

Court File. No. CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

1393382 ONTARIO LIMITED

Respondents

**MOTION RECORD
(Returnable December 7, 2020)**

November 25, 2020

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TAB 1

Court File No.: CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-and-

1393382 ONTARIO LIMITED

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

**NOTICE OF MOTION
(Returnable December 7, 2020 via Zoom Conference)**

msi Spergel Inc. (“Spergel”), in its capacity as Court-appointed Receiver of certain property of 1393382 Ontario Limited (the “Receiver”) will make a motion to a judge on Monday, December 7th, 2020 at 12:00 noon, or soon after that time as the motion can be heard via Zoom Meeting.

PROPOSED METHOD OF HEARING: The motion is to be heard

- ☐ in writing under subrule 37.12.1 (1) because it is *(insert one of on consent, unopposed or made without notice)*;
- ☐ in writing as an opposed motion under subrule 37.12.1 (4);

x orally before the Honourable Madam Justice Dietrich via zoom.us conference using the following meeting particulars:

Join Zoom Meeting

<https://us02web.zoom.us/j/86149860712?pwd=aW9XSTV3V3ozT0c3bFJoWmFBcG1MZz09>

Meeting ID: 861 4986 0712

Passcode: 537220

THE MOTION IS FOR an order:

1. A distribution and discharge order, substantially in the form attached hereto as Appendix “A”:
 - i. approving the third report of the Receiver dated November 24, 2020 (the “Third Report”) and the actions of the Receiver described therein;
 - ii. approving the fees and disbursements of the Receiver and the Receiver’s counsel, including the estimated accrual described in this Third Report for fees and disbursements to be incurred to the completion of these proceedings;
 - iii. approving the Receiver’s Statement of Receipts and Disbursements as at November 20, 2020 and its Projected Statement of Receipts and Disbursements;
 - iv. authorizing and directing the Receiver to distribute the net proceeds of the receivership of 1393382 Ontario Limited in accordance with the protocol outlined by the Receiver and contained within the Third Report;
 - v. effective upon the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership of 1393382 Ontario Limited have been completed to the satisfaction of the Receiver, discharging Spergel as the Receiver and releasing Spergel from any and all liability that Spergel has or, may hereafter have, by reasons of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacity as Receiver, including, without limitation, any and

all dealings with the Property, save and except for any gross negligence or wilful misconduct on the Receiver's part; and,

- vi. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) as set forth in the Third Report;
- (b) Section 249 of the *Bankruptcy and Insolvency Act*;
- (c) Rules 1.04(1), 3.02, 37.07, and 41.06 of the *Rules of Civil Procedure*; and,
- (d) Such further grounds as counsel may advise, and as this Honourable Court may allow.

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

- (a) The Third Report; and,
- (b) Such further evidence as may be filed and as this Honourable Court may admit.

November 25, 2020

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TO: Service List

Revised: May 11, 2010

Court File No. CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM) WEEKDAY MONDAY, THE # 7TH
 JUSTICE DIETRICH) DAY OF MONTH DECEMBER, 20YR 2020

FIRST ONTARIO CREDIT UNION LIMITED

Applicant

-and-

1393382 ONTARIO LIMITED

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

~~BETWEEN:~~

~~PLAINTIFF~~

Plaintiff

~~-and-~~

~~DEFENDANT~~

Defendant

DISCHARGE ORDER

THIS MOTION, made by ~~{RECEIVER'S NAME}~~ msi Spergel Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the ~~certain~~ undertaking, property and assets of 1393382 Ontario Limited~~{DEBTOR}~~ (the "Debtor"), for an order:

1. approving the activities of the Receiver as set out in the third report of the Receiver dated ~~{DATE}~~ November 24, 2020 (the "Third Report");
2. approving the fees and disbursements of the Receiver and its counsel;
3. approving the distribution of the remaining proceeds available in the estate of the Debtor;
~~{and}~~
4. discharging msi Spergel Inc.~~{RECEIVER'S NAME}~~ as Receiver of the undertaking, property and assets of the Debtor~~};~~ and
5. releasing msi Spergel Inc.~~{RECEIVER'S NAME}~~ from any and all liability, as set out in paragraph 5 of this Order~~};~~⁺,

was heard this day at ~~330 University Avenue, Toronto, Ontario~~ via Zoom videoconference during the COVID-19 Pandemic.

ON READING the Third Report, the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed²;

1. THIS COURT ORDERS that the ~~activities of the Receiver, as set out in the Third Report, including the Receiver's Statement of Receipts and Disbursements as at November 20, 2020 and its Projected Statement of Receipts and Disbursements attached as Appendix "G" thereto, and the Receiver's activities described in the Third Report,~~ are hereby approved.

2. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, are hereby approved.

⁺ If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.

² This model order assumes that the time for service does not need to be abridged.

3. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to ~~[NAME OF PARTY]~~FirstOntario Credit Union Limited³.

4. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof ~~[and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report]~~, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of msi Spergel Inc.~~[RECEIVER'S NAME]~~ in its capacity as Receiver.

5. ~~[THIS COURT ORDERS AND DECLARES that~~ msi Spergel Inc.~~[RECEIVER'S NAME]~~ is hereby released and discharged from any and all liability that msi Spergel Inc.~~[RECEIVER'S NAME]~~ now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of msi Spergel Inc.~~[RECEIVER'S NAME]~~ while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, msi Spergel Inc.~~[RECEIVER'S NAME]~~ is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.]⁴

³ This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.

⁴ The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has

been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.

FIRST ONTARIO CREDIT UNION LIMITED
Applicant

-and- **1393382 ONTARIO LIMITED**
Respondent

Court File No. CV-19-00632077-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

DISCHARGE ORDER

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Limited

FIRST ONTARIO CREDIT UNION LIMITED
Applicant

-and-

1393382 ONTARIO LIMITED
Respondent

021

Court File No. CV-19-00632077-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
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NOTICE OF MOTION

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TAB 2

**SPERGEL**

Court File. No. CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN**FIRSTONTARIO CREDIT UNION LIMITED**

Applicant

- and -

1393382 ONTARIO LIMITED

Respondents

**THIRD REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER OF
1393382 ONTARIO LIMITED**

NOVEMBER 24, 2020

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- B. Order of the Honourable Justice Hainey, dated December 18, 2019
- C. First Report of the Receiver dated April 24, 2020
- D. Order of the Honourable Justice C. Gilmore, dated May 7, 2020
- E. Second Report of the Receiver dated July 22, 2020
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- G. Receiver's Interim Statement of Receipts & Disbursements as at November 20, 2020
& Projected Final Statement of Receipts & Disbursements
- H. Fee Affidavit of Deborah Hornbostel, sworn November 24, 2020
- I. Fee Affidavit of Alyssa Adams, sworn November 24, 2020

I. INTRODUCTION AND BACKGROUND

1. On September 30, 2019, CIBC obtained on an ex parte basis, in court file No. CV-19-00628293-00CL, an order appointing BOO Canada Limited ("**BDO**") as receiver over all the assets, undertakings and properties of 1393382 Ontario Limited ("**139 Co.**") 908593 Ontario Limited ("**908 Co.**"), 2145744 Ontario Limited, 2145754 Ontario Limited, 1552838 Ontario Inc., 2189788 Ontario Inc., 2123618 Ontario Limited, 1849722 Ontario Limited, 2469244 Ontario Limited, 2364507 Ontario Limited (the "**September 30, 2019 Order**").

2. On application made by FirstOntario Credit Union Limited ("**FirstOntario**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and section 101 of the *Courts of Justice Act* (the "**CJA**"), an Order was granted by the Honourable Justice Hailey dated December 16, 2019, (the "**Appointment Order**"), attached hereto as **Appendix "A"**. The Appointment Order lifted the stay of proceedings with respect to the September 30, 2019 Order; discharged BDO as receiver with respect to property owned by 139 Co. municipally known as 22216 Bloomfield Road, Chatham, ON including land, buildings, pumps and related assets (the "**Bloomfield Property**"), effective 5:00 PM, December 18, 2019; and appointed msi Spergel Inc. ("**Spergel**") as Receiver (in such capacity, the "**Receiver**"), without security, of the Bloomfield Property effective 5:00 PM, December 18, 2019.

3. On December 18, 2019, a further Order was issued by the Honourable Justice Hailey (the "**December 18, 2019 Order**") to correct an error in the Appointment Order whereby 1393382 Ontario Limited was incorrectly described as 1393882 Ontario Limited and 130 Co., attached hereto as **Appendix "B"**.

4. As a result of the proceedings pursuant to the September 30, 2019 Order, BDO had incurred fees and expenses (the "**BDO Receiver's Charge**") and borrowed funds charged against the Bloomfield Property assets (the "**CIBC's Receiver's Borrowing Charge**").

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5. The Appointment Order issued by the Honourable Justice Hailey also permitted the BDO Receiver's Charge and the CIBC's Receiver's Borrowing Charge to remain and rank *pari passu* with the Receiver's Charge and the Receiver's Borrowing Charge granted in the Appointment Order. The amounts secured by the BDO Receiver's Charge and the CIBC's Receiver's Borrowing Charge were to subsequently be agreed upon between CIBC, First Ontario and BDO, or absent such agreement, be determined by the Court.

6. 139 Co. was incorporated on December 29, 1999 and according to the Corporate Profile Report dated December 14, 2016, Sarbjit Singh Dhillon and Madhir Singh Dhillon are the officers and directors of 139 Co.

7. 139 Co. owned the Bloomfield Property located at 22216 Bloomfield Road, Chatham, ON, on which an Esso branded gas station and *On The Run* convenience store operated during the receivership. Prior to Spergel's appointment as Receiver, a Pizza Pizza and Subway restaurant also operated at that site.

8. 139 Co. also owned three other gas station properties and BDO was also appointed as receiver of those properties pursuant to the September 30, 2019 Order.

9. 139 Co. was indebted to First Ontario with respect to a loan outstanding in the approximate amount of \$15.1 million. First Ontario has a priority charge over the Bloomfield Property.

10. Prior to the Receiver's appointment, 908 Co., a company related to 139 Co., operated the various businesses located at the Bloomfield Property. As previously mentioned, BDO was also appointed as the receiver of 908 Co. pursuant to the September 30, 2019 Order.

- 6 -

11. On April 24, 2020, the Receiver issued its First Report to the Court (the **"First Report"**). A copy of that report, excluding appendices, is attached hereto as **Appendix "C"**.

12. Pursuant to a Notice of Motion heard on May 7, 2020, the Honourable Justice C. Gilmore issued an Order, attached hereto as **Appendix "D"**, approving the following:

- the First Report and the actions of the Receiver as described in its First Report;
- the Receiver's proposed sales process to be handled by Colliers International London Ontario Brokerage (**"Colliers"**) with a bid deadline of June 29, 2020;
- the fees and disbursements of the Receiver and its counsel, as detailed in the First Report;
- the Receiver's Statement of Receipts and Disbursements as at March 31, 2020; and,
- the sealing of the Confidential Appendices contained in the First Report, pending the completion of a sale of the Bloomfield Property or further order of the Court.

13. On July 22, 2020, the Receiver issued its Second Report to the Court (the **"Second Report"**). A copy of that report, excluding appendices, is attached hereto as **Appendix "E"**.

14. Pursuant to a Notice of Motion heard on August 5, 2020, the Honourable Justice Koehnen issued an Order, attached hereto as **Appendix "F"**, approving the following:

- the Second Report and the actions of the Receiver described in its Second Report;
- approving the agreement of purchase and sale between the Receiver, as vendor, and K2 Group Inc. (**"K2"** or the **"Purchaser"**), as purchaser, dated July 2, 2020 (the **"K2 Sale Agreement"**), and authorizing the Receiver to complete the transaction contemplated thereby;

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- vesting in the Purchaser or the Purchaser's permitted assignee, the Debtor's right, title and interest in and to the property described in the K2 Sale Agreement, free and clear of any claims and encumbrances (the "**Sales Transaction**");
- the fees and disbursements of the Receiver and the Receiver's counsel, as detailed in the Second Report;
- the Receiver's Interim Statement of Receipts and Disbursements as at June 30, 2020;
- the sealing the unredacted version of the motion record and the confidential appendices to the Second Report pending the completion of the K2 Transaction;
- the repayment of the Receiver's borrowings upon completion of the Sales Transaction and,
- an interim distribution to FirstOntario from the net proceeds of the Sales Transaction, up to the amount of the indebtedness owed to it by 139, provided that the Receiver shall retain the sum of at least \$1,500,000 toward future expenses and other claims, and subject to further order of the Court.

II. PURPOSE OF THIS REPORT

15. The purpose of this report (the "**Third Report**") is to update the Court with respect to the Receiver's activities and to seek an Order of the Court:

- (a) approving the Third Report and the actions of the Receiver described herein;
- (b) approving the fees and disbursements of the Receiver and the Receiver's counsel, including the estimated accrual described in this Third Report for fees and disbursements to be incurred to the completion of these proceedings;
- (c) approving the Receiver's Statement of Receipts and Disbursements as at November 20, 2020 and its Projected Statement of Receipts and Disbursements;

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- (d) authorizing and directing the Receiver to distribute the net proceeds of the receivership of 139 in accordance with the protocol outlined by the Receiver and contained within the Third Report;
- (e) effective upon the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership of 139 have been completed to the satisfaction of the Receiver, discharging Spergel as the Receiver and releasing Spergel from any and all liability that Spergel has or, may hereafter have, by reasons of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacity as Receiver, including, without limitation, any and all dealings with the Property, save and except for any gross negligence or wilful misconduct on the Receiver's part; and,
- (f) such further and other relief as counsel may advise and this Court may permit.

III. BUSINESS OPERATIONS & SALE OF THE BUSINESS

16. Until the completion of the Sales Transaction, the Receiver continued the day-to-day management of the fuel and convenience store businesses and safeguarding of the Bloomfield Property, including, without limitation, the following:

- Ongoing hiring and termination of staff and processing of bi-weekly payroll;
- Arrangements for ongoing fuel deliveries;
- Monitoring and approving store inventory purchases;
- Monitoring and posting daily sales and cash deposits to Receiver's trust account;
- Tracking and reconciling daily sales (cash deposits, credit card receipts, commissions, cross lease receipts and other miscellaneous charges and receipts etc.) with daily Parkland reports and arranging payment of balances due;
- Issuing invoices and statements of account to commercial clients and pursuing collections;
- Preparing monthly statements of revenues and expenses;
- Preparing and submitting payroll and HST returns to CRA;

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- Reviewing and approving operating issues and required maintenance and site repairs;
- Ongoing payment processing, cash management, reporting and forecasting.

17. At the request of K2, the Receiver agreed to an assignment of the K2 Sale Agreement to 2765459 Ontario Inc. ("**276**").

18. Upon receipt of the Court's approval of the K2 Sale Agreement and authorization for the Receiver to complete the Sales Transaction, the Receiver and 276, arranged for the sale to be completed on August 24, 2020 with an effective closing time of 12:01 AM that day. Arrangements were also made to have inventory counted by an independent company late at night on August 23, 2020.

19. The Receiver's intentions were to continue to operate the fuel business and convenience store until the completion of the Sales Transaction. The Receiver notified its suppliers of the upcoming change in ownership and provided them with contact information for 276.

20. During the late afternoon of August 23, 2020, the Receiver was advised by counsel for 276 that due to an illness in the family of the principal of 276, 276 needed an extension to the closing date. The Receiver agreed to continue operations and extend the closing date to August 26, 2020 with an effective closing date of August 24, 2020 at 12:01 AM, conditional upon payment by 276 of a further deposit of \$100,000 on August 24, 2020.

21. As a result of the delayed closing of the Sales Transaction, several issues arose with suppliers, including among others the Ontario Lottery & Gaming Corporation and fuel providers, which resulted in termination of the lottery sales and additional cash outlays by the Receiver for fuel purchases, without recovery from sales proceeds as the Purchaser, without notification to or permission from the Receiver, switched payment processing

machines to direct the credit card receipts to its bank account. Furthermore, full payment of the purchase price and therefore completion of the Sales Transaction was not completed until August 28, 2020, resulting in additional supervision and frustration for the Receiver.

22. Following the eventual closing of the Sales Transaction, the Receiver prepared a complete reconciliation of amounts due from 276 with respect to inventory values, inventory purchases and sales receipts. 276 was difficult to deal with and had trouble understanding the ramifications of the delayed closing and their actions but eventually paid the balance due to the Receiver.

23. Since the completion of the Sales Transaction, the Receiver's activities have been focused primarily on the collection of the commercial accounts receivable, which are now fully collected, payment of accounts payable, completing government filings for T4s, Records of Employment, HST and the temporary wage subsidy. The Receiver continues to assist suppliers to transition their accounts over to 276, as suppliers have expressed frustration in getting new accounts set-up with 276.

24. The Receiver notes that subsequent to the completion of the Sales Transaction, Parkland Fuel Corporation advised the Receiver that it was required to holdback sales funds owing to the Receiver for a period of three months. According to the Receiver's records, \$3,780.17 is still due to the Receiver and should be released by the end of November 2020.

IV. Canada Revenue Agency ("CRA")

25. 139 owned the locations of several other fuel stations that were subject to the September 30, 2019 Order and subsequent court orders appointing receivers over the operations at those sites. While the Receiver opened its own payroll and HST accounts with

CRA with respect to the Bloomfield Property operations, it has no control over the filings of the outstanding returns to CRA for corporate tax or other HST and payroll accounts and CRA's policy is to withhold HST refunds until all outstanding filings are made.

26. On November 5, 2020, pursuant to a motion filed by BDO in its capacity as the Receiver of 139, the Honourable Mr. Justice Hainey issued an Order authorizing and directing BDO to file an assignment in bankruptcy on behalf of 139 and 908.

27. In October 2020, CRA advised the Receiver that it was conducting an audit of the Receiver's monthly HST filings. The Receiver provided all requested information to CRA and the returns were approved as filed. The Receiver has a credit balance due to it in the amount of \$60,664.69 for the filing periods up to October 31, 2020.

28. On November 20, 2020 CRA advised the Receiver that its HST refund could not be released until the outstanding corporate tax return for 2019 was filed. CRA undertook to contact BDO in its capacity as the Receiver of 139 with respect to the filing of that outstanding return.

29. The Receiver is not aware of any liabilities owing to CRA resulting from the Bloomfield Property.

V. SECURED CREDITORS & PROPOSED DISTRIBUTION

30. Details of all security registrations are contained in the Second Report. In summary, FirstOntario had a first charge on the assets of the Bloomfield Property and 139 was indebted to FirstOntario in the amount of \$15,115,580 as at July 20, 2020.

31. As previously mentioned, the Receiver obtained an order authorizing it to distribute funds to FirstOntario up to the amount of the indebtedness owed to it by 139, but subject to a holdback of at least \$1.5 million. The holdback was implemented because of a dispute between FirstOntario and CIBC with respect to the BDO Receiver's Charge and the CIBC's Receiver's Borrowing Charge.

32. An Allocation and Settlement Agreement dated November 3, 2020 has been executed by FirstOntario, CIBC, the Receiver and BDO in its capacity as receiver of 139 and 908 with respect to the allocation of the above mentioned charges. The Receiver has confirmed that the required payments pursuant to that agreement have been made by FirstOntario and therefore, the holdback requirement by the Receiver with respect to distribution of receivership funds to FirstOntario should now be removed by the Court, and the Receiver should now be authorized to distribute all net realizations to FirstOntario.

33. The Receiver notes that FirstOntario will suffer a substantial shortfall on recovery of its loan to 139 and that there will be no funds available to pay any other creditors.

VI. RECEIPTS AND DISBURSEMENTS OF THE RECEIVER

34. Attached hereto as **Appendix "G"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements as at November 20, 2020 as well as its Projected Final Statement of Receipts and Disbursements.

35. The Receiver notes that its borrowings in the amount of \$707,000 obtained from FirstOntario were repaid promptly following the completion of the Sales Transaction.

