

**RICHTER**

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Court File No.: CV-19-614614-00CL

**IMERYS TALC AMERICA, INC., IMERYS TALC VERMONT, INC.  
AND IMERYS TALC CANADA INC.**

**SIXTH REPORT OF RICHTER ADVISORY GROUP INC.,  
IN ITS CAPACITY AS INFORMATION OFFICER**

**March 28, 2020**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF IMERYS TALC AMERICA, INC., IMERYS TALC VERMONT, INC. AND  
IMERYS TALC CANADA INC.**

**APPLICATION OF IMERYS TALC CANADA INC., UNDER SECTION 46 OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**SIXTH REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**MARCH 28, 2020**

## I. INTRODUCTION

1. On February 13, 2019 (the “**Petition Date**”), Imerys Talc America, Inc. (“**ITA**”), Imerys Talc Vermont, Inc. (“**ITV**”) and Imerys Talc Canada Inc. (“**ITC**” and together with ITA and ITV, the “**Debtors**”), commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the “**First Day Motions**”) and the orders entered by the US Court in respect thereof, the “**First Day Orders**”) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing ITC to act as the foreign representative (in such capacity, the “**Foreign Representative**”) of the Debtors for the within proceedings (the “**Foreign Representative Order**”).
3. On February 14, 2019, the US Court granted the Foreign Representative Order and other First Day Orders.
4. On February 15, 2019, ITC, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the “**CCAA**”).
5. On February 20, 2019, the Canadian Court granted an initial recognition order (the “**Initial Recognition Order**”), *inter alia*: (i) declaring that ITC is a “foreign representative” as defined in section 45 of the CCAA; (ii) declaring that the Chapter 11 Proceedings are recognized as a “foreign main proceeding” under the CCAA; and (iii) granting a stay of proceedings against the Debtors in Canada. The Debtors’ proceedings under the CCAA are referred to herein as the “**Recognition Proceedings**”.
6. Also on February 20, 2019, the Canadian Court granted a supplemental order (the “**Supplemental Order**”), pursuant to section 49 of the CCAA, *inter alia*: (i) recognizing and giving full force and effect in Canada to certain of the First Day Orders; (ii) appointing Richter Advisory Group Inc. (“**Richter**”) as the information officer (the “**Information Officer**”) in respect of these proceedings; (iii) staying any proceedings, rights or remedies against or in respect of the Debtors, the business and property of the Debtors, the directors and officers of the Debtors in Canada, and the Information Officer; (iv) restraining the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Debtors in Canada; and (v) granting a super-priority charge over the Debtors’ property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$200,000.

7. On March 19, 2019 and March 22, 2019, the US Court entered various orders (the “**March 19 & 22 Entered Orders**”) sought by the Debtors at their “second day hearing”, including but not limited to:
  - (a) an Order Authorizing the Employment and Retention of KCIC, LLC (“**KCIC**”) as Insurance and Valuation Consultant, Nunc Pro Tunc to the Petition Date (the “**KCIC Retention Order**”);
  - (b) an Order Authorizing the Debtors to Employ and Retain Richards, Layton & Finger, P.A. (“**RL&F**”) as Co-Counsel to the Debtors, Nunc Pro Tunc to the Petition Date (the “**RL&F Retention Order**”);
  - (c) an Order Authorizing Employment and Retention of Stikeman Elliott LLP (“**Stikeman**”) as Canadian Counsel, Nunc Pro Tunc to the Petition Date (the “**Stikeman Retention Order**”); and
  - (d) an Order Authorizing the Employment and Retention of Prime Clerk LLC (“**Prime Clerk**”) as Administrative Advisor nunc pro tunc to the Petition Date (the “**Administrative Advisor Order**”).
8. On March 25, 2019, the US Court entered an Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals (the “**Interim Compensation & Reimbursement Order**”).
9. On March 26, 2019, the US Court entered an Order Authorizing Debtors to (I) Pay Their Prepetition Insurance Obligations, (II) Pay Their Prepetition Bonding Obligations, (III) Maintain Their Postpetition Insurance Coverage, and (IV) Maintain Their Bonding Program (the “**Final Insurance and Bonding Order**” and, together with the March 19 & 22 Entered Orders and the Interim Compensation & Reimbursement Order, the “**Second Day Orders**”).
10. On April 1, 2019, the US Court entered an Order Authorizing the Employment and Retention of Alvarez & Marsal North America, LLC (“**A&M**”) as the Debtors’ financial advisor *nunc pro tunc* to the Petition Date (the “**A&M Retention Order**”).
11. On April 2, 2019, the US Court entered an Order Authorizing the Employment and Retention of Latham & Watkins LLP (“**Latham**”) as the Debtors’ bankruptcy co-counsel *nunc pro tunc* to the Petition Date (the “**L&W Retention Order**”).
12. On April 3, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to certain of the Second Day Orders, including the KCIC Retention Order, the RL&F Retention Order, the Stikeman Retention Order and the Administrative Advisor Order.

