Court File No. CV-22-00691990-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

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 1000156489 ONTARIO INC.

Applicant

FACTUM OF THE MONITOR

June 26, 2026

OSLER, HOSKIN & HARCOURT LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Marc Wasserman (LSO# 44066M)
Tel: 416.862.4908
Email: mwasserman@osler.com

Martino Calvaruso (LSO# 57359Q)
Tel: 416.862.6665
Email: mcalvaruso@osler.com

Fax: 416.862.6666

Counsel for Alvarez & Marsal Canada Inc., solely in its capacity as Monitor of 1000156489 Ontario Inc. (f/k/a DCL Corporation) and not in its personal or corporate capacity

TO: THE SERVICE LIST

PART I - NATURE OF THE MOTION

1. This factum is filed in support of a motion by Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the monitor (in such capacity, the "**Monitor**") of 1000156489 Ontario Inc. (f/k/a DCL Corporation) (the "**Applicant**") in the within proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and the proceedings, the "**CCAA Proceedings**"). The CCAA Proceedings were commenced on December 20, 2022, by the issuance of an initial order by this Court (the "**Court**").

2. The CCAA Proceedings have nearly run their course. A sale transaction has been approved, all filed claims in the court-approved claims procedure have been resolved, and initial distributions have been made to unsecured creditors in accordance with the Distribution Order granted by the Court on January 30, 2026 (the "**Distribution Order**"). The Applicant therefore seeks an order (the "**CCAA Termination Order**"), which will, among other things:

(a) terminate the CCAA Proceedings upon service of the Monitor's Termination Certificate (as defined in the CCAA Termination Order) upon the service list in the CCAA Proceedings (the "**CCAA Termination Time**");

(b) approve the actions, activities and conduct of the Monitor, and the fees and disbursements of the Monitor and its counsel;

(c) discharge the Monitor and Ursel Phillips Fellows Hopkinson LLP ("**UPFH**"), in its capacity as Representative Counsel (as defined below) as at the CCAA Termination Time;

(d) terminate, release, and discharge the Administration Charge (as defined in the ARIO, as defined below);

(e) grant certain releases in favour of the Released Parties (as defined below); and

(f) extend the Stay Period (as defined below) until and including the CCAA Termination Time.

3. The CCAA Proceedings have served their purpose and, following the CCAA Termination Time, there will be no material steps left to be taken by the Monitor or Representative Counsel. Accordingly, the CCAA Termination Order should be granted so the CCAA Proceedings can be brought to an efficient and orderly close, providing certainty and finality for all stakeholders.

PART II - SUMMARY OF FACTS

4. The facts regarding this motion are more fully set out in the Twelfth Report of the Monitor.[1]

A. The CCAA Proceedings and Chapter 11 Proceedings

5. On December 20, 2022 (the "**Petition Date**"), the Court granted the Initial Order, which, among other things, appointed A&M as the Monitor and granted a stay of proceedings for an initial 10-day period (the "**Stay Period**"). On December 29, 2022, the Court granted the Amended and Restated Initial Order (the "**ARIO**"), which, among other things, approved the DIP Facility and the Final DIP Credit Agreement (each as defined in the ARIO) and extended the Stay Period.[2]

---

[1] Report of the Monitor dated June 23, 2026 ("**Twelfth Report**"). Unless otherwise specified, capitalized terms in this factum have the same meaning in the Twelfth Report. Unless otherwise stated, all monetary amounts referred to in this factum are expressed in Canadian dollars.

[2] Twelfth Report at paras. 1.1, 1.5.

6. The Applicant is part of the broader DCL Group,[3] and the CCAA Proceedings were commenced as part of a larger coordinated restructuring of the DCL Group. In connection with this broader restructuring, on the Petition Date, HIG Color Holdings and certain of its subsidiaries ("**DCL US**") filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**Chapter 11 Proceedings**," and together with the CCAA Proceedings, the "**Restructuring Proceedings**").[4]

7. As part of the Restructuring Proceedings, DCL Group conducted a sales process that culminated in a transaction (the "**Transaction**") with Pigments Services, Inc., an affiliate of the pre-petition term loan lenders to the Applicant and DCL US. The Transaction was approved by the Court on March 29, 2023, and closed on April 14, 2023.[5]

8. On May 8, 2023, the Court granted the Expanded Powers Order, which, among other things: (i) granted the Monitor expanded powers to, among other things, oversee the wind-down activities of the Applicant; and (ii) authorized the Applicant, at the discretion of the Monitor and at such time as determined by the Monitor, to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada).[6]