VII. FEES AND DISBURSEMENTS OF THE RECEIVER

36. Attached hereto as **Appendix "H"** is the Fee Affidavit of Deborah Hornbostel, sworn November 24, 2020, which incorporates, by reference, a copy of the Receiver's time dockets pertaining to the receivership for the period July 20, 2020 to November 20, 2020. In total, the Receiver has charged professional fees in the amount of \$96,889, plus HST of \$109,484.57. This represents a total of 344.8 hours at an average rate of \$281 per hour. The Receiver notes that these charges include an overall discount of \$31,249.50 from its standard hourly rates.

37. Attached hereto as **Appendix "I"** is the Fee Affidavit of Alyssa Adams, sworn November 24, 2020 which attaches copies of the invoices rendered by Flett Beccario for the period July 22, 2020 to September 14, 2020 which detail the services provided to the Receiver in the amount of \$21,774.13, inclusive of disbursements and applicable taxes.

38. The Receiver has reviewed the accounts of Flett Beccario and given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work as set out in Flett Beccario's accounts was carried out and was necessary. The hourly rates and block fees of the lawyers at Flett Beccario who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers with the appropriate level of experience.

39. The Receiver estimates that the additional fees and disbursements for itself and Flett Beccario that are necessary to complete the receivership proceedings, including Flett Beccario's preparation for and attendance on the motion before this Court on December 7, 2020 and the Receiver's time for finalizing all government filing matters, supplier and employee related issues, will be approximately \$30,000 for the Receiver and \$7,500.00 for Flett Beccario (collectively the "**Fee Accrual**"). To the extent that the Fee Accrual is not utilized, the Receiver will distribute any remaining funds to FirstOntario.

VIII. DISCHARGE OF THE RECEIVER

40. Subsequent to the date of this Third Report and prior to the Receiver's discharge, the Receiver proposes to attend to the following:

- (a) all matters regarding CRA, including the filing of any required returns and attending to any further audits;
- (b) attending to the collection of funds from Parkland Fuel Corporation;
- (c) filing of required reports to the Office of the Superintendent of Bankruptcy;
- (d) payment of distributions, as identified above;
- (e) other residual and/or administrative matters in connection with Spergel's appointment as the Receiver; and
- (f) filing of the Receiver's certificate of discharge.

IX. RECOMMENDATION

41. For the reasons discussed in this Third Report, the Receiver recommends that the Court grant the relief specified at paragraph 15 of this Third Report.

This Report is respectfully submitted this 24th day of November, 2020.

msi Spergel Inc.,

In its capacity as Court Appointed Receiver of
1393382 Ontario Limited
and not in its personal or corporate capacity
Per:



Deborah Hornbostel, CPA, CA, CFE, CIRP, LIT

TAB A

Court File No. CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	MONDAY, THE 16 ^H
)	
JUSTICE <i>Hainey</i>)	DAY OF DECEMBER, 2019

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

1393882 ONTARIO LIMITED

Respondent

**ORDER
(appointing Receiver)**

THIS MOTION made by the Applicant, FirstOntario Credit Union Limited ("FirstOntario") 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 (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 1393882 Ontario Limited ("139 Co" or the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Virginia Selemidis sworn December 2, 2019 and the Exhibits thereto and on hearing the submissions of counsel for FirstOntario, and such other parties as attended the hearing of the application 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.

LIFTING STAY OF PROCEEDINGS

2. THIS COURT ORDERS the stay of proceedings imposed under the Amended Receivership Order dated September 30, 2019 in the action commenced by Canadian Imperial Bank of Commerce ("**CIBC**") under court file no. CV-19-00628293-00CL (the "**CIBC Action**") is hereby lifted to permit the bringing of this application and the making of this Order.

DISCHARGE OF RECEIVER IN THE CIBC ACTION

3. THIS COURT ORDERS that BDO Canada Limited ("**BDO**"), appointed by Order dated September 30, 2019 in the CIBC Action as receiver of the assets, undertakings and properties of, among other parties, 130 Co, is hereby discharged as receiver of property municipally known as 22216 Bloomfield Road, Chatham, Ontario, including land, buildings, pumps and related operating assets (such property, the "**Bloomfield Property**") as of 5:00 p.m. (Toronto time) on Wednesday, December 18, 2019 (the "**Effective Time**"), including land, buildings, pumps and related operating assets, and legally described as:

PIN	00877 – 0040 (LT)
DESCRIPTION	PT LT 18, CON A, RALEIGH, AS IN 477708, TOGETHER WITH EASEMENT AS IN CK32321 OVER PART OF LOT 18, CON. A, RALEIGH, DESIGNATED AS PART 1, 24R8539; CHATHAM-KENT

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

5. THIS COURT ORDERS that BDO shall be reimbursed for amounts set out in a payment agreement to be reached among BDO, CIBC and FirstOntario, in accordance with that agreement, or absent such agreement, as determined by this Court, and that said amounts shall be deemed to form a part of the CIBC Receiver's Charge (as defined below).

6. THIS COURT ORDERS that, other than as provided in this paragraph, nothing in this Order shall affect the charge granted in favour of BDO (the "**CIBC Receiver**") in the CIBC Action (the "**CIBC Receiver's Charge**"), including the assets pursuant to which such charge was granted, and that the CIBC Receiver's Charge and the receiver's borrowings charge granted in the CIBC Action (the "**CIBC Receiver's Borrowings Charge**") shall each rank *pari passu* with the Receiver's Charge and the Receiver's Borrowings Charge (as those terms are defined herein), respectively, granted in this Order as they pertain to the Bloomfield Property, provided that the Applicant's right to challenge the priority of the CIBC Receiver's Borrowings Charge over the Applicant's security interests, and the quantum owed under such charge as it affects the Bloomfield Property, shall be preserved. For the purpose of this paragraph, the charges in favour of BDO shall apply for the time period from September 30, 2019 to and including the Effective Time, and the amounts secured under such charges shall be agreed upon as between BDO, CIBC and FCU, or absent such agreement, shall be determined by this Court.

and CIBC and BDO shall
each retain the right to challenge
the priority and quantum of the Receiver's
Charge and the Receiver's Borrowings Charge
over the Bloomfield Property.

APPOINTMENT

7. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel Inc. is hereby appointed Receiver, without security, of the Bloomfield Property 5:00 p.m. (Toronto time) on Wednesday, December 18, 2019.

*at the
Bloomfield
Property*

8. THIS COURT ORDERS that the appointment of the Receiver hereunder is effective notwithstanding an Order of Justice Hainey made in the CIBC Action dated October 7, 2019 amending an Order dated September 30, 2019 granting to CIBC a Mareva injunction, as may be amended from time to time (collectively, the "**Mareva Order**"), and nothing in the Mareva Order shall impair the powers of the Receiver as granted herein, save and except that all bank accounts and bank account balances of the Debtor existing at the time of the making of this Order shall remain subject to the Mareva Order, and save and except as specified in paragraph 9(j) below.

RECEIVER'S POWERS

9. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Bloomfield 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 Bloomfield Property and any and all proceeds, receipts and disbursements arising out of or from the Bloomfield Property;
- (b) to receive, preserve, and protect the Bloomfield 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;

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- (c) to manage, operate, and carry on the business of the Debtor, ^{as the Bloomfield Property} including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Bloomfield Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Bloomfield 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 Bloomfield Property, including advertising and soliciting offers in respect of the Bloomfield Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate. However, the proceeds of the sale of any of the undertaking, property or assets of the Debtor which are in excess of the Debtor's secured indebtedness to CIBC and FirstOntario (with the priorities between them to be agreed upon between them, or absent such agreement, shall be determined by this Court) and subject to paragraphs 6, 9(k), 26, 27, 28 and 29 of this Order or further orders of this court, shall be retained by the Receiver and remain subject to the Mareva Order;
- (k) to sell, convey, transfer, lease or assign the Bloomfield Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause or, in the opinion of the Receiver, court approval is otherwise necessary or desirable regardless of the value of the transaction;

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 Bloomfield 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 Bloomfield Property and the receivership, and to share information, subject to such terms as to confidentiality, including without limitation of any Court order, and as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Bloomfield Property against title to any of the Bloomfield Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

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- (r) to terminate any lease or contract that provides 908593 Ontario Limited ("908 Co") with the right or entitlement to use or occupy the Bloomfield Property or to manage or operate any business located at the Bloomfield Property; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

10. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Bloomfield Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

11. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this

paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

12. THIS COURT ORDERS that books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related primarily to the business or affairs of the persons and entities (other than the Debtor) subject to

(a) the CIBC Receivership Order, including those parties set out in Schedule "A", shall be delivered to BDO Canada Limited; and

(b) the Mareva Order, as amended, but not the CIBC Receivership Order, save and except for the Records of the Debtor but including those parties set out in Schedule "B", shall be delivered to ~~CIBC~~ *THE INDEPENDENT SUPERVISING SOLICITOR appointed in the CIBC ACTION and shall be subject to THE ACCESS ORDER dated October 15, 2015 in the CIBC ACTION but the Receiver* and not kept in the possession of the Receiver, however, the Receiver is not obligated ~~to perform any investigation in respect of the existence of such Non-Debtor Records.~~ *shall be permitted to copy only documents so delivered to it and*

13. 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.

14. THIS COURT ORDERS that all Persons are hereby enjoined and restrained from in any way altering, concealing, defacing, destroying, discarding, erasing or otherwise tampering or adversely dealing with any of the Bloomfield Property of the Debtors or from removing any Property in the ordinary course of business, from the premises of the Debtors without the prior written consent of the Receiver.

15. THIS COURT ORDERS that any security personnel engaged by the Receiver pursuant to paragraph 8(b) herein shall be authorized and entitled, but not required, to escort or remove any persons onto or from the Bloomfield Property of the Debtor as the Receiver may in its sole discretion consider it necessary or desirable to escort or remove.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE BLOOMFIELD PROPERTY

17. THIS COURT ORDERS that with the exception of the CIBC Action no Proceeding against or in respect of the Debtor or the Bloomfield 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 Bloomfield Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. THIS COURT ORDERS that with the exception of the CIBC Action all rights and remedies against the Debtor, the Receiver, or affecting the Bloomfield Property, are hereby stayed and suspended except with the written consent of the Receiver or leave

of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

20. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court. Notwithstanding the forgoing, nothing herein contained shall require any entities in respect of which BDO has been appointed as receiver in the CIBC Action to continue to supply goods or services to the Debtor.

RECEIVER TO HOLD FUNDS

21. 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 Bloomfield Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

23. 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 Bloomfield 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 Bloomfield 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 Bloomfield Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

24. 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 Bloomfield 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 Bloomfield Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

25. 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

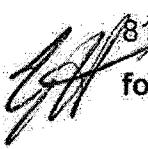
26. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Bloomfield 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 charge on the Bloomfield 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, and subject to paragraph ~~Error! Reference source not found.~~ 64 of this Order.

27. 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.

28. 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

29. 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 \$1,000,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of

funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Bloomfield 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, and subject to paragraph ~~Error! Reference source not found.~~ of this Order.  6 ✓

30. 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.

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

32. 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

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

the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://www.spergelcorporate.ca/engagements/1393382OntarioLimited>.

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

GENERAL

35. 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.

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

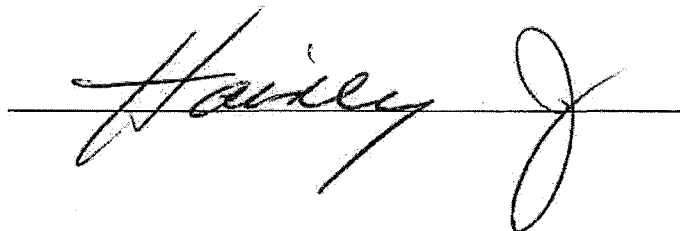
37. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

38. 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.

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

40. 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.

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- 18 -

SCHEDULE "A"
PERSONS AND ENTITIES SUBJECT TO THE MAREVA ORDER
OF SEPTEMBER 30, 2019
AS AMENDED ON OCTOBER 7, 2019

Sarbjit Singh Dhillon;
Mandhir S. Dhillon;
Simranjit Dhillon;
Mandeep Dhillon;
908593 ONTARIO LIMITED, operating as Eagle Travel Plaza;
1393382 ONTARIO LIMITED;
2145744 ONTARIO LIMITED;
2145754 ONTARIO LIMITED;
1552838 ONTARIO INC.;
2189788 ONTARIO INC.;
2123618 ONTARIO LIMITED;
1849722 ONTARIO LTD.;
2469244 ONTARIO LIMITED;
2364507 ONTARIO LIMITED;
1254044 ONTARIO LIMITED; and
2612550 ONTARIO LIMITED.

SCHEDULE "C"**PERSONS AND ENTITIES SUBJECT TO THE MAREVA ORDER OF SEPTEMBER
30, 2019 AS AMENDED ON OCTOBER 7, 2019 AND October 30, 2019 BUT NOT
THE CIBC RECEIVERSHIP ORDER**

2541899 Ontario Ltd.;
2571279 Ontario Inc.;
2541900 Ontario Ltd.;
2587984 Ontario Inc.;
2431264 Ontario Inc.;
2542372 Ontario Inc.;
2034039 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 1393382 Ontario Limited ("139 Co or the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 4th day of December, 2019 (the "Order") made in an action having Court file number CV-19-00632077-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Bloomfield 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~~.

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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 Bloomfield 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 Bloomfield Property, and
not in its personal capacity

Per: _____
Name:
Title:

38260813.1
38260813.2

Court File No. CV-19-00632077-00CL

FIRSTONTARIO CREDIT UNION LIMITED
Applicant

- AND -

1393882 ONTARIO LIMITED
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT**

PROCEEDINGS COMMENCED AT TORONTO

**ORDER
(appointing Receiver)**

SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200
P.O. Box 990
Hamilton, Ontario, L8N 3R1

DAVID J. H. JACKSON
LSUC NO. AO15656-R

Tel: (905) 528-8411
Fax: (905) 528-9008
E: jacksond@simpsonwigle.com

Lawyers for the Applicant

TAB B

Court File No. CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

)

WEDNESDAY, THE 18TH

JUSTICE HAINEY

)

DAY OF DECEMBER, 2019

)

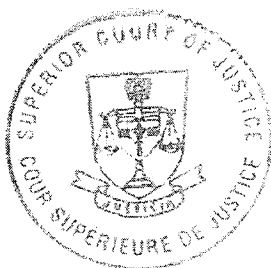
FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

1393382 ONTARIO LIMITED

Respondent



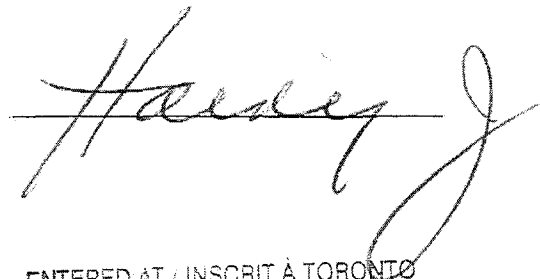
ORDER

THIS MOTION made by the Applicant, FirstOntario Credit Union Limited ("FirstOntario") for an Order amending the Order of Justice Haineey dated December 16, 2019, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of David John Hopkins Jackson sworn December 18, 2019 and on hearing the submissions of counsel for FirstOntario, and this Motion being heard without notice to the Service List,

1. THIS COURT ORDERS that the Order of Justice Haineey dated December 16, 2019 is hereby amended by substituting the name of the "Debtor" incorrectly described throughout as "1393882 Ontario Limited" to "1393382 Ontario Limited", including in the

style of cause of the Order, and also amending the reference to 1393382 Ontario Limited in paragraph 3 of the Order from "130 Co" to "139 Co".

A handwritten signature in cursive script, appearing to read "Harding", written over a horizontal line.

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DEC 18 2019

PER / PAR: . The initials are written in a cursive, stylized font.

Court File No. CV-19-00632077-00CL

FIRST ONTARIO CREDIT UNION LIMITED
Applicant

- AND -

1393382 ONTARIO LIMITED
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT**

PROCEEDINGS COMMENCED AT TORONTO

ORDER

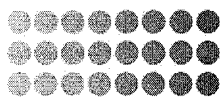
SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200
P.O. Box 990
Hamilton, Ontario, L8N 3R1

DAVID J. H. JACKSON
LSUC NO. AO15656-R

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E: jacksond@simpsonwigle.com

Lawyers for the Applicant

TAB C

**SPERGEL**

Court File. No. CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN**FIRST ONTARIO CREDIT UNION LIMITED**

Applicant

- and -

1393382 ONTARIO LIMITED

Respondents

FIRST REPORT OF THE RECEIVER**APRIL 24, 2020**

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III. ACTIONS OF THE RECEIVER UPON APPOINTMENT	8
IV. PROPOSED SALES PROCESS	11
V. FEES AND DISBURSEMENTS	12
VI. RECEIPTS AND DISBURSEMENTS	13
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APPENDICES

- A. Order of the Honourable Justice Hailey, dated December 16, 2019
- B. Order of the Honourable Justice Hailey, dated December 18, 2019
- C. Parcel Register
- D. Summary of Marketing Proposals (Redacted)
- E. Colliers International Marketing Proposal (Redacted)
- F. Fee Affidavit of Deborah Hornbostel, sworn April 23, 2020
- G. Fee Affidavit of Alyssa Adams, sworn April 21, 2020
- H. Receiver's Statement of Receipts and Disbursements as at March 31, 2020

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CONFIDENTIAL APPENDICES

- A. Summary of Appraisals
- B. Summary of Marketing Proposals
- C. Colliers International Marketing Proposal

I. INTRODUCTION AND BACKGROUND

1. On September 30, 2019, CIBC obtained on an ex parte basis, in court file No. CV-19-00628293-00CL, an order appointing BOO Canada Limited ("**BDO**") as receiver over all the assets, undertakings and properties of 1393382 Ontario Limited ("**139 Co.**") 908593 Ontario Limited ("**908 Co**"), 2145744 Ontario Limited, 2145754 Ontario Limited, 1552838 Ontario Inc., 2189788 Ontario Inc., 2123618 Ontario Limited, 1849722 Ontario Limited, 2469244 Ontario Limited, 2364507 Ontario Limited (the "**September 30, 2019 Order**").

2. On application made by First Ontario Credit Union Limited ("**First Ontario**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and section 101 of the *Courts of Justice Act* (the "**CJA**"), an Order was granted by the Honourable Justice Hailey dated December 16, 2019, (the "**Appointment Order**"), attached hereto as **Appendix "A"**. The Appointment Order lifted the stay of proceedings with respect to the September 30, 2019 Order; discharged BDO as receiver with respect to property owned by 139 Co. municipally known as 22216 Bloomfield Road, Chatham, ON including land, buildings, pumps and related assets (the "**Bloomfield Property**"), effective 5:00 PM, December 18, 2019; and appointed msi Spergel Inc. ("**Spergel**") as Receiver (in such capacity, the "**Receiver**"), without security, of the Bloomfield Property effective 5:00 PM, December 18, 2019.

3. On December 18, 2019, a further Order was issued by the Honourable Justice Hailey to correct an error in the Appointment Order whereby 1393382 Ontario Limited was incorrectly described as 1393882 Ontario Limited and 130 Co., attached hereto as **Appendix "B"**.

4. As a result of the proceedings pursuant to the September 30, 2019 Order, BDO had incurred fees and expenses (the "**BDO Receiver's Charge**") and borrowed funds charged against the Bloomfield Property assets (the "**CIBC's Receiver's Borrowing Charge**").

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5. The Appointment Order issued by the Honourable Justice Hainey also permitted the BDO Receiver's Charge and the CIBC's Receiver's Borrowing Charge to remain and rank *pari passu* with the Receiver's Charge and the Receiver's Borrowing Charge granted in the Appointment Order. The amounts secured by the BDO Receiver's Charge and the CIBC's Receiver's Borrowing Charge were to subsequently be agreed upon between CIBC, First Ontario and BDO, or absent such agreement, be determined by the Court.

6. 139 Co. was incorporated on December 29, 1999 and according to the Corporate Profile Report dated December 14, 2016, Sarbjit Singh Dhillon and Madhir Singh Dhillon are the officers and directors of 139 Co.

