

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
**(COMMERCIAL LIST)**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.  
1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD NATURED PRODUCTS PACKAGING BRAMPTON GP INC., GOOD NATURED  
PRODUCTS PACKAGING CANADA GP INC., GOOD NATURED PRODUCTS  
INDUSTRIAL CANADA GP INC., GOOD NATURED PRODUCTS INDUSTRIAL CANADA  
LP, GOOD NATURED PRODUCTS PACKAGING BRAMPTON LP, GOOD NATURED  
PRODUCTS PACKAGING CANADA LP and GOOD NATURED REAL ESTATE  
HOLDINGS (ONTARIO) INC.

**FACTUM OF THE DEBTORS**  
**(Returnable October 19, 2026)**

October 16, 2026

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**FACTUM OF THE DEBTORS**

**PART I - INTRODUCTION**

1. On June 22, 2026, Good Natured Products Industrial Canada LP (“**Industrial LP**”), Good Natured Products Industrial Canada GP Inc. (“**Industrial GP**”), Good Natured Products Packaging Brampton LP (“**Brampton LP**”), Good Natured Products Packaging Brampton GP Inc. (“**Brampton GP**”), Good Natured Products Packaging Canada LP (“**Packaging Canada LP**”), Good Natured Products Packaging Canada GP Inc. (“**Packaging Canada GP**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and TDB Restructuring Limited (“**TDB**”) was appointed as proposal trustee (in such capacity, the “**Proposal Trustee**”). On July 10, 2026, Good Natured Real Estate Holdings (Ontario) Inc. (“**Ontario RE**” and collectively, the

“**Debtors**”<sup>1</sup>) filed an NOI pursuant to section 50.4(1) of the BIA, and TDB was also appointed as the Proposal Trustee.

2. This factum is filed in support of the Debtors’ motion for an order:

(a) extending of the stay of proceedings pursuant to section 50.4(9) of the BIA to October 20, 2026 (the “**Stay Extension**”); and

(b) Approving the activities of TDB Restructuring Limited (“**TDB**”) in its capacity as proposal trustee of the Debtors (in such capacity, the “**Proposal Trustee**”).

3. All facts cited herein are taken from the Third Report of, dated October 15, 2026 (the “**Third Report**”). The Proposal Trustee is supportive of the relief sought on this motion.

4. Since the Court granted the Debtors’ stay extension request on August 31, 2026, the Debtors have made substantial progress in implementing their restructuring.

5. On July 28, 2026, this Court approved the two-stage transactions with Jones Healthcare Group, Inc. (“**Jones**”) involving the sale of substantially all of the operating assets used in the Debtors’ Brampton manufacturing operations and the subsequent sale of the real property municipally known as 5 Abacus Road, Brampton, Ontario (the “**Brampton Facility**”).

6. The first stage of those transactions has been completed. The sale of the Brampton operating assets closed on July 31, 2026. Jones is in occupancy of the Brampton Facility pursuant to the Court-approved interim lease.

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<sup>1</sup> “**Debtors**” is defined as the Industrial LP, Industrial GP, Brampton LP, Brampton GP, Packaging Canada LP, Packaging Canada GP and Ontario RE.

7. The Debtors, the Proposal Trustee and Jones are working towards satisfaction or waiver of the remaining conditions precedent to complete the sale of the Brampton Facility. This transaction is expected to close in the week of October 19, 2026. As set out at paragraph 30 of the Third Report, the closing documents are settled among Ontario RE and Jones. Jones is in the process of finalizing its financing efforts.

8. The requested Stay Extension will provide the Debtors and the Proposal Trustee with the additional time required to complete the sale of the Brampton Facility, continue the remaining restructuring and realization steps, and advance these NOI proceedings toward the formulation of a proposal for the benefit of stakeholders.

9. The Proposal Trustee supports the Stay Extension.<sup>2</sup>

## **PART II - SUMMARY OF FACTS**

10. The facts relevant to this motion are summarized below and are set out more fully in the Third Report. Capitalized terms used herein that are not otherwise defined have the meanings given to them in the Third Report.

