

Court File No. CV-22-00691955-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

and

**1731861 ONTARIO INC. operating as PLASTICAP, PETER J. GOSSMANN
and THOMAS FRANK LATO**

Defendants

MOTION RECORD - VOLUME 3 OF 3

(Motion for an Order appointing a Receiver

Hearing Date: January 19, 2023 at 12:00 p.m., Via Video Conference)

December 21, 2022

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for Royal Bank of Canada

TO:
SERVICE LIST

SERVICE LIST

(re: Motion to appoint Receiver, returnable on January 19, 2023)

NO.	NAME	METHOD OF SERVICE
1.	1731861 ONTARIO INC. operating as PLASTICAP 8600 Keele Street, Unit 11A Concord ON L4K 2N2	BY E-MAIL TO: tlato@plasticap.com pgossmann@plasticap.com
2.	PETER J. GOSSMANN 5 Oakington Place Mississauga ON L5N 3V9	BY E-MAIL TO: pgossmann@plasticap.com
3.	THOMAS FRANK LATO 6021 19 th Avenue Markham ON L3P 3J3	BY E-MAIL TO: tlato@plasticap.com
4.	MSI SPERGEL INC. 505 Consumers Road, Suite 200, Toronto ON M2J 4V8 Mukul Manchanda Tel: (416) 498-4314 E-Mail: mmanchanda@spergel.ca Proposed Receiver	BY E-MAIL TO: mmanchanda@spergel.ca
5.	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by Ministry of Finance Legal Services Branch 77 Bay Street, 11th Floor Toronto ON M5G 2C8 Attention: Anthony R. Golding Senior Counsel, Ministry of Finance Tel: (416) 938-5069 E-Mail: anthony.golding@ontario.ca	BY E-MAIL TO: anthony.golding@ontario.ca
6.	CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office The Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto ON M5X 1K6 Attention: Diane Winters Tel: (416) 952-8563 E-Mail: diane.winters@justice.gc.ca	BY E-MAIL TO: diane.winters@justice.gc.ca

NO.	NAME	METHOD OF SERVICE
7.	INSOLVENCY UNIT Province of Ontario E-Mail: insolvency.unit@ontario.ca	BY E-MAIL TO: insolvency.unit@ontario.ca

INDEX

TAB	DOCUMENT	PAGE NO.
1	Notice of Motion dated December 21, 2022, returnable on January 19, 2023	1 – 6
2	Affidavit of Jan Oros sworn December 21, 2022 and the exhibits attached thereto	7 – 23
A	Exhibit “A” – Copy of “Who We Are” from Plasticap’s website	24 – 25
B	Exhibit “B” – Corporation Profile Report for 1731861 Ontario Inc.	26 – 33
C	Exhibit “C” – Credit Agreement dated December 31, 2020; ; Credit Agreement dated February 9, 2022; Visa Agreement signed April 17, 2018	34 – 76
D	Exhibit “D” – General Security Agreement dated July 26, 2020	76 – 87
E	Exhibit “E” – Guarantee and Postponement of Claim executed by Peter J. Gossmann; Guarantee and Postponement of Claim executed by Thomas F. Lato; Personal Statement of Affairs of Peter Gossmann; Personal Statement of Affairs of Thomas Lato	88 – 100
F	Exhibit “F” – Certified PPSA Search for 1731861 Ontario Inc.	101 – 107
G	Exhibit “G” – Email communications between Senior Current Account Manager, Avi Chutani, and Plasticap’s accountant, Mr. Gossmann and Mr. Lato sent on August 17 and 18, 2022 and September 12 and 20, 2022	108 – 110
H	Exhibit “H” – First Default Letter dated October 3, 2022	111 – 113
I	Exhibit “I” – Email communications between Senior Current Account Manager, Avi Chutani and Plasticap’s account, Mr. Gossmann and Mr. Lato sent on October 16 and 19, 2022 and November 1, 2022	114 – 117
J	Exhibit “J” – Second Default Letter dated November 8, 2022	118 – 119
K	Exhibit “K” – Transition Letter dated November 14, 2022	120 – 122
L	Exhibit “L” – Email exchange between Jan Oros (RBC) and Peter Gossmann	123 - 134

TAB	DOCUMENT	PAGE NO.
M	Exhibit “M” – Email from Navin Bhagtani with attachments, sent on November 25, 2022	135 – 149
N	Exhibit “N” – Demand Letters dated November 28, 2022	150 – 158
O	Exhibit “O” – Corporate Profile Report for 1646813 Ontario Limited; Parcel Register for 177 Crosby Avenue, Richmond Hill	159 – 174
P	Exhibit “P” – Copy of an article “Polycap Establishing First U.S. Manufacturing Facility In Virginia” dated April 11, 2019	175 – 178
Q	Exhibit “Q” – Copies of the report and certificate from the Virginia State Corporation Commission in connection with Polycap LLC filings together with copies of the filings	179 – 200
R	Exhibit “R” – UCC Financing Statement registered by RBC on December 1, 2022	201 – 203
S	Exhibit “S” – Information Emails (partially redacted)	204 – 344
T	Exhibit “T” – Consent of msi Spergel inc. to act as Receiver	345 - 347
3	Statement of Claim issued on December 20, 2022	348 – 367
4	Draft Order (appointing Receiver)	368 - 383

From: Stephen Walters [mailto:sdw@business-law.biz]
Sent: Wednesday, December 14, 2022 1:28 PM
To: Rachel Moses <RMoses@mindengross.com>
Cc: Tom Plasticap <tlato@plasticap.com>; Peter Gossmann <pgossmann@plasticap.com>
Subject: RE: Plasticap - Information requested a Tom I'm telling you I don't like the payroll remittances position not really happy about that but

Rachel,

Please see attached and my comments interspersed below.

Thanks, S.

STEPHEN WALTERS, LL.B., LL.M. (Banking), LL.M. (Tax)
P: 905-826-0651 / F: 905-826-3001 / E: sdw@business-law.biz

STEPHEN WALTERS PROFESSIONAL CORPORATION
6509B Mississauga Road, Mississauga, Ontario, Canada L5N 1A6

WARNING: *From time to time, our spam scanners eliminate legitimate email from clients. If your email contains important instructions, please ensure that we acknowledge receipt of those instructions. The information transmitted herein is intended only for the addressee and may contain confidential, proprietary and/or privileged material. Any unauthorized review, distribution or other use of or the taking of any action in reliance upon this information is prohibited. If you receive this e-mail in error, please contact the sender and delete or destroy this message and all copies and attachments. The integrity and security of Internet communications*

and in particular this email and any attachments cannot be guaranteed. We accept no liability whatsoever in connection therewith. You are strongly advised to carry out all necessary virus checks and that you open this email and any attachments at your own risk.

From: Rachel Moses <RMoses@mindengross.com>

Sent: Tuesday, December 13, 2022 3:04 PM

To: Stephen Walters <sdw@business-law.biz>

Subject: Plasticap -

CAUTION: This email originated from a sender outside of Stephen Walters Professional Corp. Do not click this, open attachments or respond unless you recognize the sender and know the content is safe.

1731861 Ontario Inc./ oa Plasticap

10520 Yonge Street
Unit 35B, Suite 169
Richmond Hill, ON
L4C 3C7

Phone # 905-883-4343

311 Invoice

Date	Invoice #
11/17/2020	100480

Invoice To
IM Packaging Inc. 2270 Argentia Road Unit 1 Mississauga, ON L5N 6A6

Ship To

Order #	P.O. No.	Terms	Due Date	Ship Date	Packing Slip #
63141	POT-1310	Net 30	12/17/2020	11/17/2020	100480

Quantity	Customer Code	Description	Price Each	Amount	Tax
36,000	10-4055-074	31.5 1680 BLA001 PP HST (ON) on sales	0.05975 13.00%	2,151.00 279.63	H

Subtotal	CAD 2,151.00
Sales Tax Total	CAD 279.63
Total	CAD 2,430.63

Rep

GST/HST No. 850996398



Sudbury ON P3A 5C1

000004269

1731861 ONTARIO INC. Plasticap
UNIT 35B - 10520 YONGE ST.
SUITE 169
RICHMOND HILL ON L4C 3C7

Notice details

Account number 85099 6398 RP0001

Tax year 2021

Date issued Mar 10, 2022

Notice of assessment

This is your notice of assessment for 1731861 ONTARIO INC.. Go to the **Assessment details** section for more information.