7. 139 Co. owns the Bloomfield Property located at 22216 Bloomfield Road, Chatham, ON, more particularly described as:

PIN	00877 - 0040 (LT)
DESCRIPTION	PT LT 18, CON A, RALEIGH, AS IN 477708, TOGETHER WITH EASEMENT AS IN CK32321 OVER PART OF LOT 18, CON. A, RALEIGH, DESIGNATED AS PART 1, 24R8539; CHATHAM-KENT

A copy of the Parcel Register for the Bloomfield Property is attached hereto as **Appendix "C"**. 139 Co. also owns three other gas station properties and BDO remains as receiver of those properties pursuant to the September 30, 2019 Order.

8. 139 Co. is indebted to First Ontario with respect to a loan outstanding in the approximate amount of \$14.6 million. First Ontario has a priority charge over the Bloomfield Property.

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9. Prior to the Receiver's appointment, 908 Co., a company related to 139 Co., operated the various businesses located at the Bloomfield Property. As previously mentioned, BDO was also appointed as the receiver of 908 Co. pursuant to the September 30, 2019 Order.

10. The Bloomfield Property is located adjacent to the 401 Highway between London and Windsor and is one of only three truck fueling stations along that corridor. The Bloomfield Property comprises approximately 11 acres improved with a 5,600 square foot commercial building and fuel pumping facilities for both retail customers and commercial truck customers. An Esso branded gas station services the retail side with four pumps and the commercial diesel fuel business operates with seven pumps as the Bloomfield Truck Stop. Truck parking, a sleeping area and shower facilities are also provided. 139 Co. also operates an *On The Run* convenience store within the commercial building. There is a seating area for 32 restaurant patrons. Prior to the Receiver's appointment, a Subway and Pizza Pizza franchise operated at the Bloomfield Property by 908 Co. but BDO had already ceased operations of those two businesses at the date of the Receiver's appointment.

II. PURPOSE OF THIS REPORT

11. The purpose of this report (the "**First Report**") is to seek an Order of the Court:

- (a) approving the First Report and the actions of the Receiver described herein;
- (b) approving the Receiver's proposed sales process described herein with respect to the Bloomfield Property;
- (c) approving the fees and disbursements of the Receiver and the Receiver's counsel;
- (d) approving the Receiver's Statement of Receipts and Disbursements as at March 31, 2020;

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- (e) sealing the unredacted version of the motion record and the confidential appendices to the First Report pending the completion of a sale of the Bloomfield Property; and,
- (f) such further and other relief as counsel may advise and this Court may permit.

III. ACTIONS OF THE RECEIVER UPON APPOINTMENT

12. On December 17, 2019 the Receiver attended at the Bloomfield Property to inspect the assets and meet with representatives of BDO to plan for the turnover of the Bloomfield Property at 5:00 PM on December 18, 2019.
13. The Receiver undertook the following activities immediately upon its appointment:
 - met with and engaged employees on behalf of the Receiver;
 - secured the books and records relating to the Bloomfield Property;
 - contacted existing fuel providers to advise of the receivership and coordinate the ongoing delivery of fuel and reporting;
 - undertook an inventory of the convenience store goods and fuel inventory; and,
 - photographed and secured the premises by changing the locks.
14. The Receiver prepared and issued all statutory notices in accordance with the *BIA*.
15. The Receiver engaged Flett Beccario as the Receiver's independent legal counsel and arranged for it to register the Appointment Order on title to the Property.
16. The Receiver also engaged the services of KRS Group of Companies Limited ("**KRS**") to assist it with the ongoing operations, and more particularly with regard to the purchasing of fuel, setting of prices, management of personnel and customers, and site maintenance and improvement.

17. Since taking possession of the Bloomfield Property, the Receiver's activities have been focused primarily on the day-to-day management of the gas station and convenience store business in conjunction with KRS and safeguarding of the Bloomfield Property, including, without limitation, the following:

- Ongoing hiring and termination of staff and processing of bi-weekly payroll;
- Arrangements for funding of ongoing operations and the issuance of Receiver Certificates;
- Arrangements for ongoing fuel deliveries;
- Opening of the Receiver's bank account and execution of various pre-authorized debit arrangements with suppliers;
- Arranging supplier and utility accounts and credit facilities for the Receiver;
- Negotiating supplier contracts;
- Obtaining approval from the Ministry of the Attorney General and the Ontario Lottery & Gaming Commission for the operation of lottery facilities;
- Monitoring and approving store inventory purchases;
- Monitoring and posting daily sales and cash deposits to Receiver's trust account;
- Tracking and reconciling daily sales (cash deposits, credit card receipts, commissions, cross lease receipts and other miscellaneous charges and receipts etc.) with daily Parkland reports and arranging payment of balances due;
- Issuing invoices and statements of account to commercial clients and pursuing collections;
- Preparing monthly statements of revenues and expenses;
- Arranging for insurance coverage for the Receiver and ongoing payment arrangements;
- Dealings with Canada Revenue Agency ("CRA") to ascertain filing status and liabilities and to open payroll and HST accounts for the Receiver;
- Attending to the completion of various outstanding tax returns due;
- Dealings with unpaid and unsecured suppliers;
- Obtaining and reviewing pre-receivership records;
- Contacting the Municipality of Chatham-Kent for property tax status and arranging for payment of arrears and current instalments;
- Reviewing and approving operating issues and required maintenance and site repairs;
- Verifying and maintaining proper licensing with respect to propane, TSSA, tobacco, OLG, fire safety, fuel pump calibration etc. and,

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- Ongoing payment processing, cash management, reporting and forecasting.

18. The Receiver has continued operations to date with the intention to sell the Bloomfield Property as a going concern.

19. The Receiver has worked in conjunction with BDO to ensure a smooth turnover of the receivership proceedings and to minimize costs wherever possible. All creditors were advised of the change in receivers and ongoing accounts appear to have been transitioned with very few issues.

20. Insurance for the Bloomfield Property continues to be in place under a policy for 139 Co. administered by BDO, for which the Receiver reimburses BDO its appropriate premium share.

21. The Receiver negotiated the purchase of a Kubota tractor from the receiver of 908 Co. which had been located at the Bloomfield Property and used for snow plowing. The Receiver also made arrangements with the receiver of 908 Co. to leave its restaurant equipment and chattels in place during the sales process in order to make the Bloomfield Property more attractive to potential purchasers.

22. The Receiver worked with the local police to ascertain the ownership of numerous trailers that had been parking illegally onsite and then made arrangements for either removal of the trailers or monthly parking rent.

23. The Receiver made arrangements for new signage to be manufactured and installed near the 401 Highway when weather would permit it in the spring, which unfortunately is further delayed due to Covid-19 restrictions.

24. The Receiver engaged the services of Antec Appraisal Group Inc. ("**Antec**") and Metrix Southwest Inc. ("**Metrix**") to attend at and conduct appraisals of the Bloomfield Property. The Receiver obtained appraisals from Antec on March 6, 2020 and from Metrix on February 5, 2020. A summary of the appraisals is attached to the unredacted motion record as **Confidential Appendix "A"**.

IV. PROPOSED SALES PROCESS

25. The Receiver requested marketing proposals from Cushman Wakefield, CB Richard Ellis and Colliers International ("**Colliers**"). A redacted summary of their marketing proposals is attached hereto as **Appendix "D"**; an unredacted summary is attached to the unredacted motion record as **Confidential Appendix "B"**.

26. A copy of the marketing proposal of Colliers, redacted for any market value references, is attached hereto as **Appendix "E"**; an unredacted copy of the marketing proposal is attached to the unredacted motion record as **Confidential Appendix "C"**. The Receiver recommends proceeding with Colliers for the following reasons:

- The proposal does not utilize a listing price and instead calls for offers by a deadline date, which the Receiver prefers;
- The commission structure is at the lower end of the three proposals;
- The proposal provides a market valuation that significantly exceeds the market valuation provided by Cushman Wakefield and is more in line with the appraised values provided by Antec and Metrix;
- The timeline of approximately twelve weeks is reasonable; and,
- Colliers is well regarded in the marketplace and is experienced in the sale of fuel stations.

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27. The proposed time frame in the Colliers proposal is as follows:

Pre-Due Diligence/Pre-Marketing	4 weeks
Active Marketing	5 weeks
Bid Date:	End of Marketing Period (Week 9)
Second Round of Offers	Week 11
Execution of Agreement	Week 12

28. The Receiver notes that the current state of emergency in Canada as a result of Covid-19 may continue to delay the sales process; however, given the ongoing monthly operating losses at the Bloomfield Truck Stop, the Receiver desires to have the Property sold as soon as possible for the benefit of all stakeholders, and therefore the Receiver seeks to obtain approval by the Court to proceed with its sales process, pursuant to the terms of the Colliers proposal, so that it may commence the process as soon as practicable.

V. FEES AND DISBURSEMENTS

29. Attached hereto as **Appendix "F"** is the Fee Affidavit of Deborah Hornbostel, sworn April 23, 2020, which incorporates, by reference, a copy of the Receiver's time dockets pertaining to the receivership to and including March 31, 2020. In total, the Receiver has charged professional fees in the amount of \$151,297.25, plus HST of \$19,668.64. This represents a total of 685.25 hours at an average rate of \$220.79 per hour. The Receiver notes that these charges include an overall discount of \$55,920 from its standard hourly rates.

30. Attached hereto as **Appendix "G"** is the Fee Affidavit of Alyssa Adams, sworn April 21, 2020 which attaches copies of the invoices rendered by Flett Beccario for the period December 12, 2019 to March 30, 2020 which detail the services provided to the Receiver in the amount of \$7,100.59, inclusive of disbursements and applicable taxes.

31. The Receiver has reviewed the accounts of Flett Beccario and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work as set out in Flett Beccario's accounts was carried out and was necessary. The hourly rate of the lawyer at Flett Beccario who worked on this matter is reasonable in light of the services required and the services were carried out by a lawyer with the appropriate level of experience.

VI. RECEIPTS AND DISBURSEMENTS

32. Attached hereto as **Appendix "H"** is a copy of the Receiver's Statement of Receipts and Disbursements as at March 31, 2020.

VII. RECOMMENDATION

33. For the reasons discussed in this First Report, the Receiver recommends that the Court grant the relief specified at paragraph 11 of this First Report.

This Report is respectfully submitted this 24th day of April, 2020.

msi Spergel Inc.,

In its capacity as Court Appointed Receiver of
1393382 Ontario Limited

and not in its personal or corporate capacity

Per:



Deborah Hornbostel, CPA, CA, CFE, CIRP, LIT

TAB D



Court File No.: CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BEFORE THE HONOURABLE

MADAM JUSTICE C. GILMORE

)

)

)

Thursday, the 7th day of May, 2020

B E T W E E N:

FIRST ONTARIO CREDIT UNION LIMITED

Applicant

-and-

1393382 ONTARIO LIMITED

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

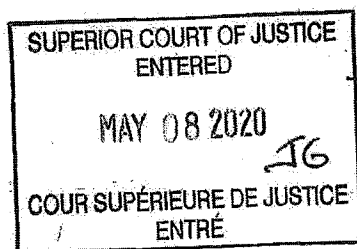
ORDER

THIS MOTION, made by msi Spergel Inc., in its capacity as court-appointed receiver of certain property of 1393382 Ontario Limited (the "Receiver") was heard this day via Zoom conference at Toronto, Ontario.

ON READING the First Report of the Receiver dated April 24, 2020, and the appendices thereto (the "Report"), the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and the confidential appendices "A" through "C" to the Report (the "Confidential Appendices"), and on hearing the submissions of the lawyers for the Receiver, Canadian

Imperial Bank of Commerce, BDO Canada Limited, and the respondent, no one appearing for any other person on the service list contained in the Motion Record dated April 29, 2020 although properly served as appears from the affidavit of service of Colleen Balint sworn April 30, 2020, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Report and the actions of the Receiver described therein are hereby approved
3. **THIS COURT ORDERS** that the Receiver's proposed sales process with respect to the respondent's property located at 22216 Bloomfield Road, Chatham, Ontario (the "**Bloomfield Property**"), as referenced at paragraphs 26-28 of the Report and described in Appendix E to the Report, is hereby approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel as set out in the Report and the Fee Affidavits, are approved;
5. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements as at March 31, 2020 is hereby approved.
6. **THIS COURT ORDERS** that the unredacted version of the motion record and the Confidential Appendices are hereby sealed pending the completion of a sale of the Bloomfield Property or further order of this court.



FIRST ONTARIO CREDIT UNION LIMITED
Applicant

-and- **1393382 ONTARIO LIMITED**
Respondent

Court File No. CV-19-00632077-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

FLETT BECCARIO

190 Division Street
P.O. Box 340
Welland ON L3B 5P9

J. Ross Macfarlane (LSO# 36417N)

jrmacfar@flettbeccario.com
Tel:

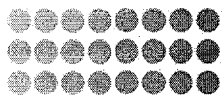
(905) 732-4481

Fax:

(905) 732-2020

Lawyers for msi Spergel Inc., in its capacity as Court-
appointed Receiver of certain property of 1393382 Ontario
Limited

TAB E

**SPERGEL**

Court File. No. CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN**FIRSTONTARIO CREDIT UNION LIMITED**

Applicant

- and -

1393382 ONTARIO LIMITED

Respondents

**SECOND REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE COURT APPOINTED RECEIVER OF
1393382 ONTARIO LIMITED**

JULY 22, 2020

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APPENDICES

- A. Order of the Honourable Justice Hailey, dated December 16, 2019
- B. Order of the Honourable Justice Hailey, dated December 18, 2019
- C. Parcel Register dated July 20, 2020
- D. First Report of the Receiver dated April 24, 2020
- E. Order of the Honourable Justice C. Gilmore, dated May 7, 2020
- F. Agreement of Purchase and Sale with K2 Group Inc. (redacted)
- G. Fee Affidavit of Deborah Hornbostel, sworn July 22, 2020
- H. Fee Affidavit of Alyssa Adams, sworn July 21, 2020
- I. Receiver's Interim Statement of Receipts and Disbursements as at June 30, 2020
- J. Loan Statement provided by FirstOntario Credit Union as at July 20, 2020
- K. Legal Opinion by Flett Beccario on Security of FirstOntario Credit Union Limited

CONFIDENTIAL APPENDICES

- A. Bid Summary Matrix
- B. Agreement of Purchase and Sale with K2 Group Inc. as accepted by the Receiver on
July 2, 2020
- C. Appraisal by Metrix Realty Group dated February 5, 2020
- D. Appraisal by Antec Appraisal Group dated January 30, 2020
- E. Summary of Appraisals

I. INTRODUCTION AND BACKGROUND

1. On September 30, 2019, CIBC obtained on an ex parte basis, in court file No. CV-19-00628293-00CL, an order appointing BOO Canada Limited ("**BDO**") as receiver over all the assets, undertakings and properties of 1393382 Ontario Limited ("**139 Co.**") 908593 Ontario Limited ("**908 Co.**"), 2145744 Ontario Limited, 2145754 Ontario Limited, 1552838 Ontario Inc., 2189788 Ontario Inc., 2123618 Ontario Limited, 1849722 Ontario Limited, 2469244 Ontario Limited, 2364507 Ontario Limited (the "**September 30, 2019 Order**").

2. On application made by FirstOntario Credit Union Limited ("**FirstOntario**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and section 101 of the *Courts of Justice Act* (the "**CJA**"), an Order was granted by the Honourable Justice Hailey dated December 16, 2019, (the "**Appointment Order**"), attached hereto as **Appendix "A"**. The Appointment Order lifted the stay of proceedings with respect to the September 30, 2019 Order; discharged BDO as receiver with respect to property owned by 139 Co. municipally known as 22216 Bloomfield Road, Chatham, ON including land, buildings, pumps and related assets (the "**Bloomfield Property**"), effective 5:00 PM, December 18, 2019; and appointed msi Spergel Inc. ("**Spergel**") as Receiver (in such capacity, the "**Receiver**"), without security, of the Bloomfield Property effective 5:00 PM, December 18, 2019.

3. On December 18, 2019, a further Order was issued by the Honourable Justice Hailey (the "**December 18, 2019 Order**") to correct an error in the Appointment Order whereby 1393382 Ontario Limited was incorrectly described as 1393882 Ontario Limited and 130 Co., attached hereto as **Appendix "B"**.

4. As a result of the proceedings pursuant to the September 30, 2019 Order, BDO had incurred fees and expenses (the "**BDO Receiver's Charge**") and borrowed funds charged against the Bloomfield Property assets (the "**CIBC's Receiver's Borrowing Charge**").

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5. The Appointment Order issued by the Honourable Justice Hainey also permitted the BDO Receiver's Charge and the CIBC's Receiver's Borrowing Charge to remain and rank *pari passu* with the Receiver's Charge and the Receiver's Borrowing Charge granted in the Appointment Order. The amounts secured by the BDO Receiver's Charge and the CIBC's Receiver's Borrowing Charge were to subsequently be agreed upon between CIBC, First Ontario and BDO, or absent such agreement, be determined by the Court.

6. 139 Co. was incorporated on December 29, 1999 and according to the Corporate Profile Report dated December 14, 2016, Sarbjit Singh Dhillon and Madhir Singh Dhillon are the officers and directors of 139 Co.

7. 139 Co. owns the Bloomfield Property located at 22216 Bloomfield Road, Chatham, ON, more particularly described as:

PIN	00877 - 0040 (LT)
DESCRIPTION	PT LT 18, CON A, RALEIGH, AS IN 477708, TOGETHER WITH EASEMENT AS INCK32321 OVER PART OF LOT 18, CON. A, RALEIGH, DESIGNATED AS PART 1, 24R8539; CHATHAM-KENT

A copy of the Parcel Register for the Bloomfield Property is attached hereto as **Appendix "C"**. 139 Co. also owns three other gas station properties and BDO was also appointed as receiver of those properties pursuant to the September 30, 2019 Order.

8. 139 Co. is indebted to First Ontario with respect to a loan outstanding in the approximate amount of \$15.1 million. First Ontario has a priority charge over the Bloomfield Property.

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9. Prior to the Receiver's appointment, 908 Co., a company related to 139 Co., operated the various businesses located at the Bloomfield Property. As previously mentioned, BDO was also appointed as the receiver of 908 Co. pursuant to the September 30, 2019 Order.

10. The Bloomfield Property is located adjacent to the 401 Highway between London and Windsor and is one of only three truck fueling stations along that corridor. The Bloomfield Property comprises approximately 11 acres improved with a 5,600 square foot commercial building and fuel pumping facilities for both retail customers and commercial truck customers. An Esso branded gas station services the retail side with four pumps and the commercial diesel fuel business operates with seven pumps as the Bloomfield Truck Stop. Truck parking, a sleeping area and shower facilities are also provided. 139 Co. also operates an *On The Run* convenience store within the commercial building. There is a seating area for 32 restaurant patrons. Prior to the Receiver's appointment, a Subway and Pizza Pizza franchise operated at the Bloomfield Property by 908 Co. but BDO had already ceased operations of those two businesses at the date of the Receiver's appointment.

11. On April 24, 2020 the Receiver issued its First Report to the Court (the "**First Report**"). A copy of that report, excluding appendices, is attached hereto as **Appendix "D"**.

12. Pursuant to a Notice of Motion heard on May 7, 2020, the Honourable Justice C. Gilmore issued an Order, attached hereto as **Appendix "E"**, approving the following:

- the First Report and the actions of the Receiver as described in its First Report;
- the Receiver's proposed sales process to be handled by Colliers International London Ontario Brokerage ("**Colliers**") with a bid deadline of June 29, 2020;
- the fees and disbursements of the Receiver and its counsel, as detailed in the First Report;
- the Receiver's Statement of Receipts and Disbursements as at March 31, 2020; and,

- the sealing of the Confidential Appendices contained in the First Report, pending the completion of a sale of the Bloomfield Property or further order of the Court.

