



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00709183-00CL

DATE: Nov 10, 2025

NO. ON LIST:

TITLE OF PROCEEDING: PEOPLES TRUST COMPANY v.
CROWN CREST CAPITAL MANAGEMENT CORP. et al

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

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ENDORSEMENT OF JUSTICE CONWAY:

- [1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Monitor (KPMG Inc.) dated November 9, 2025. All factual references in this Endorsement are from the following materials filed on the motion: (i) affidavit of Josef Prospери sworn November 3, 2025; (ii) Ninth Report of the Monitor dated November 3, 2025; (iii) affidavit of Marleigh Dick affirmed November 9, 2025.
- [2] The Monitor brings this motion seeking three orders:
- a. an Approval and Vesting Order that will: (i) approve the Amended and Restated Asset Purchase Agreement dated as of November 8, 2025 (the “APA”) and the Transaction; (ii) vest the Purchased Assets in the Buyer free and clear of all Claims and Liabilities and Encumbrances; and (iii) seal the Confidential Appendices;
 - b. an Assignment Order that will assign to the Buyer the Debtors' rights and obligations under three Transferred Contracts;
 - c. a Stay Extension Order that will: (i) approve the actions and conduct of the Monitor; (ii) approve the fees and disbursements of the Monitor and its counsel; and (iii) extend the Stay of Proceedings to April 14, 2026.

- [3] The relief sought is recommended by the Monitor. The motion is unopposed by any other stakeholder, including PTC (the senior secured creditor) and the plaintiffs in the class action against the Debtors (that has now been settled).
- [4] On May 26, 2025, this court granted the SISP Approval Order. The Monitor, the Sales Agent and the CRO conducted the SISP in accordance with that order. In Phase 1, the Sales Agent contacted 108 potential bidders, 29 of which signed an NDA. Nine letters of intent were received, six of which were determined to be Qualified Bidders. In Phase 2, four bids were received. The Buyer was identified as a preferred bid and following negotiations, the Buyer's bid was declared the Successful Bid. On October 8, 2025, the Debtors and the Buyer entered into the APA. That agreement was subsequently amended and restated on November 8, 2025.
- [5] The Buyer is a wholly-owned subsidiary of Go Lime, which has significant experience with the Debtors' business, as it currently serves as the largest contractor to the Debtors, delivering installation and servicing support to the Debtors across Ontario. For the purposes of its bid, Go Lime partnered with Basalt, a dedicated infrastructure investment firm with a focus on mid-market infrastructure.
- [6] Under the terms of the APA, the consideration consists of: (i) the Cash Purchase Price; and (ii) the assumption of the Assumed Liabilities. In exchange, the Buyer will acquire the Purchased Assets. The Buyer is required to make written offers of employment to Employees on the Retention List, who constitute a majority of the Debtors' current employees.
- [7] Basalt has funded the deposit, which has now been paid. It has also committed to fund the balance of the Cash Purchase Price on closing pursuant to the Equity Commitment Letter. I noted that the Basalt commitment was made only to the Buyer, not to the Debtors. The Monitor's counsel recognizes that the Debtors' recourse is limited if Basalt fails to fund the balance on closing. However, he says that the risk of this occurring is mitigated by the fact that the amount of the deposit is so material, that considerable amounts have been spent by Go Lime and Basalt on due diligence and professional fees, and the prospect of reputational risk to Basalt if it does not fund on closing. The Monitor therefore continues to recommend the Transaction.

The Approval and Vesting Order

- [8] This court has jurisdiction to approve a sale of all or substantial all of a CCAA debtor's business and assets. Under s. 36 of the CCAA, the court is required to consider, among other things: (i) whether the sale process was reasonable in the circumstances; (ii) whether the Monitor approved of the sale process and filed a report supporting the sale; (iii) the extent to which creditors were consulted; (iv) the effect of the sale on creditors and stakeholders; and (v) whether the purchase price is fair and reasonable.