B. Update on Pension Surplus Distributions

9. The Applicant is the sponsor of various registered pension plans, including two defined benefit plans, being: (i) the Hourly DB Plan; and (ii) the Salaried DB Plan (collectively, the

---

[3] The Applicant is a subsidiary of its U.S. parent, H.I.G. Colors Inc. ("**Holdings**"), a direct wholly-owned subsidiary of the ultimate corporate parent, H.I.G. Colors Holdings, Inc. ("**HIG Colors Holdings**" and, together with Holdings and its direct and indirect subsidiaries, including the Applicant and its subsidiaries, the "**DCL Group**").

[4] Twelfth Report at para. 1.4.

[5] Twelfth Report at para. 1.6.

[6] Twelfth Report at para. 1.7.

"**Plans**"). On January 28, 2025, the Court granted the Representative Counsel Order, which appointed UPFH as representative counsel (the "**Representative Counsel**") for the purpose of representing the interests of all members of the Plans in the CCAA Proceedings (collectively, the "**Represented Parties**"), solely with respect to pension surplus entitlements of the Represented Parties under the Salaried DB Plan and the Hourly DB Plan, as applicable.[7]

10. On August 25, 2025, the Court granted the "**Settlement Approval Order**" which, among other things, approved the Surplus Sharing Agreement dated August 18, 2025 between Representative Counsel and the Applicant (the "**Settlement Agreement**"), and further declared that the Applicant is entitled to the surplus in the Plans for the purposes of s. 79(3)(b) of the *Pension Benefits Act*.[8] Following the granting of the Settlement Approval Order and the receipt of the Consent Orders from the Financial Services Regulatory Authority of Ontario, the Monitor received the Company Share of the Net Surplus from the Plans on January 23, 2026, which totalled $2,286,800.[9] The Monitor also received its portion of the Agreed Expenses in accordance with the Settlement Agreement.[10]

---

[7] Twelfth Report at paras. 1.9, 3.1.

[8] Twelfth Report at para. 1.10.

[9] Following the Monitor's receipt of the Company Share, the Monitor became aware that an individual with a valid pension benefit entitlement of $127,570.89 had not been included in the original wind-up of the Salaried DB Plan and had since come forward with a claim and evidence that they had previously notified the Applicant (prior to the commencement of the CCAA Proceedings) of their claim. Following an investigation, on April 27, 2026, the Monitor, on behalf of the Applicant, returned $70,163.99 to the Salaried DB Plan, reflecting the Applicant's proportionate share of the resulting adjustment to the Salaried DB Plan's Net Surplus: Twelfth Report at paras. 3.3-3.5.

[10] Twelfth Report at para. 3.2.

C. Update on Distributions to Creditors

11. On June 20, 2023, the Court granted the Claims Procedure Order, which, among other things, established the Claims Procedure, pursuant to which creditors were able to file claims against the Applicant or against the Applicant's Directors or Officers, as applicable.[11] On January 30, 2026, the Court granted the Distribution Order, which, among other things, authorized and empowered the Monitor to make one or more distributions to each of the Applicant's Unsecured Creditors holding a Proven Claim in the Claims Procedure on a *pro rata, pari passu* basis in accordance with the approved distribution methodology (the "**Proposed Distribution Methodology**").[12] In accordance with the Proposed Distribution Methodology, the Monitor established a reserve of $500,000 to fund remaining professional fees and disbursements and other costs required to complete the wind-down of the CCAA Proceedings (the "**Administrative Reserve**").[13]

12. Following the granting of the Distribution Order, and in accordance with the Proposed Distribution Methodology, the Monitor made an initial distribution of funds to Unsecured Creditors holding a Proven Claim (the "**Initial Distribution**"). The Initial Distribution totalled approximately $2.2 million, with each Unsecured Creditor receiving an Initial Distribution representing approximately 7.2% of their accepted Proven Claim amount.[14]

13. As of the date of the Twelfth Report, the Applicant had an HST refund receivable of approximately $110,000 relating to the January 2026 and February 2026 periods (the "**HST**

---

[11] Twelfth Report at para. 1.8.

[12] Twelfth Report at para. 1.11.

[13] Twelfth Report at para. 4.6.

[14] Twelfth Report at para. 4.2.

