



Blakes



Restructuring &
Insolvency

January 2025

Blakes Means Business



Overview

The Blakes Restructuring & Insolvency group is recognized as one of Canada's leading domestic and cross-border restructuring practices. We combine our unmatched experience and depth to meet our clients' immediate and critical needs with expert practitioners in each of Canada's four main business centres. As Blakes is a full-service firm, we collaborate with our colleagues across practice areas as needed for each engagement. Our expertise spans across industry sectors, including manufacturing, retail, hospitality, natural resources, commercial real estate and cannabis. Restructuring & Insolvency lawyers provide top-quality coordinated service and effective solutions to our clients' unique and complex challenges wherever the parties or insolvency proceedings are located.

We represent all parties impacted by insolvencies and restructurings, including Canadian and foreign banks and financial institutions, private equity and hedge funds, corporate debtors in domestic and cross-border insolvency proceedings, financial advisory firms that act as court officers, debtor-in-possession (DIP) lenders, and investors in distressed M&A opportunities.

Our insolvency lawyers engage in a broad variety of insolvency litigation and assist clients in a wide range of industries through workouts and restructurings, including under:

- The *Companies' Creditors Arrangement Act* (CCAA)
- The *Bankruptcy and Insolvency Act* (BIA)
- Cross-border recognition proceedings, including in the U.S. and U.K.
- The *Canada Business Corporations Act* (CBCA)

For further information, please contact a member of our team.

Representative Matters

Company/Debtor Engagements

Red Lobster* – Canadian counsel to **Red Lobster** in its CCAA recognition proceedings of its U.S. Chapter 11 proceedings. Red Lobster successfully sold its cross-border business to its senior secured lender for more than US\$275 million through a plan of reorganization. The U.S. confirmation order was recognized in Canada, and all Canadian restaurants remained open following the successful restructuring. (Ontario Court)

LTL Management* – Canadian counsel to **LTL Management**, an affiliate of Johnson & Johnson, in its CCAA recognition proceedings in two consecutive Chapter 11 proceedings (LTL Management, now LLT Management, filed a third Chapter 11 proceeding not recognized in Canada). These high-profile matters involved the interaction of insolvency law and multi-jurisdictional mass-tort and class-action litigation with respect to claims alleging billions of dollars in liability. (Ontario Court)

Flower One Holdings* – Canadian counsel to **Flower One**, in its restructuring under the CCAA. Flower One is a public cannabis company with operations in the U.S. As cannabis is not legal federally in the U.S., the U.S. Bankruptcy Code could not be used to obtain recognition in the U.S. of the order approving the CCAA Plan. To solve this complex problem, Blakes drafted a CCAA Plan that was approved by creditors and the CCAA court, which was conditional on a corporate reorganization in the U.S. (rather than a U.S. Bankruptcy Code reorganization or recognition). (British Columbia Court)

DCL Corporation* – Canadian counsel to **DCL** in its restructuring under the CCAA, completed in coordination with Chapter 11 proceedings of U.S.-based affiliates. The restructuring proceedings resulted in the going-concern sale of

the DCL Group's multi-jurisdictional business to its secured term lender for an aggregate purchase price estimated to be more than US\$162-million. (Ontario Court)

Trevali Mining Corporation – Counsel to **Trevali Mining** in its restructuring under the CCAA. Trevali Mining is a global public base-metals mining company with entities and operations in multiple jurisdictions, including Canada, Namibia and Burkina Faso. This multi-jurisdictional restructuring involved complexities arising from different legal regimes and insolvency processes in the two African countries where the operating mines were located. The proceedings concluded with a going-concern sale of the Namibia mine and a transition of the Canadian and Burkina Faso mines to governmental authorities, resulting in the repayment of more than C\$100-million of secured debt. (British Columbia Court)

