

COURT FILE NUMBER 2401-01422
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES' CREDIT*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF GRIFFON PARTNERS OPERATION
CORPORATION, GRIFFON PARTNERS HOLDING
CORPORATION, GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD., STELLION LIMITED, 2437801
ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA
LTD., and SPICELO LIMITED

DOCUMENT **APPLICATION (SPICELO STAY EXTENSION)**

ADDRESS FOR
SERVICE AND
CONTACT **OSLER, HOSKIN & HARCOURT LLP**
INFORMATION OF
PARTY FILING THIS
DOCUMENT Barristers & Solicitors
Brookfield Place, Suite 2700
225 6 Ave SW
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Julie Treleaven
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Email: RVandemosselaer@osler.com / JTreleaven@osler.com
File Number: 1246361

NOTICE TO THE RESPONDENT

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: March 26, 2024
Time: 2:00 p.m.
Where: Edmonton Law Courts (by WebEx - See **Schedule "A"**)
Before: The Honourable Justice Gill

Go to the end of this document to see what you can do and when you must do it.

Remedy Sought:

1. The Applicants, Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd., and Spicelo Limited (“**Spicelo**”) (collectively, the “**Applicants**”), respectfully seek an Order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) substantially in the form attached hereto as **Schedule “B”**:
 - (a) abridging the time for service of notice of this Application (if necessary), deeming service of notice of this Application to be good and sufficient, and declaring that there is no other person who ought to have been served with notice of this Application;
 - (b) extending Spicelo’s Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order granted in these proceedings by the Honourable Justice Johnston on February 7, 2024 (the “**ARIO**”), up to and including April 17, 2024, or such other date as this Court may deem appropriate;
 - (c) granting Alvarez & Marsal Canada Inc., in its capacity as Monitor (as such term is defined below), enhanced powers with respect to Spicelo (the “**Enhanced Powers**”) to:
 - (i) to take possession of and exercise control over Spicelo’s present and after-acquired assets, property and undertakings (the “**Property**”), and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Monitor’s ability:
 - (A) to abandon, dispose of, or otherwise release any interest in any of Spicelo’s real or personal property, or any right in any immovable; and

- (B) upon further order of the Court, to abandon, dispose of, or otherwise release any license or authorization issued by the Alberta Energy Regulator, or any other similar government authority;
- (ii) to receive, preserve and protect Spicelo's Property, or any part or parts thereof;
- (iii) to manage, operate and carry on the business of Spicelo, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Spicelo;
- (iv) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, financial advisors, investment dealers, the Transaction Agent (as such term is defined below) and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's Enhanced Powers conferred by the ARIO;
- (v) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of Spicelo or any part or parts thereof;
- (vi) to receive and collect all monies and accounts now owed or hereafter owing to Spicelo and to exercise all remedies of Spicelo in collecting such monies, including, without limitation, to enforce any security held by Spicelo;
- (vii) to settle, extend or compromise any indebtedness owing to or by Spicelo;
- (viii) to execute, assign, issue and endorse documents of whatever nature in respect of any of Spicelo's Property or business, whether in the Monitor's name or in the name and on behalf of Spicelo, for any purpose pursuant to the ARIO;
- (ix) to undertake environmental or workers' health and safety assessments of the Property and operations of Spicelo;

- (x) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to Spicelo, the Property or the Monitor (in relation to the exercise by the Monitor of the Enhanced Powers), and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in the ARIO shall authorize the Monitor to defend or settle the action in which the ARIO was made unless otherwise directed by this Court;
- (xi) to market any or all of Spicelo's Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Monitor in its discretion may deem appropriate;
- (xii) to sell, convey, transfer, lease or assign or otherwise enter into transactions respecting Spicelo's Property or any part or parts thereof out of the ordinary course of business with the approval of this Court and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.
- (xiii) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey Spicelo's Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (xiv) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate all matters relating to Spicelo's Property, business, and these proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;

- (xv) to register a copy of the ARIO and any other orders in respect of Spicelo's Property against title to any of Spicelo's Property;
 - (xvi) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Monitor, in the name of Spicelo;
 - (xvii) to enter into agreements with any trustee in bankruptcy appointed in respect of Spicelo, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Spicelo;
 - (xviii) to exercise any shareholder, partnership, joint venture or other rights which Spicelo may have; and
 - (xix) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (d) such further and other relief as may be sought by the Applicants and this Honourable Court may deem appropriate.

Basis for this claim:

Background

2. On February 7, 2024, the Honourable Justice B. Johnston granted the Applicants an Initial Order under the CCAA (the "**Initial Order**").
3. Pursuant to the Initial Order, the proceedings commenced by the Applicants under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**NOI Proceedings**") were continued under the CCAA, Alvarez & Marsal Canada Inc. was appointed Monitor of the Applicants (the "**Monitor**"), and a stay of all proceedings, rights and remedies against or in respect of the Applicants, its business or property, or the Monitor was granted until February 16, 2024 (the "**Initial Stay**").

