Court File No.

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 QM GP INC. AND HIGHPOINT ENVIRONMENTAL SERVICES INC.

Applicants

FACTUM OF THE APPLICANTS
(CCAA INITIAL ORDER)

July 28, 2025

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TO: THE SERVICE LIST

TABLE OF CONTENTS

PART I – OVERVIEW[1]

1. QM[2] operates a construction demolition and remediation business, as well as an environmental emergency response business employing over 400 people across the country. It is one of the few Canadian companies that provide nationwide coverage in this industry. QM performs services on large-scale infrastructure projects and contributes to public health and safety and environmental protection through its remediation and emergency management business.

2. A key corporate focus of QM is on the partnership with local communities and in particular Indigenous communities where QM's projects are located. QM's joint venture projects with local Indigenous groups facilitate meaningful economic participation of Indigenous persons in infrastructure projects in their communities, while fostering broader economic development across these regions.

3. After more than 40 years of successful operations, QM has encountered financial and operational challenges that have culminated in an acute liquidity crisis. QM has determined that it is in the best interests of the company and its stakeholders to commence proceedings under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 (the "**CCAA**"), to among other things, provide it with the stability and breathing room necessary to engage with stakeholders to develop and implement a comprehensive restructuring plan and preserve the going concern business for the benefit of its employees, partners, creditors, suppliers and other stakeholders.

4. The need for relief under the CCAA is most pressing because QM is unable to satisfy its immediate working capital needs without interim financing. CCAA relief is needed to allow QM to access interim financing provided by its primary equity stakeholder, and to take steps toward completing projects that QM has identified as financially viable and beneficial for the Company to

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[1]Capitalized terms used herein and not otherwise defined have the meanings given to them in the Affidavit of Agnieszka Barrett sworn July 28, 2025 [Barrett Affidavit].

[2] For ease of reference, the Applicants and the Non-Applicant Related Parties will collectively be referred to herein as "**QM**" or the "**Company**".

continue (the "**Continuing QM Projects**"). In this application, QM seeks targeted relief to address its needs over the next 10 days, which will provide immediate stability and allow it to engage with its stakeholders under the protection of a stay of proceedings (the "**Stay**") with the aim of advancing a comeback motion supported by all key stakeholders.

PART II – FACTS

5. The facts in support of this application are more fully set out in the Affidavit of Agnieszka Barrett sworn July 28, 2025 (the "**Barrett Affidavit**"). Capitalized terms used herein and not otherwise defined have the meanings given to them in the Barrett Affidavit.

PART III – ISSUES

6. The issues to be determined by this Honourable Court are whether:

(a) QM is entitled to seek protection under the CCAA;

(b) the Stay should be granted during the Initial Stay Period;

(c) the Stay and the Lien Regularization Order should be extended in favour of the Non-Applicant Related Parties;

(d) Alvarez & Marsal Canada Inc. (*"**A&M**" or the "**Proposed Monitor**") should be appointed as the Monitor;

(e) QM should be authorized to pay certain pre-filing obligations with the consent of the Monitor;

(f) the DIP Agreement should be approved and QM should be authorized to access the DIP Facility;

(g) the Administration Charge, the DIP Charge and the Directors' Charge, including the proposed priorities of such charges, should be granted;

(h) calls on the Performance Bonds should be stayed;

(i) proceedings, enforcement steps, demands, calls or requests for payments made against third parties that have provided an indemnity, guarantee, letter of credit, or similar obligation (collectively, the "**Third-Party Indemnity Obligations**"), on behalf of the Company in respect to the Company's obligations under any construction project contract, in favour of Intact Insurance Company and Aviva Insurance Company of Canada; and

(j) the Lien Regularization Order should be approved for the Continuing QM Projects.

PART IV – LAW & ANALYSIS

A. CCAA Protection Should be Granted

(i) The Applicants are Debtor Companies to which the CCAA Applies

7. The CCAA applies in respect of a "debtor company" or "affiliated debtor companies" with liabilities exceeding $5 million.[3] Under the CCAA, a "debtor company" is defined as a company that is insolvent within the meaning set out in the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**").[4] Under the BIA, a company is insolvent if at least one of the following disjunctive factors is met: (a) it is unable to meet its obligations as they generally become due; (b) it has ceased paying current obligations in the ordinary course of business; and (c) its aggregate property is, at fair valuation, insufficient to enable payment of all its obligations due and accruing due.[5]

8. The term "company" is defined in the CCAA to include any corporation incorporated under an Act of Parliament or a provincial legislature, as well as any incorporated entity with assets or

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[3] *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, s 3(1) [*CCAA*].
[4] CCAA, s. 2(1).
[5] CCAA, s. 2; *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, s. 2 [*BIA*]; **see also** *Laurentian University of Sudbury*, 2021 ONSC 659 at paras 30-31 [*Laurentian*].

operations in Canada, wherever incorporated.[6] The Applicants –QM GP Inc. ("**QM GP**") and Highpoint Environmental Services Inc. ("**Highpoint**") – are registered Ontario corporations. QM LP, QMF LP, TWT LP and Quantum Holdings LP (the "**Non-Applicant Related Parties**") are Manitoba limited partnerships.[7]

9. Courts have recognized that limited partnerships that are affiliated with CCAA debtors may benefit from CCAA protection where they are deeply integrated with the debtor and their inclusion is necessary for an effective restructuring.[8]

10. That is the case here, as the Non-Applicant Related Parties are closely affiliated with QM GP and Highpoint. QM LP is the core operating entity of the Company. Together, QM LP and the other Non-Applicant Related Parties form a critical part of the Business and are deeply integrated into the Company, sharing common ownership, management, and operational ties.[9]

11. The Company is insolvent within the meaning of the CCAA. As of May 31, 2025, the Company has consolidated liabilities of approximately $98 million.[10] The Company is also unable to meet its obligations as they become due, with accrued trade payables of over $44,600,000.[11]

12. In the weeks leading up to this filing, in an effort to resolve its imminent liquidity crisis, the Company has been in ongoing discussions with the Bank of Nova Scotia ("**BNS**"), WeShall Investments Inc. ("**WeShall**" or the "**DIP Lender**"), Intact Insurance Company ("**Intac**t") and Aviva Insurance Company of Canada ("**Aviva**"). In the course of these discussions, BNS advised the Company that it was unwilling to extend further credit to the Company, while WeShall advised