Pure Gold Mining Inc. – Counsel to **Pure Gold** in its restructuring under the CCAA. Pure Gold is a publicly listed company with an operating mine in Ontario. In the restructuring, Blakes had to address a variety of complicated environmental, bonding and lien issues. The operations were ultimately sold on a going concern basis through a reverse vesting order. (British Columbia Court)

syncreon Group* – Canadian counsel to the **syncreon Group**, a leading global logistics company, in the CCAA recognition proceedings of its multi-jurisdictional balance-sheet restructuring of over US\$1-billion in funded debt pursuant to a U.K. scheme of arrangement. This was the first-ever recognition of a U.K. scheme of arrangement in Canada pursuant to the CCAA. This deal was recognized by the Turnaround Management Association as the International Company Transaction of the Year in 2020. (Ontario Court)

Dominion Diamond Mines ULC and certain affiliates – Counsel to **Dominion Diamonds** in its restructuring under the CCAA. Dominion Diamonds was one of the most complicated mining assets in North America and the second-largest employer in the Northwest Territories. The CCAA proceedings involved multiple contested hearings and claims of more than US\$1-billion. It concluded in a going-concern sale of the business, including the sale of a key mining venture pursuant to a reverse vesting order. (Alberta Court)

AllSaints USA Limited* – Canadian counsel to **AllSaints** in its coordinated cross-border restructuring proceedings in the UK, Canada and the United States. AllSaints is a U.K.-based fashion brand with over 125 stores and 3,000 employees around the globe. AllSaints commenced company voluntary arrangement (CVA) proceedings in the U.K. that were recognized in Canada. This was the first-ever recognition of CVA proceedings in Canada pursuant to the CCAA. AllSaints was able to use the

proceedings to restructure the terms of its retail leases in the U.K., Canada and the U.S. (Ontario Court)

Carillion Canada Group – Counsel to **Carillion** on all aspects of its Canada-wide restructuring efforts under the CCAA. Blakes assisted Carillion in selling its various business lines to maximize recovery for creditors, including its private-public partnerships, road maintenance service and infrastructure/construction business lines. Each going-concern sale of a business line was a stand-alone, multimillion-dollar transaction. (Ontario Court)

Lightstream Resources Ltd. – Counsel to **Lightstream** in its restructuring under the CCAA and its successful defence of certain unsecured bondholders' attempts to have their unsecured claims recognized as secured claims based on unproven allegations of oppression, breach of contract and misrepresentation. Lightstream was a public company with over C\$1.2-billion in debt. After a discontinued attempt to complete a CBCA restructuring, Lightstream completed a going-concern credit bid sale in the CCAA proceedings. (Alberta Court)

Jupiter Resources, Inc. and certain affiliates – Counsel to **Jupiter**, in its restructuring under the CBCA. Jupiter was an independent exploration and production company focused on natural gas properties. The effect of the arrangement was the elimination of the principal amount of US\$1.1-billion of Jupiter's notes and the associated annual cash interest payments of US\$93.5-million. (Alberta Court)

Bloom Lake Group and Wabush Group – Counsel to **Bloom Lake and Wabush** in their restructuring under the CCAA. Before being idled, the Bloom Lake Mine, which was located in Quebec, was majority-owned by the Bloom Lake Group, the fifth-largest iron ore exporting basin in the world at the time. The Bloom Lake Mine, the Wabush/Scully Mine in Newfoundland and Labrador and a port facility in Quebec were successfully sold to purchasers in a series of transactions. A unique and complex CCAA plan was approved, settling significant claims, including pension and employee-related claims of over C\$155-million. (Quebec Court)

Secured Lender/DIP Lender Engagements

Alderbridge Way – Counsel to the **senior lender and DIP lender** owed C\$190-million, in the CCAA proceedings of Alderbridge Way, a proposed seven-tower, high-density, mixed-used construction project on a 2.5-acre site in Richmond, British Columbia. As a result of building-code and development changes, the project required significant professional expertise and funding to obtain necessary permitting. (British Columbia Court)

Structurlam Mass Timber* - Canadian Counsel to the **senior lender and DIP lender** in the U.S. Chapter 11 and CCAA recognition proceedings of the Structurlam group, a manufacturer of mass timber and ground protection solutions for construction and industrial use. The stalking horse agreement and bid procedures approved by the Court ultimately resulted in the sale of Structurlam's assets for proceeds well over the stalking horse bid and repayment in full of the senior lender's debt. (British Columbia Court)

