

2025 01G 0491

**IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF** the *Companies  
Creditors Arrangement Act* R.S.C., 1985 c.  
C- 36 as Amended (the “**CCAA**”)

**AND IN THE MATTER OF** an application  
of Karwood Contracting Ltd., Karwood  
Engineering Ltd., Karwood Design Group  
Ltd., and Karwood Ontario Ltd. (the  
“**Applicants**”)

**NOTICE OF MOTION**

<b>SUMMARY OF CURRENT DOCUMENT</b>	
<b>Court File Number:</b>	2025 01G 0491
<b>Date of Filing of Document:</b>	29 September 2025
<b>Name of Filing Party or Person:</b>	Applicants, Karwood Contracting Ltd., Karwood Engineering Ltd., Karwood Design Group Ltd., and Karwood Ontario Ltd.
<b>Application to which Documents Being Filed Relates:</b>	Notice of Motion filed by Applicants
<b>Statement of Purpose of Filing:</b>	Seeking approval of an APA and AVO, extension of the Stay Period, increase to Administration Charge, and a stay of BMO Receivership Motion (if applicable)
<b>Court Sub-File Number, if any:</b>	N/A

The Applicants make a motion before the Honourable Justice MacDonald of the Newfoundland and Labrador Supreme Court (sitting in Bankruptcy and Insolvency) to be heard on 01 October 2025, or as soon after that time as the motion may be heard.

**RELIEF SOUGHT:**

1. On the hearing of this Motion, the Applicants intend to apply for an Order containing the following relief in substantially in the form of draft Order attached as **Schedule “B”** to this

Notice of Motion, which:

- a. abridges the notice periods pursuant to s. 11 of the CCAA and Rules 3.03(1), 6.04(2), and 6.06 of the *Rules of the Supreme Court, 1986*, SNL 1986, c. 42, Schedule D, as amended (the “**Rules**”);
  - b. directs that service on the Service List attached as **Schedule “A”** to this Notice of Motion is sufficient for the purpose of this Motion pursuant to s. 11 of the CCAA;
  - c. as to the September 2025 Asset Purchase Agreement (the “**APA**”) entered into by the Applicants and the prospective purchaser (the “**Purchaser**”), as identified in **Confidential Exhibit “A”** to the Monitor’s Seventh Report, approves the transaction (the “**Transaction**”) contemplated therein and authorizes, ratifies, and confirms the execution of the APA, with such minor amendments as the parties may deem necessary, with the approval of the Monitor, and authorizes and directs the Applicants to complete the Transaction subject to the terms of the APA;
  - d. increases the Administration Charge to \$300,000.00;
  - e. extends the stay of proceedings currently in place for an additional 30 days until 31 October 2025 to enable the Transaction to close (the “**Stay Period**”), including with respect to any Motion that may be advanced by the Bank of Montreal (“**BMO**”) with respect to an alternative receivership or other enforcement over the Applicants’ Property.
2. Capitalized terms used but not defined in this Notice of Motion shall have the meanings given to them in the Amended and Restated Initial Order (“**ARIO**”).

**THE FOLLOWING EVIDENCE** will be relied upon at the hearing of this Motion:

- a. the Seventh Report of the Monitor, to be filed, including the APA and Opinion of Value attached as Confidential Exhibits thereto;
- b. such further and other evidence as counsel may advise.

## **GROUNDS FOR MAKING THIS MOTION:**

3. The Applicants were granted protection from their creditors under the ***Companies' Creditors Arrangement Act***, RSC 1985, c C-36 as amended (the "CCAA") pursuant to the Initial Order of this Court granted on 03 February 2025 (the "Initial Order") and the Amended and Restated Initial Order (the "ARIO") granted on 20 February 2025.
4. The Court has made various additional orders throughout the CCAA proceeding to extend the Stay Period and approving various property sales transactions and the vesting and distribution of sales proceeds. A more comprehensive history of these CCAA proceedings is set out in the Monitor's Seventh Report.
5. As this Court is aware, the Applicants are in the business of construction work and property development, management, building and design. Their goal within this CCAA has been to ensure a resolution to their insolvency that best serves the interests of all stakeholders.
6. The Applicants' principal, Greg Hussey, has spent significant time and effort in reaching this proposed Transaction. While no formal sales process has been undertaken, the Applicants have obtained and now rely upon the independent professional opinion of Mr. Tim Crosbie (Broker/Owner at Royal LePage Property Consultants in St. John's, NL), whose extensive experience in the relevant market supports the conclusion that the Transaction is commercially reasonable and in the best interests of stakeholders.
7. As will be demonstrated by the Monitors' Seventh Report and the relevant Confidential Exhibits and will be further substantiated in the Applicants' Memorandum of Fact and Law, the proposed Transaction meets with the *Soundair* test, including as such test is codified in s. 36 of the CCAA.
8. The Applicants have acted in good faith and with due diligence throughout this CCAA Proceeding and have actively cooperated in advancing sales and other matters that will enable this process to conclude successfully, to the benefit of all stakeholders. This will be confirmed in the Monitor's reports to date and will be further confirmed in the Monitor's Seventh Report.
9. The Monitor supports the granting of the requested relief, including the APA as proposed and the other terms of the AVO, along with the brief additional stay extension to 31 October 2025

to enable the parties to close the Transaction and the increase in Administration Charge by \$50,000.00 to a maximum amount of \$300,00000.

**FURTHER GROUNDS:**

10. In addition to the other grounds discussed herein, the Applicants rely on:
- a. the provisions of the CCAA, including s. 11.02 and s. 36(4);
  - b. the provisions of the *Rules of the Supreme Court, 1986*;
  - c. the inherent and equitable jurisdiction of this Honourable Court;
  - d. such further and other grounds as counsel may advise.