13. On April 4, 2019, the US Court entered an Order Authorizing the Employment and Retention of Neal, Gerber, & Eisenberg LLP ("**NGE**") as the Debtors' special insurance coverage and indemnification counsel *nunc pro tunc* to the Petition Date (the "**NGE Retention Order**").
14. On April 24, 2019, the US Court entered a final Order (I) Authorizing Continued Use of Existing Cash Management System, Including Maintenance of Existing Bank Accounts, Check, and Business Forms, (II) Authorizing Continuation of Existing Deposit Practices, (III) Approving the Continuation of Intercompany Transactions, and (IV) Granting Superpriority Administrative Expense Status to Certain Postpetition Intercompany Claims (the "**Final Cash Management Order**").
15. On May 21, the US Court entered Orders:
  - (a) Authorizing the Employment and Retention of Willkie Farr & Gallagher LLP as special litigation and corporate counsel to the Official Committee of Tort Claimants (the "**Committee**") (the "**Willkie Farr & Gallagher Order**"); and
  - (b) Authorizing the Employment and Retention of Robinson & Cole LLP as counsel to the Committee (the "**Robinson & Cole Order**").
16. On May 22, 2019 and June 25, 2019, respectively, the US Court entered Orders Appointing M. Jacob Renick of M.J Renick & Associates LLC as Fee Examiner and Establishing Related Procedures for the Review of Applications of Retained Professionals (collectively, the "**Fee Examiner Orders**").
17. On May 24, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the A&M Retention Order, the L&W Retention Order, the NGE Retention Order and the Final Cash Management Order.
18. On June 3, 2019, the US Court entered an order appointing James L. Patton, Jr. as legal representative for future talc personal injury claimants (the "**FCR**") *nunc pro tunc* to the Petition Date (the "**FCR Order**").
19. On June 6, 2019, the US Court entered Orders:
  - (a) Authorizing the Employment and Retention of Young, Conaway, Stargatt & Taylor LLP as attorneys for the FCR *nunc pro tunc* to the Petition Date (the "**Young Conaway Order**"); and
  - (b) Authorizing the Employment and Retention of Gilbert LLP ("**Gilbert**") as special insurance counsel to the Committee (the "**Gilbert Order**").

20. On June 12, 2019, the US Court entered an Order Authorizing the Employment and Retention of Ankura Consulting Group, LLC as claims evaluation and financial valuation consultants for the FCR *nunc pro tunc* to the Petition Date (the “**Ankura Order**”).
21. On June 25, 2019, the US Court entered an Order Authorizing the Employment and Retention of Legal Analysis Systems, Inc as tort liability consultant to the Committee (the “**Legal Analysis Systems Order**”);
22. On July 25, 2019, the US Court entered an Order (I) Establishing Bar Dates and Related Procedures for Filing Proofs of Claim Other than With Respect to Talc Personal Injury Claims and (II) Approving Form and Manner of Notice Thereof (the “**Bar Date Order**”).
23. On August 7, 2019, the US Court entered Orders:
  - (a) Authorizing the Employment and Retention of Ducera Partners LLC and Ducera Securities LLC (collectively, “**Ducera**”) as investment banker for the Committee (the “**Ducera Order**”); and
  - (b) Authorizing the Employment and Retention of GlassRatner Advisory & Capital Group, LLC as financial advisor to the Committee (the “**GlassRatner Order**”, and together with the Willkie Farr & Gallagher Order, the Robinson & Cole Order, the Gilbert Order, the Legal Analysis Systems Order and the Ducera Order, the “**Committee Professional Advisors Retention Orders**”).
24. Also on August 7, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Bar Date Order and the Fee Examiner Orders.
25. On August 16, 2019, the US Court entered an Order (A) Authorizing the Debtors to Assume Certain Unexpired Leases of Nonresidential Real Property and (B) Granting Related Relief (the “**Assumption of Leases Order**”).
26. On September 26, 2019, the US Court entered an Order Authorizing the Co-Retention of Ducera as investment banker for the Committee and the FCR (the “**Ducera Co-Retention Order**”).
27. On September 27, 2019, the US Court entered an Order Authorizing the Co-Retention of Gilbert as special insurance counsel for the FCR and the Committee (the “**Gilbert Co-Retention Order**”, and together with the Young Conaway Order, the Ankura Order and the Ducera Co-Retention Order, the “**FCR Professional Advisors Retention Orders**”). Also on September 27, 2019, the US Court entered an Order Approving the Stipulated Protective Order (the “**Stipulated Protective Order**”), which would govern the disclosure of information and documents, including testimony and transcripts, in connection with the Chapter 11 Proceedings.

