

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

**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.**

**FACTUM OF THE MONITOR
(Stay Extension Order and Ancillary Relief Order)
(Returnable April 29, 2026)**

April 27, 2026

Goodmans LLP

Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Chris Armstrong LSO# 55148B
carmstrong@goodmans.ca

Erik Axell LSO# 853450
eaxell@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Monitor

TABLE OF CONTENTS

PART I. INTRODUCTION.....1

PART II. FACTS2

A. Background2

B. The Lien Claims Process4

C. Extension of the Stay Period5

D. Pay Over of Post-Closing Holdback.....6

PART III. ISSUES AND THE LAW7

A. The Extension of the Stay Period Should be Granted7

B. Pay over of the Holdback funds to QM LP9

C. The Monitor’s Reports, Activities and Professional Fees10

(i) Approval of the Monitor’s Reports and Activities 10

(ii) Approval of the Accounts of the Monitor and its Counsel 11

PART IV. CONCLUSION13

ADDENDA

Schedule A - List of Authorities

Schedule B - Statutory References

PART I. INTRODUCTION¹

1. This factum is filed by Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as monitor (the “**Monitor**”) of 1001387025 Ontario Inc. (the “**Applicant**”), in support of the Monitor’s motion for an order (the “**Stay Extension and Ancillary Relief Order**”), among other things:

- (a) extending the stay period to and including October 30, 2026 (the “**Stay Period**”);
- (b) in furtherance of the ARVO (as defined below), authorizing the Monitor to pay over any Holdback funds in respect of Continuing Projects that the Monitor has received since the Closing of the QM Transaction (as defined below), or may receive in respect of Continuing Projects, to New QM;
- (c) approving the reports, activities and conduct of the Monitor up to and including the date of the Stay Extension and Ancillary Relief Order; and
- (d) approving the fees and disbursements of the Monitor and its counsel for the periods described in the Fourth Report and the fee affidavits appended thereto.

2. The CCAA Proceedings are at an advanced stage. The two Court-approved transactions have closed, the QM Group (as defined below) has emerged from the CCAA Proceedings, and ResidualCo (as defined below) is the sole remaining Applicant. The Monitor has been actively administering the LRO Claims Process (as defined below) in accordance with the Lien Claims Resolution Order (the “**LCRO**”) granted by this Court on January 29, 2026. As of the date of the Fourth Report, the Monitor has received 259 Lien Notices relating to approximately 79 Continuing

¹ Capitalized terms used and not otherwise defined have the meaning ascribed to them in the Lien Regularization Order of this Court dated July 29, 2025, the Lien Claims Procedure Order of this Court dated January 29, 2026 or the Fourth Report of the Monitor dated April 22, 2026 (the “**Fourth Report**”).

QM Projects, asserting aggregate Lien Claims of approximately \$43.2 million. The Monitor's review of Lien Claims is ongoing and significant progress has been made, with the Monitor having provisionally accepted 68 Lien Claims totalling approximately \$9.6 million and having issued 118 Notices of Revision or Disallowance.

3. An extension of the Stay Period is necessary to allow the Monitor to continue to advance and finalize the LRO Claims Process, review allocation and priority matters in respect of the Remaining Cash Balance, address potential secured creditor claims, and develop and propose an appropriate mechanism for distributions to creditors.

4. For the reasons set out herein and in the Fourth Report, the Monitor respectfully requests that the Court grant the relief sought pursuant to the proposed Stay Extension and Ancillary Relief Order.

PART II. FACTS

A. Background

5. On July 29, 2025, QM GP Inc. and Highpoint Environmental Services Inc. (collectively, the “**Initial Applicants**”) obtained an initial order (the “**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangements Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).²

6. Among other things, the Initial Order: (i) appointed A&M as Monitor; and (ii) extended the Stay Period and other protections and authorizations under the Initial Order to QM LP, QMF LP, TWT LP and Quantum Holdings LP (“**Non-Applicant Related Parties**” and collectively with the Initial Applicants, the “**QM Group**”). Concurrently with granting the Initial Order, the Court

² Fourth Report at para. 1.1 [[E527](#)].