IE CA 3 Holdings Limited (IEL) – Counsel to a **leading New York-based cryptocurrency financier** in the receivership proceedings of two Canadian subsidiaries of Australian public company cryptocurrency miner IEL. This case is the first significant receivership involving cryptocurrency miners in Canada and required Blakes to use conventional personal property security law to obtain an order for a new category of collateral (cryptocurrency) regarding its client's US\$114-million claim. (British Columbia Court)

Yellow Corporation* – Counsel to the **junior DIP lender** in CCAA recognition proceedings of Yellow's U.S. Chapter 11 proceedings. The junior DIP lender provided a subordinated lending facility behind the senior ranking DIP lenders and existing pre-filing lenders to support the multi-jurisdictional transportation company's orderly wind-down of its business and assets in both the U.S. and Canada. This unique and unprecedented structure required definitive agreements to have equal effect in both countries. (Ontario Court)

Groupe Sélection – Counsel to **various secured lenders** owed C\$215-million in the unique creditor-driven CCAA proceedings of Groupe Sélection, the largest privately held corporation involved in senior housing in Canada and employing more than 3,000 people. (Quebec Court)

BRON Media Corp. – Counsel to a **secured lender** in the proceedings of the BRON Group, including successfully opposing a proposed credit bid transaction that would have extinguished the secured creditor's claims against certain of the BRON entities without compensation. (British Columbia Court)

Stuart Olson Construction Ltd. – Counsel to **the senior lenders** in Stuart Olson's acquisition by Bird Construction Inc., pursuant to an arrangement agreement under the Business Corporations Act (Alberta) for aggregate consideration of C\$96.5-million. This deal was recognized by the Turnaround Management Association as the Large Company Transaction of the Year in 2021. (Alberta Court)

Invictus MD Strategies Corp. and certain affiliates – Counsel to **the senior lender and DIP lender** in the CCAA proceedings

of Invictus and certain affiliates, including Acreage Pharms Ltd., a producer of cannabis products and holder of certain cannabis sales and processing and cultivation licences with Health Canada. The Invictus Group successfully exited the CCAA proceedings through a subscription agreement and plan of compromise and arrangement regarding over C\$20-million in debt. The plan was approved by all affected creditors and the Court. Exit financing was provided by the DIP lender. (British Columbia Court)

Bumble Bee Group (Clover Leaf)* – Canadian counsel to **the senior lender and DIP lender** in the CCAA and U.S. Chapter 11 proceedings of Bumble Bee Group. Bumblebee was one of North America's leading suppliers of shelf-stable seafood and was sold as part of a going-concern sale in the insolvency proceedings for approximately US\$925-million. (Ontario Court)

Hollander Sleep Products* – Canadian counsel to **the term agent** in the U.S. Chapter 11 and CCAA recognition proceedings of Hollander Group, a leading manufacturer in the bedding products market. The ultimately approved plan included a "toggle" feature allowing the Hollander group to switch from a debt-to-equity swap to an asset sale. The plan resulted in payment in full of the approximately US\$174-million term loan debt. (Ontario Court)

Redwater Energy Corporation – Counsel to **the senior lender** in the receivership proceedings of Redwater, a junior oil and gas producer. The Redwater proceedings included a precedential decision of the Supreme Court of Canada regarding the priority of abandonment and reclamation obligations. (Alberta and Supreme Court of Canada)

Bellatrix Exploration Ltd. – Counsel to **the senior lenders** in the CBCA and CCAA proceedings of Bellatrix, an oil and gas exploration company with secured debt of more than C\$320-million. Blakes advanced support for the sale of Bellatrix's assets over the objections of the second-lien noteholders and defended the senior lenders' priority claims against claims of counterparties to two statutorily "safe-harboured" derivatives agreements. (Alberta Court)

