

Court File No.: CV-22-00691990-00CL

***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 1000156489 ONTARIO INC.

**SEVENTH REPORT OF THE MONITOR**  
**ALVAREZ & MARSAL CANADA INC.**

**DECEMBER 1, 2023**

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**Appendix “B”** – Wind-Up Order in respect of the Hourly DB Plan dated October 18, 2023

**Appendix “C”** – Wind-Up Order in respect of the Salaried DB Plan dated October 18, 2023

## 1.0 INTRODUCTION

- 1.1 On December 20, 2022 (the “**Petition Date**”), 1000156489 Ontario Inc. (f/k/a DCL Corporation) (the “**Applicant**”) obtained an initial order (the “**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings commenced thereby are referred to herein as the “**CCAA Proceedings**”. Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. (“**A&M**”) as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”).
- 1.2 In connection with the CCAA Proceedings, A&M, then in its capacity as proposed monitor, filed the Pre-Filing Report of the Proposed Monitor dated December 20, 2022 (the “**Pre-Filing Report**”). The Monitor has provided to this Court six reports (collectively and together with the Pre-Filing Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents in the CCAA Proceedings are available on the Monitor’s case website at: [www.alvarezandmarsal.com/DCLCanada](http://www.alvarezandmarsal.com/DCLCanada) (the “**Case Website**”).<sup>1</sup>
- 1.3 The Applicant is a subsidiary of its U.S. parent, H.I.G. Colors Inc. (“**Holdings**”), a direct wholly-owned subsidiary of the ultimate corporate parent, H.I.G. Colors Holdings, Inc. (“**HIG Colors Holdings**”) and, together with Holdings and its direct and indirect subsidiaries, including the Applicant and its subsidiaries, the “**DCL Group**”).
- 1.4 The CCAA Proceedings were commenced as part of a larger coordinated restructuring of the DCL Group. On the Petition Date, HIG Colors Holdings and certain of its U.S.-based

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<sup>1</sup> Materials filed in connection with the Chapter 11 Proceedings are available at: <https://cases.ra.kroll.com/DCL>

subsidiaries (collectively, “**DCL US**” or the “**Chapter 11 Debtors**”)<sup>2</sup> each filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”, and such proceedings, the “**Chapter 11 Proceedings**”, and together with the CCAA Proceedings, the “**Restructuring Proceedings**”). On December 22, 2022, the U.S. Bankruptcy Court granted a number of “first day orders” in the Chapter 11 Proceedings.

- 1.5 On December 29, 2022, the Applicant obtained an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) that, among other things, approved the DIP Facility and the Final DIP Credit Agreement, and extended the Stay Period (each as defined in the Amended and Restated Initial Order).
- 1.6 As described in the Prior Reports, the DCL Group conducted a sales process in the Restructuring Proceedings that culminated in a transaction (the “**Transaction**”) with Pigments Holdings, Inc. (“**Pigments**”), an affiliate of the prepetition term loan lenders to the Applicant and DCL US. On March 29, 2023, this Court issued an Order (the “**Approval and Vesting Order**”), which, among other things, approved the Transaction. The Transaction closed on April 14, 2023.
- 1.7 On May 8, 2023, this Court issued an Order (the “**Expansion of Monitor’s Powers Order**”), which, among other things: (i) granted the Monitor the Expanded Powers (as defined and described in the Monitor’s fifth report dated May 3, 2023 (the “**Fifth Report**”)), expanding the powers of the Monitor to, among other things, oversee the wind-

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<sup>2</sup> The Chapter 11 Debtors are: HIG Colors Holdings, Holdings, DCL Holdings (USA), Inc., DCL Corporation (USA) LLC, DCL Corporation (BP), LLC, and Dominion Colour Corporation (USA).

down activities of the Applicant; and (ii) changed the style of cause in these CCAA Proceedings.

1.8 On June 20, 2023, this Court issued an Order (the “**Claims Procedure Order**”), which, among other things: (i) granted the claims procedure (the “**Claims Procedure**”) by which creditors may file claims against the Applicant, or against the Applicant’s Directors or Officers, as applicable; and (ii) extended the Stay Period until and including December 31, 2023.

1.9 The purpose of the seventh report of the Monitor (this “**Seventh Report**”) is to provide this Court with information regarding the following:

- (i) an update with respect to the CCAA Proceedings since the Monitor’s sixth report dated June 14, 2023 (the “**Sixth Report**”), attached hereto (without appendices) as **Appendix “A”**;
- (ii) an update on the Claims Procedure;
- (iii) the Monitor’s motion for an Order to extend the Stay Period until and including June 30, 2024 (the “**Stay Extension Order**”);
- (iv) the activities of the Monitor since the date of the Sixth Report; and
- (v) the Monitor’s conclusions and recommendations in connection with the foregoing, as applicable.

## 2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Seventh Report, A&M, in its capacity as Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicant and the DCL Group (collectively, the “**Information**”). Except as otherwise described in this Seventh Report:

- (i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Seventh Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Seventh Report was prepared based on the Applicant’s and the Chapter 11 Debtors’ estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections, even if the assumptions materialize, and the variations could be significant.

2.3 Unless otherwise stated, all monetary amounts contained in this Seventh Report are expressed in Canadian dollars (“CAD”). Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Second Amended and Restated Sale Agreement dated as of March 28, 2023, between the Applicant, DCL US and Pigments (as appended to the Fifth Report).

### 3.0 UPDATES SINCE THE DATE OF THE SIXTH REPORT

#### Registered Pension Plans

3.1 As described in the Fifth Report and Sixth Report, the Applicant is the sponsor of the following registered pension plans: (i) the Salaried DC Plan; (ii) the Hourly DC Plan; (iii) the Hourly DB Plan; (iv) the Salaried DB Plan; and (v) the Pension Plan for the Employees of Monteith Inc. registered under the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada) with registration number 1046994 (the “**Monteith Plan**”, and together with the aforementioned plans, the “**Canadian Pension Plans**”). The Canadian Pension Plans were not assumed by Pigments as part of the Transaction.

3.2 On October 18, 2023, Wind-Up Orders were issued by the Financial Services Regulatory Authority of Ontario (“**FSRA**”) in respect of the Hourly DB Plan and Salaried DB Plan, effective April 14, 2023. A copy of the Wind-Up Orders are attached hereto as **Appendices “B” and “C”**.

3.3 As discussed in the Fifth Report and Sixth Report, if, after the liabilities of the Hourly DB Plan or the Salaried DB Plan are settled and surplus assets remain, such assets will be allocated in accordance with each such plan’s governing documents or as may otherwise be agreed with the Applicant’s plan members or as ordered by the Court.