28. On October 28, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the FCR Order, the FCR Professional Advisors Retention Orders, the Committee Professional Advisors Retention Orders, the Assumption of Leases Order, and the Stipulated Protective Order.
29. On November 22, 2019, the US Court entered an Order (I) Authorizing Implementation of a Key Employee Retention Program (the “**KERP**”), (II) Approving the Terms of the Debtors' Key Employee Retention Program, and (III) Granting Related Relief (the “**KERP Order**”).
30. On November 22, 2019, the US Court also entered an Order (I) Establishing a Bar Date for Indirect Talc Claims and Related Procedures for Filing Proofs of Claim for Indirect Talc Claims and (II) Approving Form and Manner of Notice Thereof (the “**Indirect Talc Claims Bar Date Order**”).
31. On December 3, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the KERP Order and Indirect Talc Claims Bar Date Order.
32. The primary purpose of the Chapter 11 Proceedings is to confirm a plan of reorganization pursuant to the Bankruptcy Code that channels all present and future talc personal injury claims (the “**Talc Claims**”) against the Debtors to a trust so that the Debtors can emerge from these restructuring proceedings free of historic talc-related liabilities.
33. Richter, in its capacities as Proposed Information Officer and Information Officer, has previously provided the Canadian Court with five reports (the “**Prior Reports**”). The Prior Reports, copies of the orders granted by the Canadian Court and other material documents pertaining to the Recognition Proceedings are available on the Information Officer’s website at <http://www.richter.ca/insolvencycase/imerys-talc-canada-inc>. As well, there is a link on the Information Officer’s website to the Debtors’ restructuring website maintained by Prime Clerk, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.

## II. PURPOSE OF REPORT

34. The purpose of this sixth report (the “**Sixth Report**”) of the Information Officer is to provide the Canadian Court with information concerning:
- (a) the motion of the Foreign Representative returnable April 1, 2020, for recognition in Canada of the Non-Debtor Professional Fee Stipulation Order (each as hereinafter defined).
  - (b) an update on other matters relating to the Chapter 11 Proceedings;
  - (c) an update on matters relating to ITC; and
  - (d) the activities of the Information Officer since the fifth report (the “**Fifth Report**”) dated November 27, 2019.

## III. TERMS OF REFERENCE

35. In preparing this Sixth Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors’ executives and other information provided in the Chapter 11 Proceedings (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Fifth Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
36. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.
37. Capitalized terms not otherwise defined herein are as defined in the application materials, including the affidavit of Anthony Wilson, Treasurer and Director of Finance, sworn on March 27, 2020 (the “**March 27 Wilson Affidavit**”) and filed in support of the Foreign Representative’s motion. This Sixth Report should be read in conjunction with the March 27 Wilson Affidavit, as certain information contained in the March 27 Wilson Affidavit has not been included herein in order to avoid unnecessary duplication.