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[6] CCAA, s. 2; BIA, s. 2.
[7] Barrett Affidavit at paras 19-36.
[8] *JTI-Macdonald Corp., Re,* 2019 ONSC 1625 at para 14 [*JTI-Macdonald*].
[9] Barrett Affidavit at paras 15-34, 126.
[10] Barrett Affidavit at para 85.
[11] Barrett Affidavit at para 97.

that it was only willing to provide the Company with additional financing in the form of the DIP Facility with the benefit of a Court ordered super-priority charge.[12]

13. Similarly, while Intact is funding the portion of accounts payable that it is legally obligated to pay under the Bonded Projects, it is not sufficient for the Company to operate in the ordinary course outside the benefit of CCAA protection. Further, Intact recently demanded that the QM Indemnitors and QM Points LP provide credit support in the amount of $12,500,000 in the form of cash, letters of credit, or otherwise.[13]

14. Accordingly, as of the filing date, the Company does not have sufficient liquidity to meet its ordinary-course obligations. Without imminent relief, including the Stay and the ability to access the DIP Facility, the Company will not be able to continue as a going concern.[14]

(ii) This Court Has Jurisdiction to Hear the Application

15. Pursuant to section 9(1) of the *CCAA,* an application may be brought in the province where the debtor company has its head office or chief place of business.[15]

16. In *Nordstrom Canada*, the Court confirmed that Ontario was the appropriate forum for CCAA proceedings where the debtor carried on the majority of its operations, employed most of its workforce, and generated the bulk of its revenue in the province – even though it was federally incorporated and had a national footprint.[16]

17. While both of the Applicants are incorporated in Ontario, various of the Company's affiliates, including the Non-Applicant Related Parties, are registered or incorporated in Manitoba and Saskatchewan. However, the Company's overall corporate functions are based in Ontario.

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[12] Barrett Affidavit at para 117.
[13] Barrett Affidavit at para 118.
[14] Barrett Affidavit at paras 114, 116-117.
[15] *CCAA,* s.9(1).
[16] *Nordstrom Canada Retail, Inc.,* 2023 ONSC 1422 at paras 11 and 27 [*Nordstrom*].

The general partner of the Non-Applicant Related Parties has its registered head office in Burlington,[17] and Highpoint is headquartered in Toronto.[18] QM LP (the primary operating entity) leases and operates several Ontario properties, including the Burlington head office, a regional office and waste transfer facility in Hamilton, and warehousing facilities in Mississauga.[19] QMF and TWT also operate from Ontario and hold assets and licenses that are needed in the Business.[20] The majority of the Company's workforce (259 of 418 employees) is based in Ontario,[21] and many of its largest ongoing projects are located in the province.[22] The Company's cash management system and financial oversight are administered from the Burlington head office.[23]

18. These facts establish Ontario as the Company's chief place of business and support this Court's jurisdiction under section 9(1) of the CCAA.

(iii) The Initial Order is Appropriate and Reasonably Necessary

19. Section 11.001 of the *CCAA* restricts the relief on an initial application to what is reasonably necessary to allow the debtor to continue operations in the ordinary course during the Initial Stay Period.[24]

20. In the present case, the relief sought by the Applicants at the first hearing is limited to what is essential to maintain operations, protect important assets, and preserve the Company's ability to complete critical projects. The Company faces an urgent liquidity crisis and requires interim

[17] Barrett Affidavit at para 18,
[18] *Ibid* at para 27.
[19] *Ibid* at paras 25, 58.
[20] *Ibid* at paras 29-33.
[21] *Ibid* at para 50.
[22] *Ibid* at paras 48, 76.
[23] *Ibid* at para 68.
[24] *CCAA* at s.11.001.

relief to prevent disruption, including access to the DIP Facility, a stay of proceedings, authority to pay certain critical pre-filing amounts, and the imposition of limited charges.[25]

21. The scope and quantum of relief have been carefully calibrated in light of consultation with the Proposed Monitor, and discussions with BNS, and Intact. The Proposed Monitor supports the requested relief as necessary and appropriate.[26]

B. The Stay of Proceedings is Necessary and Appropriate

22. Under section 11.02(1) of the *CCAA,* the Court may grant an initial stay of proceedings for up to 10 days if circumstances exist that make the order appropriate.[27] The purpose of the stay is to preserve the *status quo*, provide the debtor with breathing room, and prevent a disorderly rush by creditors that would frustrate a viable restructuring.[28] As recognized by the Supreme Court of Canada, without this period of stability, "there would be a free-for-all in which individual creditors would fight it out to enforce their rights without regard for the company's survival or the maximization of its liquidation value."[29]

23. The stay serves not only the debtor's interests, but also those of all stakeholders, including employees, suppliers, lenders, bonding companies, and customers.[30] The Supreme Court has acknowledged that the CCAA is a remedial statute that must be interpreted broadly and purposively to facilitate restructuring and avoid the broader social and economic harms of liquidation.[31] In doing so, courts are empowered to grant and maintain stays to preserve the status

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[25] Barrett Affidavit at paras 5, 13-14, 115-116, 119-122, 125, 140-144.
[26] Barrett Affidavit at paras 14, 117-118, 125, 147, 155, 158, 165, 182.
[27] CCAA, s.11.02(1).
[28] *Century Services Inc. v. Canada (Attorney General),* 2010 SCC 60 at para 14 and 60 [*Century Services*].
[29] *Montréal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53 at para 46 [*Montréal City*].
[30] *Century Services* at para 60.
[31] *Century Services* at paras 59 and 70.

quo and allow for meaningful negotiations among stakeholders, particularly during the early stages of a proceeding.[32]

24. In the present case, the Company requires the protection of the Stay. The Company is facing a liquidity crisis, and without the relief sought in the proposed orders and access to the DIP Facility, it will have has insufficient cash to fund operations or meet payroll obligations in the near term.[33] It has dozens of secured and unsecured creditors,[34] many of whom have threatened to or already ceased supplying critical goods and services due to unpaid receivables.[35] Absent the stay, the Company risks a collapse of operations, which would eliminate the going-concern value of the business and significantly harm the interests of over 400 employees, Indigenous partners, suppliers, government and private clients, and other stakeholders.