- 3.4 As noted in the Supplement to the Fourth Affidavit of Scott Davido sworn March 28, 2023, based on actuarial calculations, as of December 31, 2022, the Salaried DB Plan was in a surplus position in the amount of approximately \$3.49 million, and the Hourly DB Plan was in a surplus position in the amount of approximately \$1.56 million, in each case calculated on a solvency/wind-up basis.
- 3.5 Since the Sixth Report, the Applicant's pension counsel and Monitor's pension counsel have continued to work with the Applicant to locate documents that may be relevant to surplus entitlement. The documents are needed to assess whether the Applicant or the plan members are entitled to the surplus. This assessment, as required by FSRA, includes conducting a historical legal analysis of entitlement to surplus based on the terms of all pension plan documents since the applicable plan's inception that may be relevant to surplus entitlement. The process of obtaining plan documents has been challenging given that the Salaried DB Plan and the Hourly DB Plan are older pension plans which were originally established in 1977 and 1978, respectively.
- 3.6 Based on the Applicant's and the Monitor's pension counsel's review of available information and documents regarding the Hourly Plan, the Applicant, in coordination with the Monitor, expects to prepare an application to FSRA that entitlement to any surplus in the Hourly Plan resides with the Applicant and to distribute the surplus in the Hourly DB Plan accordingly. The entitlement to any surplus, and the distribution of such surplus, is subject to the review, oversight and consent of FSRA.
- 3.7 Although the Applicant and Monitor will request that FSRA review the surplus application as soon as possible after submission, the Monitor understands that it could take several

months for FSRA to review an application for surplus and make a determination on such application once it is submitted.

- 3.8 The relevant documents for the Salaried DB Plan have been more challenging to gather. Applicant's counsel has made significant efforts to locate the relevant documentation, including making requests for disclosure from the applicable regulators, as well as current and former third-party consultants. While some documentation has been located, there remains material gaps in the documents located for the Salaried DB Plan. The Applicant and the Monitor are considering options in light of this. As is the case with the distribution of the Hourly DB Plan, the entitlement to any surplus, and the distribution of such surplus, is still subject to the review, oversight and consent of FSRA.

Amounts Received by the Monitor on Closing

- 3.9 As described in the Sixth Report, the Monitor received the following amounts from Pigments upon the closing of the Transaction:
- (i) the Canadian Designated Amount Portion of USD\$575,000 (\$753,000);
  - (ii) the CCAA Cash Pool of USD\$750,000; and
  - (iii) USD\$1,442,134.50 in respect of the amount of HST potentially exigible on the Transaction, to be held by the Monitor on behalf of DCL US, in trust (the "**HST Balance**").

*Canadian Designated Amount Portion*

- 3.10 The Canadian Designated Amount Portion was established to pay all remaining costs, professional fees and other amounts in connection with the completion of the CCAA Proceedings and the wind-down of the Applicant.
- 3.11 As of the date of this Seventh Report, approximately \$718,000 of professional fees and costs incurred in connection with the completion of the CCAA Proceedings and the wind-down of the Applicant have been paid, leaving approximately \$35,000 of the Canadian Designated Amount Portion remaining in the Monitor's trust account.
- 3.12 The Applicant has continued to file monthly HST returns and, as of the date of this Seventh Report, has a receivable of approximately \$93,000 in HST refunds for the April 2023 to October 2023 period. The Canada Revenue Agency (the "CRA") has an ongoing audit of the Applicant's HST account relating to the post-filing period, and the refund is currently being held by the CRA until the audit has been completed. The Monitor continues to assist the Applicant to address the CRA's audit requests.
- 3.13 The Monitor expects to use the remaining Canadian Designated Amount Portion and the cash to be received from any HST refunds to fund the professional fees to be incurred for final wind-down tax-related and pension related work and, any remaining restructuring professional fees with respect to the Monitor, the Monitor's legal counsel, and the Applicant's legal counsel.

*CCAA Cash Pool*

- 3.14 As of the date of this Seventh Report, the entire balance of the CCAA Cash Pool continues to be held by the Monitor for the benefit of the Applicant's estate in the CCAA

Proceedings, including any costs to administer the CCAA Proceedings. The Monitor anticipates using a small portion of this balance in order to administer and finalize the Claims Procedure. The Monitor does not anticipate these costs to be greater than \$100,000.

#### *HST Balance*

- 3.15 The Monitor understands from Pigments that DCL US and Pigments, with the assistance of its tax advisors, jointly filed a GST44 tax election form by the appropriate deadline such that DCL US's sale of its business to Pigments was not subject to HST. The Monitor and its legal counsel are reviewing correspondence provided by Pigments in respect of same. The Monitor and its legal counsel continue to engage with Pigments and its tax advisors regarding the potential return of the HST Balance.

## **4.0 UPDATE ON THE CLAIMS PROCEDURE**

### Overview

- 4.1 Capitalized terms used but not defined in this section of this Seventh Report have the meaning ascribed to them in the Claims Procedure Order.
- 4.2 On June 20, 2023, the Court granted the Claims Procedure Order approving the Claims Procedure for the identification, quantification, and resolution of claims of certain creditors of the Applicant and the Applicant's current and former Directors and Officers as at the date of the Initial Order.
- 4.3 Pursuant to the Claims Procedure Order, the deadline for the filing of:
- (i) Pre-filing Claims and Director / Officer Claims was August 18, 2023 (the "**Claims Bar Date**"); and

- (ii) Restructuring Period Claims was the later of: (a) 30 days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim; and (b) the Claims Bar Date.

Summary of Claims Filed

- 4.4 As of the Claims Bar Date, the Monitor received 170 Proofs of Claim (including 164 Proofs of Claim relating to unsecured Pre-filing Claims and six Proofs of Claim relating to unsecured Restructuring Period Claims) totalling approximately \$40.2 million of asserted Claims against the Applicant. No Director / Officer Claims were received by the Monitor.
- 4.5 The Monitor notes that the Union filed six Proof of Claims on behalf of all Unionized Employees, including one Proof of Claim for termination and severance and five Proof of Claims related to other grievances. Several Unionized Employees submitted duplicate claims with the Monitor for termination and severance and the Monitor has taken into account the higher of the claimed amount between the employee and the Union with respect to the duplicate claim.
- 4.6 A summary of filed Claims as of the date of this Seventh Report is provided in the table below. The Monitor's review is ongoing and the following information is intended for informational purposes only and is subject to change.

