



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 A PLAN OF COMPROMISE AND ARRANGEMENT OF SLP HOLDINGS
LTD., STRUCTURLAM MASS TIMBER CORPORATION, STRUCTURLAM MASS TIMBER U.S.,
INC. AND NATURAL OUTCOMES, LLC

PETITIONERS

FIFTH REPORT OF THE INFORMATION OFFICER

ALVAREZ & MARSAL CANADA INC.

December 20, 2023

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1.0 INTRODUCTION

1.1 On April 21, 2023 (the “**Petition Date**”), SLP Holdings Ltd. (“**SLP**”), Structurlam Mass Timber Corporation (formerly SLP Operations Ltd., “**SMTC**”), Structurlam Mass Timber U.S., Inc. (“**SMTU**”) and Natural Outcomes, LLC (“**NOLLC**”) (together, the “**Petitioners**” or “**Structurlam**”) commenced proceedings by filing voluntary petitions for relief (the “**Chapter 11 Proceedings**”) pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (“**Chapter 11**”) in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”).

1.2 On April 26, 2023, the U.S. Court granted several orders in the Chapter 11 Proceedings (the “**First Day Orders**”), which includes an order that authorized SLP to act as foreign representative (the “**Foreign Representative**”) in these CCAA Proceedings (subsequently defined).

CCAA Recognition Proceedings

1.3 On April 26, 2023, the Foreign Representative filed a petition with the Supreme Court of British Columbia (the “**Court**” or this “**Honourable Court**”), pursuant to Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) (the “**CCAA Proceedings**”), and together with the Chapter 11 Proceedings, the “**Restructuring Proceedings**”) for:

- a) an initial recognition order (the “**Initial Recognition Order**”), which *inter alia*:
 - i. recognizes the Foreign Representative in respect of the Chapter 11 Proceedings;
 - ii. recognizes the Chapter 11 Proceedings commenced by SMTU and NOLLC in the US Bankruptcy Court as “foreign main proceedings” under Part IV of the CCAA;
 - iii. recognizes the Chapter 11 Proceedings commenced by SLP and SMTC in the US Bankruptcy Court as “foreign non-main proceedings” under Part IV of the CCAA;
 - iv. grants a stay of proceedings against Structurlam; and
 - v. instructs the Foreign Representative to place a notice of the Restructuring Proceedings once a week for two consecutive weeks in the Vancouver Sun.
- b) a supplemental recognition order (the “**Supplemental Recognition Order**”), which *inter alia*:
 - i. recognizes and enforces certain First Day Orders;
 - ii. grants additional stays and protections in respect of the Petitioners until June 1, 2023 (the “**Stay Period**”);

- iii. appoints Alvarez & Marsal Canada Inc. (“**A&M**”) as the information officer in these CCAA Proceedings (the “**Information Officer**”); and
 - iv. grants certain priority charges over the Petitioners’ Canadian assets, specifically the Administration Charge and the DIP Charge (collectively, the “**CCAA Charges**”), as such terms are defined herein.
- 1.4 On April 26, 2023, A&M, in its capacity as proposed Information Officer, filed a Pre-Filing Report of the Proposed Information Officer (the “**Pre-Filing Report**”) to address the Initial Recognition Order and the Supplemental Recognition Order.
- 1.5 On April 27, 2023, this Honourable Court granted the Initial Recognition Order and the Supplemental Recognition Order and A&M was appointed as Information Officer.
- 1.6 On May 8, 2023, the U.S. Court granted an order (the “**Bidding Procedures Order**”), which, *inter alia*:
- a) approved the Bidding Procedures (subsequently defined);
 - b) approved the Stalking Horse APA and the Stalking Horse Protections (subsequently defined);
 - c) scheduled an auction (the “**Auction**”) and other key dates in respect of the Bidding Procedures;
 - d) approved the form and manner of notice of the Auction; and
 - e) approved contract assumption and assignment procedures in respect of the Bidding Procedures Order.
- 1.7 On April 28, 2023, the Foreign Representative filed a notice of application (the “**Bidding Procedures Recognition Application**”) with this Honourable Court, for an order, which, *inter alia*:
- a) recognizes the Bidding Procedures Order;
 - b) sets down a date for this Honourable Court to hear an application to recognize the expected U.S. Court order which approves a sale of Structurlam’s assets; and
 - c) extends the Stay Period until June 30, 2023 (the “**Stay Extension**”).
- 1.8 On May 12, 2023, the Foreign Representative filed the Affidavit #2 of Shawn Turkington sworn on May 11, 2023 and the Affidavit of Kevin Haggard sworn on May 11, 2023, in support of the Bidding Procedures Recognition Application, with this Honourable Court. The Information Officer filed the First Report of the Information Officer with this Honourable Court on the same day.

