

**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*

MOTION RECORD

(For Motion returnable August 5, 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 for 1393382 Ontario Limited

TO: Service List attached

SERVICE LIST

TO: **FLETT BECCARIO**
Barristers & Solicitors
190 Division Street
Welland, ON L3B 4A2

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

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

AND TO: **MSI SPERGEL INC.**
21 King Street West, Suite 1602
Box 54
Hamilton, ON L8P 4W7

TREVOR B. PRINGLE
Tel: 905-527-2227
Fax : 905-527-6670
Email : TPringle@spergel.ca

Court-appointed Receiver of certain property of 1393382 Ontario Limited

AND TO: **AIRD & BERLIS LLP**
Barristers and Solicitors
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

STEVEN L. GRAFF (LSO # 31871V)
Tel: 416-865-7726
Fax: 416-863-1515
Email: sgraff@airdberlis.com

KATHRYN ESAW (LSO # 58264F)
Tel: 416-865-4707
Fax: 416-863-1515
Email: kesaw@airdberlis.com

MIRANDA SPENCE (LSO # 60621M)

Tel: 416-865-3414

Fax: 416-863-1515

Email: mspence@airdberlis.com

JONATHAN YANTZI (LSO# 77533A)

Tel: 416-865-1500

Fax: 416-863-1515

Email: jyantzi@airdberlis.com

Lawyers for the BDO Canada Limited, in its capacity as the Court-appointed Receiver and Manager of 908593 Ontario Limited operating as Eagle Travel Plaza et. al

AND TO: LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP

Barristers and Solicitors

130 Adelaide Street West, Suite 2600

Toronto ON M5H 3P5

J. THOMAS CURRY (LSO # 25740V)

Tel: 416-865-3096

Fax: 416-865-9010

Email: tcurry@litigate.com

MONIQUE J. JILESEN (LSO # 43092W)

Tel: 416-865-2926

Fax: 416-865-2851

Email: mjilesen@litigate.com

CHRISTOPHER YUNG (LSO # 62082I)

Tel: 416-865-2976

Fax: 416-865-3730

Email: cyung@litigate.com

JESSICA KRAS (LSO # 77700K)

Tel: 416-865-3718

Fax: 416-865-6773

Email: jkras@litigate.com

BRIAN KOLENDA

Tel: 416-865-2897

Email: bkolenda@litigate.com

Lawyers for Canadian Imperial Bank of Commerce

AND TO: **SCARFONE HAWKINS LLP**
Barristers and Solicitors
1 James Street South, 14th Floor
P.O. Box 926, Depot 1
Hamilton, ON L8N 3P9

JOSEPH G. SPERANZINI
Tel: 905-526-4380
Email: speranzini@shlaw.ca

DANIELLE IAMPIETRO
Tel: 905-526-4384
Email: iampietro@shlaw.ca

PATRICK MC ILHONE
Tel: 905-526-4393
Email: pmcilhone@shlaw.ca

Lawyers for Canadian Imperial Bank of Commerce

AND TO: **BDO CANADA LIMITED**
25 Main Street West, Suite 805
Hamilton, ON L8P 1H1

CHRIS MAZUR
Tel: 905-524-1008
Fax: 416-369-0904
Email: cmazur@bdo.ca

JOSIE PARISI
Tel: 416-369-6031
Fax: 416-369-0904
Email: jparisi@bdo.ca

ANGELO CONSOLI
Tel: 905-524-1008 ext. 2861
Fax: 905-570-0249
Email: aconsoli@bdo.ca

Court-appointed Receiver and Manager of 908593 Ontario Limited operating as Eagle Travel Plaza et. al.

AND TO: **LAX O'SULLIVAN LISUS GOTTLIEB LLP**
Barristers and Solicitors
145 King Street West, Suite 2750
Toronto, ON M5H 1J8

JONATHAN LISUS
Tel: (416) 598-7873
Email: jlisus@lolg.ca

MATTHEW GOTTLIEB
Tel: (416) 644-5353
Email: mgottlieb@lolg.ca

ANDREW WINTON
Tel: (416) 644-5352
Email: awinton@lolg.ca

CONNIA CHEN
Tel: (416) 956-1146
Email: cchen@lolg.ca

VLAD CALINA
Tel: (416) 956-1143
Email: vcalina@lolg.ca
Fax: (416) 598-3730

*Lawyers for Mandhir Dhillon, Sarbjit Dhillon, Mandeep Dhillon
and certain related Companies*

