



No. S-248267
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44,
THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF SAN INDUSTRIES LTD.,
AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

NOTICE OF APPLICATION

Name of applicant: Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of San Industries Ltd. and those parties listed on Schedule "A" (collectively, the "San Group" or the "Petitioners").

To: The Service List

TAKE NOTICE that an application will be made by the Monitor at the courthouse at 800 Smithe Street, Vancouver, British Columbia on July 4, 2025, at 9:00 a.m. for the order set out in Part 1 below.

The Monitor estimates that the application will take 30 minutes.

This application is not within the jurisdiction of an associate judge. Justice Stephens is seized of this matter.

Part 1: ORDER SOUGHT

1. The Monitor seeks a **"Stay Extension Order"**, substantially in the form attached as **Schedule "B"** hereto, approving an extension of the stay of proceedings with respect to the Petitioners up to and including August 29, 2025.
2. The Monitor may also seek such other orders as counsel for the Monitor may advise and this Court may deem appropriate in the circumstances.

Part 2: FACTUAL BASIS

Introduction and Background

1. On November 29, 2024, this Court granted an initial order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the “**CCAA**”) with respect to the Petitioners. Under the Initial Order, this Court granted, among other things, certain enhanced powers to the Monitor.
2. On December 9, 2024, this Court granted an amended and restated initial order and on December 19, 2024, this Court granted a second amended and restated initial order, which, among other things, granted the Monitor further enhanced powers.
3. On January 16, 2025, this Court approved a sales and investment solicitation process (the “**SISP**”) with respect to certain of the Petitioners’ business and assets. That same day, this Court granted an order that, among other things, extended the stay of proceedings up to and including May 30, 2025.
4. On May 7, 2025, this Court granted an order that, among other things, further extended the stay of proceedings up to and including July 18, 2025, to allow the Monitor and the Petitioners sufficient time to review and consider the bids received pursuant to the SISP and bring an application before this Court for a sale approval.
5. Subsequently, on the application of the Monitor on June 12, 2025, this Court approved the following orders for the sale of certain of the San Group’s business and assets:
 - a) an approval and vesting order, approving the Offer to Purchase and Asset Purchase Agreement dated May 11, 2025 between the Monitor, in its capacity as monitor of Coulson Manufacturing 2017 Ltd., as vendor, and 0752615 B.C. Ltd., Fraserview Cedar Products Ltd., Fraserview Re-Manufacturing Inc., and Gillwood Products Inc., as purchasers (the “**Coulson Transaction**”);
 - b) an approval and vesting order, approving the Offer to Purchase and Asset Purchase Agreement dated May 15, 2025 (the “**San Forest Sale Agreement**”) between the Monitor, in its capacity as monitor of San Forest Products Ltd., as vendor, and 1537037 B.C. Ltd., as purchaser (the “**San Forest Transaction**”); and
 - c) an approval and vesting order, approving the Offer to Purchase and Asset Purchase Agreement dated June 2, 2025 between the Monitor, in its capacity as monitor of Axon Lumber Ltd. and San Industries Ltd., as vendor, and Cedarline Industries Ltd., as purchaser (the “**Langley Plant Transaction**”, together with the Coulson Transaction and the San Forest Transaction, the “**Transactions**”).
6. The Coulson Transaction closed on June 20, 2025. Following an amendment of the San Forest Sale Agreement to extend the original closing date of June 20, 2025, the San Forest Transaction is now expected to close on July 11, 2025. The Langley Plant Transaction remains scheduled to close on July 15, 2025.

The Need for an Extension of the Stay of Proceedings

7. As is further set out in detail in the Eighth Report of the Monitor, dated June 30, 2025 (the “**Eighth Report**”), the Monitor requires more time to continue its efforts with Cushman & Wakefield ULC to market and sell the Langley Farm Property (as defined in the Eighth Report), take steps towards obtaining a distribution order, address the various insurance claim related matters, pursue other potential estate recoveries, and take such other steps required to continue the Petitioners’ restructuring.

8. The current stay of proceedings expires on July 18, 2025. Given the timeline of these proceedings and status of San Group’s restructuring efforts, the Monitor is of the view that a further extension to the stay of proceedings up to and including August 29, 2025 (the “**Stay Extension**”) is both appropriate and necessary. The Monitor anticipates seeking a further stay extension at the next court date, to be scheduled.

