

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

**BETWEEN:**

**ROYNAT INC.**

**Applicant**

**- and -**

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

**Respondents**

**MOTION RECORD**  
(returnable December 17, 2019)

**CHAITONS LLP**  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Sam Rappos (LSO #51399S)**  
Tel: (416) 218-1137  
Fax: (416) 218-1837  
Email: samr@chaitons.com

**Lawyers for the Court-appointed  
Receiver, msi Spergel Inc.**

**TO: SERVICE LIST**

**SERVICE LIST**  
(as of December 10, 2019)

<p><b>BLAKE, CASSELS &amp; GRAYDON LLP</b> 199 Bay Street, Suite 4000 Toronto, ON M5L 1A9</p> <p><b>Chris Burr</b> Tel: (416) 863-2400 Fax: (416) 863-2653 E-mail: chris.burr@blakes.com</p> <p><b>Lawyers for Roynat Inc.</b></p>	<p><b>CHAITONS LLP</b> 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p><b>Sam Rappos</b> Tel: (416) 218-1137 Fax: (416) 218-1837 E-mail: samr@chaitons.com</p> <p><b>Lawyers for msi Spergel Inc., Court-appointed Receiver</b></p>
<p><b>TAMTAN INC.</b> 46 Tomlin Crescent Richmond Hill, ON L4C 7S9</p>	<p><b>1308963 ONTARIO LTD.</b> 46 Tomlin Crescent Richmond Hill, ON L4C 7S9</p>
<p><b>MSI SPERSEL INC.</b> 505 Consumers Road, Suite 200 North York, ON M2J 4V8</p> <p><b>Philip Gennis and Mukul Manchanda</b> Tel: (416) 497-1660 Fax: (416) 494-7199 E-mail: PGennis@spergel.ca / mmanchanda@spergel.ca</p> <p><b>Court-appointed Receiver</b></p>	<p><b>PUBLIC PROSECUTION SERVICE OF CANADA</b> Guy-Favreau Complex, East Tower, 9th floor 200 René-Lévesque Boulevard West Montréal, QC H2Z 1X4</p> <p><b>Belinda Peres</b> Tel: (514) 283-4395 Fax: (514) 496-7372 E-mail: belinda.peres@ppsc-sppc.gc.ca</p>
<p><b>RELIABLE CONSULTANTS INC.</b> 1405 Morningside Avenue, 2nd floor Scarborough, ON M1B 3J1</p> <p><b>Beverly Gobin</b> E-mail: careers.reliable.consultants@gmail.com</p>	<p><b>TRANSBIZ TRUCK TRAINING CENTRE</b> 1405 Morningside Avenue, 2nd floor Scarborough, ON M1B 3J1</p> <p><b>Muzzaffar Malik</b> E-mail: malikjee123@hotmail.com</p>
<p><b>DEPARTMENT OF JUSTICE CANADA</b> Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1</p> <p><b>Diane Winters</b> Tel: (416) 973-3172 Fax: (416) 973-0810 Email: Diane.Winters@justice.gc.ca</p> <p><b>Lawyers for Canada Revenue Agency</b></p>	<p><b>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE</b> Legal Services, 11th Floor, 777 Bay Street Toronto, ON M5G 2C8</p> <p><b>Kevin J. O'Hara</b> Tel: (416) 327-8463 Fax: (416) 325-1460 Email: kevin.ohara@ontario.ca</p>

**DEPARTMENT OF JUSTICE CANADA**

174 Stone Road West  
Guelph, ON N1G 4S9

**Andrea Horton**

Tel: (226) 217-8478

Fax: (226) 217-8507

Email: [andrea.horton@canada.ca](mailto:andrea.horton@canada.ca)

**Lawyers for Agriculture and Food Inspection  
Legal Services**

**AFFLECK GREENE MCMURTRY LLP**

365 Bay St., Suite 200  
Toronto, ON M5H 2V1

**Jacob Millar**

Tel: (416) 360-8732

Fax: (416) 360-2800

E-mail: [jmillar@agmlawyers.com](mailto:jmillar@agmlawyers.com)

**Lawyers for Central Ontario Dairy Distributing  
Inc.**

# INDEX

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

**BETWEEN:**

**ROYNAT INC.**

**Applicant**

**- and -**

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

**Respondents**

**INDEX**

<b>Tab</b>	<b>Document</b>
1.	Notice of Motion
2.	First Report of msi Spergel Inc., dated December 10, 2019
Appendix 1	Appointment or Order of Justice McEwen, dated October 16, 2019
Appendix 2	Letters from the Receiver's Counsel to Tenants
Appendix 3	Redacted Auction Agreement, dated December 6, 2019

**TAB 1**

Court File No. CV-19-00628569-00CL

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

**BETWEEN:**

**ROYNAT INC.**

**Applicant**

**- and -**

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

**Respondents**

**NOTICE OF MOTION  
(returnable December 17, 2019)**

**msi SPERGEL INC. ("Spergel")**, in its capacity as Court-appointed receiver (the "**Receiver**") of TamTan Inc. ("**TamTan**") and 1308963 Ontario Limited (o/a EZ Food Group) ("**130**", and together with TamTan, the **Companies**"), will make motion to a Judge of the Commercial List on Tuesday December 17, 2019, at 10:00 am, or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

- (a) if necessary, an order abridging the time for service of this notice of motion and the motion record and validating the method of service so that the motion is properly returnable on December 17, 2019;

- (b) an order approving the First Report of the Receiver dated December 10, 2019 (the **“First Report”**) and the conduct and activities of the Receiver as described therein;
- (c) an order authorising the Receiver to enter into an auction services agreement with Platinum Asset Services Inc. (the **“Auctioneer”**) for the sale of the 1308 Property (as defined below) at a public auction to be held by the Auctioneer (**“the Auction”**);
- (d) an order vesting the 1308 Property in the purchaser or purchasers who purchase one or more of the 1308 Property from the Auctioneer at the Auction free and clear of all claims and encumbrances;
- (e) an order terminating any leases entered into by TamTan, as landlord, and Reliable Consultants Inc. and Transbiz Truck Training Centre, as tenants (collectively, the **“Tenants”**), and directing the Tenants to vacate the Real Property (as defined below) forthwith; and
- (f) such further and other relief as this Honourable Court may deem just.

## **THE GROUNDS FOR THE MOTION ARE**

### **Background**

1. On October 16, 2019, Spergel was appointed as Receiver of the property, assets and undertakings of the Companies pursuant to the Order of the Honourable Mr. Justice McEwen (**“Appointment Order”**).
2. TamTan is the registered owner of real property municipally known as 1405 Morningside Avenue, Toronto, ON (the **“Real Property”**).



3. 1308 operated as a food processing facility from the Real Property.

### Auction

4. Pursuant to the Appointment Order, the Court has authorized the Receiver to, among other things, market any or all of 1308's assets for sale.

5. The Receiver obtained an appraisal for 1308's fixed assets (comprising mainly of food processing equipment) (the "**1308 Property**").

6. Based on its review of the 1308 Property and their appraised value, and the costs that would be incurred if the Receiver conducted its own sale process for such assets, the Receiver determined that the most commercially reasonable option available to sell the assets would be to appoint an auctioneer to conduct a public auction for the 1308 Property.

7. The Receiver and the Auctioneer are in the process of completing negotiations on the terms of an auction agreement. However, the net minimum guarantee that has been agreed to is in line with the appraised value of the 1308 Property.

8. As a result, the Receiver requests that the Court authorize it to enter into an auction agreement with the Auctioneer, and order that any of the 1308 Property that is bought by purchasers at the Auction vest in such purchasers free and clear of all claims and encumbrances.

### Tenants

9. Following its appointment, the Receiver contacted the Tenants and requested that they provide details on their lease arrangements with TamTan. The Receiver's counsel also sent letters to the Tenants on October 25 and November 22, 2019 requesting such information.

10. To date, neither the Receiver nor its counsel has received any lease documentation or confirmation of rent paid to TamTan from the Tenants. Accordingly, the Receiver requests an order termination any lease arrangements that may have been entered into by the Tenants with TamTan and directing the Tenants to vacate the Real Property as soon as possible.

**General**

11. The First Report and the appendices thereto.
12. Rules 1.04, 1.05, 2.01, 2.03, and 37 of the *Rules of Civil Procedure* (Ontario).
13. The equitable and inherent jurisdiction of the Court.
14. Such other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The First Report and the appendices attached thereto; and
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

December 10, 2019

**CHAITONS LLP**  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Sam Rappos** (LSO #51399S)  
Tel: (416) 218-1137  
Fax: (416) 218-1837  
Email: samr@chaitons.com

**Lawyers for the Court-appointed  
Receiver, msi Spergel Inc**

ROYNAT INC.