- 1.9 On May 16, 2023, this Honourable Court granted the order, which, among other things, recognized the Bidding Procedure Order and extended the Stay Period until June 30, 2023.
- 1.10 On May 30, 2023, the Foreign Representative filed a notice of application with this Honourable Court (the “**May 30 Application**”) to seek, among other things, the following relief:
- a) an order recognizing and giving full force and effect in Canada (the “**Canadian Sale Order**”) to the *Order (i) authorizing (A) sale of assets free and clear of all liens, claims, encumbrances and interest, and (B) the Debtors’ assumption and assignment of certain executory contracts and unexpired leases; and (ii) granting related relief*, granted by the U.S. Court on May 30, 2023 in the Chapter 11 Proceedings (the “**U.S. Sale Order**”), and further, among other things, approving the sale transaction described in the amended asset purchase agreement (the “**Purchase Agreement**”) dated April 21, 2023 between the Petitioners and Mercer International Inc. (“**Mercer**”) and (iii) vesting right, title and interest in and to the Transferred Assets (as defined in the Purchase Agreement) in Mercer free and clear of any charges, security, liens, encumbrances, claims or liabilities other than certain permitted encumbrances assumed as set out in the Purchase Agreement; and
 - b) an order (the “**Additional Recognition Order**”) recognizing and giving full force and effect in Canada to certain additional orders granted by the U.S. Court in the Chapter 11 Proceedings.
- 1.11 On May 30, 2023, the Foreign Representative filed the Affidavit #3 of Michèle Hay sworn on May 30, 2023 and on May 31, 2023, the Foreign Representative filed the Affidavit #2 of Kevin Haggard sworn on May 30, 2023, in support of the May 30 Application. On May 31, 2023, the Information Officer filed the Second Report of the Information Officer (the “**Second Report**”) with this Honourable Court in support of the May 30 Application.
- 1.12 On June 1, 2023, this Honourable Court granted the Canadian Sale Order and the Additional Recognition Order.
- 1.13 On June 19, 2023, the Foreign Representative filed a notice of application (the “**Second Stay Extension Application**”), with this Honourable Court, for an order to extend the Stay Period until October 31, 2023 (the “**Second Stay Extension**”).
- 1.14 On June 19, 2023, the Information Officer filed a notice of application and the Affidavit #3 of Shawn Turkington sworn June 19, 2023 with this Honourable Court to seek a declaration by this Honourable Court that SMTC meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-22 (“**WEPPR**”), such that certain former employees may be entitled to receive payments under the *Wage Earner Protection Program Act*, SC 2005, c

- 47, (“WEPPA”). The Information Officer filed the Third Report of the Information Officer (the “**Third Report**”) with this Honourable Court in support of its application and the Second Stay Extension Application.
- 1.15 On June 21, 2023, this Honourable Court granted the Second Stay Extension and an order declaring that SMTC meets the criteria under WEPPR.
- 1.16 On October 20, 2023, the Foreign Representative filed a notice of application and the Affidavit #4 of Shawn Turkington sworn October 19, 2023 with this Honourable Court for an order extending the Stay Period until January 31, 2024 (the “**Third Stay Extension**”). The Information Officer filed the Fourth Report of the Information Officer (the “**Fourth Report**”) with this Honourable Court in support of the Third Stay Extension Application.
- 1.17 On October 31, 2023, this Honourable Court granted the Third Stay Extension.
- 1.18 On November 10, 2023, the Foreign Representative filed a notice of application with this Honourable Court to seek, among other things, the following relief:
- a) an order recognizing and giving full force and effect in Canada (the “**Interim Approval Recognition Order**”) to the *Order (I) Conditionally Approving Combined Disclosure Statement and Plan for Solicitation Purposes Only, (II) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Combined Disclosure Statement and Plan, (III) Approving the Form of Ballot and Solicitation Materials, (IV) Establishing Voting Record Date, (V) Fixing the Date, Time and Place for the Confirmation Hearing and the Deadline for Filing Objections Thereto, and (VI) Approving Related Shortened Notice Procedures*, granted by the U.S. Court on November 9, 2023 in the Chapter 11 Proceedings (the “**Interim Approval Order**”); and
 - b) an order recognizing and giving full force and effect in Canada (the “**Exclusive Filing Recognition Order**”) to the *Order, Pursuant to Section 1121(d) of the Bankruptcy Code, Further Extending the Exclusive Periods Within Which the Debtors May File a Chapter 11 Plan and Solicit Acceptances Thereof* (the “**Exclusive Filing Order**”).
- 1.19 On November 17, 2023, this Honourable Court granted the Interim Approval Recognition Order and the Exclusive Filing Recognition Order.
- 1.20 On December 20, 2023, the Foreign Representative filed a notice of application with this Honourable Court to seek an order recognizing and giving full force and effect in Canada (the “**Confirmation Recognition Order**”) to the *Findings of Fact, Conclusions of Law, and Order Confirming the First Amended Combined Disclosure Statement and Chapter 11 Plan of Liquidation*