<b>Summary of Claims Filed</b>		
<i>CAD \$000's</i>		
<b>Claim Type</b>	<b>#</b>	<b>Amount<sup>3</sup></b>
Prefiling Claims	164	\$ 40,118
Restructuring Period Claims	6	96
Director / Officer Claims	-	-
<b>Total</b>	<b>170</b>	<b>\$ 40,214</b>

Status of Review and Assessment of Claims against the Applicant

4.7 The following is a summary of the claims reviewed as at the date of this Seventh Report:

- (i) 112 Claims, totalling approximately \$18.2 million, have been admitted as filed;
- (ii) 54 Claims were subject to a Notice of Revision or Disallowance (“**NORD**”), which were issued by the Monitor and the time for Claimants to respond by way of a Notice of Dispute has expired. The 54 NORDs issued to date represent a total allowed amount of approximately \$12.6 million in the aggregate, and represent a total of approximately \$3.5 million in disallowed claims;
- (iii) 2 Claims totalling approximately \$136,000 were filed and subsequently withdrawn by the Claimant<sup>4</sup>; and
- (iv) 2 Pre-filing Claims are subject to ongoing review and adjudication by the Monitor, including: (a) one claim in the amount of approximately \$3.75 million for wrongful termination filed by a former employee; and (b) one claim in the amount of

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<sup>3</sup> Claims in a foreign currency are converted to CAD at the Bank of Canada daily average exchange rate in effect on the Petition Date.

<sup>4</sup> Withdrawn claims are reflected as an Adjustment in the summary table.

approximately \$80,000 for payroll source deductions filed by the CRA (collectively, the “Unresolved Claims”).

<b>Status of Claim Review</b>						
<i>CAD \$000's</i>						
<b>Claim Type</b>	<b>Claims as Filed</b>		<b>Adjustments</b>		<b>Accepted</b>	
	<b>#</b>	<b>Amount</b>	<b>#</b>	<b>Amount</b>	<b>#</b>	<b>Amount</b>
<i>Resolved Claims</i>						
Prefiling Claims	162	\$ 36,289	55	\$ (3,574)	158	\$ 30,719
Restructuring Period Claims	6	96	1	(22)	5	74
Director / Officer Claims	-	-	-	-	-	-
<b>Total Resolved Claims</b>	<b>168</b>	<b>\$ 36,385</b>	<b>56</b>	<b>\$ (3,596)</b>	<b>163</b>	<b>30,793</b>
<i>Unresolved Claims</i>						
Prefiling Claims	2	\$ 3,830	-	\$ -	-	\$ -
Restructuring Period Claims	-	-	-	-	-	-
Director / Officer Claims	-	-	-	-	-	-
<b>Total Unresolved Claims</b>	<b>2</b>	<b>\$ 3,830</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Total Claims Filed</b>	<b>170</b>	<b>\$ 40,214</b>	<b>56</b>	<b>\$ (3,596)</b>	<b>163</b>	<b>\$ 30,793</b>

Illustrative Estimated Creditor Recoveries

4.8 The Monitor has prepared an illustrative range of estimated recoveries based on information available as at the date of this Seventh Report (the “**Illustrative Recoveries Analysis**”):

<b>Illustrative Recoveries Analysis</b>	
<i>CAD \$000's</i>	
CCAA Cash Pool (USD\$750,000) <sup>5</sup>	\$ 1,036
Less: Estimated Cost to Complete Claims Procedure	(100)
Remaining CCAA Cash Pool for Distribution	\$ 936
<b>Low:</b>	
Resolved Claim Amount	\$ 30,793
Unresolved Claims Amount as Filed	3,830
Total Claim Amount	\$ 34,623
<b>Illustrative Recovery (Low)</b>	<b>2.7%</b>
<b>High:</b>	
Resolved Claim Amount	\$ 30,793
Unresolved Claims Amount per Proposed Revision	280
Total Claim Amount	\$ 31,073
<b>Illustrative Recovery (High)</b>	<b>3.0%</b>

4.9 As discussed above, the Monitor continues to hold the CCAA Cash Pool of USD\$750,000, which is expected to be reduced by \$100,000 in order to administer and finalize the Claims Procedure. Based on the Illustrative Recoveries Analysis, the Monitor estimates that Claimants with an accepted claim will receive a recovery of approximately 2.7% to 3.0% of the accepted claim amount. The Monitor cautions that the estimated illustrative recovery may change as the Unresolved Claims continue to be reviewed and assessed.

4.10 As described above, the Applicant's counsel and the Monitor continue to pursue a potential recovery from the surplus balance remaining after the wind-down of the Canadian Pension Plans. Any recovery from this process would be incremental to the above illustrative analysis and may potentially increase the recovery to unsecured creditors.

## **5.0 EXTENSION OF THE STAY PERIOD**

5.1 The Stay Period currently expires on December 31, 2023.

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<sup>5</sup> Based on Bank of Canada exchange rate (USD to CAD) as of November 10, 2023.

5.2 The Monitor proposes that this Court extend the Stay Period to June 30, 2024 for the following reasons:

- (i) the stay of proceedings will provide the necessary time for the Monitor and the Applicant to continue the ongoing review of the Unresolved Claims, continue to pursue the surplus balance from the Canadian Pension Plans and administer the CCAA Cash Pool;
- (ii) the stay of proceedings is required to provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings;
- (iii) the Canadian Designated Amount Portion and approximately \$100,000 of the CCAA Cash Pool is expected to provide sufficient liquidity to fund the remaining costs anticipated during the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as formal bankruptcies); and
- (iv) the Applicant, with the assistance and oversight of the Monitor, continues to act in good faith and with due diligence.

## **6.0 ACTIVITIES OF THE MONITOR SINCE THE DATE OF THE SIXTH REPORT**

6.1 Since the date of the Sixth Report, the activities of the Monitor have included the following:

- (i) administering the Claims Procedure, including performing/coordinating the noticing activities required under the Claims Procedure Order, preparing the reconciliation of submitted claims with the assistance of the Applicant's former management, and responding to questions from vendors and other third parties regarding the Claims Procedure;

- (ii) engaging in discussions with the Applicant's former management, as well as the Applicant's legal counsel, regarding the CCAA Proceedings, including wind-down activities;
- (iii) engaging in discussions with the appointed administrators of the Hourly DB Plan, Salaried DB Plan, Hourly DC Plan, and Salaried DC Plan regarding the Canadian Pension Plans;
- (iv) corresponding with the CRA regarding the status of the HST audit and various tax matters;
- (v) corresponding with the Applicant's cash management services provider in connection with the closure of the Applicant's bank accounts and other activities related to the wind-down of the Applicant;
- (vi) engaging in discussions with the Applicant's tax advisor with respect to the preparation and filing of the Applicant's 2023 income tax returns for the period ending March 31, 2023, sales tax returns, and the preparation and filing of various tax election forms;
- (vii) engaging with Pigments regarding the HST Balance;
- (viii) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the hotline number or email account established by the Monitor for the CCAA Proceedings;
- (ix) posting non-confidential materials filed with this Court to the Case Website; and

(x) with the assistance of its legal counsel, preparing this Seventh Report.