Thank you,

Bob Hamilton
Commissioner of Revenue

Account balance

You have a credit balance.

Balance: \$7,359.09

Payment options

You can pay:

- online
- by mail to CRA

For more information, go to the **How do you pay?** section of this notice.

1731861 ONTARIO INC. Plasticap
 UNIT 35B - 10520 YONGE ST.
 SUITE 169
 RICHMOND HILL ON L4C 3C7

Notice details

Account number	85099 6398 RP0001
Tax year	2021
Date issued	Mar 10, 2022

Assessment details

The summary table shows your previous arrears account balance, a breakdown of this assessment and the new arrears account balance. The **Amount assessed** line is not included in the **balance**.

Summary

Description	\$ Amount	CR/DR
Previous arrears account balance	7,459.09	CR
Amount assessed	0.00	
Federal tax	0.00	
Provincial tax	0.00	
Canada Pension Plan	0.00	
Employment insurance	0.00	
Penalty	100.00	DR
Interest	0.00	
Payment	0.00	
Balance	7,359.09	CR

Explanation of changes and other important information

We charged you a penalty for late filing your 2021 T4 type return.

You must pay the balance shown on this notice right away. If you do not, we may have to take legal action without further notice.

More information

If you need more information, go to canada.ca/payroll or call the business enquiries line at **1-800-959-5525**.

To access and manage your payroll account, go to canada.ca/my-cra-business-account. Authorized employees or representatives can access accounts online on behalf of their employer or clients. To log in or register, go to canada.ca/taxes-representatives.

If you want to register a formal dispute:

Go to canada.ca/cra-complaints-disputes. You have 90 days from the date of this notice to register your dispute.

Definitions

For arrears account balances, a **debit** (DR) increases your amount owing and a **credit** (CR) decreases your amount owing.

Help for persons with hearing, speech or visual impairments

You can get this notice in braille, large print, electronic text or audio format. For more information about other formats, go to canada.ca/cra-multiple-formats.

If you use a teletypewriter, you can get tax information by calling **1-800-665-0354**.

How do you pay?

- online or by phone using a Canadian financial institution's services
- online at canada.ca/cra-my-payment
- online by setting up a pre-authorized debit agreement at canada.ca/my-cra-business-account
- in person at your Canadian financial institution or, for a fee, at a Canada Post retail outlet (cash or debit only)

For more information on how to make a payment, go to canada.ca/payments.

If you cannot pay in full and you would like more information, go to canada.ca/cra-collections. To discuss a payment arrangement, call us at **1-877-548-6016**, Monday to Friday (except holidays) from 7:00 a.m. to 11:00 p.m. Eastern time.

Fraudulent communications (scams)

The CRA is committed to protecting the personal information of taxpayers and benefit recipients. We will never ask you to give us personal information of any kind by email, text message, or by clicking on a link. Nor will we ask you to pay your balance through the use of a pre-paid credit card. For more information about how to recognize scams and protect yourself, go to canada.ca/taxes-security.



Sudbury ON P3A 5C1

000000105

1731861 ONTARIO INC. Plasticap
UNIT 35B - 10520 YONGE ST.
SUITE 169
RICHMOND HILL ON L4C 3C7

Notice details

Account number	85099 6398 RP0001
Tax year	2021
Date issued	Mar 10, 2022
Return Address	Canada Revenue Agency Surrey BC V3T 5E1

Notice of tax deduction, Canada Pension Plan and employment insurance discrepancy

We processed your T4 type return(s). Your total deductions reported disagree with the total credit in your remittance account. The discrepancy appears as the difference.

Attach any amended slips or payments that will balance your account. If your payment does not match the difference, explain by completing the **Yearly Payroll Breakdown** form. Return this notice by mail within 20 days or go to canada.ca/my-cra-business-account and select "Respond to notices."

Thank you,

Bob Hamilton
Commissioner of Revenue

Account discrepancy

You have a debit difference

Difference \$126,058.53

Payment options

If you have an amount due you can pay:

- **online**
- **at your financial institution**

For more information, go to the **How do you pay?** section of this notice.

1731861 ONTARIO INC. Plasticap
 UNIT 35B - 10520 YONGE ST.
 SUITE 169
 RICHMOND HILL ON L4C 3C7

Notice details

Account number	85099 6398 RP0001
Tax year	2021
Date issued	Mar 10, 2022

Account summary

The **Information return** table includes the amounts you reported on your summary and our calculated amounts from all slips received. The **Variance** column shows the difference between both of these amounts.

The **Account discrepancy** table shows the difference between our calculated totals (DR) and the balance in your payroll remittance account (CR).

The **Difference** is the amount you must explain.

Information return

Description	\$ Amount reported by employer	\$ Amount calculated by CRA	\$ Variance	CR/DR
C.P.P. contributions deducted	17,134.57	17,134.57	0.00	
C.P.P. contributions employer's share	17,134.57	17,134.57	0.00	
E.I. premiums deducted	4,956.49	4,956.49	0.00	
E.I. premiums employer's share	6,939.04	6,939.09	0.05	DR
Tax deducted	79,893.81	79,893.81	0.00	
Total		126,058.53		

Account discrepancy

Description	\$ Amount	CR/DR
Total \$ amount calculated by CRA	126,058.53	DR
Less your remittance account balance	0.00	
Difference	126,058.53	DR

Explanation of changes and other important information

If we do not receive an explanation, we will charge you any overdue amounts as well as any penalties and interest that apply.

For information on how to pay, see the **How do you pay?** section of this notice.

More information

If you have an enquiry, call us at **1-800-724-9463** or you can submit it by fax at **604-585-5774**.

To access and manage your payroll account, go to **canada.ca/my-cra-business-account**. Authorized employees or representatives can access accounts online on behalf of their employer or clients. To log in or register, go to **canada.ca/taxes-representatives**.

Definitions

A **debit** (DR) is the amount you should have remitted based on the **Information return table**. A **credit** (CR) is the amount you actually remitted.

Help for persons with hearing, speech or visual impairments

You can get this notice in braille, large print, electronic text or audio format. For more information about other formats, go to **canada.ca/cra-multiple-formats**.

If you use a teletypewriter, you can get tax information by calling **1-800-665-0354**.

How do you pay?

- online or by phone using a Canadian financial institution's services
- online at **canada.ca/cra-my-payment**
- online by setting up a pre-authorized debit agreement at **canada.ca/my-cra-business-account**
- in person at your Canadian financial institution or, for a fee, at a Canada Post retail outlet (cash or debit only)

For more information on how to make a payment, go to **canada.ca/payments**.

Don't forget your due dates

The Business Tax Reminder App lets business users create custom reminders and alerts for remittances and filing due dates. To find out how to download the mobile app, go to **canada.ca/cra-mobile-apps**.

Get your money faster

Get your refunds faster by registering for direct deposit and have your money deposited directly into your bank account. For more information on direct deposit, go to **canada.ca/cra-direct-deposit**.



