

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 1001387025 ONTARIO INC.**

Applicant

**AIDE MEMOIRE OF THE MONITOR
(Hearing on May 27, 2026)**

May 26, 2026

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1. This Aide Memoire is filed by Alvarez & Marsal Canada Inc. in its capacity as monitor (the “**Monitor**”) of 1001387025 Ontario Inc. (“**ResidualCo**”) in respect of the hearing scheduled for May 27, 2026 (the “**May 27 Hearing**”), regarding 2386843 Ontario Inc. o/a Phantom Disposal’s (“**Phantom**”) motion seeking to lift the CCAA stay of proceedings (the “**CCAA Stay**”) to pursue the Phantom Lien Action (as defined below) (the “**Lift-Stay Motion**”).

2. Through its motion, Phantom seeks to lift the CCAA Stay to pursue an action it commenced in breach of the CCAA Stay on November 20, 2025, against ResidualCo, Eastern Construction Company Limited (“**Eastern**”) and New QM¹ in respect of materials and services supplied by Phantom to the QM Group prior to the CCAA proceedings at a project located at 131 Farnham Avenue, Toronto, Ontario (the “**Phantom Lien Action**”). Following a case conference held on April 13, 2026, the Court scheduled the May 27 Hearing to hear the Lift-Stay Motion. In accordance with a litigation timetable agreed upon by the parties, the Monitor delivered its Fifth Report dated May 13, 2026 (the “**Fifth Report**”) which addresses the Lift-Stay Motion.

3. As noted in the Fifth Report, in principal, the Monitor takes no issue with the Phantom Lien Action proceeding in relation to a Non-Continuing QM Project on the basis that: (i) Phantom would not seek to establish any rights or remedies against ResidualCo or its assets through the Phantom Lien Action, and (ii) the Phantom Lien Action is not used to pursue claims, rights or remedies that are inconsistent with prior orders of this Court made in the CCAA proceedings, in particular the Lien Regularization Order (“**LRO**”) and the Approval and Reverse Vesting Order (the “**ARVO**”). The Monitor is of the view that any lift-stay relief be clear that Phantom is only permitted to pursue claims, rights and remedies in respect of Project 218031 (*i.e.*, the Non-

¹ The Monitor understands Phantom has now discontinued the Lien Action as against New QM.

Continuing QM Project), and not Project 217708 (*i.e.*, the Continuing QM Project located at the same project site and that is subject to the relief granted under the LRO and the ARVO).

4. The Monitor has sought to facilitate a consensual resolution amongst the parties in interest on a consent form of lift-stay order, including by proposing a form of lift-stay order (the “**Monitor’s Proposed Lift-Stay Order**”).² A copy of the Monitor’s Proposed Lift-Stay Order was included as Appendix “C” to the Fifth Report and is attached hereto as Schedule “A”. The Monitor’s Proposed Lift-Stay Order establishes appropriate guardrails to permit the Phantom Lien Action to proceed on the merits in respect of the relevant Non-Continuing QM Project, while also ensuring that the relevant orders of this Court made in the CCAA proceedings will be respected. At this time, there is no agreement amongst the parties in interest on a consent lift-stay order.

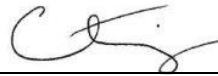
5. In addition to discussions regarding a potential consent lift-stay order, the parties agreed to a litigation timetable for the May 27 Hearing. Phantom did not deliver its factum on May 15, 2026, in accordance with the agreed timetable. After several follow-up emails to Phantom’s counsel, on May 21, 2026, Phantom’s counsel advised the parties that it would seek an adjournment of the May 27 Hearing due to counsel being unexpectedly delayed out of the country. On May 22, 2026, Phantom’s counsel wrote to the Court to advise that Phantom “...will be seeking either: (a) an adjournment of the motion; or, to the extent possible, (b) to proceed on consent if resolution is reached amongst the parties on certain matters within a reduced attendance.” Phantom’s counsel has since advised that it may seek to address the Lift-Stay Motion on the merits before the Court tomorrow or seek “direction on the proper path forward”. As a result of Phantom’s failure to adhere to the litigation timetable and its shifting positions on an adjournment, the other parties in interest

² Capitalized terms used and not defined herein have the meaning given to them in the Fifth Report of the Monitor dated May 13, 2026.

have been prejudiced in their ability to respond to the Lift-Stay Motion and to brief the issues in dispute for the Court.

6. In the circumstances, the Monitor respectfully requests that the Court adjourn Phantom's Lift-Stay Motion to a mutually aggregable date such that the issues in dispute can be appropriately briefed for the Court. Alternatively, should the Court be inclined to deal with Phantom's Lift-Stay Motion on the merits, the Monitor respectfully requests that the Court grant the Monitor's Proposed Lift-Stay Order, which will ensure that appropriate guardrails are in place for the Phantom Lien Action to proceed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 26th day of May, 2026.



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SCHEDULE A
MONITOR'S PROPOSED LIFT-STAY ORDER

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

THE HONOURABLE) WEDNESDAY, THE 29TH
)
JUSTICE CAVANAGH) DAY OF APRIL, 2026

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 OR
ARRANGEMENT OF 1001387025 ONTARIO INC.

