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COURT FILE NUMBER	2601 03446
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF RDFN FUM NATURAL PRODUCTS LTD. and RDFN FUM NATURAL PRODUCTS INC
APPLICANT	RDFN FUM NATURAL PRODUCTS LTD. and RDFN FUM NATURAL PRODUCTS INC.
DOCUMENT	**BRIEF OF RDFN FUM NATURAL PRODUCT LTD. and RDFN FUM NATURAL PRODUCTS INC.**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 2100, 222 - 3rd Ave SW Calgary, AB T2P 0B4 Telephone: 403.693.2636/5420 Attention: Chris Nyberg/Ryan Zahara Email: cnyberg@mltaikins.com / rzahara@mtlaikins.com File: 0185373.00001

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I. INTRODUCTION

1. This Brief is submitted on behalf of the Applicants, RDFN FUM Natural Products Ltd. and RDFN FUM Natural Products Inc. (collectively, "**RDFN**" or the "**Applicants**") in support of an application (the "**Application**") for the following relief pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "***CCAA***"):

(a) an Order providing for the following relief:

  (i) declaring service of the Application and supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;

  (ii) extending the Stay Period (as defined below) up to and including October 2, 2026 (the "**Stay Extension**");

  (iii) extending the Guarantor Stay (as defined below) up to and including October 2, 2026;

  (iv) approving a key employee retention plan (the "**KERP**") and corresponding priority charge to secure obligations under the KERP up to the amount of $100,000 (the "**KERP Charge**");

  (v) approving the actions, activities and conduct of the Monitor (as defined below), as set out in the Third Report of the Monitor dated July 21, 2026 (the "**Third Report**"); and

  (vi) approving the accounts of the Monitor and the Monitor's legal counsel, for their respective fees and disbursements;

(b) an Order (the "**Sealing Order**") sealing the Confidential Supplement to the Fourth Affidavit of Braeden Pauls, sworn July 20, 2026 (the "**Confidential Supplement**"); and

(c) such further and other relief as this Honourable Court may find necessary.

II. FACTS

2. The facts underlying this Application are more fully set out in the First Affidavit of Braeden Pauls, sworn on February 23, 2026 (the "**First Pauls Affidavit**"), the Second Affidavit of Braeden Pauls, sworn on March 5, 2026 (the "**Second Pauls Affidavit**"), the Third Affidavit of Braeden Pauls, sworn April 15, 2026 (the "**Third Pauls Affidavit**"), the Fourth Affidavit of Braeden Pauls, sworn July 20, 2026 (the "Fourth Pauls Affidavit" and together with the First Pauls Affidavit, the Second Pauls Affidavit, and the Third Pauls Affidavit, the "**Pauls Affidavits**").

3. All capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Pauls Affidavits.

Background of CCAA Proceedings

4. On the February 4, 2026, the Applicants each filed a Notice of Intention to Make a Proposal (the "**NOIs**", and such proceedings, the "**Proposal Proceedings**") under and pursuant to section 50.4 of the Bankruptcy and Insolvency Act, 1985, c. B-3 (the "**BIA**").

5. Alvarez and Marsal Canada Inc. ("**A&M**") was appointed to act as the proposal trustee of the Applicants in the Proposal Proceedings.

6. On March 2, 2026, this Honourable Court pronounced an Initial Order in the CCAA Proceedings (the "**Initial Order**"), which, among other things: (i) continued the Applicants' Proposal Proceedings under the *CCAA*; (ii) granted a stay of proceedings (the "**Stay**") for the initial ten-day period (the "**Stay Period**"); and, (iii) appointed A&M as the monitor (when referred to in such capacity, the "**Monitor**") of the Applicants.

7. On March 12, 2026, the Honourable Justice J.S. Little granted the ARIO in respect of the Applicants. The ARIO, among other things, extended the Stay Period to May 26, 2026.

8. On April 23, 2026, the Honourable Justice A.G. Kuntz granted an Order (the "**First Stay Extension Order**"), which, among other things: (i) extended the Stay Period to July 31, 2026; and (ii) expanded the application of the Stay to include the Guarantee Claims against the Guarantee Stay Parties (each as defined in the First Stay Extension Order).

