

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	MONDAY, THE 8 TH DAY
)	
JUSTICE W.D. BLACK)	OF APRIL, 2024

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL TO CREDITORS OF IGLOO INDUSTRIES
GROUP LTD.

ORDER

THESE MOTIONS, made by the debtors in this proceeding, Igloo Industries Group Ltd. (the “**Company**”) on the one hand, and Stanislaw Snieg and Maria Snieg (collectively the “**Individuals**”) were heard this day at 330 University Ave., Toronto.

ON READING the affidavit of Stanislaw Snieg sworn March 14, 2024 (the “**Snieg Affidavit**”) and the exhibits to it, on reading the first report of Albert Gelman Inc., in its capacity as trustee to the notice of intention to make a proposal to creditors (“**NOI**”) of the Company (in such capacity, the “**Proposal Trustee**”), dated March 15, 2024, and the appendices to it (collectively, the “**First Report**”), and on reading the affidavit of Philip O’Gorman sworn March 19, 2024 and the exhibits thereto;

ON HEARING the submissions of counsel for the Company, counsel for the Individuals, counsel for the Proposal Trustee, and counsel for Royal Bank of Canada, and those other parties as indicated on the counsel slip, no one appearing for any other person although duly served as appears from the affidavit of service of Levi Rivers sworn March 20, 2024;

SERVICE

1. **THIS COURT ORDERS** that the time and method for service of the notice of motion, the materials included in the Company's motion record for this motion (the "**Motion Record**"), and the First Report, are hereby abridged and validated such that this motion is properly returnable today, and hereby dispenses with further service thereof.

ADMINISTRATIVE CONSOLIDATION

2. **THIS COURT ORDERS** that this NOI proceeding of the Company, the NOI proceeding of Mr. Stanislaw Snieg in court file number BK-24-03046353-0031, and the NOI proceeding of Ms. Maria Snieg in court file number BK-24-03046342-0031 (collectively, the "**NOI Proceedings**"), collectively and individually) be and are hereby administratively consolidated, and the Proposal Trustee is hereby authorized and directed to administer the NOI Proceedings on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), including, without limitation:

- a. sending notices to creditors of the Company or the Individuals pursuant to one consolidated notice;
- b. calling and conducting meetings of creditors of the Company or the Individuals on a consolidated basis;
- c. issuing reports to the court or to creditors of the Company or the Individuals on a consolidated basis;

- d. preparing, filing, advertising and distributing any and all filings and/or notices relating to the NOI Proceedings on a consolidated basis; and
 - e. bringing motions on a consolidated basis.
3. **THIS COURT ORDERS** that the Proposal Trustee shall enter a copy of this order in the court file of each of the NOI Proceedings, and from and after that time:
- a. the NOI Proceedings shall be authorized and directed to continue solely in this court file number BK-24-03046358-0031 (the “**Consolidated Court File**”);
 - b. all documents required to be filed or included in the court file for the NOI Proceedings, whether pursuant to the BIA, the *Rules of Civil Procedure* (Ontario) or otherwise, shall be filed solely in the Consolidated Court File; and
 - c. for avoidance of doubt, provided that a document or pleading, including the Motion Record and the First Report, is filed in the Consolidated Court File, the filing of such document or pleading in the court file for the other NOI Proceedings is hereby dispensed with.
4. **THIS COURT ORDERS** that the following title of proceeding be and is hereby assigned to the Consolidated Court File:

“

Court File No. BK-24-03046358-0031

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL TO CREDITORS OF IGLOO INDUSTRIES
GROUP LTD.

AND IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL TO CREDITORS OF STANISLAW SNIEG
AND MARIA SNIEG

”

5. **THIS COURT ORDERS** for avoidance of doubt that nothing in this order (a) substantively consolidates the respective estates of the Company or the Individuals; (b) causes any of them to incur any liability or be subject to any claim to which it would not otherwise be subject; or (c) affects the process by which claims are assessed in each estate, and for greater certainty, the Proposal Trustee shall assess and process the claims against each estate on a separate and distinct basis.

EXTENSION OF TIME TO FILE A PROPOSAL

6. **THIS COURT ORDERS** that pursuant to section 50.4(9) of the BIA, the time for the Company and the Individuals to make proposals to their respective creditors, and the time for the Proposal Trustee to file such proposals with the official receiver under subsection 62(1) of the BIA, be and is hereby extended to and including May 22, 2024.

ADMINISTRATION CHARGE

7. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Company (but not, for avoidance of doubt, counsel to the Individuals, if any) shall be entitled to the benefit of and are hereby granted a charge, which shall not exceed an aggregate amount of \$250,000 unless permitted by further order of this court, (the “**Administration Charge**”) on

- a) the current and future assets, undertakings and property of every nature and kind whatsoever and wherever situate, of the Company (collectively, the “**Company Property**”), including all proceeds thereof and proceeds of proceeds to the extent of \$150,000, and
- b) the interests of the Individuals to the extent of \$150,000, and the interest of Stanislaw Snieg alone to the extent of \$250,000 in the real property described in **Schedule “A”** including all proceeds thereof and proceeds of proceeds,

as security for their professional fees and disbursements incurred in respect of the NOI Proceedings at the standard rates and charges, both before and after the making of this order.