granted the LRO, which established a streamlined Court-supervised process, administered by the Monitor, to replace the various technical requirements for preserving and perfecting a lien under Provincial Lien Legislation (the “**LRO Claims Process**”).³

7. On August 7, 2025, the Court granted two additional Orders: (i) the Amended and Restated Initial Order (the “**ARIO**”) which, among other things, extended the Stay Period to and including November 7, 2025; and (ii) the SISP Approval Order, which among other things, approved the sale and investment solicitation process conducted by the Monitor.⁴

8. On October 24, 2025, the Court granted the following three Orders:

- (a) an Approval and Reverse Vesting Order (the “**ARVO**”), which among other things:
 - (i) approved the going-concern transaction (the “**QM Transaction**”) contemplated by the Subscription Agreement dated October 3, 2025 between QM GP Inc., Highpoint Environmental Services Inc. and QM LP, QMF LP and Quantum Holdings LP, each by its general partner QM GP Inc, as vendors (the “**QM Vendors**”) and WeShall Investments Inc., as purchaser; (ii) granted enhanced powers to the Monitor to facilitate the wind-down of the CCAA Proceedings; and (iii) provided that upon the closing of the QM Transaction, (A) the QM Vendors ceased being Initial Applicants or Non-Applicant Related Parties (as applicable) in these CCAA Proceedings, and (B) added 1001387025 Ontario Inc. (“**ResidualCo**”) as an Applicant in the CCAA Proceedings;

³ Fourth Report at paras. 1.2 & 1.3 [[E527](#)].

⁴ Fourth Report at para. 1.4 [[E528](#)].

- (b) an Approval and Vesting Order, which among other things, approved the transaction (“**HWT Transaction**”) contemplated by the Asset Purchase Agreement dated October 17, 2025 between TWT LP, by its general partner, QM GP Inc., as vendor, and 1001367859 Ontario Inc., as purchaser; and
- (c) an Order, which, among other things, extended the Stay Period until and including January 30, 2026 and sealed certain confidential information filed with the Court.⁵

9. The HWT Transaction closed on October 31, 2025, and the QM Transaction closed on November 4, 2025.⁶

10. On closing, by operation of the ARVO, the QM Group emerged from the CCAA Proceedings free and clear of excluded liabilities, and ResidualCo became the sole remaining Applicant (the QM Group post-emergence is referred to as “**New QM**”).⁷

B. The Lien Claims Process

11. Pursuant to the LCRO, the Claims Bar Date was February 27, 2026. As of that date, the Monitor had received 259 Lien Notices relating to approximately 79 Continuing QM Projects, asserting aggregate Lien Claims of approximately \$43.2 million, with two additional Lien Notices received after the Claims Bar Date.⁸

12. As at the date of the Fourth Report, the Monitor has: (i) provisionally accepted 68 Lien Claims totalling approximately \$9.6 million; (ii) issued Notices of Revision or Disallowance (“**NORDs**”) in respect of 118 Lien Claims totalling approximately \$8.7 million; and (iii) continued

⁵ Fourth Report at para. 1.5 [[E528](#) - [E529](#)].

⁶ Fourth Report at para. 1.6 [[E529](#)].

⁷ Fourth Report at para. 1.7 [[E529](#)].

⁸ Fourth Report at paras. 4.1 & 4.4 [[E532](#) & [E533](#)].

its review of the remaining 73 Lien Claims totalling approximately \$24.8 million. The Monitor expects to issue additional NORs in the coming weeks, pending receipt of information from the QM Group, certain Asserting Lien Claimants, and Intact Insurance Company (“**Intact**”), the QM Group’s primary surety.⁹

13. The Monitor had received two Notices of Dispute as of the date of the Fourth Report. The resolution of Disputed Lien Claims constitutes the final step in the LRO Claims Process and will permit the Monitor to quantify the pool of Proven Lien Claims, which is necessary to enable the Monitor to review allocation and distribution matters in respect of the Remaining Cash Balance.¹⁰

14. Intact has paid out approximately \$5.8 million in claims related to bonded Continuing QM Projects and may have subrogated Lien Claims and a secured indemnity claim that will also need to be assessed as part of any distribution.¹¹

C. Extension of the Stay Period

15. The Stay Period currently expires on April 30, 2026. The Monitor is requesting an extension of the Stay Period to and including October 30, 2026.