Receivable"), which is currently being withheld as the Canada Revenue Agency conducts an audit of the Applicant's HST account for this period. The HST Receivable is expected to be released in the coming weeks, following which the Monitor intends to make a final distribution of approximately $150,000 (net of estimated fees to complete the remaining wind-down activities) to Unsecured Creditors holding a Proven Claim on a *pro rata, pari passu basis* in full and final satisfaction of such claims (the "**Final Distribution**" and together with the Initial Distribution, the "**Distributions**"). Upon completion of the Final Distribution, each Unsecured Creditor holding a Proven Claim is projected to receive a cumulative recovery of 7.7% of their accepted Claim amount.[15]

D. Remaining Activities of the Monitor

14. The Monitor expects the following activities to be completed prior to the termination of the CCAA Proceedings and discharge of the Monitor:[16]

(a) making the Final Distribution to Unsecured Creditors holding a Proven Claim;

(b) filing tax forms in respect of the payments and distributions made and collecting any tax refunds related thereto;

(c) taking steps necessary to assign the Applicant into bankruptcy in accordance with the terms of the Expanded Powers Order;

(d) completing statutory and administrative duties and filings; and

---

15 Twelfth Report at paras. 4.5, 4.8.

16 Twelfth Report at para. 6.1.

(e) serving the Monitor's Termination Certificate.

PART III - THE ISSUES AND THE LAW

15. This factum addresses whether the Court should grant the CCAA Termination Order, including:

(a) authorizing the termination of the CCAA Proceedings and the discharge of the Monitor and Representative Counsel at the CCAA Termination Time;

(b) granting the Releases (as defined below);

(c) approving the Monitor's activities, and the fees and disbursements of the Monitor and its counsel (including the Estimated Remaining Fees); and

(d) extending the Stay Period until and including the CCAA Termination Time.

A. The CCAA Proceedings Should be Terminated

16. The CCAA Proceedings have achieved their purpose, and no material steps will remain to be taken by the Monitor or Representative Counsel following the CCAA Termination Time. The Monitor therefore seeks the CCAA Termination Order in order to bring the CCAA Proceedings to an efficient and orderly conclusion.[17]

17. It is well established that this Court may grant an order terminating proceedings under the CCAA on terms similar to those sought in the proposed CCAA Termination Order. Such orders have frequently included provisions explicitly:

---

[17] Twelfth Report at para. 8.3.

(a) terminating the CCAA Proceedings upon service of an executed certificate by the monitor certifying that, to the knowledge of the monitor, all matters to be attended to in connection with the CCAA proceedings have been completed;[18]

(b) terminating, releasing and discharging any charges connected to the CCAA proceedings at the termination time;[19] and

(c) discharging a monitor and/or representative counsel, from all further duties, obligations, and responsibilities, while authorizing the monitor and/or representative counsel, notwithstanding its discharge, to address any matters that are ancillary or incidental to the CCAA proceedings.[20]

18. The proposed CCAA Termination Order is appropriate in the circumstances and provides for an efficient and orderly process for completion of the CCAA Proceedings.

B. The Releases Should be Granted

19. The proposed CCAA Termination Order contains releases (the "**Releases**") in favour of A&M in its capacity as Monitor and in its personal capacity, the Monitor's counsel, and each of their respective affiliates and current and former officers, directors, partners, employees, advisors

---

18 See, *e.g.*, *Forever XXI ULC (Re)*, (September 28, 2022), CV-19-00628233-00CL (ONSC) (CCAA Termination Order) at para. 8 and Schedule "A" [*Forever XXI Termination Order]*. See also *2688182 Alberta Inc. (Re)*, (May 15, 2025), CV-25-00734339-00CL (Expansion of Monitor's Powers and CCAA Termination Order) at para. 11 [*Comark Termination Order*].

19 *Target Canada Co. (Re)*, (October 18, 2019), CV-15-10832-00CL (ONSC) (Discharge Order) at para. 12 [*Target Termination Order*]; *Forever XXI Termination Order* at para. 9; *Comark Termination Order* at para. 13.

