



No. S233209  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C - 36 AS AMENDED

AND

IN THE MATTER OF SLP HOLDINGS LTD,  
STRUCTURLAM MASS TIMBER CORPORATION,  
STRUCTURLAM MASS TIMBER U.S., INC.,  
NATURAL OUTCOMES, LLC

APPLICATION OF SLP HOLDINGS LTD. UNDER SECTION 46 OF THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**PETITIONER**

**NOTICE OF APPLICATION**

**Name of the applicant: SLP Holdings Ltd.**

**To: THE SERVICE LIST**

TAKE NOTICE that an application will be made by the Applicant before Justice Fitzpatrick at the courthouse at 800 Smithe St., Vancouver, BC V6Z 2E1, on June 21, 2023 at 9:00 a.m. (as arranged through trial scheduling) or as soon thereafter as counsel may be heard, for the order(s) set out in Part 1 below.

**PART 1: ORDERS SOUGHT**

1. SLP Holdings Ltd. ("SLP"), in its capacity as foreign representative (in such capacity, the "**Foreign Representative**") of SLP, Structurlam Mass Timber Corporation, Structurlam Mass Timber U.S., Inc. and Natural Outcomes, LLC (collectively, the "**Debtors**") seeks an order pursuant to section 49 of the *Companies' Creditors Arrangement Act*, R.S.C., c. C. 1985, as amended (the "**CCAA**") for the following relief from this Court:
  - a. an order abridging the time for service of this application and directing that it is properly returnable on the hearing date;
  - b. an order extending the Stay Period, as defined in the Supplemental Recognition Order granted in these proceedings by the Honourable Justice Fitzpatrick on April 27, 2023 up to

and including October 31, 2023 or such other date as determined by this Honourable Court;  
and

c. such further and other Orders as this Honourable Court may deem appropriate.

## PART 2: FACTUAL BASIS

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Affidavit of Shawn Turkington #3 sworn June 19, 2023.
2. On April 21, 2023 the Debtors each commenced proceedings under Chapter 11 of Title 11 of the United States Code (the “**Chapter 11 Proceedings**”) in the US Bankruptcy Court.
3. On April 26, 2023 pursuant to certain “First Day Motions” filed by the Debtors, the US Bankruptcy Court granted certain interim and/or final orders, including an order authorizing SLP to act as the foreign representative for the purpose of these Canadian recognition proceedings.
4. On April 27, 2023 the Honourable Justice Fitzpatrick granted: (a) an initial recognition order (the “**Initial Recognition Order**”), among other things, recognizing SLP as the “foreign representative” and the Chapter 11 Proceedings of SLP and SMTC as “foreign non-main proceedings” and the Chapter 11 Proceedings of SMTU and NOLLC as “foreign main proceedings” each as defined in section 45 of the CCAA; and (b) a supplemental order (the “**Supplemental Recognition Order**”), among other things, (i) recognizing various orders of the US Bankruptcy Court, (ii) ordering a stay of proceedings in Canada in respect of the Debtors until June 1, 2023 (the “**Stay Period**”); and (iii) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as information officer in respect of these Canadian recognition proceedings (in such capacity, the “**Information Officer**”).
5. On May 16, 2023 the Honourable Justice Fitzpatrick granted a recognition of bidding procedures order (the “**May 16 Order**”) recognizing an order granted on May 8, 2023 by the US Bankruptcy Court which order, among other things: (i) approved bidding procedures; (ii) approved stalking horse protections and the Debtors’ entry into a stalking horse purchase agreement; (iii) scheduled the bid deadlines and the auction; (iv) scheduled hearings and objection deadlines with respect to the sale; (v) approved the form and manner of notice thereof; (vi) approved contract assumption and assignment procedures; and (vii) granted related relief. In addition the Stay Period was extended up to and including June 30, 2023.

6. On June 1, 2023 the Honourable Justice Fitzpatrick granted an order recognizing certain “second day orders” (the “**Second Day Orders**”) granted in the Chapter 11 Proceedings including, among other Orders, an Order dated May 25, 2023 establishing bar dates and related procedures for filing proofs of claim (including for administrative expense claims arising under section 503(b)(9) of the United States Bankruptcy Code (the “**Bankruptcy Code**”) and approving the form and manner of notice (the “**Claims Process Order**”).

#### *The Claims Process Order*

7. Pursuant to the Claims Process Order the general bar date is July 10, 2023 at 5:00 p.m. (prevailing Eastern Time) (the “**General Bar Date**”).
8. The deadline for governmental units (as defined in section 101(27) of the Bankruptcy Code) to file a Proof of Claim against the Debtors is October 18, 2023 at 5:00 p.m. (prevailing Eastern Time) (the “**Government Bar Date**”).

#### *Closing of the Transaction*

9. On June 15, 2023 the transaction contemplated by the Sale Agreement closed (the “**Closing**”) and the Transferred Assets (as defined in the Sale Agreement) were transferred to Mercer International Inc.