25. The proposed Initial Stay Period is limited in duration and scope. It is essential to avoid disruption to the Business and will allow the Company to work with the Proposed Monitor and its key stakeholders to assess options and develop a plan. As detailed in the affidavit, these *CCAA* proceedings represent the only viable path forward that would preserve the Business as a going concern.

C. The Protections and Authorizations of the Initial Order Should Extend to the Non-Applicant Related Parties

(i) The Court Has Jurisdiction to Extend *CCAA* Protections to Non-Applicants

26. Pursuant to section 11 of the *CCAA*, this Court has broad and discretionary authority to make "any order it considers appropriate in the circumstances."[36] This includes the power to

[32] *Century Services* at paras 22, 70, and 77.
[33] Barrett Affidavit at paras. 13-14, 111-116.
[34] Barrett Affidavit at paras. 83-84, 96-97.
[35] Barrett Affidavit at paras. 49, 61-64, 98, 120-121.
[36] *CCAA,* s 11.

extend critical protections such as a stay of proceedings to non-applicant entities where such relief is necessary to stabilize the Business during the restructuring and preserve enterprise value.

27. The Supreme Court of Canada has confirmed that the CCAA is a remedial statute that must be interpreted purposively and pragmatically. The statute is designed to facilitate restructurings that preserve going-concern value in the interests of all stakeholders, guided by fairness and commercial practicality.[37]

28. In *JTI-Macdonald*, Justice Hainey held that a stay of proceedings may be extended to non-applicant entities where it is "important to the reorganization and restructuring process" and "just and reasonable to do so."[38] In doing so, the Court identified a non-exhaustive list of guiding factors in determining whether such relief is appropriate:

(a) degree of integration between the debtor and non-applicant entities;

(b) whether the relief would promote commercial stability and preserve enterprise value; and

(c) whether excluding the non-applicant entities would frustrate the restructuring effort.[39]

29. This framework was reaffirmed in *BZAM*, where the Court extended the stay to several non-applicant subsidiaries and foreign affiliates.[40] The Court found that these entities were "highly integrated into the business" and that permitting uncoordinated enforcement in other jurisdictions would be "counterproductive to the maximization and protection of value for stakeholders."[41] The

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[37] *Century Services* at para 59.
[38] *JTI-Macdonald Corp* at para 14; See also *Tamerlane Ventures Inc.*, 2013 ONSC 5461 at para 21 [*Tamerlane*].
[39] *Ibid* at para 15, See also *Pacific Exploration & Production Corporation (Re),* 2016 ONSC 5429 at para 26 [*Pacific Exploration*].
[40] *BZAM Ltd. Plan of Arrangement*, 2024 ONSC 1645 at para 42 [*BZAM*].
[41] *Ibid* at paras 43-44.

Court also recognized that extending the stay would provide comfort to prospective bidders and support a unified, enterprise-wide restructuring.[42]

30. The rationale for extending the stay to non-applicants applies equally to the broader suite of relief available under an Initial Order. In certain circumstances, a "collective solution" is in the best interests of all stakeholders and without such coordinated protection, "the economic harm would be far-reaching and significant".[43] This supports a holistic and pragmatic approach to the Initial Order, consistent with the overarching purposes of the CCAA.

31. This principle has been reaffirmed in recent cases. In *Sandvine*, the Court extended the full suite of Initial Order protections – including the stay of proceedings, DIP access, Monitor oversight, and priority charges – to a limited partnership.[44] The Court further extended the stay of proceedings to six affiliated non-applicant foreign entities, finding such relief necessary to prevent uncoordinated enforcement efforts that would undermine the restructuring.[45] Justice Osborne confirmed that the Court's jurisdiction under sections 11 and 11.01(2) permits granting relief to non-applicants (including limited partnerships) where they are "functionally and operationally integrated" with the applicants and where such relief is essential "to maintain stability and value in the CCAA process."[46] Although partnerships are not "companies" under the CCAA, the Court emphasized that where appropriate, the protections of an Initial Order may extend to them to support a viable restructuring.[47]

32. The Non-Applicant Related Parties are financially and operationally integrated with the Applicants, and extending the relief sought in the proposed Initial Order to the Non-Applicant

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[42] *Ibid* at para 45.
[43] *JTI-Macdonald* at paras 15-16.
[44] *In the Matter of a Plan of Compromise or Arrangement of Sandvine Corporation et al.,* 2024 ONSC 6199 at paras 35-36 [Sandvine].
[45] *Ibid.*
[46] *Ibid* at para 39.
[47] *Ibid* at paras 35-36.

Related Parties is essential to the viability of the restructuring. The QM enterprise functions as a single, cohesive business comprised of limited partnerships, joint ventures, and corporations operating under common ownership and control.

33. More specifically, these entities:

(a) Act as indemnitors under the Company's bonding arrangements with Intact and Aviva, which support critical public infrastructure projects;[48]

(b) Operate important facilities, including the Hamilton Waste Transfer Station,[49] and lease essential premises, such as regional offices and operational sites in Delta, BC and Saskatoon, SK;[50]

(c) Participate in the Company's centralized Cash Management System and joint venture bank accounts, sharing customer collections, disbursement functions, and payroll funding;[51]

(d) Hold environmental and regulatory licenses necessary for project qualification and delivery, including ECAs, hazardous waste permits, and COR certification;[52] and

(e) Are involved in Indigenous joint ventures, delivering government-funded projects and facilitating Indigenous employment through programs like the Partnerships with Purpose and Indigenous Inclusion and Capacity Building Program.[53]

34. Any enforcement step taken against the Non-Applicant Related Parties will pose a direct threat to the viability of the restructuring. Not extending the stay to these entities would risk

[48] Barrett Affidavit at paras 101-102, 108, 173.
[49] Barrett Affidavit at paras 34, 58(b).
[50] Barrett Affidavit at paras 58(g).
[51] Barrett Affidavit at paras 68-74, 70(c).
[52] Barrett Affidavit at paras 65-67.
[53] Barrett Affidavit at paras 61-64.

enforcement against shared assets, trigger defaults under bonding and lease arrangements, destabilize the DIP Facility, and impair the Company's ability to complete the Continuing QM Projects. In other words, it would cause the same type of "far-reaching and significant economic harm" recognized in *JTI-Macdonald.*[54]

35. The Proposed Monitor supports the extension of the stay to the Non-Applicant Related Parties,[55] just as it did in *Sandvine*, where the Court extended stay protection to both a limited partnership and foreign affiliates based on their integrated operations.