9. Also on April 23, 2026, the Honourable Justice A.G. Kuntz granted a Claims Process Order (the "**Claims Process Order**"), which provided for a Claims Bar Date of June 15, 2026. The Claims Process Order provided claimants with seven calendar days to submit a Notice of Dispute

in response to any Notice of Revision or Disallowance issued by the Monitor and required such claimants to schedule an application with the Court of King's Bench of Alberta within 14 days of issuing the Notice of Dispute.

Activities Since the Granting of the First Stay Extension Order

10. The Applicants have continued to advance their restructuring since the granting of the First Stay Extension Order on April 23, 2026. The Applicants' activities have included, but are not limited to, the following:

(a) working with the Monitor to review claims submitted in accordance with the Claims Process Order;

(b) engaging with various creditors and stakeholders to negotiate, and where possible, resolve the claims submitted pursuant to the Claims Process Order;

(c) engaging with the Applicants' professional advisors and the Monitor to formulate a plan or plans of arrangement for the benefit of the Applicants' creditors;

(d) assisting the Monitor in completing a liquidation analysis of the Applicants' Business and Property;

(e) working with the Applicants' professional advisors and the Monitor to start preparing materials in respect of a Creditors' Meeting;

(f) working with the Monitor to prepare a Fourth Cash Flow Forecast (as defined below); and

(g) continuing to operate their business in the ordinary course.[1]

Extension of Stay Period

11. Currently, the Stay Period is scheduled to expire on July 31, 2026. The Applicants are seeking an extension of the Stay Period up to and including October 2, 2026 in order to continue advancing these CCAA Proceedings as a going-concern, fully operational business.[2]

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[1] Fourth Affidavit of Braeden Pauls, sworn July 20, 2026 at para 16 [**Fourth Pauls Affidavit**].
[2] Fourth Pauls Affidavit, at para 18.

12. As set out in more detail in the Fourth Pauls Affidavit, during the Stay Extension, the Applicants intend to:

(a) work with the Monitor to resolve all outstanding claims submitted through the Claims Process Order;

(b) finalize the total amount of accepted claims against the Applicants;

(c) negotiate with creditors and stakeholders to generate their support for a proposed plan of arrangement (the "**Plan**");

(d) work with their professional advisors to complete the materials in support of an application for a Creditors' Meeting Order, which at this time is anticipated to be sought at a court application scheduled for August 28, 2026;

(e) if the Creditors' Meeting Order is approved, hold a creditors' meeting for the purpose of voting on the Plan;

(f) work with their professional advisors to apply for approval of a Plan Sanction Order; and

(g) continue operating in the ordinary course of business.[3]

Guaranteed Claims

13. As noted above, the First Stay Extension Order extended the Stay of proceedings granted under the ARIO to any of the current or former directors, officers, or employees of the Applicants (collectively, the "**Guarantee Stay Parties**") with respect to any claim that arose before February 4, 2026 in respect of any guarantee granted by the Guarantee Stay Parties (the "**Guarantor Stay**").

14. Details with respect to the Guarantor Stay are set out in the Third Pauls Affidavit.[4] At a high level, Braeden Pauls, Daniel Ogden, and Josiah Pauls (collectively the "**Personal Guarantors**") provided personal guarantees to Business Development Bank of Canada ("**BDC**"), guaranteeing all obligations of FUM owing to BDC (the "**Personal Guarantees**").

[3] Fourth Pauls Affidavit, at para 19.
[4] Third Affidavit of Braeden Pauls, sworn April 15, 2026 at paras 19-30 [**Third Pauls Affidavit**].

15. Each of the Personal Guarantors are either an employee, in a critical role, or a director of the Applicants.[5] The Applicants are concerned that BDC will initiate enforcement actions against the Personal Guarantors, which risks diverting the attention of key employees and management at a critical point in the Applicants' restructuring.[6]

16. As such, the Applicants sought and obtained the Guarantor Stay pursuant to the First Stay Extension Order. The Applicants are now requesting that the Guarantor Stay be extended commensurate with the Stay Extension (if approved) to facilitate the restructuring process.