## **7.0 CONCLUSIONS AND RECOMMENDATIONS**

7.1 For the reasons set out in this Seventh Report, the Monitor respectfully recommends that this Court grant the proposed Stay Extension Order.

All of which is respectfully submitted to this Court this 1<sup>st</sup> day of December, 2023.

**ALVAREZ & MARSAL CANADA INC.,  
solely in its capacity as Monitor of  
1000156489 Ontario Inc. (f/k/a DCL Corporation)  
and not in its personal or corporate capacity**

Per:   
\_\_\_\_\_  
Josh Nevsky  
Senior Vice-President

Per:   
\_\_\_\_\_  
Stephen Ferguson  
Senior Vice-President

**APPENDIX “A”**

**SIXTH REPORT OF THE MONITOR DATED JUNE 14, 2023**

**(without appendices)**

Court File No.: CV-22-00691990-00CL

***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 1000156489 ONTARIO INC.

**SIXTH REPORT OF THE MONITOR**  
**ALVAREZ & MARSAL CANADA INC.**

**June 14, 2023**

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**APPENDICES**

**Appendix “A”** – Pre-Filing Report of the Proposed Monitor dated December 20, 2022 (without appendices)

**Appendix “B”** – First Report of the Monitor dated December 27, 2022 (without appendices)

**Appendix “C”** – Second Report of the Monitor dated February 16, 2023 (without appendices)

**Appendix “D”** – Third Report of the Monitor dated March 15, 2023 (without appendices)

**Appendix “E”** – Fourth Report of the Monitor dated March 28, 2023 (without appendices)

**Appendix “F”** – Fifth Report of the Monitor dated May 3, 2023 (without appendices)

## 1.0 INTRODUCTION

- 1.1 On December 20, 2022 (the “**Filing Date**” or the “**Petition Date**”), 1000156489 Ontario Inc. (f/k/a DCL Corporation) (the “**Applicant**”) obtained an initial order (the “**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings commenced thereby are referred to herein as the “**CCAA Proceedings**”. Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. (“**A&M**”) as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”).
- 1.2 In connection with the CCAA Proceedings, A&M, then in its capacity as proposed monitor, filed the Pre-Filing Report of the Proposed Monitor dated December 20, 2022 (the “**Pre-Filing Report**”). Since its appointment, the Monitor has provided to this Court five reports, comprised of the First Report of the Monitor dated December 27, 2022 (the “**First Report**”), the Second Report of the Monitor dated February 16, 2023 (the “**Second Report**”), the Third Report of the Monitor dated March 15, 2023 (the “**Third Report**”), the Fourth Report of the Monitor dated March 28, 2023 (the “**Fourth Report**”), the Fifth Report of the Monitor dated May 3, 2023 (the “**Fifth Report**”) (collectively and together with the Pre-Filing Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents in the CCAA Proceedings are available on the Monitor’s case website at: [www.alvarezandmarsal.com/DCLCanada](http://www.alvarezandmarsal.com/DCLCanada) (the “**Case Website**”) and are attached hereto as appendices.<sup>1</sup>

<sup>1</sup> Materials filed in connection with the Chapter 11 Proceedings are available at: <https://cases.ra.kroll.com/DCL>

- 1.3 The Applicant is a subsidiary of its U.S. parent, H.I.G. Colors Inc. (“**Holdings**”), a direct wholly-owned subsidiary of the ultimate corporate parent, H.I.G. Colors Holdings, Inc. (“**HIG Colors Holdings**” and, together with Holdings and its direct and indirect subsidiaries, including the Applicant and its subsidiaries, the “**DCL Group**”).
- 1.4 The CCAA Proceedings were commenced as part of a larger coordinated restructuring of the DCL Group. On the Petition Date, HIG Colors Holdings and certain of its U.S.-based subsidiaries (collectively, “**DCL US**” or the “**Chapter 11 Debtors**”)<sup>2</sup> each filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”, and such proceedings, the “**Chapter 11 Proceedings**”, and together with the CCAA Proceedings, the “**Restructuring Proceedings**”). On December 22, 2022, the U.S. Bankruptcy Court granted a number of “first day orders” in the Chapter 11 Proceedings.
- 1.5 On December 29, 2022, the Applicant obtained an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) that, among other things, approved the DIP Facility and the Final DIP Credit Agreement (each as defined in the First Report), and extended the Stay Period (as defined in the Amended and Restated Initial Order).
- 1.6 As described in the Prior Reports, the DCL Group conducted a sales process in the Restructuring Proceedings that culminated in a transaction (the “**Transaction**”) with Pigments Services, Inc. (including any permitted assignees, “**Pigments**”), an affiliate of the prepetition term loan lenders to the Applicant and DCL US. On March 29, 2023, this Court issued an Order (the “**Approval and Vesting Order**”), which, among other things:

<sup>2</sup> The Chapter 11 Debtors are: HIG Colors Holdings, Holdings, DCL Holdings (USA), Inc., DCL Corporation (USA) LLC, DCL Corporation (BP), LLC, and Dominion Colour Corporation (USA).

(i) approved the Transaction; and (ii) extended the Stay Period until and including June 30, 2023. The Transaction closed on April 14, 2023.

1.7 On May 8, 2023, this Court issued an Order (the “**Expansion of Monitor’s Powers Order**”), which, among other things: (i) granted the Monitor the Expanded Powers (as defined and described in the Fifth Report), expanding the powers of the Monitor to, among other things, oversee the wind-down activities of the Applicant; and (ii) changed the style of cause in the CCAA Proceedings to reflect the Applicant’s change of name following the closing of the Transaction.

1.8 The purpose of the sixth report of the Monitor (this “**Sixth Report**”) is to provide this Court with information regarding the following:

- (i) an update with respect to the CCAA Proceedings since the date of the Fifth Report;
- (ii) the Monitor’s motion for an Order (the “**Claims Procedure Order**”), among other things:
  - (a) granting the proposed claims procedure (the “**Claims Procedure**”), pursuant to which claimants may file claims against the Applicant, or the Applicant’s current or former directors (“**Directors**”) or officers (“**Officers**”), as applicable;
  - (b) extending the Stay Period until and including December 31, 2023; and
  - (c) approving the Prior Reports and this Sixth Report, and the actions, activities and conduct of the Monitor and its legal counsel described therein;

- (iii) the activities of the Monitor since the date of the Fifth Report; and
- (iv) the Monitor's conclusions and recommendations in connection with the foregoing, as applicable.