LS Applicant

- and -

TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a

EZ FOOD GROUP)

Respondents

Court File No. CV-19-00628569-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

NOTICE OF MOTION  
(returnable December 17, 2019)

CHAITONS LLP

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

Sam Rappos (LSO #51399S)

Tel: (416) 218-1137

Fax: (416) 218-1837

Email: samr@chaitons.com

Lawyers for the Court-appointed  
Receiver, msi Spergel Inc.

**TAB 2**

Court File No. CV-19-00628569-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**ROYNAT INC.**

**Applicant**

**- and -**

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

**Respondents**

**FIRST REPORT OF MSI SPERGEL INC.  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF  
TAMTAN INC. and 1308963 ONTARIO LIMITED**

**December 10, 2019**

**TABLE OF CONTENTS**

1.0	APPOINTMENT AND BACKGROUND	Page 1
2.0	PURPOSE OF THIS REPORT AND DISCLAIMER	Page 1
3.0	ACTIONS OF THE RECEIVER UPON APPOINTMENT	Page 2
4.0	AUCTION AGREEMENT	Page 4
5.0	RECOMMENDATIONS	Page 5

**APPENDICES**

1. Appointment Order of the Honourable Justice McEwen dated October 16, 2019
2. Letters from the Receiver's Counsel to the Tenants
3. Redacted Auction Agreement

Court File No. CV-19-00628569-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**ROYNAT INC.**

Applicant

- and -

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

Respondents

**1.0 APPOINTMENT AND BACKGROUND**

- 1.0.1 This report (this "**Report**") is filed by msi Spergel inc. ("**Spergel**") in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of the property, assets and undertaking of TamTan Inc. ("**TamTan**") and 1308963 Ontario Limited ("**1308**", and together with TamTan, the "**Companies**").
- 1.0.2 1308 is an Ontario corporation that was incorporated on August 10, 1998. The Receiver understands that 1308 operated as a food processing facility from leased premises located at 1405 Morningside Avenue, Toronto Ontario (the "**Real Property**").



- 1.0.3 TamTan is an Ontario corporation that was incorporated on November 9, 2006. TamTan is the registered owner of the Real Property.
- 1.0.4 Spergel was appointed as the Receiver, without security, of all the assets, undertakings and properties of the Companies (collectively, the "Property") by Order of the Honourable Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on October 16, 2019 (the "Appointment Order"). The Appointment Order was made upon the application of the Companies' general secured creditor, Roynat Inc. ("Roynat"). Attached hereto as **Appendix "1"** to this Report is a copy of the Appointment Order

## **2.0 PURPOSE OF THIS REPORT AND DISCLAIMER**

- 2.0.1 The purpose of this Report is to advise the Court as to the steps taken by the Receiver in these proceedings to date and to seek Orders from this Court:
- (a) approving this Report and the actions of the Receiver described herein;
  - (b) approving the auction services agreement dated December 6, 2019 between the Receiver and Platinum Asset Services Inc. (the "Auctioneer") with respect to certain Property of 1308 between (the "Auction Agreement"), and authorizing the Auctioneer to conduct a public auction (and, if applicable, re-auction) as referenced in, and in accordance with the terms of the Auction Agreement (the "Auction");
  - (c) vesting in each purchaser at such Auction 1308's right, title and interest in and to the Property purchased by such respective purchaser at the Auction, free and clear of claims and encumbrances; and

- (d) authorizing the Receiver to terminate the lease arrangements, if any, with the Tenants (as defined herein) and ordering the Tenants to vacate the Real Property forthwith.
- 2.0.2 The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Report for any other purpose.
- 2.0.3 In preparing this Report, the Receiver has relied upon certain information provided to it by the Companies' former management. The Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information.
- 2.0.4 All references to dollars in this Report are in Canadian currency unless otherwise noted.

### 3.0 ACTIONS OF THE RECEIVER UPON APPOINTMENT

- 3.0.1 A copy of the Appointment Order was provided to the Companies by Roynat's counsel and by the Receiver. In addition, the Receiver prepared its statutory Notice and Statement of the Receiver in accordance with sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) and mailed a copy to all creditors of the Companies known to the Receiver.

#### TamTan Inc.

- 3.0.2 Further to its appointment and commencing on October 16, 2019, the Receiver attended at the Real Property for the purpose of taking possession and securing same. Additionally, the Receiver undertook the following activities:

- (a) took possession of the available books and records
- (b) arranged for insurance coverage and security in respect of the Real Property
- (c) notified the commercial tenants at the Real Property of the Receiver's appointment;
- (d) engaged Chaitons LLP (the "Receiver's Counsel") as the Receiver's independent counsel; and
- (e) retained Lockit Security to assist the Receiver with management and safeguarding of the Real Property.

3.0.3 The Receiver engaged the services of Colliers International Realty Advisors Inc. and York Simcoe Appraisal Corp. to attend at and conduct an appraisal of the Real Property. The Receiver has received the appraisals with respect to the Real Property and will provide copies of same to this Honourable Court in its future attendance.

3.0.4 In addition, the Receiver requested and received listing proposals in relation to listing the Real Property for sale from Colliers International, Avison Young, CBRE and Cushman & Wakefield. After comparing the proposals submitted by the brokerages and in consultation with the stakeholders, the Receiver has engaged Colliers International to market and sell the Real Property.

3.0.5 Since the date Receiver took possession of the Real Property, the Receiver's activities have been focused primarily on the day-to-day management and safeguarding of the Real Property, including without limitation, dealing with Transbiz Truck Training Centre ("Transbiz") and Reliable Consultants Inc.

(**"Reliable"**, collectively the **"Tenants"**), the management and payment of monthly utilities and conducting regular inspections of the Real Property.

3.0.6 On October 25, 2019, the Receiver's Counsel sent a letter to each of Transbiz and Reliable asking the Tenants to provide documentations outlining the lease terms with TamTan. Having received no response to the letters from the Tenants, on November 15, 2019 the Receiver's Counsel sent another letter to the Tenants advising, amongst other things, that no payment of rent has been made to the Receiver since its appointment and unless the Receiver receives written documentation from the Tenants supporting an existence of a lease of the Real Property and payment of rent by 4:00pm on November 22, 2019, the Receiver will have no other alternative but to immediately evict the Tenants from the Real Property. As at the date of this Report, the Receiver's Counsel has not received any lease documentation or payment of rent from the Tenants. Attached as **Appendix "2"** to this Report are copies of the letters sent to the Tenants by the Receiver's Counsel.

3.0.7 Accordingly, the Receiver is requesting that an order be made terminating any lease agreements that were entered into between TamTan and the Tenants and requiring the Tenants to vacate the Real Property forthwith.

1308963 Ontario Limited

3.0.8 After taking possession of the books and records of 1308, the Receiver extracted an accounts receivable listing from the accounting server and took steps to realize on 1308's outstanding accounts receivable. In this regard, the Receiver issued demand letters on October 23, 2019 to all customers listed in 1308's books and records totaling \$108,582.50. On November 19, 2019, the Receiver issued second demand letters with respect to the outstanding receivables. As at the date of this

Report, the Receiver has not collected anything on account of outstanding receivables however, the Receiver's collection efforts are ongoing.

#### **4.0 AUCTION AGREEMENT**

4.0.1 Pursuant to the terms of the Appointment Order, Receiver is empowered to and authorized to, amongst other things, market any or all of 1308's assets, including advertising and soliciting offers and proposals in respect of the assets and negotiating such terms and conditions of sale as the Receiver, in its discretion, deemed appropriate.

4.0.2 The Receiver sought and obtained an appraisal for the fixed assets (comprising mainly of food processing equipment) of 1308. The appraisal was conducted by Platinum Asset Services Inc.

4.0.3 As at the date of this Report, the terms of the Auction Agreement have yet to be finalized and executed by the parties. The Receiver anticipates an agreement comparable to the Auction Agreement, a redacted copy of which is attached at **Appendix "3"** hereto, will be entered between the Auctioneer and the Receiver. The Auction Agreement remains subject to the approval of this Court.

4.0.4 It is the Receiver's position that the net minimum guarantee is in line with the appraised value of the assets and the rates and commissions provided in the Auction Agreement are fair and reasonable. Further, the Receiver believes that a public auction is a commercially reasonable method for disposing of the fixed assets of 1308, given, amongst other things, the disadvantageous economies of scale that would result if the Receiver were to conduct its own sale process and the urgency to vacate the Real Property and have it ready for sale in accordance with the marketing timeline proposed by the listing agent.

4.0.5 The Auction is scheduled to take place in January 2020. The net proceeds of sale from the Auction would be held by the Receiver pending further order of this Court.