## IV. ORDERS OF THE US COURT FOR WHICH RECOGNITION IS SOUGHT

### Non-Debtor Professional Fee Stipulation Order

38. Over the course of the Chapter 11 Proceedings, the Debtors have incurred, and continue to incur, professional fees and expenses related to the administration of the Chapter 11 Proceeding (the “**Professional Fees**”).
39. The Professional Fees include the fees of and expenses of professionals retained by and serving the interests of the Debtors, specifically Latham, A&M, Prime Clerk, NGE, KCIC and RL&F (collectively, the “**Debtor Professional Fees**”), the fees and expenses of professionals retained by the TCC (the “**TCC Professional Fees**”) and the fees and expenses of professionals retained by the FCR (the “**FCR Professional Fees**” and, together with the TCC Professional Fees, the “**Non-Debtor Professional Fees**”).
40. ITA, on behalf of itself and the other Debtors, has paid, and continues to pay, the Professional Fees as they become due. As noted in the Prior Reports, ITC has reimbursed, and continue to reimburse ITA for one-third of the Debtor Professional Fees on a monthly basis. To date, no agreement has been reached by the Debtors and the Information Officer regarding the allocation, if any, of Non-Debtor Professional Fees to ITC.
41. Starting in September 2019, the Debtors began discussions with the Information Officer regarding the liquidity of ITA, including due to ITA’s payment of all the Non-Debtor Professional Fees.
42. Pursuant to the Final Cash Management Order, cash generated by ITC is generally maintained at ITC, and only transferred to the US Debtors in accordance with the terms of the Final Cash Management Order, unless otherwise ordered by the US Court.
43. On or about February 24, 2020, the Debtors’ advisors advised the Information Officer and its counsel that ITA could experience liquidity constraints due to the ongoing funding of Non-Debtor Professional Fees solely by ITA. The Debtors’ advisors engaged with the Information Officer and its counsel to discuss entering into an agreement in order to allow ITC to transfer excess cash that had accumulated in Canada to assist with funding the ongoing liquidity needs of ITA and ITV, despite the parties having not yet reached an agreement regarding the allocation, if any, of Non-Debtor Professional Fees to ITC. ITA, ITC and the Information Officer agreed to a stipulation (the “**Stipulation**”) and agreement permitting ITC to make payments to ITA for Non-Debtor Professional Fees. The Debtors advised the Information Officer that ITC’s resident Canadian director approved of the Stipulation.
44. On March 9, 2020, the Debtors filed a motion for an Order to approve the Stipulation (the “**Non-Debtor Professional Fee Stipulation Order**”).

45. The key terms of the Stipulation are as follows:
- (a) upon entry of the Non-Debtor Professional Fee Stipulation Order, ITC shall pay ITA the sum of \$3.45 million (the “**Initial ITC Payment**”)
  - (b) thereafter, upon request from ITA, to the extent ITC holds sufficient funds and with the consent of the Information Officer, ITC shall also be authorized and directed to pay ITA on a periodic basis for (i) 33.33% of FCR Professional Fees and (ii) 26.5% of TCC Professional Fees paid by ITA after February 28, 2020 (the “**Non-Debtor ITC Payments**”). Pursuant to the Stipulation, ITC is authorized to pay ITA in excess of the aforementioned percentage upon agreement of the parties; and
  - (c) The Initial ITC Payment and the Non-Debtor ITC Payments shall be granted superpriority administrative expense status under section 507(a) of the Bankruptcy Code (the “**ITC Superpriority Claim**”) in accordance with the Final Cash Management Order, provided, however, that any ITC Superpriority Claim shall be considered satisfied in full and extinguished, and ITA shall have no obligation to return or otherwise refund any ITC payments, upon confirmation of a plan of reorganization that provides for payment in full of allowed general unsecured claims of ITC (as further described in the Non-Debtor Professional Fee Stipulation Order).
46. The Information Officer notes the Stipulation shall not be considered (i) a determination, admission, waiver or settlement of any obligation of ITC to reimburse ITA for Non-Debtor Professional Fees paid by ITA for the benefit of all Debtors or (ii) an acknowledgement or finding as to the correct percentage allocation of ITC’s liability for any Professional Fees, including Non-Debtor Professional Fees, incurred by the Debtors in connection with the Chapter 11 Proceedings.
47. The US Court entered the Non-Debtor Professional Fee Stipulation Order on March 26, 2020 without hearing as no objection to the Stipulation was filed prior to the objection deadline.
48. The recognition of the Non-Debtor Professional Fee Stipulation Order in Canada is appropriate in order to coordinate these proceedings in the U.S. and Canada. In the view of the Information Officer, the Stipulation balances the need to alleviate potential liquidity constraints of ITA with protecting the interests of creditors of ITC.