II. PURPOSE OF THIS REPORT

13. The purpose of this report (the **"Second Report"**) is to seek an Order of the Court:

- (a) approving the Second Report and the actions of the Receiver described herein;
- (b) approving the agreement of purchase and sale between the Receiver, as vendor, and K2 Group Inc. (**"K2"** or the **"Purchaser"**), as purchaser, dated July 2, 2020 (the **"K2 Sale Agreement"**), and authorizing the Receiver to complete the transaction contemplated thereby (the **"K2 Transaction"**);
- (c) vesting in the Purchaser or the Purchaser's permitted assignee, the Debtor's right, title and interest in and to the property described in the K2 Sale Agreement, free and clear of any claims and encumbrances;
- (d) approving the fees and disbursements of the Receiver and the Receiver's counsel;
- (e) approving the Receiver's Interim Statement of Receipts and Disbursements as at June 30, 2020;
- (f) sealing the unredacted version of the motion record and the confidential appendices to the Second Report pending the completion of the K2 Transaction;
- (g) Approving an interim distribution to FirstOntario, described as the FirstOntario Distribution in paragraph 45 of this report; and,
- (h) such further and other relief as counsel may advise and this Court may permit.

III. BUSINESS OPERATIONS

14. The Receiver has continued to operate the fuel business and convenience store located at the Bloomfield Property in conjunction with its consultant KRS Group of Companies Limited (“KRS”) throughout the Covid-19 pandemic, as the businesses were deemed essential services.

15. The Receiver made several attempts to obtain the Canadian Emergency Wage Subsidy (“CEWS”) from the federal government but was denied receipt of funding from the program pursuant to section 164(1.6) of the *Income Tax Act*, whereby the Canada Revenue Agency (“CRA”) claims to have the right of ministerial discretion to withhold such subsidies. Although there is no specific exclusion for companies operating in receivership, the CRA has chosen to exercise ministerial discretion and prohibit such companies from participating in CEWS.

16. The Receiver’s activities have been focused primarily on the day-to-day management of the fuel business and convenience store in conjunction with KRS and safeguarding of the Bloomfield Property, including, without limitation, the following:

- Ongoing hiring and termination of staff and processing of bi-weekly payroll;
- Arrangements for ongoing fuel deliveries;
- Monitoring and approving store inventory purchases;
- Monitoring and posting daily sales and cash deposits to Receiver’s trust account;
- Tracking and reconciling daily sales (cash deposits, credit card receipts, commissions, cross lease receipts and other miscellaneous charges and receipts etc.) with daily Parkland reports and arranging payment of balances due;
- Issuing invoices and statements of account to commercial clients and pursuing collections;
- Preparing monthly statements of revenues and expenses;
- Arranging for insurance coverage for the Receiver and ongoing payment arrangements;
- Preparing and submitting payroll and HST returns to CRA;

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- Reviewing and approving operating issues and required maintenance and site repairs;
- Ongoing payment processing, cash management, reporting and forecasting.

17. The Receiver continues to work with the local police to ascertain the ownership of vehicles that had been parking illegally onsite and arranging for their removal.

18. The Receiver arranged for improved onsite external lighting and the installation of new signage near the 401 Highway.

IV. THE SALES PROCESS

19. Upon the issuance of the May 7, 2020 Order of Justice C. Gilmore, the Receiver undertook its sales process with Colliers. The Receiver executed a listing agreement with Colliers and the Bloomfield Property was listed on the MLS London, Chatham and Toronto real estate boards effective May 12, 2020.

20. The Receiver worked in conjunction with Colliers to prepare the Confidential Information Memorandum (“**CIM**”) and related information for the data room. The Receiver also prepared a standard form of Agreement of Purchase and Sale to be used by all bidders.

21. By the end of the June 29, 2020 bid deadline, 19 interested parties had executed confidentiality agreements and 13 offers were received. Attached as **Confidential Appendix “A”** is a copy of the Bid Summary Matrix.

22. The Receiver consulted with FirstOntario with respect to the offers received to ensure that FirstOntario would be onside with the Receiver’s acceptance of an offer. As a result of those discussions, the Receiver negotiated a price increase from the highest bidder, K2, and on July 2, 2020 the Receiver accepted K2’s revised offer, subject only to the approval

of this Honourable Court. Attached hereto as **Confidential Appendix “B”** is a copy of the executed K2 Sale Agreement, which is subject to a request for a protective sealing order. A redacted copy of the K2 Sale Agreement is attached as **Appendix “F”**.

23. The Receiver commissioned two appraisals for the Bloomfield Property. Attached hereto as **Confidential Appendices “C” and “D”** respectively are the appraisal reports of Metrix Realty Group dated February 5, 2020 and Antec Appraisal Group dated January 30, 2020, both of which are subject to a request for a protective sealing order.

24. The Receiver has prepared a summary of both appraisals, a copy of which is attached hereto as **Confidential Appendix “E”**, which appendix is subject to a request for a protective sealing order.

V. RECEIVER’S ASSESSMENT OF THE SALE AGREEMENT

25. The Receiver analyzed the offers, considering the purchase price and conditions, as noted in Confidential Appendix A.

26. It is the view of the Receiver, considering all circumstances, including the appraisals summarized in Confidential Appendix E, that the K2 offer is the most commercially reasonable of all offers received.

27. FirstOntario, which as previously noted is owed in excess of \$15.1 million, has accepted the recommendation of the Receiver and consents to the sale of the Bloomfield Property on the terms and conditions of the K2 Sale Agreement.

28. K2 has advised that it wishes title to be vested in 2765459 Ontario Inc. ("**276**"). The Receiver expects to enter into an assignment agreement permitting the assignment of the Purchaser's rights to 276, so that title may properly be vested in 276 on closing.

VI. REQUEST FOR A PROTECTIVE SEALING ORDER

29. The Receiver is of the view that a protective sealing order should be issued in respect of the items in the Confidential Appendices. Each of these appendices contains commercially sensitive information which could impact future sales of the assets in the event that the transaction with K2 is not completed.

VII. FEES AND DISBURSEMENTS

30. Attached hereto as **Appendix "G"** is the Fee Affidavit of Deborah Hornbostel, sworn July 22, 2020, which incorporates, by reference, a copy of the Receiver's time dockets pertaining to the receivership for the period April 1, 2020 to July 17, 2020. In total, the Receiver has charged professional fees in the amount of \$115,313.75, plus HST of \$14,990.75. This represents a total of 556.25 hours at an average rate of \$207.31 per hour. The Receiver notes that these charges include an overall discount of \$35,738.50 from its standard hourly rates.

31. Attached hereto as **Appendix "H"** is the Fee Affidavit of Alyssa Adams, sworn July 21, 2020 which attaches copies of the invoices rendered by Flett Beccario for the period March 23, 2020 to July 21, 2020 which detail the services provided to the Receiver in the amount of \$11,331.94, inclusive of disbursements and applicable taxes.

32. The Receiver has reviewed the accounts of Flett Beccario and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work as set out in Flett

- 13 -

Beccario's accounts was carried out and was necessary. The hourly rates of the lawyers at Flett Beccario who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers with the appropriate level of experience.

VIII. RECEIPTS AND DISBURSEMENTS

33. Attached hereto as **Appendix "I"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements as at June 30, 2020.

34. The Receiver notes that on December 18, 2019, it issued a Receiver's Certificate in the amount of \$707,000 for borrowings obtained from FirstOntario. To date, no repayments have been made.

IX. SECURED CREDITORS

35. The following schedule summarizes the registrations recorded under the Personal Property Security Act (Ontario) ("**PPSA**") as at July 15, 2020:

Creditor	Registration	Expiry Date	Security Particulars
Pioneer Energy LP (" Pioneer ")	30-Jul-09	30-Jul-20	Inventory, Equipment, Accounts, Other - Secured party changed by assignment from Bradshaw Fuels Ltd. registered September 14, 2011
CIBC	24-Jun-14	24-Jun-29	Inventory, Equipment, Accounts, Other, Motor Vehicle
LIBRO Credit Union Limited	24-Sep-14	24-Sep-20	Inventory, Equipment, Accounts, Other, Motor Vehicle
FirstOntario	14-Dec-16	14-Dec-26	Inventory, Equipment, Accounts, Other, Motor Vehicle
FirstOntario	14-Dec-16	14-Dec-26	Accounts, Other, General Assignment of Rents and Leases relating to 22216 Bloomfield Road, Chatham, Ontario only, plus proceeds
CIBC	11-Oct-19	11-Oct-22	Mareva Order
CIBC	11-Oct-19	11-Oct-22	Mareva Order

36. The Receiver notes that 139 Co. executed a Business Loan General Security Agreement in favour of FirstOntario dated February 28, 2017 and that postponement agreements were executed in favour of FirstOntario as follows:

- 14 -

Creditor	Date	Registration No.
Parkland Fuel Corporation (stated to be the successor to Pioneer)	17-Feb-17	655266528
CIBC	22-Feb-17	700079229
LIBRO Credit Union Limited	28-Feb-17	697391325

37. Attached at Appendix C is a copy of the Parcel Register as at July 20, 2020 confirming the registration of FirstOntario as a charge on title registered on March 2, 2017 in the amount of \$11,000,000. We also note that the September 30, 2019 Court Order was registered by BDO on October 1, 2019 and that The Corporation of the Municipality of Chatham-Kent also has a notice registration in the amount of \$1 dated January 9, 2009. The Mareva Order was registered by CIBC on November 4, 2019. On December 19, 2019, the Receiver registered both the Appointment Order and the December 18, 2019 Order on title

38. Attached as **Appendix "J"** is a copy of a payout statement from FirstOntario indicating an outstanding balance due from 139 Co. in the amount of \$15,115,580 as at July 20, 2020.

39. Attached at **Appendix "K"** is a copy of the legal opinion provided by Flett Beccario dated July 20, 2020 confirming the validity and enforceability of the security registrations of FirstOntario against the Bloomfield Property.

X. RECEIVER'S PROPOSED DISTRIBUTION

40. To date the Receiver has not received any claims from CRA. To the best of the Receiver's knowledge, there should be no priority claims with respect to payroll accounts, as 139 Co. did not appear to have any employees prior to the receivership proceedings.

41. With respect to HST, CRA has confirmed that 139 Co. filed its HST returns monthly up to August 31, 2019. All amounts due were paid on a regular basis with the exception of the return for the month of August 2019 with the amount of \$9,945 unpaid. The Receiver is not

aware of the relevance of that amount to the Bloomfield Property, as opposed to the other businesses of 139 Co. under receivership proceedings with BDO. The pre-receivership HST return for 139 Co. for the month of September 2019 and all post-receivership returns for 139 Co. remain unfiled, with the exception of the monthly Bloomfield receivership divisional returns filed by Spergel. The Receiver is dependent on BDO to file the pre-receivership HST return in order for CRA to properly prepare its trust claim for HST. The Receiver is also dependent on BDO to file the outstanding corporate tax return and its post-receivership HST returns in order for any applicable Bloomfield receivership HST refunds to be released to the Receiver. The Receiver has been advised by BDO that it has not been able to locate the relevant records to file all of the outstanding returns.

42. At the time of its appointment as the Receiver of the Bloomfield Property, Spergel arranged for an inventory count of the convenience store products and verified the fuel volumes on hand. Inventory had been purchased by BDO in its capacity as the Receiver of 908 Co. and the Bloomfield Property prior to Spergel's appointment as Receiver and settlement of the amount owing for such inventory remains outstanding. The retail value of the store inventory was determined to be \$119,831 and the fuel value was determined to be \$207,095.

43. The furniture, equipment and chattels located inside the convenience store at the Bloomfield Property are owned by 908 Co.. The Receiver made arrangements with the Receiver of 908 Co. to leave all such items in place during the sales process in order to make the Bloomfield Property more attractive to potential purchasers. An allocation of proceeds from the K2 Transaction related to those assets will need to be settled.

44. Prior to the appointment of Spergel as the Receiver, significant professional fees and costs were incurred by BDO as a result of its appointment as Receiver of 139 Co., 908 Co. and the other entities placed into receivership pursuant to the September 30, 2019 Order. As reported in its Sixth Report to the Court dated at April 7, 2020, BDO's borrowings pursuant to the September 30, 2019 Order were \$9,000,000. The Receiver is not aware of any subsequent changes to that amount and it is the Receiver's understanding that the BDO

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Receiver's Charge and the CIBC's Receiver's Borrowing Charges are still charged against the assets of 139 Co.. The Receiver has been advised that FirstOntario has concerns with respect to BDO and CIBC's allocations of those professional fees and costs between the various affected entities and properties and that to date, FirstOntario and CIBC have not yet come to an agreement on the allocations.

45. The foregoing matters will all need to be addressed before the Receiver can distribute all funds. The Receiver seeks the approval of the Court, following a successful completion of the K2 Transaction, to repay the Receiver's borrowings of \$707,000 plus accrued interest and to make an interim distribution therefrom to FirstOntario up to the amount of the indebtedness owed by 139 Co., provided that the Receiver shall retain at least the sum of \$1,500,000 toward future expenses and other claims, and subject to further order of this court (the "**FirstOntario Distribution**").

XI. RECOMMENDATION

46. For the reasons discussed in this Second Report, the Receiver recommends that the Court grant the relief specified at paragraph 13 of this Second Report.


This Report is respectfully submitted this 22nd day of July, 2020.

msi Spergel Inc.,

In its capacity as Court Appointed Receiver of
1393382 Ontario Limited

and not in its personal or corporate capacity

Per:



Deborah Hornbostel, CPA, CA, CFE, CIRP, LIT

TAB F

Court File No.: CV-19-00632077-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BEFORE THE HONOURABLE)

) Wednesday, the 5th day of August, 2020

MR. JUSTICE KOEHNEN)

B E T W E E N:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-and-

1393382 ONTARIO LIMITED

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of 1393382 Ontario Limited (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an

- 2 -

agreement of purchase and sale (the "Sale Agreement") between the Receiver and K2 Group Inc. (the "Purchaser") dated July 3, 2020 and appended to the Second Report of the Receiver dated July 22, 2020 (the "Report"), and vesting in the Purchaser or its permitted assignee the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day via Zoom conference at Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, the applicant, the respondent, and Canadian Imperial Bank of Commerce, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Simon Grey sworn July 24, 2020, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser's permitted assignee 2765459 Ontario Inc..
2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser's permitted assignee 2765459 Ontario Inc. substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser's permitted assignee, 2765459 Ontario Inc., free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of the Honourable Justice Hainey dated September 30, 2019 in Court File Number CV-19-00628293-00CL and December 16 and 18, 2019 in this proceeding; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred

- 3 -

to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Kent (No. 24) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser's permitted assignee 2765459 Ontario Inc. as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

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

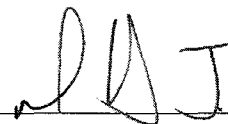
6. THIS COURT ORDERS that, notwithstanding:

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

- 4 -

the vesting of the Purchased Assets in the Purchaser's permitted assignee 2765459 Ontario Inc. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



Schedule A – Form of Receiver’s Certificate

Court File No. **CV-19-00632077-00CL**

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

FIRST ONTARIO CREDIT UNION LIMITED

Applicant

-and-

1393382 ONTARIO LIMITED

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to Orders of the Honourable Justice Hailey of the Ontario Superior Court of Justice (the "Court") dated December 16 and 18, 2019, MSI Spergel Inc. was appointed as the receiver (the "Receiver") of certain undertaking, property and assets of 1393382 Ontario Limited (the "Debtor").

- 2 -

B. Pursuant to an Order of the Court dated August 5, 2020, the Court approved the agreement of purchase and sale made as of July 3, 2020 (the "Sale Agreement") between the Receiver and K2 Group Inc. (the "Purchaser") and provided for the vesting in the Purchaser's permitted assignee 2765459 Ontario Inc. of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser's permitted assignee 2765459 Ontario Inc. of a certificate confirming (i) the payment by the Purchaser's permitted assignee 2765459 Ontario Inc. of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 15 and 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser's permitted assignee 2765459 Ontario Inc.; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser's permitted assignee 2765459 Ontario Inc. has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 15 and 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser's permitted assignee 2765459 Ontario Inc.; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

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**msi Spergel Inc., in its capacity as Receiver of
the undertaking, property and assets of
1393382 Ontario Limited, and not in its
personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets**a) Real Property**

PT LT 18, CON A, RALEIGH, AS IN 477708, TOGETHER WITH EASEMENT
AS IN CK32321 OVER PART OF LOT 18, CON. A, RALEIGH, DESIGNATED AS
PART 1, 24R8539 ; CHATHAM KENT
(PIN: 00877-0040(LT))

b) Personal Property

Retail Counters

Restaurant Equipment

Kubota Tractor

Storage Trailer

Schedule C – Claims to be deleted and expunged from title to Real Property

Instrument No.	Date	Instrument Type	Parties To
CK129070	2017/03/02	Charge	FirstOntario Credit Union Limited
CK129071	2017/03/02	No Assgn Rent Gen	FirstOntario Credit Union Limited
CK154953	2019/02/13	Notice	FirstOntario Credit Union Limited
CK164261	2019/10/01	Apl Court Order	BDO Canada Limited
CK165744	2019/11/04	Restrictions Order	Canadian Imperial Bank of Commerce
CK167835	2019/12/20	Apl Court Order	msi Spergel Inc.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Any undetermined or inchoate liens and charges incidental to the Purchased Assets.
2. The Leases (as defined in the Sale Agreement).
3. The reservations, limitations, provisos, conditions, restrictions and exceptions expressed in the letters patent or grant from the Crown and all statutory exceptions to title;
4. The provisions of governing municipal by-laws;
5. Municipal taxes, liens, charges, including hydro and water charges, rates and assessments accruing from day to day and not yet due and payable;
6. Any defects or minor encroachments which might be revealed by an up to date survey of the Real Property;
7. Any right of expropriation conferred upon, reserved to or vesting in Her Majesty the Queen in Right of Canada and Ontario;
8. Any registered restrictions or covenants that run with the Real Property provided that same have been complied with in all material respects;
9. Any easements, rights of way or right of re-entry in favour of a developer, not materially or adversely impairing the present use of the Real Property;
10. Any agreements with municipal, utilities or public authorities provided that same have been complied with in all material respects;
11. The following instruments registered on title to the Real Property in the Land Registry Office:

Registration Number	Date	Instrument Type
24R2364	1979/09/18	PLAN REFERENCE
CK32760	2009/01/09	NOTICE

FIRST ONTARIO CREDIT UNION LIMITED
Applicant

-and-

1393382 ONTARIO LIMITED
Respondent
Court File No. CV-19-00632007-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

FLETT BECCARIO

190 Division Street
P.O. Box 340
Welland ON L3B 5P9

J. Ross Macfarlane (LSO# 36417N)

jrmacfar@flettbeccario.com

Tel: (905) 732-4481

Fax: (905) 732-2020

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

Court File No.: CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BEFORE THE HONOURABLE)	
)	Wednesday, the 5 th day of August, 2020
MR. JUSTICE KOEHNEN)	

B E T W E E N:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-and-

1393382 ONTARIO LIMITED

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

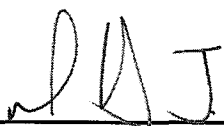
ANCILLARY ORDER

THIS MOTION, made by msi Spergel Inc., in its capacity as court-appointed receiver of certain property of 1393382 Ontario Limited (the “Receiver”) was heard this day via Zoom conference at Toronto, Ontario.