Material Receipt Summary

50170111 PLASTICAP
PETER GOSSMANN
RICHMOND H
ON L4C 2R3

P9911491 - Closure:63mm Ext-CMB Tulip Cap -Suavitel

Opening Inventory Qty	880,275.000	EA
Total Receipts	0.000	EA
Total Usage	880,275.000-	EA
Closing Inventory	0.000	EA
Billable Quantity	880,275.000	EA

Receipt Details

Date	Quantity / UOM	Bill of Lading #
------	----------------	------------------

End of Summary

Material Receipt Summary

50170111 PLASTICAP
PETER GOSSMANN
RICHMOND H
ON L4C 2R3

P9923591 - Closure: 63mm Camb Tulip Cap Comp Yellow

Opening Inventory Qty	48,542.000	EA
Total Receipts	165,000.000	EA
Total Usage	22,967.000-	EA
Closing Inventory	190,575.000	EA
Billable Quantity	22,967.000	EA

Receipt Details			
Date	Quantity /	UOM	Bill of Lading #
11/05/22	11,000.000	EA	ANNEX TRANSFER
11/05/22	11,000.000-	EA	ANNEX TRANSFER
11/16/22	2,200.000-	EA	
11/16/22	2,200.000	EA	
11/23/22	825.000-	EA	ANNX
11/23/22	825.000	EA	ANNX
11/28/22	165,000.000	EA	26870

End of Summary

Material Receipt Summary

50170111 PLASTICAP
 PETER GOSSMANN
 RICHMOND H
 ON L4C 2R3

P9923592 - Closure: 63mm Camb Tulip Cap Comp Blue

Opening Inventory Qty	171,396.000	EA
Total Receipts	165,000.000	EA
Total Usage	93,021.000-	EA
Closing Inventory	243,375.000	EA
Billable Quantity	93,021.000	EA

Receipt Details			
Date	Quantity /	UOM	Bill of Lading #
11/05/22	1,650.000	EA	ANNEX TRANSFER
11/05/22	1,650.000-	EA	ANNEX TRANSFER
11/08/22	46,200.000-	EA	ANNX
11/08/22	46,200.000	EA	ANNX
11/11/22	26,400.000-	EA	ANNEX TRANSFER
11/11/22	26,400.000	EA	ANNEX TRANSFER
11/16/22	9,350.000-	EA	
11/16/22	9,350.000	EA	
11/21/22	165,000.000	EA	26869/301020
11/21/22	59,400.000	EA	
11/21/22	59,400.000-	EA	
11/23/22	825.000	EA	ANNX
11/23/22	825.000-	EA	ANNX

End of Summary

Material Receipt Summary

50170111 PLASTICAP
PETER GOSSMANN
RICHMOND H
ON L4C 2R3

P9933835 - Closure 63mm Camb TulipCap SunshineBloom

Opening Inventory Qty	199,100.000	EA
Total Receipts	0.000	EA
Total Usage	0.000	EA
Closing Inventory	199,100.000	EA
Billable Quantity	0.000	EA

Receipt Details

Date	Quantity / UOM	Bill of Lading #
------	----------------	------------------

No Receipts found for material

End of Summary

Material Receipt Summary

50170111 PLASTICAP
PETER GOSSMANN
RICHMOND H
ON L4C 2R3

P9935032 - Closure 63mm Camb TulipCap WaterfallMist

Opening Inventory Qty	17,600.000	EA
Total Receipts	0.000	EA
Total Usage	0.000	EA
Closing Inventory	17,600.000	EA
Billable Quantity	0.000	EA

Receipt Details

Date	Quantity / UOM	Bill of Lading #
------	----------------	------------------

No Receipts found for material

End of Summary

Material Receipt Summary

50170111 PLASTICAP
PETER GOSSMANN
RICHMOND H
ON L4C 2R3

P9942199 - Closure: 63mm Camb Tulip Cap Comp Purple

Opening Inventory Qty	33,375.000	EA
Total Receipts	0.000	EA
Total Usage	33,375.000-	EA
Closing Inventory	0.000	EA
Billable Quantity	33,375.000	EA

Receipt Details			
Date	Quantity /	UOM	Bill of Lading #
11/03/22	20,175.000	EA	ANNEX TRANSFER
11/03/22	20,175.000-	EA	ANNEX TRANSFER
11/03/22	20,175.000	EA	CORRECTION
11/03/22	20,175.000-	EA	CORRECTION
11/03/22	13,200.000	EA	RF# 30889
11/03/22	13,200.000-	EA	RF# 30889

End of Summary

50170111 PLASTICAP
PETER GOSSMANN
RICHMOND H
ON L4C 2R3

Usage Summary

Material	Plant	Quantity / Unit	Price	
P9911491		US78 COLGATE PALMOLIVE -	880,275.000- /001 EA	70,430.8100
P9923591		US78 COLGATE PALMOLIVE -	22,967.000- /001 EA	2,101.6500
P9923592		US78 COLGATE PALMOLIVE -	93,021.000- /001 EA	8,321.0700
P9942199		US78 COLGATE PALMOLIVE -	33,375.000- /001 EA	3,478.0000
Total Liabilities				84,331.5300

Expected Invoice Due Date: 12/01/2022

DECLARATIONS

ERIE INSURANCE EXCHANGE
ULTRAFLEX POLICY



RENEWAL CERTIFICATE

Agent	ITEM 2. Policy Period	Policy Number
DD2375 MC FADDIN & ASSOC INC	08/01/22 TO 08/01/23	Q44 0154772 V

ITEM 1. Named Insured and Address
 GREENFIELD ICI HOLDINGS LLC
 POLYCAP LLC
 219 JOE GILLESPIE
 LEBANON VA 24266-1129

ITEM 3. Other Interest

POLICY PERIOD BEGINS AND ENDS AT 12.01 A.M. STANDARD TIME AT THE STATED ADDRESS OF THE NAMED INSURED.

THE INSURANCE APPLIES TO THOSE PREMISES DESCRIBED AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS. THIS IS SUBJECT TO ALL APPLICABLE TERMS OF THE POLICY AND ATTACHED FORMS AND ENDORSEMENTS

DEDUCTIBLE (PROPERTY PROTECTION ONLY)- \$ 5,000.

COVERAGES:	DEPOSIT PREMIUM
PROPERTY PROTECTION - AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS	\$ INCL
1. BUILDINGS	\$ INCL
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	\$ INCL
3. ADDITIONAL INCOME PROTECTION	\$ INCL
4. GLASS AND LETTERING	\$
5. SIGNS, LIGHTS AND CLOCKS	\$

LIMITS OF INSURANCE

PREMIUM BASIS - RECEIPTS		\$ INCL
EACH OCCURRENCE LIMIT	\$ 1,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 1,000,000	ANY ONE PREMISES
MEDICAL EXPENSE LIMIT	\$ 5,000	ANY ONE PERSON
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000	ANY ONE PERSON OR ORGANIZATION
GENERAL AGGREGATE LIMIT		\$ 2,000,000
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT		\$ 2,000,000

OPTIONAL COVERAGES

SEE NEXT PAGE

TOTAL DEPOSIT PREMIUM - - - - - \$ 36,469.

APPLICABLE FORMS - SEE SCHEDULE OF FORMS

See Reverse Side



OPTIONAL COVERAGES

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE-CLAIMS MADE	\$	INCL
\$ 100,000 AGGREGATE LIMIT (INCLUDES DEFENSE COSTS)		
\$ 2,500 DEDUCTIBLE PER LOSS AMOUNT (INCLUDES DEFENSE COSTS)		
RETROACTIVE DATE:		
NUMBER OF EMPLOYEES: FULL TIME 24 PART TIME 0		
THIRD PARTY EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE-CLAIMS MADE	\$	INCL
NON-OWNED AND HIRED AUTO LIABILITY INS COV	\$	INCL
BODILY INJURY - \$1,000,000 PER PERSON		
\$1,000,000 PER ACCIDENT		
PROPERTY DAMAGE - \$1,000,000 PER ACCIDENT		
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY	\$	INCL
\$1,000,000 EACH CLAIM / \$1,000,000 AGGREGATE LIMIT		
\$2,500 DEDUCTIBLE		
RETRO DATE 8/1/2019		
ADDITIONAL INSURED - OWNERS, LESSEES OR	\$	INCL
CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION (CG2010)		

Q44 0154772

CONTINUED ON NEXT PAGE

DECLARATIONS



ERIE INSURANCE EXCHANGE
ULTRAFLEX POLICY

RENEWAL CERTIFICATE

Agent	ITEM 2. Policy Period	Policy Number
DD2375 MC FADDIN & ASSOC INC	08/01/22 TO 08/01/23	Q44 0154772 V

ITEM 1. Named Insured and Address
 GREENFIELD ICI HOLDINGS LLC
 POLYCAP LLC
 219 JOE GILLESPIE
 LEBANON VA 24266-1129

ITEM 3. Other Interest

SUPPLEMENTAL DECLARATIONS

LOCATION OF PREMISES	LOCATION 1, BUILDING 1	OCCUPANCY/OPERATIONS
----- 219 JOE GILLESPIE DR, LEBANON, RUSSELL CO, VA 24266		PLASTIC PRODUCTS MANUFACTURING

