunities, including transactions to be implemented pursuant to a financial restructuring such as interim financing and “stalking horse” agreements.¹⁸ Canvassed parties include existing investors, third-party investors and strategic buyers who expressed interest, and additional potentially interested parties identified by the Companies and their advisors. All parties canvassed executed non-disclosure agreements satisfactory to the Companies.¹⁹

E. Urgent Liquidity Crisis

14. Throughout their pre-filing restructuring efforts, the Companies continued to operate to protect going-concern value and generate revenues, while controlling expenditures. Among other things, the Companies focussed on generating revenues using existing assets and inventory.

¹⁶ *Id.*, paras. 41-56.

¹⁷ *Id.*, para. 57.

¹⁸ *Id.*, para. 57.

¹⁹ *Id.*, para. 57.

15. Inventory levels have now reached a critically low level. The Companies require new supplies to continue generating revenues, but do not have liquidity to acquire supplies.²⁰ Unless the Companies access interim financing, they will run out of funds on or before April 11, 2025 and will likely be unable to generate further revenues, forcing them to shut down operations, stop work on jobsites, and lay off employees.²¹

F. Material Adverse Effects of Any Shutdown

16. A shutdown of the business, even temporary, would have material adverse effects, including loss of employment, jobsite disruption and delays, loss of revenues for suppliers and subcontractors, difficulties in restarting operations, and loss of going-concern value.²²

17. The Companies' pre-filing discussions with potential investors and acquirors confirm that the loss of going-concern value occasioned by a shutdown of activities would be significant. All canvassed parties expressed interest in the value of ongoing contracts, accounts receivable, the workforce, the brand recognition, the pipeline of work, the company culture, tax attributes, and other going-concern assets. That value would erode or disappear if the Companies stopped operating, even temporarily.²³

18. A shutdown of operations is also expected to negatively impact creditor recovery. Despite their current financial challenges, the Companies' operations generate significant gross revenues. The Companies' 13-week cashflow forecasts, developed with the assistance of the Proposal Trustee (the "**Cashflow Forecasts**"), show expected weekly cash receipts reaching up

²⁰ *Id.*, paras. 74, 75.

²¹ *Id.*, paras. 58-60.

²² *Id.*, paras. 61-69.

²³ *Id.*, paras. 66-69.

to \$995,000 in the week of April 15, 2025.²⁴

19. In the absence of a going concern, the value of such cash receipts would not accrue to creditors. Moreover, the value of the business' revenue generation potential would erode or disappear and could not be realized in a sale or transaction, leading to suboptimal creditor recoveries.²⁵

G. Interim Financing Needs; Expected Net Positive Returns

20. The Cashflow Forecasts demonstrate that the Companies require approximately \$950,000 in interim financing over the next 13 weeks to pay, among other things, employees, suppliers, ordinary course business and corporate expenses, and restructuring professionals.²⁶

21. Of that amount, \$650,000 is urgently required during the first two weeks of these NOI proceedings to procure critical supplies (including, without limitation, from Specified Critical Suppliers), perform deferred work and generate revenues.²⁷

22. As evidenced in the Cashflow Forecasts, the Companies expect to generate cash receipts of approximately \$900,000 in the week of April 15, 2025 if necessary supplies are secured. Borrowings under the Interim Financing Facility are thus expected to generate a positive return of approximately \$250,000, a significant increase in value for creditors, as soon as mid-April.²⁸

H. Interim Financing Terms

23. On April 2, 2025, the Companies and Interim Lender reached terms whereby the Interim

²⁴ Sliter Affidavit, Exhibit "I", page 257 of the Moving Parties' Motion Record

²⁵ Sliter Affidavit, para. 69.

²⁶ *Id.*, para. 73.

²⁷ *Id.*, para. 74.

²⁸ *Id.*, paras. 74-75.

