

**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
(Lien Claims Resolution Order and Stay Extension Order)
(Returnable January 29, 2026)**

January 27, 2026

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PART I. INTRODUCTION

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: (a) an order (the “**LCRO**”), among other things, establishing a procedure for resolving Lien Claims asserted in Lien Notices delivered pursuant to the Lien Regularization Order (the “**LRO**”) of this Court dated July 29, 2025; and (b) an order (the “**Stay Extension Order**”) extending the stay period to and including April 30, 2026 (the “**Stay Period**”).¹

2. At the outset of this proceeding, the Court granted the LRO to establish a streamlined process pursuant to which Lien Claimants could deliver Lien Notices to the Monitor to assert a Lien Claim. To date, the Monitor has received approximately 195 Lien Notices relating to approximately 70 Continuing QM Projects. The Monitor has determined it is appropriate at this time to seek approval of the proposed LCRO to: (i) establish a Claims Bar Date (as defined below) for the filing of Lien Notices; and (ii) provide a mechanism to determine the validity, amount and/or status of Lien Claims (each a “**Proven Lien Claim**”), including any disputed Lien Notices. The proposed LCRO will enable the Monitor to progress the LRO Claims Process, in turn assisting in crystallizing the pool of Proven Lien Claims and facilitating the Applicant’s ability to consider and make potential distributions to creditors.

3. An extension of the Stay Period is required to support this process, as well as ongoing consideration of a proposed allocation of the proceeds from the two Court-approved transactions, a means of addressing remaining secured creditor claims and relevant priorities, and developing

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 Amended and Restated Initial Order of this Court dated August 7, 2025 or the Third Report of the Monitor dated January 23, 2026.

an appropriate mechanism for distributions to creditors.

4. For the reasons set out herein and in the Third Report, the Monitor respectfully requests that the Court grant the relief sought pursuant to the proposed LCRO and the proposed Stay Extension 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 of the Initial Applicants; (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 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

² Third Report of the Monitor dated January 23, 2026 at para 1.1 [E234] [Third Report].

³ Third Report at paras 1.2–1.3 [E234].

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 “**RVO**”), 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, including potential future creditor distributions; 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;
- (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

⁴ Third Report at para 1.4 [[E234](#)].

- (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 Upon the closing of the HWT Transaction and the QM Transaction, the Monitor received \$3.55 million (the “**Transaction Proceeds**”).⁷ As of the date hereof, the Monitor is currently holding approximately \$3.4 million on behalf of ResidualCo (excluding approximately \$623,000 of Holdback funds).⁸ This cash balance is projected to provide sufficient liquidity to fund the remaining costs of the CCAA Proceedings.

10. On the closing of the QM Transaction, by operation of the RVO, each of QM Vendors emerged from the CCAA Proceedings, and ResidualCo became the sole remaining Applicant in the CCAA Proceedings.⁹

B. The Lien Claims Process

11. The LRO provides, among other things, that any person wishing to assert a Lien Claim after the Filing Date in respect of a Continuing QM Project shall do so by delivering a Lien Notice to the Monitor in accordance with the provisions of the LRO, following which such Asserting Lien Claimant shall be deemed to have preserved and perfected its Lien Claim.¹⁰

12. Following the granting of the LRO, the Monitor and the Monitor’s legal counsel assisted the QM Group with notifying and communicating with potential claimants under the LRO (i.e.,

⁵ Third Report at para 1.5 [[E234–E235](#)].

⁶ Third Report at paras 4.1 and 4.3 [[E238](#) and [E238–E239](#)].

⁷ Third Report at paras 4.1–4.6 [[E238–E239](#)].

⁸ Third Report at para 7.3 [[E249](#)].

⁹ Third Report at para 4.5 [[E239](#)].