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION		CO-INS %	AMOUNT OF INSURANCE
1. BUILDINGS	COVERAGES	80	\$ 6,744,000
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		80	\$ 8,500,000
3. ADDITIONAL INCOME PROTECTION	OCCURRENCE		

OPTIONAL COVERAGES - PROPERTY PROTECTION
 INCOME PROTECTION - ACTUAL LOSS SUSTAINED - COVERAGE 3 \$ INCL

POLICYHOLDER RENEWAL SERVICE -
 BUILDING AMOUNT INCREASED BY - 7 PERCENT COMMERCIAL STRUCTURE

ENDORSEMENT

IT IS AGREED THAT THE LOSS PAYEE SHALL READ AS FOLLOWS:

MANUFACTURERS CAPITAL
 A DIVISION OF COMMERCIAL CREDIT GROUP INC
 ITS SUCCESSORS AND ASSIGNS

FIRST MORTGAGEE
 VIRGINIA COALFIELD ECONOMIC
 DEVELOPMENT AUTHORITY
 PO BOX 1060
 LEBANON VA 24266-1060

LOSS PAYEE
 VCC BANK
 110 PEPPERS FERRY RD
 CHRISTIANSBURG VA 24073

LOSS PAYEE
 CUMBERLAND PLATEAU PLANNING
 DISTRICT
 PO BOX 548
 LEBANON VA 24266-0548

LOSS PAYEE
 MANUFACTURERS CAPITAL
 & ENDT
 525 N TRYON ST STE 1000
 CHARLOTTE NC 28202-0210

See Reverse Side



RECORD OF ADDITIONAL INSUREDS - DESIGNATED PERSON/ORGANIZATION

U S BANCORP COMMUNITY
& END101J/RE: CG2010 ID 26901
PO BOX 279
SAN ANSELMO CA 94979-0279

PIFS SUB-CDEXXIII LLC
RE: CG2010
1173 W MAIN ST
ABINGDON VA 24210-4703

TWAIN INVESTMENT FUND 473 LLC
RE: CG2010
1307 WASHINGTON AVE STE 300
ST LOUIS MO 63103-1976

ENDORSEMENT #101J

IT IS AGREED THAT THE ADDITIONAL INSURED - DESIGNATED PERSON/ORGANIZATION
SHALL READ AS FOLLOWS:

U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION

Q44 0154772

CONTINUED ON NEXT PAGE

DECLARATIONS



100 Erie Insurance Place
Erie, PA 16530

ERIE INSURANCE EXCHANGE
ULTRAFLEX POLICY

RENEWAL CERTIFICATE

Agent	ITEM 2. Policy Period	Policy Number
DD2375 MC FADDIN & ASSOC INC	08/01/22 TO 08/01/23	Q44 0154772 V
ITEM 1. Named Insured and Address		ITEM 3. Other Interest
GREENFIELD ICI HOLDINGS LLC POLYCAP LLC 219 JOE GILLESPIE LEBANON VA 24266-1129		

SCHEDULE OF FORMS

FORM NUMBER	EDITION DATE	DESCRIPTION
ULF	03/01	ULTRAFLEX PACKAGE POLICY
GU48	03/15	VIRGINIA AMENDATORY ENDORSEMENT
UF3138*	10/04	VIRGINIA IMPORTANT NOTICE - NO FLOOD COVERAGE
GU102	01/05	VIRGINIA AMENDMENT OF POLICY - TWO OR MORE COVERAGE PARTS OR POLICIES WITH US
GUVA*	01/07	IMPORTANT INFORMATION FOR VIRGINIA POLICYHOLDERS
UF6807*	07/93	VIRGINIA NOTICE - ADDITIONAL COVERAGE AVAILABLE
IL985G*	01/21	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
UF4810*	03/08	IMPORTANT NOTICE - POLICY SERVICE FEES
UF6330*	08/09	IMPORTANT NOTICE: DO YOU USE SUBCONTRACTORS?
GU145	06/13	VIRGINIA AMENDATORY ENDORSEMENT - FIRE DEPARTMENT SERVICE CHARGES
FORM SA	11/12	SUBSCRIBERS AGREEMENT
UFD314	05/20	IMPORTANT NOTICE TO POLICYHOLDERS - ULTRAFLEX PACKAGE PROGRAM
END101J		LONG NAMED ADDITIONAL INSURED ENDORSEMENT
FX0001	05/20	ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART
IL0952	01/21	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
UFB221*	01/13	IMPORTANT NOTICE - EARTHQUAKE EXCLUSION
ULQB	06/13	INCOME PROTECTION - ACTUAL LOSS SUSTAINED

See Reverse Side



SCHEDULE OF FORMS (CONTINUED)

FORM NUMBER	EDITION DATE	DESCRIPTION
ULOA	07/16	PRODUCTION OR PROCESS MACHINERY - DEDUCTIBLE
ULTEVA	07/16	EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT - VIRGINIA
UF0168	01/20	IMPORTANT NOTICE - EMPLOYMENT PRACTICES LIABILITY LOSS PREVENTION RESOURCES AVAILABLE
UF0169	08/11	LEGAL ADVICE LINE
ULCL	04/08	NON-OWNED AUTOS AND/OR HIRED AUTO LIABILITY INSURANCE COVERAGE
ULED	09/05	EXCLUSION - ASBESTOS
GU32	03/01	EXCLUSION - LEAD LIABILITY
CG0001	04/13	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG0179	07/10	VIRGINIA CHANGES
IL0021	09/08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
IL0138	10/15	VIRGINIA CHANGES - CANCELLATION AND NONRENEWAL
FX0003	07/16	ULTRAFLEX EXTRA LIABILITY COVERAGES
ULQN	06/14	EXCLUSION - PROFESSIONAL LIABILITY
CG2147	12/07	EMPLOYMENT-RELATED PRACTICES EXCLUSION
ULOW	06/14	COVERAGE FOR PUNITIVE DAMAGES
CG2167	12/04	FUNGI OR BACTERIA EXCLUSION
CG2109	06/15	EXCLUSION - UNMANNED AIRCRAFT

Q44 0154772

CONTINUED ON NEXT PAGE

DECLARATIONS



ERIE INSURANCE EXCHANGE
ULTRAFLEX POLICY

RENEWAL CERTIFICATE

Agent	ITEM 2. Policy Period	Policy Number
DD2375 MC FADDIN & ASSOC INC	08/01/22 TO 08/01/23	Q44 0154772 V
ITEM 1. Named Insured and Address		ITEM 3. Other Interest
GREENFIELD ICI HOLDINGS LLC POLYCAP LLC 219 JOE GILLESPIE LEBANON VA 24266-1129		

SCHEDULE OF FORMS (CONTINUED)

FORM NUMBER	EDITION DATE	DESCRIPTION
CG2170	01/15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
UF8385	03/95	IMPORTANT NOTICE
IL0017	11/98	COMMON POLICY CONDITIONS
CG2196	03/05	SILICA OR SILICA-RELATED DUST EXCLUSION
CG2106	05/14	EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY-WITH LIMITED BODILY INJURY EXCEPTION
UF3488*	01/05	NOTICE - CLAIMS MADE COVERAGES
ULJD	03/01	EXCLUSION - AIRCRAFT AND AEROSPACE PRODUCTS - COMPLETED OPERATIONS
ULVIVA	01/16	MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE - VIRGINIA
CG2010	04/13	ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

See Reverse Side



00 Erie Insurance Place
Erie, PA 16530

ERIE INSURANCE EXCHANGE
ULTRAFLEX POLICY

RENEWAL CERTIFICATE

Agent	ITEM 2. Policy Period	Policy Number
DD2375 MC FADDIN & ASSOC INC	08/01/22 TO 08/01/23	Q44 0154772 V

ITEM 1. Named Insured and Address
GREENFIELD ICI HOLDINGS LLC
POLYCAP LLC
219 JOE GILLESPIE
LEBANON VA 24266-1129