Toys "R" Us Canada* – Counsel to **the DIP agent** in the CCAA and U.S. Chapter 11 proceedings of Toys "R" Us Canada and its larger corporate family. The DIP lenders provided a US\$2.3-billion DIP facility to Toys "R" Us Canada and its U.S. parent. Toys "R" Us Canada, the largest dedicated toy and baby products retailer in Canada, successfully sold its business as a going concern. (Ontario Court)

Groupe Huot – Counsel to **various secured lenders** owed over C\$262-million in connection with the insolvency of Groupe

Huot, owner of over a dozen multi-residential complexes and commercial real estate properties throughout Quebec. (Québec Court)

Sanjel Restructuring – Canadian counsel to **the lending syndicate** in the cross-border (CCAA and Chapter 15 of the of the United States Bankruptcy Code) restructuring proceedings of the Sanjel Group, a privately owned oilfield services group. Successful negotiations between the parties resulted in the sale of two key business units of the debtor within four weeks of the initial CCAA order over objections from subordinate creditors in both the Canadian and U.S. proceedings. (Alberta Court)

North American Fur Auctions Inc. – Counsel to **the senior lenders** in the CCAA proceedings of North American Fur Auctions and its Canadian, U.S., Dutch and Polish affiliates (NAFA). NAFA was the world's oldest and largest fur auction house and, at the time of the CCAA filing, was only one of three fur auction houses remaining in the world. In addition to providing auction services to its suppliers, NAFA also provided "kit loan" financing to mink farmers across North America and Europe pursuant to a series of complex arrangements. After a wind-down of operations and sales of its various assets, NAFA implemented a CCAA plan to complete the wind-down of its fur auction and kit loan businesses and facilitate recoveries to unsecured creditors. (Ontario Court)

Vari-Form Inc. – Counsel to **the senior lenders** in the CCAA proceedings of Vari-Form, a manufacturer and supplier of hydroformed components to original equipment manufacturers, including Fiat Chrysler Automotive (FCA) and other customers, in the automotive light vehicle, commercial vehicle, industrial, marine and agricultural markets. Through related entities, FCA submitted a successful stalking horse bid as part of the sale process and provided the DIP financing. (Ontario Court)

Ted Baker North America and Brooks Brothers Canada – Counsel to the **senior secured lender and DIP lender** owed in excess of US\$31.6-million at the time of filing in the cross-border CCAA and Chapter 15 proceedings of Ted Baker North America, Brooks Brothers Canada and Lucky Brand Jeans. Operating out of 25 retail store locations in Canada and 34 retail locations across the U.S., the debtor companies experienced a number of challenges affecting retail businesses, including constrained liquidity and supply chain issues, requiring a carefully devised process to monetize their inventory in an orderly and controlled fashion. (Ontario Court)

Laurentian University – Counsel to the **single largest creditor** of Laurentian University owed in excess of C\$100-million and a key participant in its restructuring plan. This matter was

unprecedented as it was the first time in Canadian history that a public university filed for protection under the CCAA. With more than 9,000 students, the university had claims exceeding C\$350-million. The Court ordered an innovative and novel CCAA inspector review process for material claims with a representative of the largest creditor serving as an inspector. (Ontario Court)

Gross & Victoria, et al. – Counsel to both the appointing **senior secured lender** owed in excess of C\$90-million and the **court-appointed receiver** in connection with receivership proceedings involving 10 parcels of land throughout Ontario totalling more than 20 acres and 381,000 square feet in nine medical office buildings in tertiary Ontario markets that were of core importance to their communities. These proceedings resulted in the going-concern sale of all nine medical office buildings through a global divestiture and monetization strategy devised under court supervision aimed at monetizing this niche and widespread collateral during challenging industry conditions due to the COVID-19 pandemic. (Ontario Court)

Court Officer Engagements

JTI-Macdonald Corp. (JTIM) – Counsel to **the court-appointed monitor** in the CCAA proceedings of JTIM, including playing a central role in developing a structured settlement to resolve over half-a-trillion dollars of litigation claims that, if implemented, will restructure Canada's entire tobacco industry. (Ontario Court)

Port Capital Group – Counsel to **the court-appointed monitor** in the CCAA proceedings of Port Capital, in respect of a high-rise luxury residential strata development in Vancouver that was sold to a new purchaser after a sales process and multiple appeal proceedings. (British Columbia Court)