¹⁰ Third Report at para 5.2 [[E241](#)].

subcontractors and suppliers that supplied goods and/or services to the QM Group's continuing projects) regarding the LRO Claims Process and the procedure for an Asserting Lien Claimant to assert a Lien Claim under the LRO.¹¹

13. As of the date hereof, the Monitor has received approximately 195 Lien Notices relating to approximately 70 Continuing QM Projects. The Lien Claims are currently estimated to be approximately \$20 million, pending the Monitor's ongoing review. The Monitor and Monitor's counsel continue to receive additional Lien Notices; however, only a relatively small number of Lien Notices have been received since the closing of the QM Transaction.¹²

14. Paragraph 23 of the LRO provides that the Monitor shall, at a time deemed by the Monitor to be appropriate, bring a motion seeking approval of a process for reviewing, determining or challenging: (i) the validity or timeliness of any Lien Notice; (ii) the validity or quantum of the amounts set out in any Lien Notice; (iii) the validity or quantum of an Asserting Lien Claimants' entitlement to a Lien Charge under the LRO; and (iv) the attachment or priority of a Lien Charge under the LRO or ARIO.¹³

C. The Proposed Lien Claims Resolution Order

(i) Claims Bar Date

15. The Monitor is proposing that any person asserting a Lien Claim be required to deliver a Lien Notice to the Monitor in accordance with the LRO by no later than 5:00 p.m. (ET) on February 27, 2026 (the "**Claims Bar Date**"), failing which, such person shall be forever barred from asserting or enforcing a Lien Claim and shall not be entitled to receive any distributions in respect

¹¹ Third Report at para 5.3 [\[E241\]](#).

¹² Third Report at para 5.4 [\[E241\]](#).

¹³ Third Report at para 5.5 [\[E241–E242\]](#).

of a Lien Claim.¹⁴ The proposed LCRO provides that the Monitor will, as soon as practicable after the date of the LCRO, do the following in providing notification of the Claims Bar Date:

- (a) deliver a notice of the Claims Bar Date via email to all known suppliers of a QM Continuing Project; and
- (b) cause notice of the Claims Bar Date, the LCRO and the forms of Notice of Revision or Disallowance and Notice of Dispute to be posted to the Case Website.

(ii) Assessment and Determination of Lien Claims

16. The LCRO provides that the Monitor: (i) shall review all Lien Notices filed on or before the Claims Bar Date; (ii) may accept, settle, revise or disallow (in whole or in part) the validity, amount and/or status of a Lien Claim set out in any Lien Notice; (iii) may request additional information or documentation with respect to any Lien Claim; and (iv) may request than an Asserting Lien Claimant file a revised Lien Notice.¹⁵

17. The Monitor shall notify the Asserting Lien Claimants of any revision or disallowance, and the basis for same, by delivering a Notice of Revision or Disallowance. An Asserting Lien Claimant that intends to dispute a Notice of Revision or Disallowance received by it (in whole or part) shall deliver written notice to the Monitor by completing and delivering a Notice of Dispute by no later than 5:00 p.m. (Toronto time) on the day that is fourteen (14) calendar days after delivery of the Notice of Revision or Disallowance, or such later date as the Monitor may agree to in writing.¹⁶

¹⁴ Third Report at para 5.8 [E242].

¹⁵ Third Report at para 5.11 [E243].

¹⁶ Third Report at paras 5.12-5.13 [E243].

18. If the Monitor receives a Notice of Dispute within the applicable time period, the Monitor shall attempt to resolve the validity, status and amount of the Lien Claim with the Asserting Lien Claimant (a “**Disputed Lien Claim**”) on a consensual basis and/or refer such Disputed Lien Claim to the Court for determination. In the alternative, the Monitor may refer such Disputed Lien Claim to a Claims Officer who shall establish a process for the fair and expeditious resolution of any Disputed Lien Claim.¹⁷

19. At this time, the Monitor is not calling for any claims other than Lien Claims. The only other known potential secured claims to the Transaction Proceeds are certain secured indemnity claims that may be held by Intact and/or Aviva in connection with bonding provided to QM Group on certain of its projects. Based on the significant amounts that Intact has previously indicated may be owing to it, together with the quantum of the filed Lien Claims, the Monitor anticipates there will be no value for unsecured creditors of the QM Group. The Monitor intends to work with Intact and Aviva to review and quantify their secured claims (if any) in the coming weeks.¹⁸