Lender would provide the Interim Financing Facility.²⁹

24. The Interim Financing Facility is a term revolving facility of a maximum principal amount of \$1 million, bearing interest at the rate of 9.99% *per annum*. Pursuant to the Interim Financing Term Sheet, the Interim Lender shall be reimbursed \$10,000 on account of professional fees incurred and shall earn a \$30,000 commitment fee, equal to 3% of the facility's maximum principal amount.³⁰

25. Advances under the Interim Financing Facility are conditional on the Court approving the Interim Financing Term Sheet and granting the Interim Financing Charge securing the Companies' obligations to the Interim Lender.³¹

26. Pursuant to the Interim Financing Term Sheet, the Companies covenant and agree to only use advances under the Interim Financing Facility in accordance with the Cashflow Forecasts.³²

27. The Interim Financing Term Sheet provides that, unless the necessary Court orders are obtained on or prior to April 11, 2025, the Interim Financing Term Sheet shall be null and void.³³

I. Restructuring Plan; Upcoming Motion

28. The Companies' restructuring plan is to employ the Interim Financing Facility to continue operations, pursue a going-concern transaction pursuant to a sale and investment solicitation process ("**SISP**"), and apply the proceeds of a transaction towards a distribution or a

²⁹ *Id.*, para. 76.

³⁰ Sliter Affidavit, Exhibit "J", page 260 of the Moving Parties' Motion Record

³¹ *Id.*

³² Sliter Affidavit, Exhibit "I", page 257 of the Moving Parties' Motion Record

³³ Sliter Affidavit, Exhibit "J", page 260 of the Moving Parties' Motion Record

proposal to creditors.³⁴

29. The Companies accordingly filed NOIs on April 3, 2025, with the intention to bring this motion as early as possible, access interim financing, acquire supplies, stabilize the business, unlock revenues, and set the groundworks for a restructuring process.³⁵

30. The Companies and the Proposal Trustee have also already developed the terms of a SISP, which are being reviewed by the Interim Lender and are expected to be finalized shortly.³⁶

31. The Companies continue their discussions with interested parties towards a potential stalking horse agreement. The Companies intend to return to Court within the initial 30-day stay period for approval of a SISP and, potentially, a stalking horse bid.³⁷

PART III - ISSUES

32. The issues on this motion are whether the Court should:

- (a) approve the Interim Financing Facility and grant the Interim Financing Charge;
- (b) grant the Administration Charge;
- (c) authorize the payment of pre-filing obligations to Specified Critical Suppliers; and
- (d) administratively (and not substantively) consolidate the NOI proceedings.

³⁴ Sliter Affidavit, paras. 70, 71.

³⁵ *Id.*, para. 78.

³⁶ *Id.*, para. 5.

³⁷ *Id.*, paras. 4-6.

PART IV - LAW AND ARGUMENT

A. The Court Should Approve the Interim Financing Facility and Grant the Interim Financing Charge

33. Subsections [50.6\(1\)](#) and [\(3\)](#) of the BIA provide that, on notice to potentially affected secured creditors, the Court may grant a charge ranking in priority to the claim of any secured creditor in favour of a person who agrees to lend to the debtor an amount approved by the Court, having regard to the debtor's cash-flow statement.³⁸

34. Subsection [50.6\(5\)](#) provides that, in deciding whether to grant the charge, the Court shall consider the following criteria.³⁹

- (a) The period during which the debtor is expected to be subject to proceedings under the BIA – The Companies' restructuring process is expected to take between four and six months, comprising the following key steps: (i) finalizing the terms of the SISP and, potentially, a stalking horse agreement; (ii) bringing a motion for the Court's approval of the SISP and any stalking horse bid; (iii) completing the due diligence period under the SISP, currently projected to be between 60 and 90 days; (iv) negotiating and potentially holding an auction among qualified bidders; (v) selecting the successful bid(s); (vi) bringing a motion for the Court's approval of the successful bid(s), if any, and, potentially, for approval of a distribution to creditors; (vii) completing the transaction(s) contemplated in the Court-approved successful bid(s), if any; (viii) completing the Court-approved distribution, if any, or formulating a proposal to creditors; and (ix) if a proposal is pursued, completing the creditors' vote on, and obtaining the Court's approval of, the

³⁸ BIA, s. [50.6](#).