8. **THIS COURT ORDERS** that no filing, registration or perfection shall be required in respect of the Administration Charge, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such lack of filing, registration, recording or perfection.

9. **THIS COURT ORDERS** that, subject to paragraph 10, the Administration Charge shall rank in priority to all other security interests, trusts (including without limitation deemed and constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, of any nature, kind or description whatsoever (collectively, “**Encumbrances**”) in favour of any individual, corporation, governmental body or agency, or any other entity (“**Persons**”), notwithstanding the order of perfection or attachment.

10. **THIS COURT ORDERS** that the Administration Charge shall have the following priority:

- a) as to the Company Property, the Administration Charge shall rank subordinate in priority to the security interests of Royal Bank of Canada, and
- b) as to the real property described in Schedule “A”, the Administration Charge shall rank subordinate in interest to the mortgage held by Bank of Montreal in registration no. SC953119.

11. **THIS COURT ORDERS** that except as otherwise expressly provided for in this order, or as may be approved by this Court, the Company and the Individuals shall not grant any Encumbrance over any Company Property or over the real property described in **Schedule “A”** that ranks in priority to, or *pari passu* with, the Administration Charge, unless the Company also obtains the prior written consent of the beneficiaries of the Administration Charge or pursuant to further order of this court.

12. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Administration Charge thereunder shall not otherwise be limited or impaired in any way by:

- a. the pendency of the NOI Proceedings and the declarations of insolvency made;
- b. any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;

- c. the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- d. the provisions of any federal or provincial statutes; or
- e. any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Company or the Individuals, and notwithstanding any provision to the contrary in any Agreement:
 - i. the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Company or the Individuals of any Agreement to which they are a party;
 - ii. none of the beneficiaries of the Administration Charge shall have any liability to any Persons whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
 - iii. the payments made by the Company or the Individuals to the beneficiaries of the Administration Charge, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

13. **THIS COURT ORDERS** that the Administration Charge, to the extent applicable to the Company's leases of real property in Canada, shall only be a charge in the Company's interest in such real property leases.

APPROVAL OF FIRST REPORT

14. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee described in the First Report be and are hereby approved, provided, however, that only the Proposal Trustee in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

THE COMPANY'S OPERATIONS

15. **THIS COURT ORDERS** that the Company shall not permit any of its inventory to leave Canada, and without limiting the generality of the foregoing to go to its affiliate NDG in New Jersey, without first receiving payment in full for any such inventory being sold at cost plus 30% in connection with sales to NDG or to the US.

16. **THIS COURT ORDERS** that the Company shall not sell any inventory out of the ordinary course of business without first obtaining an Order of this Court on notice to the parties, including without limiting the generality of the foregoing Royal Bank of Canada.

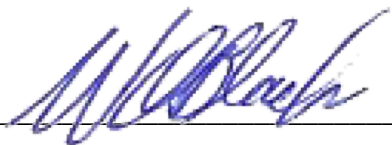
17. **THIS COURT ORDERS** that the Company shall provide to the Proposal Trustee, Royal Bank of Canada and msi Spergel Inc. in its capacity as the consultant engaged by Royal Bank of Canada a weekly variance report in connection with the Company's Revised Cash Flow Forecast as defined in the First Report, commencing April 9, 2024.

GENERAL

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this court, as may be necessary or desirable to give effect to this order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this order.

19. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this order and for assistance in carrying out the terms of this order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

20. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this order without any requirement for issuance and entry; however, the Company shall cause a copy of this order to be issued and entered within a reasonable time.



SCHEDULE "A"

The property known municipally as 2866 20th Sideroad, Beeton, Ontario, L0G 1A0, and legally described as PT LT 20, CON 7 , TECUMSETH AS IN RO826005 ; NEW TECUMSETH bearing PIN 58159-0085 (LT) in Land Registry Office No. 51.

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL TO CREDITORS OF IGLOO
INDUSTRIES GROUP LTD.**

Court File No. BK-24-03046358-0031

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

ORDER

RECONSTRUCT LLP
Royal Bank Plaza, South Tower
200 Bay Street
Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

R. Brendan Bissell (LSO #40354V)
Tel: 416.613.0066
Email: bbissell@reconllp.com

Joel Turgeon (LSO #80984R)
Tel: 416.613.8281
Email: jturgeon@reconllp.com

Fax: 416.613.8290

**Lawyers for Igloo Industries Group
Ltd.**