17. The Personal Guarantors have engaged in good faith with BDC, the creditor who holds the only executed guarantees granted by the Personal Guarantors, to provide information regarding the Guarantee Claims (as defined in the First Extension Order). The Personal Guarantors require the continuation of the Guarantor Stay in order to allow them to continue to engage in good faith with BDC and, potentially, find a resolution to BDC's claims under the Personal Guarantees.[7]

Key Employee Retention Plan

18. The Applicants have developed a KERP with the assistance of the Monitor.[8]

19. The KERP is described in more detail in the Fourth Pauls Affidavit.[9] The KERP was developed to first, retain management personnel of the Applicants that have been identified as critical to the continued business operations during the restructuring (collectively, the "**Key Employees**"); and second, to incentivize the Key Employees to assist in maximizing the Applicants' value as a going concern while they work to finalize a Plan.[10]

20. The Key Employees identified in the KERP are Braeden Pauls and Daniel Ogden.[11]

21. Key terms of the KERP include, among others:

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[5] Fourth Pauls Affidavit, at para 26.
[6] Fourth Pauls Affidavit, at para 27.
[7] Fourth Pauls Affidavit, at para 32.
[8] Fourth Pauls Affidavit, at para 37.
[9] Fourth Pauls Affidavit, at paras 36-43 and Exhibit "A"; Confidential Supplement to the Fourth Affidavit of Braeden Pauls, sworn July 20, 2026 [**Confidential Supplement**], Exhibit "A".
[10] Fourth Pauls Affidavit, at para 37.
[11] Confidential Supplement, Exhibit "A".

(a) "Eligible Participants" are defined to currently include myself and Daniel Ogden (collectively, the "Current Eligible Participants");

(b) Eligible Participants may be added or removed with the approval of the Monitor if it is determined they (i) are essential to the stability of the Applicants' Business; (ii) will enhance the effectiveness of a restructuring; and (iii) are necessary to facilitate a restructuring;

(c) the total payment to be made to the Eligible Participants is capped at $100,000 (the "**KERP Cap**"), subject to any increase approved by the Court;

(d) if Eligible Participants are added beyond the Current Eligible Participants, the amount of the KERP Cap will not be increased without the approval of the Court, but the allocation of retention payments between Eligible Participants can be amended by the Applicants with the approval of the Monitor and any affected Eligible Participants;

(e) retention payments are to be allocated amongst the Eligible Participants based on certain capped amounts for each Eligible Participant; and

(f) payments vest in the Eligible Participants upon the successful implementation of a Plan, which shall be confirmed by the Monitor filing a Certificate confirming implementation of the Plan.[12]

22. Subject to the Court's approval of the KERP, the Applicants are seeking a corresponding charge of up to $100,000.

III. ISSUES

23. The issues to be determined by the Court are whether:

(a) the Stay Extension should be granted;

(b) the Guarantor Stay should be extended;

(c) the KERP and KERP Charge should be approved; and

[12] Fourth Pauls Affidavit, at para 39 and Exhibit "A".

(d) the Sealing Order should be granted.

IV. LAW AND ARGUMENT

A. The Stay of Proceedings Should be Extended

24. The Stay Period (as defined in the ARIO) currently expires on July 31, 2026. The Applicants are requesting an extension of the Stay Period to October 2, 2026.

25. Subsection 11.02(2) of the *CCAA* expressly authorizes this Court to grant an extension of the Stay of Proceedings for "any period the court considers necessary where: (a) circumstances exist that make the order appropriate; and (b) the debtor company satisfies the Court that it has acted, and is acting, in good faith and with due diligence."[13]

26. Appropriateness is assessed by examining whether the order sought advances the remedial policy objectives underlying the *CCAA* designed to mitigate the potentially catastrophic impacts of insolvency. These objectives include, but are not limited to: (a) the timely, efficient and impartial resolution of a debtor's insolvency; (b) preserving and maximizing value of the debtor's assets for the benefit of its stakeholders; (c) ensuring the fair and equitable treatment of claims against the debtor; and (d) the preservation of jobs and communities affected by the company's financial distress.[14]

27. A stay of proceedings is appropriate where it maintains the *status quo* and provides the debtors with breathing room while they seek to restore their solvency and emerge from their restructuring on a going concern basis.[15]