## 2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Sixth Report, A&M, in its capacity as Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicant and the DCL Group (collectively, the "**Information**"). Except as otherwise described in this Sixth Report:

- (i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Sixth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Unless otherwise stated, all monetary amounts contained in this Sixth Report are expressed in U.S. dollars ("**USD**"). Capitalized terms used but not otherwise defined herein shall have

the meanings given to such terms in the Fifth Report or the Second Amended and Restated Sale Agreement (as defined in and appended to the Fifth Report) dated as of March 28, 2023 between the Applicant, DCL US and Pigments, as applicable.

### **3.0 UPDATES SINCE THE DATE OF THE FIFTH REPORT**

#### Employee Matters

- 3.1 As discussed in the Fifth Report, the Applicant is the sponsor of the following registered pension plans: (i) the Salaried DC Plan; (ii) the Hourly DC Plan; (iii) the Hourly DB Plan; (iv) the Salaried DB Plan; and (v) the Monteith Plan (collectively, the “**Canadian Pension Plans**”).
- 3.2 After closing of the Transaction, it was discovered by the Applicant that certain amounts remained owing by the Applicant in respect of certain of the Canadian Pension Plans<sup>3</sup> and also the Applicant’s registered retirement savings plan for hourly and salaried employees.
- 3.3 The Monitor understands that these amounts were not paid by the Applicant prior to the closing of the Transaction as a result of simple administrative inadvertence. Following the closing of the Transaction, the Applicant’s counsel, the Monitor and representatives of Pigments (being former management of the Applicant) worked with the administrators of each of the plans to reconcile and confirm the amounts owing by the Applicant under each plan, which in aggregate was approximately CAD\$130,000. As of the date of this Sixth Report, the amounts owing in respect of such Canadian Pension Plans and the Applicant’s

<sup>3</sup> The Monitor understands that amounts were not owing by the Applicant in respect of the Hourly DB Plan and the Monteith Plan.

registered retirement savings plan for hourly and salaried employees have been paid by Pigments, on behalf of the Applicant.

- 3.4 As discussed in the Fifth Report, if, after the liabilities of the Hourly DB Plan or the Salaried DB Plan are settled and surplus assets remain, such assets will be allocated in accordance with each such plan's governing documents or as may otherwise be agreed with the applicant plan members or as ordered by the Court. The Applicant's counsel and Monitor's counsel are still in the process of gathering and reviewing the governing documents.
- 3.5 The Monitor is also engaged in discussions with Pigments and its advisors regarding the purported treatment of accrued vacation pay for the period from January 1, 2023 to the closing date for transferred salaried and non-unionized hourly employees in Ontario following the closing of the Transaction and, if necessary, will provide a further update to this Court at the relevant time.

Amounts Received by the Monitor on Closing

- 3.6 Upon the closing of the Transaction, Pigments paid to the Monitor:
- (i) the Canadian Designated Amount Portion of \$575,000;
  - (ii) the CCAA Cash Pool of \$750,000; and
  - (iii) \$1,442,134.50 in respect of HST exigible on the Transaction, to be held by the Monitor on behalf of the Applicant, in trust.

*Canadian Designated Amount Portion*

- 3.7 Pursuant to the Approval and Vesting Order, the Canadian Designated Amount Portion shall be used to pay all remaining costs, professional fees and other amounts incurred in connection with the CCAA Proceedings and the wind-down of the Applicant.
- 3.8 As of the date of this Sixth Report, the Monitor has not yet disbursed any amounts from the Canadian Designated Amount Portion and continues to hold \$575,000. The Monitor notes, however, that approximately \$255,000 (CAD\$340,000) of professional fees are outstanding to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel, relating to the period after the closing of the Transaction.

*CCAA Cash Pool*

- 3.9 Pursuant to the Approval and Vesting Order, the CCAA Cash Pool shall be held by the Monitor for the benefit of the Applicant's estate in the CCAA Proceedings, including any costs to administer the CCAA Proceedings. As of the date of this Sixth Report, the Monitor continues to hold \$750,000. It is intended that the CCAA Cash Pool, less any applicable administrative costs, will be made available for distribution to claimants with proven claims in the Claims Procedure, subject to further order of this Court.

*HST Balance*

- 3.10 As of the date of this Sixth Report, the Monitor continues to hold \$1,442,134.50 in respect of HST exigible on the Transaction on behalf of the Applicant. The Monitor is currently working with the Applicant's tax advisors to complete the necessary steps in order to file

the applicable HST returns and to remit the amount required to the Canada Revenue Agency on behalf of the Applicant.

#### **4.0 PROPOSED CLAIMS PROCEDURE**

##### Overview

- 4.1 Capitalized terms used but not defined in this section of this Sixth Report have the meaning ascribed to them in the proposed Claims Procedure Order.
- 4.2 The purpose of the proposed Claims Procedure is to establish a process for the identification, quantification, and resolution of claims of claimants of the Applicant and the Applicant's current and former Directors and Officers.
- 4.3 Key steps and timelines described in the proposed Claims Procedure Order are summarized in the table below:

<b>Timeframe</b>	<b>Activity</b>
June 20, 2023	Scheduled date for the hearing of the motion seeking the proposed Claims Procedure Order
No later than July 4, 2023	Claims Packages to be sent by the Monitor, on behalf of the Applicant, to each of the known Potential Claimants
August 18, 2023	Claims Bar Date for the filing of Prefiling Claims against the Applicant and the Director/Officer Claims

##### Claims

- 4.4 As set out in greater detail in the proposed Claims Procedure Order, the Monitor, on behalf of the Applicant, will solicit the following claims:

- (i) *Prefiling Claims*: Being, generally, any right or claim of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind whatsoever that was in existence on the Filing Date (December 20, 2022);
- (ii) *Restructuring Period Claims*: Being, generally, any right or claim of any Person against the Applicant arising out of the restructuring, disclaimer, termination or breach by the Applicant on or after the Filing Date of any contract, lease or other agreement whether written or oral; and
- (iii) *Director/Officer Claims*: Being, generally, any existing or future right or claim of any Person against one or more of the Directors and/or Officers of the Applicant, however arising, whereby such Directors or Officers are by law or equity, liable to pay in his or her capacity as a Director or Officer.