**5.0 RECOMMENDATIONS**

5.0.1 The Receiver respectfully requests that this Honourable Court grant the relief sought in this Report.

Dated at Toronto this 10<sup>th</sup> day of December, 2019

**msi Spergel Inc.,**  
solely in its capacity as court-appointed  
Receiver of TamTan Inc. and 1308963  
Ontario Limited (o/a EZ Food Group) and  
not in its personal or corporate capacity

Per:



---

Philip H. Gennis, J.D., CIRP, LIT  
Senior Principal

# APPENDIX 1

Court File No. CV-19-00628569-00CL

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

THE HONOURABLE MR.

)

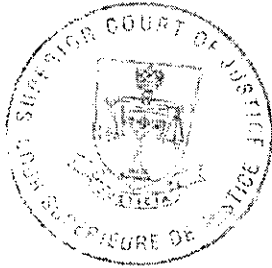
WEDNESDAY, THE 16<sup>TH</sup> DAY

)

JUSTICE MCEWEN

)

OF OCTOBER, 2019

**ROYNAT INC.**

Applicant

- and -

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

Respondents

**ORDER**  
**(Appointing Receiver)**

THIS APPLICATION made by the Applicant 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 TamTan Inc. and 1308963 Ontario Limited (o/a EZ Food Group) (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, excluding the bank accounts listed in Schedule A hereof (the “**Property**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Silvio Marsili sworn October 3, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Public Prosecution Service



of Canada and counsel for those parties listed on the counsel slip for today's hearing, attached, no one appearing although duly served as appears from the affidavits of service of Norman Ng, sworn October 7, 2019, Melissa Feriozzo, sworn October 7, 2019 and Nancy Thompson, sworn October 7, 2019, 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. hereby appointed Receiver, without security, of all of 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 Debtors, 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 Debtors;

- (d) to engage consultants, appraisers, agents, experts, real estate brokers, 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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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,

- 4 -

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$150,000; 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.

- (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 either Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of either Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by such Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their 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 Debtors, 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, save and except for any proceeding commenced or continued under the *Criminal Code* or comparable criminal or penal statute by the Attorney General of Canada (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 Debtors 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 the written consent of the Receiver that such Proceedings may continue or further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 any Debtor to carry on any business which such Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or any 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 Debtors, 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 either 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 such 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 such 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 such 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.

#### **NO DISTRIBUTIONS WITHOUT FURTHER ORDER**

14. THIS COURT ORDERS that the Receiver shall not make any distribution of any Property, or any proceeds thereof, without further Order of the Court.

#### **EMPLOYEES**

15. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the applicable 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**

16. 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. 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**

18. 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, 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

19. 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.

20. 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.

21. 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

22. 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 \$200,000 (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.

23. 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.

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

25. 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**

26. 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 “[www.spergelcorporate.ca](http://www.spergelcorporate.ca)”.

27. 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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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**

28. 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.

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

30. 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.

31. 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.

32. 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

- 13 -

Receiver from each Debtor's estate with such priority and at such time as this Court may determine.

33. 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.



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

OCT 16 2019

PER / PAR:



**SCHEDULE "A"**  
**ACCOUNTS NOT SUBJECT TO PROPOSED RECEIVERSHIP**

**ROYAL BANK OF CANADA**

1. Account Folio 04062 #1020551 of EZ FOOD GROUP (1308963 Ontario Ltd.)
2. Account 04062 #1020692 of TAMTAN Inc.
3. Account 04062 #1020544 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

**BANK OF MONTREAL**

4. Account 0002 #1808906 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

**BANK OF NOVA SCOTIA**

5. Account 71332 #066419 of TAMTAN Inc.
6. Account 71332 #127612 of EZ FOOD GROUP (1308963 Ontario Inc.)
7. Account Folio 71332 #0040215 of EZ CASH & CARRY (1847405 Ontario Inc.)
8. Account Folio 71332 #0061816 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

## SCHEDULE "B"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties TamTan Inc. and 1308963 Ontario Limited (o/a EZ Food Group) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10th day of October, 2019 (the "**Order**") made in an action having Court file number \_\_\_-CL-\_\_\_\_\_, 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 \$200,000 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

- 2 -

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:

ROYNAT INC.

- and -

TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD Group)

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
Proceeding Commenced at Toronto

**ORDER**  
**(Appointing Receiver)**

**BLAKE, CASSELS & GRAYDON LLP**  
Barristers and Solicitors  
199 Bay Street  
Suite 4000, Commerce Court West  
Toronto, Ontario M5L 1A9

**Chris Burr** (LSO#:55172H)  
Tel: 416-863-3261  
Fax: 416-863-2653  
Email: [chris.burr@blakes.com](mailto:chris.burr@blakes.com)

Lawyers for the Applicant



# APPENDIX 2

**Lynda Christodoulou**

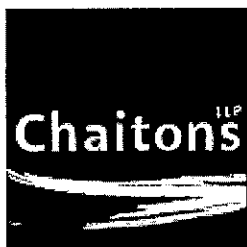
---

**From:** Sam P. Rappos  
**Sent:** Friday, October 25, 2019 3:15 PM  
**To:** malikjee123@hotmail.com  
**Cc:** Mukul Manchanda; Philip Gennis  
**Subject:** Receivership of TamTan Inc.  
**Attachments:** DOCS-#4610550-v1-Spergel\_TamTan\_-\_Receivership\_Order.PDF; DOCS-#4613857-v1-Spergel\_TamTan\_-\_Letter\_to\_Transbiz\_dated\_October\_25\_\_2019.pdf

**Importance:** High

Please see the attached letter dated October 25, 2019.

Regards,  
Sam Rappos



**Sam P. Rappos**

Partner

Direct Tel: 416.218.1137

Direct Fax: 416.218.1837

Email: [samr@chaitons.com](mailto:samr@chaitons.com)

5000 Yonge St, 10th Floor, Toronto, Ontario, Canada, M2N 7E9

Note: This e-mail may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this e-mail or the information it contains by other than an intended recipient is unauthorized. If you received this e-mail in error, please advise me (by return e-mail or otherwise) immediately.

Ce courrier électronique est confidentiel et protégé. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez ce courrier électronique par erreur, veuillez m'en aviser immédiatement, par retour de courrier électronique ou par un autre moyen.



Please consider the environment before printing this email

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9  
www.chaitons.com



REPLY TO: SAM RAPPOS  
FILE NO.: 64463  
DIRECT: 416-218-1137  
FAX: 416-218-1837  
EMAIL: samr@chaitons.com

October 25, 2019

**VIA EMAIL**

Muzzaffar Malik  
Transbiz Truck Training Centre  
1405 Morningside Avenue, 2<sup>nd</sup> floor  
Scarborough, ON M1B 3J1

**Re: Receivership of TamTan Inc. ("TamTan")**

Dear Mr. Malik,

We are the lawyers for msi Spergel Inc., the Court-appointed receiver (the "**Receiver**") of the property of TamTan, which includes 1405 Morningside Avenue (the "**Property**"). A copy of the Court-order is enclosed herewith.

We understand that you have informed the Receiver that Transbiz Truck Training Centre ("**Transbiz**") is a tenant of the Property. Please provide copies of any documentation that sets out the lease terms between Transbiz and Tam Tan.

Yours truly,  
CHAITONS LLP

*Sam Rappos*

(computer generated signature)

Sam Rappos  
LAWYER  
ENCL.

Cc: Client

Court File No. CV-19-00628569-00CL

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

THE HONOURABLE MR.

)

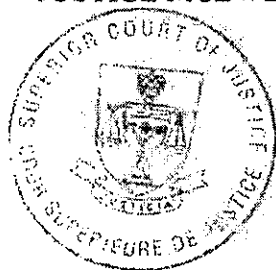
WEDNESDAY, THE 16<sup>TH</sup> DAY

)

JUSTICE MCEWEN

)

OF OCTOBER, 2019

**ROYNAT INC.**

Applicant

- and -

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

Respondents

**ORDER**  
**(Appointing Receiver)**

THIS APPLICATION made by the Applicant 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 Spargel Inc. as receiver and manager (in such capacities, the “Receiver”) without security, of all of the assets, undertakings and properties of TamTan Inc. and 1308963 Ontario Limited (o/a EZ Food Group) (together, the “Debtors”) acquired for, or used in relation to a business carried on by the Debtors, excluding the bank accounts listed in Schedule A hereof (the “Property”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Silvio Marsili sworn October 3, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Public Prosecution Service

of Canada and counsel for those parties listed on the counsel slip for today's hearing, attached, no one appearing although duly served as appears from the affidavits of service of Norman Ng, sworn October 7, 2019, Melissa Feriozzo, sworn October 7, 2019 and Nancy Thompson, sworn October 7, 2019, 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. hereby appointed Receiver, without security, of all of 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 Debtors, 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 Debtors;

- (d) to engage consultants, appraisers, agents, experts, real estate brokers, 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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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, provided that the aggregate consideration for all such transactions does not exceed \$150,000; 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.