ITEM 3. Other Interest

AGENT'S RATING WORKSHEET

LOC 1, BLDG 1 DEDUCTIBLE 5000
ST VA COUNTY 381 PROT 05 CONST 31 CLASS 000357 RATE SPEC
BUILDING
ST VA YR CON 2019 AGREED AMT N R/O Y L/R N TENT N RISK ID 003433-VA97
CSP 5500 PERILS A COINS 80
SPEC RT 0.028 GRP2 RT 0.052 BLANKET RT N F/V N WH N AGE 03
LD 03 BLDG AMT 6744000 F/RATE 0.121 PREM MOD 1.300 BLDG PREM 5580
CONTENTS
ST VA YR CON AGREED AMT N
CSP 5500 PERILS A COINS 80
SPEC RT 0.035 GRP2 RT 0.043 BLANKET RT N WH N LD 03
CONT AMT 8500000 F/RATE 0.142 PREM MOD 1.300 CONT PREM 15691

ADDITIONAL INCOME PROTECTION

ST VA CSP 5500 APT CR Y PERILS A RENTAL OCC LIMIT 8000000 OCC
GRP1 RT .000 GRP2 RT .000 B/RATE .000 FACTOR .739
BLANKET N ALS Y WH N RG 1 LD 03 PREM MOD 1.300 PREMIUM 7686

LIABILITY PROTECTION

LIMIT 1000/2000 TYPE DUAL PREM MOD 1.300
DL DED 0 LD 03 EXP RATING 001.000 YR CON 0000

SQ	ST	CTY	R	T	DL	LE	TR	LIAB	R	CLAS	B	EXPOSURE	RATE	DED	ACTUAL	MIN
01	VA	381	S	N	N	19	000357	R	2500000	00.460		1495	342			

MECHANICAL & ELECTRICAL BREAKDOWN

CLASS 5500 BOILER N RATE .105 PREMIUM 3064
BOILER LOCATION:

BOILER CONTACT:

PHONE:

THEFT

ST VA CTY 381 CODE 2 DED 5000 PREM MOD 1.300 AMT 8500000 PREMIUM 66



100 Erie Insurance Place
Erie, PA 16530

RENEWAL CERTIFICATE

Agent	ITEM 2. Policy Period	Policy Number
DD2375 MC FADDIN & ASSOC INC	08/01/22 TO 08/01/23	Q44 0154772 V
ITEM 1. Named Insured and Address GREENFIELD ICI HOLDINGS LLC POLYCAP LLC 219 JOE GILLESPIE LEBANON VA 24266-1129		ITEM 3. Other Interest

AGENT'S RATING WORKSHEET
EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE

ST VA CTY 381	TIER 1	ORIGINAL INCEPTION DATE	00/00/0000
AGGREGATE LIMIT	100,000	PART TIME EMPLOYEES	
DEDUCTIBLE PER LOSS AMOUNT	2,500	FULL TIME EMPLOYEES	24
THIRD PARTY COVERAGE	Y	NUMBER OF EMPLOYEES	24
THIRD PARTY PREMIUM	220	RATE PER EMPLOYEE	61
		EPLI PREMIUM	1,464
NON-OWNED AND/OR HIRED AUTO LIABILITY ST VA PREM MOD 1.000 TOTAL PREM 168			
NON-OWNED AUTO Y BI LIMITS 1000/1000 PREM 72 PD LIMIT 1000 PREM 20			
HIRED AUTO Y BI LIMITS 1000/1000 PREM 63 PD LIMIT 1000 PREM 13			
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY F/RATE 0.000 PREM 1000			
.240 X .95 = .228 X 1495 = \$341 - \$1,000 MIN APPLIES			
MINIMUM PREMIUM = \$1000			
ADDITIONAL INSURED - OWNERS, LESSEES OR F/RATE 0.021 PREM 35			
2.1% OF LIABILITY PREMIUM			
.021 X 1495 = \$31 - 35 MIN APPLIES			

See Reverse Side

1731861 Ontario Inc./ oa Plasticap

10520 Yonge Street
Unit 35B, Suite 169
Richmond Hill, ON
L4C 3C7

Phone # 905-883-4343

336 Invoice

Date	Invoice #
12/06/2022	101155

Invoice To
Richards Packaging #101 - 19060 - 33rd Avenue Surrey, BC V3Z 1A1 Canada

Ship To
Richards Packaging #101 - 19060 - 33rd Avenue Surrey, BC V3Z 1A1 Canada

Order #	P.O. No.	Terms	Due Date	Ship Date	Packing Slip #
63627	01-0289395	Net 45	1/20/2023	12/06/2022	101155

Quantity	Customer Code	Description	Price ...	Amount	Tax
16,500	32113717	89 400 OLY WHI001 PP GST on sales	0.16174 5.00%	2,668.71 133.44	GBC

Subtotal	CAD 2,668.71
Sales Tax Total	CAD 133.44
Total	CAD 2,802.15

Rep

GST/HST No. 850996398

1731861 Ontario Inc./ oa Plasticap

10520 Yonge Street
Unit 35B, Suite 169
Richmond Hill, ON
L4C 3C7

Phone # 905-883-4343

337 Invoice

Date	Invoice #
12/06/2022	101157

Invoice To
Richards Packaging #101 - 19060 - 33rd Avenue Surrey, BC V3Z 1A1 Canada

Ship To
Richards Packaging #101 - 19060 - 33rd Avenue Surrey, BC V3Z 1A1 Canada

Order #	P.O. No.	Terms	Due Date	Ship Date	Packing Slip #
63654	01-0289619	Net 45	1/20/2023	12/06/2022	101157

Quantity	Customer Code	Description	Price ...	Amount	Tax
24,000	32113717	89 400 OLY WHI001 PP GST on sales	0.16174 5.00%	3,881.76 194.09	GBC

Subtotal	CAD 3,881.76
Sales Tax Total	CAD 194.09
Total	CAD 4,075.85

Rep

GST/HST No. 850996398

1731861 Ontario Inc./ oa Plasticap

10520 Yonge Street
Unit 35B, Suite 169
Richmond Hill, ON
L4C 3C7

Phone # 905-883-4343

338 Invoice

Date	Invoice #
10/21/2022	101137

Invoice To
Richards Packaging #101 - 19060 - 33rd Avenue Surrey, BC V3Z 1A1 Canada

Ship To
Richards Packaging #101 - 19060 - 33rd Avenue Surrey, BC V3Z 1A1 Canada

Order #	P.O. No.	Terms	Due Date	Ship Date	Packing Slip #
64414	01-0300522	Net 45	12/05/2022	10/21/2022	101137

Quantity	Customer Code	Description	Price ...	Amount	Tax
153,600	32113685	70 445 PTFR 6TPI WHI001 PP GST on sales	0.10992 5.00%	16,883.71 844.19	GBC

Subtotal	CAD 16,883.71
Sales Tax Total	CAD 844.19
Total	CAD 17,727.90

Rep

GST/HST No. 850996398



Plasticap Ltd & 1646813 Ontario Ltd. & 1731861 Ontario Inc.
8600 Keele Street Unit 11A
Concord, ON L4K 4H8

NOTICE TO INSURED

**CYBER INCIDENT EXCLUSION
COMMERCIAL PROPERTY POLICY**

Dear Policyholder,

Thank you for renewing your commercial insurance policy with Intact Insurance.

We wish to inform you that we have added a cyber incident exclusion endorsement, which attaches to your commercial property policy. This exclusion further highlights that our policies do not insure against loss or damage caused by a cyber incident, as defined within the exclusion.

If, however, a cyber incident directly results in fire or explosion, you will have coverage for loss or damage due to such resulting fire or explosion.

The above is only an overview of the changes. Please read your new cyber incident exclusion endorsement carefully and keep it in a safe place, along with this notice and your insurance contract.

If you wish to review your policy coverage or have any questions, please contact your insurance broker - your best source for information and advice.

