

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

THURSDAY, THE 2ND

JUSTICE MacNEIL

)

DAY OF OCTOBER, 2025

)

B E T W E E N:

BANK OF MONTREAL

Applicant



- and -

11977636 CANADA INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**ORDER
(DISTRIBUTION AND DISCHARGE)**

THIS MOTION, made by msi Spergel Inc. (“**Spergel**”) in its capacity as court-appointed receiver (the “**Receiver**”) of the assets, undertaking and properties of 11977636 Canada Inc. (the “**Debtor**”), including the real property municipally known as 5641 Nauvoo Road, Watford, Ontario (the “**Nauvoo Property**”) for an order:

- (a) approving the Second Report to the Court dated September 18, 2025 and the appendices thereto (the “**Second Report**”) and the actions and activities of the Receiver described therein;
- (b) approving the fees and disbursements of the Receiver and its legal counsel, Chaitons LLP (“**Chaitons**”), as set out in the Second Report, the affidavit of Trevor Pringle sworn September 12, 2025 and the affidavit of Maleeha Anwar, sworn September 8, 2025 (collectively, the “**Fee Affidavits**”), attached as appendices to the Second Report;
- (c) approving an accrual of \$44,750 (excluding HST and disbursements) (the “**Fee Accrual**”) in respect of the fees incurred or to be incurred by the Receiver and Chaitons, in connection with the completion by the Receiver of its remaining duties and administration of these receivership proceedings (the “**Receivership Proceedings**”);
- (d) ordering that neither the Receiver nor Chaitons shall be required to pass their accounts in respect of any further fees and disbursements, up to the amount of the Fee Accrual, incurred in connection with the completion by the Receiver of its remaining duties and administration of the Receivership Proceedings;
- (e) approving the Receiver’s Interim Statement of Receipts and Disbursements as at September 15, 2025;
- (f) authorizing and directing the Receiver to make certain distributions, as recommended in the Second Report;

- (g) authorizing and directing the Receiver to pay any balance remaining in the Fee Accrual, after payment of all fees and disbursements of the Receiver and Chaitons incurred in connection with completing the Receiver's remaining duties and administration of these Receivership Proceedings, to AKS Finance Inc.; and
- (h) releasing and discharging Spergel from any and all liability, as set out in paragraph 10 of this Order,

was heard this day at 45 Main St. E. Hamilton, Ontario via videoconference.

ON READING the Second Report, the Fee Affidavits, and on hearing the submissions of counsel for the Receiver, and other such parties shown on the Participant Information Form filed with the Court:

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Second Report.

APPROVAL OF RECEIVER'S ACTIVITIES, FEES, RECEIPTS & DISBURSEMENTS

2. **THIS COURT ORDERS** that the Second 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 approval.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and the Receiver's counsel, Chaitons, as set out in the Second Report and the Fee Affidavits, be and are hereby approved.

4. **THIS COURT ORDERS** that an accrual of \$44,750 excluding HST and disbursements (the "**Fee Accrual**") in respect of the fees incurred or to be incurred by the Receiver and Chaitons, in connection with the completion of the Receiver's remaining duties and administration of these Receivership Proceedings be and is hereby approved.

5. **THIS COURT ORDERS** that neither the Receiver nor Chaitons shall be required to pass their accounts in respect of any further fees and disbursements, up to the amount of the Fee Accrual, incurred in connection with the completion by the Receiver of its remaining duties and administration of these Receivership Proceedings.

6. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements as of September 15, 2025, as set out in the Second Report, be and is hereby approved.

DISTRIBUTIONS

7. **THIS COURT ORDERS** that, subject to (i) the payment of the professional fees and disbursements of the Receiver and its legal counsel (ii) the Receiver maintaining the Fee Accrual, and (iii) the applicable priorities at law, the Receiver is hereby authorized and directed to make the distributions described in the Second Report, as follows:

- (a) to the Town of Warwick in the amount of \$26,022.05 or such amount accrued at the closing of the Transaction for outstanding property tax arrears;

- (b) to His Majesty the King in Right of Ontario as represented by the Minister of Finance in the amount of \$24,639.65 or such amount accrued at the closing of the Transaction for outstanding land transfer tax;
- (c) to Bank of Montreal, or such party as Bank of Montreal might direct, up to the amount owing by the Debtor to Bank of Montreal; and
- (d) to AKS Finance Inc., or such party as AKS Finance Inc. might direct, up to the amount owing by the Debtor to AKS Finance Inc.

8. **THIS COURT ORDERS** that the Receiver is authorized and directed to pay any balance remaining in the Fee Accrual, after payment of all fees and disbursements of the Receiver and its legal counsel incurred in connection with completing the Receiver's remaining duties and administration of these Receivership Proceedings, to AKS Finance Inc.

DISCHARGE OF THE RECEIVER

9. **THIS COURT ORDERS** that upon the Receiver's completion of its remaining duties and administration of these Receivership Proceedings and upon the filing by the Receiver of a certificate substantially in the form attached as **Schedule "A"** hereto (the "**Discharge Certificate**"), certifying that, to its knowledge, all matters to be attended to in connection with these Receivership Proceedings have been completed to the satisfaction of the Receiver, the Receiver shall be discharged, provided however that, notwithstanding its discharge herein: (a) the Receiver 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,

without limitation, all approvals, protections and stay of proceedings in favour of Spergel in its capacity as Receiver.

10. **THIS COURT 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 proceeding, save and except for any gross negligence or wilful misconduct on the Receiver's part.

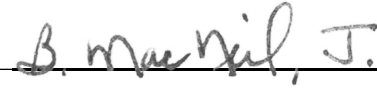
GENERAL

11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and 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 respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that the Receiver, its counsel and other agents are hereby authorized to take all necessary steps and actions to effect each of the payments and distributions in accordance with the provisions of this Order from time to time, and shall not incur any liability as a result of making any such payments or distributions.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Standard Time) on the date of this Order and is enforceable without the need for entry or filing.

A handwritten signature in dark ink, appearing to read "B. MacNeil, J.", is written over a horizontal line.

Issued and entered electronically by

Local Registrar
45 Main St East
Hamilton, ON
L8N 2B7

SCHEDULE “A”

Receiver’s Form of Discharge Certificate

Court File No: CV-24-00088321-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

BANK OF MONTREAL

Applicant

- and –

11977636 CANADA INC.

Respondent

RECEIVER’S DISCHARGE CERTIFICATE

msi Spergel inc., in its capacity as receiver (the “**Receiver**”) without security, of the assets, undertakings and properties of 11977636 Canada Inc. (“**Debtor**”), hereby certifies that the remaining receivership matters described in Second Report of the Receiver dated September 18, 2025 have been completed to the satisfaction of the Receiver.

This Receiver’s Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

msi Spergel inc., in its capacity as Receiver of the assets, undertakings and properties of 11977636 Canada Inc., and not in its personal capacity

Per: _____

Name:

Title:

BANK OF MONTREAL
Applicant

-and-

11977636 CANADA INC.
Respondent

Court File No. CV-24-00088321-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
HAMILTON

DISTRIBUTION AND DISCHARGE ORDER

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Danish Afroz (LSO No. 65786B)

Tel (416) 218-1137

Email: dafroz@chaitons.com

Maleeha Anwar (LSO No. 92961B)

Tel (416) 218-1128

Email: manwar@chaitons.com

*Lawyers for msi Spergel Inc., in its capacity as Court-
Appointed Receiver*