³⁹ See *OVG Inc. (Re)*, [2013 ONSC 1794](#) [Kershman J.].

proposal. Those are conventional and reasonable restructuring steps.

(b) How the debtor's business and financial affairs are to be managed during the proceedings – The Companies' restructuring plan is set out above. The Companies otherwise intend to continue to operate the business in the normal course, under the supervision of the Proposal Trustee and in accordance with the Cashflow Forecasts.

(c) Whether the debtor's management has the confidence of its major creditors – There is no indication that any creditor has any concern about the Companies' management. The Companies are acting in good faith and with due diligence, as evidenced by how developed the Companies' efforts already are at this early stage. If a concern emerges, it may be brought to the Companies, the Proposal Trustee, and, if necessary, the Court, and will be addressed appropriately.

(d) Whether the loan would enhance the prospects of a viable restructuring being made in respect of the debtor – The Interim Financing Facility not only enhances the prospects of a viable restructuring, it enables a restructuring. The Cashflow Forecasts demonstrate that, without interim financing, the Companies will run out of liquidity and will have to shut operations down by April 11, 2025. Considering, among other things, the lack of revenue generation and the loss of going-concern value, any shutdown of operations would likely prevent a viable restructuring.⁴⁰

(e) The nature and value of the debtor's property

(i) Nature – The Companies' main assets comprise accounts receivable and

⁴⁰ Sliter Affidavit, paras. 61-69.

property & equipment. Notably, the Companies do not own real estate assets, as their facilities are leased from LandCo. The Interim Lender is satisfied with the Companies' property as collateral for the Interim Financing Facility.

(ii) Value – The book value of the Companies assets is approximately \$10 million. The maximum principal amount of the Interim Financing Facility is therefore substantially less than the value of the Companies' assets, representing about 10% thereof.

(f) Whether any creditor would be materially prejudiced as a result of the security or charge – The Interim Financing Charge will not, on a balance, cause material prejudice. Like any interim financing charge, the Interim Financing Charge may impact secured creditor recovery in case of liquidation or bankruptcy; however, at that point, all stakeholders will suffer losses. The absence of interim financing is more likely to cause material prejudice as the Companies are forced to shut down. Interim financing will enable a restructuring expected to be in the interest of all stakeholders. It will support business continuity by reassuring employees, suppliers and customers of the Companies' financial stability during the restructuring process.

(g) The report of the proposal trustee – The Proposal Trustee supports the approval of the Interim Financing Facility and Interim Financing Charge, for the above reasons as well as the further and other reasons independently set out in the Proposal Trustee's first report (the "**First Report**"), to be delivered by the Proposal Trustee.

35. The Charge provisions of the Draft Order follow the form and substance of this Court's

model orders.⁴¹ In accordance with subsection 50.6(1) of the BIA, the tax authorities and every PPSA registrant were served with the motion materials. Finally, in accordance with subsection 50.6(1), the Draft Order expressly provides that the Interim Financing Charge will not secure any obligation that exists before the order is made.⁴²

36. For those reasons, the Court should approve the Interim Financing Facility and grant the Interim Financing Charge.

B. The Court Should Grant the Administration Charge

37. Subsections 64.2(1) and (2) of the BIA provide that, on notice to potentially affected secured creditors, the Court may grant a charge that ranks in priority to the claim of any secured creditor in favour of, among others, the trustee, legal counsel engaged by the trustee in the performance of its duties, and legal counsel engaged by the debtor for the purposes of the notice of intention proceedings.⁴³

38. Courts have considered the following non-exhaustive factors in determining whether an administration charge is appropriate.⁴⁴ Applied in this case, the factors support the Administration Charge.