of *Structurlam Mass Timber U.S., Inc., et al.*, granted by the U.S. Court on December 19, 2023, in the Chapter 11 Proceedings (the “**Confirmation Order**”).

1.21 Copies of the documents filed in the Chapter 11 Proceedings are posted by Kurtzman Carson Consultants LLC (“**KCC**”) at: www.kccllc.net/Structurlam (the “**Chapter 11 Website**”). Copies of the Initial Recognition Order and Supplemental Recognition Order along with other documents filed in these CCAA Proceedings (the “**Filed Materials**”) are posted on the Information Officer’s website at www.alvarezandmarsal.com/structurlam (the “**CCAA Website**”).

1.22 Capitalized terms not defined in this fifth report (the “**Fifth Report**”) are as defined in the Filed Materials.

2.0 PURPOSE

2.1 This Fifth Report has been prepared by the Information Officer to provide information in respect of:

- a) the activities of the Information Officer;
- b) the results of the vote on the Amended Combined DS and Plan (subsequently defined); and
- c) the Information Officer’s conclusions and recommendations.

3.0 TERMS OF REFERENCE

3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of Structurlam (“**Management**”) and its Canadian and U.S. legal counsel. Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Petitioners. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.

3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

3.3 All monetary amounts contained in this Fifth Report are expressed in Canadian dollars unless otherwise noted.

4.0 **ACTIVITIES OF THE INFORMATION OFFICER**

4.1 Since the Fourth Report and up to and including the date of this Fifth Report, the Information Officer's activities have included the following:

- a) reviewed relevant materials and orders filed in the Chapter 11 Proceedings;
- b) attended to the results of creditors' votes on the Combined DS and Plan;
- c) maintained the CCAA Website to make available copies of the orders granted in the CCAA Proceedings and other court-filed materials;
- d) monitored the Chapter 11 Website for activities in the Chapter 11 Proceedings;
- e) communicated with counsel to Structurlam and Management regarding matters relevant to the CCAA Proceedings and the Chapter 11 Proceedings;
- f) responded to inquiries from creditors; and
- g) prepared this Fifth Report.

5.0 **STRUCTURLAM'S AMENDED COMBINED DS AND PLAN¹**

5.1 As discussed in the Fourth Report, on October 17, 2023, Structurlam filed with the U.S. Court a joint Chapter 11 plan of liquidation (such plan, as may be amended from time to time, the "**Plan**") and related combined disclosure statement (such disclosure statement, as amended, the "**DS**" and combined with the Plan, the "**Combined DS and Plan**").

5.2 On November 8, 2023, the Petitioners' filed a first amended combined disclosure statement and Chapter 11 plan of liquidation amending the Combined DS and Plan. On December 14, 2023, the Petitioners' filed a further amended combined disclosure statement (the "**Amended DS**") and Chapter 11 plan of liquidation (the "**Amended Plan**", together with the Amended DS, the "**Amended Combined DS and Plan**"), further amending the Combined DS and Plan.

5.3 On November 9, 2023, the U.S. Court granted the Interim Approval Order which provided, among other things, (i) interim approval of the disclosures set out in the Amended Combined DS and Plan; (ii) scheduling the hearing (the "**Combined Hearing**") for the approval of the Amended Combined DS and Plan and the confirmation of the Amended Combined DS and Plan; (iii) approval of procedures for the solicitation and tabulation of votes to accept or reject the Amended Combined

¹ Terms not otherwise defined in this section have the meanings ascribed to them in the Combined DS and Plan and the Amended Combined DS and Plan.