Coalspur Mines (Operations) Ltd. – Counsel to **the court-appointed monitor** in the CCAA proceedings of Coalspur, a coal development company with a large operating mine in Alberta, with liabilities in excess of C\$550-million. The CCAA plan resulted in payment of secured creditors and significant recoveries to unsecured creditors. (Alberta Court)

Voyager Digital Ltd.* – Counsel to **the court-appointed information officer** in the CCAA recognition proceedings of crypto asset brokerage firm, Voyager Digital. Blakes played a central role in the recognition of key steps in the Chapter 11 case, including the U.S. bidding procedures, and the confirmation order for the Voyager plan and disclosure statement. (Ontario Court)

Petrolama Energy Canada Inc. – Counsel to **the proposal trustee** to Petrolama in its successful multi-jurisdictional restructuring of its debt and oil and gas operations through a stalking horse BIA proposal approved by creditors and the court. (Alberta Court)

BOS Solutions Ltd. and certain affiliates* – Canadian counsel to **the court-appointed receiver and foreign representative** in the cross-border receivership proceedings of the BOS Group, a drilling support services provider. Following a failed pre-filing sale process, Blakes coordinated and advanced a sale of the BOS Group's assets in a cost-effective and timely basis during the initial stages of the COVID-19 pandemic and resulting health restrictions. (Alberta Court)

Urbancorp (Leslieville) Developments Inc., Urbancorp (The Beach) Developments Inc. and Urbancorp (Riverdale) Developments Inc. – Counsel to **the court-appointed receiver and manager and construction trustee** of the Urbancorp Group. Construction projects were financed during the proceedings, and the sale of residential condominium properties was concluded. This resulted from a multi-party settlement among key stakeholders, including pre-receivership condominium purchasers. (Ontario Court)

Express Fashion Canada – Counsel to **the court-appointed monitor** in the structured and coordinated wind-down under the CCAA of Canadian retail operations of apparel retailer Express Fashion Canada. (Ontario Court)

Square Candiac – Counsel to **the court-appointed monitor** in the restructuring of Square Candiac, a C\$600-million multi-purpose real estate development located on Montreal's South Shore. (Quebec Court)

Special Situations

David's Bridal* – Canadian counsel to **the purchaser** in the CCAA recognition proceedings of David's Bridal's U.S. Chapter 11 proceedings. The transaction involved a unique no-cash deal, including a credit bid and assumption of liabilities, requiring resolution of claims with landlords and other stakeholders in multiple jurisdictions, including the U.S., Canada and the U.K. (Ontario Court)

Repsol Oil & Gas Inc. – Counsel to **the landlords**, the holders of the largest single quantified claim, in the unique CBCA liquidation proceedings of Repsol Canada, which was completed on an expedited basis to take advantage of a one-time tax benefit to the parent under Spanish law. (Alberta Court)

Instant Brands Inc.* – Canadian counsel to **the purchaser** in the CCAA recognition proceedings of Instant Brands' U.S. Chapter 11 proceedings. The transaction involved the multi-jurisdictional acquisition of the Appliance Division of the Instant Brands group, maker of such iconic consumer lifestyle brands as Instant Pot, Correlle, Pyrex, CorningWare, Visions and Chicago Cutlery at a purchase price of more than US\$122-million. (Ontario Court)

North American Lithium – Counsel to **Piedmont Lithium** in the CCAA proceedings of North American Lithium. Piedmont is one of the partners in the consortium that acquired the shares of North American Lithium through a contested reverse vesting order transaction in North American Lithium's CCAA proceedings. (Quebec Court)

FIGR Brands Group of Companies – Counsel to **the purchaser** of the business of cannabis company, Canada's Island Garden Inc. (CIG), pursuant to a reverse vesting order granted in the CCAA proceedings of CIG and other members of the FIGR Brands group of companies. (Ontario Court)