D. Extension of the Stay Period

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

21. The three-month extension of the Stay Period is necessary to (i) provide time for the Monitor to advance the review and resolution of Lien Claims following the Claims Bar Date and complete the LRO Claims Process; and (ii) provide stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings, including continuing to review matters

¹⁷ Third Report at para 5.15 [\[E244\]](#)

¹⁸ Third Report at para 5.20 [\[E246\]](#).

relating to the allocation of the Transaction Proceeds, addressing the claims of Intact and Aviva and developing an appropriate mechanism for distributions to creditors.¹⁹

PART III. ISSUES AND THE LAW

22. The issues to be considered on this motion are whether the Court should:

- (a) grant the proposed LCRO to, among other things, establish a procedure for resolving Lien Claims asserted in Lien Notices delivered pursuant to the LRO; and
- (b) grant the proposed Stay Extension Order to extend the Stay Period until and including April 30, 2026.

23. The Monitor respectfully submits that the Court should grant the foregoing relief pursuant to the proposed LCRO and Stay Extension Order.

A. The Lien Claims Resolution Order Should be Granted

24. The LRO explicitly contemplates that the Monitor shall bring a motion seeking approval of a process for the resolution of Lien Notices at a time deemed by the Monitor to be appropriate.²⁰ The Monitor has determined that it is prudent at this juncture to seek approval of a claims resolution process in order to advance and conclude the LRO Claims Process and assist in advancing the case.

25. Section 11 of the CCAA provides the statutory basis for the Court to approve the claims resolution process contemplated by the proposed LCRO. Section 11 “confers jurisdiction on the

¹⁹ Third Report at para 8.2 [\[E249–E250\]](#).

²⁰ Third Report at para 5.5 [\[E241\]](#).

Court in the broadest of terms” and permits the Court to make any order that it considers appropriate in the circumstances.²¹

26. Courts routinely grant claims procedure orders and approve adjudication mechanisms for the resolution of disputed claims, including construction lien claims, in Court-supervised restructuring proceedings.²² The procedures within the LCRO are consistent with those commonly approved by the courts.

27. The following factors support this Court’s exercise of discretion to approve the proposed LCRO:

- (a) the proposed Claims Bar Date is reasonable in the circumstances and provides Lien Claimants with sufficient time and opportunity to file a Lien Notice. In particular, Lien Claimants have already had almost 6 months to deliver a Lien Notice since the granting of the LRO. The proposed LCRO will provide Lien Claimants with an additional 30 days (from the date of the LCRO hearing returnable January 29, 2026) to file a Lien Notice with the Monitor in advance of the Claims Bar Date. This Court has previously ordered claims bar dates that are approximately 30 days from the issuance of the claims procedure order.²³ This is especially appropriate where, as here, claimants have been on notice of the ability to file a Lien Notice for nearly

²¹ *Re Harte Gold Corp.*, [2022 ONSC 653](#) at para 18; CCAA, [s. 11](#).

²² See, e.g. *Keb Hana Bank v. Mizrahi Commercial (The One) LP et al.* (9 August 2024), Ont Sup Ct J [Commercial List] CV-23-00707839-00CL ([Lien Claims Resolution Order](#)); *Cerruti Investments Inc. v. 2616766 Ontario Limited* (9 September 2025), Ont Sup Ct J [Commercial List] CV-25-00738703-00CL ([Construction Lien Claims Procedure Order](#)) [*Cerutti*] and *Clarkson Road Holdings Inc., et al.* (11 September 2025) Ont Sup Ct J [Commercial List] CV-24-00719589-00CL ([Claims Procedure Order](#)).

