

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE



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WEDNESDAY, THE 16TH
DAY OF MAY, 2018



BETWEEN:

BANK OF MONTREAL

Applicant

- and -

AL-CHERAGH INTERNATIONAL CORPORATION,
6413340 CANADA INC and 7149816 CANADA INC.

Respondents

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. c-43, as amended

DISCHARGE ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the assets, undertakings, and properties of Al-Cheragh International Corporation, 6413340 Canada Inc., and 7149816 Canada Inc. (together, the "Debtors") for, *inter alia*, an order,

- (a) if necessary, abridging the time for and validating service of this Notice of Motion and the First and Final Report of the Receiver to the Court dated May 4, 2018 (the "Report") and directing that any further service of this Notice of Motion and the Report be dispensed with such that this motion is properly returnable on May 16, 2018;
- (b) Approving the sale by the Receiver of certain real and personal property (the "Purchased Assets") of the debtor, Al-Cheragh International Corporation to Noorallah Nawrozada and Alex Scholyar, in trust for 2633720 Ontario Inc. (the "Purchaser") pursuant to the terms of an Agreement of Purchase and Sale dated

April 17, 2018 (the "Agreement") and the vesting of the Purchased Assets in the Purchaser free and clear of all encumbrances save and except the permitted encumbrances as identified in the Agreement;

- (c) approving the Report and the conduct and activities of the Receiver reported therein;
- (d) approving the distributions as set out in the Report of all funds remaining in the Receiver's hands following the completion of the transaction contemplated by the Agreement after payment of all realty tax arrears, the costs and expenses to complete the administration of the receivership estate and the fees of the Receiver and its legal counsel;
- (e) sealing the confidential appendices to the Report until further order of the Court or the completion of the transaction contemplated by the Agreement, whichever is earlier;
- (f) approving the Receiver's statement of receipts and disbursements for the period ending April 30, 2018 and its projected statement of receipts and disbursements;
- (g) approving the professional fees and disbursements of the Receiver and its legal counsel; and
- (h) subject to the completion of the transaction contemplated by the Agreement and the Receiver completing its administration of the receivership estate as described in the Report and filing a Certificate of Completion and a copy of the final statement of receipts and disbursements with this Honourable Court, discharging msi Spergel Inc. as receiver of the assets, undertakings and properties of the Debtor and the other respondents (together, the "Debtors") and releasing msi Spergel Inc. from any and all liability.

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Julie Franchini sworn May 4, 2018 filed:

1. THIS COURT ORDERS that the Report and the conduct and activities of the Receiver reported therein be and the same are hereby approved.

2. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements for the period from February 1, 2018 to April 30, 2018 and the Receiver's projected Statement of Receipts and Disbursements as set forth in the Report be and are hereby approved.

3. THIS COURT ORDERS that following the completion of the transaction contemplated by the Agreement all funds remaining in the Receiver's hands from the realization of the assets, undertakings and properties of the receivership estate after payment of all realty tax arrears, the costs and expenses to complete the administration of the receivership estate and the fees of the Receiver and its legal counsel, including the Fee Accrual as defined in the Report, shall be distributed by the Receiver as provided for in the Report.

4. THIS COURT ORDERS that the professional fees and disbursements of the Receiver and Miller Thomson LLP, counsel to the Receiver, as set forth in the fee affidavit of Deborah Hornbostel sworn May 2, 2018 and the fee affidavit of Sherry Kettle sworn May 3, 2018 together with the Fee Accrual be and are hereby approved.

5. THIS COURT ORDERS that upon the Receiver filing a certificate certifying that it has completed the administration of the receivership estate together with a copy of the Final Statement of Receipts and Disbursements, the Receiver shall be discharged as Receiver of the assets, undertakings and properties of the Debtors, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of msi Spergel Inc. in its capacity as Receiver.

6. THIS COURT ORDERS AND DECLARES that msi Spergel Inc. is hereby released and discharged from any and all liability that msi Spergel Inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of msi Spergel Inc. while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, msi Spergel Inc. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

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.

A handwritten signature in black ink, appearing to read "Hamey J.", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 16 2018

PER / PAR:

Handwritten initials "pl" in blue ink.

BANK OF MONTREAL

Applicant

and

AL-CHERAGH INTERNATIONAL
CORPORATION, et al.
Respondents

Court File No: CV-18-590085-00CL

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

Proceeding commenced at TORONTO

DISCHARGE ORDER

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appointed Receiver of the assets,
undertakings and properties of Al-Cheragh
International Corporation, 6413340 Canada
Inc. and 7149816 Canada Inc.