AND TO: **CRAWLEY MACKEWN BRUSH**
Barristers & Solicitors
179 John Street, Suite 800
Toronto, ON M5T 1X4

ALISTAIR CRAWLEY (LSO # 38726D)
Tel: (416) 217-0806
Email: acrawley@cmblaw.ca

JONATHAN PREECE (LSO # 68873T)
Tel: (416) 217-0897
Email: jpreece@cmblaw.ca
Fax: (416) 217-0220

Lawyers for Simranjit Dhillon and 2364507 Ontario Limited

AND TO: **HENEIN HUTCHISON LLP**
Barristers and Solicitors
235 King Street East, 1st Floor
Toronto, ON M5A1J9

SCOTT HUTCHISON
Tel: 416-368-5000
Fax: 416-368-6640
Email: shutchison@hhllp.ca

Lawyers for Simranjit Dhillon

AND TO: **CHAITONS LLP**
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

GEORGE BENCHETRIT
Tel: (416) 218-1141
Fax: (416) 222-1841
Email: george@chaitons.com

SANEEA TANVIR
Tel: (416) 218-1128
Fax: (416) 218-1853
Email: stanvir@chaitons.com

Lawyers for Laurentian Bank of Canada

AND TO: **SIMPSON WIGLE LAW LLP**
1 Hunter Street East
Suite 200
Hamilton, ON L8N 3W1

DAVID J.H. JACKSON
Tel: (905) 528-8411 ext. 304
Email: jacksond@simpsonwigle.com

BART SARSH
Tel: (905) 639-1052
Email: sarshb@simpsonwigle.com
Fax: (905) 528-9008

Lawyers for FirstOntario Credit Union Limited and Tandia Financial Credit Union Limited

AND TO: **RSG LAW**
20 Maritime Ontario Blvd, Suite 215
Brampton, Ontario
L6S 0E7

Attention: Rajvinder Grewal
Tel: 416-948-3665
Fax: 1-866-570-0633
Email: raj@rsglaw.ca

Lawyers for the purchaser, 2765459 Ontario Inc. and K2 Group Inc.

AND TO: **1393382 ONTARIO LIMITED**
22216 Bloomfield Road
Chatham, Ontario N7M 5J6

AND TO: **CANADA REVENUE AGENCY**
Attention: Bankruptcy Dept.
1 Front Street West, Suite 100
Toronto, ON M5J 2X6

AND TO: **MINISTRY OF REVENUE**
Attention: J. Smithson
Revenue Collections Branch – Insolvency Unit
33 King Street W., P.O. Box 627
Oshawa, ON L1H 8H5

AND TO: **LIBRO CREDIT UNION LIMITED**
217 York Street, 4th Floor
London, ON N6A 5P9

AND TO: **PIONEER ENERGY LP**
1122 International Boulevard, Suite 700
Burlington, ON L7L 6Z8

AND TO: **GURMAIL KAUR DHILLON**
60 Rose Avenue
Tilbury, ON N0P 2L0

AND TO: **KULDIP KAUR DHILLON**
39 Rose Avenue
Tilbury, ON N0P 2L0

AND TO: **HIRA SINGH DHILLON**
39 Rose Avenue
Tilbury, ON N0P 2L0

AND TO: **BALJIT DHILLON**
5366 Fisher Lane, Camlachie
Tilbury, ON N0N 1E0

AND TO: **BLAKE, CASSELS & GRAYDON LLP**
Barristers and Solicitors
199 Bay Street, Suite 4000
Toronto, ON M5L 1A9

CHRIS BURR
Tel: 416-863-3261
Fax: 416-863-2653
Email: Chris.Burr@blakes.com

DAVID KRUSE
Tel: 416-863-2467
Fax: 416-863-2653
Email: David.Kruse@blakes.com

Lawyers for Pilot Travel Centers LLC

AND TO: **Thornton Grout Finnigan LLP**
Barristers and Solicitors
100 Wellington Street West, Suite 3200
P.O. Box 329
Toronto, ON M5K 1K7