ON READING the Second Report of the Receiver dated July 22, 2020, and the appendices thereto (the “Report”), the affidavits of the Receiver and its counsel as to fees (the “Fee Affidavits”), and the confidential appendices “A” through “E” to the Report (the “Confidential Appendices”), and on hearing the submissions of counsel for the Receiver, the applicant, the

respondent, and Canadian Imperial Bank of Commerce, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Simon Grey sworn July 24, 2020, filed:

1. **THIS COURT ORDERS** that the Report and the actions of the Receiver described therein are hereby approved.
2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel as set out in the Report and the Fee Affidavits, are hereby approved.
3. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements as at June 30, 2020 is hereby approved.
4. **THIS COURT ORDERS** that following the completion of the Transaction (as defined in the Approval and Vesting Order granted by the court on this date (the "AVO")), the Receiver is hereby authorized to repay the Receiver's Borrowings Charge to FirstOntario Credit Union Limited ("FirstOntario") from the net proceeds of the Transaction, and to make an interim distribution therefrom to FirstOntario up to the amount of the indebtedness owed by the respondent, provided that the Receiver shall retain at least the sum of \$1,500,000.00 toward future expenses and other claims, and subject to further order of this court.
5. **THIS COURT ORDERS** that the unredacted version of the motion record and the Confidential Appendices are hereby sealed pending the filing of a Receiver's Certificate substantially in the form appended to the AVO, or further order of this court.



FIRST ONTARIO CREDIT UNION LIMITED
Applicant

-and- **1393382 ONTARIO LIMITED**
Respondent

Court File No. CV-19-00632077-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ANCILLARY ORDER

FLETT BECCARIO

190 Division Street
P.O. Box 340
Welland ON L3B 5P9

J. Ross Macfarlane (LSO# 36417N)

jrmacfar@flettbeccario.com
Tel:

(905) 732-4481
Fax:

(905) 732-2020

Lawyers for msi Spergel Inc., in its capacity as Court-
appointed Receiver of certain property of 1393382 Ontario
Limited

TAB G

Interim Statement of Receipts & Disbursements As At November 20, 2020
And
Projected Final Statement of Receipts and Disbursements

RECEIPTS	As At Nov.20'20	Accruals	Projected Final	Notes
Sale of Land & Building	\$ 12,100,000.00		\$ 12,100,000.00	
Fuel and Store Sales	5,549,063.92	\$ 3,780.00	5,552,843.92	1
HST Collected	709,623.14		709,623.14	
Sale of Inventory	188,887.25		188,887.25	
HST Refunds		78,215.00	78,215.00	2
Cross Lease Income	12,673.47		12,673.47	
Rental Income	10,940.77		10,940.77	
Lottery Commission	7,056.53		7,056.53	
Interest Earned	6,866.00		6,866.00	
ATM Commission	665.75		665.75	
TOTAL RECEIPTS	18,585,776.83	81,995.00	18,667,771.83	
DISBURSEMENTS				
Distribution to Secured Creditor	9,700,000.00	1,740,952.99	11,440,952.99	
Fuel Purchases	4,609,231.08		4,609,231.08	
HST Paid on Disbursements	761,436.43	17,550.00	778,986.43	
Store Purchases	328,445.42		328,445.42	
Realtor Commission	302,500.00		302,500.00	
Receiver Fees	266,751.00	120,000.00	386,751.00	
Management & Consulting Fees	138,900.00		138,900.00	
Wages	132,489.49		132,489.49	
Credit Card Processing Fees	93,061.97		93,061.97	
Lottery Expense	73,631.60		73,631.60	
Repairs and Maintenance	69,546.51		69,546.51	
Purchase of Equipment	61,000.00		61,000.00	
Utilities	42,262.27		42,262.27	
Legal Fees	38,165.19	15,000.00	53,165.19	
Property Taxes	32,788.31		32,788.31	
Payroll Deductions Remitted	28,652.55	400.00	29,052.55	
Insurance Fees	23,896.14		23,896.14	
Borrowing Costs	22,953.29		22,953.29	
HST Remitted	19,455.06		19,455.06	
Appraisal Fees	13,164.20		13,164.20	
Other Miscellaneous Expenses	5,538.33	10,000.00	15,538.33	3
TOTAL DISBURSEMENTS	16,763,868.84	1,903,902.99	18,667,771.83	
NET RECEIPTS	\$ 1,821,907.99	\$ (1,821,907.99)	\$ -	

Notes:

1. Amount is due from Parkland Fuel Corporation
2. \$60,665 is due for filings to October 31, 2020 and refunds are being held by CRA due to outstanding filings by BDO in its capacity as Receiver of 1393382 Ontario Limited.
3. Amount is accrued for contingencies

TAB H

Court File No. **CV-19-00632077-00CL**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

1393382 ONTARIO LIMITED

Respondent

AFFIDAVIT OF DEBORAH HORNBOSTEL
(Sworn November 24, 2020)

I, **DEBORAH HORNBOSTEL**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Partner with msi Spergel Inc. ("**Spergel**"), the Court Appointed Receiver of 1393382 Ontario Limited and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. By Orders of the Honourable Justice Hailey dated December 16, 2019 and December 18, 2019, Spergel was appointed as Receiver of certain assets of the Respondent located at 2216 Bloomfield Road, Chatham referred to as the Bloomfield Property.

3. In connection with the receivership of the Respondent, fees of \$128,138.50 exclusive of applicable HST, were incurred by Spergel at its standard rates for the period July 20, 2020 to and including November 20, 2020, as provided for in Spergel's summary of time charges and related detailed time dockets by person which provide a fair and accurate description of the services provided, appended hereto as **Exhibit "A"** to this my Affidavit.

4. Spergel has applied a courtesy discount to its standard rates in the amount of \$31,249.50. The total fees charged for this period amount to \$96,889 plus applicable HST of \$12,595.57. A total of 344.8 hours was expended at an effective hourly rate of \$281.00

5. I verily believe that the hourly rates charged for the services performed are fair and reasonable in the circumstances.

6. I make this affidavit in support of a motion for, *inter alia*, approval of the Spergel's fees incurred, as detailed herein, and for no other or improper purpose.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 24th day of November, 2020.



Commissioner for Taking Affidavits

Nelly Livshitz, a Commissioner, etc.,
Province of Ontario, for msi Spergel inc.
Expires March 13, 2021.

John

Deborah Hornbostel CPA, CA, LIT, CIRP, CFE

**Exhibit "A" of the Affidavit of
Deborah Hornbostel
Sworn before me on this 24th day of November, 2020**



A Commissioner, Etc.

Nelly Livshitz, a Commissioner, etc.,
Province of Ontario, for msi Spergel inc.
Expires March 13, 2021.

**In The Matter Of The Receivership Of
1393382 Ontario Limited**

**Summary Of Time Charges Of The Receiver
To August 15, 2020**

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Standard Charge</u>	<u>Discount Applied</u>	<u>Fees Charged</u>
Deborah Hornbostel, CPA, CA, CFE, CIRP, LIT	161.3	\$525.00	\$84,682.50	\$20,969.00	\$63,713.50
Trevor Pringle, CFE, CIRP, LIT	28.7	525.00	15,067.50	3,731.00	11,336.50
Philip H. Gennis, LL.B., CIRP, LIT	0.2	525.00	105.00	26.00	79.00
Gillian Goldblatt, CPA, CA, CIRP, LIT	1.1	375.00	412.50	93.50	319.00
Mukul Manchanda, CPA, CIRP, LIT	2.3	395.00	908.50	241.50	667.00
Rashid Peeroo CPA	92.7	200.00	18,540.00	4,171.50	14,368.50
Eileen Sturge	0.5	250.00	125.00	32.50	92.50
Inga Friptuleac	36.1	125.00	4,512.50	902.50	3,610.00
Haran Sivanathan	10.6	150.00	1,590.00	530.00	1,060.00
Evan McCullogh	1.2	150.00	180.00	48.00	132.00
Hinna Shakh	0.1	150.00	15.00	4.00	11.00
BREC	10.0	200.00	2,000.00	500.00	1,500.00
Total	<u>344.8</u>		<u>\$128,138.50</u>	<u>\$31,249.50</u>	<u>\$96,889.00</u>
HST					12,595.57
Total Charge					<u><u>\$109,484.57</u></u>
Average Hourly Rate			<u><u>\$ 371.63</u></u>		<u><u>\$ 281.00</u></u>

Filters Used:

- Time Entry Date: 1/01/70 to 11/20/20
 - File Client ID: AA1393 to AA1393
 - Time Entry Bill Status: Un-Billed to Un-Billed
 - Time Entry Bill Status: Un-Billed to Un-Billed

MSGG - Detailed Time Dockets

Printed on: 11/24/20

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File Name (ID): 1393382 Ontario Limited (AA1393:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Bank Reconciliations (BREC)					
Fri	11/20/2020	Time to prepare and review monthly bank reconciliations from July to November 2020.	10.00	\$150.00	\$1,500.00
			10.00		\$1,500.00
Deborah Hornbostel (DHO)					
Mon	07/20/2020	Review CRA account and inventory reports email to Angelo Consoli for further information re foregoing, tc to Wendy Rugger of CRA for assistance in locating assigned CRA agent, review and approve posting and disbursement requisitions, update from RP re Parkland funds and settlements, provide instructions re funds held by Parkland, discussion with TP re court report issues, receipt and review of First Ontario payout statement, review KRS contract re termination clause	1.80	\$395.00	\$711.00
Tues	07/21/2020	Review response from Rosemary Fisher re union hearing, approve disbursements, attend to online banking approvals, forward pricing emails to KRS, review comments from Ross Macfarlane on draft 2nd report to court, tc with Wendy Rugger of CRA to discuss accounts and trust claims, review court reports filed by BDO wrt borrowings against 1393382 and CRA info, court report drafting, review new updated parcel search and legal opinion, review payout statement from FirstOntario, prepare fee schedule for affidavit, review SRD to June 30, review and approve draft vesting and ancillary orders, prepare comparison document to R. Macfarlane's previous review of report and circulate updated report and comparison document	9.80	\$395.00	\$3,871.00
Wed	07/22/2020	Review and respond to email from Angelo Consoli of BDO, calculate opening inventory, update draft court report, review and execute Assignment Agreement from K2 to 2765459 Ontario, prepare and execute fee affidavit, finalize report and appendices and issue to Ross Macfarlane, review accounts payable, sign cheques	5.20	\$395.00	\$2,054.00
Fri	07/24/2020	Review emails from IF re interest posting from BMO, email exchanges between RP and KRS re pump damage invoices, forward pricing emails	0.30	\$395.00	\$118.50
Mon	07/27/2020	Review and forward pricing emails, review and arrange for posting of motion record on website, review and approve Coremark order, review and approve disbursement requisitions, review issues regarding Dart Petroleum invoices and pump damage, review email from Raj Grewal re draft vesting order changes and closing date, review KRS agreement wrt notice of termination, draft termination letter, review Traffic West agreement documentation wrt termination, email to RP re status of payments	1.70	\$395.00	\$671.50
Tues	07/28/2020	Review and approve disbursements, tc with TP re his discussions with Virginia Salemidis and David Jackson wrt settlement of o/s issues, instructions to RP to value store inventory at cost, finalize and issue termination letter to KRS, approve online payment to Coremark, review and forward pricing and invoicing emails	1.30	\$395.00	\$513.50
Wed	07/29/2020	Discussion with RP re planning for sales closing and inventory issues, review APS, email to Ross Macfarlane and TP regarding closing issues, review and approve payment and posting requisitions, forward pricing emails to KRS and Parkland emails to RP	0.90	\$395.00	\$355.50
Thur	07/30/2020	Review Benaco appraisal on 908 assets, vm to Angelo Consoli re offer to settle	0.40	\$395.00	\$158.00

Filters Used:

- Time Entry Date: 1/01/70 to 11/20/20
 - File Client ID: AA1393 to AA1393
 - Time Entry Bill Status: Un-Billed to Un-Billed
 - Time Entry Bill Status: Un-Billed to Un-Billed

MSGG - Detailed Time Dockets

Printed on: 11/24/20

Page 2 of 18

File Name (ID): 1393382 Ontario Limited (AA1393:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Fri	07/31/2020	Review and forward pricing emails to KRS, and invoices to RP, review and respond to email from Naomi of Antec Appraisals, review correspondence from Federated Insurance re revised premiums, review email from Miranda Spence regarding BDO's request for a reimbursement agreement from FO wrt distribution	0.70	\$395.00	\$276.50
Tues	08/04/2020	Review and approve disbursements and forward various invoices and pricing emails	0.30	\$395.00	\$118.50
Wed	08/05/2020	Attend court hearing, review reimbursement agreement, revised approval and vesting order, update from Ross Macfarlane re court order approvals, discussion with TP re closing, email to Raj Grewal re price allocation and closing plans, email to KRS to request inventory minimization, review and approve Coremark order, discussion with RP re SRD, email from/to Angie of NATSN, emails with Stephanie of Judoe Inc. re covid spraying and invoice revision request	1.50	\$395.00	\$592.50
Thur	08/06/2020	Review wage subsidy rules and instructions to RP re same and Simcoe Day regular pay rate, review and approve cheque requisitions and posting reports	0.80	\$395.00	\$316.00
Fri	08/07/2020	Review response from Raj Grewal re K2 sales contact, tcs to OLG and AGCO re lottery transfers notice and request for ticket return bags, review and amendments of draft P&L, forward to TP for issuance, notice from Raj re site visit today, review and approve invoices for payment, email exchanges with Shikha Grewal re transition matters.	1.80	\$395.00	\$711.00
Mon	08/10/2020	Forward pricing and invoice emails, review email from Slush Puppy re removal of machine, email to Rashid with instructions re same, approve online payments to NATSN and Coremark, review and approve supplier payment requisitions and DAS remittance calculation, review adn amend supplier and employee listing and prepare and send responding email to Shikha Grewal regarding closing and transition plans, email to KRS re ATM machine, review email from Totals re costing info, email to RP re closing plans and instructions	3.20	\$395.00	\$1,264.00
Tues	08/11/2020	Review and approve payroll, emails with RP re sale closing matters, review and amend draft employee termination letters, sign cheques, review responding email from Shikha Grewal, locate and send requested documents to her, instructions to KRS for removal of Access Cash ATM	1.70	\$395.00	\$671.50
Wed	08/12/2020	Review and approve Coremark order, Arvinder expenses and online payment of DAS, discussions with RP re closing plans, emails with Shikha Grewal re employee re-hiring, cigarette sales and post midnight staffing and operations, review of emails from Colliers regarding commission invoices, replace with corrected version	1.20	\$395.00	\$474.00
Thur	08/13/2020	Review and approve disbursements/sign cheques, email to KRS re fuel tax info, tc from Shikha Grewal re closing issues	0.60	\$395.00	\$237.00
Fri	08/14/2020	Search for requested information on storage tanks, f/u email to KRS for info, review and forward invoices, review emails between solicitors re closing docs, review and respond to email from Raj Grewal re vehicle and Shikha Grewal re other assets, email exchange with RP re Cadillac on premises	0.60	\$395.00	\$237.00
Mon	08/17/2020	Prepare HST election, instructions to RP for inventory estimation schedule, review draft SOA re closing, review emails between lawyers re closing, review and finalize estimated closing inventory and email to Tony and Janet of Flett Becario, review info from RP re Cadillac onsite and provide further instructions	1.20	\$395.00	\$474.00

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File Name (ID): 1393382 Ontario Limited (AA1393:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Tues	08/18/2020	Various emails with Raj and Shikha Grewal, re closing and transition, email from Angie of NATSN, forward to Shikha Grewal for completion, review and amend draft letters to utilities and suppliers, review and amend supplier listings and instructions to RP wrt contacting suppliers for notice, tc from Jas Singh re ATM, provide contact info to RP to arrange for termination and removal of ATM, review and discuss closing SOA with TP, arrange for turnover of keys on closing, confirm status of employee termination letters, review draft closing documents	3.40	\$395.00	\$1,343.00
Wed	08/19/2020	Review and approve disbursements, review various emails from RP re closing issues with suppliers, approve coremark order	0.50	\$395.00	\$197.50
Thur	08/20/2020	Review closing issues/emails, review and respond to email from Marc-Elie Scott of Parkland with respect to claim over certain assets, email to KRS for estimated value, update TP, review Motor Fuel Supply Agreement of Pioneer, tc with Mark Zimmer of Parkland, email to Shikha Grewal for confirmation of future plans and to advise of required return of Parkland equipment and closure of operations if not continuing with Parkland, tc with Shikha, email update to RP and TP	1.80	\$395.00	\$711.00
Fri	08/21/2020	Review email from Marc-Elie Scott of Parkland and related Fuel Supply Agreement, tc with him, email to S. Grewal to advise of upcoming removal and closing plan amendments, further email exchanges with her, provide her with a copy of the agreement, forward exchanges to TP, discussion with RP to review closing plans, email exchanges with Gary and Jas Singh, email to Ian Gragtmens of Colliers to confirm data room inclusions, f/u with KRS re replacement cost of pumps, email to Marc-Scott to request delay in return of pumps, tc with him re same, review response from Ian Gragtmens re agreement included in data room, review and respond to email from Ross Macfarlane, tc with TP, emails with KRS re closing plans, email update from Ross re our legal position on equipment	2.80	\$395.00	\$1,106.00
Sun	08/23/2020	Review emails from purchaser and counsel re closing delay request, tc to RP to update on change of plans, respond to counsel and TP re delayed closing, review and discuss inventory count issues with RP, provide instructions	0.80	\$395.00	\$316.00
Mon	08/24/2020	Email to Parkland to advise of delayed closing and request non-removal of equipment, review response, vm from John at OLG, tc with him to advise of delayed closing and issues re deactivation of scratch tickets, receipt and review of new OLG invoice, tcs to RP and Arvinder to advise and provide instructions, tc from Gary of KRS to advise of low fuel supplies, tc to Raj Grewal re same and email him to confirm provision of fuel at purchasers cost on closing, review and approve disbursements/sign cheque, authorization to Gary to proceed with fuel purchase, email from Barb Woodruff of Country Signs re o/s payment, review records and confirm invoice never previously received, requisition payment, tc from Jas Singh re status update, email from Raj Grewal and Ross Macfarlane re additional deposit payment	2.20	\$395.00	\$869.00

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File Name (ID): 1393382 Ontario Limited (AA1393:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Tues	08/25/2020	Review email from Shikha Grewal to OLG, tc from Arvinder re difficulty in reaching OLG for deactivations, email to John at OLG to request assistance, review and respond to email from Samantha of Coremark, review disbursements to date and respond, prepare payment requisition and approve online payment, review email from Marc-Elie of Parkland regarding removal of equipment tomorrow morning, email to Ross Macfarlane re closing status, discussion with TP re same, email to Marc-Elie to request delay of removal until completion of closing, tc from him re same, review email from Ross Macfarlane and respond with update from call with Marc-Elie, evening email from Marc-Elie advising of discrepancy between purchaser and purchaser's lawyer, circulate to TP and Flett Becario lawyers, review responses	1.70	\$395.00	\$671.50
Wed	08/26/2020	Tel call from John of OLG for status update on closing, tc from Gary Singh for closing update and supply status, tc with Arvinder to confirm information re purchaser conversations, provide instructions in case Parkland attends, check on OLG ticket return status, tcs with TP re closing status and emails with Ross Macfarlane, review draft inventory count results, instructions to RP for further information, discussion with him re handling of supplier and customer accounts and turnover of business upon closing, review and respond to email from Samantha of Core-mark to confirm payment, tc with Camile of CRA re CRA accounts, tc with Parkland counsel re closing issues wrt pumps, review email update from Ross MacFarlane re closing, send email re my discussion with Marc-Elie on pump values, tc with TP re same, review new vm from Camile of CRA, attempt online adjustment of filing, review of email from Angelo Consoli re chattels valuation, review comparison between their appraisal and Benaco's, tc to David Sisak at Benaco to request further information, update from Ross re status of sale closing, discussion with RP re Parkland and Global Payment accounts and transactions, discussion with TP re distribution to FO upon closing	4.30	\$395.00	\$1,698.50
Thur	08/27/2020	Update from Ross Macfarlane re expected closing of transaction today, tc from Gary Singh re fuel levels, review Totals inventory count and prepare summary and reconciliation, instructions to RP re inventory verification, review email from Shikha re count verification, review and respond to email from Marc-Elie of Parkland, review and approve disbursements and payroll, sign cheques, filing document stack, tcs with Gary Singh, Ross Macfarlane re fuel, email from Raj Grewal to order fuel, attend to same, tc from Gary Singh advising of change in POS and banking etc by purchaser, email to Raj Grewal to advise of that and ordering of fuel by purchaser, tc with Ross Macfarlane re Raj's response	3.50	\$395.00	\$1,382.50