(ii) Courts Have Extended the Full Suite of Initial Order Protections to Non-Applicants Where Necessary to Preserve Enterprise Value

36. Although courts have traditionally focused the question of whether a stay of proceedings should be extended to non-applicants, in appropriate circumstances courts have extended the full suite of protections and authorizations under an Initial Order to non-applicant entities.

37. The underlying rationale is substantially the same as the test for extending the stay to non-applicant entities. Where the non-applicant entities are functionally and financially integrated with the applicant, limiting relief to a stay may be insufficient to maintain stability and enterprise value. As this Court recognized in *Sandvine*, functional integration of the entities and the risk of disruption to the restructuring justify the extension of broad relief (even to foreign affiliates and limited partnerships).

38. In *Hudson's Bay Company (Re)*, 2025, this Court granted the full suite of Initial Order protections (including the stay of proceedings, access to DIP financing, Monitor oversight, participation in cash management arrangements, authorization to make pre-filing payments, and court-ordered priority charges) to multiple non-applicant entities, including limited partnerships

[54] *JTI-Macdonald* at paras 15-16.
[55] Barrett Affidavit at para 130.

and joint ventures.[56] The Court extended the stay to non-applicants such as RioCan-Hudson's Bay JV, a joint venture in which Hudson's Bay indirectly owned a 78% interest, finding they were "highly integrated with and indispensable to" the Applicants' business.[57] These entities represented all of Hudson's Bay's owned real estate and certain head leasehold interests, and their operations were "fully intertwined" with the Applicants.[58] The Court emphasized that without such protection, there was a risk of uncoordinated enforcement actions and a rapid erosion of enterprise value.[59] The protections were therefore found to be "reasonably necessary" to preserve value and facilitate a viable restructuring in line with section 11.001 of the *CCAA*.[60]

39. Similar outcomes occurred in *Mastermind*, where the Court granted the full suite of Initial Order protections to Mastermind LP, a non-applicant limited partnership,[61] *Payless ShoeSource*, where the Court extended full CCAA protections to affiliated limited partnerships in order to avoid commercial disintegration and protect creditor recovery,[62] and *Nordstrom Canada* the Court granted full Initial Order protections to Canada Leasing LP, a non-applicant entity whose role in the debtor's store infrastructure and lease portfolio was essential to the estate's stability. [63]

40. In each of the foregoing cases, courts extended the full suite of Initial Order protections to non-applicant entities where their inclusion was essential to the restructuring. The same considerations apply here. As set out in the Barrett Affidavit, the Non-Applicant Related Parties operate critical facilities, hold project-required licenses and permits, and act as indemnitors, obligors, landlords, and tenants under essential agreements. They also participate in the

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[56] *Hudson's Bay Company ULC (Re),* March 7, 2025, ON SC (Commercial List), Initial Order of the Application Record [*Hudson's Bay*].
[57] *Ibid.*
[58] *Ibid*.
[59] *Ibid.*
[60] *Ibid.*
[61] *Mastermind GP Inc. (Re),* November 30, 2023 ON SC (Commercial List), Amended Initial Order (Application under the Companies' Creditors Arrangement Act).
[62] *Payless ShoeSource Canada Inc. (Re),* February 19, 2019 ON SC (Commercial List), Initial Order.
[63] *In the Matter of a Plan of Compromise or Arrangement of Nordstrom Canada Retail Inc., Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC*, May 19, 2023, (Ont. Sup. Ct. J. [Commercial List]), Initial Order, Motion Record of the Applicants.

Company's centralized Cash Management System, share customer collections, and are joint venturers in public infrastructure projects involving Indigenous communities. Their exclusion from the scope of the CCAA Initial Order would threaten the viability of the overall restructuring.

D. QM should be Authorized to Pay Pre-Filing Obligations

41. The Applicants seek authorization to make limited pre-filing payments to certain suppliers whose continued services are essential to QM's ongoing operations. The proposed Initial Order *permits* - but does not *require* - such payments, and payments of pre-filing obligations to critical suppliers would be made with the Monitor's consent.

42. Canadian courts have consistently relied on section 11 to authorize pre-filing payments where such payments are integral to the continuation of operations. In *Cline Mining*, the Court approved such payments to critical personnel and suppliers.[64] Morawetz R.S.J. (as he then was) set out several relevant considerations, including whether the goods or services are essential to the business; whether uninterrupted supply is necessary; whether the Monitor supports the payments; whether payments are made only with the Monitor's consent; the sufficiency of existing inventory; and the likely impact on the restructuring if the payments are not made.[65]

43. These principles have been repeatedly affirmed. In *Just Energy,* Justice Koehnen confirmed that pre-filing payments may be authorized under section 11 where they are necessary to preserve operations – particularly in circumstances where ongoing supply depends on incentive rather than compulsion.[66] More recently, in *BZAM*, Justice Osborne authorized such payments, with the consent of both the Monitor and the DIP Lender, where the supplier was deemed "critical to preserve, protect or enhance the value of the business."[67] Justice Osborne held that pre-filing

[64] *Cline Mining Corporation (Re),* 2014 ONSC 6998 at paras 37-40 [*Cline Mining*].
[65] *Ibid* at para 38.
[66] *Re Just Energy Corp.,* 2021 ONSC 1793 at paras 92-97 [*Just Energy*].
[67] *BZAM Ltd. Plan of Arrangement*, 2024 ONSC 1645 at para 72 [*BZAM*].