- (a) The size and complexity of the business being restructured – The Companies' business is complex. It involves, among other things, several corporations and limited partnerships, multiple supplier channels, contractual matrices on each jobsite, and weekly total receipts and disbursements reaching upwards of \$1 million. This restructuring also

⁴¹ Moving Parties' Motion Record, Tab 4.

⁴² BIA, s. [50.6](#).

⁴³ BIA, s. [64.2](#).

⁴⁴ See *Canwest Publishing Inc.*, [2010 ONSC 222](#) [Pepall J.], [para. 54](#).

involves approximately \$13.2 million of debt and a considerable number of stakeholders.

(b) The proposed role of the beneficiaries of the charge – The roles of the beneficiaries of the proposed Administration Charge are the debtors’ counsel, the proposal trustee, and the proposal trustee’s independent counsel. Those are core roles that are usual and necessary in corporate restructurings.

(c) Whether there is any unwarranted duplication of roles – The abovementioned roles are distinct and necessary. There is no unwarranted duplication.

(d) Whether the quantum of the administration charge appears to be fair and reasonable – Courts acknowledge that estimating the quantum of an administration charge is “*an inexact exercise*.” An administration charge is considered fair and reasonable where its quantum is not, on a balance, disproportionate to the complexity of the business and restructuring.⁴⁵ Here, the quantum of the Administration Charge was determined in consultation with the Proposal Trustee, and is accepted by the Interim Lender.⁴⁶ As reflected in the Cashflow Forecasts, the Companies anticipate that restructuring professional fees will total approximately \$10,000 to \$25,000 per week.⁴⁷ The Administration Charge, capped at \$250,000, is therefore reasonable and within proportion.

(e) The position of the secured creditors likely to be affected by the charge – As with interim financing, any administration charge may impact secured creditor recovery in

⁴⁵ See *Springer Aerospace Holdings Limited*, [2022 ONSC 6581](#) [Penny J.], para. [19](#) and *Canwest Global Communications Corp. (Re)*, [2009 CanLII 55114](#) (ON SC) [Pepall J.], para. [40](#)

⁴⁶ Sliter Affidavit, para. 83.

⁴⁷ Sliter Affidavit, Exhibit “I”, page 257 of the Moving Parties’ Motion Record

case of liquidation or bankruptcy, but, should that occur, all stakeholders would suffer losses. In contrast, the professionals bring substantial value to stakeholders by enabling a restructuring process.

(f) The position of the proposal trustee – The Proposal Trustee supports the creation, rank and quantum of the Administration Charge, for the above reasons as well as the further and other reasons independently set out in the First Report.

39. For those reasons, the Court should grant the Administration Charge.

C. The Court Should Authorize the Payment of Pre-filing Obligations to Specified Critical Suppliers

40. As recently confirmed by the Ontario Court of Appeal, in notice of intention proceedings under the BIA, “*a bona fide agreement with a key supplier to pay past debts in order to secure a vital future supply*” is appropriate:⁴⁸

We do not agree with the respondent’s submissions that the parties could not enter into an agreement for the payment of past debts in order to secure future fuel supplies. **This would undermine the first stage of the BIA process that serves to encourage a debtor’s successful reorganization as a going concern.** Creditors and debtors alike benefit from the latter’s continued operation. The goal of the stay and preference provisions under ss. 69, 95, 96 and 97 of the BIA is to give the debtor some breathing room to reorganize. **Legitimate agreements with key suppliers also form a vital part of that process.**

Apposite is the commentary of E. Patrick Shea, “*Dealing with Suppliers in a Reorganization*” (2008) 37 C.B.R. (5th) 161 who writes:

There is, however, no specific prohibition in the BIA on the debtor effecting payment of claims provable in the proposal proceedings. Instead, the BIA provides the trustee in the proposal (or the bankruptcy trustee in the event the proposal fails) with remedies against any creditor who receives such a payment on the basis that

⁴⁸ 1732427 Ontario Inc. v 1787930 Ontario Inc., [2019 ONCA 947](#), paras. 6 and 12-14.

the payment is a preference. Payments to critical suppliers in the context of proposal proceedings are best analyzed on the basis that they are a preference. ... In the context of proposals, section 97 [of the BIA] arguably clarifies that **payments to suppliers made in good faith after the date the proposal proceedings are commenced (even payments of pre-filing claims) are intended to be valid.**

[Bold emphasis added. Underlining in original.]