4.5 The proposed Claims Procedure Order does not apply to any Excluded Claim, being:

- (i) any Claim secured by any of the Charges (as defined in the Amended and Restated Initial Order);
- (ii) any Claim of Pigments or any Affiliate thereof;
- (iii) any Claim of: (a) Wells Fargo Bank, National Association, including any Claim of Wells Fargo Bank, National Association, as Administrative Agent under the Credit Agreement, dated as of April 25, 2018 (as amended, supplemented and otherwise modified from time to time) (the “**Revolving Loan Agreement**”); (b) Delaware Trust Company, including any Claim of Delaware Trust Company as Collateral Agent under the Credit Agreement, dated as of April 6, 2018 (as amended,

supplemented and otherwise modified from time to time) (the “**Term Loan Agreement**”); (c) any lender or other agent from time to time under the Revolving Loan Agreement or the Term Loan Agreement; and (d) in each case of (a), (b) or (c), any of their respective Affiliates;

(iv) any Claim enumerated in sections 5.1(2) and 19(2) of the CCAA; and

(v) any Excluded Claim arising through subrogation.

4.6 Pursuant to the proposed Claims Procedure Order, the Monitor shall be authorized and empowered to assist any Claimant, including any current or former employee of the Applicant or the Union in the filing of a Proof of Claim.

4.7 With respect to Unionized Employees, the Union shall be authorized to file a Proof of Claim on its own behalf and on behalf of any or all Unionized Employees. With respect to Non-Union Employees, anyone who was or may be deemed to be or have been an employee of the Applicant who wishes to file a Claim and does not receive a Claims Package within ten (10) Business Days prior to the Claims Bar Date, shall contact the Monitor and request a Claims Package in order to file a Proof of Claim.

#### Claims Bar Dates

4.8 It is proposed that any Claimant asserting a Prefiling Claim or a Director/Officer Claim be required to file the applicable Proof of Claim form with the Monitor by no later than 5:00 p.m. Eastern Standard Time on the Claims Bar Date (August 18, 2023) or such later date as the Court may otherwise direct, failing which the Claim of such Claimant will be forever extinguished and such Claimant barred from asserting or enforcing any such Claim. The

Monitor believes that the Claims Bar Date is reasonable in that it provides sufficient time from the date of the receipt of the Claims Package for potential Claimants to evaluate and submit any Claim they may have against the Applicant or any of the Directors and/or Officers of the Applicant.

- 4.9 It is proposed that any Claimant asserting a Restructuring Period Claim be required to file the applicable Proof of Claim form with the Monitor by the later of: (i) thirty (30) days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim; and (ii) the Claims Bar Date (the “**Restructuring Period Claims Bar Date**”), or such later date as the Court may otherwise direct, failing which the Claim of such Claimant will be forever extinguished and such Claimant barred from asserting or enforcing any such Claim. The Monitor believes that a thirty (30)-day period is reasonable in that it provides sufficient time from the date a Claims Package is sent to a Claimant to evaluate and submit any Claim they may have against the Applicant in respect of a Restructuring Period Claim.

Notice

- 4.10 The proposed Claims Procedure Order provides that the Monitor will do the following in providing notification of the Claims Procedure:
- (i) by no later than 5:00 p.m. Eastern Standard Time on July 4, 2023, cause a Claims Package to be sent, on behalf of the Applicant, to each of the known Potential Claimants;

- (ii) as soon as practicable after the date of the Claims Procedure Order, cause the Notice Letter (or a condensed version thereof), to be published once in *The Globe and Mail* (National Edition);
- (iii) as soon as practicable after the date of the Claims Procedure Order, post a copy of the following on the Monitor's Website: (a) the Claims Procedure Order; (b) the Monitor's Motion Record in respect of the Claims Procedure Order; and (c) the Claims Package;
- (iv) deliver, as soon as reasonably possible following receipt of a request therefor, a copy of the Claims Package to any Person claiming to be a Claimant and requesting such material in writing;
- (v) with respect to any notices of disclaimer delivered to potential Claimants by or on behalf of the Applicant after the date of the Claims Procedure Order, deliver an accompanying Claims Package; and
- (vi) upon becoming aware of any other circumstance giving rise to a Restructuring Period Claim, send a Claims Package to the applicable Claimant or direct such Claimant to the documents posted on the Monitor's Website in respect of such Restructuring Period Claim.

#### Assessment and Determination of Claims

- 4.11 The Monitor will: (i) review all Proofs of Claim received on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable; and (ii) accept, revise or disallow the classification, nature, and/or amount of each Claim. In respect of

Director/Officer Claims, the Monitor, in consultation with the relevant Director or Officer, will: (a) review all Proofs of Claims received by the Claims Bar Date in respect of Director/Officer Claims; and (b) accept, revise or disallow the classification, nature, and/or amount of such Director/Officer Claim, in whole or in part (which acceptance, revision or disallowance shall require the consent of the applicable Director or Officer). The Monitor will provide the relevant Director or Officer (and his or her counsel, if known to the Monitor) with a copy of any Proofs of Claim received in respect of Director/Officer Claims.

4.12 If the Monitor intends to revise or disallow a Claim or a Director/Officer Claim, in whole or in part, the Monitor will notify the Claimant by sending a Notice of Revision or Disallowance along with the reasons for such revision or disallowance. In respect of revised or disallowed Director/Officer Claims, the Monitor shall provide a copy of such Notice of Revision or Disallowance to the Director or Officer (and his or her counsel, if known to the Monitor) subject to a Director/Officer Claim.

4.13 Any Claimant who intends to dispute a Notice of Revision or Disallowance must send written notice to the Monitor by completing a Notice of Dispute of Revision or Disallowance by no later than 5:00 p.m. Eastern Standard Time on the date that is fourteen (14) Calendar Days after the date the Monitor sends the Notice of Revision or Disallowance to the applicable Claimant. In respect of Director/Officer Claims, the Monitor shall provide a copy of such Notice of Dispute of Revision or Disallowance to the Director or Officer (and his or her counsel, if known to the Monitor) subject to the applicable Director/Officer Claim upon the receipt of such Notice of Dispute of Revision or Disallowance.

