



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-720035-00CL

DATE: July 15, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: KIDKRAFT, INC.

BEFORE: JUSTICE W.D. BLACK

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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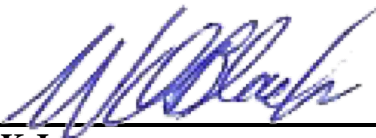
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ENDORSEMENT OF JUSTICE BLACK:

- [1] This was a motion by the applicant, KidKraft, Inc., in its capacity as foreign representative (the “Foreign Representative”) of itself and four other debtors in possession (the “Canadian Debtors”) for an order:
- (a) Recognizing and enforcing the Plan Modification Order (as defined in the materials) entered by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “U.S. Court”), pursuant to section 49 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985. c. C-36, as amended (the “CCAA”); and,
 - (b) Making certain amendments to the Plan Confirmation Recognition Order (as also defined in the materials), to account for the Modified Post-Confirmation Plan (again, as defined in the materials).
- [2] The relevant background briefly summarized is that on May 10, 2024, each of KidKraft, the Canadian Debtors and six other debtors and debtors in possession (collectively the “Chapter 11 Debtors”) filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Bankruptcy Code with the U.S. Court (the “Chapter 11 Cases”).
- [3] By order dated May 10, 2024, this court granted an interim stay of proceedings in respect of KidKraft and the Canadian Debtors, and their respective directors and officers.
- [4] Also on May 10, 2024, the Chapter 11 Debtors filed the “Debtors’ Joint Prepacked Chapter 11 Plan (as subsequently amended and supplemented, the “Plan”) and a disclosure statement. The Plan effectuates the sale of substantially all of the Chapter 11 Debtors’ assets (including the assets of the Canadian Debtors) (the “Sale Transaction”) to Backyard Products, LLC (the “Purchaser”), pursuant to the terms of the Purchase Agreement (again as identified and defined in the materials).
- [5] By order dated May 17, 2024, this court recognized the Chapter 11 Cases as “foreign main proceedings”, recognized the appointment of the Foreign Representative, and granted stays of proceedings in favour of the Chapter 11 Debtors. By further order dated May 17, 2024, this court recognized certain interim and final orders entered by the U.S. Court on May 13 and 14, 2024 and other related relief, including the appointment of KSV Restructuring Inc. as the information officer in these CCAA Part IV proceedings (in that capacity, the “Information Officer”).
- [6] On June 17, 2024, the Chapter 11 Debtors, KidKraft’s equity sponsor, the Purchaser, the official unsecured creditors’ committee, and the Prepetition and DIP Secured Parties (as defined in the materials), reached a global settlement (the “Global Settlement”), notice of which was filed with the U.S. Court.
- [7] On June 19, 2024, this court granted an order recognizing certain additional interim and final orders entered by the U.S. Court in the Chapter 11 Cases.
- [8] On June 20, 2024, the Chapter 11 Debtors filed the “Debtors’ Amended Joint Prepacked Chapter 11 Plan”.
- [9] On June 24 and 25, 2024, the U.S. Court entered further orders approving the Sale Transaction and Plan.
- [10] On June 28, 2024, this court granted an order (the “Plan Confirmation Order”), recognizing certain additional final orders entered by the U.S. Court, including the Plan Confirmation Order and the Sale Order, vesting the Canadian Transferred Assets (as defined) in and to the Purchaser free and clear of all claims and encumbrances.

- [11] On July 5, 2024, the Sale Transaction closed.
- [12] To facilitate the closing of the Sale Transaction, the Chapter 11 Debtors agreed to certain non-material changes to the Purchase Agreement and agreed to seek approval from the U.S. Court for certain minor modifications to the Plan.
- [13] On July 6, 2024, the Chapter 11 Debtors filed the “Debtors’ Second Amended Joint Prepacked Chapter 11 Plan, and, jointly with the Prepetition and DIP Secured Parties, filed a motion seeking approval of same with the U.S. Court, scheduled to be heard on July 9, 2024.
- [14] Following the hearing of the motion, the Chapter 11 Debtors have engaged in discussions with certain stakeholders in respect of certain additional modifications of the Plan.
- [15] On July 12, 2024, the U.S. Court entered the Second Proposed Plan Modification Order approving the modifications to the Plan in the Modified Post-Confirmation Plan (as defined and described in detail in the materials).
- [16] This motion seeks that this court grant the Fourth Recognition Order to recognize and enforce these further modifications.
- [17] I am satisfied that this court has the jurisdiction to grant this order pursuant to section 49 of the CCAA, and that it is necessary and appropriate to do so in these circumstances. In making this determination I have also read and considered the Information Officer’s Second Report, and Supplement to Second Report, and its recommendations in support of the relief sought in this motion.
- [18] Accordingly, an order is to go in the form uploaded by the applicant to Caselines, at tab A41.



W.D. BLACK J.

DATE: JULY 15, 2024