Intact Insurance

**Canada Revenue Agency**
My Business Account1731861 ONTARIO INC.
BN : 850996398

Mail

Submit
documents

Profile

Sign out

Represent a Client

[Access another account](#)

Navigation

[Overview](#)[▶ GST/HST](#)[▶ Payroll](#)[▶ Corporation Income Tax](#)[▶ COVID-19 Rent Subsidies](#)

Open new account

[Open a non-resident tax
account](#)

Payroll

RP0001 Overview

As of December 8, 2022

[Help with this page](#)**Balances and payments**Outstanding returns: No • [View and pay account balance](#)Amount owing: **\$0.00** ⓘ**COVID-19 wage and hiring subsidies**

- [Apply for the Tourism and Hospitality Recovery Program \(THRP\)](#) - including support in the event of a qualifying public health restriction
- [Apply for the Hardest-Hit Business Recovery Program \(HHBRP\)](#)
- [Apply for the Canada Recovery Hiring Program \(CRHP\)](#)
- [Apply for the Canada Emergency Wage Subsidy \(CEWS\)](#)
- [10% Temporary wage subsidy \(TWS\)](#)
- [View and pay wage and hiring subsidy balances](#)

Payroll

**Canada Revenue Agency**
My Business Account1731861 ONTARIO INC.
BN : 850996398

Mail

Submit
documents

Profile

Sign out

Represent a Client

[Access another account](#)

Navigation

[Overview](#)[▶ GST/HST](#)[▶ Payroll](#)[▶ Corporation Income Tax](#)[▶ COVID-19 Rent Subsidies](#)

Open new account

[Open a non-resident tax
account](#)

GST/HST

RT0001 Overview

As of December 8, 2022

[Help with this page](#)**Balances and payments**

Outstanding returns: No

[View and pay account balance](#)Amount owing: **\$0.00**[Calculate and pay instalment payments](#)**GST/HST**

File

- [File a return](#)
- [File a rebate](#)
- [File an election](#)
- [Adjust a return](#)
- [Adjust a PSB rebate](#)
- [File a formal dispute \(Notice of objection\)](#)

Request

- [Request relief of penalties and interest](#)

View

- [View expected and filed returns](#)
- [View rebate status](#)
- [View elections](#)
- [View direct deposit transactions](#)

Other

- [Enquiries service](#)
- [Submit PDF form with electronic signature](#)



Government
of Canada

Gouvernement
du Canada

Canada Revenue Agency

View and pay account balance

Payroll deduction account:

850996398RP0001

Business name:

1731861 ONTARIO INC.

The following account information is not a complete statement of account.

Tax year balances

Select link to view detail





Tax year ⓘ	(\$) Amount paid ⓘ	(\$) Amount unpaid ⓘ	(\$) T4 return amount	(\$) Balance adjustment ⓘ	(\$) Balance ⓘ
2022	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2021	\$0.00	\$0.00	\$126,058.53 Dr	\$0.00	\$126,058.53 Dr
2020	\$106,509.77 Cr	\$0.00	\$125,490.81 Dr	\$0.00	\$18,981.04 Dr
2019	\$286,726.65 Cr	\$0.00	\$287,002.18 Dr	\$0.00	\$275.53 Dr
2018	\$336,484.31 Cr	\$0.00	\$336,484.31 Dr	\$0.00	\$0.00
2017	\$346,887.46 Cr	\$0.00	\$346,887.46 Dr	\$0.00	\$0.00
2016	\$322,540.19 Cr	\$0.00	\$322,540.16 Dr	\$0.03 Dr	\$0.00
2015	\$191,232.66 Cr	\$0.00	\$191,232.66 Dr	\$0.00	\$0.00

Note: The outstanding balance below may not reflect the total amount owing, see [View and pay wage subsidies and hiring program balance](#) for additional payroll amounts.

Arrears account balances

You have a credit balance: \$7,359.09

Select link to view detail

Tax year 	(\$) Amount owing 	(\$) Uncharged interest 	(\$) Law cost 
2022	\$0.00	\$0.00	\$0.00
2021	\$0.00	\$0.00	
2020	\$0.00	\$0.00	
2019	\$0.00	\$0.00	
2018	\$0.00	\$0.00	
2017	\$0.00	\$0.00	
2016	\$0.00	\$0.00	
2015	\$0.00	\$0.00	
Total	\$0.00	\$0.00	\$0.00

Need assistance or want to make a payment?

If you need assistance, [request a call back](#).


For payment options, see [Make a payment](#).

Note: Electronic payments will be applied to your account in approximately 48 hours. It may take longer to process payments mailed or made at financial institutions.

Screen ID: B-RP-AB-01

Date modified: 2022-10-17

This is Exhibit "T" referred to
in the Affidavit of Jan Oros
Sworn this 21st
day of December, 2022.


Rachel Moses (Dec 21, 2022 12:08 EST)

.....
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

Court File No. CV-22-00691955-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**1731861 ONTARIO INC. operating as PLASTICAP, PETER J. GOSSMANN and
THOMAS FRANK LATO**

Defendants

CONSENT

msi Spergel Inc. hereby agrees to act as Receiver in the above-noted matter.

DATED at **TORONTO**, Ontario this 20th day of December, 2022.

msi Spergel Inc.



Per: _____
Name: Mukul Manchanda, CPA, CIRP, LIT
Title: Principal

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

1731861 ONTARIO INC. operating as Plasticap, et al
Defendants

Court File No. CV-22-00691955-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

CONSENT

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Plaintiff

(File No. 4130784)

BETWEEN

ROYAL BANK OF CANADA
Plaintiff

-and-

1731861 ONTARIO INC. operating as PLASTICAP, et al.
Defendants
Court File No. CV-22-00691955-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF JAN OROS

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindingross.com
Tel: 416-369-4115

Lawyers for Royal Bank of Canada

(File No. 4130784)



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

and

**1731861 ONTARIO INC. operating as PLASTICAP, PETER J. GOSSMANN and
THOMAS FRANK LATO**

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date December 20, 2022 Issued by _____
Local Registrar
Address of 330 University Avenue, 8th Floor
court office: Toronto ON M5G 1R7

TO: **1731861 ONTARIO INC. operating as PLASTICAP**
8600 Keele Street, Unit 11A
Concord ON L4K 2N2

AND TO: **PETER J. GOSSMANN**
5 Oakington Place
Mississauga ON L5N 3V9

AND TO: **THOMAS FRANK LATO**
6021 19th Avenue
Markham ON L3P 3J3

- 3 -

CLAIM

1. The plaintiff, Royal Bank of Canada ("**RBC**"), claims as against the defendant, 1731861 Ontario Inc. operating as Plasticap ("**Company**") as follows:
 - (a) an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing msi Spergel inc. ("**Spergel**") as receiver (in such capacity, the "**Receiver**"), without security, over all of the assets, undertakings and property of the Company.

2. RBC claims against the defendant, Peter J. Gossmann ("**Peter**):"
 - (a) payment in the sum \$1,120,000.00 under Peter's guarantee of debts, liabilities and obligations of the Company to RBC, plus interest thereon from December 20, 2022 to the date of judgment at RBC's prime rate of interest per annum in effect from time to time plus 5.00%, both before and after judgment.

3. RBC claims against the defendant, Thomas Frank Lato ("**Thomas**")"
 - (a) payment in the sum \$1,120,000.00 under Thomas' guarantee of debts, liabilities and obligations of the Company to RBC, plus interest thereon from December 20, 2022 to the date of judgment at RBC's

- 4 -

prime rate of interest per annum in effect from time to time plus 5.00%, both before and after judgment.

4. RBC claims against the defendants collectively:
 - (a) in the alternative to paragraph 2(a) and (b), pre-judgment interest from December 20, 2022 and post-judgment interest, in accordance with sections 128 and 129 of the *Courts of Justice Act*;
 - (b) the costs of this proceeding on a full indemnity basis, plus all applicable taxes; and
 - (c) such further and other relief as to this Honourable Court may seem just.

The Parties

5. RBC is a chartered bank with offices in Toronto, Ontario.

6. The Company is an Ontario corporation. The Company's registered office is 177 Crosby Avenue, Richmond Hill, Ontario (the "**Crosby Address**"). The Company is a manufacturer of specialty caps and closures for a number of vertical markets, including food, dairy, beverages, condiments, industrial, petro-chemical, medical and pharmaceutical.

- 5 -

7. Peter is an individual residing in the Province of Ontario. Peter is an officer and director of the Company and personally guaranteed the indebtedness of the Company to RBC.

