

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

THE HONOURABLE MR.)
JUSTICE CAVANAGH)
TUESDAY, THE 17TH DAY
OF NOVEMBER, 2020

B E T W E E N :

CANADIAN EQUIPMENT FINANCE & LEASING INC.

Applicant

- and -

EVELEY INTERNATIONAL CORPORATION

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of Eveley International Corporation (the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and 2771276 Ontario Inc. (the “**Purchaser**”), as purchaser, dated October 20, 2020 (the “**Sale Agreement**”), a redacted copy of which is attached as Appendix “5” to the First Report of the Receiver dated November 3, 2020 (the “**First Report**”) and an unredacted copy of which is

attached as Confidential Appendix “4” to the First Report, and vesting in the Purchaser the Debtor’s right, title and interest in and to the property described as the “Purchased Assets” in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the

Order (appointing Interim Receiver) of The Honourable Mr. Justice McEwen made April 23, 2020; (ii) any encumbrances or charges created by the Order (appointing Receiver) of The Honourable Mr. Justice McEwen made June 25, 2020 and (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, and, for greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to assign the Debtor into bankruptcy, and to appoint msi Spergel inc. as the Debtor's bankruptcy trustee, which the Receiver shall do if the Purchaser so elects in accordance with section 10.2(a) of the Sale Agreement, subject to the Purchaser providing a further \$10,000.00 to the Receiver to fund the bankruptcy proceedings of the Debtor.

7. **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.



Schedule “A” – Form of Receiver’s Certificate

Court File No. CV-20-00639897-00CL

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B E T W E E N :

CANADIAN EQUIPMENT FINANCE & LEASING INC.

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- and -

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RECEIVER’S CERTIFICATE

RECITALS

I. Pursuant to an Order of The Honourable Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 25, 2020, msi Spergel inc. (“**Spergel**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of Eveley International Corporation (the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor, including the proceeds thereof (the “**Property**”).

II. Pursuant to an Order of the Court dated November 17, 2020, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and 2771276 Ontario Inc. (the “**Purchaser**”), as purchaser, dated October 20, 2020 (the “**Sale Agreement**”), and provided for the vesting in the Purchaser of all the Debtor’s right, title and interest in and to the Purchased Assets (as defined in

the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of the Debtor, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

CANADIAN EQUIPMENT FINANCE & LEASING INC.

- and -

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Respondent

Court File No. CV-20-00639897-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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