## V. UPDATE ON CERTAIN OTHER MATTERS IN THE CHAPTER 11 PROCEEDINGS

### Claims Process Update

49. On August 7, 2019, the Canadian Court recognized the Bar Date Order, which established October 15, 2019 as the date by which all entities, except as otherwise provided therein, and expressly excluding Talc Claims, must file proofs of claim in the Chapter 11 Proceedings.
50. On December 3, 2019, this Court recognized the Indirect Talc Claims Bar Date Order, which established January 9, 2020 as the date by which all persons or entities that wish to assert Indirect Talc Claims (as defined in the Prior Reports) against the Debtors must file a proof of claim in the Chapter 11 Proceedings.
51. On February 28, 2020, the Debtors filed the First Omnibus (Non-Substantive) Objection to Amended Claims and Duplicative Claims (the “**Claims Objection**”). The Claims Objection seeks to disallow, expunge, and/or modify certain amended or duplicative claims identified in the Claims Objection (the “**Disputed Claims**”).
52. The Debtors assert that failure to disallow the Disputed Claims will result in the applicable claimants receiving an unwarranted double recovery against the Debtors’ estates, to the detriment of other unsecured creditors in the Chapter 11 Proceedings.
53. On March 26, 2020, the Debtors filed a form of Order sustaining the Claims Objection under the certification of counsel.
54. As noted in the March 27 Wilson Affidavit, the Debtors believe that, following the completion of a reconciliation process to identify outstanding claims, including trade claims, the outstanding prepetition trade claims against ITC will be relatively minimal.

### Employers Mutual and RiverStone Stipulation Orders

55. On November 22, 2019, the US Court entered the Indirect Talc Claims Bar Date Order, as defined in the Prior Reports.
56. In Paragraph 14 of the Indirect Talc Claims Bar Date Order, the order provided that LMI and the Excess Insurers shall have no obligation to file a proof of claim for any Indirect Talc Claim, and shall not be bound or barred by the Indirect Talc Claim Bar Date.
57. Employers Mutual Casualty Company (“**Employers Mutual**”) and certain RiverStone Insurers (“**RiverStone**”) requested from the Debtors language similar to that applied to Certain Underwriters at Lloyd’s and Certain London

Market Insurers and the Excess Insurers (as defined in the Indirect Talc Claims Bar Date Order) in the Indirect Talc Claims Bar Date Order.

58. On January 10, 2020, the Debtors filed two separate proposed orders approving stipulations and agreements by and between the Debtors and Employers Mutual and RiverStone regarding the Indirect Talc Claims Bar Date (collectively, the “**Employers Mutual and RiverStone Stipulation Orders**”). The Employers Mutual and RiverStone Stipulation Orders provide that RiverStone and Employers Mutual (i) shall have no obligation to file a proof of claim for any Indirect Talc Claim, and (ii) shall not be bound or barred by the Indirect Talc Claim Bar Date.
59. On January 14, 2020, the US Court entered into the Employers Mutual and RiverStone Stipulation Orders.

#### **Order Further Extending the Debtors Current Exclusive Periods Within Which to File a Chapter 11 Plan**

60. On December 6, 2019, the Debtors filed a motion for an order further extending the Debtors’ exclusivity periods to file a Chapter 11 plan by 90 days through and including March 9, 2020 and to solicit votes thereon by 91 days (through and including May 11, 2020) (the “**December 6 Extension Motion**”).
61. The Debtors believe that cause exists for an extension of the exclusivity periods due to the complexity of the legal issues and various parties involved in the Chapter 11 Proceedings. Granting the requested extensions will give the Debtors a full and fair opportunity to continue negotiating a consensual plan without the distraction, cost and delay of a competing plan process.
62. On December 26, 2019, the US Court entered the December 6 Extension Motion.
63. On March 6, 2020, the Debtors filed a motion for an order further extending the Debtors’ exclusivity periods to file a Chapter 11 plan by 88 days through and including June 5, 2020, and to solicit votes thereon by 88 days (through and including August 7, 2020) (the “**March 6 Extension Motion**”).
64. On March 20, 2020, Johnson & Johnson (“**J&J**”) filed an objection to the March 6 Extension Motion. J&J objects on the basis that the Debtors have not met their burden to demonstrate that cause exists to warrant such an extension. J&J assert that despite thirteen months in bankruptcy, the Debtors have failed to move the Chapter 11 Proceedings forward and have refused to engage J&J in constructive discussions.
65. The March 6 Extension Motion is scheduled to be heard by the US Court on May 6, 2020.

## VI. UPDATE ON ADVERSARY PROCEEDING

66. As noted in the Prior Reports, on March 7, 2019, the Debtors filed a complaint and motion (the “**Adversary Proceeding**”) for injunctive and declaratory relief to seek a declaration that (i) ITA owns all rights to the proceeds of the Insurance Policies related to the pre-transfer talc liabilities and (ii) section 362(a)(3) of the Bankruptcy Code applies to prohibit any effort by Cyprus to access such proceeds.