²³ *MCAP Financial Corporation v Vandyk-Backyard King Mills Limited and Vandyk-Backyard Humberside Limited* (16 October 2024) Ont Sup Ct J [Commercial List] ([Priority Claims Procedure Order](#)) at para 3(a); *Cameron Stephens Mortgage Capital LTD. v 2011836 Ontario Corp. et al.* (6 November 2024) Ont Sup Ct J [Commercial List] CV-23-00710795-00CL ([Order \(LIEN CLAIMS PROCESS\)](#)) at para 5; *Cerutti* at para 3(a).

six months already and only a relatively small number of Lien Notices have been received since the closing of the QM Transaction;

- (b) the claims resolution process contemplated by the proposed LCRO is consistent with other Court-approved claims processes and has been designed to be fair and efficient, and provide sufficient flexibility to allow the Monitor to establish Proven Lien Claims and to address any Disputed Lien Notices in the manner it determines is most appropriate in the circumstances; and
- (c) the LCRO will assist in advancing the CCAA Proceedings by enabling the Applicant and the Monitor to quantify the pool of Proven Lien Claims, and in turn, advance consideration of allocation, priority and distribution matters.²⁴

28. As detailed in the Third Report, the Monitor is hopeful that it will be able to resolve any Disputed Lien Claims on a consensual basis.²⁵ However, following the Claims Bar Date and its review of all Lien Claims, if the Monitor determines that the appointment of a Claims Officer is necessary, it will bring a motion to the Court seeking such an appointment.

B. The Extension of the Stay Period Should be Granted

29. The current Stay Period expires on January 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.²⁶

²⁴ Third Report at paras 5.19 and 5.21 [[E245–E246](#) and [E246–E247](#)].

²⁵ Third Report at para 5.18 [[E245](#)].

²⁶ CCAA, s [11.02\(3\)](#).

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

- (a) the proposed extension of the Stay Period will provide the necessary time for the Monitor and the Applicant to advance the review and resolution of Lien Claims following the Claims Bar Date and complete the LRO Claims Process;
- (b) the extension of the Stay Period is required to provide the stability necessary to continue to review matters relating to the allocation of the Transaction Proceeds, work with Intact and Aviva to address their secured claims, consider and propose a means to distribute the Transaction Proceeds and Holdback funds, and otherwise work to facilitate the wind-down of the CCAA Proceedings;
- (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 a formal bankruptcy); and
- (d) the Applicant, with the assistance and oversight of the Monitor, continues to act in good faith and with due diligence.²⁷

31. 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.

²⁷ Third Report at para 8.2 [[E249](#)–[E250](#)].

PART IV. CONCLUSION

32. For the reasons set out herein and in the Third Report, the Monitor respectfully requests that this Court grant the proposed LCRO and the proposed Stay Extension Order.

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

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**SCHEDULE A
LIST OF AUTHORITIES**

1. *Re Harte Gold Corp.*, [2022 ONSC 653](#)
2. *Keb Hana Bank v. Mizrahi Commercial (The One) LP et al.* (9 August 2024), Ont Sup Ct J [Commercial List] CV-23-00707839-00CL ([Lien Claims Resolution Order](#))
3. *Cerruti Investments Inc. v. 2616766 Ontario Limited* (9 September 2025), Ont Sup Ct J [Commercial List] CV-25-00738703-00CL ([Construction Lien Claims Procedure Order](#))
4. *Clarkson Road Holdings Inc., et al.* (11 September 2025) Ont Sup Ct J [Commercial List] CV-24-00719589-00CL ([Claims Procedure Order](#))
5. *MCAP Financial Corporation v Vandyk-Backyard King Mills Limited and Vandyk-Backyard Humberside Limited* (16 October 2024) Ont Sup Ct J [Commercial List] ([Priority Claims Procedure Order](#))
6. *Cameron Stephens Mortgage Capital LTD. v 2011836 Ontario Corp. et al.* (6 November 2024) Ont Sup Ct J [Commercial List] CV-23-00710795-00CL ([Order \(LIEN CLAIMS PROCESS\)](#))

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

Date: January 27, 2026



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
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