41. Notwithstanding that such agreements are inherently valid, the Companies seek the Court's authorization in order to promote transparency and avoid any potential uncertainty. It is well established that the Court has jurisdiction to grant such authorization, and such relief is regularly granted.⁴⁹ The factors that courts have considered in determining whether to grant the authorization are reproduced below,⁵⁰ and are satisfied in this case.

(a) Whether the goods and services are integral to the business – The list of Specified Critical Suppliers, appended to the Draft Order, was curated with the Companies with the assistance of the Proposal Trustee. For each of them, there are no viable alternatives from which the Companies could secure equivalent goods and services in a timely or cost-effective manner. It is either that (i) there are no alternative suppliers that can dependably deliver goods to the Companies' Smith Falls facilities; (ii) there are no alternative suppliers known to the Companies at all; or (iii) changing suppliers would require a

⁴⁹ See, for example, *Target Canada Co. (Re)*, [2015 ONSC 303](#), paras. [62-65](#); *In Re Hudson's Bay Company*, [2025 ONSC 1530](#), paras. [110-115](#); *In the Matter of the Companies' Creditors Arrangement Act and In the Matter of a Plan of Compromise or Arrangement of Original Traders Energy Ltd. and 2496750 Ontario Inc.*, [2023 ONSC 753](#), paras. [72-74](#); *Cinram International Inc. (Re)*, [2012 ONSC 3767](#), [paras. 37](#) and Schedule "C", paras. [66-72](#); *In the Matter of a Plan of Compromise or Arrangement of Sandvine Corporation et al.*, [2024 ONSC 6199](#), paras. [62-67](#); *Nordstrom Canada Retail, Inc.*, [2023 ONSC 1422](#), paras. [50-53](#); *Hazelton Development Corporation v Proposed Monitor et al.*, [2022 ONSC 2441](#), paras. [14-15](#); *BZAM Ltd. Plan of Arrangement*, [2024 ONSC 1645](#), paras. [72-75](#); *McEwan Enterprises Inc.*, [2021 ONSC 6453](#), paras. [32-33](#); *Canwest Global Communications Corp. (Re)*, [2009 CanLII 55114](#) (ON SC), paras. [41-43](#); and *Cline Mining Corporation (Re)*, [2014 ONSC 6998](#), paras. [37-40](#).

⁵⁰ See *In Re Hudson's Bay Company*, [2025 ONSC 1530](#) [Osborne J.], para. [114](#).

significant rework of the Companies' production and supply chain.⁵¹

(b) The debtor's dependency on the uninterrupted supply of the goods or services –

An interruption in supply from Specified Critical Suppliers would have a material adverse impact and could impede or prevent a viable restructuring. A continuous flow of those supplies is essential.⁵²

(c) The fact that no payments will be made without the consent of the proposal

trustee – This is one of several built-in restrictions in the Draft Order. Those restrictions include: (i) there being limited list of Specified Critical Suppliers; (ii) a requirement for prior approval of the Proposal Trustee and Interim Lender; (iii) a requirement that payment be for goods and services actually supplied; (iv) a requirement that the goods and services be essential, as determined by the Proposal Trustee and Interim Lender; and (v) a requirement that the payment be necessary to avoid disruption or loss of value, as determined by the Proposal Trustee and Interim Lender.⁵³

(d) The effect on the debtors' operations and ability to restructure if it could not make

such payments – As noted above, an interruption in supply from Specified Critical Suppliers would impede or prevent a viable restructuring. The Companies require flexibility to negotiate with Specified Critical Suppliers, including with respect to pre-filing amounts, to ensure a continuous flow of critical supplies. Notwithstanding that flexibility, the Companies only intend to pay pre-filing amounts if necessary and expected to preserve or increase value for creditors. All anticipated payments to Specified

⁵¹ Sliter Affidavit, paras. 89-90.