LEANNE WILLIAMS
Tel: 416-304-0060
Fax: 416-304-1313
Email: LWilliams@tgf.ca

Lawyers for Pilot Travel Centers LLC

AND TO: **CANADA REVENUE AGENCY**
c/o DEPARTMENT OF JUSTICE
The Exchange Tower
130 King Street West, Suite 3400
Toronto, ON M5X 1K6

Attention: Diane Winters & Peter Zevenhuizen

Tel: 416-973-3172
Fax: 416-973-0810
Email: Diane.Winters@justice.gc.ca and Peter.Zevenhuizen@justice.gc.ca

Lawyers for Canada Revenue Agency

AND TO: **MINISTRY OF FINANCE**
33 King Street West, 6th Floor
Oshawa, ON L1H 1A1

Attention: Kevin J. O'Hara

Tel: 905-433-6934
Fax: 905-436-4510
Email: Kevin.Ohara@ontario.ca

Lawyers for Her Majesty the Queen in the Right of the Province of Ontario

EMAIL SERVICE LIST

jrmacfar@flettbeccario.com; TPringle@spergel.ca; sgraff@airdberlis.com;
kesaw@airdberlis.com; mspence@airdberlis.com; jyantzi@airdberlis.com; tcurry@litigate.com;
mjilesen@litigate.com; cyung@litigate.com; jkras@litigate.com; bkolenda@litigate.com;
speranzini@shlaw.ca; iampietro@shlaw.ca; pmcillhone@shlaw.ca; cmazur@bdo.ca;
jparisi@bdo.ca; aconsoli@bdo.ca; jlisus@lolg.ca; mgottlieb@lolg.ca; awinton@lolg.ca;
cchen@lolg.ca; vcalina@lolg.ca; acrawley@cmblaw.ca; jpreece@cmblaw.ca;
shutchison@hhllp.ca; george@chaitons.com; stanvir@chaitons.com;
jacksond@simpsonwigle.com; sarshb@simpsonwigle.com; Chris.Burr@blakes.com;
David.Kruse@blakes.com; LWilliams@tgf.ca; Diane.Winters@justice.gc.ca;
Peter.Zevenhuizen@justice.gc.ca; raj@rsglaw.ca

INDEX

INDEX

Notice of Motion dated July 24, 2020	1
Appendix “A” - Draft Approval and Vesting Order	(A)
Appendix “B” - Draft Ancillary Order	(B)
Second Report of the Receiver, msi Spergel Inc. dated July 22, 2020	2
Appendix “A” – Order of the Honourable Justice Hainey, dated December 16, 2019	A
Appendix “B” – Order of the Honourable Justice Hainey, dated December 18, 2019	B
Appendix “C” – Parcel Register dated June 20, 2020	C
Appendix “D” – First Report of the Receiver dated April 24, 2020	D
Appendix “E” – Order of the Honourable Justice C. Gilmore, dated May 7, 2020	E
Appendix “F” – Agreement of Purchase and Sale with K2 Group Inc. (redacted)	F
Appendix “G” – Fee Affidavit of Deborah Hornbostel, sworn July 22, 2020	G
Appendix “H” – Fee Affidavit of Alyssa Adams, sworn July 21, 2020	H
Appendix “I” – Receiver’s Interim Statement of Receipts and Disbursements as at June 30, 2020	I
Appendix “J” – Loan Statement provided by FirstOntario Credit Union as at July 20, 2020	J
Appendix “K” – Legal Opinion By Flett Beccario on Security of FirstOntario Credit Union Limited	K

CONFIDENTIAL APPENDICES

Appendix “A” – Bid Summary Matrix	[REDACTED]	<u>A</u>
Appendix “B” – Agreement of Purchase and Sale with K2 Group Inc. as accepted by the Receiver on July 2, 2020	[REDACTED]	<u>B</u>
Appendix “C” – Appraisal by Metrix Realty Group dated February 5, 2020	[REDACTED]	<u>C</u>
Appendix “D” – Appraisal by Antec Appraisal Group Dated January 30, 2020	[REDACTED]	<u>D</u>
Appendix “E” – Summary of Appraisals	[REDACTED]	<u>E</u>

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 August 5, 2020 via Zoom Conference)**

msi Spergel Inc., in its capacity as Court-appointed Receiver of certain property of 1393382 Ontario Limited (the “Receiver”) will make a motion to a judge on Wednesday, August 5th, 2020 at 9:30 a.m., 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 Mr. Justice Koehnen via zoom.us conference using the following meeting particulars:

Join Zoom Meeting

<https://zoom.us/j/92737362024?pwd=K28vNGRhNTRMcklZelVldGZxVVkxUT09>

THE MOTION IS FOR an order:

- (a) An approval and vesting order, substantially in the form attached hereto as Appendix “A”;
 - i. 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”);
 - ii. vesting in the Purchaser’s permitted assignee, 2765459 Ontario Inc., 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;
- (b) An ancillary order, substantially in the form attached hereto as Appendix “B”;
 - i. approving the Second Report of the Receiver dated July 22, 2020 (the “Report”) and the actions of the Receiver described therein;
 - ii. approving the fees and disbursements of the Receiver and the Receiver’s counsel;
 - iii. approving the Receiver’s Interim Statement of Receipts and Disbursements as at June 30, 2020;
 - iv. sealing the unredacted version of the motion record and the confidential appendices to the Second Report pending the completion of the K2 Transaction;

- v. approving an interim distribution to FirstOntario Credit Union Limited; and
- vi. such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) as set forth in the Second Report of the Receiver dated July 22, 2020 (the “Second Report”) and the confidential supplement thereto;
- (b) Section 249 of the *Bankruptcy and Insolvency Act*;
- (c) Rules 1.04(1), 3.02, 37.07, and 41.05 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 Second Report of the Receiver dated July 22, 2020, and the appendices thereto; and,
- (b) The Confidential Appendices to the Second Report of the Receiver dated July 22, 2020, filed; and
- (c) Such further evidence as may be filed and as this Honourable Court may admit.

July 24, 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

TO: Service List

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

NOTICE OF MOTION

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.

TAB (A)

APPENDIX "A"

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*

Court File No. _____

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE _____

)

WEEKDAY, THE #

JUSTICE _____

)

DAY OF MONTH, 20YR

)

BETWEEN:

PLAINTIFF

Plaintiff

—and—

DEFENDANT

Defendant

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~{RECEIVER'S NAME}~~ msi Spergel Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of ~~{DEBTOR}~~ 1393382 Ontario Limited (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and ~~{NAME OF PURCHASER}~~ K2 Group Inc. (the "Purchaser") dated ~~{DATE}~~ June 29, 2020 and appended to the Second Report of the Receiver dated ~~{DATE}~~ 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 at 330 University Avenue, via Zoom conference at Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~, no one appearing for any other person on the

service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed¹:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ 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 2765429 Ontario Inc..

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser's permitted assignee 2765429 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}⁴ 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"⁵) including, without limiting the generality of the foregoing: (i) any

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

encumbrances or charges created by the Orders of the Honourable Justice ~~[NAME]~~Hainey dated ~~[DATE]~~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 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 ~~[Registry Division of {LOCATION}]~~ of a Transfer/Deed of Land in the form prescribed by the ~~Land Registration Reform Act~~ duly executed by the Receiver~~][Land Titles Division of {LOCATION}]~~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*⁶, the Land Registrar is hereby directed to enter the Purchaser's permitted assignee 2765429 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 proceeds⁷ 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 sale⁸, 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.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect~~

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, pursuant to clause 7(3)(e) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7.6. 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;

the vesting of the Purchased Assets in the Purchaser's permitted assignee 2765429 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.

~~proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

8.7. ~~THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

9.8. 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:

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*

PLAINTIFF

Plaintiff

-and-

DEFENDANT

Defendant

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to ~~an Order~~s of the Honourable ~~[NAME OF JUDGE]~~Justice Hainey of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~December 16 and 18, 2019, ~~[NAME OF RECEIVER]~~msi Spergel Inc. was appointed as the receiver (the "Receiver") of the ~~certain~~ undertaking, property and assets of ~~[DEBTOR]~~1393382 Ontario Limited (the "Debtor").

B. Pursuant to an Order of the Court dated ~~[DATE]~~August 5, 2020, the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~June 29, 2020 (the "Sale Agreement") between the Receiver ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~K2 Group Inc. (the "Purchaser") and provided for the vesting in the Purchaser's permitted assignee 2765429 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 2765429 Ontario Inc. of a certificate confirming (i) the payment by the Purchaser's permitted assignee 2765429 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 2765429 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 2765429 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 2765429 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].