- 4.14 Any Claimant that receives a Notice of Revision or Disallowance that does not file a Notice of Dispute of Revision or Disallowance with the Monitor within the prescribed fourteen (14)-day time period shall be deemed to have accepted the amount and determination as set out in the Notice of Revision or Disallowance for voting and distribution purposes, as applicable, and all of the Claimant's rights to dispute same or to otherwise assert or pursue the Claim in an amount that exceeds the amount set forth in the Notice of Revision or Disallowance shall be forever extinguished and barred without further act or notification.
- 4.15 In the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a time period or in a manner satisfactory to the Monitor, the Monitor shall so notify the Claimant. Thereafter, the Monitor shall refer the Disputed Claim to the Court or to such alternative dispute resolution proceeding as may be ordered by the Court or agreed to by the Monitor and the applicable Claimant. The Court or the Person or Persons conducting the alternative dispute resolution proceeding, as the case may be, shall resolve the dispute.
- 4.16 With respect to Director/Officer Claims, in the event that the Monitor determines that it is necessary to finally determine the amount of a Director/Officer Claim and the Monitor, with the consent of the applicable Directors and/or Officers, is unable to resolve a dispute regarding such Director/Officer Claim with the Claimant asserting such Director/Officer Claim within a period or in a manner satisfactory to the Monitor and the applicable Directors and/or Officers, the Monitor shall notify the applicable Directors and/or Officers and such Claimant. Thereafter, the Monitor shall refer the Disputed Claim to the Court for resolution or to such alternative dispute resolution proceeding as may be ordered by the Court or as agreed to by the Monitor, the relevant Director or Officer and the applicable

Claimant. The Court or the Person or Persons conducting the alternative dispute resolution proceeding, as the case may be, shall resolve the dispute.

#### D&O Indemnity Claims

- 4.17 To the extent that any Claim filed in accordance with the Claims Procedure Order includes a Director/Officer Claim, a corresponding D&O Indemnity Claim shall be deemed to have been filed in respect of each Director/Officer Claim prior to the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable. Directors and Officers shall not be required take any action or to file a Proof of Claim in respect of any such D&O Indemnity Claim.

#### Claims Barred and Extinguished

- 4.18 The proposed Claims Procedure Order provides that any Person that does not deliver a Proof of Claim to the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable: (i) shall not be entitled to attend or vote at a Meeting in respect of such Claim; (ii) shall not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise; (iii) shall not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the Service List); and (iv) shall be forever barred from making or enforcing such Claim against the Applicant, the Directors or the Officers or any of them, and such Claim shall be extinguished without any further act or notification.

### **5.0 EXTENSION OF THE STAY PERIOD**

- 5.1 The Stay Period currently expires on June 30, 2023.

5.2 The Monitor proposes that this Court extend the Stay Period until and including December 31, 2023, for the following reasons:

- (i) the stay of proceedings will provide the necessary time for the Monitor to implement the proposed Claims Procedure and to begin to assess, quantify and seek to resolve the claims filed in connection therewith;
- (ii) the stay of proceedings is required to provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings;
- (iii) the Canadian Designated Amount Portion and the CCAA Cash Pool are expected to provide sufficient liquidity to fund the remaining costs associated with the wind-down of the Applicant's estate and other administrative costs of the CCAA Proceedings (including the costs of establishing and implementing the Claims Procedure), respectively, including, for certainty, through to and beyond the proposed extended Stay Period; and
- (iv) the Applicant, under the direction and oversight of the Monitor, continues to act in good faith and with due diligence.

## **6.0 ACTIVITIES OF THE MONITOR SINCE THE DATE OF THE FIFTH REPORT**

6.1 Since the date of the Fifth Report, the activities of the Monitor have included the following:

- (i) engaging in discussions with representatives of Pigments (being former management of the Applicant), as well as the Applicant's legal counsel regarding the CCAA Proceedings, including wind-down activities and the amounts owing in

respect of the Canadian Pension Plans and the Applicant's registered retirement savings plan for hourly and salaried employees;

- (ii) engaging in discussions with the appointed administrators of the Hourly DB Plan, Salaried DB Plan, Hourly DC Plan and Salaried DC Plan regarding the Canadian Pension Plans;
- (iii) preparing for and attending the Court hearing on May 8, 2023 for the granting of the Expansion of Monitor's Powers Order;
- (iv) delivery of the Amended Monitor's Certificate (as defined in the Expansion of Monitor's Powers Order);
- (v) corresponding with the Canada Revenue Agency regarding the status of various tax matters;
- (vi) corresponding with the Applicant's cash management services provider in connection with the closure of the Applicant's bank accounts and other activities related to the wind-down of the Applicant;
- (vii) engaging in discussions with the Applicant's tax advisor with respect to the preparation of the Applicant's 2023 income tax returns for the period ending March 31, 2023, sales tax returns, and the preparation of various tax election forms;
- (viii) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the hotline number or email account established by the Monitor for the CCAA Proceedings;

- (ix) posting non-confidential materials filed with this Court to the Case Website; and
- (x) with the assistance of its legal counsel, preparing the proposed Claims Procedure Order and this Sixth Report.

## **7.0 CONCLUSIONS AND RECOMMENDATIONS**

- 7.1 For the reasons set out in this Sixth Report, the Monitor respectfully recommends that this Court grant the proposed Claims Procedure Order, including approving the activities of the Monitor and the Monitor's Canadian legal counsel, Osler, Hoskin & Harcourt LLP, as described in this Sixth Report and each of the Prior Reports.

All of which is respectfully submitted to this Court this 14<sup>th</sup> day of June, 2023.

**ALVAREZ & MARSAL CANADA INC.,  
solely in its capacity as Monitor of  
1000156489 Ontario Inc. (f/k/a DCL Corporation)  
and not in its personal or corporate capacity**

Per:   
\_\_\_\_\_  
Josh Nevsky  
Senior Vice-President

Per:   
\_\_\_\_\_  
Stephen Ferguson  
Senior Vice-President

**APPENDIX "B"**

**WIND-UP ORDER IN RESPECT OF THE HOURLY DB PLAN**

**DATED OCTOBER 18, 2023**

**FSRA**Financial Services Regulatory  
Authority of Ontario

Ontario

**ARSF**Autorité ontarienne de réglementation  
des services financiers[www.fsrao.ca](http://www.fsrao.ca)25 Sheppard Avenue West  
Suite 100  
Toronto ON  
M2N 6S6Telephone: 416 250 7250  
Toll free: 1 800 668 012825, avenue Sheppard Ouest  
Bureau 100  
Toronto (Ontario)  
M2N 6S6Téléphone : 416 250 7250  
Sans frais : 1 800 668 0128**VIA E-MAIL**

October 18, 2023

Attn: Jason Vary, President [jason@actuarialsolutionsinc.com](mailto:jason@actuarialsolutionsinc.com)  
Actuarial Solutions Inc.  
Lakeshore, ON N9K 1C7

and Andrea Boctor [aboctor@osler.com](mailto:aboctor@osler.com)  
Counsel for CCAA Monitor  
Osler, Hoskin & Harcourt LLP  
Toronto, ON M5X 1B8

and Caroline Helbronner [caroline.helbronner@blakes.com](mailto:caroline.helbronner@blakes.com)  
Counsel for the Employer  
Blake, Cassels & Graydon LLP  
Toronto, ON M5L 1A9

and Steve Rodriguez [srodriguez.teamsters1979@gmail.com](mailto:srodriguez.teamsters1979@gmail.com)  
Principal Officer  
Teamsters Local Union 1979  
Pickering, ON L1W 3V4

**Re: DCL Corporation Hourly Pension Plan  
Registration Number 0401455**

---

Enclosed, please find the Order with respect to the above noted registered Pension Plan.