11. On July 21, 2026, this Court granted an order extending the time for the Debtors to file a proposal and the associated stay of proceedings to September 5, 2026.<sup>3</sup> On July 28, 2026, this Court granted the Asset Approval and Vesting Order, the Real Property Approval and Vesting Order and the Ancillary Relief Order in connection with the Debtors' restructuring transactions with Jones.<sup>4</sup>

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<sup>2</sup> Third Report at para 38.

<sup>3</sup> Third Report at para 2.

<sup>4</sup> Third Report at para 4.

12. The transaction contemplated by the Asset Purchase Agreement closed on July 31, 2026.
13. Jones is occupying the Brampton Facility pursuant to the Interim Lease and is completing its due diligence in respect of the Real Property APS. The sale of the Brampton Facility is forecast to close imminently, but likely after the stay expiry on October 20, 2026.<sup>5</sup>
14. The Debtors are pursuing the realization of their remaining assets. The requested Stay Extension will provide the Debtors and the Proposal Trustee with the additional time necessary to complete the Real Property APS, continue the orderly realization of the Debtors' remaining assets, pursue restructuring opportunities in respect of their residual assets and advance these NOI proceedings toward the formulation of a proposal for the benefit of stakeholders.

### **PART III - STATEMENT OF ISSUES, LAW & AUTHORITIES**

15. The issues before the Court are:
  - (a) Whether the Court should extend the time for the Debtors to file a proposal and the corresponding stay of proceedings to and including December 4, 2026; and
  - (b) Whether the Court should approve the activities of the Proposal Trustee through these proceedings to date.

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<sup>5</sup> Third Report at para 30.

**A. THE STAY EXTENSION SHOULD BE GRANTED**

16. Section 50.4(9) of the *BIA* provides that the Court may grant an extension or further extension not exceeding 45 days for any individual extension and not exceeding in the aggregate five (5) months after the expiry of the original 30-day period.<sup>6</sup>

17. The Court may grant an extension pursuant to subsection 50.4(9) where it is satisfied that: (a) the debtor has acted in good faith and with due diligence; (b) the debtor will likely be able to make a viable proposal if the extension being applied for were granted; and (c) no creditor would be materially prejudiced by the extension.<sup>7</sup>

**(i) Debtors are acting in Good Faith**

18. The Debtors have acted, and continue to act, in good faith and with due diligence.<sup>8</sup> The Debtors are not aware of any creditors that would be prejudiced by the requested stay extension. The Cash Flow Forecast in evidence demonstrates that the Debtors are expected to have sufficient liquidity to fund their post-filing obligations during the proposed extension period.<sup>9</sup>

**(ii) A Stay Extension will support a Restructuring**

19. The purpose of the *BIA* proposal scheme is rehabilitation, not liquidation. Insolvent companies should have the chance to put forward their proposal.<sup>10</sup> The requested Stay Extension to December 4, 2026 will afford the Debtors additional time to complete the Real Property APS,

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<sup>6</sup> *BIA* at [s. 50.4\(9\)](#).

<sup>7</sup> *BIA*, [s. 50.4\(9\)](#). See also: *The Podcast Exchange Inc. (Re)*, Court File No. BK-25-03244564-0031, [Endorsement of Kimmel J. dated September 17, 2025](#) at paras. 5–9.

<sup>8</sup> Third Report at para 37 a).

<sup>9</sup> Third Report at para 37 d). See also: *Field Aviation Company et al. (Re)*, [2026 ONSC 3498](#) at para. 39.

<sup>10</sup> *Mustang GP Ltd (Re)*, 2015 ONSC 6562 at [para 41](#).

continue the orderly realization of their residual assets and advance these NOI proceedings toward the formulation of a proposal for the benefit of stakeholders.<sup>11</sup>

20. An automatic bankruptcy would, by contrast, immediately bring the Debtors' restructuring efforts to an end.

***(iii) No Creditor is Prejudiced by the Stay Extension***

21. The Proposal Trustee supports the requested Stay Extension. Since the commencement of these NOI proceedings, the Debtors have maintained ongoing communication with their secured creditors regarding the proposed restructuring.

