

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 26TH
)
JUSTICE KOEHNEN) DAY OF JUNE, 2023
)

B E T W E E N:

ROYNAT INC.

Applicant

- and -

2796996 ONTARIO INC.

Respondent

ORDER

(DISTRIBUTION, DISCHARGE AND ANCILLARY)

THIS MOTION, made by msi Spergel inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of 2796996 Ontario Inc. (the "Debtor"), for an order:

1. That the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and hereby dispensing with further service and confirmation hereof;
2. Approving the activities and conduct of the Receiver as set out in the First Report of the Receiver dated June 14, 2023 (the "First Report") and the Supplemental Report to the First Report of the Receiver dated June 21, 2023 (the "Supplemental Report"), the Second Supplemental Report of the Receiver dated June 24, 2023 (the "Second Supplemental Report") and 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 the approval of the First Report and the Supplemental Report.

3. Approving the fees of the Receiver and its counsel (the "Professional Fees") and the Fee Accrual, as defined and detailed in the First Report, and payment thereof;
4. Approving the Receiver's Statement of Receipts and Disbursements as of May 31, 2023, as defined and detailed in the First Report (the "Statement of Receipts and Disbursements");
5. Approving the Proposed Distribution , as detailed and defined in the First Report;
6. Sealing the Confidential Appendices to the First Report (the "Confidential Appendices") until the completion of the Transaction (as defined in the First Report), or until further Order of this Court;
7. Discharging msi Spergel inc. as Receiver of the undertaking, property and assets of the Debtor on the filing of the Certificate of Completion, as provided for in the First Report; and
8. Releasing msi Spergel inc. from any and all liability, as set out in paragraph 8 of this Order,

was heard this day by way of judicial teleconference via Zoom at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Notice of Motion dated June 14, 2023, the First Report, the Supplemental Report, the Second Supplemental Report, the Responding Motion Record of the Respondent dated June 15, 2023 the affidavits of the Receiver and its counsel as to the Professional Fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, counsel for the Applicant, counsel for the Respondent, and anyone one else appearing for any other person on the service list, as properly served as evidenced by the Affidavit of Service of Lindsay Ferguson sworn June 15, 2023, filed;

1. THIS COURT ORDERS that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and hereby dispensing with further service and confirmation hereof.

2. THIS COURT ORDERS that the activities of the Receiver, as set out in the First Report the Supplemental Report, and the Second Supplemental Report are hereby approved and 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 the approval of the First Report, the Supplemental Report and the Second Supplemental Report, as detailed herein.

3. THIS COURT ORDERS that the Professional Fees and the Fee Accrual, as set out in the First Report and the Fee Affidavits, and payment thereof, be and are hereby approved.

4. THIS COURT ORDERS that the Statement of Receipts and Disbursements be and is hereby approved.

5. THIS COURT ORDERS that the Confidential Appendices be and are sealed until the completion of the Transaction, or until further Order of this Court.

6. THIS COURT ORDERS that, after payment of the Professional Fees herein approved, and subject to the Fee Accrual, the Receiver be and is authorized and directed to make the Proposed Distribution, as detailed and described in the First Report, as follows:

- (a) To Roynat Inc. for repayment of the Receiver's Borrowing (as detailed and defined in the First Report) in the amount of \$100,000 plus interest thereon; and,
- (b) The balance of the funds residing in the Receiver's account, less the Fee Accrual, to Roynat Inc. with respect to its First Mortgage.

7. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 and 6 hereof and upon the Receiver filing the Certificate of Completion as provided for in the First Report certifying that it has completed the other activities described in the Report, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, 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 this proceeding, including all approvals, protections and stays of proceedings in favour of msi Spergel inc. in its capacity as Receiver.

8. THIS COURT ORDERS AND DECLARES that msi Spergel inc. is hereby released and discharged from any and all liability that msi Spergel inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of msi Spergel inc. 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, msi Spergel inc. 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.

A handwritten signature in blue ink, appearing to be 'M. A. J.', is written above a horizontal line.

Justice, Ontario Superior Court of Justice (Commercial List)

ROYNAT INC.

v.

2796996 ONTARIO INC.

Applicant

Respondent

Court File No. CV-22-00683167-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

ORDER

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