16. The six-month extension of the Stay Period is necessary to: (i) provide time for the Monitor to advance the review and resolution of Lien Claims in the LRO Claims process and quantify the pool of Proven Lien Claims; and (ii) provide stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings, including continuing to review matters relating to the allocation of the Remaining Cash Balance, addressing the secured claims of Intact

⁹ Fourth Report at para. 4.7 [E534].

¹⁰ Fourth Report at paras. 4.9 & 4.10 [E535].

¹¹ Fourth Report at para. 4.13 [E536].

and other relevant secured creditors and develop and propose a mechanism for distributions to creditors.¹²

D. Pay Over of Post-Closing Holdback

17. Pursuant to the Subscription Agreement and paragraph 6 of the ARVO, all right, title, and interest of New QM in and to accounts receivable, including any Holdback funds, relating to the Continuing Projects were retained by New QM, free and clear of any claims and encumbrances. Further, pursuant to paragraph 20 of the ARVO, all Holdback funds in respect of Continuing Projects were to be paid to New QM after the closing of the QM Transaction, rather than to the Monitor.¹³

18. Since the closing of the QM Transaction, the Monitor has received Holdback funds in respect of the Continuing Projects totalling \$109,902.38. Such Holdback funds (and any future Holdback funds paid in respect of Continuing Projects) ought to have been paid to New QM in accordance with the terms of the Subscription Agreement and the ARVO.¹⁴

19. New QM has remitted \$190,032.32 in accounts receivable, holdback and other amounts properly payable to the Monitor or ResidualCo to date pursuant to the terms of LRO and/or the ARVO. New QM is holding an additional \$109,902.37, which will be paid over once the Monitor has made payment of the corresponding amount it seeks authorization to payover.¹⁵

¹² Fourth Report at para. 8.2 [[E541](#) & [E542](#)].

¹³ Fourth Report at paras. 6.1 & 6.2 [[E539](#)].

¹⁴ Fourth Report at para. 6.3 [[E539](#)].

¹⁵ Fourth Report at para. 6.4 [[E539](#)].

PART III. ISSUES AND THE LAW

20. The issues to be considered on this motion are whether the Court should grant the proposed Stay Extension and Ancillary Relief Order to:

- (a) extend the Stay Period until and including October 30, 2026;
- (b) in furtherance of the ARVO, authorize the Monitor to pay over any Holdback funds in respect of Continuing Projects that the Monitor has received since the Closing of the QM Transaction, or may receive in respect of Continuing Projects, to New QM;
- (c) approve the Monitor's reports to date, and the activities and conduct of the Monitor up to and including the date of the Stay Extension and Ancillary Relief Order; and
- (d) approve the fees and disbursements of the Monitor and its counsel for the periods described in the Fourth Report and the fee affidavits appended thereto.

21. The Monitor respectfully submits that the Court should grant the foregoing relief pursuant to the proposed Stay Extension and Ancillary Relief Order.

A. The Extension of the Stay Period Should be Granted

22. The current Stay Period expires on April 30, 2026. Pursuant to subsection 11.02(3) 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.

23. The proposed extension of the Stay Period to and including October 30, 2026, is appropriate in the circumstances because:

- (a) the proposed extension of the Stay Period will provide the necessary time for the Monitor to continue advance the review and resolution of Lien Claims and complete the LRO Claims Process;
- (b) the extension of the Stay Period is required to provide the stability and certainty to enable the Monitor to continue to review matters relating to the allocation of the Remaining Cash Balance, work with Intact to review and consider its secured claim, consider any other potentially relevant secured claims, and consider and propose a means to distribute the Remaining Cash Balance and otherwise work to facilitate the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as a formal bankruptcy);
- (c) the Applicant has sufficient liquidity to fund the remaining costs anticipated during the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as formal bankruptcy); and
- (d) the Applicant, with the assistance and oversight of the Monitor, continues to act in good faith and with due diligence in progressing resolution of outstanding matters in the case.¹⁶

24. In light of the foregoing, the Monitor, on behalf of the Companies, respectfully submits that the proposed extension of the Stay Period is necessary and appropriate in the circumstances.