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File Name (ID): 1393382 Ontario Limited (AA1393:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Fri	08/28/2020	Review outstanding accounts, arrange for fees invoice, prepare requisition for Flett Becacario, MSI, Colliers First Ontario re LOC, follow ups on status of transaction closing, review email from Shikha Grewal, re OLG terminal, tc from her re same and various closing issues, review status of various accounts with RP, respond to email from Jesus Gonsalves of Veolia re cheques returned by Canada Post, final confirmation of closing of K2 transaction, vm and em to OLG to confirm transfer of terminal, review of email from customer CAT Scale re purchaser's notification to customers, email to Shikha to provide that email and confirm effective closing date procedures, prepare reconciliation of expected funds availability and account reconciliations, vm and email to Doug Timmermans to cancel insurance, executed cancellation form and email it to him, request refund of premium, review bank reconciliation and instructions to RP for outstanding postings, forward him OLG report, receipt of confirmation of sale transaction reports, file, receipt of reporting letter, tc with Gary Singh to advise on closing and organize final reporting, T4s, ROEs etc	6.10	\$395.00	\$2,409.50
Sun	08/30/2020	Confirm receipt of sales proceeds, finalize funds reconciliation and projection for distribution, email to TP to summarize and recommendation on distribution amount to First Ontario, review statement of adjustments, prepare deposit requisition and general ledger postings	0.80	\$395.00	\$316.00
Mon	08/31/2020	Review expected funds distribution with RP and discuss Parkland issues with him, tc with TP, finalize deposit and cheque requisitions, prepare covering letter to First Ontario for payments, coordinate pick up of cheques with EM, review outstanding invoices from Flett Becacario, requisition payments, email to Traffic West to advise them of the sale of the property, covering letters to Flett Becacario and Colliers, courier cheque to Colliers, receipt of Viola payments, discussion of that account with RP, provide instructions, review and approve posting reports of RP, instructions to him re Parkland, tc with Jason Herring of Benaco re appraisal, prepare summary of appraisals and email to TP re proposed counter offer to BDO, email to BDO, review update from Parkland re account status, email to RP to f/u on credits to the account, email to KRS to again request copies of invoices from last week, tc from Jaclyn of OLG concerning issues re Shikha Grewal	3.50	\$395.00	\$1,382.50
Tues	09/01/2020	Review/amend draft letter to customers re notice of sale, tc to Mark Zimmer re timing of account cut-off, o/s credits and fuel invoice re 276, email update to TP and Ross Macfarlane, subsequent calls with Mark Zimmer, review updated bank statement with RP to reconcile receipts and debits and confirm receipt of our sales, obtain and review KRS invoices, update inventory count, confirm cigarette costs used and cash float, finalize account reconciliation wrt 276 and email it to Ross Macfarlane for collection, discussion with TP re the reconciliation, review HST reconciliation and file HST return online for July 2020	3.70	\$395.00	\$1,461.50
Wed	09/02/2020	Respond to emails from Gary Singh re Country Signs, review and approve cheque and posting requisitions, f/u with Ross Macfarlane re inventory adjustment status, discuss WSIB account issues and instructions to RP re same, review email from J Rivers to R Grewal re inventory amount payable	0.60	\$395.00	\$237.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Thur	09/03/2020	Review invoice from Global payments, discussions with and instructions to RP wrt follow up with Global and CFIB, review and approve disbursement and posting requisitions, review emails between Raj Grewal and Ross Macfarlane re inventory adjustment,	0.90	\$395.00	\$355.50
Fri	09/04/2020	review of invoice from NATSN, email to Angie Fout re invoice issues, review of draft August HST return, email to RP re cross lease income, review responding email and documentation	0.60	\$395.00	\$237.00
Tues	09/08/2020	Review correspondence from TSSA, scan and email TSSA tank invoice to A. Consoli at BDO, discuss outstanding matters with RP and provide instructions, approve disbursements, review emails between Ross Macfarlane and Raj Grewal re inventory reconciliation and payment, review revised invoice from Angie of NATSN, requisition payment and approve wire transfer, review email notification from Parkland re upcoming withdrawal for fuel purchase on August 25, review August 31 statement from Parkland, email to Mark Zimmer to dispute withdrawal, email to RP to contact Leadus of Parkland to resolve issue	1.20	\$395.00	\$474.00
Wed	09/09/2020	Review email from Raj Grewal re inventory reconciliation, discuss cigarette count issue with RP, respond to Raj's email, discussion with RP re his conversations with Mark Zimmer and Leadus of Parkland, check bank account for debit, review Parkland agreements wrt 90 day hold, tc with Ross Macfarlane on K2 and Parkland issues, review follow up email from Raj Grewal and provide wire transfer information via email, review emails from Nancy Connery re Global Payment charges	1.50	\$395.00	\$592.50
Thur	09/10/2020	Review cheques received and AR schedules, prepare deposit requisition, email to Chris Diesburg regarding outstanding missing invoices and remaining amount payable, review Watson account for same issue, check on bank account status re Parkland debit and K2 wire transfer, email to Raj Grewal re lack of payment, email from Leadus advising of revised forthcoming withdrawal, send responding email to her requesting documentation wrt withholding sales funds, email exchanges with RP re accounts receivable	1.60	\$395.00	\$632.00
Fri	09/11/2020	Discussion with HS re Parkland PAD and ability to return payments, verify bank account status, updates to TP and Ross Macfarlane re Parkland and K2 payment status, review email from Mark Zimmer, forward and update HS re Parkland, email to R. Macfarlane to f/u on o/s K2 amount due, review press announcement re Raj Grewal fraud charges, instructions to R. Macfarlane for written demand re K2, review and approve draft letter, review emails from R. Macfarlane re status of R. Grewal with Ontario Bar, discussion with HS re BMO's advise wrt returning Parkland charges	1.40	\$395.00	\$553.00
Mon	09/14/2020	Review email from Shikha Grewal regarding inventory adjustment and outstanding payment, review emails between her and RP, emails with RP to ascertain his version, forward emails to Ross Macfarlane and TP, respond to Shikha Grewal with copy of previous inventory confirmation count email, emails with TP and Ross re her further response, review and respond to email from Canadian Meat, review mail re receipts, further email exchange with Shikha Grewal	1.50	\$395.00	\$592.50

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Tues	09/15/2020	Review unopened mail and documents from RP, reconcile hydro account and requisition payment, verify bank balance, review AR receipts and prepare deposit requisitions and update tracker, email to KRS re Protamp and Postma invoices, review email from and account of Great Canadian Meat, requisition payment for a/p and advise of purchaser's responsibility for remaining balance, Review and approve disbursements, review email from Old Dutch foods and payment history, requisition payment and respond to email, resend email to Shikha that didn't process yesterday re settlement, review email from Weit Peeters Farm Products and review account, locate and email statement of account with payment instructions, review responding email from Shikha Grewal and provide banking info again, confirm receipt of funds, review settlement invoice from Parkland for September franchise fee re On The Run, respond for explanation,	4.10	\$395.00	\$1,619.50
Wed	09/16/2020	Review and respond to email from Mark Zimmer re OTR franchise fee debit, update TP and HS re that issue, review further emails from Parkland re same, review response from RP re Parkland and plumbing invoices, further email to him, email to HS to hold off on returning Parkland debit, receipt of correspondence re dealer payment for month of August	0.60	\$395.00	\$237.00
Thur	09/17/2020	Email store and site plans to Shikha Grewal, further exchange of emails with her re other plans, prepare cylinder for pick up at reception, review email from Adam of BDO re Bell invoice, email to RP for explanation on Bell status and invoice	0.60	\$395.00	\$237.00
Fri	09/18/2020	Review bank transactions, email to Cindy Pimlott of Parkland to advise lack of return of funds taken, review her response re forthcoming return, review ascend postings and prepare adjusting accounting entries for posting closing adjustments wrt K2 inventory, expense and receipt reconciliations, review of Bell Cda emails, current invoice and email from RP on the status, tc to Shannon Lyons of Bell Insolvency, review email from Angelo Consoli re chattels, respond with acceptance of settlement offer and request bill of sale	3.20	\$395.00	\$1,264.00
Mon	09/21/2020	Review email from Marc-Elie of Parkland re equipment, email to Shikha Grewal on the issue, forward emails to Ross Macfarlane and TP, email to Marc Elie to provide Shikha Grewal contact info and her position and suggest settlement for purchaser to buy assets, review and execute BDO's proposed Bill of Sale re Chattel purchase, email to Angelo Consoli to request HST # for payment, prepare requisition for wire transfer and email it to HS for processing, email executed Bill of Sale to BDO	1.30	\$395.00	\$513.50
Tues	09/22/2020	Approve wire transfer to BDO, email to Cindy Pimlott of Parkland re o/s return of funds, Deposit requisitions re ATM receipt, review and reconcile A/R accounts, email invoices to the five o/s accounts, tc with Shannon Lyons of Bell Canada re o/s account and transfer of service, locate and summarize opening inventory from BDO, receipt and review of revised Bell billing, prepare cheque requisition, review and file August HST return online, general ledger adjustments with HS, gather data for preparation of SRD	3.90	\$395.00	\$1,540.50
Wed	09/23/2020	Tel call from Lisa Chow of Parkland re margin payment for August'20, work with HS re general ledger adjustments, tc from David Kalling of CRA re amounts filed on August HST return, review and reconcile accounting records and work on preparation of SRD and projection	8.50	\$395.00	\$3,357.50

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File Name (ID): 1393382 Ontario Limited (AA1393:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Thur	09/24/2020	Finalizing SRD and projection, receipt/ review of emails from PD Fuels and KRS re same and Postma, requisition payment for Postma, amend SRD and finalize draft, email it to TP for review/discussion, work on reconciling PD Fuels account, payments issued, Bills of Lading and unpaid invoices, email to KRS for missing bills of lading	5.80	\$395.00	\$2,291.00
Mon	09/28/2020	Review invoice from Entegrus, requisition payment, review bills of lading from Gary Singh, reconcile to PD Fuels invoices and requisition payment, prepare deposit requisitions for AR collections, update AR schedule	1.40	\$395.00	\$553.00
Wed	09/30/2020	Review bank account, review settlement notice from Parkland re September royalty and advertising charges, email to Leadus et al of Parkland to request reversal of charge and status update, review info from First Ontario re Feb.18.20 P&L and March 5'20 WIP and review records for accuracy, email to TP re findings, email to Doug Timmermans re Federated Insurance withdrawal, posting report for AR collection, review email from Enbridge Gas, tc to request cheque for credit balance, review and reconcile Ascend and bank account, tc to Cindy Pimlott of Parkland wrt account charges and credit balance	2.30	\$395.00	\$908.50
Thur	10/01/2020	Review bank account transactions, email to Chino at Global Payments wrt account debit today, respond to email from Leadus of Parkland and request updated account statement	0.40	\$395.00	\$158.00
Mon	10/05/2020	Review Waddick Fuel statement and previous account history, requisition payment for o/s balance, review email re August cross lease invoice, confirm receipt of funds in bank a/c, prepare deposit requisition, vm to Chino Consi and Nancy Connery of Global Payments, email to Arvinder for confirmation of return of equipment. review and approve disbursements	0.80	\$395.00	\$316.00
Tues	10/06/2020	Review and respond to emails and vms from Alexandra of Great Canadian Meat Co., f/u with Arvinder for Global Payments cancellation form, email exchange with Chino of Global Payments to provide executed form and confirm return of equipment	0.50	\$395.00	\$197.50
Wed	10/07/2020	Review and respond to emails from Lia of Infra-Solutions and Brittney of Bradman Associates to advise of sale and provide purchaser contact info, receipt of OLG notification of return of tickets forthcoming deposit, prepare deposit requisition, review September 30'20 Global Payment report and prepare posting requisition, vm to Doug Timmermans re insurance cancellation issue, review responding email, email update from Chino of Global Payments	1.30	\$395.00	\$513.50
Thur	10/08/2020	Filing of stack of documents, review of accounts receivable, f/u emails to Watson, Chris Diesborough and Fidaco Transport, review and respond to email from Chris Diesborough	1.80	\$395.00	\$711.00
Fri	10/09/2020	Confirmation from Chino of Global Payments re closure of account	0.10	\$395.00	\$39.50
Tues	10/13/2020	Review correspondence from CRA re RT1 account, review filings to date and submit two amended returns on the RT1 accounts, prepare deposit requisition for Enbridge gas refund, check bank transactions, review emails from TP re Dec.18.19 inventory and thoroughly review BDO report and calculate opening fuel inventory valuation, email to Rory Dimitrioff for confirmation on retail/cost valuation, review of email from Parkland re October'20 franchise fee invoice, email to Parkland re same	3.70	\$395.00	\$1,461.50
Thur	10/15/2020	Review email from Lia of Infra solutions re a/c change, email to Arvinder for status of account	0.20	\$395.00	\$79.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Fri	10/16/2020	Review email from Adam Boettger of BDO re new Bell Cda invoice, email to him to respond and email to Shannon Lyons of Bell Cda Insolvency re ongoing charges subsequent to closing, review correspondence from Municipality of Chatham Kent re o/s property taxes, tc twith Kelly Keeping of Municipality of Chatham Kent re transfer of ownership and arrears invoice, tc from Melissa Irwin of CRA re audit of July and August RT2, work on providing requesting documentation, receipt of Watson payment, update and reconcile AR schedule, tc to Arvinder Singh re Fidaco Transport and Infra-Solutions accounts, email to Arvinder to supply further info on Infr-Solutions account, vm to Fidaa of Fidaco Transport, email to Gary and Jas Singh re HST registration number and update on T4s and ROEs	4.80	\$395.00	\$1,896.00
Mon	10/19/2020	Review email from Jas Singh re ROEs, T4s and Weed Man and respond to request , review email from Gary Singh and requested letter re HST, review emails from TP re K2 closing documents, locate executed HST Election document, file electronic documents, requisition payment for Weed Man	0.70	\$395.00	\$276.50
Tues	10/20/2020	Review ROEs and payroll registers, email to Jas Singh for consolidation of payroll info wrt issuance of T4s, prepare documents for July and August HST audit and submit online, tc with Melissa Irwin of CRA re same, review and approve accounts payable	2.80	\$395.00	\$1,106.00
Wed	10/21/2020	Receipt of C.Diesbourg a/r, update excel schedule and prepare deposit requisition, prepare documentation for September'20 HST return and file online, review HST a/c status online and reconcile filings and payments, review WSIB a/c notices and payment issuance, tc to Terry at WSIB to request a/c closure	2.50	\$395.00	\$987.50
Thur	10/22/2020	Review email from Jas Singh, discussion with TP re original owner of store inventory and HST/CRA filing status, review financial records for purchaser of original inventory pre-receivership, review invoices from Peto McCallum and fwd to TP to question authorization for billing, review payroll journals, CRA remittances and schedule from KRS re T4 information, email to Jas Singh to advise of discrepancies in his reporting info and request detailed excel summary, tc from him to discuss problems with their T4 reporting,	2.80	\$395.00	\$1,106.00
Fri	10/23/2020	Review payroll schedules and summary from Jas Singh, email to him to advise of issues, receipt and review of requested summary schedule from him, send responding email, review email from Shannon Lyons of Bell Insolv and historical exchanges, review disbursements and respond to her	1.40	\$395.00	\$553.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Mon	10/26/2020	Review "corrected" bill from Hydro One, tc to Joshua of Hydro One to dispute transfer date, supply supporting documentation via email for proper date and request amended billing, discussion with IF re BMO interest posting issue, verify o/s cheque status and provide instructions for BMO a/c correction, review and respond to email from Chad Brownlee of Dan Laurie to advise of no further renewal on pollution policy, email to Nicole Gallant of Old Dutch Foods re ongoing receipt of monthly rent cheques, review response, prepare posting requisitions re Parkland incorrect franchise fee withdrawal and Federated Insurance incorrect withdrawal, email to D. Timmermans for status update on insurance correction, review his response/documentation and respond requesting mailing address used for refund cheque, responding call from Joshua of Hydro One re Shika's response and correct their new error, prepare posting reports for missing September disbursements	2.50	\$395.00	\$987.50
Tues	10/27/2020	Review and respond to Tracy Christopher of Old Dutch Foods re cheques, review and respond to email from Chad Brownlee re cancellation of pollution insurance policy	0.30	\$395.00	\$118.50
Wed	10/28/2020	Email with Chad Brownlee re insurance cancellation date acceptance, review email from PowerBev Inc., investigation into PowerBev account, requisition payment for unpaid invoices, email with Tracy Christopher of Old Dutch Foods, mail back payment cheques to her	0.80	\$395.00	\$316.00
Thur	10/29/2020	Review emails and new invoice from Infra-Solutions, f/u emails to Arvinder and Shikha re a/c change-over and return of equipment status, review emails from Old-Dutch re rent, review further email from Infra-Solutions, review settlement agreement between FO and CIBC and provide comment to TP	0.60	\$395.00	\$237.00
Fri	10/30/2020	Review of email and invoice from Hydro One re adjusted billing	0.20	\$395.00	\$79.00
Mon	11/02/2020	Tc to Arvinder Singh for confirmation on status of Infra Solutions transfer of router billings, review of correspondence from CRA re HST filing and set-off, review online account and previous filings	0.60	\$395.00	\$237.00
Wed	11/04/2020	Email to Gary and Jas Singh re Fidaco Transport, search for collection agency	0.40	\$395.00	\$158.00
Thur	11/05/2020	Investigation into Fidaco Transport registration and past payment info, tc with Arvinder re that account, email to him to request sales receipts, review correspondence from CRA re HST RT0001 account	0.90	\$395.00	\$355.50
Fri	11/06/2020	Review email from Arvinder and respond, email to Fidaco Transport to advise of collection agency, review emails on settlement agreement between First Ontario and CIBC	0.50	\$395.00	\$197.50
Sun	11/08/2020	Review and respond to email from Fidha Ahmed of Fidaco	0.20	\$395.00	\$79.00
Mon	11/09/2020	Prepare and submit Temporary Wage Subsidy Claim and T4s online, mail out T4 slips to employees, review various emails re settlement between CIBC and FO and bankruptcy filing by BDO re 139, update from TP re distribution to FO and court date for wrap up	3.80	\$395.00	\$1,501.00
Tues	11/10/2020	Review email from Coldhaus re o/s invoices, ascend and respond, email to Fidaco to follow up on o/s payment, review emails from Ross Macfarlane, TP re bankruptcy filing	0.40	\$395.00	\$158.00
Wed	11/11/2020	Review invoices, disbursements and bank reconciliation and account re Coldhaus o/s invoices, arrange for stop payment of cheque 345 and issuance of payment for unpaid invoices, email update to Domin of Coldhaus, emails with Fidaa Ahmad re payment of Fidaco account, email to Arvinder Singh to advise of forthcoming cheque	0.90	\$395.00	\$355.50

