

Bankruptcy Court File No. BK-24-03162387-0031
Estate File No. 32-3162387

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

THE HONOURABLE)	TUESDAY, THE 31 ST
)	
JUSTICE CONWAY)	DAY OF DECEMBER, 2024

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CANCOM SECURITY INC. OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**STAY EXTENSION ORDER
(Approval of Stay Extension, Administration Charge, and Proposal Trustee's First
Report)**

THIS MOTION, made by Cancom Security Inc. (the "**Company**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**") for an order, among other things: (i) extending the time to file a proposal pursuant to s. 50.4(9) of the BIA up to and including February 18, 2025; (ii) granting an Administration Charge (as defined herein), was heard on the 31st day of December, 2024; and (iii) approving the First Report of Dodick Landau Inc. in its capacity as proposal trustee of the Company (the "**Proposal Trustee**") dated December 27, 2024 (the "**First Report**").

ON READING the affidavit of Peter Smiechowski, sworn December 23, 2024 (the "**Smiechowski Affidavit**"), and the exhibits thereto, and the First Report of the Proposal Trustee.

ON HEARING the submissions of counsel for the Company, the Proposal Trustee, and such other counsel as were present as listed on the Counsel Slip, no one else appearing although properly served as appears from the Affidavit of Service of Julie Mah sworn December 24, 2024, filed:

STAY OF PROCEEDINGS

1. **THIS COURT ORDERS** that the time for the filing of a proposal by the Company is hereby extended in accordance with Section 50.4(9) of the BIA up to and including February 18, 2025 (the “**Stay Period**”).

CONTINUATION OF SERVICES

2. **THIS COURT ORDERS** that during the Stay Period, all persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Company, provided in each case that the normal prices or charges for such goods or services rendered after the date of this Order are paid by the Company in accordance with normal payment practices of the Company or other practices as may be agreed upon by the supplier or service provider and each of the Company and the Proposal Trustee, or as may be ordered by this Court.

ADMINISTRATION CHARGE

3. **THIS COURT ORDERS** that the Proposal Trustee, counsel to Proposal Trustee, and counsel to the Company, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel for the Proposal Trustee and counsel for the Company as such accounts are rendered. The Proposal Trustee and its counsel shall be authorized to immediately apply any such payments made by the Company to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

4. **THIS COURT ORDERS** that, pursuant to Section 64.2 of the BIA, the Proposal Trustee, counsel to the Proposal Trustee, and the Company’s counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on all of the Company’s current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate including all proceeds thereof (the “**Property**”), which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order in respect of these proceedings.

5. **THIS COURT ORDERS** that the filing, registration, or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

6. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental agency, or any other entities (each and any, a "**Person**"), except that the Administration Charge shall be subordinate to any cash collateral pledged by the Company to, and held by, TD Bank in respect of any letters of credit issued by TD Bank (the "**Cash Collateral**").

7. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with the Administration Charge or the Cash Collateral, unless the Company obtains the prior written consent of the Proposal Trustee, TD Bank and the beneficiaries of the Administration Charge, or further Order of this Court.

8. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (the "**Chargees**") shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
- b) none of the Chargees shall have any liability to any Person whatsoever as a result

of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and

- c) the payments made by the Company pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

9. **THIS COURT ORDERS** that the Administration Charge created by this Order over leases of real property in Canada shall only be a charge in the Company's interests in such real property leases.

APPROVAL OF PROPOSAL TRUSTEE'S FIRST REPORT

10. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee described in the First Report are hereby approved, 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 approval.

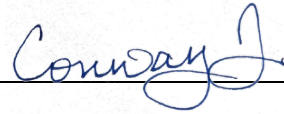
GENERAL

11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all Persons against whom it may otherwise be enforced.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction 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 the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order.



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(COMMERCIAL LIST)**

Proceedings commenced at *Toronto*

STAY EXTENSION ORDER

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