Applicant

CONSENT ORDER (LIFTING STAY)

THIS MOTION made by 2386843 Ontario Inc. o/a Phantom Disposal ("**Phantom**") for an Order lifting the stay of proceedings (the "**Stay**") contained in the Amended and Restated Initial Order of this Court dated August 7, 2025 (the "**Initial Order**"), as the Stay has been or may be subsequently extended by further Orders of this Court from time to time, for the limited purpose of permitting the continuation of Phantom's Lien Action (as defined below) relating to the disclaimed construction project of QM LP (Job# ●) at Del La Salle College – Oaklands, Student Wellness Centre (the "**Project**"), at the property municipally known as 131 Farnham Avenue, Toronto, Ontario, being PIN 21192-0379 (LT) (the "**Property**") on the terms contemplated by this Order, was heard this day.

ON READING the Notice of Motion and the Motion Record filed, and on hearing the submissions of counsel for Phantom, counsel for Alvarez & Marsal Canada Inc. in its capacity as

Monitor in the within proceedings (the “**Monitor**”) and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the filed affidavit of service of ●, filed;

AND UPON BEING ADVISED that Phantom, the Monitor, New QM (as defined below) and Eastern Construction Company Limited (“**Eastern**”) consent to this Order;

AND WHEREAS Phantom registered a claim for lien in respect of the Project against title to the Property as Instrument No. AT6887642 on August 22, 2025 in the principal amount of \$279,041.02;

AND WHEREAS the lien was vacated by Order of Associate Justice Robinson dated October 6, 2025 in Court File No. CV-25-00753430-0000 upon Eastern posting security in the total amount of \$348,801.28, comprised of the lien principal of \$279,041.02 and security for costs in the amount of \$69,760.26, which security was registered as Application to Delete Lien Instrument No. AT6921854 on October 14, 2025;

AND WHEREAS Phantom perfected its claim for lien by commencing an action under the *Construction Act*, Court File No. CV-25-00755681-0000 (the “**Lien Action**”), against Eastern, QM LP by its general partner QM GP Inc. (“**New QM**”), and 1001387025 Ontario Inc. (“**ResidualCo**”) on November 20, 2025;

AND WHEREAS Phantom has discontinued the Lien Action against New QM;

AND WHEREAS the Project is not a Continuing QM Project (as such term is defined in the Lien Regularization Order of this Court dated July 29, 2025 (the “**LRO**”) or a Continuing Project (as such term is used in the Approval and Reverse Vesting Order of the Court dated October

24, 2025 (the “ARVO”) and defined in the Subscription Agreement (as defined in the ARVO), as amended);

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this Motion is properly returnable today and further service thereof is dispensed with.
2. **THIS COURT ORDERS** that the Stay is lifted solely to permit Phantom to prosecute the Lien Action solely as relates to the Project (and not, for the avoidance of doubt, any Continuing QM Project or Continuing Project) for the purpose of determining the validity and quantum of its construction lien claim in respect of the Project, including bringing a motion for judgment of reference, fixing the action for trial, setting the action down for trial, and/or taking such procedural steps as are necessary under the *Construction Act*, provided that any judgment obtained shall be only in respect of Phantom’s claim for lien in the Lien Action and the lien security posted pursuant to the Order of Associate Justice Robinson dated October 6, 2025 in Court File No. CV-25-00753430-0000, and not for any other purpose.
3. **THIS COURT ORDERS** that, to the extent Phantom has taken steps to preserve or perfect its lien in respect of the Project following the commencement of the CCAA proceedings that may have contravened the Stay, the Stay is hereby lifted *nunc pro tunc* for such limited purposes.
4. **THIS COURT ORDERS** that ResidualCo shall not be required to deliver a Statement of Defence, attend examinations for discovery, produce documents, participate in documentary or oral discoveries, attend at trial, respond to undertakings, or otherwise take

any step in or participate in an way as a party to the Lien Action, and no procedural or substantive consequences shall flow from ResidualCo's failure to do so and the Stay shall remain in full force and effect as relates to all of the foregoing as relates to ResidualCo.

5. **THIS COURT ORDERS** that nothing in this Order authorizes any personal judgment against ResidualCo in the Lien Action, that no order for costs shall be made against ResidualCo in the Lien Action, and that any judgment obtained in the Lien Action shall be enforceable only against the Lien Security and not by way of execution or otherwise against ResidualCo or its property or assets. For the avoidance of doubt, the establishment of any claim against ResidualCo or its property or assets shall remain subject to the exclusive jurisdiction of this Court and nothing in the Lien Action shall give rise to a provable claim against ResidualCo in these *Companies' Creditors Arrangement Act* proceedings or in any subsequent bankruptcy of ResidualCo.

6. **THIS COURT ORDERS** that: (i) Phantom shall not pursue any claim, right, remedy or other relief in the Lien Action in respect of a Continuing QM Project or a Continuing Project, (ii) nothing in this Order shall be so construed as to amend, vary or otherwise modify the relief granted pursuant to the LRO and the ARVO, and (iii) to the extent any of New QM, Eastern or the Monitor takes the position that any claim, right, remedy or other relief sought by Phantom in the Lien Action is a violation of the LRO and/or the ARVO, this Court shall retain the jurisdiction to address and determine any such dispute on a motion brought on not less than seven (7) days' prior notice to each of the foregoing parties and Phantom.

7. **THIS COURT ORDERS** that, except as expressly provided herein, the Stay otherwise remains in full force and effect in accordance with its terms.

 8. **THIS COURT ORDERS** that there shall be no costs on this Motion.
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1985, c.C-36 AS AMENDED
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1001387025 ONTARIO INC.***

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

CONSENT ORDER (Lifting Stay)

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

Court File No. CV-25-00748510-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1001387025 ONTARIO INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at Toronto

AIDE MEMOIRE OF THE MONITOR
(Hearing May 27, 2026)

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