4. On February 7, 2024, after granting the Initial Order, the Honourable Justice B. Johnston granted the Applicants' application for the ARIO. Pursuant to the ARIO, the Initial Stay was extended to March 6, 2024.
5. On March 6, 2024, the Applicants brought an application (the "**Stay Extension Application**") to the Court of King's Bench Alberta (the "**Court**") for an Order extending the Stay Period for Spicelo up to and including March 26, 2024, and for all other Applicants other than Spicelo up to and including April 17, 2024.
6. The Court granted the Applicants' Stay Extension Application in full. The Stay Period in respect of the Applicants is presently scheduled to expire on April 17, 2024, and in respect of Spicelo on March 26, 2024.
7. Since the granting of the Stay Extension Application, the Applicants have worked diligently and in good faith towards concluding the Sale and Investment Solicitation Process (the "**SISP**") for the benefit of their stakeholders. The work has taken place in conjunction with, and under the supervision of the Monitor and Alvarez & Marsal Canada Securities ULC (the "**Transaction Agent**"), and in consultation with the Applicants' stakeholders.
8. In particular, since the Stay Extension Application was granted in these proceedings on March 6, 2024, the Applicants have: (a) worked towards finalizing the Successful Bid (as such term is defined in the SISP); and (b) began preparing for the application to the Court to approve the Successful Bid, which is currently scheduled for April 2, 2024.
9. However, a shortfall owing to Trafigura Canada Limited ("**Trafigura**") and Signal Alpha C4 Limited ("**Signal**" and together with Trafigura, the "**Lenders**") will still exist after the SISP proceeds are paid to the Lenders under their security. For this reason, the Applicants are seeking:
 - (a) the Enhanced Powers for the proposed Monitor in order to allow the Monitor to carry out many of the functions, duties and powers that would normally be carried out by the director of Spicelo, or a Receiver appointed over Spicelo, to ensure an

orderly and efficient liquidation of Spicelo's assets (or so much thereof as may be necessary) to pay the Lenders their outstanding indebtedness in full; and

- (b) an extension of Spicelo's Stay Period up to and including April 17, 2024 to permit the Applicants, the Monitor, and the Transaction Agent to conclude the negotiation of definitive documents regarding the Successful Bid to conclude the SISP and consummate the transaction, and to conclude the Applicants' insolvency proceedings.
10. As a result of the forgoing, circumstances exist that make the requested Enhanced Powers and extension of the Stay Period appropriate, and Spicelo has acted, and is acting, in good faith and with due diligence.
 11. It is appropriate in the circumstances and in the best interests of the Applicants and all stakeholders that the requested Enhanced Powers and extension of Spicelo's Stay Period be granted.

Affidavit or other evidence to be used in support of this application:

12. The Affidavit of Daryl Stepanic, sworn March 15, 2024.
13. The First Report of the Monitor dated February 28, 2024; and
14. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

15. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
16. The *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended; and
17. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you

to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

From: CommercialCoordinator QBCalgary
<CommercialCoordinator.QBCalgary@albertacourts.ca>
Sent: Tuesday, February 27, 2024 8:50 AM
To: Jessica Watts <JWatts@stikeman.com>; Natasha Doelman <NDoelman@stikeman.com>;
Karen Fellowes <KFellowes@stikeman.com>; Van de Mosselaer, Randal
<rvandemosselaer@osler.com>; Kashuba, Kyle <kkashuba@torys.com>; Matti Lemmens
<MLemmens@stikeman.com>; Treleaven, Julie <jtreleaven@osler.com>; Jakub Maslowski
<jmaslowski@stikeman.com>; Jennilee Fleury <JFleury@stikeman.com>
Subject: WEBEX CONFIRMATION: 2401 01422 - GRIFFON PARTNERS OPERATION
CORP. v. COMPANIES CREDITORS ARRANGEMENT ACT. - Mar 25, 2024 02:00 PM -
GILL, J - Confirmed

The above booking is Confirmed

File #(s) : 2401 01422

Style of Cause: GRIFFON PARTNERS OPERATION CORP. v. COMPANIES CREDITORS
ARRANGEMENT ACT.

Date/Duration:

Mar 25 and 26, 2024 at 02:00 PM (Two half days)

Total: 150 Minute(s) + 150 Minute(s)

Booking Type/List: Commercial

Purpose of Hearing: Commercial Hearing

Counsel: Karen Linda Fellowes;Natasha Elaine Ada Doelman;Randal Steven Van de
Mosselaer;Julie Laura Treleaven;Matti Cornelia Carpentier Leonie Lemmens;Jakub Jan
Maslowski;Kyle David Kashuba;

Special Requirements:

Requirements: Courtroom Required

Equipment: Video Conferencing

Notes: Appoint Receiver

Counsel: Please ensure that all relevant parties have received Webex information.