- (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 either Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of either Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by such Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

- 5 -

- (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 Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their 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 Debtors, 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, save and except for any proceeding commenced or continued under the *Criminal Code* or comparable criminal or penal statute by the Attorney General of Canada (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 Debtors 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 the written consent of the Receiver that such Proceedings may continue or further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 any Debtor to carry on any business which such Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or any 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 Debtors, 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 either 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 such 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 such 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 such 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.

#### **NO DISTRIBUTIONS WITHOUT FURTHER ORDER**

14. THIS COURT ORDERS that the Receiver shall not may any distribution of any Property, or any proceeds thereof, without further Order of the Court.

#### **EMPLOYEES**

15. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the applicable 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**

16. 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. 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**

18. 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, 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

19. 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.

20. 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.

21. 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

22. 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 \$200,000 (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.

23. 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.

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

25. 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**

26. 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 “[www.spergelcorporate.ca](http://www.spergelcorporate.ca)”.

27. 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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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**

28. 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.

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

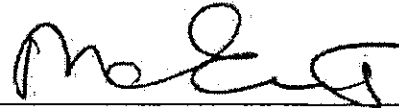
30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

31. 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.

32. 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 each Debtor's estate with such priority and at such time as this Court may determine.

33. 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.

A handwritten signature in black ink, appearing to be 'M. L. G.', written over a horizontal line.

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

OCT 16 2019

PER / PAR:

A small handwritten signature or mark, possibly 'G', written next to the 'PER / PAR:' text.



**SCHEDULE "A"****ACCOUNTS NOT SUBJECT TO PROPOSED RECEIVERSHIP****ROYAL BANK OF CANADA**

1. Account Folio 04062 #1020551 of EZ FOOD GROUP (1308963 Ontario Ltd.)
2. Account 04062 #1020692 of TAMTAN Inc.
3. Account 04062 #1020544 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

**BANK OF MONTREAL**

4. Account 0002 #1808906 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

**BANK OF NOVA SCOTIA**

5. Account 71332 #066419 of TAMTAN Inc.
6. Account 71332 #127612 of EZ FOOD GROUP (1308963 Ontario Inc.)
7. Account Folio 71332 #0040215 of EZ CASH & CARRY (1847405 Ontario Inc.)
8. Account Folio 71332 #0061816 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

## SCHEDULE "B"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties TamTan Inc. and 1308963 Ontario Limited (o/a EZ Food Group) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10th day of October, 2019 (the "**Order**") made in an action having Court file number \_\_\_\_-CL-\_\_\_\_\_, 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 \$200,000 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

- 2 -

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:

ROYNAT INC.

- and -

TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD Group)

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
Proceeding Commenced at Toronto

**ORDER**  
**(Appointing Receiver)**

**BLAKE, CASSELS & GRAYDON LLP**  
Barristers and Solicitors  
199 Bay Street  
Suite 4000, Commerce Court West  
Toronto, Ontario M5L 1A9

**Chris Burr (LSO#:55172H)**  
Tel: 416-863-3261  
Fax: 416-863-2653  
Email: chris.burr@blakes.com

Lawyers for the Applicant



**Lynda Christodoulou**

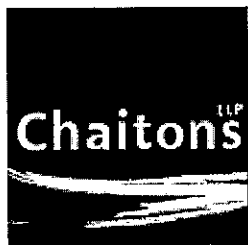
---

**From:** Sam P. Rappos  
**Sent:** Friday, October 25, 2019 3:11 PM  
**To:** careers.reliable.consultants@gmail.com  
**Cc:** Mukul Manchanda; Philip Gennis  
**Subject:** Receivership of TamTan Inc.  
**Attachments:** DOCS-#4613854-v1-Spergel\_TamTan\_-\_Letter\_to\_Reliable\_dated\_October\_25\_2019.pdf;  
DOCS-#4610550-v1-Spergel\_TamTan\_-\_Receivership\_Order.PDF

**Importance:** High

Please see the attached letter dated October 25, 2019.

Regards,  
Sam Rappos



**Sam P. Rappos**

Partner

Direct Tel: 416.218.1137

Direct Fax: 416.218.1837

Email: samr@chaitons.com

5000 Yonge St, 10th Floor, Toronto, Ontario, Canada, M2N 7E9

Note: This e-mail may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this e-mail or the information it contains by other than an intended recipient is unauthorized. If you received this e-mail in error, please advise me (by return e-mail or otherwise) immediately.

Ce courrier électronique est confidentiel et protégé. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez ce courrier électronique par erreur, veuillez m'en aviser immédiatement, par retour de courrier électronique ou par un autre moyen.



Please consider the environment before printing this email

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9  
www.chaitons.com



REPLY TO: SAM RAPPOS  
FILE NO.: 64463  
DIRECT: 416-218-1137  
FAX: 416-218-1837  
EMAIL: samr@chaitons.com

October 25, 2019

**VIA EMAIL**

Beverly Gobin  
Reliable Consultants Inc.  
1405 Morningside Avenue, 2<sup>nd</sup> floor  
Scarborough, ON M1B 3J1

**Re: Receivership of TamTan Inc. ("TamTan")**

Dear Ms. Gobin,

We are the lawyers for msi Spergel Inc., the Court-appointed receiver (the "**Receiver**") of the property of TamTan, which includes 1405 Morningside Avenue (the "**Property**"). A copy of the Court-order is enclosed herewith.

We understand that you have informed the Receiver that Reliable Consultants Inc. ("**Reliable**") is a tenant of the Property. Please provide copies of any documentation that sets out the lease terms between Reliable and Tam Tan.

Yours truly,  
CHAITONS LLP

*Sam Rappos*

(computer generated signature)

Sam Rappos  
LAWYER  
ENCL.

Cc: Client

Court File No. CV-19-00628569-00CL

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

THE HONOURABLE MR.

)

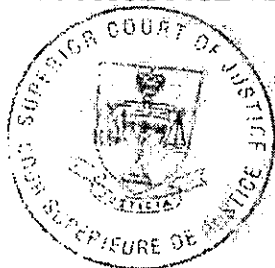
WEDNESDAY, THE 16<sup>TH</sup> DAY

)

JUSTICE MCEWEN

)

OF OCTOBER, 2019

**ROYNAT INC.**

Applicant

- and -

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD GROUP)**

Respondents

**ORDER**  
**(Appointing Receiver)**

THIS APPLICATION made by the Applicant 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 TamTan Inc. and 1308963 Ontario Limited (o/a EZ Food Group) (together, the “Debtors”) acquired for, or used in relation to a business carried on by the Debtors, excluding the bank accounts listed in Schedule A hereof (the “Property”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Silvio Marsili sworn October 3, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Public Prosecution Service



of Canada and counsel for those parties listed on the counsel slip for today's hearing, attached, no one appearing although duly served as appears from the affidavits of service of Norman Ng, sworn October 7, 2019, Melissa Feriozzo, sworn October 7, 2019 and Nancy Thompson, sworn October 7, 2019, 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. hereby appointed Receiver, without security, of all of 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 Debtors, 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 Debtors;

- (d) to engage consultants, appraisers, agents, experts, real estate brokers, 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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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, provided that the aggregate consideration for all such transactions does not exceed \$150,000; 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.

- (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 either Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of either Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by such Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their 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 Debtors, 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, save and except for any proceeding commenced or continued under the *Criminal Code* or comparable criminal or penal statute by the Attorney General of Canada (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 Debtors 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 the written consent of the Receiver that such Proceedings may continue or further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 any Debtor to carry on any business which such Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or any 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 Debtors, 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 either 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 such 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 such 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 such 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.

#### **NO DISTRIBUTIONS WITHOUT FURTHER ORDER**

14. THIS COURT ORDERS that the Receiver shall not may any distribution of any Property, or any proceeds thereof, without further Order of the Court.

#### **EMPLOYEES**

15. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the applicable 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**

16. 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. 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**

18. 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, 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**

19. 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.

20. 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.

21. 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**

22. 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 \$200,000 (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.

23. 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.

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

25. 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**

26. 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 “[www.spergelcorporate.ca](http://www.spergelcorporate.ca)”.

27. 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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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**

28. 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.

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

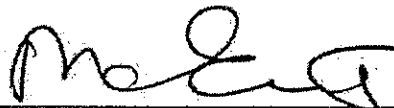
30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

31. 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.

32. 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 each Debtor's estate with such priority and at such time as this Court may determine.

33. 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.

A handwritten signature in black ink, appearing to be 'M. E. G.', written over a horizontal line.

