

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE MCARTHUR

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)

THURSDAY, THE 28th
DAY OF AUGUST, 2025

B E T W E E N :



ROYNAT INC.

Applicant

and

1000602770 ONTARIO LTD.

Respondent

DISCHARGE ORDER

THIS MOTION, made by msi Spergel Inc. ("**Spergel**"), in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 1000602770 Ontario Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*, (i) authorizing and directing the Receiver to make the Distribution (as defined herein) in accordance with the First Report of the Receiver dated July 11, 2025 (the "**First Report**") (ii) approving the First Report and the Receiver's activities described therein, (iii) approving the fees and disbursements of the Receiver and its legal counsel, Aird & Berlis LLP ("**A&B**"), as set out in the First Report, together with the Fee Accrual (as set out in the First Report) to completion of the receivership proceedings, and (iv) discharging Spergel as Receiver of the assets, undertakings and property of the Debtor, effective upon the filing of a certificate by the Receiver, substantially in the form attached hereto as **Schedule "A"** (the "**Discharge Certificate**"), certifying that all matters to be attended to in connection with the receivership proceedings have been completed to the satisfaction of the Receiver, and other relief,

was heard this day by judicial videoconference via judicial videoconference via Zoom at the Courthouse 85 Frederick Street, Kitchener, ON N2H 0H7.

ON READING the First Report, the fee affidavits of the Receiver and A&B, and on hearing the submissions of counsel for the Receiver and such other parties as were present and listed on the Counsel Slip, and no one else appearing although properly served as evidenced by the Affidavit of Service of Daisy Jin sworn August 8, 2025, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF THE RECEIVER'S FIRST REPORT AND ACTIVITIES

2. **THIS COURT ORDERS** that the First Report and the conduct and activities of the Receiver as set out therein be and are hereby approved, provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize, in any way, such approvals.

APPROVAL OF RECEIPTS AND DISBURSEMENTS

3. **THIS COURT ORDERS** the Receiver's Statement of Receipts and Disbursements of the period of as of July 8, 2025, as attached as Appendix 13 to the First Report, be and is hereby approved.

APPROVAL OF FEES AND DISBURSEMENTS

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, being fees and disbursements totalling \$35,472.11 (inclusive of HST) are hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's legal counsel, A&B, being fees and disbursements totalling \$14,460.42 (inclusive of HST), are hereby approved.

6. **THIS COURT ORDERS** that the Fee Accrual in the applicable amount of \$75,000 plus disbursements and HST to the completion of these proceedings, as set out in paragraph 35 of the First Report are hereby approved.

SEALING OF CONFIDENTIAL APPENDICES

7. **THIS COURT ORDERS** that the Confidential Appendices to the First Report shall be and are hereby sealed, kept confidential and shall not form part of the public record until the earlier of (a) the closing of the proposed transaction as defined in the First Report; and (b) further Order of the Court sought on not less than seven (7) days notice to counsel to the Receiver and, provided it has not been discharged, the Receiver.

FINAL DISTRIBUTIONS

8. **THIS COURT ORDERS** that subject to the Receiver maintaining such reserves as the Receiver deems appropriate for the proper administration of the receivership estate, and the payment by the Receiver of the amounts secured under the Receiver's Borrowings Charge (as defined in the Receivership Order), the fees of the Receiver and its legal counsel, A&B, including the Fee Accrual, the Receiver be and is hereby authorized and directed to distribute Roynat Inc, in respect of its secured claim, the net proceeds of realization in these receivership proceedings, but not to exceed the amount of its secured claim (the “**Roynat Distribution**”).
9. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.
10. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings and receivership proceedings in respect of the Debtor;

(b) any applications for a bankruptcy order issued pursuant to the *Bankruptcy and Insolvency Act* in respect of the Debtor and any bankruptcy order issued pursuant to any such application;

(c) any assignment in bankruptcy made in respect of the Debtor; and

(d) any provisions of any federal or provincial legislation,

any payment or distributions made pursuant to this Order shall be made free and clear of any and all security interests (whether contractual, statutory or otherwise), mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Debtor and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

DISCHARGE OF THE RECEIVER AND TERMINATION

11. **THIS COURT ORDERS** that upon the Receiver filing with this Court the Discharge Certificate certifying that the Receiver has completed all outstanding receivership matters in connection with its appointment as Receiver in these proceedings, the Receiver shall be unconditionally and absolutely discharged as Receiver, provided, however, that notwithstanding its discharge as Receiver herein, (a) Spergel shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of Spergel in its capacity as Receiver.

12. **THIS COURT FURTHER ORDERS AND DECLARES** that, upon the Receiver filing the Discharge Certificate, Spergel is hereby released and discharged from any and all liability that Spergel now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Spergel is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.
13. **THIS COURT ORDERS** that upon the filing of the Receiver's Discharge Certificate, these proceedings shall be terminated without the need for any further authorization or approval.

GENERAL

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any other foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



Justice M.D. MCARTHUR

Schedule A – Form of Receiver’s Discharge Certificate

Court File No. CV-24-00001161-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

ROYNAT INC.

Applicant

and

1000602770 ONTARIO LTD.

Respondent

RECEIVER’S DISCHARGE CERTIFICATE

A. By Order of the Ontario Superior Court of Justice dated August 8, 2024 (the “**Receivership Order**”), msi Spergel Inc. (“**Spergel**”) was appointed as the receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of 1000602770 Ontario Ltd. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor.

B. Pursuant to an Order of the Court dated <*> (the “**Discharge Order**”), the Court provided for the discharge of the Receiver upon the Receiver filing this certificate with the Court certifying that the Receiver has, to its knowledge, completed all outstanding receivership matters in connection with its appointment as Receiver in these proceedings (the “**Outstanding Matters**”).

1. **THE RECEIVER CERTIFIES** the following:

- (a) all matters to be attended to in connection with the receivership proceedings of the Debtor, including the payment of the Roynat Distribution in accordance with paragraph 7 of the Discharge Order, have been completed to the satisfaction of the Receiver; and

(b) this Certificate was filed by the Receiver with the Court on the ____ day of _____, 20____.

msi Spergel Inc., solely in its capacity as court-appointed receiver of the assets, undertakings and properties of 1000602770 Ontario Ltd, and not in its personal, corporate, or any other capacity

Per: _____
Name:
Title:

ROYNAT INC.

Applicant

and

1000602770 ONTARIO LTD.

Respondent

Court File No. CV-24-00001161-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT KITCHENER,
ONTARIO

RECEIVER'S DISCHARGE CERTIFICATE

AIRD & BERLIS LLP

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Lawyers for the Receiver

ROYNAT INC.

and

1000602770 ONTARIO LTD.

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Court File No. CV-24-00001161-0000

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