

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**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 1735825 Ontario Inc. (formerly  
known as Grafton-Fraser Inc.)**

**(the "Applicant")**

**NOTICE OF MOTION  
(Expansion of Monitor's Powers)**

GSO GF Acquisition B.C. Ltd. (the "**Purchaser**") will make a motion to a judge presiding on the Commercial List, on July 18, 2017 at 10:00 a.m., or as soon thereafter as the motion can be heard, at the Courthouse located at 330 University Avenue, Toronto, Ontario, Canada.

**PROPOSED METHOD OF HEARING:**

The motion is to be heard orally.

**THE MOTION IS FOR AN ORDER:**

1. if necessary, validating and abridging the time of service of the Notice of Motion and Motion Record and directing that any further service of the Notice of Motion and Motion Record be dispensed with such that this Motion is properly returnable on the date scheduled for the hearing of this Motion;
2. expanding the powers of Richter Advisory Group Inc. ("**Richter**"), in its capacity as court-appointed monitor (the "**Monitor**") in the Applicant's proceedings pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"); and

3. such further and other relief as counsel may advise and this Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

1. The Purchaser (formerly, 1104307 B.C. Ltd.) entered into an asset purchase agreement dated January 24, 2017 (as amended, the "**Purchase Agreement**") pursuant to which the Applicant agreed to sell certain Purchased Assets (as defined therein) to the Purchaser (the "**Transaction**");

2. Pursuant to Orders of the Court dated May 2, 2017, and June 6, 2017 the Court approved the Purchase Agreement and the Transaction;

3. The Purchaser is essentially the successful credit bidder and is an affiliate of GSO Capital Partners LP which is the administrative agent pursuant to an amended and restated credit agreement dated as of June 16, 2009 (as amended, restated or replaced, from time to time) wherein the Applicant was the borrower and GSO Domestic Capital Funding (Luxembourg) S.a.r.L. and GSO Offshore Multicurrency Facility (Luxembourg) S.a.r.L. were the secured lenders;

4. The closing of the Transaction occurred on June 28, 2017;

5. Pursuant to the Purchase Agreement, immediately after the closing of the Transaction the Purchaser paid \$200,000 (the "**Wind-Down Amount**") to the Monitor to fund the reasonable costs, fees and disbursements for winding down and completing these CCAA proceedings with a confirmation from the Monitor that any portion of the Wind-Down Amount that is not ultimately required is the Purchaser's property and shall be returned to the Purchaser on the date of the Monitor's discharge.

6. The Applicant no longer has any employees or assets and the only cash available to fund any ongoing costs in these CCAA proceedings is the Wind-Down Amount;

7. A few post-closing matters and related obligations of the Applicant need to be dealt with in an expeditious and efficient manner;

8. The only party with a remaining economic stake in the Applicants is the Purchaser;

9. Given the absence of management and the need to address post-closing matters in an expeditious and efficient manner, it is appropriate and reasonable in the circumstances to expand the powers of the Monitor so that the Monitor may effect all post-closing and wind-down matters for and on behalf of the Applicant;

10. Sections 11 and 23(1)(k) of the CCAA and this Court's equitable and statutory jurisdiction thereunder;

11. Rules 1.04, 2.03, 3.02, 16.04 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

12. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Motion:

1. the Fifth Report of the Monitor (to be filed); and

2. such further material as counsel may advise and this Court may permit.

July 12, 2017

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Lawyers for the Purchaser, GSO GF  
Acquisition B.C. Ltd.

**TO:** The E-Service List found at:

<http://www.richter.ca/Folder/Insolvency-Cases/G/Grafton-Fraser-Inc>

Court File No. CV-17-11677-00CL

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**(PROCEEDING COMMENCED AT TORONTO)**

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