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

OCT 16 2019

PER / PAR:

A small handwritten signature or mark, possibly 'G', written next to the 'PER / PAR:' label.

**SCHEDULE "A"****ACCOUNTS NOT SUBJECT TO PROPOSED RECEIVERSHIP****ROYAL BANK OF CANADA**

1. Account Folio 04062 #1020551 of EZ FOOD GROUP (1308963 Ontario Ltd.)
2. Account 04062 #1020692 of TAMTAN Inc.
3. Account 04062 #1020544 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

**BANK OF MONTREAL**

4. Account 0002 #1808906 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

**BANK OF NOVA SCOTIA**

5. Account 71332 #066419 of TAMTAN Inc.
6. Account 71332 #127612 of EZ FOOD GROUP (1308963 Ontario Inc.)
7. Account Folio 71332 #0040215 of EZ CASH & CARRY (1847405 Ontario Inc.)
8. Account Folio 71332 #0061816 of TRANS CANADA FOOD SERVICE (1842227 Ontario Inc.)

## SCHEDULE "B"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties TamTan Inc. and 1308963 Ontario Limited (o/a EZ Food Group) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10th day of October, 2019 (the "**Order**") made in an action having Court file number \_\_-CL-\_\_\_\_\_, 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 \$200,000 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:

ROYNAT INC.

- and -

TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a EZ FOOD Group)

**ONTARIO**

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

Proceeding Commenced at Toronto

**ORDER  
(Appointing Receiver)**

**BLAKE, CASSELS & GRAYDON LLP**  
Barristers and Solicitors  
199 Bay Street  
Suite 4000, Commerce Court West  
Toronto, Ontario M5L 1A9

**Chris Burr** (LSO#:55172H)  
Tel: 416-863-3261  
Fax: 416-863-2653  
Email: [chris.burr@blakes.com](mailto:chris.burr@blakes.com)

Lawyers for the Applicant





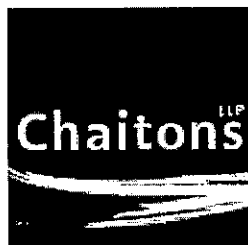
**Lynda Christodoulou**

---

**From:** Sam P. Rappos  
**Sent:** Friday, November 15, 2019 3:16 PM  
**To:** malikjee123@hotmail.com  
**Cc:** Mukul Manchanda; Philip Gennis  
**Subject:** Receivership of TamTan Inc.  
**Attachments:** DOCS-#4629929-v1-Spergel\_TamTan\_-\_Letter\_to\_Transbiz\_dated\_November\_15\_\_2019.pdf

Please see the attached letter dated November 15, 2019.

Regards,  
Sam Rappos



**Sam P. Rappos**  
Partner

Direct Tel: 416.218.1137  
Direct Fax: 416.218.1837  
Email: [samr@chaitons.com](mailto:samr@chaitons.com)

5000 Yonge St, 10th Floor, Toronto, Ontario, Canada, M2N 7E9

Note: This e-mail may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this e-mail or the information it contains by other than an intended recipient is unauthorized. If you received this e-mail in error, please advise me (by return e-mail or otherwise) immediately.

Ce courrier électronique est confidentiel et protégé. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez ce courrier électronique par erreur, veuillez m'en aviser immédiatement, par retour de courrier électronique ou par un autre moyen.



Please consider the environment before printing this email

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9  
www.chaitons.com



REPLY TO: SAM RAPPOS  
FILE NO.: 64463  
DIRECT: 416-218-1137  
FAX: 416-218-1837  
EMAIL: samr@chaitons.com

November 15, 2019

**VIA EMAIL AND FACSIMILE (416) 439-3910**

Muzzaffar Malik  
Transbiz Truck Training Centre  
1405 Morningside Avenue, 2<sup>nd</sup> floor  
Scarborough, ON M1B 3J1

**Re: Receivership of TamTan Inc. ("TamTan")**

Dear Mr. Malik,

We write to you further to our letter dated October 25, 2019, of which we have received no response to.

Notwithstanding that the Receiver has been appointed over 1405 Morningside Avenue (the "**Property**") since October 16, 2019 and the request set out in our letter, you have provided no written evidence of Transbiz Truck Training Centre ("**Transbiz**") ever having entered into a written lease with TamTan with respect to the Property. Additionally, you have made no payments whatsoever to the Receiver on account of rent for the Property.

Please be advised that, unless the Receiver receives from you written documentation supporting the existence of a lease of the Property and payment of rent by 4:00 pm on November 22, 2019, the Receiver will have no other option but to immediately evict Transbiz from the Property.

Yours truly,  
CHAITONS LLP

*Sam Rappos*

(computer generated signature)

Sam Rappos  
LAWYER  
ENCL.

Cc: Client

**Lynda Christodoulou**

---

**From:** Sam P. Rappos  
**Sent:** Friday, November 15, 2019 3:16 PM  
**To:** careers.reliable.consultants@gmail.com  
**Cc:** Mukul Manchanda; Philip Gennis  
**Subject:** Receivership of TamTan Inc.  
**Attachments:** DOCS-#4629925-v1-Spergel\_TamTan\_-\_Letter\_to\_Reliable\_dated\_November\_15\_2019.pdf

**Importance:** High

Please see the attached letter dated November 15, 2019.

Regards,  
 Sam Rappos



**Sam P. Rappos**  
 Partner

Direct Tel: 416.218.1137  
 Direct Fax: 416.218.1837  
 Email: [samr@chaitons.com](mailto:samr@chaitons.com)

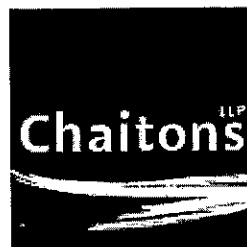
5000 Yonge St, 10th Floor, Toronto, Ontario, Canada, M2N 7E9

Note: This e-mail may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this e-mail or the information it contains by other than an intended recipient is unauthorized. If you received this e-mail in error, please advise me (by return e-mail or otherwise) immediately.

Ce courrier électronique est confidentiel et protégé. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez ce courrier électronique par erreur, veuillez m'en aviser immédiatement, par retour de courrier électronique ou par un autre moyen.



Please consider the environment before printing this email



**Sam P. Rappos**  
 Partner

Direct Tel: 416.218.1137  
 Direct Fax: 416.218.1837  
 Email: [samr@chaitons.com](mailto:samr@chaitons.com)

5000 Yonge St, 10th Floor, Toronto, Ontario, Canada, M2N 7E9

Note: This e-mail may be privileged and/or confidential, and the sender does not waive any related rights and obligations. Any distribution, use or copying of this e-mail or the information it contains by other than an intended recipient is unauthorized. If you received this e-mail in error, please advise me (by return e-mail or otherwise) immediately.

Ce courrier électronique est confidentiel et protégé. L'expéditeur ne renonce pas aux droits et obligations qui s'y rapportent. Toute diffusion, utilisation ou copie de ce message ou des renseignements qu'il contient par une personne autre que le (les) destinataire(s) désigné(s) est interdite. Si vous recevez ce courrier électronique par erreur, veuillez m'en aviser immédiatement, par retour de courrier électronique ou par un autre moyen.



Please consider the environment before printing this email

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9  
www.chaitons.com



REPLY TO: SAM RAPPOS  
FILE NO.: 64463  
DIRECT: 416-218-1137  
FAX: 416-218-1837  
EMAIL: samr@chaitons.com

November 15, 2019

**VIA EMAIL**

Beverly Gobin  
Reliable Consultants Inc.  
1405 Morningside Avenue, 2<sup>nd</sup> floor  
Scarborough, ON M1B 3J1

**Re: Receivership of TamTan Inc. ("TamTan")**

Dear Ms. Gobin,

We write to you further to our letter dated October 25, 2019, of which we have received no response to.

Notwithstanding that the Receiver has been appointed over 1405 Morningside Avenue (the "**Property**") since October 16, 2019 and the request set out in our letter, you have provided no written evidence of Reliable Consultants Inc. ("**Reliable**") ever having entered into a written lease with TamTan with respect to the Property. Additionally, you have made no payments whatsoever to the Receiver on account of rent for the Property.

Please be advised that, unless the Receiver receives from you written documentation supporting the existence of a lease of the Property and payment of rent by 4:00 pm on November 22, 2019, the Receiver will have no other option but to immediately evict Reliable from the Property.

Yours truly,  
CHAITONS LLP

*Sam Rappos*

(computer generated signature)

Sam Rappos  
LAWYER  
ENCL.

