

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

**THE HONOURABLE
JUSTICE CAVANAGH**

**WEDNESDAY, THE 31st DAY
OF AUGUST, 2023**

**IN THE MATTER OF THE PROPOSAL OF
2505243 ONTARIO LIMITED, OF THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION made by KSV Restructuring Inc., in its capacity as proposal trustee (the “**Proposal Trustee**”) of 2505243 Ontario Limited (the “**Company**”), for an order, among other things, establishing a claims procedure for the quantification and resolution of claims of former employees of the Company to the PGH Litigation Employee Funds was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Seventh Report to the Court dated August 20, 2021 (the “**Seventh Report**”) and the Eighth Report of the Proposal Trustee dated August 18, 2023 (the “**Eighth Report**”), and on hearing from counsel for the Proposal Trustee, the Company, PGH (defined below) and such other counsel as were present and wished to be heard, no one else appearing although duly served as appears from the affidavit of service, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

ACTIVITIES OF THE PROPOSAL TRUSTEE

2. **THIS COURT ORDERS** that the Seventh Report and the Eighth Report and the activities of the Proposal Trustee to the date of the Eighth Report as set out therein be and are hereby approved; provided however, that only the Proposal Trustee in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals.

DEFINITIONS

3. **THIS COURT ORDERS THAT** all terms used but not defined herein shall have the meaning ascribed to those terms in the Eighth Report.

CLAIMS PROCEDURE FOR FORMER EMPLOYEES

4. **THIS COURT ORDERS** that the Employee Compensation Claims Process including, for certainty, the methodology for determining the Former Employees' Claims to the PGH Litigation Employee Funds and the process for notifying Former Employees of their Claim and resolving any Disputed Claims, is hereby approved.

5. **THIS COURT ORDERS** that the Employee Compensation Claims Process shall apply only to the Former Employees' Claims for the purposes of establishing and distributions from the PGH Litigation Employee Funds.
6. **THIS COURT ORDERS** that the provisions of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "**BIA**") for the determination of proofs of claim shall be applicable to the Employee Compensation Claims Process except as expressly provided for in the Employee Compensation Claims Process.

PROPOSAL TRUSTEE'S ROLE

7. **THIS COURT ORDERS** that the Proposal Trustee, in addition to its prescribed rights, duties, responsibilities and obligations under the *BIA*, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this order (the "**Employee Claims Process Order**") or incidental thereto.
8. **THIS COURT ORDERS** that the Proposal Trustee: (i) shall have all of the protections given to it by the *BIA* any other orders of the Court in this proceeding and this Employee Claims Process Order; (ii) shall incur no liability or obligation as a result of the carrying out of the provisions of this Employee Claims Process Order, other than in respect of its gross negligence or wilful misconduct; (iii) shall be entitled to rely on the books and records of the Company and any information provided by the Company, all without independent investigation; and (iv) shall not be responsible for any claims or damages resulting from any errors or omissions in such books, records or information.

9. **THIS COURT ORDERS** that the Company and their current and former shareholders, officers, directors, employees, agents and representatives shall fully cooperate with the Proposal Trustee in the exercise of its powers and discharge of its duties pursuant to this Employee Claims Process Order.

CLAIMS OFFICER

10. **THIS COURT ORDERS** that the Proposal Trustee is authorized, but not required, to appoint one or more claims officers (each a “**Claims Officer**”) to resolve a Disputed Claim on such terms and in accordance with such process as the Claims Officer may direct.
11. **THIS COURT ORDERS** that the decision of the Claims Officer in respect of any Disputed Claim referred to such Claims Officer shall be final and binding and there shall be no further right of appeal, review or recourse to the Court from the Claim Officer’s final determination of such Disputed Claim.