8. Thomas is an individual residing in the Province of Ontario. Thomas is President of the Company and personally guaranteed the indebtedness of the Company to RBC.

RBC Credit Agreement and Security

9. The Company is directly indebted to RBC in connection with an Operating Facility (defined below) and a Visa Facility (defined below) (collectively the “**Demand Facilities**”) made available by RBC to the Company pursuant to a credit facilities letter agreement dated December 31, 2020 and amended by way of amending letter agreement dated February 9, 2022 and together with Terms and Conditions and, Schedules are collectively the “**Credit Agreement**”. The Company is also indebted to RBC in connection with i) a \$562,848.78 non-revolving term facility (“**Facility #2**”) and ii) a \$500,000.00 non-revolving term facility (“**Facility #3**”).

10. Pursuant to the “Credit Facilities” section of the Credit Agreement, the credit limit permitted under the Operating Facility was “The aggregate of Facility 1 and Facility #3 shall not exceed \$1,750,000.00 at any time.” Facility #1 (i.e., the Operating Facility) is described as \$1,750,000.00 revolving demand facility, reducing to \$1,250,000.00 on

- 6 -

the date of drawdown of Facility #3. Facility #3 is described as \$500,000.00 non-revolving term facility.

11. Pursuant to the “Repayment” section of the Credit Agreement, the Company agreed to repay the Operating Facility on demand.

12. RBC also established the Visa Facility in favour of RBC with a credit limit of \$101,000.00 available in Canadian currency and US currency.

13. Pursuant to the “Termination” section of the Visa Agreement, RBC can terminate the Visa Facility at any time by giving written notice of termination and upon termination of the Visa Agreement, the Company is required to pay all amounts owing under the Visa Facility.

14. Pursuant to the “Reporting Requirements” section of the Credit Agreement, the Company agreed to provide the following to RBC:

- (a) monthly Borrowing Limit Certificate, substantially in the form of Schedule “F” signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 30 days of each month end (“**Monthly Borrowing Limit Certificate**”);

- 7 -

- (b) monthly aged list of accounts receivable, aged list of accounts payable, listing of inventory, aged list of Private Insured Accounts Receivable indicating country of origin for each receivable and most recent credit approval listing from the insurer supported by a loss payable endorsement to or assignment of the applicable insurance policy and listing of Potential Prior-Ranking Claims for the Borrower, within 30 days of each month end ("**Monthly Reporting of AR / AP / Inventory**");
- (c) annual review engagement financial statements for the Borrower, within 90 days of each fiscal year end ("**Annual Review Engagement Financials**");
- (d) annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2023; and
- (e) such other financial and operating statements and reports as and when the Bank may reasonably require.

15. Pursuant to the "General Covenants" section of the Credit Agreement, the Company agreed with RBC that it would, among other things:

- 8 -

- (a) pay all sums of money when due under the terms of the Credit Agreement;
- (b) immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- (c) deliver to RBC such financial and other information as RBC may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements; and
- (d) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms.

16. Pursuant to the “Events of Default” section of the Credit Agreement, the following events, among others, constitute an “Event of Default” entitling RBC, in its sole discretion, to realize on all or any portion of any Security (as defined in the Credit Agreement):

- 9 -

- (a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to the Credit Agreement; and
- (b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in the Credit Agreement, the Security, or any other agreement delivered to RBC or in any documentation relating hereto or thereto.

17. RBC pleads and relies upon all of the terms of the Credit Agreement.

18. As security for the Credit Facilities, the Company granted RBC a general security agreement on the Bank's Standard Form 924 signed by the Company on July 26, 2020 (the "**GSA**").

19. Pursuant to the "Covenants of the Debtor" section of the GSA, the Company agreed:

- (a) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;
- (b) the details of any claims or litigation affecting Debtor or Collateral;
- (c) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral.

- 10 -

20. Pursuant to the “Events of Default” section of the GSA, failure by the Company to pay when due any principal or interest forming part of the Indebtedness or the Company’s failure to observe or perform any obligation, covenant, term, provision or condition contained in the GSA or any other agreement between the Company and RBC constitutes default under the GSA.

21. Pursuant to the “Remedies” section of the GSA, upon default, RBC is entitled to appoint a receiver.

22. Pursuant to section 16 of the GSA, the Company represented and warranted that i) the address of the Company is the Crosby Address; ii) there are no encumbrances affecting the Collateral (as defined in the GSA); iii) the Company’s business operations is located at the Crosby Address; and iv) the Collateral is located at the Crosby Address.

23. RBC pleads and relies upon all of the terms of the GSA.

24. In support of, and as further security for the Company’s obligations under the Credit Agreement, by written guarantee and postponement of claim on the Bank’s Standard Form 812 dated July 26, 2020, Peter guaranteed payment to RBC of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Company to RBC, limited to the principal amount of \$1,120,000.00 together with interest from the date of demand at a rate equal to RBC’s

- 11 -

prime interest rate per annum in effect from time to time plus 5.00%, both before and after judgment .

25. In support of, and as further security for the Company's obligations under the Credit Agreement, by written guarantee and postponement of claim on the Bank's Standard Form 812 dated July 26, 2020, Thomas guaranteed payment to RBC of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Company to RBC, limited to the principal amount of \$1,120,000.00 together with interest from the date of demand at a rate equal to RBC's prime interest rate per annum in effect from time to time plus 5.00%, both before and after judgment.

26. The guarantees referred to herein are, collectively, the "**Guarantees**".

27. The Guarantees provide that:

- (a) the Guarantors guarantee payment of any and all present and future debts and liabilities owing to RBC by the Company;
- (b) the Guarantees are continuing and all accounts guarantees and cover all liabilities and shall apply to secure any ultimate balance due, or remaining unpaid by the Company to RBC;
- (c) the Guarantors' liability to make payment to RBC arises immediately upon receiving a written demand for payment from RBC;

- 12 -

- (d) a demand for payment is effectively made on the Guarantors by sending him an envelope containing a demand addressed to his place of address last known to RBC;
- (e) once demand has been made, the Guarantors are liable to RBC for interest on the amount demanded at a rate of 5.00% per annum above RBC's prime interest rate, from and including the date of demand until payment;
- (f) the Guarantors are liable to RBC for all legal fees and costs that RBC incurs on a complete indemnity scale from and including the date of demand; and
- (g) RBC is not bound to exhaust recourse against the Company, or other persons or security, before being entitled to payment from the Guarantors.

28. RBC pleads and relies upon all of the terms of the Guarantees.

Default and Demand

29. The accounts of the Company were transferred to RBC's Special Loans & Advisory Services Group in November, 2022.

- 13 -

30. Prior to the transition to Special Loans & Advisory Services Group, the Company failed or refused to provide to RBC the Monthly Borrowing Limit Certificate, the Monthly Reporting of AR / AP / Inventory and the Annual Review Engagement Financials.

31. A written notice of default was issued by RBC to the Company on October 3, 2022 ("**First Default Letter**"). The First Default Letter required the Company to remedy the reporting defaults by October 15, 2022. RBC reserved all rights arising out of the default and specifically reserved the right to demand payment.

32. The Company did not remedy the reporting defaults by October 15, 2022 as required under the First Default Letter.

33. On November 8, 2022, RBC issued another written notice of default to the Company (the "**Second Default Letter**"). The Second Default Letter indicated that the Company failed to i) provide to RBC the Monthly Borrowing Limit Certificate for the months of July 31, 2022, August 31, 2022 and September 30, 2022 and ii) to provide to RBC the Monthly Reporting of AR / AP / Inventory for the months of July 31, 2022, August 31, 2022 and September 30, 2022. The Second Default Letter required the Company to cure the default by November 15, 2022. RBC continued to reserve all rights arising out of the default and specifically reserved the right to demand payment.

34. The Company did not remedy the reporting default by November 15, 2022 and the accounts of the Company were transferred to RBC's Special Loans & Advisory Services Group.

- 14 -

35. By transition letter dated November 14, 2022, RBC advised the Company that its accounts were being transferred to Special Loans & Advisory Services Group based on:

- (a) the Company's apparent inability to meet the covenants and conditions under the Credit Agreement and Security;;
- (b) the recent change in the Company's financial performance and/or conditions;;
- (c) the Company's account maintained with RBC is operating in a manner unsatisfactory to RBC (i.e., excess positions)..