Cc: Client

# APPENDIX 3

## AUCTION SERVICES AGREEMENT

**THIS AGREEMENT** made as of this 6<sup>th</sup> day of December 2019

**BETWEEN:**

**Msi Spergel Inc., solely in its capacity as Receiver of  
1308963 Ontario Limited o/a EZ Foods and not in any  
other capacity ("EZ Foods")**

(hereinafter called the "Receiver")

**OF THE FIRST PART**

-and-

**PLATINUM ASSET SERVICES INC.**

(hereinafter called the "Auctioneer" acting in its capacity  
as the Receiver's agent and exclusive auctioneer)

**OF THE SECOND PART**

**RECITALS:**

**A.** On October 16<sup>th</sup>, 2019 the Receiver was named as the Receiver of EZ Foods.

The Receiver has elected to accept the Auctioneer's proposal dated November 28<sup>th</sup>, 2019 to assist with the sale of EZ Foods's manufacturing equipment, office furniture and fixtures, (collectively referred to as the "Assets") located at 1405 Morningside Ave, Scarborough, Ontario (the "Premises"). The list of Assets is attached hereto as **Schedule "A"**.

**B.** The Receiver and the Auctioneer have agreed to enter into this Auction Services Agreement (the "Agreement") with respect to the sale of the Assets by the Auctioneer (the "Sale") upon the terms and conditions hereinafter set forth.

**NOW THEREFORE WITNESS THAT** for good and valuable consideration (the receipt and sufficiency thereof being hereby acknowledged), the Receiver and the Auctioneer hereby agree together as follows:



1. The Auctioneer shall:

- (a) at its own expense prepare, arrange and lot the Assets by number and location in the sequence in which the Auctioneer will auction same (such list being the “**Auction Lot List**”)
- (b) at its own expense and as determined solely by the Auctioneer, advertise and otherwise promote the Sale of the Assets by all appropriate means and in accordance with applicable law in order to give adequate exposure of the Assets to potential purchasers, which procedures will include the following:
  - i. website advertising;
  - ii. newspapers;
  - iii. sale brochures; and
  - iv. any other reasonable advertising methods as determined by the Auctioneer;
- (c) arrange for the sale of the Assets in a competent and commercially reasonable manner and otherwise in accordance with the terms and conditions of this Agreement provided that the Auctioneer has:
  - i. full access to the Premises and the Assets for the period commencing from the date the Auctioneer receives keys to the premises to the expiry of the Liquidation Period. For the purpose of this Agreement, the **Liquidation Period** means the period commencing on the date on which this Agreement is executed by both parties and ending on February 28<sup>th</sup>, 2020 provided that this agreement is executed on or before December 10, 2019; and
  - ii. rent-free access to the Premises and Assets during the Liquidation Period.

The Auctioneer hereby acknowledges that it has conducted a pre-occupancy inspection of the Assets, reviewed the Assets and confirmed and verified the

quantity and condition of the Assets. The Auctioneer acknowledges it must vacate and leave the Premise in a broom swept condition.

- (d) furnish, at its own expense, competent personnel to prepare for, conduct and otherwise perform all tasks relating to the Sale;
- (e) perform the following Sale setup activities as applicable at its own expense in connection with the Sale, including:
  - i. gathering all specifications, photographs and the like for the sale brochure (if there is to be one); and
  - ii. providing all support staff and accounting personnel required to conduct the sale; it being understood that the Receiver is not and will not in any event be an employer of any such personnel or liable to pay any amounts to or with respect to such personnel, the Receiver does not assume any responsibilities whatsoever with respect to the continuation of the employment of any of the existing employees of EZ Foods, and, in particular, the Receiver does not warrant or guarantee that the employment of any EZ Foods employees can be continued for all or any part of the Liquidation Period).
- (f) upon the expiration of the Liquidation Period, leave the Premises vacant and in a broom-swept, workman-like condition. Removal and disposal of all debris, books, records and garbage (“Disposal”), shall be at the expense of the Receiver and shall be billed by the Auctioneer to the Receiver. Garbage disposal is estimated to cost \$10,000. In the event, that disposal costs will exceed the estimate, the Auctioneer will obtain approval from the Receiver before incurring additional expenses above the estimate.
- (g) The Auctioneer agrees to act in a prudent manner while at the Premises and the Premises shall be maintained by the Auctioneer in the same state of repair as existed as at the commencement of the Liquidation Period, reasonable wear and tear excepted and shall repair any damage caused by the Auctioneer, its invitees

or anyone for whom it is in law responsible at its sole expense forthwith but in any event, before the expiry of the Liquidation Period. Without limiting the foregoing, the Auctioneer undertakes to shear off any protruding bolts remaining after removal of equipment and to repair any damage caused to the Premises due to the removal of any Assets and to properly cap all gas and electrical connections, if any;

- (h) the Auctioneer shall maintain public liability insurance with a recognized Canadian insurance company in the amount of no less than \$5 million coverage at the Premises for the duration of this Agreement;
- (i) at its own expense, prepare a comprehensive statement of all Assets sold in the Sale, reflecting the sale prices of such Assets and containing an accounting of the proceeds of the Sale (the “**Proceeds**”) received and a final reconciliation, and shall deliver to the Receiver a comprehensive statement and accounting (the “**Accounting**”) within 30 days of the completion of the Sale;
- (j) collect and remit to the proper governmental authorities, within the prescribed statutory time periods, all applicable taxes eligible in connection with the Sale of the Assets, and will provide the Receiver with a letter confirming the remittance of applicable government taxes (“**Applicable Taxes**”) forthwith after the conclusion of the Sale and distribution of the Proceeds as set out herein;
- (k) obtain any vendor’s or other permits, approvals or authorizations necessary for the Auctioneer to perform its obligations hereunder;
- (l) acknowledge, and the Auctioneer does hereby agree, that the Assets are provided to the Auctioneer, for the Sale, on an “as is, where is” basis. The Auctioneer confirms that, unless specifically stated in this Agreement, no representation, warranty, covenant or condition, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise is being given by the Receiver in this Agreement or in any instrument furnished in connection with this Agreement as to title, encumbrances, description, fitness

for purpose, merchantability, quantity, condition, quality, value, suitability, durability, compliance or non-compliance with environmental rules, regulations or legislative provisions, or marketability thereof or in respect of any other matter or thing whatsoever. The Auctioneer confirms that the Auctioneer and the purchasers of the Assets shall be deemed to have relied entirely on their own inspection and investigation in proceeding with the transactions contemplated hereunder, or in purchasing the Assets;

2. The Receiver agrees:

- (a) to grant the Auctioneer unencumbered free use to the fully serviced Premises and the Assets, for the purposes of conducting the Sale and removing the Assets contemplated by this Agreement. The Receiver during the Rent Free Period shall be responsible for the payment of rent, realty taxes, utilities and snow removal service;
- (b) that the Auctioneer, can use the name "EZ Foods." and related logos for the duration of the Liquidation Period provided that the approval of the Receiver must be obtained prior to such materials being used if they contain a reference to the Receiver;
- (c) that the Auctioneer shall be entitled to add additional assets to the Sale at the Premises in order to enhance the overall success of the Sale provided that the Auctioneer shall be responsible for insuring such assets, and provided further, in disposing of such additional assets, the Auctioneer shall not act, nor shall it represent to any third party that it is acting, as agent of the Receiver, and provided it shall be the Auctioneer's responsibility, at its own expense, to convey whatever interest it has in such additional assets to any purchaser thereof;
- (d) the Receiver acknowledges and agrees that the Auctioneer is not in care, management, possession or control of the premises for the purposes of any environmental legislation; the Auctioneer shall in no way be held liable for any and all hazardous, toxic and/or waste materials located within or on the

Premises, nor shall the Auctioneer be deemed to take ownership or be liable for the storage, removal and/or disposal of any hazardous, toxic and/or waste materials, save and except to the extent that any discharge or spill of any such materials is caused by the Auctioneer or any persons for whom it is responsible; and

- (e) the Auctioneer shall not be responsible for any claims that former EZ Foods employees may have against the Receiver or EZ Foods under the *Wage Earner Protection Program Act* should the Auctioneer temporarily hire such employees to assist with the Sale.

3. The Auctioneer shall pay to the Receiver, the sum of \$ [REDACTED] ([REDACTED]) in cleared and readily available funds (the "Advance") representing an advance payment on account of the Guaranteed Minimum (as defined below) upon acceptance and execution of this Agreement. The Auctioneer undertakes and agrees that it shall pay to the Receiver the balance in the amount of [REDACTED] ([REDACTED]) in cleared and readily available funds, of the total guaranteed minimum for the Assets of \$ [REDACTED] [REDACTED], exclusive of any applicable taxes, (the "Guaranteed Minimum") after crediting the amount of the Advance against the aggregate payment due on account of the Guaranteed Minimum, on or before one (1) business day prior to the Auction Date (defined below) provided that the Receiver is not in breach of this Agreement. If the payment representing the Guaranteed Minimum is not made on or before one (1) business day prior to the Auction Date (defined below), the Auction shall not proceed, and the Advance shall remain with the Receiver, and stand as a non-refundable payment to the Receiver.