#### *Next Steps*

10. The Debtors are now in the process of arranging for the repayment of all amounts due to the Bank of Montreal under both the pre-petition credit agreement and the interim (debtor in possession) financing. The Debtors intend to repay the Bank of Montreal in accordance with and subject to paragraph 10 of the Sale Approval Order on or before June 20, 2023.
11. The Debtors will now commence diligently working with their advisors and stakeholders towards the development of a combined disclosure statement and plan in the Chapter 11 Proceedings (the “**Plan**”). The Plan is anticipated to provide for the Debtor’s estates being transferred to a liquidating trustee for the purpose of adjudicating claims and distributing assets of the estates to creditors.
12. The Debtors anticipate the Plan to be prepared by late July 2023 after which the Debtors anticipate they will seek an order in the Chapter 11 Proceedings setting a process for obtaining creditor approval of the Plan (a “**Solicitation Order**”) in mid to late August 2023.



13. Provided the Debtors' creditors approve the Plan, the Debtor's then anticipate seeking an order finally approving the Plan in the Chapter 11 Proceedings (a "**Plan Approval Order**") in late September 2023. The Plan would then be expected to be implemented by way of transfer of the estate to a liquidating trustee in or about the middle of October 2023.
14. The Debtors anticipate seeking this Honourable Court's recognition and approval of both the Solicitation Order and the Plan Approval Order after each is issued by the US Bankruptcy Court.

### **PART 3: LEGAL BASIS**

#### *Issue*

1. The sole issue in this application is whether this Honourable Court should grant an Order extending the Stay Period to October 31, 2023 (the "**Stay Extension**").

#### *Extension of Stay of Proceedings*

2. When a foreign proceeding has been recognized under Part IV of the CCAA, subsection 49(1) empowers the court to make any order that it considers appropriate if the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of creditors. This includes the power to order a stay of proceedings.

CCAA, sections 48(1), 49(1)

3. Although written within the context of a stay request made pursuant to CCAA section 11.02, Justice Fitzpatrick noted in *1057863 B.C. Ltd. (Re)*, 2022 BCSC 876 that, "a stay of proceedings is the central tool by which a court maintains the status quo for the debtor, which allows the debtor to continue its ongoing operations. This allows a debtor the necessary time, flexibility, and "breathing room" to carry out a supervised restructuring or organized sale process".

*1057863 B.C. Ltd. (Re)*, 2022 BCSC 876 at paras. 31, 35

4. Pursuant to the May 16 Order, the Stay Period is set to expire on June 30, 2023.
5. Since the granting of the Supplemental Recognition Order, the May 16 Order and throughout the pendency of these proceedings, the Debtors have acted diligently and in good faith in these proceedings by:
  - (a) continuing to maintain the Debtors' property and assets;

- (b) continuing to collect outstanding receivables owed to SMTC;
  - (c) diligently working with the Purchaser, the Sale Advisor, the Information Officer and the Bank of Montreal towards the closing of the transaction contemplated by the Sale Agreement which closed on June 15, 2023; and
  - (d) communicating with the Debtors' stakeholders, including the Bank of Montreal;
6. The Foreign Representative submits that granting a stay extension through to October 31, 2023 or a later date (the "**Stay Extension**") would be appropriate *and* in the interest of creditors, because:
- a. It will provide the Company with sufficient time to continue working towards the creation, solicitation and implementation of the Plan; and
  - b. it will increase administrative efficiencies in these proceedings by allowing any further stay extension, recognition hearing, or application for other relief to be heard together.
7. The Foreign Representative respectfully requests this Court grant the Stay Extension.
8. **Part 4: MATERIAL TO BE RELIED ON.**
- 1. Affidavit #3 of Shawn Turkington, sworn June 19, 2023, filed.
  - 2. Third Report of the Information Officer, to be filed.
  - 3. The pleadings and materials filed herein.
  - 4. Such further and other material this Honourable Court may allow.

The applicant estimates that the application will take fifteen (15) minutes.

☐ This matter is within the jurisdiction of a master.

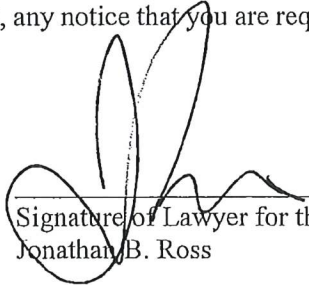
☒ This matter is not within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and every other document, that
  - (i) you intend to refer to at the hearing of this application, and

- (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
- (i) a copy of the filed application response;
  - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: June 19, 2023

  
Signature of Lawyer for the Applicant  
Jonathan B. Ross

To be completed by the court only:

Order made

[ ] in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this notice of application

[ ] with the following variations and additional terms:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Signature of ☐ Judge ☐ Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ other

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File No. V57461

JBR/msh