36. On November 17, 2022, RBC met with Peter to discuss the Bank's concerns. After the meeting, RBC sent an email summarizing the details shared during the meeting and requested certain financial and other information from the Company, as follows:

"The following is a summary of my understanding of our discussion today. Please confirm if the summary is accurate or provide further details/clarifications if needed.

- 177 Crosby Avenue was purchase by Tom/Company owned by Tom in and around 2004/2005. (please confirm purchasing entity)
- Plasticap Inc was sold via a receivership to 2072906 Ontario in 2005.
- In around 2007, 2072906 Ontario sold Plasticap to the now present owner 1731861 Ontario Inc. ("173") owned 80-% Tom, 20%- Peter

- 15 -

- From 2005 to roughly 2018, sales were steady but profits were declining due to the ongoing increases in Hydro, you indicated hydro costs went from \$14,000/month to over \$60,000/month over that time until the final year you operated at 177 Crosby being end of 2018
- In roughly early 2019, Tom sold 177 Crosby
- Polycap LLC (majority owned by Tom & Peter) was started in 2018/2019 and 80% of the 173 assets were moved to Polycap LLC at that time located at 219 Joe Gillespie Drive, Lebanon, VA, the other 20% of assets roughly consisting of 2 production lines and 6 moulds were moved to Hawk Plastics at 5295 Burke Street, Oldcastle, Ontario (Peter to confirm this address), finished goods inventory is located at both Polycap and Hawk in roughly the same proportion
- 219 Joe Gillespie Drive is a new 80,000 sq/ft building owned by Greenfield Holdings which is owned by Tom and Peter, approximately \$800,000 is owing
- Tom & Peter also own Polymer Processing in both Canada and USA and they are located at the same address as Polycap in Virginia.
- 173 has bank accounts at TD (CEBA loan) and BMO but you note these accounts are not active, Polymer Processors also banks at BMO
- You have advised that Polycap LLC banks with FirstBank in Virginia and has a \$300,000 term loan with that lender, Polymer Processors banks with another bank in the USA whose name you could not recall but has no loans
- Polycap LLC's most recent financial statements prepared are for the year ending December 31, 2021
- Day to day bookkeeping is done by your bookkeeper, Cynthia, information she prepares/compiles is basically current and is sent to your external accountant Anirban Mukerjee who then files the info in the Bank's covarity system
- CRA priority payables outstanding for payroll/ HST is approximately \$100,000 presently

As discussed, the Bank will require some information from you to determine its next steps. We would like to be in receipt of the following by end of day Monday November 21, 2022:

- 16 -

1. Aged Accounts receivable and payable summaries directly from quickbooks as of October 31, 2022
2. Income statement and balance sheet as of October 31, 2022
3. Most recent bank statement for Plasticap's TD and BMO accounts
4. The year-end financial statements for Polycap LLC for the year ending December 31, 2021
5. Copy of most recent bank statement for Polycap LLC (FirstBank)
6. Sample of 2 recent invoices issued to Colgate, Lear and Evergreen

We would also like to receive the following information at your earliest opportunity, but no later than November 25, 2022:

- a. Current insurance binder to confirm coverages
- b. CRA MyAccount printout showing exact amount owing for payroll and HST and confirming if any returns are outstanding
- c. 6 month cash flow forecast
- d. Your proposed plan to address the line of credit not revolving and to pay down the debt
- e. Asset listing of assets moved to Hawk and Polycap
- f. Agreement you have with Hawk Plastics regarding equipment, moulds and the manufacturing of your inventory

As discussed today, the CRA arrears creates an issue with the security you granted to the Bank as CRA's deemed trust takes priority over the Bank's priority over the Company's assets when arrears balances are owed. We would also note that the \$100,000 owing should have been noted on the margin reporting which would have the effect of reducing the available borrowing limit to the Company. Only \$7,300 was noted on the May margin report.

Please also advise when access would be possible to arrange to view the Plasticap assets held at Hawk and Polycap LLC. We would be sending someone out that is familiar with this type of equipment to compile a listing of the assets for the Bank."

37. RBC made formal written demand on the Company for payment of the Demand Facilities by letter dated November 28, 2022. A notice of intention to enforce security pursuant to section 244(1) of the BIA, accompanied the demand letter sent to the Company.

- 17 -

38. Formal written demand was also made on Peter and Thomas pursuant to the Guarantees.

39. RBC pleads that the demand letters expired and the indebtedness currently remains outstanding.

40. Following the expiry of the demand letters, RBC received partial financial and other information from the Company. RBC pleads that the financial and other information provided did not alleviate RBC's concerns, which include:

- a) monies owing to Canada Revenue Agency for source deductions and HST which rank ahead of RBC's GSA;
- b) discrepancies in the Monthly Borrowing Limit Certificate;
- c) Operating Facility not revolving resulting in payments being returned NSF;
- d) the majority of the Company's assets are located at Polycap LLC in Lebanon, Virginia and the remaining assets are located at Hawk Plastics Ltd. at Oldcastle, Ontario;
- e) the Company's assets were moved to Polycap LLC's business in Lebanon, Virginia and Oldcastle without RBC's consent;
- f) Polycap LLC carries on the same business as the Company but in Lebanon, Virginia, approximately 80% of the Company's assets are now located at Polycap

- 18 -

LLC's business address and there are several filings registered against Polycap LLC by secured creditors, such as The First Bank and Trust Co. and Engel Machinery, Inc., in connection with equipment, machinery and personal property. There are also several Federal Tax Lien filings registered against Polycap LLC;

- g) whether or not the Company's equipment is properly insured;
- h) no meaningful business funding plan in the near-term to refinance the indebtedness owing to RBC; and
- i) status of accounts receivable and lack of deposits to the Company's bank account maintained with RBC since December 9, 2022.

41. As of December 19, the balance owing under the Operating Facility is \$1,255,905.82 and the balance owing under the Visa Facility is CDN\$45,149.34 and US\$41,323.24.

Basis and Need for a Receiver

42. Section 13 of the GSA provides for the appointment of a receiver upon default.

43. RBC has provided the Company with more than sufficient time to repay the indebtedness. The Company has been unable to fulfil its obligations to RBC.

- 19 -

44. RBC is entitled to take any and all steps necessary to enforce its security and realize on same.

45. RBC considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.

46. Spergel has consented to act as receiver over the Company.

47. At the time of pleading, the indebtedness remains outstanding by the Company, Peter and Thomas.

48. RBC pleads that the defendants are liable to it for the relief sought herein.

December 20, 2022

MINDEN GROSS LLP
Barristers and Solicitors
2200 – 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

1731861 ONTARIO INC. operating as PLASTICAP, et al
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

STATEMENT OF CLAIM

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Plaintiff

(File No. 4130784)

Court File No. CV-22-00691955-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	THURSDAY, THE 19TH
)	
JUSTICE)	DAY OF JANUARY, 2023

ROYAL BANK OF CANADA

Plaintiff

- and -

**1731861 ONTARIO INC. operating as PLASTICAP, PETER J. GOSSMANN and
 THOMAS FRANK LATO**

Defendants

ORDER
(appointing Receiver)

THIS MOTION made by the Plaintiff for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing msi Spergel inc. as receiver [and manager] (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 1731861 Ontario Inc. operating as Plasticap (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jan Oros sworn December 21, 2022 and the Exhibits thereto and on hearing the submissions of counsel for the Plaintiff, no one appearing for the Debtor although duly served as appears from the affidavit of service of

Christine Cavarzan sworn December •, 2022 and on reading the consent of msi Spergel inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or

applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$150,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share

information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such

Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or

regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post**

Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, **including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19**, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and

charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges

thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://www.spergelcorporate.ca/engagements>.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 1731861 Ontario Inc. operating as Plasticap acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number CV-22-00691955-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MSI SPERGEL INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and- 1731861 ONTARIO INC. operating as PLASTICAP, et al.
Defendants

Court File No. CV-22-00691955-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MOTION RECORD

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Plaintiff, Royal Bank of Canada

(File No. 4130784)