Cantrust Holdings Inc. – Counsel to **the former auditor** of cannabis company CannTrust, in successfully opposing a CCAA plan that did not properly respect the rights of the auditor as a non-settling co-defendant in a complex multi-party class-action lawsuit by certain security holders of CannTrust. (Ontario Court)

Sears Canada Inc. – Counsel to **the plan administrator** of the Sears Canada Inc. Registered Pension Plan in a complex, multi-party mediation conducted in Sears Canada's CCAA proceedings. The mediation led to a settlement of pension priority litigation and terms of support by pension claimants of a CCAA plan, providing for the distribution of proceeds. Blakes was also involved in litigation commenced against officers and directors for wrongful conduct that resulted in a successful settlement. (Ontario Court)

Pengrowth Energy Corporation – Counsel to **Cona Resources Ltd.** the largest privately-owned heavy oil producer in North America, in all aspects of its approximately C\$740-million acquisition of Pengrowth by way of a plan of arrangement under the Business Corporations Act (Alberta). (Alberta Court)

Target Canada – Counsel to **the largest group of suppliers** to Target in its wind down under the CCAA. With the support of a court-appointed Consultative Committee of senior practitioners which included Blakes representation, Target Canada entities ultimately submitted a liquidation plan that received the unanimous support of creditors. (Ontario Court)

Canada North Group Inc. – Counsel to **The Insolvency Institute of Canada (IIC)**, as intervener before the Alberta Court of Appeal and the Supreme Court of Canada in a case of first impression dealing with the priority of Crown claims for unremitted source deductions (i.e. payroll taxes) and the court’s jurisdiction to grant charges pursuant to the CCAA in priority to such Crown claims. The IIC successfully intervened to ensure the priority of CCAA charges was upheld. (Alberta Court of Appeal and Supreme Court of Canada)

Lynx Air – Counsel to **almost all the aircraft and engine lessors** in the CCAA proceedings of Lynx Air. This marked the first time that Alternative A to the Cape Town Convention was tested and followed under the CCAA and required careful coordination in both Canada and the U.S. to ensure high-value aircraft and attendant records were safeguarded, minimally impacted by the CCAA proceedings and ultimately released to lessors in accordance with Alternative A. (Alberta Court)

Canada Jetlines – Counsel to **all the aircraft lessors** in the proposal and, thereafter, the bankruptcy proceedings of Canada Jetlines. Given the rapid deterioration of Canada Jetlines’ business and failed proposal proceedings, proactive participation in its insolvency proceedings was required to ensure high-value aircraft and attendant records were quickly released to the lessors. (Ontario Court)

*Cross-border mandates

Awards and Recognition:

Our members are consistently recognized by clients and peers as leaders in restructuring and insolvency law in the most recent editions of the following leading publications:

- *Chambers Global: The World's Leading Lawyers for Business*
- *Chambers Canada: Canada's Leading Lawyers for Business*
- *The Canadian Legal Expert Directory*
- *The Expert/American Lawyer Guide to the Leading 500 Lawyers in Canada*
- *The Expert Guide to the Leading US/Canada Cross-Border Corporate Lawyers in Canada*
- *The Legal 500 Canada*
- *Global Restructuring Review's GRR 100*
- *Benchmark Canada: The Definitive Guide to Canada's Leading Litigation Firms and Attorneys*
- *IFLR1000: The Guide to the World's Leading Financial Law Firms*
- *Lexology Index: Insolvency & Restructuring*
- *Lexology Index: Canada*
- *The Best Lawyers in Canada*



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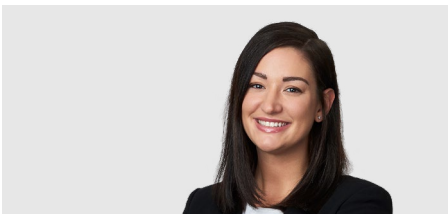
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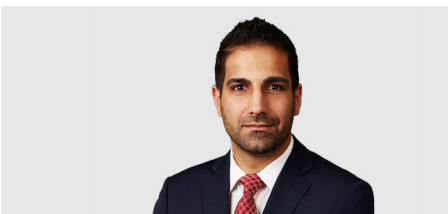
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