28. The possibility that one or more creditors may be prejudiced as a result of a stay should not affect the Court's exercise of its authority to grant one. The prejudice to one or more stakeholders must be balanced against, and offset by, the benefit to all stakeholders impacted by the company facilitating a reorganization. Thus, the Court's primary concerns under the *CCAA* are not for one stakeholder, but for the debtor and all of its stakeholders.[16]

29. The requested extension of the Stay Period is intended to provide the Applicants with sufficient time to, among other things: (i) assist the Monitor in completing the Claims Process; (ii)

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[13] *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [***CCAA***], s 11.02(2).
[14] *9354-9186 Québec Inc v Callidus Capital Corp*, 2020 SCC 10 at paras 40, 42, and 50 [***Callidus***]
[15] *Century Services Inc v Canada (AG)*, 2010 SCC 60 at para 14; *Target Canada Co, Re*, 2015 ONSC 303 at para 8 [***Target***].
[16] *Re Lehndorff General Partner Ltd*, 17 CBR (3d) 24, 1992 CarswellOnt 183 at paras 5-6 [**TAB 1**].

negotiate with creditors and stakeholders to generate their support for the Plan; (iii) work with creditors in support of an application for a Creditor's Meeting Order; and (iv) continue to operate in the ordinary course of business.[17]

30. The Fourth Cash Flow Forecast demonstrates that the Applicants have sufficient liquidity to satisfy their post-filing obligations as they come due.[18] No creditor is likely to be materially prejudiced by the requested extension of the Stay Period.[19]

31. The Applicants have acted in good faith and with due diligence in these proceedings, and have made substantial progress towards their restructuring efforts, including by diligently furthering the proposed plan of compromise or arrangement.[20]

32. Accordingly, the extension of the Stay Period until and including October 2, 2026 is appropriate in the circumstances as it will provide the Applicants with sufficient time to complete the immediate next steps described above, while preserving the *status quo* pending the resolution of the Claims Process, the Creditors' Meeting, and development and implementation of the Plan. The length of the requested Stay Period is reasonable in the circumstances as it aligns with the Applicants' stated objectives and is supported by the Monitor.[21]

B. The Guarantor Stay Should be Extended

33. While section 11.04 of the *CCAA* specifically limits the application of the stay of proceedings to the company in respect of whom the order was given,[22] section 11 of the *CCAA* provides this Court with broad and flexible authority to grant any order it finds appropriate in the circumstances, which may include the extension of the stay of proceedings to include guarantors of the debtor company.[23]

34. Recently, in *Mantle Materials Group, Ltd (Re),*[24] Associate Chief Justice D.B. Nixon commented on the interpretation of section 11.04 of the *CCAA*, and ultimately granted a stay against a related party guarantor. Upon noting that Section 11.04 has been the subject of varying

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[17] Fourth Pauls Affidavit, at para 19.
[18] Fourth Pauls Affidavit, at para 22; Third Report of the Monitor, dated July 21, 2026, at para 43 and Appendix "A" [**Third Report**].
[19] Fourth Pauls Affidavit, at para 20.
[20] Fourth Pauls Affidavit, at paras 18-21; Third Report at para 43.
[21] Third Report at para 43.
[22] *CCAA*, s. 11.04.
[23] *Callidus* at para 48.
[24] *Mantle Materials Group, Ltd (Re)*, 2024 ABKB 19.

interpretive approaches, from the narrow to the broad, the Court quoted a 2022 paper published in the *Annual Review of Insolvency Law*, which states:

> On balance, the factors seem to weigh in favour of a narrow interpretation of section 11.04 that would maintain the *CCAA* court's flexibility to grant stays of proceedings that are necessary to facilitate the restructuring of the debtor company while preserving the court's discretion to refuse to extend stays to issuers of letters of credit and guarantors if it is not appropriate to do so in the circumstances of a particular case. It that regard, it would be reasonable to expect that courts may draw a distinction between the treatment of letters of credit and guarantees in light of different policy and other considerations relating to them depending on their terms.[25]

35. A significant number of *CCAA* decisions have extended stays of proceedings to cover guarantee obligations, including in respect of guarantees given by individual directors, related corporate entities which are not part of the *CCAA* proceedings, and other parties.[26] Further, pursuant to the First Extension Order, this Court granted the Guarantor Stay.

