

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

BEFORE: Justice Stanley Kershman

HEARD IN OTTAWA: June 11, 2025 in Ottawa via Zoom

APPEARANCE: Various counsel

REASONS FOR DECISION

[1] 11449346 Canada Inc. o/a P3 Panel Company and 12574764 Canada Ltd. o/a United Edge Structural Components (together, the “**Companies**”) bring this motion for an order extending the time to file proposals to and including August 1st, 2025, approving the third report dated June 4, 2025 (the “**Third Report**”) of Albert Gelman Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”), and approving the fees and disbursements of the Proposal Trustee and its independent legal counsel incurred to date in connection with these proceedings.

[2] The Court granted the order sought in accordance with the draft provided. The motion was unopposed and the Proposal Trustee recommended the relief. The applicable legal tests were met for the reasons articulated in the materials filed.

[3] The criteria set out in s. 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 were met. Among other things, an extension of the stay period is necessary and appropriate to allow the continuation and completion of the ongoing sale and investment solicitation process which was approved by this Court by order dated June 18, 2025. The Third Report and professional

fees are approved in consideration of, among other things, the criteria articulated by the Court of Appeal in *Confectionately Yours Inc. (Re)*, 2002 CanLII 45059 (ON CA).

[4] The court approves the extension of the proposal to August 1, 2025.

[5] The court approves the Third Report of the Proposal Trustee and the activities of the Proposal Trustee set out therein:

- a. The court approves the fees and disbursements of the Proposal Trustee and its independent counsel to date, and
- b. The matter is adjourned to July 30, 2025 at 10:00 a.m. via Zoom.

[6] At the hearing on this motion, this Court raised its concern regarding certain challenges articulated by the Companies and the Proposal Trustee in the materials filed.

[7] Specifically, the Court is concerned about the fact that, according to the Companies and the Proposal Trustee, some customers and other payors failed to pay the debtor companies in accordance with contractual obligations and representations. Based on the materials filed, this caused a negative cash flow variance of more than \$406,000.

[8] In addition, the Companies and the Proposal Trustee report that contractual counterparties are reneging on contracts entered into with the Companies. According to the materials filed, this caused a negative cash flow variance of more than \$375,000.

[9] The Court reminds contracting parties that the *Act* restricts the unilateral termination of contracts. In particular, subsections 65.1(1) and 65.1(5) of the *Act* provide as follows (emphasis added by the court):

Certain rights limited

65.1 (1) If a notice of intention or a proposal has been filed in respect of an insolvent person, **no person may terminate or amend any agreement**, including a security agreement, with the insolvent person, or claim an accelerated payment, or a forfeiture of the term, under any agreement,

including a security agreement, with the insolvent person, by reason only
that

(a) the insolvent person is insolvent; or

(b) a notice of intention or a proposal has been filed in
respect of the insolvent person.

Provisions of section override agreement

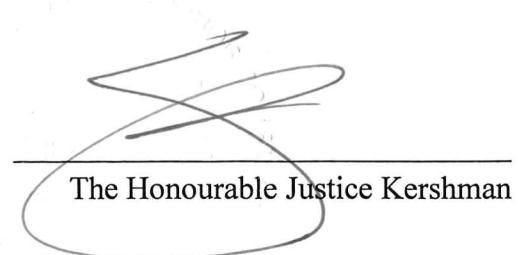
(5) Any provision in an agreement that has the effect of providing for, or permitting, anything that, in substance, is contrary to subsections (1) to (3) is of no force or effect.

[10] In addition, the Court reminds all parties involved in the Companies' restructuring, including customers and contracting parties, that parties are required to act in good faith, a duty which is codified and enforceable pursuant to section 4.2 of the *Act*.

[11] The Court expects the foregoing duties and statutory provisions to be respected and abided by. If necessary, the Court is prepared to consider applications by the Companies or the Proposal Trustee for appropriate orders and relief. This includes any appropriate award of costs.

[12] Lastly, the Court expects and encourages all parties to cooperate in good faith and with due diligence towards resolving any business issues that may arise in the course of these proceedings.

[13] Order accordingly.



The Honourable Justice Kershman

