

2025 01G 1510

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

IN THE MATTER OF the *Companies'*
Creditors Arrangement Act, RSC
1985 c. C-36, as amended (the
CCAA)

AND IN THE MATTER OF an
application of Nemori Farms Ltd.

INTERLOCUTORY APPLICATION
(*Inter Partes*)

SUMMARY OF CURRENT DOCUMENT	
Court File No:	2025 01G 1510
Date of Filing of Document:	15 July 2025
Name of Filing Party or Person:	Royal Bank of Canada
Application to which Document being filed relates:	Application by Royal Bank of Canada for directions for disclosure of bids
Statement of purpose in filing:	To seek directions for disclosure of bids to Royal Bank of Canada

The application of Royal Bank of Canada (**RBC**) says:

Nature of Application

1. This is an application by RBC for an order under the *Companies' Creditors Arrangement Act*, RSC 1985 c.C-36, as amended (the **CCAA**) substantially in the form attached to this Interlocutory Application as **Schedule A**, including the following relief:
 - 1.1. if necessary, abridging the time for and validating the service and filing of this Interlocutory Application, and further or alternatively dispensing with service;
 - 1.2. directing that, notwithstanding certain provisions of the Sales and Investment Solicitation Process (the **SISP**) Bidding Procedures approved by the Court in the

Sale and Investment Solicitation Process Order dated 24 April 2025 (the **SISP Order**):

- 1.2.1. Grant Thornton Limited, in its capacity as the monitor (the **Monitor**) of Nemori Farms Ltd. (the **Company**), shall disclose to RBC the details of all Qualified Bids (as defined in the SISP Order) received in the SISP and provide RBC copies of all material documentation containing the terms of such Qualified Bids; and
- 1.2.2. RBC shall be entitled to communicate directly with any of the Potential Bidders (as defined in the SISP) that submitted Qualified Bids with respect to matters related to the SISP and the Qualified Bids, with a supervisory role for the Monitor.

Relevant Procedural and Factual History

2. RBC is the senior secured creditor of, and the CCAA interim lender to, the Company. As security for the Company's indebtedness to it, RBC holds security interests in all of the Company's present and after-acquired property, including all rights and interests relating to the Company's fluid milk quota.
3. On 6 March 2025, this Court made an initial order under the CCAA in respect of the Company. The CCAA proceedings remain pending, and the stay of proceedings granted by the Court under the CCAA in respect of the Company has been extended from time to time and currently extends up to and including 1 August 2025.
4. By the SISP Order, this Court approved the SISP for the sale of the Company's business property, assets, and undertaking. The SISP contemplated that all bids must be submitted to the Monitor by 16 June 2025, and that the Monitor would select a successful bid and execute finalized definitive documentation in respect of that successful bid by 23 June 2025.

5. In accordance with the SISP, RBC submitted a credit bid to acquire substantially all of the Company's business, property, assets, and undertaking through a reverse vesting order structure (the **Credit Bid**). The Credit Bid contemplates that, upon closing, the Company's assets will be liquidated on a break-up basis for RBC's benefit and that the existing business will be operated only to the extent required to facilitate that orderly liquidation.
6. On 23 June 2025, the Monitor gave notice that it was extending the deadline for the selection of a successful bid in the SISP to 7 July 2025.
7. On 2 July 2025, the Monitor offered all bidders the opportunity to either improve their bid or to advise the Monitor that their bid would remain unchanged, by notifying the Monitor by end of day on 4 July 2025.
8. On 7 July 2025, the Monitor advised RBC that the Monitor identified the Credit Bid as the highest bid in the SISP and therefore the successful bid.
9. RBC understands that the Monitor received other qualified bids in the SISP that contemplate a going concern transaction (collectively, the **Going Concern Bids**).

Request for Directions

10. While the Monitor has not advised RBC of any details regarding the Going Concern Bids, including the proposed purchase price, it is possible that RBC could be supportive of one or more of the Going Concern Bids. Rather than proceed immediately to seeking court approval of the Credit Bid and a liquidation process, RBC proposes that there be an opportunity to explore whether one of the Going Concern Bids is capable of being supported by it.
11. The SISP terms provide that the relevant parties may not share the details of any bids with other interested parties or bidders, and that potential bidders are prohibited from communicating with each other with respect to matters relating to the SISP.