⁵² *Id.*, para. 90.

⁵³ *Id.*, para. 87.

Critical Suppliers are reflected in the Cashflow Forecasts and included in the calculation of interim financing needs.⁵⁴

42. The Proposal Trustee supports this relief and accepts its supervising duty in regard to Specified Critical Supplier payments, for those reasons and the other and further ones independently set out in the First Report.

43. For those reasons, the Court should grant this relief.

D. The Court Should Administratively Consolidate the NOI Proceedings

44. The consolidation sought is procedural and administrative only. It does not affect the substantive rights of creditors or any other persons. The consolidation is intended to lower costs and facilitate the administration of and the participation in these proceedings for the Companies, the Proposal Trustee, the Court, creditors, and stakeholders.

45. The Court has jurisdiction to order administrative consolidation pursuant to its inherent power to control its own processes. This power is informed by, among other provisions, section 138 of the *Courts of Justice Act*, which provides that “*As far as possible, multiplicity of legal proceedings shall be avoided.*”⁵⁵

46. This Court often orders the administrative consolidation of insolvency matters to streamline their administration and avoid the costs of producing, serving and filing multiple sets of (redundant) materials at each stage of the proceedings.⁵⁶ The draft order expressly provides that the consolidation is procedural only and not substantive. It does not result in the substantive

⁵⁴ *Id.*, para. 91.

⁵⁵ [Courts of Justice Act, R.S.O. 1990, c. C.43, s. 138](#)

⁵⁶ See *Re Mustang GP Ltd.*, [2015 ONSC 6562](#) [Rady J.], [para. 25](#).

merger or consolidation of the estates.⁵⁷

47. There is no benefit in duplicating administrative matters, and there is no prejudice in administratively consolidating the NOI proceedings. Given that the Companies operate a single integrated business, separate mailings, reports and pleadings provide no advantage and would be potentially confusing. The Proposal Trustee supports the administrative consolidation of the Companies' NOI proceedings.

48. For those reasons, the Court should grant this relief.

PART V - RELIEF REQUESTED

49. The Companies therefore request an order in the form appended at **tab 3** of the motion record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 7th day of April , 2025.



Perley-Robertson, Hill & McDougall LLP/s.r.l.
1400 – 340 Albert Street
Ottawa, ON K1R 0A5

Joël Turgeon LSO #80984R
Tel: 613.238.2022 x. 424
jturgeon@perlaw.ca

Lawyers for 11449346 Canada inc. o/a P3 Panel
Company and 12574764 Canada Ltd. o/a United
Edge Structural Components

⁵⁷ See *Re Electro Sonic Inc.*, [2014 ONSC 942](#) [Brown J., as he then was], [para. 4](#).

**SCHEDULE “A”
LIST OF AUTHORITIES**

1.	<i>OVG Inc. (Re)</i> , 2013 ONSC 1794 [Kershman J.]
2.	<i>Canwest Publishing Inc.</i> , 2010 ONSC 222 [Pepall J.]
3.	<i>Springer Aerospace Holdings Limited</i> , 2022 ONSC 6581 [Penny J.]
4.	<i>Canwest Global Communications Corp. (Re)</i> , 2009 CanLII 55114 (ON SC) [Pepall J.]
5.	<i>1732427 Ontario Inc. v 1787930 Ontario Inc.</i> , 2019 ONCA 947
6.	<i>In Re Hudson’s Bay Company</i> , 2025 ONSC 1530 [Osborne J.]
7.	<i>Re Mustang GP Ltd</i> , 2015 ONSC 6562 [Rady J.]
8.	<i>Re Electro Sonic Inc.</i> , 2014 ONSC 942 [Brown J., as he then was]

SCHEDULE “B” RELEVANT STATUTES

[*Bankruptcy and Insolvency Act*](#), R.S.C. 1985, c. B-3

Secured creditor may file proof of secured claim

50.1 (1) Subject to subsections (2) to (4), a secured creditor to whom a proposal has been made in respect of a particular secured claim may respond to the proposal by filing with the trustee a proof of secured claim in the prescribed form, and may vote, on all questions relating to the proposal, in respect of that entire claim, and [sections 124 to 126](#) apply, in so far as they are applicable, with such modifications as the circumstances require, to proofs of secured claim.

Idem

(3) Where the proposed assessed value is less than the amount of the secured creditor’s claim, the secured creditor may file with the trustee a proof of claim in the prescribed form, and may vote as an unsecured creditor on all questions relating to the proposal in respect of an amount equal to the difference between the amount of the claim and the proposed assessed value.

Factors to be considered

(5) In deciding whether to make an order, the court is to consider, among other things,

- (a)** the period during which the debtor is expected to be subject to proceedings under this Act;
- (b)** how the debtor’s business and financial affairs are to be managed during the proceedings;
- (c)** whether the debtor’s management has the confidence of its major creditors;
- (d)** whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor;
- (e)** the nature and value of the debtor’s property;
- (f)** whether any creditor would be materially prejudiced as a result of the security or charge; and
- (g)** the trustee’s report referred to in [paragraph 50\(6\)\(b\)](#) or [50.4\(2\)\(b\)](#), as the case may be.

Trustee to file cash-flow statement

(6) The trustee shall, when filing a proposal under [subsection 62\(1\)](#) in respect of an insolvent person, file with the proposal

- (a)** a statement — or a revised cash-flow statement if a cash-flow statement had previously been filed under [subsection 50.4\(2\)](#) in respect of that insolvent person — (in this section referred to as a “cash-flow statement”) indicating the projected cash-flow of the insolvent person on at least a monthly basis, prepared by the person making the proposal, reviewed for its

reasonableness by the trustee and signed by the trustee and the person making the proposal;

(b) a report on the reasonableness of the cash-flow statement, in the prescribed form, prepared and signed by the trustee; and

(c) a report containing prescribed representations by the person making the proposal regarding the preparation of the cash-flow statement, in the prescribed form, prepared and signed by the person making the proposal.

Court may order security or charge to cover certain costs

64.2 (1) On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a person in respect of whom a notice of intention is filed under [section 50.4](#) or a proposal is filed under [subsection 62\(1\)](#) is subject to a security or charge, in an amount that the court considers appropriate, in respect of the fees and expenses of

(a) the trustee, including the fees and expenses of any financial, legal or other experts engaged by the trustee in the performance of the trustee's duties;

(b) any financial, legal or other experts engaged by the person for the purpose of proceedings under this Division; and

(c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for the effective participation of that person in proceedings under this Division.

Priority

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.

[Courts of Justice Act](#), RSO 1990, c C.43

Multiplicity of proceedings

138 As far as possible, multiplicity of legal proceedings shall be avoided.

**IN THE MATTER OF THE NOTICES OF
INTENTION TO MAKE A PROPOSAL TO
CREDITORS OF 11449346 CANADA INC. o/a P3
PANEL COMPANY AND 12574764 CANADA LTD.
O/A UNITED EDGE STRUCTURAL COMPONENTS**

Court File No.: BK25-00000237-0033

ONTARIO
**SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Ottawa

FACTUM

Perley-Robertson, Hill & McDougall LLP/s.r.l.
1400 – 340 Albert Street
Ottawa, ON K1R 0A5

Joël Turgeon LS#: 80984R
jturgeon@perlaw.ca
Tel: 613.238.2022 x.424

Lawyers for 11449346 Canada Inc. o/a P3 Panel
Company and 12574764 Canada Ltd. o/a United
Edge Structural Components