Virtual Courtroom 86 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.

2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

Schedule “B”

COURT FILE NUMBER 2401-01422
COURT COURT OF KING’S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk’s Stamp

IN THE MATTER OF THE *COMPANIES’ CREDITORS
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MANAGEMENT LTD., STELLION LIMITED, 2437801
ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA
LTD., and SPICELO LIMITED

DOCUMENT **ORDER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

OSLER, HOSKIN & HARCOURT LLP
Barristers & Solicitors
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225 6 Ave SW
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Julie Treleaven
Telephone: (403) 260-7000 / 7048
Email: RVandemosselaer@osler.com / JTreleaven@osler.com
File Number: 1246361

DATE ON WHICH ORDER WAS PRONOUNCED: March 26, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Gill

UPON the application of Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Spicelo Limited (“**Spicelo**”), Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., and 2437815 Alberta Ltd. (collectively, the “**Applicants**”); **AND UPON** reading the Affidavit of Daryl

Stepanic, sworn March 15, 2024; **AND UPON** reading the First Report of Alvarez & Marsal Canada Inc. (the “**Monitor**”) filed February 28, 2024; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, and any other interested party; **AND UPON** being satisfied that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make this Order appropriate;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of this application is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other person other than those persons served is entitled to service of this application.

EXTENSION OF THE STAY PERIOD

2. The Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order granted in these proceedings by the Honourable Justice B. Johnston on February 7, 2024 (the “**ARIO**”) is hereby extended for Spicelo up to and including April 17, 2024.

ENHANCED MONITOR POWERS

3. Notwithstanding any other provision of the ARIO, in addition to other rights and obligations of the Monitor under the *Companies’ Creditors Arrangement Act of Canada*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), the Monitor is hereby empowered and authorized, but not obligated, to act at once in respect of the property and business of Spicelo and, without in any way limiting the generality of the foregoing, the Monitor is hereby expressly empowered and authorized to do any of the following where the Monitor considers it necessary or desirable (collectively, the “**Monitor’s Enhanced Powers**”):
 - (a) to take possession of and exercise control over all of Spicelo’s present and after-acquired assets, property and undertakings (the “**Spicelo Property**”), and any and all proceeds, receipts and disbursements arising out of or from the property, which shall include the Monitor’s ability to abandon, dispose of, or otherwise release any interest in any of Spicelo’s real or personal property, or any right in any immovable;

- (b) to receive, preserve and protect Spicelo's Property, or any part or parts thereof;
- (c) to manage, operate and carry on the business of Spicelo, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Spicelo;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, financial advisors, investment dealers and Alvarez & Marsal Canada Securities ULC, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's Enhanced Powers conferred by the ARIO;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of Spicelo or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Spicelo and to exercise all remedies of Spicelo in collecting such monies, including, without limitation, to enforce any security held by Spicelo;
- (g) to settle, extend or compromise any indebtedness owing to or by Spicelo;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of Spicelo's Property or business, whether in the Monitor's name or in the name and on behalf of Spicelo, for any purpose pursuant to the ARIO;
- (i) to undertake environmental or workers' health and safety assessments of the property and operations of Spicelo;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to Spicelo, the property or the Monitor (in relation to the exercise by the Monitor of the Monitor's Enhanced Powers), and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided

further that nothing in the ARIO shall authorize the Monitor to defend or settle the action in which the ARIO was made unless otherwise directed by this Court;

- (k) to market any or all of Spicelo's Property, including advertising and soliciting offers in respect of the property or any part or parts thereof and negotiating such terms and conditions of sale as the Monitor in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign or otherwise enter into transactions respecting Spicelo's Property or any part or parts thereof out of the ordinary course of business with the approval of this Court and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.
- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey Spicelo's Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such property;
- (n) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate all matters relating to Spicelo's Property, business, and these proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (o) to register a copy of the ARIO and any other orders in respect of Spicelo's Property against title to any of Spicelo's Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Monitor, in the name of Spicelo;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Spicelo, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Spicelo;

- (r) to exercise any shareholder, partnership, joint venture or other rights which Spicelo may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Applicants, and without interference from any other person.

4. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed:
 - (a) a principal, director, officer, or employee of the Applicants;
 - (b) an employer, successor employer, or related employer of the employees of the Applicants or any employee caused to be hired by the Applicants by the Monitor within the meaning of any relevant legislation, regulation, common law, or rule of law or equity governing employment, pensions, or labour standards for any purpose whatsoever or expose the Monitor to any liability to any individual arising from or relating to their employment or previous employment Applicants; and
 - (c) the receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Spicelo or any of the Applicants within the meaning of any relevant legislation, regulation, common law, or rule of law or equity.
5. The power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Applicants with respect to such matters.

MISCELLANEOUS

6. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta