

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ) TUESDAY, THE 25th  
 )  
JUSTICE CONWAY ) DAY OF FEBRUARY, 2020  
 )

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 2607380 ONTARIO INC. (the "Applicant")

ENDORSEMENT

*Unofficial Transcription*

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	<i>Gowling WLG (for Meridian Credit Union Ltd.)</i>
Raj Sahni	
<i>Bennett Jones LLP (for Richter Advisory Group Inc, proposed Monitor)</i>	John Salmas
	<i>Dentons Canada LLP (for Cortland Credit Lending Corporation)</i>
Trevor Courtis	
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**February 25, 2020**

I am granting the Initial Order under the CCAA as signed by me. The application was opposed by the 2 senior secureds Meridian + Bridging. In particular, they objected to the proposed DIP financing + associated expenses during the 10 day period. Meridian has agreed to finance the \$220,000 that is "reasonably necessary for the continued operations" of the Applicant company during the 10 days. While the App argued vociferously in favour of approving the DIP financing, I am mindful of the additional expenses (due diligence, commitment fee) that would have to be borne now in order to obtain that financing and the priority to be afforded to the DIP lender over the secureds.

There is an alternative available now that will be far more in keeping with the legislative requirement that this court only provide relief that is “reasonably necessary” during the 10 day period. Thereafter, this court can evaluate what continued financing arrangements are required + should be put into place at the comeback hearing, after the 10 days has elapsed + the statutory restrictions in s. 11.001 are no longer in effect. This approach, in my view, is consistent with that of CJ Morawetz in *Lydian International Limited (Re)*, 2019 ONSC 7473.

I am satisfied that the App is a “debtor co” to which the CCAA applies and that its liabilities exceed \$5 million. The stay is just + appropriate to give the App breathing room over the next 10 days to consider options for completing construction refinancing + sale of the property. The stay is to the benefit of all stakeholders.

I am approving an administration charge to enable the Monitor to be appointed + act during the 10 days. I consider the directors charge reasonable. I am extending the stay to the interconnected co Nuvo Network Inc. + to the directors to the limited extent set out in para 13.

As signed by me.

Comeback hearing before me on March 6/20 @ 11 am.

/s/ Conway J.