Yours truly,

Mitzi D'Souza  
Administrative Assistant, Pensions

Enclosure

c: Michael Palozzi, Financial Services Regulatory Authority of Ontario

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**IN THE MATTER OF** the *Pension Benefits Act*, R.S.O. 1990, c. P.8 (the “PBA”), in particular sections 69 and 89;

**AND IN THE MATTER OF** the **DCL Corporation Hourly Pension Plan**, Registration Number **0401455** (the “Plan”).

### ORDER

On August 10, 2023, pursuant to section 89 of the PBA, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Director, PBGF Management (the “Director”) issued a Notice of Intended Decision to make an order to wind up the Plan effective April 14, 2023 under section 69 of the PBA.

The Notice of Intended Decision was delivered to the administrator, Actuarial Solutions Inc., the counsel for the CCAA Monitor, Osler, Hoskin & Harcourt LLP, the counsel for the employer, Blake, Cassels & Graydon LLP, and the Union Representative on August 10, 2023. Section 89 of the PBA provides that any person on whom a Notice of Intended Decision is served has thirty (30) days after the Notice of Intended Decision is served to request a hearing by the Financial Services Tribunal (the “Tribunal”).

On September 28, 2023, the Registrar of the Tribunal confirmed that the persons on whom the Notice of Intended Decision was served did not request a hearing by the Tribunal in accordance with section 89 of the PBA. Therefore, pursuant to section 69 of the PBA, the Director makes the following decision.

### ORDER

**An Order to wind up the Plan is hereby issued effective April 14, 2023 for the reasons set out in the Notice of Intended Decision.**

**DATED** at Toronto, Ontario,    October 18, 2023.



---

Sylvie Charest  
Director, PBGF Management & Regulatory Effectiveness

By delegated authority from the Chief Executive Officer

Si vous désirez recevoir cet avis en français, veuillez nous envoyer votre demande par courriel immédiatement à : [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca).

**APPENDIX "C"**

**WIND-UP ORDER IN RESPECT OF THE SALARIED DB PLAN**

**DATED OCTOBER 18, 2023**

**FSRA**Financial Services Regulatory  
Authority of Ontario

Ontario

**ARSF**Autorité ontarienne de réglementation  
des services financiers[www.fsrao.ca](http://www.fsrao.ca)25 Sheppard Avenue West  
Suite 100  
Toronto ON  
M2N 6S6Telephone: 416 250 7250  
Toll free: 1 800 668 012825, avenue Sheppard Ouest  
Bureau 100  
Toronto (Ontario)  
M2N 6S6Téléphone : 416 250 7250  
Sans frais : 1 800 668 0128**VIA E-MAIL**

October 18, 2023

Attn: Jason Vary, President [jason@actuarialsolutionsinc.com](mailto:jason@actuarialsolutionsinc.com)  
Actuarial Solutions Inc.  
Lakeshore, ON N9K 1C7

and Andrea Boctor [aboctor@osler.com](mailto:aboctor@osler.com)  
Counsel for CCAA Monitor  
Osler, Hoskin & Harcourt LLP  
Toronto, ON M5X 1B8

And Caroline Helbronner [caroline.helbronner@blakes.com](mailto:caroline.helbronner@blakes.com)  
Counsel for the Employer  
Blake, Cassels & Graydon LLP  
Toronto, ON M5L 1A9

**Re: DCL Corporation Salaried Pension Plan  
Registration Number 0989616**

---

Enclosed, please find the Order with respect to the above noted registered Pension Plan.

Yours truly,

Mitzi D'Souza  
Administrative Assistant, Pensions  
Enclosure

c: Michael Palozzi, Financial Services Regulatory Authority of Ontario

---

**IN THE MATTER OF** the *Pension Benefits Act*, R.S.O. 1990, c. P.8 (the “PBA”), in particular sections 69 and 89;

**AND IN THE MATTER OF** the **DCL Corporation Salaried Pension Plan.**, Registration Number **0989616** (the “Plan”).

### ORDER

On August 10, 2023, pursuant to section 89 of the PBA, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Director, PBGF Management (the “Director”) issued a Notice of Intended Decision to make an order to wind up the Plan effective April 14, 2023 under section 69 of the PBA.

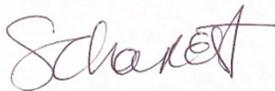
The Notice of Intended Decision was delivered to the administrator, Actuarial Solutions Inc., the counsel for the CCAA Monitor, Osler, Hoskin & Harcourt LLP, and the counsel for the employer, Blake, Cassels & Graydon LLP, on August 10, 2023. Section 89 of the PBA provides that any person on whom a Notice of Intended Decision is served has thirty (30) days after the Notice of Intended Decision is served to request a hearing by the Financial Services Tribunal (the “Tribunal”).

On September 28, 2023, the Registrar of the Tribunal confirmed that the persons on whom the Notice of Intended Decision was served did not request a hearing by the Tribunal in accordance with section 89 of the Act. Therefore, pursuant to section 69 of the PBA, the Director makes the following decision.

### ORDER

**An Order to wind up the Plan is hereby issued effective April 14, 2023 for the reasons set out in the Notice of Intended Decision.**

**DATED** at Toronto, Ontario, October 18, 2023.



---

Sylvie Charest  
Director, PBGF Management & Regulatory Effectiveness

By delegated authority from the Chief Executive Officer

Si vous désirez recevoir cet avis en français, veuillez nous envoyer votre demande par courriel immédiatement à : [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca).

**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  
DCL CORPORATION**

Court File No.: CV-22-00691990-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**  
Proceeding commenced at Toronto

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**SEVENTH REPORT OF THE MONITOR**

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**OSLER, HOSKIN & HARCOURT LLP**  
1 First Canadian Place, P.O. Box 50  
Toronto, ON M5X 1B8

**Marc Wasserman** (LSO# 44066M)  
Email: [MWasserman@osler.com](mailto:MWasserman@osler.com)

**Martino Calvaruso** (LSO# 57359Q)  
Email: [MCalvaruso@osler.com](mailto:MCalvaruso@osler.com)

Counsel for Alvarez & Marsal Canada Inc., solely in its capacity as Monitor of 1000156489 Ontario Inc. (f/k/a DCL Corporation) and not in its personal or corporate capacity