Plan and DS; (iv) approval of the form of ballot and solicitation package; (v) approval of the notice provisions; and (vi) other related relief.

5.4 On December 5, 2023, the Petitioners filed a plan supplement, including the Liquidating Trust Agreement, in support of, and in accordance with, the Amended Combined DS and Plan.

5.5 Tabled below are the important dates in relation to the Amended Combined DS and Plan pursuant to the Interim Approval Order:

DESCRIPTION	DEADLINE
Voting Record Date	The date of entry of the Interim Approval Order – November 9, 2023
Solicitation Commencement Date	Within five (5) business days after entry of the Interim Approval Order – November 14, 2023
Deadline for Creditors to File Rule 3018 Motions	December 1, 2023, at 4:00 p.m. (ET)
Plan Supplement Deadline	December 5, 2023
Deadline for Debtors to Respond to Rule 3018 Motions	December 8, 2023, at 4:00 p.m. (ET)
Voting Deadline for the Combined Disclosure Statement and Plan	December 12, 2023, at 4:00 p.m. (ET)
Combined Disclosure Statement and Plan Objection Deadline	December 12, 2023, at 4:00 p.m. (ET)
Deadline to File Confirmation Brief and Other Evidence Supporting the Combined Disclosure Statement and Plan	December 14, 2023, at 4:00 p.m. (ET)
Deadline to File Voting Tabulation Affidavit	December 14, 2023, at 4:00 p.m. (ET)
Combined Hearing	December 19, 2023, at 11:00 a.m. (ET)

5.6 As discussed in the Fourth Report, the Amended Combined DS and Plan is a liquidating plan which will provide an efficient means to liquidate the remaining assets of the Petitioners and make distributions to creditors.

5.7 On the Effective Date, the assets of the Petitioners (the “**Liquidating Trust Assets**”) will be transferred to the Liquidating Trust. The Liquidating Trust Assets are comprised of any funds held by Structurlam, accounts receivable, the rights to collect under the Petitioners’ existing insurance policies and potential proceeds of certain causes of action belonging to the Estates of the Petitioners (the “**Estate Causes of Action**”), if any.

5.8 The Liquidating Trust will be responsible for, among other things: (i) implementing the Amended Combined DS and Plan; (ii) prosecuting the Estate Causes of Action; (iii) administering, monetizing and/or liquidating the trust assets; (v) resolving all disputed claims; and (vi) making all distributions to holders of Allowed Claims.

5.9 The following chart summarizes the classification and treatment of creditors under the Amended Plan (after certain proposed claim disallowances):

Class	Estimated Claims (USDS)	Treatment	Estimated Recovery to Holders of Allowed Claims
Class 1 – Other Secured Claims	\$0	Unimpaired, deemed to accept	100%
Class 2 – Priority Claims	\$41,770	Unimpaired, deemed to accept	100%
Class 3A – SMTU General Unsecured Claims	\$99,780,470	Impaired, entitled to vote	21.1%
Class 3B – SLP General Unsecured Claims	\$80,687,555	Impaired, entitled to vote	0%
Class 3C – SMTU General Unsecured Claims	\$19,010,126	Impaired, entitled to vote	21.2%
Class 4 – Equity Interests	n/a	Impaired, entitled to vote	0%

5.10 The estimated claim amounts tabled above represent filed or scheduled claims. The Petitioners have not completed their analysis of claims in the Chapter 11 Proceedings, and objections to such claims have not been filed and/or fully litigated and may continue following the Effective Date. Therefore, there can be no assurances of the exact amount of the Allowed Claims (as defined in the Amended Combined DS and Plan) at this time. Rather, the actual amount of the Allowed Claims may be greater or lower than estimated.

5.11 On November 29, 2023, the Petitioners filed the *Debtors’ First (Non-Substantive) Omnibus Objection to Claims Pursuant to Bankruptcy Code Section 502, Bankruptcy Rule 3007, and Local Rule 3007-1* [Docket No. 490] with the U.S. Court, objecting to certain claims filed/scheduled against the Petitioners. On December 18, 2023, the U.S. Court granted the *Order Granting Debtors’*

First (Non-Substantive) Omnibus Objection to Claims Pursuant To Bankruptcy Code Section 502, Bankruptcy Rule 3007, And Local Rule 3007-1 [Docket No. 535].