4. The following provisions shall govern the payment of the Proceeds under this Agreement:

- (a) Payment for the Assets sold by the Auctioneer on behalf of the Receiver pursuant to the provisions of this Agreement shall be in cash, or by wire transfer, bank draft, credit card, debit card or certified cheque. The Auctioneer shall be responsible for the collection of the proceeds of sale of the Assets, inclusive of sales taxes and the buyers' premium (collectively, the "Proceeds")

- i. With regard to the Proceeds for the Assets, the Auctioneer shall retain the Proceeds, excluding sales taxes and the buyers' premium, to the maximum amount of \$ [REDACTED] ( [REDACTED] ) and any Proceeds, excluding sales taxes and the buyers' premium, in excess of [REDACTED] ( [REDACTED] ) shall be allocated as follows: [REDACTED] % to the Receiver and [REDACTED] % to the Auctioneer;
- (b) In the event that any Asset is removed from the auction, the Guaranteed Minimum shall be reduced by the amount attributed to such Asset, such amount to be mutually agreed upon as between the parties to this Agreement.
- (c) The Auctioneer may establish reserve prices for any or all of the Assets and may either bid itself or through a designate on any of the Assets.
- (d) Subject to Section 3 above, if the Auctioneer fails to comply with any of the material provisions of this Agreement, the Receiver shall be entitled at its option to terminate this Agreement, but only if the Receiver provides the Auctioneer with five (5) business days written notice to remedy such failure and the Auctioneer has not done so, without prejudice to the Receiver's rights to be paid the full amount of the Guaranteed Minimum under section 3 hereof. In such event, any of the Assets not sold may, at the Receiver's option, be sold or resold by the Receiver in such manner and on such terms and conditions as the Receiver in its sole discretion determines and the deficiency, if any, on any sale or resale as compared with the Guaranteed Minimum.; and
- (e) in the event the Proceeds, exclusive of sales taxes and buyer's premium, are less than the Guaranteed Minimum upon completion of the Auction, i) the Auctioneer is entitled to obtain title in and to any remaining assets after payment of the Guaranteed Minimum; and ii) the Auctioneer shall be entitled to deal with the remaining assets as it sees fit. The Auctioneer will be responsible, at its sole expense to remove any unsold assets from the Premises.

5. The Receiver and Auctioneer agree that the Auction and private or public sales permitted by this Agreement shall be conducted in accordance with this Agreement, including, without limitation:
  - (a) that the Auctioneer shall have no authority to, and agrees that it shall not enter into, incur, make, change, enlarge, or modify any contract, liability, agreement, obligation, representation, guarantee, warranty or commitment on behalf of the Receiver unless expressly requested to do so in writing by a duly authorized representative of the Receiver;
  - (b) that the parties hereto shall agree on the content of any public announcement concerning this Agreement or the Auction or any private sales; and
  - (c) that the Receiver is not and will not in any event be an employer of any personnel employed by or on the behalf of the Auctioneer or liable to pay any amounts to or with respect to any such personnel.
6. The Receiver will ensure that the Assets are insured for no less than [REDACTED]. In the event that some of the Assets are damaged or destroyed prior to the sale of such Assets, insurance proceeds attributable to such damaged Assets shall be deemed to be the proceeds of the sale of such Assets for the purposes of this Agreement. The Receiver and the Auctioneer agree not to settle any insurance claim without the prior written consent of the other, such consent not to be unreasonably withheld. If substantially all of the Assets are damaged or destroyed, then the Receiver shall have the option to terminate this Agreement, retain the insurance proceeds and return the Advance, and the Guaranteed Minimum, if already advanced, and reimburse the Auctioneer for all the reasonable and necessary expenses actually incurred by the Auctioneer pursuant to the provisions of this Agreement.
7. The obligations of the Receiver and the Auctioneer hereunder are subject to the satisfaction of the following conditions on or before the dates indicated:
  - (a) there being no order by any court of competent jurisdiction in effect restraining the holding of any auction, private sale or sale to the public.

8. In the event that the condition set forth in paragraph 7 above shall not have been satisfied, both the Receiver and the Auctioneer shall be released from their respective obligations under this Agreement and the Receiver shall return the Advance, and the Guaranteed Minimum, if already advanced, without interest, and reimburse the Auctioneer for all the reasonable and necessary expenses actually incurred by the Auctioneer pursuant to the provisions of this Agreement.

Within ten (10) business days of the signing of this Agreement, the Auctioneer will notify the Receiver of the auction date (the “**Auction Date**”) which shall occur before the expiration of the Liquidation Period.

9. Other:

- (a) Any notice, demand, acceptance, request, election or waiver required or permitted to be given hereunder (the “**Notice**”) shall be in writing and shall be deemed to be sufficiently given if personally delivered to an officer of the Receiver or the Auctioneer or served by telecopy or if mailed by registered mail, postage prepaid, addressed to the party to whom the same is given as follows:

- i. in the case of the Receiver:

Msi Spergel Inc.  
505 Consumers Road, Suite 200  
Toronto, On, M2J 4V8  
Attention: Mr. Mukul Manchanda, Partner  
Tel: (416) 498-4314  
Fax: (416) 416-494-7199  
E-mail: [mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)

- ii. in the case of the Auctioneer:

Platinum Asset Services Inc.  
80 Midwest Road, Unit 1  
Scarborough, Ontario  
M1P 4R2  
  
Attention: Adam Moskowitz, President  
Tel: (416) 366-2326 x 100  
Fax: (416) 366-2325  
E-mail: [amoskowitz@platinumassets.com](mailto:amoskowitz@platinumassets.com)



Any Notice personally delivered or telecopied shall be deemed to be given on the day which is immediately after the date on which it was so personally delivered or telecopied. Any Notice served by registered mail shall be deemed to have been given on the third business day following the day on which it was mailed. During the existence of any interruption or threatened interruption in the Canadian postal services, any Notice shall be personally delivered or forwarded by telecopy.

- (b) This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile transmission.
- (c) The Auctioneer shall not be entitled to assign its rights and obligations hereunder without the written consent of the Receiver, which may not be unreasonably withheld.
- (d) This Agreement shall enure to the benefit of, and be binding upon, the parties thereto and their respective successors and permitted assigns.
- (e) This Agreement shall constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no agreements, or understandings between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of such agreement shall be binding, unless executed in writing by the party to be bound thereby, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by duly authorized signatories for the parties.

- (f) The validity and interpretation of this Agreement, and of each provision and part thereof, shall be governed by the laws of the Province of Ontario and the parties hereto hereby irrevocably attorn to the jurisdiction of the courts of that province with respect to all matters arising out of this Agreement.
10. (g) The Auctioneer and the Receiver shall keep confidential this Agreement and all information and documents which may have been or may hereafter be exchanged between them or their representatives or may have been retained by the Auctioneer or the Receiver, except for such information and documents as are available to the public, required to be disclosed by applicable law or court order, or as required to be disclosed by the Receiver under Applicable Law.
11. The Auctioneer shall indemnify and save harmless the Receiver and its officers, directors, employees, representatives and advisors from and against all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), interest, penalties, costs, causes of actions, claims, complaints, injuries and demands of whatever kind, including legal fees and costs on a substantial indemnity basis, suffered or incurred by any of them from and after the date hereof as a result of or arising directly or indirectly out of or in connection with any negligence, wilful acts, omissions or misconduct of Auctioneer or its officers, employees, contractors, licensees, agents or invitees during the Liquidation Period, or the breach of any provision hereof by Auctioneer. This provision shall survive termination of this agreement.