36. Accordingly, it is respectfully submitted that the weight of reported case law, including in Alberta, supports a narrow interpretation of Section 11.04 of the *CCAA*, and in appropriate circumstances, Section 11 of the *CCAA* may be relied upon to grant a stay against guarantors of a debtor company.

37. As noted above, this Court granted the Guarantor Stay pursuant to the First Stay Extension Order, the Applicants are seeking an extension of the Guarantor Stay such that the Guarantor Stay will be extended commensurate with the Stay Extension (if approved) to facilitate the restructuring process.

38. In the circumstances, the prospect of BDC or any other creditors enforcing on the Personal Guarantees or any guarantees granted by the Guarantee Stay Parties risks diverting the attention of key employees and management at a critical point in the Applicants' restructuring. A successful resolution of the within CCAA Proceedings will require the active, committed involvement of the Guarantee Stay Parties, including the Personal Guarantors. A successful resolution to these

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[25] James D Gage and Trevor Courtis, "Staying Guarantees By Non-Debtors and Section 11.04 of the CCAA", 2022 20th *Annual Review of Insolvency Law*, 2022 CanLIIDocs 4310, <https://canlii.ca/t/7n1kx> , p. 64 ["**2022 ARIL Paper**"].

[26] See, for example, *Canwest Global Communications Corp., Re*, [2009] OJ No. 4286 (ONSC CL) at paras 28–30 [***Canwest Global***]; *Re Sino-Forest Corp*, 2012 ONSC 2063 at paras 26–29; *Re Forme Development Group Inc* (30 November 2018), Toronto CV-18-608313-00CL (Ont Sup Ct [Comm List]), Initial Order at para 18; *McEwan Enterprises Inc*, 2021 ONSC 6453 at paras 43-45; *Target* at paras 48-50.

CCAA Proceedings will require the active, committed involvement of the Guarantee Stay Parties, including, but not limited to, the Personal Guarantors, in order to carry on the Applicants' businesses for the benefit of their stakeholders. In particular, the Applicants' continued ordinary course operations depend on the strategic oversight, marketing and customer acquisition, and customer retention functions performed by the Personal Guarantors, including because the Applicants' business is heavily dependent upon direct to consumer sales and continuous digital marketing.[27]

39. The Applicants respectfully submit that the requested stay against Guarantee Claims is appropriate in the circumstances, and would facilitate the remedial purposes of the *CCAA*, as: (i) the Guarantee Stay Parties play important roles in the Applicants' operations; (ii) ensuring that the Guarantee Stay Parties can focus on the Applicants' restructuring during the Stay Period is likely to benefit all of the Applicants' creditors and stakeholders; (iii) a limited temporal stay is minimally prejudicial to the parties holding Guarantee Claims, particularly as the extension of the Stay to include Guarantee Claims is requested to be coterminous with the Stay Period in respect of the Applicants, so that the Stay will continue in effect only for the period during which it will serve the purpose of ensuring that the Guarantee Stay Parties can focus on the restructuring process; (iv) the stay of Guarantee Claims is consistent with numerous decisions that have extended third-party stays in respect of guarantors, in circumstances where – as in the case at bar – doing so is likely to benefit the operations and restructuring of a debtor company; and (v) this Court granted the Guarantor Stay pursuant to the First Extension Order and the Applicants seek to have the Guarantor Stay extended commensurate with the Stay Extension. Finally, the Applicants have also continued to engage with BDC, the primary party impacted by the Guarantee Stay, in good faith through the restructuring proceedings and will continue to do so going forward.

40. Further, the extension of the Guarantor Stay is supported by the Monitor.[28]

C. The Key Employee Retention Plan and Charge Should be Approved

41. The Applicants are seeking approval of the KERP and, if the KERP is approved, a KERP Charge up to a maximum amount of $100,000 to secure payment to the Key Employees as contemplated under the KERP.

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[27] Third Pauls Affidavit at paras 27-28.
[28] Third Report at para 43.

