



ONTARIO SUPERIOR COURT OF JUSTICE
(BANKRUPTCY LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: BK-23-00459641-0031 DATE: February 23, 2024

NO. ON LIST: 2

TITLE OF PROCEEDING: **INTEGRO BUILDING SYSTEMS INC et al**

BEFORE JUSTICE: **MR. H.J JUSTICE WILTON-
SIEGEL**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

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For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT:

The Trustee seeks approval of a sale transaction (the "Transaction") in respect of certain assets of the Bankrupt contemplated by an asset purchase agreement (the "APA") between the Trustee as vendor and State Window Corporation ("State" or the "Purchaser") as purchaser dated as of January 24, 2024, and certain ancillary relief.

The Trustee is of the view that the transaction with State is the best offer received in the sales process and should be approved for the following reasons: (1) the solicitation of offers was sufficiently thorough given the time of year, the time available to the Trustee since entering into an Administrative Agreement with the CRA, and the value of the assets being offered for sale; (2) the Trustee has conducted a fair and transparent marketing process and has invited all potential buyers to submit their best offers for the assets; the Trustee has not received any materially higher or better offers than State's offer, which indicates in the Trustee's view that the market value of the assets is reflected in State's offer; (3) there is a limited pool of buyers who are in the same or similar business as the Company and therefore additional marketing efforts are unlikely to result in a better financial outcome; (4) State's offer provided for a higher net recovery than the other offers, with the liquidation offers requiring the Trustee to incur additional costs of occupation, etc.; (5) State's offer is more certain than the liquidation offers, as it does not depend on the outcome of the sale of the assets in the open market, which could be affected by the state of the real estate and construction sector, the demand and supply of the assets, and the timing and location of the sale; (6) there were multiple bids for the assets, both from parties within the industry and from reputable liquidators, all of which indicates a commercially reasonable result in the circumstances; (7) the inspector of the Estate approved/authorized the offer and directed the Trustee to complete the Transaction; and (8) the CRA, as the holder of the deemed trust claim in first priority over these assets and who, at the present time, is expected to suffer a shortfall based on current and expected known realizations, is supportive of the Transaction.

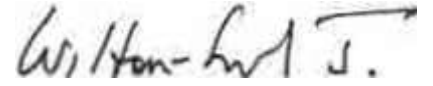
I accept and adopt these reasons as the basis for approval of the Transaction. To the extent that it is appropriate to apply the criteria in *Royal Bank of Canada v. Soundair Corp.*, I am satisfied that such criteria have been satisfied. The Trustee made a sufficient effort to market the assets. The assets were widely marketed to 38 potential buyers, there were 14 visits to view the assets, the Trustee received 19 offers for a combination of cash and liquidation. While the purchase price under the State offer was slightly less than the highest offer, the difference was modest, and the State offer was essentially free of conditions. There is no evidence in the record of any unfairness in the process or that the sales process lacked integrity. While there are common shareholders between the Company and State, the Trustee has been advised that the common shareholdings in State do not amount to "control" for the purposes of the definition of "related parties" under s. 4(2)(c) of the *Bankruptcy and Insolvency Act*. In the absence of any evidence to the contrary I have proceeded on such basis. In any event, the outcome of the sales process provides comfort that the sales price represents market value for the assets. Lastly, the CRA, who are likely to suffer a deficiency, have approved the sale.

In connection with the Transaction, the Trustee also seeks an order sealing the Confidential Appendices to the Trustee's First Report pending the closing of the Transaction. This relief is granted given the commercially sensitive nature of the contents pending closing.

Accordingly, an order shall issue in the form attached approving the Transaction, a vesting order giving effect to the Transaction and the sealing order described above.

The Trustee has also brought a motion seeking an order which, among other things: (a) approves the Trustee's First Report and the activities described therein; and (b) approves the fees and disbursements of the Trustee and its counsel. The Trustee's motion is adjourned to be scheduled at a case conference at 9:30am on March 8, 2024 (1/2 hr.) If the Royal Bank of Canada wishes to bring a motion for a further adjournment of the Trustee's motion, it must serve and file its motion record prior to noon on March 4, 2024. Any such motion record shall

set out the evidence upon which the Royal Bank relies, and the specific terms of the order sought. The parties shall file any Aide Memoire for the case conference, not exceeding five pages in length, by noon on March 7, 2024.

A handwritten signature in black ink, appearing to read "Wilton-Siegel J.", with a horizontal line extending to the right from the end of the signature.

WILTON-SIEGEL J.

February 23, 2024