**MSI SPERGEL INC.**

**Per:** \_\_\_\_\_  
Name: Mukul Manchanda  
Title: Partner  
(I have authority to bind the Corporation)

**PLATINUM ASSET SERVICES INC.**

**Per:** \_\_\_\_\_  
Name: Adam Moskowitz  
Title: President  
(I have authority to bind the Corporation)

**SCHEDULE "A"****LIST OF ASSETS**

See attached



## **SCHEDULE A**

<b>I#</b>	<b>QTY</b>	<b>DESCRIPTION</b>	<b>MODEL</b>	<b>S/N</b>
1	1	<b>HYSTER</b> , 24V, BATTERY POWERED WALKIE, 1,656 HOURS (NOT IN SERVICE)	W40Z	B218N32793N
2	1	<b>POLAR PROCESS</b> , STAINLESS STEEL, 7.5 HP, RIBBON BLENDER	SUNNY CRUNCH	N/A
3	1	<b>STEPHAN</b> , 30 HP, VERTICAL CUTTER / MIXER	UM130E-6NT	80IU3681
4	1	STAINLESS STEEL, EMULSIFIER	N/A	N/A
5	1	<b>WAUKESHA</b> TRANSFER PUMP ON CART	N/A	N/A
6	1	<b>RMF</b> , STAINLESS STEEL, 40 CU FT, AGITATED RIBBON BLENDER WITH STEAM JACKET AND DUMPER	28-2000	26199
7	1	<b>ILAPAK</b> HORIZONTAL, FLOW WRAPPER	CARRERA 500 PC	N/A
8	1	<b>HUGHES</b> , STAINLESS STEEL, CONTINUOUS, ROTARY, BLANCHER WITH DUMPER	N/A	N/A
9	1	VARIABLE SPEED, TRANSFER PUMP	N/A	N/A
10	1	<b>JDA</b> VERTICAL FORM FILL AND SEAL MACHINE WITH PISTON FILLER	REDEEPAC 520	N/A
11	1	<b>LUTETIA</b> , STAINLESS STEEL, VACUUM TUMBLER, 1997 (NOT IN SERVICE)	N/A	9501
12	1	<b>LOMA</b> , STAINLESS STEEL, METAL DETECTOR WITH VARIABLE SPEED CONVEYOR	IQ2	MDQ0509-11224-61032
13	1	<b>INJECT STAR</b> , STAINLESS STEEL, 1,500 LITRES, VACUUM TUMBLER, 2007	MAG-1500	343
14	1	<b>JOHNSEN</b> , STAINLESS STEEL, WICKETED BAGGING AND SEALING SYSTEM, 7" - 15" BAG CAPACITY, 20 BAGS/MINUTE, 2004	WBS-0715S	0715-118
15	1	<b>FRIGOSCANDIA STEIN</b> CONVEYORIZED, BREADING APPLICATOR	E-24	162

1 of 4



**PLATINUM**  
Asset Services

## **SCHEDULE A**

<b>I#</b>	<b>QTY</b>	<b>DESCRIPTION</b>	<b>MODEL</b>	<b>S/N</b>
16	1	<b>ABJ EQUIPFIX</b> CONTINUOUS GAS FRYER, 1,900,000 BTUH WITH <b>MP EQUIPMENT</b> , OIL PUMP SYSTEM, CONVEYOR AND OIL TANK	N/A	0468-1
17	1	<b>SKYJACK</b> , BATTERY POWERED, SCISSOR LIFT, 19' MAXIMUM HEIGHT, 550 LBS MAXIMUM LIFT, 2003 (UNIT DOES NOT POWER ON - NEW BATTERIES MAY BE REQUIRED)	SJIII-3219	238139
18	1	FORM FILL AND SEAL MACHINE (NOT IN SERVICE)	VF2840	201006112771
19	1	<b>CONSOLIDATED TECHNOLOGIES</b> HORIZONTAL, SERVO DRIVEN, CARTONER WITH NORDSON, PROBLUE 7, HOT MELT GLUER, S/N SA14C02542, 2015	HC120	7092
20	1	<b>GERRARD-OVAL STRAPPING</b> CASE SEALER	TAPER	2290
21	1	<b>VIDEOJET</b> CONTINUOUS INKJET PRINTER	1220	1404123C21ZH
22	1	<b>S+S</b> , STAINLESS STEEL METAL DETECTOR WITH CONVEYOR, 2010	GLS 350/150/100/289M43+4	201-03-H4410
23	1	<b>ISHIDA</b> , STAINLESS STEEL, 14 COMPARTMENT, MULTIHEAD WEIGHER WITH MEZZANINE, 2008	CCW-R-214W-15/30-WP-GS	53178
25	1	<b>HOLLITHERM</b> STAINLESS STEEL, 19 TIER, NUGGET SPIRAL FREEZER, 24' X 12", 1,000 LBS/HOUR CAPACITY, 2007*	N/A	EZF001:001
26	1	<b>EDLUND</b> , STAINLESS STEEL, CAN OPENER	610	005069
27	1	<b>YAMATO</b> , STAINLESS STEEL, TABLE TOP, DIGITAL SCALE	DP6200	512751
28	3	<b>LEE INDUSTRIES</b> STAINLESS STEEL, JACKETED, SINGLE MOTION, 200 GALLON, INCLINED MIXING KETTLE WITH LOAD CELL, 2014	200D7SI	83510-1 84536-1-1 84536-1-2
29	1	<b>FAST</b> , 45', STAINLESS STEEL, VENT HOOD	N/A	N/A



## **SCHEDULE A**

<b>I#</b>	<b>QTY</b>	<b>DESCRIPTION</b>	<b>MODEL</b>	<b>S/N</b>
30	3	<b>SPX</b> CENTRIFUGAL PUMP (1) UNIT IS NOT IN SERVICE)	6002	N/A
31	1	<b>LINAPACK</b> , STAINLESS STEEL, STAND-UP POUCH, FILL AND SEAL MACHINE, 20 POUCHES/MINUTE CAPACITY, 2014	LFS-1000 MINI	1406001
32	1	<b>AIR PRODUCTS</b> , 30' (APPROX.), CRYO-QUICK FREEZER	R8-2851-PO	2089
33	1	<b>TAKIYEH</b> , STAINLESS STEEL, AUTOMATIC L-SEALER, 2006	TY-702-220S/S	067087-03
34	1	<b>TAKIYEH</b> , STAINLESS STEEL, HEAT SHRINK TUNNEL, 2006	SA-319-POF-S/S	063029-03
35	1	<b>CONSOLIDATED TECHNOLOGIES</b> HORIZONTAL, SERVO-DRIVEN, CARTONER WITH NORDSON, PROBLUE 7, HOT MELT GLUER, S/N SA03D01978 (NOT IN SERVICE)	HC-120	3929
37	1	<b>CHANGZHOU GUANGMING</b> L-BAR SEALER WITH HEAT SHRINK TUNNEL	FQS-450	N/A
38	1	<b>TCM</b> , 3,350 LBS, 3 STAGE, BATTERY POWERED FORKLIFT, 189" MAXIMUM LIFT, 2,548 HOURS WITH CHARGER	FCB20E3	72E00618
39	1	<b>TOYOTA</b> , 3,000 LBS, 3 STAGE, 3-WHEEL, BATTERY POWERED FORKLIFT WITH SIDE SHIFT, 185" MAXIMUM LIFT WITH CHARGER (NO FORKS, NOT IN SERVICE, BATTERY HAS NO CHARGE)	2FBEXC15	2FBEC15-21673
40	1	<b>ULMA</b> STAINLESS STEEL, TRAY SEALER, 2005	TAURUS 570	3120141
41	1	<b>BIZERBA</b> , STAINLESS STEEL, AUTOMATIC MEAT SLICER, 2012	SE12D	10123442
42	1	<b>VULCAN</b> , STAINLESS STEEL, TWO-DOOR, GAS OVEN	N/A	N/A



**PLATINUM**  
Asset Services

## **SCHEDULE A**

<b>I#</b>	<b>QTY</b>	<b>DESCRIPTION</b>	<b>MODEL</b>	<b>S/N</b>
43	1	LOT OF EQUIPMENT COMPRISED OF PALLET RACKING, PALLET JACKS, MACHINES NOT OTHERWISE LISTED, SPARE PARTS, SHRINK WRAP, PLASTIC PAILS, STAINLESS STEEL TABLES, STAINLESS STEEL WASH SINKS, STAINLESS STEEL RACKS, STAINLESS STEEL BINS, TABLE TOP DIGITAL SCALE NOT OTHERWISE LISTED, CONVEYORS NOT OTHERWISE LISTED, LABEL PRINTERS, PRINTERS, COMPUTERS, DESKS, CHAIRS, BOARDROOM FURNITURE, VACUUM, FLOOR SWEEPER, LAB EQUIPMENT, MAINTENANCE SHOP, EQUIPMENT, CONTENTS OF COMMERCIAL KITCHEN NOT OTHERWISE LISTED, GENERAC, GUARDIAN, BACKUP GENERATOR, ETC.	N/A	N/A



**ROYNAT INC.**

Applicant

- and -

**TAMTAN INC. and 1308963 ONTARIO LIMITED (o/a**

**EZ FOOD GROUP)**

Respondents

Court File No. CV-19-00628569-00CL

***ONTARIO***

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

Proceedings commenced at TORONTO

**MOTION RECORD**

(returnable December 17, 2019)

**CHAITONS LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Sam Rappos (LSO #51399S)**

Tel: (416) 218-1137

Fax: (416) 218-1837

Email: samr@chaitons.com

**Lawyers for the Court-appointed  
Receiver, msi Spergel Inc.**