42. This Court has the authority to approve a KERP pursuant to the Court's general power under section 11 of the *CCAA* to make any order it sees fit in a *CCAA* proceeding.[29] The discretion of the Court to approve a KERP shall be exercised on a case-by-case basis.[30]

43. Courts have frequently recognized the importance and utility of KERPs in restructuring proceedings.[31] A debtor company that is able to retain the critical skills and knowledge of its employees and executives has a greater chance of successfully restructuring its business for the benefit of all stakeholders.[32]

44. The following factors shall be considered when deciding whether to approve a KERP:

(a) whether the Monitor supports the KERP (to which great weight is attributed);

(b) whether the beneficiaries of the KERP would consider other employment options if the KERP were not secured by the KERP charge;

(c) whether the continued employment of the beneficiaries are important for the stability of the business and to enhance the effectiveness of the marketing process;

(d) the employees' history with the debtor and any special knowledge and skills they possess;

(e) the difficulty in finding a replacement to fulfill the responsibilities of the beneficiaries;

(f) whether the KERP is supported or consented to by secured creditors of the debtor; and

(g) whether the payment under the KERP is payable upon the completion of the restructuring process.[33]

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[29] *CCAA*, s. 11; *Cinram International Inc, Re*, 2012 ONSC 3767 at para 91 [***Cinram***].
[30] *Canwest Global* at para 49.
[31] *Cinram* at paras 90 to 93; *Grant Forest Products Inc, Re*, 2009 CanLII 42046 (ONSC) at paras 8 to 10 [***Grant Forest***]; *Timminco Ltd, Re*, 2012 ONSC 506 at paras 71 to 75 [***Timminco***]; *Target* at paras 56 to 59.
[32] *Timminco* at para 72; *Canwest Global* at paras 49 to 50.
[33] *Cinram* at para 91, citing *Grant Forest* at paras 8 to 24; *Canwest Global* at para 50; *Aralez Pharmaceuticals Inc, Re*, 2018 ONSC 6980 at para 29 [***Aralez***].

45. For the reasons that follow, the KERP and the KERP Charge ought to be approved in this case:

(a) the KERP was developed in consultation with the Monitor, and the Monitor supports the KERP and quantum of the KERP Charge;[34]

(b) these employees will likely have other, more certain employment opportunities, and may be faced with significantly increased workload during these CCAA Proceedings;[35]

(c) the Key Employees include the primary members of the Applicants' management team, who are indispensable for the Applicants' restructuring efforts given their knowledge of FUM's business and industry workings;[36]

(d) the Key Employees would not be readily replaceable in the event they elected to terminate their employment given the specialized industry;[37]

(e) the KERP has been designed to provide the necessary incentives for identified employees to remain in their current positions throughout the CCAA Proceedings;[38]

(f) the KERP is designed to ensure a level of employee continuity and stability that could otherwise be placed at risk by departure of any of the Key Employees; and

(g) the KERP is structured such that the full KERP is only payable upon the successful implementation of a plan of compromise or arrangement.[39]

46. Courts have approved key employee retention plans and corresponding charges for a limited number of employees or management in significantly larger amounts. For example:

[34] Third Report, at para 33.
[35] Fourth Pauls Affidavit, at para 40.
[36] Fourth Pauls Affidavit, at paras 41-42.
[37] Fourth Pauls Affidavit, at para 40.
[38] Fourth Pauls Affidavit, at para 41.
[39] Fourth Pauls Affidavit, Exhibit "A".

(a) in *Aralez Pharmaceuticals Inc. (Re),* the Court approved a KERP and corresponding KERP Charge which included three key employees and contemplated payments in the aggregate amount of $256,710;[40] and

(b) in *Grant Forest Products Inc. (Re),* the Court Approved a KERP and corresponding KERP Charge, which contemplated a payment to one key employee, the Chief Executive Officer, in the amount of $1,134,000.[41]

47. The terms of the KERP are fair and reasonable in the circumstances and will provide an incentive for the Key Employees to continue to perform their critical roles throughout the restructuring process. Accordingly, it is appropriate for the Court to approve the KERP and the KERP Charge to secure the contemplated payments to the Key Employees.

D. The Sealing Order Should be Granted

48. The Applicants are seeking approval of the Sealing Order to seal the Confidential Supplement, which encloses an unredacted copy of the proposed KERP (the "**Unredacted KERP**").