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Thur	11/12/2020	Review and respond to email from Domin of Coldhouse re K2 lack of response	0.20	\$395.00	\$79.00
Mon	11/16/2020	F/u with Arvinder and Fidha Ahmed re o/s Fidaco payment, review correspondence from CRA, review online HST and payroll accounts, verify offsets by CRA, prepare and file October HST return online, filing of various documents	1.30	\$395.00	\$513.50
Tues	11/17/2020	Court report drafting, email from Fidaco re cheque drop off, email to Arvinder for confirmation and deposit	2.40	\$395.00	\$948.00
Wed	11/18/2020	Review email from Arvinder Singh and provide banking instructions, report drafting	5.80	\$395.00	\$2,291.00
Thur	11/19/2020	Review email and invoice from PNE re propane, respond and copy Shikha Grewal, review banking, em to IF to confirm deposit as account has no a/c history due to changeover, review emails re allocation settlement agreement payment and inclusion in report, amend court report, update from Court on assigned motion date, review and respond to email from Nicole Lezon of Dan Lawrie insurance re insurance cancellation and premium refund, review HST online account re status of refund, vm to K Figaszewska of CRA for status update, review emails for update on bankruptcy filing by BDO, update TP on file status issues re wind up and ability to close file by Christmas, updates from IF re bank account and Arvinder Singh re deposit, verify receipt of funds and prepare deposit requisition, tc with Kamila Figaszewska of CRA, update to TP re requirement for release of CRA hold	1.80	\$395.00	\$711.00
Fri	11/20/2020	Review of banking transactions and preparation of SRD and projected final SRD and distribution to FO	2.80	\$395.00	\$1,106.00
Deborah Hornbostel (DHO)			161.30		\$63,713.50
Evan McCullagh (EMC)					
Mon	08/31/2020	Travel to North York re FOCU CHQ's, delivery to FOCU Hamilton office; update TP.	1.00	\$110.00	\$110.00
Tues	09/29/2020	review Flett Beccario invoice, prep CHQ REQ.	0.10	\$110.00	\$11.00
Thur	10/29/2020	complete PPSA search.	0.10	\$110.00	\$11.00
Evan McCullagh (EMC)			1.20		\$132.00
Eileen Sturge (EST)					
Fri	08/28/2020	Admin on file	0.50	\$185.00	\$92.50
Eileen Sturge (EST)			0.50		\$92.50
Gillian Goldblatt (GGO)					
Wed	07/22/2020	sign cheque	0.10	\$290.00	\$29.00
Fri	08/07/2020	sign cheques	0.30	\$290.00	\$87.00
Thur	08/20/2020	review and approve disbursements.	0.20	\$290.00	\$58.00
Tues	09/08/2020	review and approve disbursements.	0.30	\$290.00	\$87.00
Tues	09/15/2020	review and approve disbursements.	0.10	\$290.00	\$29.00
Fri	10/30/2020	Review and approve disbursement.	0.10	\$290.00	\$29.00
Gillian Goldblatt (GGO)			1.10		\$319.00
Hinna Shaikh (HSH)					
Mon	07/27/2020	Updated site	0.10	\$110.00	\$11.00
Hinna Shaikh (HSH)			0.10		\$11.00
Haran Sivanathan (HSI)					
Tues	07/21/2020	General	1.90	\$100.00	\$190.00

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Haran Sivanathan (HSI)					
Wed	07/22/2020	General	1.00	\$100.00	\$100.00
Tues	07/28/2020	General	1.30	\$100.00	\$130.00
Thur	08/13/2020	General	0.70	\$100.00	\$70.00
Fri	08/28/2020	General	1.60	\$100.00	\$160.00
Thur	09/10/2020	General	0.80	\$100.00	\$80.00
Wed	09/23/2020	General	0.90	\$100.00	\$90.00
Thur	09/24/2020	General	2.40	\$100.00	\$240.00
Haran Sivanathan (HSI)			10.60		\$1,060.00
Inga Friptuleac (IFR)					
Mon	07/20/2020	Deposits	0.40	\$100.00	\$40.00
Mon	07/27/2020	Deposits	2.50	\$100.00	\$250.00
Mon	08/03/2020	Deposits, Issue cheques, Postings	3.00	\$100.00	\$300.00
Mon	08/10/2020	Deposits, Issue cheques, Postings	5.00	\$100.00	\$500.00
Thur	08/13/2020	Deposits, Issue cheques, Postings	5.00	\$100.00	\$500.00
Mon	08/17/2020	Deposits, Issue cheques, Postings	2.40	\$100.00	\$240.00
Wed	08/19/2020	Deposits, Issue cheques, Postings	2.20	\$100.00	\$220.00
Tues	08/25/2020	Deposits, Issue cheques, Postings	1.00	\$100.00	\$100.00
Thur	08/27/2020	Deposits, Issue cheques, Postings	2.00	\$100.00	\$200.00
Fri	08/28/2020	Deposits, Issue cheques, Postings	3.00	\$100.00	\$300.00
Mon	08/31/2020	Deposits, Issue cheques, Postings	2.20	\$100.00	\$220.00
Fri	09/04/2020	Deposits, Issue cheques, Postings	2.40	\$100.00	\$240.00
Mon	09/07/2020	Deposits, Issue cheques, Postings	0.60	\$100.00	\$60.00
Mon	09/14/2020	Issue cheques	0.40	\$100.00	\$40.00
Mon	09/21/2020	Deposit, Issue cheques	0.60	\$100.00	\$60.00
Mon	09/28/2020	Deposit, Issue cheques	0.80	\$100.00	\$80.00
Tues	10/06/2020	Postings, Issue cheques	0.80	\$100.00	\$80.00
Tues	10/13/2020	Postings	0.20	\$100.00	\$20.00
Mon	10/19/2020	Deposits;Postings	0.60	\$100.00	\$60.00
Mon	10/26/2020	Issue cheques, Postings	0.60	\$100.00	\$60.00
Mon	11/09/2020	Issue cheques, Deposit	0.40	\$100.00	\$40.00
Inga Friptuleac (IFR)			36.10		\$3,610.00
Mukul Manchanda (MMA)					
Wed	07/29/2020	Receipt, review and approve payables.	0.20	\$290.00	\$58.00
Fri	08/07/2020	Review and approve disbursements.	0.30	\$290.00	\$87.00
Thur	08/13/2020	Review and approve disbursements.	0.30	\$290.00	\$87.00
Wed	08/26/2020	Receipt review and approve payables.	0.30	\$290.00	\$87.00
Thur	08/27/2020	Receipt review and approve payables.	0.20	\$290.00	\$58.00
Mon	08/31/2020	Receipt review and approve payables.	0.30	\$290.00	\$87.00
Tues	09/08/2020	Receipt, review and approve payables.	0.30	\$290.00	\$87.00
Wed	09/16/2020	Receipt, review and approve payable.	0.10	\$290.00	\$29.00
Mon	09/28/2020	Receipt, review and approve payables.	0.10	\$290.00	\$29.00
Tues	10/20/2020	Receipt, review and approve disbursements.	0.10	\$290.00	\$29.00
Wed	11/11/2020	Receipt, review and approve payables.	0.10	\$290.00	\$29.00
Mukul Manchanda (MMA)			2.30		\$667.00
Philip H. Gennis (PGE)					
Fri	08/28/2020	Review and approve payables.	0.20	\$395.00	\$79.00
Philip H. Gennis (PGE)			0.20		\$79.00

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Rashid Peeroo (RPR)					
Mon	07/20/2020	Final review of SRD. Emailing of AR invoices to customers and phone call with two customers regarding outstanding invoices. Posting of cheque requisitions and updating of sales tracker. Phone call and email to Parkland regarding outstanding credits and refund of excess credits into trust account. Daily bank reconciliation of multiple days of transactions.	5.20	\$155.00	\$806.00
Tues	07/21/2020	Posting of cheque requisitions and updating of sales tracker. Daily bank reconciliation and updating of sales tracker.	1.30	\$155.00	\$201.50
Wed	07/22/2020	Bank Reconciliation and posting of cheque requisitions.	0.80	\$155.00	\$124.00
Thur	07/23/2020	Daily bank reconciliation and posting of cheque requisitions. Updating and review of credit card sales and KRS invoices.	2.60	\$155.00	\$403.00
Fri	07/24/2020	Phone conversations with vendors for outstanding invoices. Updating of sales tracker and bank reconciliation.	1.70	\$155.00	\$263.50
Mon	07/27/2020	Posting of cheque requisitions and updating of sales tracker. Bank reconciliation and updating of credit card reconciliation	3.20	\$155.00	\$496.00
Tues	07/28/2020	Review of payroll from KRS group and Arvinder S. Phone conversation with Arvinder S regarding outstanding employee cheques. Mailing of AR invoices to customers and follow up with AR customer Watsons trucking on outstanding invoices. Updating of AR tracker.	3.00	\$155.00	\$465.00
Wed	07/29/2020	Bank reconciliation and updating of sales tracker and credit card tracker. Posting of cheque requisitions and review of email from Gary S. from KRS group regarding invoices from PD fuels. Phone call with enbridge regarding current natural gas charges.	3.90	\$155.00	\$604.50
Tues	08/04/2020	Daily bank reconciliation and posting of cheque requisitions.	3.10	\$155.00	\$480.50
Wed	08/05/2020	Updating of sales tracker and credit card sales reconciliation. Work on creation of P&L. Review of PD fuels invoices and correspondence with PD fuels and Gary S from KRS group regarding outstanding payments. Emailing of AR statements to customers and updating of AR tracker.	5.80	\$155.00	\$899.00
Fri	08/07/2020	Finishing of P&L review and updating of sales tracker and credit card reconciliation. Email conversation with Arvinder S regarding fuel prices. Creation of inventory count at Dec 19th at cost.	1.30	\$155.00	\$201.50
Mon	08/10/2020	Finalizing inventory costing list, review of email from slush puppie. Email correspondence with Arvinder S. regarding questions on property and employee listing. Email sent to PD fuels inquiring on payment. Work on finalizing supplier listing for sale of property. Review of email from Arvinder regarding payroll and employee expenses. Review of email from Pepsico and draft response. Daily bank reconciliation and posting of cheque requisitions.	4.20	\$155.00	\$651.00
Tues	08/11/2020	Emailing of invoices to AR customers and updating of AR tracker. Updating of sales tracker and credit card reconciliation. Email with Arvinder regarding coordination of employees during closing of property.	2.30	\$155.00	\$356.50
Wed	08/12/2020	Daily bank reconciliation and posting of cheque deposits. Email and phone correspondence with Arvinder S regarding process returning cigarette sales and OLG scratch tickets.	3.80	\$155.00	\$589.00
Thur	08/13/2020	Review of email from Arvinder S.	0.20	\$155.00	\$31.00
Fri	08/14/2020	Phone call with Arvinder regarding vehicle on premises. Phone call to purolator regarding delayed payroll cheques. Updating of credit card reconciliation and sales tracker. Review of supplier list.	2.10	\$155.00	\$325.50
Mon	08/17/2020	Updating of sales tracker and contacting of vendors indicating sale of property. Phone conversation with Arvinder S. regarding sale of property and closing procedures.	1.80	\$155.00	\$279.00

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Rashid Peeroo (RPR)					
Tues	08/18/2020	Contacting of suppliers including communication with purchaser Shikha, Daily bank reconciliation for multiple days of transactions, posting of invoices and cheque requisitions. Phone call with Arvinder regarding store inventory and purchase of property.	6.70	\$155.00	\$1,038.50
Thur	08/20/2020	Phone conversation with Shika regarding closing of property. Phone conversations with hydro one, entegrus and enbridge for meter readings. Review of emails from Arvinder regarding AR customers.	3.20	\$155.00	\$496.00
Sun	08/23/2020	Travel to site for inventory count. Supervising inventory count and obtaining dip readings and store inventory count. Coordinating inventory counters to relevant areas on premises. Conversation with K2 representative regarding post closing activities.	6.00	\$155.00	\$930.00
Mon	08/24/2020	Travel time back from Bloomfield	4.00	\$155.00	\$620.00
Wed	08/26/2020	Multiple bank reconciliations and posting of cheque requisitions for multiple days of transactions. Emailing and updating of AR tracker and invoices to customers. Correspondence with suppliers on transition of property and subsequent correspondence with Shikha regarding transition of suppliers.	6.30	\$155.00	\$976.50
Thur	08/27/2020	Posting of cheque requisitions and updating of sales tracker. Preparation of pricing of fuel at close.	2.20	\$155.00	\$341.00
Fri	08/28/2020	Review of AR customer balances and phone conversations with Watsons trucking and Chris D. on outstanding balances. Emailing two letters to suppliers indicating change of ownership.	2.50	\$155.00	\$387.50
Mon	08/31/2020	Follow up email with AR customer on collections of amounts outstanding. Phone conversation with coca cola on obtaining outstanding invoices. Email correspondence with Shikha regarding infra solutions invoices. Review of outstanding fuel credits from Parkland being held. Work on creating customer letters for AR customers indicating sale of property.	3.80	\$155.00	\$589.00
Tues	09/01/2020	Review of KRS invoices and emailing of AR customer final invoices. Review of outstanding AR balances.	2.70	\$155.00	\$418.50
Wed	09/02/2020	Posting of cheque requisitions for disbursements and deposits. Emailing of customer letters to AR customers and follow up with customers regarding change of ownership. Work on HST return for August. Phone call with Vivian Uniform regarding unpaid invoices.	4.10	\$155.00	\$635.50
Thur	09/03/2020	Email to KRS group regarding employee T4's and ROE's. Phone call to global payments for inquiry on bill for August.	1.80	\$155.00	\$279.00
Fri	09/04/2020	Follow up email regarding sale of property with Shikha. Review of bank reconciliation spreadsheet and daily sales tracker.	0.80	\$155.00	\$124.00
Wed	09/09/2020	Review of cigarette prices from K2 vs totals inventory count. Daily bank reconciliation. Phone call with Leadus and Mark Zimmer from Parkland regarding outstanding credits.	2.30	\$155.00	\$356.50
Rashid Peeroo (RPR)			92.70		\$14,368.50
Trevor Pringle (TPR)					
Mon	07/20/2020	review G/L, daily sales, bank rec; correspond/conference call with Ross Macfarlane, lawyer re draft report to court/distribution; t4w David Jackson, lawyer; review Totals inventory report; review Benaco equipment appraisal; review HST payable; discussions re hold back, HST; t4w Ian Gragtmans, Colliers; review Flett Beccario security opinion; review changes to draft report to court; review PIN	1.10	\$395.00	\$434.50

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Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevor Pringle (TPR)					
Tues	07/21/2020	review draft approval and vesting order; correspondence re AVO; review G/L, daily sales, bank rec; review and make changes to draft ancillary order; correspond with Ross Macfarlane, lawyer; review Flett Beccario fee affidavit, legal fees; discussions/correspondence re draft report to Court; review Federated Insurance statements	0.90	\$395.00	\$355.50
Wed	07/22/2020	discussions/correspondence re draft report to court, HST; review and comment on amendments to draft report to court; review BDO correspondence re HST filing; review G/L, bank rec, daily sales; review APS assignment agreement; correspond with Ross Macfarlane, lawyer; review and approve fee summary; tdw David Jackson, lawyer; review executed assignment; review confidential appendices	1.10	\$395.00	\$434.50
Thur	07/23/2020	review G/L, bank rec, daily sales; correspondence re AVO	0.10	\$395.00	\$39.50
Fri	07/24/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50
Mon	07/27/2020	review G/L, bank rec, daily sales; correspond with Ross Macfarlane, lawyer re closing date; review motion record; tdw Virginia Selemidis, FirstOntario; discussions/correspondence re closing date; discussions re KRS notice	0.50	\$395.00	\$197.50
Tues	07/28/2020	correspond/tdw's Ross Macfarlane, lawyer re closing date/inventory adjustments; review G/L, bank rec, daily sales; correspondence/discussions re closing/KRS termination/inventory cost & adjustments; correspond with Virginia Selemidis, FirstOntario re closing date; tdw David Jackson, lawyer; review Benaco appraisal; review property tax interim statement; review APS re inventory adjustments; conference call with Virginia Selemidis, FirstOntario & David Jackson, lawyer; correspondence re Totals Inventory Professionals	1.40	\$395.00	\$553.00
Wed	07/29/2020	review G/L, bank rec, daily sales; discussions/correspondence re court date, closing issues	0.30	\$395.00	\$118.50
Thur	07/30/2020	review G/L, daily sales, bank rec	0.10	\$395.00	\$39.50
Fri	07/31/2020	review G/L, daily sales, bank rec	0.10	\$395.00	\$39.50
Tues	08/04/2020	review G/L; correspond with Virginia Selemidis, FirstOntario re bank balance; correspond with Simon, Flett Beccario re AVO motion; review counsel slip; review draft approval and vesting order; tdw Ross Macfarlane, lawyer re AVO motion; correspondence re reimbursement agreement	0.50	\$395.00	\$197.50
Wed	08/05/2020	review and execute reimbursement agreement; correspond with David Jackson, lawyer; correspond/tdw Ross Macfarlane, lawyer; correspond with Jonathan Yantzi, lawyer; discussions/correspondence re wire instructions, managing inventory levels; correspondence re approval and vesting order motion; review G/L, bank rec, daily sales; tdw Virginia Selemidis, FirstOntario; correspond/tdw Tony D'Amico, lawyer re closing sale of property; correspond with Janet Rivers, Flett Beccario re closing sale of property	1.40	\$395.00	\$553.00
Thur	08/06/2020	review approval and vesting order; review ancillary order; correspond with Virginia Selemidis, FirstOntario; correspond with Ian Gragtmans, Colliers; review G/L, bank rec, daily sales	0.40	\$395.00	\$158.00
Fri	08/07/2020	review G/L, sales; correspondence re purchaser site visit; tdw Ross Macfarlane, lawyer re closing	0.20	\$395.00	\$79.00

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Trevor Pringle (TPR)					
Mon	08/17/2020	review and make changes to July profit & loss statement; correspond/tdw Virginia Selemidis, FirstOntario re July P&L; review G/L, bank rec, daily sales; conference call with Tony D'Amico & Janet Rivers, Flett Beccario re closing documents; review draft statement of adjustments; review and execute HST election; review draft closing documents	1.10	\$395.00	\$434.50
Tues	08/18/2020	review agreement of purchase & sale; discussions/correspondence re closing; correspond with Janet Rivers, Flett Becario re closing; review G/L, bank rec, daily sales; review and execute closing documents including acknowledgement and direction re vesting order, receiver certificate, seller's closing certificate, statutory declaration; review statement of adjustments; review tax certificate	1.10	\$395.00	\$434.50
Wed	08/19/2020	review G/L, bank rec, daily sales; review closing documents	0.20	\$395.00	\$79.00
Thur	08/20/2020	review G/L, bank rec, daily sales; discussions/correspondence re closing, MFSA; correspond with Janet, Flett Beccario re wire transfer instructions; correspondence re Parkland 3rd party property; review MFSA	0.50	\$395.00	\$197.50
Fri	08/21/2020	review G/L, bank rec, daily sales; correspondence re closing; discussions/correspondence re MFSA, Parkland 3rd party property; correspond/tdw Ross Macfarlane, lawyer re Parkland 3rd party property	0.90	\$395.00	\$355.50
Mon	08/24/2020	correspondence re delay in closing; correspond/tdw Ross Macfarlane, lawyer re delay in closing (8/23); review purchasers closing documents including resolution of directors, mutual undertaking to re-adjust, officers certificate, purchaser bring-down certificate & HST certificate; correspond/tdw Virginia Selemidis, FirstOntario re delay in closing; review G/L, bank rec, daily sales; correspond/tdw Mark Perkins, FirstOntario re delay in closing; discussions/correspondence re closing, fuel purchases; correspondence re additional \$100k deposit; correspond with Ian Gragtmans, Colliers	1.40	\$395.00	\$553.00
Tues	08/25/2020	review G/L; review closing documents; tdw David Jackson, lawyer; discussions/correspondence re sale closing, Parkland pump removal	0.40	\$395.00	\$158.00
Wed	08/26/2020	review G/L, daily sales, bank rec; discussions/correspondence re sale closing, Parkland pumps; CRA call re RT0002; correspond/tdw's Ross Macfarlane, lawyer re sale closing, Parkland pumps; review K2 agreement of purchase & sale; correspond/tdw Mark Perkins, FirstOntario re closing; tdw Virginia Selemidis, FirstOntario	1.10	\$395.00	\$434.50
Thur	08/27/2020	review G/L, daily sales, bank rec; correspond/tdw Ross Macfarlane, lawyer; correspond with Virginia Selemidis & Mark Perkins, FirstOntario re sale closing; discussions/correspondence re closing; tdw Ian Gragtmans, Colliers; tdw Mark Perkins, FirstOntario	0.90	\$395.00	\$355.50
Mon	08/31/2020	discussions/correspondence re purchaser; review G/L, bank reconciliation; discussions/correspondence re distribution to FirstOntario, repayment of advance; correspond/tdw Virginia Selemidis, FirstOntario; review Flett Beccario report on closing including statement of adjustments, statements of account, trust ledger; review registered transfer document; coordinate interim distribution to FirstOntario; review proposed asset settlement with BDO	1.20	\$395.00	\$474.00
Tues	09/01/2020	review G/L, bank reconciliation; discussions/correspondence re closing adjustments; correspond/tdw Virginia Selemidis, FirstOntario; review closing reconciliation spreadsheet	0.40	\$395.00	\$158.00