Accordingly, RBC requests that the Court make appropriate directions allowing the Monitor to disclose to RBC the details of all other Qualified Bids received and permit RBC and those bidders to communicate regarding the SISP, to determine whether the SISP and this CCAA process may still result in a going concern sale of the Company's business.

12. In parallel with these proposed discussions, RBC will continue to work with the Monitor on finalizing the definitive documentation for court approval and closing of the Credit Bid. The proposed discussions surrounding the Going Concern Bids will not jeopardize the overall timeline of this CCAA proceeding.
13. It is in the best interests of the Company and its stakeholders that the potential for a going concern sale through the SISP is explored before committing to the Credit Bid and a liquidation.

Relief Sought

14. Based on the above, RBC requests an order substantially in the form attached as **Schedule A.**

DATED at St John's, Newfoundland and Labrador, this 15th day of July, 2025.



Cox & Palmer

Solicitors for Royal Bank of Canada

235 Water Street, Suite 1100

St John's, NL A1C 1B6

Attention: Mark Russell

Email: mrussell@coxandpalmer.com

TO: Service List at **Schedule B**

ISSUED at St John's, Newfoundland and Labrador, this ____ day of July, 2025.

**SCHEDULE A
TO INTERLOCUTORY APPLICATION**

DRAFT ORDER

[see attached]

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AND IN THE MATTER OF an
application of Nemori Farms Ltd.

ORDER

(Directions on Sale and Investment Solicitation Process)

BEFORE THE HONOURABLE JUSTICE MACDONALD:

THIS APPLICATION made by Royal Bank of Canada (**RBC**) for directions in respect of the sale and investment solicitation process (the **SISP**) approved by this Court by Order dated 24 April 2025 was heard on 17 July 2025

ON READING the Interlocutory Application dated 15 July 2025 and the Affidavit of Stéphane Ménard sworn 15 July 2025

AND ON HEARING counsel for RBC, counsel for the Company, counsel for the Monitor, and such other counsel as were present, no one appearing for any other person although duly served as appears from the affidavit of service of Michael Hrabowsky sworn [●] July 2025, as filed with this Court

IT IS HEREBY ORDERED AS FOLLOWS:

1. The time for service of the Interlocutory Application is hereby abridged and validated, so that the Interlocutory Application is properly returnable today and further service of the Interlocutory Application is dispensed with,

2. In this Order, capitalized terms not otherwise defined have the same meaning assigned to them in the First Amended and Restated Initial Order dated 24 April 2025 or the Sale and Investment Solicitation Process Order dated 24 April 2025 (the **SISP Order**).
3. In implementing and carrying out the SISP, and notwithstanding paragraphs 14, 19, 56, and 61 of the SISP Bidding Procedures attached to the SISP Order:
 - 3.1. The Monitor shall disclose to RBC the details of all Qualified Bids received in the SISP, including without limitation the identity of the Potential Bidders, the proposed purchase price, and any material conditions identified by the Potential Bidders, and provide RBC with copies of all material documentation containing the terms of all such Qualified Bids.
 - 3.2. RBC shall be entitled to communicate directly with any of the Potential Bidders that submitted Qualified Bids (and vice versa) with respect to matters relating to the SISP and the Qualified Bids, provided that RBC shall keep the Monitor apprised of, and to the extent reasonably practicable included in, all such communications.
4. Any interested party may apply to this Court to vary, amend or supplement, or for advice and directions on the implementation of, this Order.
5. This Order and all of its provisions are effective as of 12:01am Newfoundland Time on the date of this Order.

DATED at St John's, Newfoundland and Labrador, this ____ day of July, 2025.

**SCHEDULE B
TO INTERLOCUTORY APPLICATION**

SERVICE LIST

[see *attached*]