payments to critical suppliers can be authorized pursuant to the broad jurisdiction under section 11 of the CCAA, even in the absence of the critical supplier charge contemplated under section 11.4 of the CCAA.[68]

44. Courts have recognized that pre-filing payments to suppliers may become necessary where no practical alternatives exist. In *Clover Leaf*, the Court approved pre-filing payments where service disruptions could not be absorbed, replacement suppliers were unavailable, and continued supply was necessary to preserve the debtor's operations and enterprise value.[69]

45. QM's situation merits the same treatment. The Company is a national leader in environmental and industrial services, operating in five provinces with a workforce of over 400 employees. It serves public sector, Indigenous, and private clients, often on large-scale, time-sensitive, and highly regulated projects. QM depends on a small group of specialized suppliers and subcontractors who provide essential services that cannot be delayed or easily replaced. Due to existing liquidity constraints, several important suppliers are already in significant arrears and have either suspended or threatened to suspend services. This jeopardizes QM's ability to complete its profitable "Big 7 Projects" and risks undermining important stakeholder relationships.

E. The DIP Agreement and DIP Charge Should be Approved

(i) The Court Has Jurisdiction to Approve Interim Financing

46. The Court has statutory authority under section 11.2(1) of the CCAA to approve interim debtor-in-possession ("**DIP**") financing and to grant a corresponding super-priority charge over the debtor's property.[70] In exercising this discretion, the Court must be satisfied that (1) the

[68] *Ibid* at paras 73-75; See also *Target Canada Co.*, 2015 ONSC 303 at paras 64-65 [*Target Canada*].
[69] *Clover Leaf Holdings Company, Re.*, 2019 ONSC 6966 at paras 25-27 [*Clover Leaf*].
[70] *CCAA* at s 11.2(1).

financing is necessary, having regard to the debtor's cash-flow statement and (2) the terms of the financing are fair, reasonable, and appropriate in the circumstances.

47. Section 11.2(4) of the CCAA provides a non-exhaustive list of factors that guide the Court's discretion, including the expected duration of the CCAA proceedings; the proposed management of the debtor's business and affairs during the restructuring; the level of creditor confidence in current management; whether the financing will enhance the prospects of a viable plan; the nature and value of the debtor's assets; the potential for material prejudice to creditors; and the Monitor's report, if any.[71]

48. In *Crystallex*, the Court endorsed approval of DIP facilities where the financing supports restructuring efforts and preserves value.[72] While a debtor's business judgment may inform the analysis, the supervising judge must ultimately exercise independent judgment based on the section 11.2(4) factors.[73]

(ii) The Proposed DIP Facility Meets All Criteria

49. The Applicants are facing an acute liquidity crisis and require immediate access to the Initial Advance under the DIP Facility to fund critical expenses, including payroll, trade payables, and the working capital to sustain of the Big 7 Projects. There are no alternatives to the DIP Facility. While the Applicants have consulted with their key stakeholders, including BNS, Intact and Aviva, none have agreed to provide the interim financing needed to meet the immediate liquidity needs of the Business.

50. Under section 11.2(5) of the *CCAA*, the Court may authorize DIP financing on an initial application if it is "reasonably necessary" to meet the debtor's immediate needs. The Applicants'

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[71] *Ibid* at s 11.2(4).
[72] *Ibid.*
[73] *Crystallex* at paras 83-85.

Cash Flow Forecast demonstrates the need for approximately $3 million in immediate financing through the Initial Stay Period.[74] The Monitor has reviewed the Applicants' Cash Flow Forecast.[75]

51. The proposed DIP Facility satisfies the factors under s. 11.2(4), as follows:

(a) The Facility provides urgently needed liquidity to support operations through the Initial Stay Period and, if extended, to fund a restructuring and a sale and investment solicitation process ("**SISP**");

(b) The Applicants will continue to be led by experienced executives, with oversight from the Proposed Monitor;

(c) The DIP Lender is both a creditor and the majority equity holder, ensuring strong alignment with the success of the restructuring;

(d) The Facility enables the continued performance of the Applicants' profitable construction projects, expected to generate over $40 million in revenue and preserve going-concern value;

(e) The Applicants' asset base (valued at approximately $98 million as of December 2024, including receivables, equipment, and work-in-progress) offers substantial security for the DIP Charge and mitigates the risk to creditors;

(f) The DIP Charge is narrowly scoped, ranking behind the Administration Charge and ahead only of secured creditors who have declined to provide interim funding. This minimizes prejudice and supports a balanced, fair outcome; and

(g) The proposed Monitor has reviewed the DIP Agreement, cash flow forecasts, and the Applicants' operational plans, and supports the Facility and DIP Charge as necessary, reasonable, and appropriate in the circumstances.

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[74] Barrett Affidavit at paras. 123-125, 147.
[75] *Ibid.*

F. A&M should be Appointed as Monitor

52. Section 11.7(1) of the *CCAA* requires the Court, upon issuing an initial order, to appoint a monitor to oversee the business and financial affairs of the debtor.[76] The appointed monitor must be a trustee within the meaning of subsection 2(1) of the *BIA*.[77]

53. The Applicants seek the appointment of A&M as Monitor in these proceedings. A&M is a licensed insolvency trustee under subsection 2(1) of the BIA, and none of the disqualifying conditions set out in section 11.7(2) of the *CCAA* apply to it. A&M has significant experience serving as court-appointed monitor in complex *CCAA* restructurings and has confirmed its willingness to act in this capacity in the present case.

G. The Administration Charge should be Granted

54. The Court has clear authority under section 11.52(1) of the *CCAA* to grant a charge over the property of the debtor companies to secure the fees and expenses of professionals engaged in the restructuring process, including the Monitor, its counsel, and other essential advisors.[78]

55. In *Canwest*, the Court approved an administration charge in the context of a "large and highly complex" restructuring that required "extensive involvement by professional advisors."[79] The charge secured the fees of professionals who had "played a critical role" in the proceedings to date and would "continue to be integral to the solicitation and restructuring process."[80]

56. The Court in *Canwest* also identified several important factors relevant to the granting of such a charge, including the size and complexity of the business being restructured; the essential role of the professionals involved; the absence of unwarranted duplication of roles; the

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[76] *CCAA* at s 11.7(1).
[77] *BIA* 4 at s 2(1).
[78] *CCAA* at s 11.52(1).
[79] *Canwest Publishing Inc.*, 2010 ONSC 222 at para 55 [*Canwest*].
[80] *Ibid.*

reasonableness of the proposed quantum; the support of secured creditors; and the endorsement of the Monitor.[81]

57. The Applicants are engaged in a complex, multi-entity restructuring involving integrated business operations and significant legal, financial, and regulatory considerations. The professionals to be secured by the proposed Administration Charge will continue to play an essential role in preserving the stability of the business and advancing the restructuring process.