- [9] The factors outlined in s. 36(3) overlap to a large extent with the previous *Soundair* test,¹ where the court has to consider: (i) whether sufficient efforts had been made to obtain the best price and that the debtor had not acted improvidently; (ii) whether the interests of all parties had been considered; (iii) the integrity and efficacy of the process for obtaining offers; and (iv) whether there was any unfairness in working out the process.²
- [10] I am satisfied that both the s. 36(3) factors and the *Soundair* criteria have been satisfied. As set out above, the SISP was conducted by the Monitor and Sales Agent, in consultation with the CRO, and in accordance with the SISP Approval Order. The market for the Debtors' business and assets was thoroughly and reasonably canvassed. I accept the Monitor's view that the Transaction represents the greatest recovery available in the circumstances. The ultimate consideration to be paid by the Buyer is in the range identified by the Sales Agent as the likely value of the Purchased Assets.
- [11] The Buyer will be acquiring the business as a going concern, for the benefit of creditors and stakeholders. In particular, offers of employment will be made to the majority of employees and services will continue to be provided to customers through the assignment of the Transferred Contracts. As noted, the Transaction is supported by the Monitor and PTC and is otherwise unopposed.
- [12] The Customer Contracts are being assigned pursuant to the APA (not through a forced assignment pursuant to s. 11(3)). There are over 34,000 Customer Contracts to be assigned. The Monitor is satisfied that these Customer Contracts do not require the customers' consent to assignment based on its and others' reviews of sample contracts, industry practice, and the Debtors' own practice, all as described in the record. Further, a process has been put in place in (s. 2.6 of the APA) to address any Customer Contracts for which a customer asserts its consent is required post-closing. I accept that this is a practical and sensible way of dealing with the Customer Contracts.
- [13] The Assignment and Vesting Order contains a sealing order for the Confidential Appendices, which consist of an unredacted copy of the APA and a summary of the four bids received in Phase 2 of the SISP. I am satisfied that the requested sealing order for the Confidential Appendices meets the test in *Sierra Club/Sherman Estates* and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company that is in restructuring proceedings to maximize the realization of its assets. The order is time limited to the closing of the Transaction.³ It only covers information that could prejudice stakeholders if the Transaction fails to close and the business has to be remarketed. **I direct counsel for the Monitor to file a hard copy of the Confidential Appendices with the Commercial List office in a sealed envelope with a copy of the**

¹ *Target Canada Co. (Re)*, 2015 ONSC 2066 at para. 15.

² *Canwest Publishing Inc./Publications Canwest Inc. (Re)*, 2010 ONSC 2870 at para. 13, citing *Royal Bank v. Soundair Corp.*, [1991] O.J. No. 1137 (C.A.) at para. 16.

³ The Monitor had sought to differentiate between the sealing periods for the two appendices. I required that the draft order be amended so that the sealing order for both appendices is time limited to the closing of the Transaction.

Assignment and Vesting Order and this Endorsement. Counsel is further directed to apply, at the appropriate time, for an unsealing order, if necessary

- [14] Assignment and Vesting Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

Assignment Order

- [15] The Monitor seeks an order under s. 11.3 of the CCAA with respect to three Transferred Contracts.⁴ It says that the requested assignments are a vital part of the Transaction and are required for the continuity of the business and seamless transition for existing customers.
- [16] I am satisfied that the requirements of s. 11.3 have been satisfied. Notice has been given to the counterparties. No exception applies. The Monitor approves the proposed assignment. The Buyer's counsel has advised the Monitor that the Buyer will be sufficiently capitalized post-Closing and supported by Go Lime and Basalt that it will be able to perform its obligations under the contracts. There are no cure costs. I consider it appropriate to approve the assignment of the contracts under s. 11.3.
- [17] Assignment Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

Stay Extension Order

- [18] The extension of the stay to and including April 30, 2026 is approved. I am satisfied that the Debtors, under the stewardship of the CRO and supervision of the Monitor, are acting in good faith and with due diligence. According to the Updated Cash Flow Forecast, the Debtors are projected to have sufficient funding to continue operating in the normal course such that no creditor will be materially prejudiced. The extension will allow for the closing of the Transaction and the fulfillment of the Transition Services Agreement.
- [19] The Monitor's Ninth Report and its activities described therein are approved. The fees and disbursements of the Monitor and its counsel, as set out in the record, are likewise approved.

⁴ The draft order was very general in #1 on Schedule "A": "All contracts with payment processors and merchant accounts and any other Contract needed to ensure that the Buyer receives the Customer Receivables from and after the Closing." Since notice has only been given to First Data, I required that #1 be reworded to refer only to that contract.

[20] Stay Extension Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

Conway J.