22. There is no known prejudice that will be suffered by any creditors or other stakeholders by the proposed extension. To the contrary, the proposed extension affords a restructuring opportunity that will preserve value and benefit affected stakeholders.

23. The Cash Flow Forecast appended to the Proposal Trustee's Third Report demonstrates that the Debtors have sufficient funds to operate throughout the requested Stay Extension.<sup>12</sup>

**B. PROPOSAL TRUSTEE'S ACTIVITIES SHOULD BE APPROVED**

24. The Debtors are seeking the approval of the Proposal Trustee's activities as set out in the First Report, dated July 20, 2026, the Supplement to the First Report, dated July 24, 2026, the Second Report, dated August 26, 2026, and the Third Report (together, the "**Reports**").

25. In *Target Canada*, the Court noted that there are good policy and practical reasons to grant the approval of a monitor's reported activities, including (a) allowing a monitor to bring its

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<sup>11</sup> Third Report at para 37 b).

<sup>12</sup> Third Report at para 37 d), and Appendix "G".

activities before a court; (b) allowing an opportunity for stakeholders' concerns to be addressed; (c) enabling a court to satisfy itself that a monitor's activities have been conducted in a prudent and diligent manner; (d) providing protection for a monitor not otherwise provided by the CCAA; and (e) protecting creditors from delay that may be caused by re-litigation of steps or potential indemnity claims by a monitor.<sup>13</sup>

26. The policy and practical reasons set out in *Target Canada* in CCAA matters also applies to BIA matters. As set out by the Supreme Court in *Century Services*, the CCAA and BIA should be read in harmony to the extent possible.<sup>14</sup>

27. The activities of the Proposal Trustee set out in the Reports were necessary, consistent with the Proposal Trustee's duties and powers as set out in the BIA and undertaken with efficiency and reasonableness in the interests of the Debtor's stakeholders.

#### **PART IV - ORDER REQUESTED**

28. The Debtors respectfully request that this Honourable Court grant an order extending the stay of proceedings to and including December 4, 2026.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 16<sup>th</sup> day of October, 2026.

***LARRY ELLIS***

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Larry Ellis

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<sup>13</sup> [\*Re Target Canada Co.\*, 2015 ONSC 7574](#), at paras 2, 22-23.

<sup>14</sup> *Century Services Inc v Canada (Attorney General)*, [2010 SCC 60](#) ("*Century Services*") at [para 24](#).

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**SCHEDULE “A”**

**LIST OF AUTHORITIES**

1. *Field Aviation Company et al. (Re)*, [2026 ONSC 3498](#)
2. *Mustang GP Ltd (Re)*, [2015 ONSC 6562](#)
3. *The Podcast Exchange Inc. (Re)*, Court File No. BK-25-03244564-0031, [Endorsement of Kimmel J. dated September 17, 2025](#)
4. *Re Target Canada Co*, [2015 ONSC 7574](#)
5. *Century Services Inc v Canada (Attorney General)*, [2010 SCC 60](#)

I certify that I am satisfied as to the authenticity of every authority.

*Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).*

Date October 16, 2026

***LARRY ELLIS***

*Larry Ellis*

**SCHEDULE “B”**

**TEXT OF STATUTES, REGULATIONS & BY - LAWS**

***Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3***

**Extension of time for filing proposal**

**50.4 (9)** The insolvent person may, before the expiry of the 30-day period referred to in subsection (8) or of any extension granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court, on notice to any interested persons that the court may direct, may grant the extensions, not exceeding 45 days for any individual extension and not exceeding in the aggregate five months after the expiry of the 30-day period referred to in subsection (8), if satisfied on each application that

- (a) the insolvent person has acted, and is acting, in good faith and with due diligence;
- (b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
- (c) no creditor would be materially prejudiced if the extension being applied for were granted.

**Courts vested with jurisdiction**

**183 (1)** The following courts are invested with such jurisdiction at law and in equity as will enable them to exercise original, auxiliary and ancillary jurisdiction in bankruptcy and in other proceedings authorized by this Act during their respective terms, as they are now, or may be hereafter, held, and in vacation and in chambers:

- (a) in the Province of Ontario, the Superior Court of Justice.

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GOOD NATURED  
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