¹⁶ Fourth Report at para. 8.2 [[E541](#) & [E542](#)].

B. Pay over of the Holdback funds to QM LP

25. The Monitor seeks authorization to pay over to New QM the Holdback funds received following closing of the QM Transaction totalling \$109,902.38 received in respect of the Continuing Projects, together with any future Holdback funds received in respect of the Continuing Projects.

26. This relief is appropriate because:

- (a) the Subscription Agreement and paragraph 6 of the ARVO provide that all right, title and interest in accounts receivable and Holdback funds relating to the Continuing Projects were retained by New QM, free and clear of any claims and encumbrances;¹⁷ and
- (b) paragraph 20 of the ARVO specifically provides that all Holdback funds in respect of Continuing Projects were to be paid to New QM after the closing of the QM Transaction, rather than to the Monitor.¹⁸

27. The Holdback funds received by the Monitor in respect of the Continuing Projects following closing of the QM Transaction ought to have been paid to New QM in accordance with the terms of the Subscription Agreement and the ARVO, and the proposed pay over simply gives effect to the existing Court order and terms of the Court-approved agreement.

¹⁷ *QM GP Inc. et al* (24 October 2025), Ont Sup Ct J [Commercial List] CV-25-00748510-00CL ([Approval and Reverse Vesting Order](#)) (the “ARVO”) at para. 6; Subscription Agreement dated October 3, 2025 between QM GP Inc., Highpoint Environmental Services Inc. and QM LP, QMF LP and Quantum Holdings LP, each by its general partner QM GP Inc, as vendors and WeShall Investments Inc., as purchaser at sections 1.1(a) “Accounts Receivable” & 2.3 [[A2423](#) & [A2437](#)].

¹⁸ [ARVO](#) at para. 20.

28. Accordingly, the Monitor submits that the Court should authorize the pay over of the Holdback funds as contemplated by the existing terms of the Subscription Agreement and the ARVO.

C. The Monitor's Reports, Activities and Professional Fees

(i) Approval of the Monitor's Reports and Activities

29. This Court has held that there are good policy and practical reasons for approving a court officer's report and activities, including that Court approval:

- (a) allows the court officer to move forward with the next steps in the proceedings;
- (b) brings the court officer's activities before the court;
- (c) allows an opportunity for the concerns of stakeholders to be addressed, and any problems to be rectified;
- (d) enables the court to satisfy itself that the court officer's activities have been conducted in a prudent and diligent manner;
- (e) provides protection for the court officer not otherwise provided by the applicable legislation; and
- (f) protects creditors from the delay in distribution that would be caused by: (i) re-litigation of steps taken to date; and (ii) potential indemnity claims by the court officer.¹⁹

¹⁹ *Target Canada Co, Re*, [2015 ONSC 7574](#) at paras. [12](#) & [22](#); *Laurentian University of Sudbury*, [2022 ONSC 2927](#) at paras [13–14](#) [*Laurentian*].

30. The Monitor submits that it is appropriate to approve the Monitor's reports to date and the activities and conduct of the Monitor because:

- (a) the activities described in the Monitor's reports were necessary and undertaken in good faith pursuant to the Monitor's duties and powers set out in the Orders of this Court granted in these CCAA Proceedings, including the ARIO, the LRO, the ARVO and the LCRO;
- (b) the Monitor's activities were undertaken in the best interests of stakeholders; and
- (c) the Monitor's reports were served on the service list in these CCAA Proceedings and posted on the Monitor's website for review by stakeholders. As at the writing of this factum, no opposition has been voiced to approval of the Monitor's reports and conduct.