58. There is no duplication among the roles of the Monitor, its counsel, the Applicants' legal and financial advisors, and other professionals retained by key stakeholders. The quantum of the proposed charge is reasonable and proportionate to the scale and complexity of the proceedings. The Monitor has reviewed the scope of the charge and supports its approval.

H. The Directors' Charge should be Granted

59. Section 11.51 of the *CCAA* authorizes the Court to grant a charge over a debtor's property in favour of its directors and officers ("**D&Os**") to indemnify them for liabilities they may incur during the restructuring. The Court may approve such a charge where the following statutory conditions are met: (a) notice has been given to secured creditors likely to be affected; (b) the amount of the charge is appropriate; (c) the company could not obtain adequate indemnification insurance at a reasonable cost; and (d) the charge does not secure liabilities arising from gross negligence or wilful misconduct.[82]

60. In *Laurentian*, the Court approved a $5 million directors' charge, finding it both necessary and reasonable in the circumstances.[83] The Court emphasized the uncertainty as to whether existing insurance would respond to potential claims and noted that the continued involvement of

[81] *Ibid* at para 54.
[82] *Laurentian* at para 81.
[83] *Laurentian* at para 80.

directors and officers was important to the success of the restructuring.[84] Similarly, in *Jaguar Mining*, the Court confirmed that such a charge may be granted where indemnification insurance is unavailable or inadequate, and the company requires the continued participation of its D&Os to carry out the restructuring.[85]

61. Given the confidential nature of the initial CCAA filing, notice has only been given to (a) the proposed DIP Lender; (b) the Company's senior secured creditor, BNS; and (c) the Company's current and former bonding sureties, Intact and Aviva. Prior to the return of the Comeback Hearing, the Company intends to provide notice to its other secured creditors in accordance with the CCAA. The Company will seek approval of the Amended and Restated Initial Order at the Comeback Hearing, which will not purport to grant charges priming any secured creditors who have not been provided notice thereof.

62. The proposed quantum of the Directors' Charge has been carefully calculated with reference to the projected exposure of the D&Os in respect of payroll and source deductions, which are remitted periodically after they are accrued. The amount of the proposed charge takes into account the stub period between remittances. The Proposed Monitor has reviewed and supports the quantum of the proposed charge.

63. The proposed Directors' Charge is expressly limited to post-filing liabilities that may be incurred and does not extend to any liability resulting from gross negligence or wilful misconduct.

I. Calls on Performance Bonds Should be Temporarily Stayed

64. The Applicants seek as part of the Initial Order a stay any calls that may be made on any performance bonds in respect of the Continuing QM Projects. A call on a bond before the relevant stakeholders can discuss the arrangements to continue the relevant projects and would be

[84] *Ibid* at paras 80-82.
[85] *Jaguar Mining Inc. (Re),* 2014 ONSC 494 at para 30 [*Jaguar Mining*].

unnecessarily disruptive where the intention is to complete the Continuing QM Projects with the benefit of the DIP Facility.

65. Section 11 of the CCAA grants the Court broad discretion to make such orders. Courts have stayed third party rights in CCAA proceedings where such stay would further efforts to achieve the remedial purpose of the CCAA and avoid the economic and social losses resulting from the liquidation of an insolvent company.[86]

66. In *Re Earth Boring,* this Court temporarily stayed third party rights to call on performance bonds to allow the applicants to engage with project owners and counterparties to facilitate the completion of projects, which was critical for the restructuring. The Court noted the applicants' concerns that without a stay, parties may take steps to call on bonds, which would trigger an obligation on the surety to act. Such action could interfere with the applicants' ability to operate under the project agreement in question, and the costs that might be incurred by the surety would likely interfere with the flow of funds to the company.[87]

67. In analogous circumstances, Courts have granted similar third party stays in co-tenancy arrangements to avoid a "run on the bank".[88] In *Hudson's Bay,* the Court was asked to stay the rights of co-tenants of Hudson's Bay to terminate their leases in locations where Hudson's Bay operated.[89] The Court noted in that case that the stay "lies towards the limits of judicial discretion permitted by Section 11 and 11.02 of the CCAA", but proceeded to grant the relief during the initial stay period in any event, to ensure stability.[90] The applicants note that the considerations around co-tenancy stays may differ somewhat from calls on performance bonds, which have a more

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[86] *Century Services* at para 70.
[87] *Re Earth Boring Co. Ltd.,* 2025 ONSC 2422 at paras 43 and 44 [*Earth Boring*].
[88] *Ibid* at para 12, citing *Re Hudson's Bay Company,* 2025 ONSC 1530 at para 65 [*Hudson's Bay*].
[89] *Hudson's Bay* at para 65.
[90] *Hudson's Bay* at paras 66-68.

direct impact on the CCAA applicant due to the formal regime governing the flow of funds from construction projects.

J. Stay of Indemnities, Guarantees and Letters of Credit

68. The Applicants similarly seek a temporary stay of any indemnity, guarantee, letter of credit, or similar obligation made by certain third parties, including WeShall, and its related parties and affiliates, in respect of the obligations of the Company under its surety arrangements with Intact and Aviva.

69. Kingsdale has provided, in relation to the bonding arrangement between Intact and the Applicants, a letter of credit in the amount of $5 million in favour of Intact (the "**Kingsdale LC**"). Kingsdale is an affiliate of the DIP Lender, and the DIP Term Sheet contemplates that, on or before the issuance of an amended and restated Initial Order, Intact shall have returned to Kingsdale, for cancellation, the *uncalled* letter of credit.[91]

70. The Applicants will engage with Intact to attempt to satisfy this condition. However, a call on the Kingsdale LC in the interim would render moot any attempt to reach a resolution with Intact and jeopardize the DIP Facility. Accordingly, the Applicants seek to temporarily stay any calls on the Kingsdale LC for the initial stay period to allow them to engage with Intact and the DIP Lender on this point.