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Trevor Pringle (TPR)					
Wed	09/02/2020	review G/L, bank reconciliation; correspondence re closing adjustments	0.10	\$395.00	\$39.50
Thur	09/03/2020	review G/L; discussions/correspondence re closing adjustments	0.20	\$395.00	\$79.00
Tues	09/08/2020	review G/L; correspondence re closing adjustments; tdw David Jackson, lawyer	0.10	\$395.00	\$39.50
Wed	09/09/2020	review G/L, bank reconciliation; review Parkland settlement; tdw Ross Macfarlane, lawyer; correspondence re closing adjustments	0.40	\$395.00	\$158.00
Fri	09/11/2020	discussions/correspondence re closing adjustments; review G/L	0.10	\$395.00	\$39.50
Mon	09/14/2020	discussions/correspondence re closing adjustments; review G/L	0.10	\$395.00	\$39.50
Tues	09/15/2020	discussions/correspondence re closing adjustments; review G/L	0.10	\$395.00	\$39.50
Wed	09/16/2020	discussions/correspondence re Parkland debit; review G/L	0.10	\$395.00	\$39.50
Mon	09/21/2020	review G/L; correspondence re Parkland equipment	0.10	\$395.00	\$39.50
Tues	09/22/2020	review G/L; review statement of adjustments; discussions/correspondence re projected SRD, inventory; correspond/tdw Virginia Selemidis, FirstOntario; review fuel inventory; review Totals inventory report	0.60	\$395.00	\$237.00
Wed	09/23/2020	review G/L; discussions re Parkland account; correspondence re CIBC allocation; tdw David Jackson, lawyer re CIBC allocation	0.40	\$395.00	\$158.00
Thur	09/24/2020	review G/L; review and amend projected statement of receipts and disbursements; correspond/tdw Virginia Selemidis, FirstOntario re SRD, inventory; correspond with Mark Perkins, FirstOntario re SRD, inventory	0.50	\$395.00	\$197.50
Mon	09/28/2020	tdw Ross Macfarlane, lawyer re CIBC settlement; review G/L; review hydro invoice; tdw David Jackson, lawyer re CIBC settlement/inventory	0.70	\$395.00	\$276.50
Tues	09/29/2020	review G/L; review and approve payment of legal invoice; correspond with Ross Macfarlane, lawyer re CIBC confidentiality undertaking	0.30	\$395.00	\$118.50
Wed	09/30/2020	review G/L; correspond with Virginia Selemidis, FirstOntario; discussions/correspondence re CIBC settlements, profit & loss; correspond/tdw's David Jackson, lawyer re CIBC settlement; review Hainey Endorsement; review and make changes to draft letter; review SRD	0.90	\$395.00	\$355.50
Fri	10/02/2020	conference call with Mark Perkins, Frank Mancuso & Virginia Selemidis, FirstOntario re CIBC settlement; review G/L	0.30	\$395.00	\$118.50
Thur	10/08/2020	review CIBC/Dhillon settlement documents; review G/L	0.20	\$395.00	\$79.00
Tues	10/13/2020	review and sign letter to lawyer; review G/L; discussions/correspondence re BDO inventory	0.30	\$395.00	\$118.50
Thur	10/15/2020	correspond with Ross Macfarlane, lawyer; review G/L	0.10	\$395.00	\$39.50
Mon	10/19/2020	review HST election/KRS letter; review G/L	0.10	\$395.00	\$39.50
Tues	10/20/2020	correspondence re BDO inventory; review G/L; conference call with Virginia Selemidis, FirstOntario & David Jackson, lawyer	0.30	\$395.00	\$118.50
Wed	10/21/2020	review G/L; conference call with Chris Mazur, BDO et al and David Jackson, lawyer for FirstOntario re fuel & store inventory settlement; tdw David Jackson, lawyer	0.40	\$395.00	\$158.00
Thur	10/22/2020	review payroll totals; review ROE; review G/L; correspond with David Jackson, lawyer re CIBC settlement; conference call with David Jackson, lawyer & Virginia Selemidis, FirstOntario re inventory, HST	0.60	\$395.00	\$237.00
Fri	10/23/2020	review payroll reconciliation; review G/L; review 908 & 139 F/S; correspond with David Jackson, lawyer re inventory; review HST notice of assessment; correspondence re T4's	0.40	\$395.00	\$158.00

Filters Used:

- Time Entry Date: 1/01/70 to 11/20/20
 - File Client ID: AA1393 to AA1393
 - Time Entry Bill Status: Un-Billed to Un-Billed
 - Time Entry Bill Status: Un-Billed to Un-Billed

MSGG - Detailed Time Dockets

Printed on: 11/24/20

Page 18 of 18

File Name (ID): 1393382 Ontario Limited (AA1393:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevor Pringle (TPR)					
Mon	10/26/2020	discussions/correspondence re insurance coverage, utilities; review G/L	0.10	\$395.00	\$39.50
Tues	10/27/2020	review G/L, disbursements; correspondence re insurance	0.10	\$395.00	\$39.50
Wed	10/28/2020	correspond/tdw David Jackson, lawyer re 908 inventory settlement	0.20	\$395.00	\$79.00
Thur	10/29/2020	review updated PPSA search; correspond/tdw's David Jackson, lawyer re 908 inventory settlement; correspond with Ross Macfarlane, lawyer	0.30	\$395.00	\$118.50
Mon	11/02/2020	review G/L; tdw Ross Macfarlane, lawyer; correspondence re inventory settlement	0.20	\$395.00	\$79.00
Tues	11/03/2020	review CIBC allocation agreement; correspond with Ross Macfarlane, lawyer; correspondence re proposed amendments to CIBC allocation agreement; review G/L	0.40	\$395.00	\$158.00
Wed	11/04/2020	review amended CIBC allocation agreement; correspond with Ross Macfarlane, lawyer; discussions re A/R collections	0.20	\$395.00	\$79.00
Thur	11/05/2020	review G/L; review and execute CIBC settlement/allocation agreement	0.20	\$395.00	\$79.00
Mon	11/09/2020	correspond/tdw Ross Macfarlane, lawyer re 139 bankruptcy; review G/L; review insurance cancellation form; review Justice Hainey Order dated November 5, 2020 and amended receivership order; tdw David Jackson, lawyer; review CIBC settlement/allocation agreement; review approval and vesting order; conference call with Virginia Selemidis, FirstOntario	0.90	\$395.00	\$355.50
Tues	11/10/2020	correspond/tdw Ross Macfarlane, lawyer; review BDO motion record; review hearing request form	0.30	\$395.00	\$118.50
Thur	11/12/2020	review G/L; review amended order	0.10	\$395.00	\$39.50
Wed	11/18/2020	correspond with Ross Macfarlane, lawyer re Court date; correspond with Virginia Selemidis, FirstOntario; review G/L; correspondence re CIBC settlement	0.20	\$395.00	\$79.00
Thur	11/19/2020	discussions/correspondence re CIBC settlement agreement; tdw Ross Macfarlane, lawyer; review 908 order; correspondence re Court date; review G/L; correspond with Virginia Selemidis, FirstOntario re final distribution	0.50	\$395.00	\$197.50
Fri	11/20/2020	correspondence re Court date; review G/L; review projected statement of receipts and disbursements	0.20	\$395.00	\$79.00
Trevor Pringle (TPR)			28.70		\$11,336.50
Total for File ID AA1393:			344.80		\$96,889.00
Grand Total:			344.80		\$96,889.00

TAB I

Court File No.: CV-19-00632077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

-and-

1393382 ONTARIO LIMITED

Respondent

APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

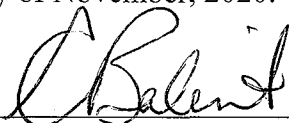
AFFIDAVIT OF ALYSSA ADAMS

I, **ALYSSA ADAMS**, of the City of Welland, in the Regional Municipality of Niagara, MAKE OATH AND SAY:

1. I am a member of the firm of Flett Beccario ("Flett"), lawyers for msi Spergel Inc. in its capacity as Court-Appointed Receiver for the respondent, 1393382 Ontario Limited. ("1393382"), and as such have knowledge of the matters hereinafter deposed to. Where this affidavit is based upon information received from others, I verily believe that information to be true.
2. On December 16, 2019, pursuant to an order of the Court (the "Appointment Order") msi Spergel Inc. was appointed Receiver of 1393882.

3. Pursuant to the Appointment Order, Flett provided services and incurred disbursements from the period July 22, 2020 to September 14, 2020 to the Receiver (the "Period"). Copies of Flett's accounts dated August 28, 2020 (2) and September 28, 2020, which include a fair and accurate description of the services provided along with the hours and applicable rates claimed by Flett are attached and collectively marked as Exhibit "A" to this my affidavit. The accounts for the Period total \$21,774.13, all inclusive.
4. J. Ross Macfarlane was called to the bar of the Province of Ontario in 1995, and practices in the areas of insolvency and commercial litigation. His standard hourly rate is \$425.00. He is identified as JRM in the accounts attached and marked as Exhibit "A".
5. Anthony D'Amico was called to the bar of the Province of Ontario in 1977, and he practices in the areas of insolvency and commercial transactions. His standard hourly rate during that period was \$425.00. He is identified by name in the accounts attached and marked as Exhibit "A".
6. The estimated fee accrual for Flett for work in progress and future costs up to the discharge of the Receiver is \$7,500.00 plus HST and disbursements.
7. I make this affidavit in support of a motion for, *inter alia*, approval of Flett's fees and disbursements, incurred and estimated, detailed herein, and for no other or improper purpose.

SWORN before me at the City of Welland
in the Regional Municipality of Niagara, this
24th day of November, 2020.



A Commissioner, etc.

Colleen Lynn Balint, a Commissioner,
etc., Province of Ontario, for
Flett Beccario, Barristers and Solicitors.
Expires December 4, 2022.



ALYSSA ADAMS

These are Exhibit "A" referred to
In the Affidavit of ALYSSA ADAMS
Sworn Before me at the City of Welland
In the Province of Ontario
This 24th day of November, 2020



A Commissioner, etc.

Colleen Lynn Balint, a Commissioner,
etc., Province of Ontario, for
Flett Beccario, Barristers and Solicitors.
Expires December 4, 2022.

IN ACCOUNT WITH

FLETT BECCARIO

P.O. BOX 340
190 DIVISION STREET
WELLAND, ONTARIO
L3B 5P9

msi Spergel Inc.
21 King Street West, Suite 1602
Box 54
Hamilton, ON L8P 4W7
Attention: Trevor B. Pringle

August 28, 2020

File #: 52355
Inv #: 77810

Re: Receivership of 1393382 Ontario Limited (Dhillon)
For Professional Services rendered through August 28/20

DATE	DESCRIPTION	HOURS	RATE	LAWYER
Jul-21-20	Emails with client and Grewal; prepare and draft ancillary order and notice of motion	1.40	425.00	JRM
	Email from Grewal; prepare and draft assignment agreement	1.30	425.00	JRM
Jul-22-20	Review revised receiver's report; email to clients	0.40	425.00	JRM
	Email from Grewal; prepare and draft assignment agreement	1.30	425.00	JRM
	Drafting Notice of Motion - cb	0.50	175.00	JRM
Jul-23-20	Drafting and compiling Motion Record - SG	3.00	175.00	JRM
Jul-24-20	Completing Motion Record - SG	4.00	175.00	JRM
Jul-27-20	Emails with client and to Grewal	0.10	425.00	JRM
	Emails with client and Grewal	0.30	425.00	JRM
Jul-28-20	Emails with Grewal and client re: AVO and closing date	0.30	425.00	JRM
	Tcf and emails with client and purchaser lawyer re: inventory count; review agreement	0.40	425.00	JRM
Jul-29-20	Emails with clients re: employees and closing arrangements	0.20	425.00	JRM
Jul-31-20	Emails with Spence and clients re: reimbursement agreement; tct Jackson	0.30	425.00	JRM
Aug-04-20	Finalize draft orders and prepare motion	0.80	425.00	JRM
	Emails with counsel re: information for hearing	0.20	425.00	JRM
	Various emails re: reimbursement agreement	0.30	425.00	JRM

In accordance with section 33 of the Solicitor's Act, Interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered

E.&O.E.

Aug-05-20	Receiving and circulating executed reimbursement agreement; prepare for and attend hearing; revise draft order; various communications with client, Calina, Benchetri, Jilesen and court; receive and review signed orders and endorsement	2.40	425.00	JRM
Aug-07-20	Prepare memo to AD re: closing	0.10	425.00	JRM
Aug-21-20	Emails with tct client re: Parkland issue	0.30	425.00	JRM
Aug-23-20	Emails with client and Grewal; tct Grewal; tcf client	0.60	425.00	JRM
Aug-26-20	Various telephone calls and emails re: Parkland issue and closing	0.00	425.00	JRM
	Email from Grewal	0.10	425.00	JRM
Aug-27-20	Emails with clients; tct Grewal re: closing	0.20	425.00	JRM
	Attending to various matters re: closing	1.10	425.00	JRM

Totals	19.60	\$6,455.00
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Total HST on Fees		839.15
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Taxable Disbursements

Courier Charges	\$229.92
Conveyancers Inc.	\$32.60
Conveyancers Inc.	\$3.39
Registrations	\$50.80
ESC charges	\$42.40

Totals	\$359.11
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Total HST on Disbursements	46.68
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Non-Taxable Disbursements

Court fees - Motion returnable August 5, 2020	\$320.00
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Totals	\$320.00
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Total Fees & Disbursements (including HST)	\$8,019.94
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H.S.T. No.: 122423049

THIS IS OUR ACCOUNT**FLETT BECCARIO****Per:** **J. Ross Macfarlane**

Total Fees	\$6,455.00
Total Disb.	\$679.11
Total HST	<u>\$885.83</u>
	\$8,019.94

IN ACCOUNT WITH

FLETT**BECCARIO**

(Founded 1919)

Flett Beccario, Barristers & Solicitors
 Mailing: P. O. Box 340, Welland, ON L3B 5P9
 Courier: 190 Division Street, Welland, ON L3B 4A2

Tel: 905-732-4481
 Toll Free 1-866-473-5388

August 28, 2020

msi Spergel Inc.
 Attention: Trevor Pringle, Partner
 21 King Street West, Suite 1602
 Toronto, Ontario
 L8P 4W7

*Re: msi Spergel Inc. in its capacity as Court-appointed receiver for
 1393382 Ontario Limited sale to 2765459 Ontario Inc.
 22216 Bloomfield Rd, Chatham
 Our File No.: 53778*

FOR PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING:

TO acting for you in all matters with respect to the sale of the above property;
 TO receiving and reviewing the executed Agreement of Purchase and Sale;
 TO preparation of the Application for Vesting Order;
 TO preparation of the Statement of Adjustments;
 TO preparation of undertakings, direction for funds and other documents
 required to complete the sale;
 TO receiving and responding to requisitions on title;
 TO all necessary correspondence and telephone conversations;
 TO meeting with you to sign all necessary documents;
 TO arranging for the delivery and exchange of closing documents, keys and
 funds;
 TO reporting to you;

OUR FEE	\$9,250.00	
TOTAL FEES		\$9,250.00
HST (13%)		1,202.50

DISBURSEMENTS:

<u>Subject to HST</u>	
Teraview Search Expenses	\$40.00
Est. Fax Charges	10.00

Statement of Account
 msi Spergel Inc.
 Attention: Trevor Pringle, Partner

Page 2

Est. Postage Charges	20.00	
Est. Photocopy Charges	20.00	
Tax Certificate	60.00	
Couriers/Mileage	40.00	
Long distance telephone	10.00	
File Storage Fees	15.00	
Transaction Levy Surcharge	65.00	
Conveyancer Inc. Closing Fees	40.00	
Bank Charges- Incoming	10.00	
Bank Charges - Outgoing	10.00	
Software Transaction Charge	23.00	
		<hr/>
		363.00
HST (13%)		47.19
<u>Not Subject to HST (Agency)</u>		
Bank Charges - Certified Cheques	\$10.00	
		<hr/>
		10.00
		<hr/>
TOTAL FEES AND DISBURSEMENTS		<u>\$10,872.69</u>

THIS IS OUR ACCOUNT HEREIN

FLETT BECCARIO



Anthony D'Amico

Computer file no. 53778

AD:jr

Total HST = \$1,249.69
 HST Registration No. 122423049

E. & O. E.

IN ACCOUNT WITH

FLETT BECCARIO

P.O. BOX 340
190 DIVISION STREET
WELLAND, ONTARIO
L3B 5P9

msi Spergel Inc.
21 King Street West, Suite 1602
Box 54
Hamilton, ON L8P 4W7
Attention: Trevor B. Pringle

September 28, 2020

File #: 52355

Inv #: 78113

Re: Receivership of 1393382 Ontario Limited (Dhillon)
For Professional Services rendered through September 28/20

DATE	DESCRIPTION	HOURS	RATE	LAWYER
Aug-28-20	Emails re: closing; attempts to call Grewal	0.20	425.00	JRM
	Final communications re: closing	0.90	425.00	JRM
Aug-31-20	Emails with client re: post-closing matters	0.20	425.00	JRM
	Review amendment to agreement; emails with client	0.30	425.00	JRM
	Email to MacGregor	0.60	425.00	JRM
	Emails with client re: post-closing matters	0.20	425.00	JRM
Sep-01-20	Emails re: inventory adjustment	0.20	425.00	JRM
Sep-03-20	Emails with Grewal re: payment of inventory adjustment	0.10	425.00	JRM
Sep-04-20	Emails and telephone calls with Gosal, clients, Preger; prepare for and attend hearing before Hailey J.; receive and circulate signed order; report to client; instructions to real estate clerk	2.80	425.00	JRM
Sep-08-20	Emails with client and Grewal re: inventory adjustment	0.20	425.00	JRM
Sep-14-20	Various emails re: inventory count	0.30	425.00	JRM
	Totals	6.00	\$2,550.00	
	Total HST on Fees		331.50	

Total Fees & Disbursements (including HST)**\$2,881.50**

H.S.T. No.: 122423049

In accordance with section 33 of the Solicitor's Act, Interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered

E.&O.E.

THIS IS OUR ACCOUNT

FLETT BECCARIO

Per:



J. Ross Macfarlane

Total Fees	\$2,550.00
Total Disb.	\$0.00
Total HST	<u>\$331.50</u>
	\$2,881.50

FIRST ONTARIO CREDIT UNION LIMITED
Applicant

-and- 1393882 ONTARIO LIMITED
Respondent

Court File No. CV-19-00632077-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF ALYSSA ADAMS

FLETT BECCARIO
190 Division Street
P.O. Box 340
Welland ON L3B 5P9

J. Ross Macfarlane (LSO# 36417N)
jrmacfar@flettbeccario.com
Tel: (905) 732-4481
Fax: (905) 732-2020

*Lawyers for msi Spergel Inc. in its capacity as Court-
appointed Receiver of certain property of 1393382 Ontario
Limited*

FIRST ONTARIO CREDIT UNION LIMITED
Applicant

-and- **1393382 ONTARIO LIMITED**
Respondent

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Court File No. CV-19-00632077-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(Motion returnable December 7, 2020)

FLETT BECCARIO
190 Division Street
P.O. Box 340
Welland ON L3B 5P9

J. Ross Macfarlane (LSO# 36417N)
jrmacfar@flettbeccario.com
Tel: (905) 732-4481
Fax: (905) 732-2020

Lawyers for msi Spergel Inc., in its capacity as Court-
appointed Receiver of certain property of 1393382 Ontario
Limited