**DATED** at St. John's, in the Province of Newfoundland and Labrador, this 29th day of September 2025.

**O'KEEFE & SULLIVAN**



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**Darren D. O'Keefe**  
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To: The Honourable Supreme Court  
233 Duckworth Street,  
St. John's, NL, A1C 1B6

And to:

The Service List attached hereto as **Schedule "A"**

**KARWOOD CONTRACTING LTD. AND KARWOOD ENGINEERING INC. AND KARWOOD  
ONTARIO LTD. AND KARWOOD DESIGN GROUP LTD.**

**SCHEDULE "A"  
MASTER SERVICE  
LIST**

<p><b>O'KEEFE &amp; SULLIVAN LAWYERS</b> 80 Elizabeth Ave Suite 202 St. John's, N.L., A1A 1W7</p> <p><b>Darren O'Keefe</b> dokeefe@okeefesullivan.com Tel: 709.700.0911</p> <p><b>Joshua L. Hancott</b> jhancott@okeefesullivan.com</p> <p>80 Elizabeth Ave Suite 202 St. John's, N.L., A1A 1W7</p> <p><b>Counsel for the Applicants</b></p>	<p><b>BOYNE CLARKE LAWYERS</b> 99 Wyse Road, Suite 600 P.O. Box 876, Dartmouth Main Dartmouth, NS B2Y 3Z5 JSantimaw@boyneclarke.ca <b>Joshua J. Santimaw</b></p> <p><b>Counsel for the Monitor</b></p> <p><b>BDO Canada Limited</b> 300 Kenmount Rd #200, St. John's, NL A1B 3R2</p> <p>Email: nejones@bdo.ca</p>
<p><b>ROYAL BANK OF CANADA</b> 1871 Hollis Street, 7<sup>th</sup> Floor Halifax, NS B3J 1M7</p> <p>David Savoie 902-421-4905 David.Savoie@rbc.com</p>	<p><b>AXIOM LEASING INC.</b> 4 Robert Speck Pkwy 15th Floor, Mississauga, ON L4Z 1S1</p>
<p><b>MOSKOWITZ CAPITAL MORTGAGE FUND II INC.</b></p> <p><b>Stewart McKelvey</b> Suite 1100, Cabot Place 100 New Gower St. St. John's, N.L. A1C 6K3 Tel 709.570.8851 Fax 709.722.4565</p> <p><b>Stephen Winter</b> swinter@stewartmckelvey.com</p> <p><b>Joe Thorne</b> joethorne@stewartmckelvey.com</p>	<p><b>BANK OF MONTREAL</b> 31 Water Street St. John's NL A1C 1A9 Canada</p> <p><b>Raffael Di Genova</b> Raffael.digenova@bmo.com</p> <p><b>Cox &amp; Palmer</b> Scotia Centre, 235 Water St suite 1100, St. John's, NL A1C 1B6</p> <p><b>Josh McElman</b> jmcelman@coxandpalmer.com</p>

	<p><b>Allison Philpott</b>  aphilpott@coxandpalmer.com</p> <p><b>Counsel for the Bank of Montreal</b></p>
<p><b>ROYAL BANK OF CANADA</b>  7101 Pare Avenue, 5th Floor  Montreal QC  H3N 1X9  Canada</p>	<p><b>CANADA REVENUE AGENCY</b>  Shawinigan – Sud National Verification  Collections Centre  4695 Shawinigan-  Sud Boulevard  Shawinigan QC  G9P 5H9</p> <p><b>Atlantic Canada</b>  AGC-PGC.Atlantic-Tax-Fiscal@justice.gc.ca</p>
<p><b>DEPARTMENT OF FINANCE</b>  Dept of Digital Government and Service NL  2<sup>nd</sup> Floor, West Block, P.O. Box 8700  St. John's, NL A1B 4J6  Tel 709-729-2981  Fax 709-729-2091</p> <p>collections@gov.nl.ca</p>	<p><b>Boreal Atlantic Ltd.</b>  239 Main Street  Milltown  NL Canada  A0H 1W0</p> <p><b>Browne Fitzgerald Morgan &amp; Avis</b>  Terrace on the Square, Level 2  P.O. Box 23135  St. John's, NL A1B 4J9</p> <p><b>Stephen Fitzgerald KC</b>  sfitzgerald@bfma-law.com</p>
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<p><b>FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY</b>  PO Box 2400  Edmonton AB T5J 5C7  Canada  ON L4S 0C8</p>	<p><b>LIBRO CREDIT UNION LTD.</b>  217 York Street  London, Ontario  N6A 5P9</p>
<p><b>BMW CANADA INC.</b>  50 Ultimate Drive,  Richmond Hill ,ON  L4S 0C8</p>	<p><b>RANDY ORAM  TAMMY ORAM</b>   14 Old Topsail Hill  CBS, NL, A1W 5W6  Canada</p>
<p><b>DEPARTMENT OF JUSTICE CANADA  CRA</b>  Suite 1400, Duke Tower  5251 Duke Street  Halifax NS  B3J 1P3  Tel: 782-409-0068</p> <p><b>Deanna Frappier, K.C.</b>  Deanna.Frappier@justice.gc.ca  <b>Caitlin Ward</b>  caitlin.ward@justice.gc.ca</p>	<p><b>Kent Building Supplies</b>  c/o Learmonth, Boulos &amp; Fitzgerald  804-140 Water St.  PO Box 700, Stn. C  St. John's, Newfoundland and Labrador A1C  5L4</p> <p><b>R. Barry Learmonth</b>  Email: barry@lbflegal.com</p>
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## Email Service List

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