71. The Applicants also seek to stay any indemnities and guarantees in respect of bonds on Continuing QM Projects to allow the projects to continue unhindered and avoid piecemeal enforcement against affiliates of the DIP Lender and Applicants during the restructuring.

72. Courts have relied on their jurisdiction under Section 11 to stay guarantees and letters of credit. In *Tokyo Smoke*, Justice Black reviewed the leading cases on the application of stays of

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[91] *Monitor's Report* at para. 6.6.

proceedings to guarantees. In Tokyo Smoke, the stay was opposed by a party seeking to enforce a guarantee against an affiliate of the CCAA debtor.[92]

73. Justice Black noted that Section 11 permits a Court to stay guarantees,[93] and noted the recent decisions in *Pride,*[94] *Nordstrom Canada*,[95] and *Bed Bath & Beyond Canada*,[96] in which the Ontario Court stayed guarantees by non-applicant parties.[97]

74. The Court noted Justice Kimmel's decision in *Re Balboa Inc. et al. (Re),* CV-24-00713254, in which the Court granted a stay of guarantees, noting that it was not in the best interests of the CCAA applicant's stakeholders or the administration of justice for parties to be forced to respond to uncoordinated actions in respect of the purported guarantees of the very indebtedness that the CCAA applicants were attempting to restructure.[98] Such a stay was consistent with the single proceeding model that favours the resolution of claims within the CCAA process and avoids the inefficiencies and chaos that could otherwise result from uncoordinated attempts at recovery.[99]

75. A core objective of these proceedings is to complete the Continuing QM Projects, which if successfully completed, would minimize the exposure of the sureties for bonds on those projects. It is appropriate to stay any enforcement on guarantees to allow resources and energy to be directed at a successful restructuring rather than on enforcement proceedings.

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[92] *2675970 Ontario Inc*, 2024 ONSC 6174 [*Tokyo Smoke*].
[93] In *Tokyo Smoke,* Justice Black considered the argument that Section 11.04 of the CCAA prohibited stays of guarantees and letters of credit. Justice Black reviewed case commentary and accepted the argument made by the applicants that Section 11.04 of the CCAA merely states that a stay of proceedings does not automatically stay guarantees and letters of credit, however the section was not a blanket prohibition on the Court utilizing its jurisdiction under Section 11 to grant a stay of a guarantee of letter of credit where circumstances warranted.
[94] *Pride Group Holdings Inc,* 2024 ONSC 1830.
[95] *Nordstrom Canada Retail, Inc*, 2023 ONSC 1422.
[96] *Bed Bath & Beyond Canada Limited (Re),* 2023 ONSC 1014.
[97] *Tokyo Smoke* at paras 24-26.
[98] *Tokyo Smoke* at para 30.
[99] *Tokyo Smoke* at para 30.

K. Lien Regularization Order should be Approved

76. The Applicants seek a Lien Regularization Order ("**LRO**") to ensure that cash flow is not impacted by the registration of liens, while protecting the rights of lien claimants in respect of their claims. The LRO provides a structure for lien claimants to assert their claims without having to register liens, and without the Applicants being required to take procedural steps in respect of those lien registrations and claims, to allow funds to flow on those projects. The LRO establishes a lien claims process administered by the Proposed Monitor, stays the registration of any liens against the Continuing QM Projects, and gives effect to such rights by allowing the lien claimants to file their claims with the Proposed Monitor. The Applicants propose that the Court grant a charge (the "**Lien Charge**") for the benefit of lien claimants, consistent with their rights under the *Construction Act,* R.S.O. 1990, c. C.30, and similar statutes in other provinces ("**Construction Lien Legislation**").

77. In *Earth Boring*, this Court granted a lien regularization order and confirmed that such orders are "in the nature of a claims procedure order," suitable in cases where the registration and enforcement of lien claims risk disrupting bonded construction projects.[100] In that case, the Court approved a structure that stayed lien enforcement while preserving lien rights through the imposition of a Lien Charge, managed under the supervision of the Monitor and supported by a tailored trust and accounting mechanism.[101] The goal was to enable bonded construction work to continue without interruption while ensuring contractors and suppliers retained their substantive rights.

78. In *Mizrahi Commercial (The One) LP*, this Court allowed lien regularization mechanisms established during receivership to continue under a CCAA proceeding to support the

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[100] *Earth Boring* at para 84 [*Earth Boring*].
[101] *Earth Boring* at paras 81-88.

uninterrupted construction of a $2 billion real estate development.[102] The Court endorsed a centralized, court-supervised process that balanced the rights of lien claimants with the need to maintain construction and protect value.[103]

79. QM GP Inc. and Highpoint Environmental Services Inc. are engaged in time-sensitive, bonded infrastructure projects across multiple provinces. Permitting lien registrations and claims to proceed in the ordinary course could trigger defaults, bond claims, or delays, undermining project completion and the broader restructuring goals in this proceeding.

80. The proposed LRO does not extinguish lien rights. Instead, it preserves them within a court-supervised framework through the following structure:

(a) All lien claims against Continuing QM Projects under Construction Lien Legislation will be stayed, and any party wishing to assert lien rights against Continuing QM Projects must comply with the process set out in the LRO;

(b) Lien claimants can preserve their rights under Construction Lien Legislation by providing a lien notice to the Proposed Monitor, which grants a Lien Charge equivalent to the lien rights provided for under Construction Lien Legislation;

(c) Any party with a lien that was bonded off prior to the granting of the LRO will be deemed to have provided a lien notice to the Proposed Monitor;

(d) Each Applicant, with the oversight of the Proposed Monitor, will account for funds received by them on account of the Continuing QM Projects, on a project-by-project basis;

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[102] *Mizrahi Commercial (The One) LP et al,* 2025 ONSC 2672 at para 47 [*The One*].
[103] *The One* at paras 21 and 44.

