



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: BK-25-03270451-0031

DATE: December 5, 2025

NO. ON LIST: 3

TITLE OF PROCEEDING: AZURE PUBLISHING INC. et al.

BEFORE: JUSTICE CAVANAGH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Michael Citak	Lawyer for the Debtor, AZURE PUBLISHING INC.	mcitak@grllp.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Shahrzad Hamraz	Lawyer for the Proposal Trustee, DODICK LANDAU INC.	shamraz@ln.law
Simran Joshi	Lawyer for the Purchaser, SANDOW CAPITAL, LLC	sjoshi@reconllp.com

ENDORSEMENT OF JUSTICE CAVANAGH:

[1] Azure is a privately-held corporation, incorporated pursuant to the laws of Ontario with its headquarters located in Toronto, Ontario. Azure operates an award-winning international magazine with a focus on contemporary architecture and design.

[2] On October 10, 2025, Azure filed a notice of intention to make a proposal (the "NOI") pursuant to section 50.4 of the Bankruptcy and Insolvency Act, (the "BIA"). Dodick Landau Inc. was named proposal trustee (the "Proposal Trustee"). An initial NOI Order was granted on October 10, 2025 (i) extending the stay for 45 days to

November 24, 2025, (ii) granting an administration charge (to the maximum amount of \$100,000); and (iii) directing the conduct of a SISP process for the sale of the Azure's assets.

[3] Azure seeks court approval for a sale transaction to Sandow Capital, LLC ("Purchaser") pursuant to the APA. The Purchaser was picked through a court approved SISP process (the "Transaction").

[4] The initial NOI Order authorized a \$100,000 first ranking Administration charge to secure the fees of the Trustee and its counsel and counsel to Azure ("Administration Charge"). Authority is sought in this motion to pay from the sales proceeds on closing, the amounts owing under the Administration Charge to free up the net proceeds for distribution to Azure's secured creditor, 1449483.

[5] The Proposal Trustee's Third Report has been filed in connection with this motion. The Proposal Trustee recommends approving the sale and granting the other relief sought herein. Approval is sought of that report in this motion, as well as sealing the APA which contains sensitive information about the sale value.

[6] The Asset Purchase Agreement between Azure and Sandow Capital, LLC dated December 1, 2025 (the "APA") contemplates the sale to the Purchaser of substantially all of Azure's intellectual property and business assets (the "Purchased Assets"). The APA is conditional on a Sale Approval and Vesting Order ("SAVO") being issued.

[7] Subsection 65.13(1) of the BIA authorizes this Court to approve a sale of an insolvent company's assets outside of the ordinary course of business. Pursuant to subsection 65.13(7) of the BIA, any such sale may be authorized "free and clear of any security, charge or other restriction". Subsection 65.13(4) of the BIA provides a non-exhaustive list of factors for the Court to consider in determining whether to approve a sale under section 65.13. This Court has previously noted that the criteria in subsection 36(3) of the Companies' Creditors Arrangement Act - which are substantially similar to those contained in subsection 65.13(4) of the BIA - correspond to the principles articulated in *Royal Bank of Canada v Soundair Corp.*, for the approval of the sale of assets in an insolvency scenario.

[8] I am satisfied that the Transaction should be approved for the following reasons:

- a. the APA allows for the continuity of Azure's business and the Purchased Assets as a going-concern;
- b. the APA is the product of a broad, transparent, and fair SISP, the efforts of Azure, the Purchaser, and the Proposal Trustee to achieve a value-maximizing transaction with a going-concern result;
- c. the SISP process leading to the sale was reasonable in the circumstances;
- d. the Proposal Trustee approved and supported and conducted the SISP process which selected the winning bid and participated in finalizing the APA;
- e. the Proposal Trustee's Third Report filed with the court states that in its opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- f. the SISP process was approved by the court on notice to the creditors;
- g. the Transaction is in the best interest of the creditors and other interested parties;
- h. the consideration to be received for the Purchased Assets is reasonable and fair, taking into account their market value, which was ascertained by the broad canvassing of the market through the court approved SISP process;
- i. all stakeholder interests have been considered;

j. the process was commercially reasonable and not unfair to interested stakeholders; and

k. Azure's entrance into the APA is supported by the Proposal Trustee and 1449483.

[9] I am satisfied that the proposed ancillary order should be made. With respect to the sealing order, the requirements of *Sherman Estate* are satisfied.

[10] Orders to issue in forms of Orders signed by me today.