### Third Amended Scheduling Order

67. As noted in the Prior Reports, on November 7, 2019, the US Court entered the Second Amended Scheduling Order and established trial dates for March 25 and March 27, 2020.
68. As set out in the certification of counsel regarding third amended scheduling order and order appointing mediator filed on February 24, 2020, the parties to the Adversary Proceeding have agreed, among other things, to participate in mediation, and to stay the Adversary Proceeding pending the conclusion of such mediation (the “**Mediation**”).
69. On February 25, 2020, the US Court entered the Third Amended Scheduling Order and Order Appointing Mediator (the “**Third Amended Scheduling Order and Mediator Order**”).
70. The Third Amended Scheduling Order and Mediator Order authorizes and appoints Lawrence W. Pollack to serve as mediator. The Mediation session was conducted on March 3, 2020. The Adversary Proceeding is stayed, and such stay shall remain in effect until the Mediation is concluded.

## VII. UPDATE ON CERTAIN MATTERS RELATING TO IMERYS TALC CANADA INC.

### Replacement of Canadian Director

71. On or about February 26, 2020, the Debtors’ counsel advised the Information Officer that the Canadian resident director had resigned from the ITC board. The replacement identified by the Debtors was one of the five individuals employed by ITC that was entitled to the KERP pursuant to the KERP Order approved by the US Court and recognized by the Canadian Court. Accordingly, this individual could be considered an “insider” and therefore not eligible to participate in the KERP following his appointment as a director of ITC.
72. The replacement director was appointed to the ITC Board and is no longer eligible to participate in the KERP. The replacement director is eligible to receive a director fee from ITC. The Debtors discussed the matter with the Information Officer and the Information Officer notes the approach seems reasonable in the circumstances.

## Cash Flows

73. Subsequent to the granting of the Supplemental Order, the Debtors have provided reporting to the Information Officer with respect to the cash flows of ITC. For the 18-week period from November 16, 2019 to March 20, 2020, ITC had total cash receipts of approximately \$15.5 million (as compared to forecast cash receipts of \$14.3 million) and total cash disbursements of \$15.7 million, including \$2.1 million paid to ITA as reimbursement of professional fees paid to Latham, A&M, Prime Clerk, NGE, KCIC, M.J Renick & Associates LLC, and RL&F (as compared to forecast cash disbursements of \$24.9 million, including \$8.5 million for reimbursement to ITA), for a net cash outflow of \$0.2 million (as compared to forecast net cash outflow of \$10.6 million) over the period.
74. As at March 20, 2020, the Information Officer understands that ITC had approximately \$12.9 million of cash on hand, which includes balances held in ITC's accounts at SunTrust Bank pursuant to the Final Cash Management Order.

## VIII. ACTIVITIES OF THE INFORMATION OFFICER

75. The activities of the Information Officer since the Fifth Report include:
- (a) responding to creditor inquiries regarding the Chapter 11 Proceedings and the Recognition Proceedings;
  - (b) communicating with the Debtors' advisors and the Information Officer's counsel regarding the status of matters related to the Chapter 11 Proceedings and the Recognition Proceedings;
  - (c) reviewing materials filed by various parties in the Chapter 11 Proceedings in connection with the Non-Debtor Professional Fee Stipulation Order;
  - (d) reviewing materials provided by the Debtors in connection with the Stipulation and discussion and negotiation of same;
  - (e) reviewing materials filed by various parties in the Adversary Proceeding;
  - (f) reviewing ITC's cash flow reporting and corresponding with A&M on same;
  - (g) attending before the Canadian Court for recognition of the KERP Order and the Indirect Talc Claims Bar Date Order; and
  - (h) preparing this Sixth Report.

## **IX. INFORMATION OFFICER'S RECOMMENDATION**

76. Based on the Information received and reviewed to date, the Information Officer is of the view that it is reasonable to recognize the Non-Debtor Professional Fee Stipulation Order, and respectfully recommends that the Canadian Court grant the recognition order sought by the Foreign Representative.

All of which is respectfully submitted on this 28<sup>th</sup> day of March, 2020.

**Richter Advisory Group Inc.**  
**in its capacity as Information Officer of**  
**Imerys Talc America, Inc., Imerys Talc Vermont, Inc. and Imerys Talc Canada Inc.**  
**and not in its personal capacity**

Per:



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**Pritesh Patel,**  
**MBA, CFA, CIRP, LIT**  
Senior Vice President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF IMERYYS TALC AMERICA, INC., IMERYYS TALC  
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Court File No. CV-19-614614-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

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**SIXTH REPORT OF THE INFORMATION  
OFFICER  
March 28, 2020**

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