(e) Any funds received by the Applicants in respect of Continuing QM Projects will only be paid to satisfy costs, fees and expenses arising in connection with such Continuing QM Projects, subject to the priority charges in this proceeding;

(f) Any person who is in possession of holdback funds will be restrained from paying, setting off or encroaching upon the holdback funds, except in accordance with the LRO; and

(g) Only Continuing QM Projects are affected by the LRO.

81. The Applicants propose to extend the LRO to the Non-Applicant Related Parties for the same reasons that the relief sought in the Initial Order is sought to be extended.

PART V – REQUESTED RELIEF

82. The Applicants request that this Court grant the Initial Order and the Lien Regularization Order, substantially in the form of the draft orders attached at Tabs 3 and 5, respectively, of the Application Record.

PURSUANT TO RULE 4.06(2.1), THE UNDERSIGNED certifies that they are satisfied as to the authenticity of every authority cited in this factum.

Natasha Rambaran

NATASHA RAMBARAN (LSO #80200N)

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 28th day of July 2025.

Natasha Rambaran

RECONSTRUCT LLP

SCHEDULE "A"

LIST OF AUTHORITIES

1. *JTI-Macdonald Corp., Re,* 2019 ONSC 1625
2. *Laurentian University of Sudbury*, 2021 ONSC 659
3. *Nordstrom Canada Retail, Inc.,* 2023 ONSC 1422
4. *Century Services Inc. v. Canada (Attorney General),* 2010 SCC 60
5. *Montréal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53
6. *Tamerlane Ventures Inc.*, 2013 ONSC 5461
7. *Pacific Exploration & Production Corporation (Re),* 2016 ONSC 5429
8. *BZAM Ltd. Plan of Arrangement*, 2024 ONSC 1645
9. *In the Matter of a Plan of Compromise or Arrangement of Sandvine Corporation et al.,* 2024 ONSC 6199
10. *Cline Mining Corporation (Re),* 2014 ONSC 6998
11. *Re Just Energy Corp.,* 2021 ONSC 1793
12. *BZAM Ltd. Plan of Arrangement*, 2024 ONSC 1645
13. *Clover Leaf Holdings Company, Re.*, 2019 ONSC 6966
14. *Canwest Publishing Inc.,* 2010 ONSC 222
15. *Jaguar Mining Inc. (Re),* 2014 ONSC 494
16. *Re Earth Boring Co. Ltd.,* 2025 ONSC 2422
17. *2675970 Ontario Inc.,* 2024 ONSC 6174
18. *Pride Group Holdings Inc.,* 2024 ONSC 1830
19. *Bed Bath & Beyond Canada Limited (Re),* 2023 ONSC 1014

20. *Mizrahi Commercial (The One) LP et al.,* 2025 ONSC 2672

21. *Hudson's Bay Company ULC (Re),* March 7, 2025, ON SC (Commercial List), Application Record (Application under the Companies' Creditors Arrangement Act.

22. *Mastermind GP Inc. (Re),* November 30, 2023 ON SC (Commercial List), Amended Initial Order (Application under the Companies' Creditors Arrangement Act).

23. *Payless ShoeSource Canada Inc. (Re),* February 19, 2019 ON SC (Commercial List), Initial Order (Application under the Companies' Creditors Arrangement Act).

24. *In the Matter of a Plan of Compromise or Arrangement of Nordstrom Canada Retail Inc., Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC*, May 19, 2023, (Ont. Sup. Ct. J. [Commercial List]), Initial Order, Motion Record of the Applicants.

SCHEDULE "B"

TEXT OF STATUTES AND REGULATIONS

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

Definitions

2 (1) In this Act,

debtor company means any company that

(a) is bankrupt or insolvent,

(b) has committed an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* or is deemed insolvent within the meaning of the *Winding-up and Restructuring Act*, whether or not proceedings in respect of the company have been taken under either of those Acts,

(c) has made an authorized assignment or against which a bankruptcy order has been made under the *Bankruptcy and Insolvency Act*, or

(d) is in the course of being wound up under the *Winding-up and Restructuring Act* because the company is insolvent; (*compagnie débitrice*)

Application

3 (1) This Act applies in respect of a debtor company or affiliated debtor companies if the total of claims against the debtor company or affiliated debtor companies, determined in accordance with section 20, is more than $5,000,000 or any other amount that is prescribed.

Jurisdiction of court to receive applications

9 (1) Any application under this Act may be made to the court that has jurisdiction in the province within which the head office or chief place of business of the company in Canada is situated, or, if the company has no place of business in Canada, in any province within which any assets of the company are situated.

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.

Relief reasonably necessary

11.001 An order made under section 11 at the same time as an order made under subsection 11.02(1) or during the period referred to in an order made under that subsection with respect to an initial application shall be limited to relief that is reasonably

necessary for the continued operations of the debtor company in the ordinary course of business during that period.

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.

Court to appoint monitor

11.7 (1) When an order is made on the initial application in respect of a debtor company, the court shall at the same time appoint a person to monitor the business and financial affairs of the company. The person so appointed must be a trustee, within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*.

Court may order security or charge to cover certain costs

11.52 (1) On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a debtor company is subject to a security or charge — in an amount that the court considers appropriate — in respect of the fees and expenses of

(a) the monitor, including the fees and expenses of any financial, legal or other experts engaged by the monitor in the performance of the monitor's duties;

(b) any financial, legal or other experts engaged by the company for the purpose of proceedings under this Act; and

(c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for their effective participation in proceedings under this Act.

Bankruptcy and Insolvency Act, RSC 1985, c B-3

Definitions

2 In this Act,

insolvent person means a person who is not bankrupt and who resides, carries on business or has property in Canada, whose liabilities to creditors provable as claims under this Act amount to one thousand dollars, and

(a) who is for any reason unable to meet his obligations as they generally become due,

(b) who has ceased paying his current obligations in the ordinary course of business as they generally become due, or

(c) the aggregate of whose property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due; (*personne insolvable*)

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

Court File No.

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF QM GP INC. AND HIGHPOINT ENVIRONMENTAL SERVICES INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at *Toronto*

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