- 5.12 The Information Officer understands that review of the filed and scheduled claims is still underway, and further objections may be filed by the Petitioners (or the Liquidating Trustee upon the Effective Date), if necessary, in the coming months.
- 5.13 The Amended Combined DS and Plan contemplates that Classes 3A, 3B, 3C and 4 (collectively, the “**Voting Classes**”) vote on the Amended Plan as all other classes are either unimpaired or deemed impaired. For the Amended Combined DS and Plan to be approved, at least two-thirds in value of voting claims and a majority in number of voting creditors in the Voting Classes must vote in favour of the Amended Combined DS and Plan.
- 5.14 The Amended Combined DS and Plan does not contemplate substantive consolidation of the Petitioners for voting and distribution purposes. As a result, unsecured creditors of Structurlam will be treated separately based on which entity their claims are made against.
- 5.15 In order for the Amended Plan to become effective, in addition to the Amended Combined DS and Plan being approved by the requisite majority of creditors, the following conditions must be satisfied or waived by the Petitioners and the Official Committee of Unsecured Creditors:
- a) the U.S. Court shall have entered the Confirmation Order and the Confirmation Order shall be a Final Order;
 - b) the Canadian Court shall have entered the Confirmation Recognition Order regarding confirmation and it shall be a Final Order;
 - c) the Liquidating Trust Agreement shall be executed by the Liquidating Trustee who shall have been appointed and accepted such appointment; and
 - d) the Amended Combined DS and Plan shall not have been materially amended, altered, or modified from the plan as confirmed by the Confirmation Order, unless such material amendment is made in accordance with Article XIII of the Amended Combined DS and Plan.

Voting Results

- 5.16 The Interim Approval Order established December 12, 2023, at 4:00 p.m. (prevailing Eastern Time) as the deadline by which Ballots for accepting or rejecting the Amended Plan had to be received by Structurlam’s claims agent and administrative advisor, KCC, in order to be counted.
- 5.17 According to KCC’s final tabulation, the result of the vote is summarized below:

Class	Total Ballots Received			
	Accept		Reject	
	Amount (% of Amount Voted)	Number (% of Number voted)	Amount (% of Amount Voted)	Number (% of Number voted)
Class 3A – SMTU General Unsecured Claims	\$237,264.78 (100.00%)	14 (100.00%)	\$0.00 (0.00%)	0 (0.00%)
Class 3B – SLP General Unsecured Claims	\$0.00 (0.00%)	0 (0.00%)	\$0.00 (0.00%)	0 (0.00%)
Class 3C – SMTU General Unsecured Claims	\$1,260,573.59 (82.35%)	28 (96.55%)	\$270,177.60 (17.65%)	1 (3.45%)
Class 4 – Equity Interests	59,374,537 (100.00%)	2 (100.00%)	\$0.00 (0.00%)	0 (0.00%)

5.18 In order for the Amended Combined DS and Plan to be accepted by a Voting Class, a majority in number (i.e., more than half) and two-thirds in dollar amount of the Claims voting (of the Voting Class) must vote to accept the Amended Combined DS and Plan. Accordingly, based on KCC’s final tabulation, the required majority of the Voting Classes have approved the Amended Combined DS and Plan.

5.19 On December 19, 2023, the U.S. Court granted the Confirmation Order. Accordingly, upon the satisfaction of the conditions listed in 5.15 (b) to (d), the Amended Plan will become effective.

6.0 RECOMMENDATIONS

6.1 The Information Officer has reviewed the Confirmation Order and the proposed Confirmation Recognition Order. The Information Officer understands that the recognition by the Canadian Court of the Confirmation Order, is necessary for the Amended DS and Plan to be implemented. The Information Officer is satisfied that the proposed Confirmation Recognition Order adequately reflects the terms of the Amended Combined DS and Plan.

6.2 The Information Officer is of the view that recognizing and giving effect in Canada to the Confirmation Order in the form reviewed by the Information Officer is reasonable and appropriate in the circumstances. Based on the foregoing, the Information Officer respectfully recommends that this Honourable Court grant the Confirmation Recognition Order.

All of which is respectfully submitted to this Honourable Court this 20th day of December, 2023.

**Alvarez & Marsal Canada Inc.,
in its capacity as Information Officer of
Structurlam and not in its personal or corporate capacity**



Per: Anthony Tillman
Senior Vice President



Per: Pinky Law
Vice President