20 See, in relation to a monitor, *Target Termination Order* at paras. 6, 8; *Forever XXI Termination Order* at para. 12; *Comark Termination Order* at para. 14. See, in relation to representative counsel, *Nordstrom Canada et al. (Re)* (December 15, 2025), CV-23-00695619-00CL (ONSC) (CCAA Termination Order) at para. 11; *Target Canada Co. (Re)*, (13 September 2017), CV-15-10832-00CL (ONSC) (Order Extending the Stay Period and Discharging Employee Representative Counsel) at para. 4.

and agents, as applicable (together, the "**Released Parties**") effective at the CCAA Termination Time. The Releases apply to liability that the Released Parties may have, now or hereafter, by reason of, or in any way arising out of, the acts or omissions of A&M while acting in its capacity as Monitor, including any actions required or steps taken in carrying out any Monitor Incidental Matters or any other actions taken by A&M or its counsel following the CCAA Termination Time with respect to the Applicant or the CCAA Proceedings, but does not apply to gross negligence, fraud, or wilful misconduct.[21]

20. The Releases are appropriate in the circumstances and should be granted. CCAA courts have granted similar releases in the past,[22] and the proposed Releases satisfy the well-established test for third-party releases under the CCAA, which asks: (i) whether the parties to be released were necessary to the restructuring of the debtor; (ii) whether the claims to be released are rationally connected to the purpose of the restructuring and necessary for it; (iii) whether the restructuring could succeed without the release; (iv) whether the parties being released contributed to the restructuring; and (v) whether the releases benefit the debtors as well as the creditors generally.[23] It is not necessary for each of these factors to apply in order for a release to be granted.[24]

21. The proposed Releases satisfy this test, and are supported by the Monitor. The Released Parties have played an integral role and facilitated and significantly contributed to the CCAA Proceedings including, without limitation, with respect to the Settlement Agreement and Initial

---

21 Twelfth Report at para. 1.12(iii)(g).

22 See, e.g., *Forever XXI Termination Order* at para. 15; *Comark Termination Order* at para. 21.

23 *Lydian International Limited (Re)*, 2020 ONSC 4006 at para. 54.

24 *Green Relief Inc. (Re)*, 2020 ONSC 6837 at para. 28.

Distribution. Further, the proposed Releases are appropriately limited in scope as they do not apply to any claim or liability finally determined to be the result of fraud, gross negligence or wilful misconduct on the part of the Released Parties. Finally, it is in the interest of all parties that the Releases be granted, as they will provide certainty and finality to the CCAA Proceedings.[25]

C. The Twelfth Report and the Activities of the Monitor Should be Approved

22. The Monitor seeks the approval of the actions, conduct and activities outlined in the Twelfth Report. Requests to approve a monitor's report and activities are not unusual, and there are good policy and practical reasons for the court to do so, including: (i) allowing the monitor to move forward with the next steps; (ii) allowing the monitor to bring its activities before the Court; (iii) enabling the Court to satisfy itself that a monitor's activities have been conducted in a prudent and diligent manner; (iv) providing protection for a monitor not otherwise provided by the CCAA; and (v) protecting creditors from delay that may be caused by re-litigation of steps.[26]

23. The Monitor submits that the Twelfth Report, and the activities and conduct described within, should be approved. The activities set out in the Twelfth Report have been carried out in accordance with the orders of the Court, and the Monitor has acted reasonably and in good faith throughout.

D. The Fees of the Monitor and its Counsel Should be Approved

24. The Monitor seeks the approval of the following fees and disbursements:

---

[25] Twelfth Report at para. 8.4.

[26] *Target Canada Co. (Re)*, 2015 ONSC 7574 at para. 23.

(a) fees of the Monitor totalling $133,630.00, and disbursements in the amount of $327.87, each incurred from January 18, 2026 to June 13, 2026;[27] and

(b) fees of the Monitor's counsel, Osler, Hoskin & Harcourt LLP ("**Osler**") totalling $147,737.50, and disbursements in the amount of $340.95, each incurred from January 1, 2026 to June 13, 2026.[28]

25. The CCAA Termination Order additionally approves the "**Estimated Remaining Fees**" of the Monitor and its legal counsel for the Monitor's remaining duties and administration of the CCAA Proceedings, which are anticipated to be approximately $120,000, excluding sales taxes.[29]

26. In considering whether to approve fees and disbursements, the court has regard to the "overriding principle of reasonableness," and does not engage in a docket-by-docket or line-by-line assessment of the accounts.[30] The following factors assist a court in assessing the reasonableness of the Monitor's fees under the CCAA: (i) the nature, extent and value of the assets being handled; (ii) the complications and difficulties encountered; (iii) the degree of assistance provided by the company, its officers or its employees; (iv) the time spent; (v) the Monitor's knowledge, experience and skill; (vi) the diligence and thoroughness displayed; (vii) the responsibilities assumed; (viii) the results achieved; and (ix) the cost of comparable services when performed in a prudent and economical manner.[31]

---

27 Twelfth Report at para. 7.2.

28 Twelfth Report at para. 7.3.

29 Twelfth Report at para. 7.5.

30 *Nortel Networks Inc.*, 2022 ONSC 668 at para. 10 [*Nortel*].