NEMORI FARMS LTD

**MASTER SERVICE
LIST**

O'KEEFE & SULLIVAN LAWYERS 80 Elizabeth Ave Suite 202 St. John's, N.L., A1A 1W7 Megan Taylor mtaylor@okeefesullivan.com Adam G. Baker agbaker@okeefesullivan.com Counsel for the Applicants	Reconstruct LLP 80 Richmond Street West, Suite 1700, Toronto, ON M5H 2A4 Sharon Kour skour@reconllp.com Counsel for the Monitor Grant Thornton Ltd Nova Centre, North Tower Suite 1000 -1675 Grafton Street, Halifax, NS B3J 0E9 Phil Clarke Phil.Clarke@ca.gt.com Tel: 1 902 420 7191 Liam Murphy Liam.Murphy@ca.gt.com Ben.Chisholm@doane.gt.ca Faith.Capone@doane.gt.ca
Royal Bank of Canada Cox & Palmer 235 Water Street, Suite 1100, St. John's, NL A1C 1B6 Counsel for RBC Mark Russell mrussell@coxandpalmer.com Griffith Roberts groberts@coxandpalmer.com	Canada Revenue Agency Shawinigan – Sud National Verification Collections Centre 4695 Shawinigan- Sud Boulevard Shawinigan QC G9P 5H9 Maeve Baird Maeve.Baird@justice.gc.ca Deanna Frappier KC Deanna.Frappier@justice.gc.ca

Department of Fisheries, Forest, & Agriculture 192 Wheeler's Road P.O. Box 2006 Corner Brook, NL A2H 0J1 Melanie Butler MelanieButler@gov.nl.ca	EY 5 Springdale St Suite 800, St. John's, NL A1E 2R1 Steve McLaughlin steven.j.mclaughlin@parthenon.ey.com
Bennington Financial Corp. 100-1465 North Service Rd E, Oakville, ON L6H 1A7 customerservice@benningtonfinancial.ca	Headline Holsteins Limited 191 Goose Arm Road Deer Lake, NL A8A 3J3 headline.holsteins@outlook.com BOYNECLARKE LLP 99 Wyse Rd Unit 600, Dartmouth, NS B3A 4S5 Joshua J. Santimaw JSantimaw@boyneclarke.ca
Meridian OneCap Credit Corp. 204-3185 Willingdon Green Burnaby, BC V5G 4P3 Joanna.Alford@meridianonecap.ca	Vault Credit Corporation 41 Scarsdale Corporation Toronto ON M3B 2R2 businessloans@vaultcredit.ca
Kubota Canada Ltd. 1155 Kubota Drive Pickering ON L1X 0H4 kcl_g.finance@kubota.com	De Lage Landen Financial Services Canada Inc. 5046 Mainway, Unit 1 Burlington ON L7L 5Z1 corporateca@dllgroup.com
Town of Deer Lake 34 Reids Ln, Deer Lake, NL A8A 2A2 info@deerlake.ca	Workplace NL PO Box 9000 St. John's, NL A1A 3B8 Jennifer Langdon Jennifer.langdon@workplacenl.ca GreenBox Capital 250 Yonge St #2201

	Toronto, ON M5B 2L7 legal@greenboxcapital.com
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Email List

"Megan Taylor" <mtaylor@okeefesullivan.com>; "Adam Baker" <agbaker@okeefesullivan.com>; "Clarke, Phil" <Phil.Clarke@doane.gt.ca>; "Murphy, Liam" <Liam.Murphy@doane.gt.ca>; Sharon Kour <skour@reconllp.com>
 "groberts@coxandpalmer.com" <groberts@coxandpalmer.com>; "Russell, Mark (St. John's)" <MRussell@coxandpalmer.com>; "Baird, Maeve" <Maeve.Baird@justice.gc.ca>;
 "deanna.frappier@justice.gc.ca" <deanna.frappier@justice.gc.ca>; "Butler, Melanie" <MelanieButler@gov.nl.ca>; "Steve McLaughlin" <Steven.J.McLaughlin@parthenon.ey.com>;
 "Bennington Customer Service" <customerservice@benningtonfinancial.ca>; "Alford, Joanna" <Joanna.Alford@meridianonecap.ca>; "Collections (DGSNL)" <Collections@gov.nl.ca>;
 "Langdon, Jennifer" <Jennifer.Langdon@workplacenl.ca>; "info@greenboxcapital.com" <info@greenboxcapital.com>; "headline.holsteins@outlook.com" <headline.holsteins@outlook.com>; "businessloans@vaultcredit.ca" <businessloans@vaultcredit.ca>;
 "corporateca@dllgroup.com" <corporateca@dllgroup.com>; "office@truroagromart.ca" <office@truroagromart.ca>; "info@deerlake.ca" <info@deerlake.ca>;
 "kcl_g.finance@kubota.com" <kcl_g.finance@kubota.com>
 kcl_g.finance@kubota.com; Ben.Chisholm@doane.gt.ca; Faith.Capone@doane.gt.ca