EMPLOYEE REPRESENTATIVE COUNSEL

12. **THIS COURT ORDERS** that Cavalluzzo LLP (“**Representative Counsel**”) is hereby appointed as employee representative counsel to represent the interests of the Former Employees (the “**Represented Employees**”) in this proceeding including, in particular, for purposes of the Employee Compensation Claims Process (the “**Purpose**”).
13. **THIS COURT ORDERS** that the Company shall provide Representative Counsel, subject to confidentiality arrangements acceptable to the Company and the Proposal Trustee, without charge, the following information, documents and data

(the “**Information**”) to only be used for the Purpose: (a) the names, last known addresses and last known telephone numbers and e-mail addresses of the Represented Employees; and (b) upon request of Representative Counsel, such documents and data as may be reasonably relevant to the issues affecting the Represented Employee in the Employee Compensation Claims Process and that, in so providing all such information, the Company is not required to obtain express consent from such Represented Employees authorizing disclosure of information to Representative Counsel for the Purpose.

14. **THIS COURT ORDERS** that notice of the appointment of Representative Counsel shall be provided by the Proposal Trustee in the Claim Letter and by the Proposal Trustee and Representative Counsel posting notice of such appointment on their respective websites.
15. **THIS COURT ORDERS** that: (i) Representative Counsel shall be paid up to \$35,000 plus HST for fulfilling its mandate in accordance with this Order; (ii) such fees shall be paid from the amount to be distributed to each Former Employee based on the employee’s pro rata share of the total PGH Litigation Employee Funds; and (iii) these fees shall not be applied towards the amounts that the Proposal Trustee and its counsel are permitted to charge against the PGH Litigation Employee Funds nor will these fees be paid from or charged against the residual monies in the Trust after claimants have been paid.
16. **THIS COURT ORDERS** that no action or proceeding may be commenced against Representative Counsel in respect of the performance of their duties under this

Order, without leave of this Court on seven (7) days' notice to Representative Counsel, the Company and the Proposal Trustee.

17. **THIS COURT ORDERS** that Employee Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body or other government ministry, department, or agency, and to take all such steps as are necessary or incidental there to. Representative Counsel shall have no liability as a result of their appointment or the fulfilment of their duties in carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on their part.

LEVY NOT PAYABLE

18. **THIS COURT ORDERS THAT** there shall be no levy payable to the Office of the Superintendent of Bankruptcy on any distributions of the PGH Litigation Employee Funds as these funds do not form part of the Company's estate.

SERVICE AND NOTICES

19. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Former Employee to the Proposal Trustee shall be in writing in substantially the form, if any, provided for in this Employee Claims Process Order or the Eighth Report and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, or email addressed to:

**KSV Restructuring Inc., in its capacity as Proposal Trustee of 2505243
Ontario Limited:**

220 Bay Street, 13th Floor
PO Box 20
Toronto, Ontario M5J 2W4
Attention: Catherine Theriault

Email ctheriault@ksvadvisory.com

Any such notice or communication delivered by a Former Employee shall be deemed to be received upon actual receipt by the Proposal Trustee thereof during normal business hours or if delivered outside of normal business hours, the next business day.

20. **THIS COURT ORDERS** that in the event that this Employee Claims Process Order is later amended by further Order of the Court, the Proposal Trustee shall post such further Order on its website and such posting shall constitute adequate notice to Former Employees of such amended claims procedure.

MISCELLANEOUS

21. **THIS COURT ORDERS** that the Proposal Trustee or the Company may from time to time apply to this Court to amend, vary, supplement or replace this Employee Claims Process Order or for advice and directions concerning the discharge of their respective powers and duties under this Employee Claims Process Order or the interpretation or application of this Employee Claims Process Order.
22. **THIS COURT ORDERS** that this Employee Claims Process Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all persons against whom it may be enforceable.

RECOGNITION

23. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

**IN THE MATTER OF THE
PROPOSAL OF
2505243 ONTARIO LIMITED, OF
THE CITY OF TORONTO, IN THE
PROVINCE OF ONTARIO**

Court/Estate File No.: 31-2675288

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

EMPLOYEE PROCESS CLAIMS ORDER

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