31 *Nortel* at para. 11.

27. The fees and disbursements should be approved. The Monitor and Osler have acted with diligence throughout the CCAA Proceedings, and the Monitor has reviewed the fees and disbursements of Osler, which the Monitor has confirmed are reasonable in the circumstances.[32]

E. The Stay Period Should be Extended

28. Pursuant to section 11.02 of the CCAA, the Court may grant an extension of a stay of proceedings 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. There is no statutory time limit on how long a stay of proceedings can be extended.

29. The Stay Period currently expires on June 30, 2026. The Monitor asks that the Stay Period be extended until and including the CCAA Termination Time. The Monitor submits that extending the Stay Period is warranted for the following reasons:[33]

(a) the Applicant, with the assistance and oversight of the Monitor, continues to act in good faith and with due diligence;

(b) the extension of the Stay Period is required to provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings;

(c) upon receipt of the HST Receivable, the Monitor intends to complete all remaining matters in the CCAA Proceedings in this calendar year, such that the CCAA Termination Time is expected to occur on or prior to December 31, 2026;

---

[32] Twelfth Report at para. 7.4.

[33] Twelfth Report at para. 8.2.

(d) the extension of the Stay Period is necessary for the Monitor to make the Final Distribution in accordance with the Distribution Order and the Twelfth Report; and

(e) the Estimated Remaining Fees, which are to be funded from the Administrative Reserve that is currently held by the Monitor, are expected to provide sufficient liquidity to fund the remaining costs anticipated to be incurred to complete the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as formal bankruptcies).

PART IV - NATURE OF THE ORDER SOUGHT

30. For the reasons set out above, the Monitor requests that this Court grant the proposed CCAA Termination Order substantially in the form set out in the Motion Record.

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

OSLER, HOSKIN & HARCOURT LLP
per Marleigh Dick

SCHEDULE "A": LIST OF AUTHORITIES

1. *2688182 Alberta Inc. (Re)*, (May 15, 2025), CV-25-00734339-00CL (Expansion of Monitor's Powers and CCAA Termination Order)

2. *Forever XXI ULC (Re)*, (September 28, 2022), CV-19-00628233-00CL (ONSC) (CCAA Termination Order)

3. *Green Relief Inc. (Re)*, 2020 ONSC 6837

4. *Lydian International Limited (Re)*, 2020 ONSC 4006

5. *Nordstrom Canada et al. (Re)* (December 15, 2025), CV-23-00695619-00CL (ONSC) (CCAA Termination Order)

6. *Nortel Networks Inc*., 2022 ONSC 668

7. *Target Canada Co. (Re)*, 2015 ONSC 7574

8. *Target Canada Co. (Re)*, (13 September 2017), CV-15-10832-00CL (ONSC) (Order Extending the Stay Period and Discharging Employee Representative Counsel)

9. *Target Canada Co. (Re)*, (October 18, 2019), CV-15-I0832-00CL (ONSC) (Discharge Order)

I certify that I am satisfied as to the authenticity of every authority.

Date June 26, 2026

Signature
Marleigh Dick

SCHEDULE "B"
TEXT OF STATUTES, REGULATIONS & BY-LAWS

***Companies' Creditors Arrangement Act*, RSC 1985, c C-36**

Stays, etc. — initial application

11.02 (1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

(a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act;

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Stays, etc. — other than initial application

(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

(3) The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

Restriction

(4) Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

.

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

Court File No: CV-22-00691990-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1000156489 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

FACTUM OF THE MONITOR

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, Suite 6200
Toronto ON M5X 1B8

Marc Wasserman (LSO# 44066M)
Tel: 416.862.4908
Email: mwasserman@osler.com

Martino Calvaruso (LSO# 57359Q)
Tel: 416.862.6665
Email: mcalvaruso@osler.com

Fax: 416.862.6666

Counsel for Alvarez & Marsal Canada Inc., solely in its capacity as Monitor of 1000156489 Ontario Inc. (f/k/a DCL Corporation) and not in its personal or corporate capacity