9. Accordingly, in order to continue to advance the Petitioners’ CCAA-contemplated restructurings and maximize value for the San Group’s stakeholders, the Monitor is of the view that a further stay extension is necessary and appropriate in the circumstances and now seeks approval of the Stay Extension Order.

Part 3: LEGAL BASIS

The Stay Extension is Necessary and Appropriate

1. A stay of proceedings is the “central tool” by which this Court maintains the status quo for a debtor company, allowing it the necessary time, flexibility, and “breathing room” to carry out a supervised restructuring or organized sales process while continuing its ongoing operations.

Canada v. Canada North Group Inc., 2021 SCC 30 at para. 19; 1057863 B.C. Ltd. (Re), 2022 BCSC 876 at paras. 31, 35.

2. The baseline considerations and requirements for a stay extension are that a stay is “appropriate” and that the debtor company subject to the CCAA is acting in good faith and with due diligence.

CCAA, ss. 11.02(2)-(3).

3. As discussed above, the proposed Stay Extension is needed to provide the necessary time, flexibility, and “breathing room” for the Monitor to continue to advance the Petitioners’ CCAA proceedings.

4. In the Monitor’s view, the Stay Extension is reasonable and appropriate. The Petitioners will have sufficient liquidity to operate through the end of the Stay Extension.

5. The Petitioners’ senior secured lenders were consulted on the Stay Extension and are supportive. The Monitor does not believe any of the Petitioners’ creditors will be materially prejudiced by the Stay Extension.

Part 4: MATERIAL TO BE RELIED ON

1. Eighth Report of the Monitor, dated June 30, 2025; and
2. such further and other materials as counsel may advise.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: June 30, 2025

For: 

Signature of lawyer for the Monitor
Peter L. Rubin / Claire Hildebrand

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs of Part 1 of this notice of application

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts

Schedule "A"

Petitioners

Acorn Forest Products Ltd.
Axon Lumber Ltd.
Coulson Manufacturing 2017 Ltd.
San Cedar Direct Sales Ltd.
San Forest Products Ltd.
San Holdings Inc.
Super-Cut Lumber Industries Ltd.
1224676 B.C. Ltd.
1260729 B.C. Ltd.
Mountainside Logging Ltd.
1170518 B.C. Ltd.
1175465 B.C. Ltd.
San Farming Ltd.
San Forest Specialty Ltd.
San Terminals Inc.

Schedule "B"

No. S-248267
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IN THE MATTER OF SAN INDUSTRIES LTD.,
AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

ORDER MADE AFTER APPLICATION
(STAY EXTENSION)

BEFORE) THE HONOURABLE JUSTICE STEPHENS) July 4, 2025
))
)

ON THE APPLICATION of Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed monitor of San Industries Ltd. and those parties listed on **Schedule "A"** (collectively, the "**Petitioners**") coming on for hearing at Vancouver, British Columbia, on the 4th day of July, 2025 ; AND ON HEARING Claire Hildebrand, counsel for the Monitor, and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Eighth Report of the Monitor dated June 30 2025; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, the *British Columbia Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

Capitalized Terms

1. Capitalized terms not defined in this Order shall have the meanings given to them in the Second Amended and Restated Initial Order of this Court, dated December 19, 2024.

Stay Extension

2. The Stay Period with respect to the Petitioners is hereby extended up to and including August 29, 2025.

Other

3. Endorsement of this Order by counsel appearing on this application other than counsel for the Monitor is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of lawyer for the Monitor
Claire Hildebrand

BY THE COURT.

Registrar

Schedule "A"

Petitioners

Acorn Forest Products Ltd.
Axon Lumber Ltd.
Coulson Manufacturing 2017 Ltd.
San Cedar Direct Sales Ltd.
San Forest Products Ltd.
San Holdings Inc.
Super-Cut Lumber Industries Ltd.
1224676 B.C. Ltd.
1260729 B.C. Ltd.
Mountainside Logging Ltd.
1170518 B.C. Ltd.
1175465 B.C. Ltd.
San Farming Ltd.
San Forest Specialty Ltd.
San Terminals Inc.

Schedule "B"

Appearance List

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ORDER MADE AFTER APPLICATION
(STAY EXTENSION)

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