



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ ENDORSEMENT FORM

COURT FILE NO.: BK-24-03137745-0032

DATE: OCTOBER 23, 2024

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NO. ON LIST: @10:00AM

TITLE OF PROCEEDING: DATEC COATING CORPORATION VS DODICK LANDAU

BEFORE: JUSTICE W.D. BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Jessica Wuthmann	APPL COUN	jwuthmann@reconllp.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Simran Joshi	DEBTOR COUN	sioshi@reconllp.com

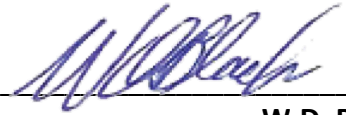
For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Rahn Dodick	TRUSTEE	rahn.dodick@dodick.ca
Philip Cho	TRUSTEE COUN	pcho@weirfoulds.com

ENDORSEMENT OF JUSTICE W.D. BLACK:

- [1] The applicant (the “Company”), supported by the Proposal Trustee, brought this motion seeking:
- a. An extension of the time to file a proposal under s. 50.4(9) of the BIA for 45 days (up to and including December 18, 2024);
 - b. Approval of a proposed sale and solicitation process (“SISP”) (as described in Schedule A to the proposed order);
 - c. Approval of a Stalking Horse Asset Purchase Agreement (the “Stalking Horse Agreement”) between the Company and Urecka Canada Corporation (“Urecka” and, in its capacity as the stalking horse bidder the “Stalking Horse Bidder”), and authorization for the Company to execute the Stalking Horse Agreement for purposes of constituting the “stalking horse” bid in respect of the SISP;
 - d. Authorization for the Company to obtain and borrow up to \$125,000 under a credit facility (the “DIP Facility”) from Urecka (in its capacity as lender under the DIP Facility, the “DIP Lender”) to finance the Company’s working capital requirements and to pay the costs and expenses of this proceeding, as more fully described in a commitment letter between the Company and the DIP Lender dated October 21, 2024 (the “Commitment Letter”); and,
 - e. A grant of the following charges over the Company’s current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (collectively the “Property”) ranking in priority to all Encumbrances (as defined in the proposed SISP Approval Order) and having the following order of priority:
 - i. A first-ranking priority charge (“Administration Charge”) in the maximum amount of \$75,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company in connection with this proceeding;
 - ii. A second-ranking charge (the “DIP Lender’s Charge”) in the maximum amount of \$125,000 as security for the Company’s obligations under the DIP Facility to the DIP Lender.
- [2] As noted, the Proposal Trustee supports the requested relief. There is no known opposition to the relief, and no party or person attended at today’s hearing to express any opposition. Notably, the secured creditors of the Company were served with the relevant materials, and none of the expressed any opposition. The largest secured creditor, Western Ontario Community Futures Development Corporation Association specifically advised that it does not oppose the relief sought.
- [3] In my view the proposed SISP process, developed by the Company in consultation with the Proposal Trustee and Urecka, is appropriate and robust, and will expose the Company’s business widely to the market and provide a structured and orderly process for interested parties to undertake due diligence and submit offers for a potential transaction.

- [4] The Stalking Horse Bid and Agreement are also appropriate in the circumstances, and will promote efficiency by setting a “floor” price that bidders must bid against, and provides an objective basis for the minimum valuation of the Company. It also provides comfort to stakeholders and the court that appropriate value will be realized through the SISP, and that the business will emerge as a going-concern.
- [5] I also accept, given the Company’s limited cash reserves, and based on the cash flow forecast prepared with the assistance of the Proposal Trustee, that the proposed interim financing and charges are necessary and appropriate.
- [6] Based on the evidence, and again in the absence of opposition, I am prepared to grant the relief sought. To that end, I have attached a signed order (in the form uploaded by the Company).



W.D. BLACK J.

DATE: OCTOBER 23, 2024