49. Pursuant to Part 6, Division 4 of the *Alberta Rules of Court*, AR 124/2010, the Court has the discretionary authority to order that a document filed in a civil proceeding is confidential, may be sealed, and shall not form part of the public record of the proceedings.[42]

50. Pursuant to *Sherman Estate v Donovan*, a sealing order may be granted where the applicant demonstrates that: (a) Court openness poses a serious risk to an important public interest; (b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.[43]

51. The Unredacted KERP contains private and confidential information pertaining to the Key Employees, including details of payments to be made to Key Employees. Accordingly, the Applicants believe that any disclosure of the information in the Unredacted KERP would be

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[40] *Aralez*, at paras 13, and 45-46.
[41] *Grant Forest*, at paras 3-4 and 25; *Re Grant Forest Products Inc*. (25 June 2009), Toronto CV-09-8247-00CL (Ont Sup Ct [Comm List]), Initial Order at paras 42-44.
[42] *Rules of Court,* AR 124/2010, Part 6, Division 4.
[43] *Sherman Estate v Donovan*, 2021 SCC 25, at para 38.

detrimental to the Key Employees, and could potentially provide sufficient information to allow competitors to attempt to lure those Key Employees away to alternative employment.

52. Placing the Confidential Supplement in the hands of the public could have a material and negative impact on efforts to restructure the Applicants' business in a manner that maximizes realization for stakeholders in a *CCAA* proceeding.

53. The proposed form of Sealing Order contemplates that the Order will remain in place only until the completion of the Applicants proceedings under the *CCAA*, six (6) months from the date of the Sealing Order, implementation of a plan of compromise or arrangement or by further Order of the Court. For that reason, the salutary effects of a sealing order outweigh any negative impact on the principle of Court openness.

54. The proposed Sealing Order is the least restrictive and prejudicial alternative to prevent the dissemination of commercially sensitive information.

V. CONCLUSION

55. The Applicants submit that they have met all of the qualifications required to obtain the requested relief and respectfully request that this Court grant the proposed forms of Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at Calgary, Alberta this 21st day of July, 2026.

MLT AIKINS LLP

Per: ______________________________

Chris Nyberg/Ryan Zahara
Counsel for RDFN FUM NATURAL PRODUCT LTD. and RDFN FUM NATURAL PRODUCTS INC.

TABLE OF AUTHORITIES

A. Legislation and Regulations

1. *Companies' Creditors Arrangement Act,* RSC 1985, c C-36
2. *Rules of Court*, AR 124/2010

B. Case Law

3. *9354-9186 Québec Inc v Callidus Capital Corp*, 2020 SCC 10
4. *Century Services Inc v Canada (AG),* 2010 SCC 60
5. *Target Canada Co, Re,* 2015 ONSC 303
6. *Re Lehndorff General Partner Ltd,* 17 CBR (3d) 24, 1992 CarswellOnt 183
7. *Mantle Materials Group, Ltd (Re)*, 2024 ABKB 19
8. *Canwest Global Communications Corp., Re*, [2009] OJ No. 4286 (ONSC CL)
9. *Re Sino-Forest Corp*, 2012 ONSC 2063
10. *McEwan Enterprises Inc*, 2021 ONSC 6453
11. *Cinram International Inc, Re*, 2012 ONSC 3767
12. *Grant Forest Products Inc, Re*, 2009 CanLII 42046 (ONSC)
13. *Aralez Pharmaceuticals Inc, Re*, 2018 ONSC 6980
14. *Sherman Estate v Donovan*, 2021 SCC 25

C. Endorsements and Order

15. *Re Forme Development Group Inc*, (30 November 2018), Toronto CV-18-608313-00CL (Ont Sup Ct [Comm List]), (Initial Order)
16. *Re Grant Forest Products Inc*., (25 June 2009), Toronto CV-09-8247-00CL (Ont Sup Ct [Comm List]), (Initial Order)

D. Secondary Sources

17. James D Gage and Trevor Courtis, “Staying Guarantees By Non-Debtors and Section 11.04 of the CCAA”, 2022 20th *Annual Review of Insolvency Law*, 2022 CanLIIDocs 4310, <https://canlii.ca/t/7n1kx>.