(ii) Approval of the Accounts of the Monitor and its Counsel

31. The ARIO directs that the Monitor and its legal counsel shall pass their accounts from time to time and that they shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges.²⁰

32. The overarching test on a motion to pass the accounts of a monitor and its counsel is to evaluate them based on the "overriding principle of reasonableness", with the predominant consideration being the overall value contributed by the monitor and its counsel.²¹ The Court has held that it "does not engage in a docket-by-docket or line-by-line assessment of the accounts as

²⁰ *QM GP Inc. et al* (7 August 2025), Ont Sup Ct J [Commercial List] CV-25-00748510-00CL ([Amended and Restated Initial Order](#)) at paras. 32-33.

²¹ *Re Nortel Networks Corporation et al*, [2017 ONSC 673](#) at para [13](#) [*Nortel*]. See also [Laurentian](#) at para [9](#).

minute details of each element of a professional services may not be instructive when looked at in isolation.”²²

33. The Court has held that the following non-exhaustive list of factors assist courts in evaluating the fairness and reasonableness of a court-appointed officer’s fees and those of its counsel:

- (a) the nature, extent and value of the assets being handled;
- (b) the complications and difficulties encountered;
- (c) the degree of assistance provided by the company, its officers or its employees;
- (d) the time spent;
- (e) the monitor’s knowledge, experience and skill;
- (f) the diligence and thoroughness displayed;
- (g) the responsibilities assumed;
- (h) the results achieved; and
- (i) the cost of comparable services when performed in a prudent and economical manner.²³

34. Applying these factors to the present case, the Monitor respectfully submits that the accounts of the Monitor, as well as those of the Monitor’s counsel, should be approved. The

²² [Laurentian](#) at para 9.

²³ *Bank of Nova Scotia v Diemer*, [2014 ONSC 365](#) at para 9; [Nortel](#) at para 14; [Laurentian](#) at para 10.

Monitor conducted a Court-approved sale process that resulted in two transactions, including a going-concern transaction that preserved substantially all of the QM Group's business for the benefit of stakeholders, and generated some value for the benefit of creditors. Since the closing of the transactions, the Monitor's main focus has been on advancing the LRO Claims Process with a view to proposing an allocation of Remaining Available Cash and distributions.

35. The fees and disbursements of the Monitor and its counsel are reasonable and appropriate in the circumstances having regard to the scope of activity undertaken by the Monitor in the CCAA Proceedings, and have been validly incurred in accordance with the provisions of the ARIO.²⁴

PART IV. CONCLUSION

36. For the reasons set out herein and in the Fourth Report, the Monitor respectfully requests that this Court grant the proposed Stay Extension and Ancillary Relief Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 27th day of April, 2026.

Erik Axell

GOODMANS LLP

Chris Armstrong LSO# 55148B
carmstrong@goodmans.ca

Erik Axell LSO# 853450
eaxell@goodmans.ca

Lawyers for the Monitor

²⁴ Fourth Report at para. 10.5 [E544].

**SCHEDULE A
LIST OF AUTHORITIES**

1. *QM GP Inc. et al* (24 October 2025), Ont Sup Ct J [Commercial List] CV-25-00748510-00CL ([Approval and Reverse Vesting Order](#))
2. *Target Canada Co, Re*, [2015 ONSC 7574](#)
3. *Laurentian University of Sudbury*, [2022 ONSC 2927](#)
4. *QM GP Inc. et al* (7 August 2025), Ont Sup Ct J [Commercial List] CV-25-00748510-00CL ([Amended and Restated Initial Order](#)).
5. *Re Nortel Networks Corporation et al*, [2017 ONSC 673](#)
6. *Bank of Nova Scotia v Diemer*, [2014 ONSC 365](#)

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

Date: April 27, 2026

Erik Afell

Signature

**SCHEDULE B
STATUTORY REFERENCES**

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

General power of court

11 Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

Stays, etc. — other than initial application

11.02 (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

11.02 (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.

**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.**

Applicant

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

**FACTUM OF THE MONITOR
(Stay Extension and Ancillary Relief Order)
Returnable April 29, 2026**

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Christopher Armstrong LSO# 55148B
carmstrong@goodmans.ca

Erik Axell LSO# 853450
eaxell@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Monitor