**[NAME OF RECEIVER]msi Spergel Inc., in
its capacity as Receiver of the undertaking,
property and assets of [DEBTOR]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

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

**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 LandsReal 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 LandsReal 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 LandsReal 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 LandsReal Property in the Land Registry Office:

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

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.

TAB (B)

APPENDIX “B”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BEFORE THE HONOURABLE

MR. JUSTICE KOEHNEN

Wednesday, the 5th day of August, 2020

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 the lawyers for the Receiver, no one appearing

for any other person on the service list contained in the Motion Record dated July 24, 2020 although properly served as appears from the affidavit of service 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 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:

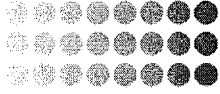
(905) 732-4481

Fax:

(905) 732-2020

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

TAB 2



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

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND BACKGROUND	5
II. PURPOSE OF THE REPORT	8
III. BUSINESS OPERATIONS	9
IV. THE SALES PROCESS	10
V. RECEIVER'S ASSESSMENT OF THE SALES AGREEMENT	11
VI. REQUEST FOR A PROTECTIVE SEALING ORDER	12
VII. FEES AND DISBURSEMENTS	12
VIII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS	13
IX. SECURED CREDITORS	13
X. RECEIVER'S PROPOSED DISTRIBUTION	14
XI. RECOMMENDATIONS	16

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**").

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 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.

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;

- 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

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:

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

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

Appendix 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;

GH

- (c) to manage, operate, and carry on the business of the Debtor, ^{at 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;

- (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 16, 2019 in the CIBC Action but the Receiver shall be permitted to copy any documents* 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.

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.

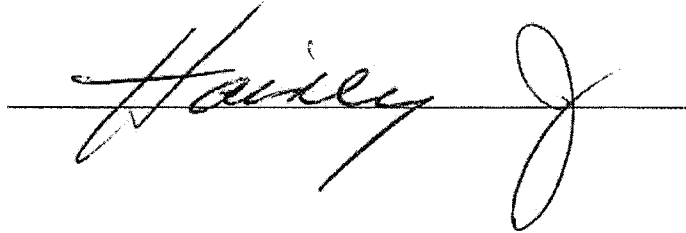
37. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

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

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

DEC 16 2019

PER / PAR: 

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~~.

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:

FIRST ONTARIO 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

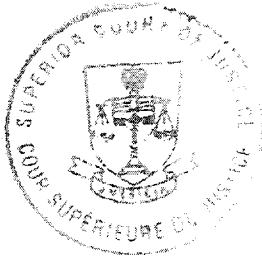
Lawyers for the Applicant

Appendix B

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	WEDNESDAY, THE 18 TH
)	
JUSTICE HAINEY)	DAY OF DECEMBER, 2019



FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

1393382 ONTARIO LIMITED

Respondent

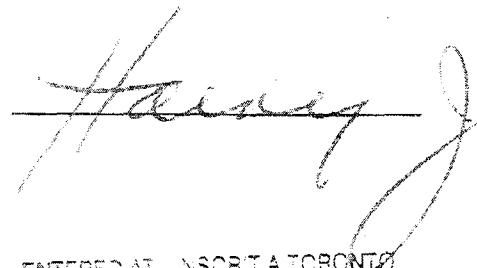
ORDER

THIS MOTION made by the Applicant, FirstOntario Credit Union Limited ("FirstOntario") for an Order amending the Order of Justice Hainey 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 Hainey 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 "Haining", written over a horizontal line.

ENTERED AT INSORT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 1 8 2019

PER / PAR: Handwritten initials, possibly "AL", following the text "PER / PAR:".

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

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

Lawyers for the Applicant

Appendix C



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #24

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

00877-0040 (LT)

PAGE 1 OF 2
PREPARED FOR Gaultier
ON 2020/07/20 AT 15:52:44

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 18, CON A, RALEIGH, AS IN 477706, TOGETHER WITH EASEMENT AS IN CK32321 OVER PART OF LOT 18, CON. A, RALEIGH, DESIGNATED AS PART 1, 24R8539 ; CHATHAM-KENT

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1993/09/13

OWNERS' NAMES
1393382 ONTARIO LIMITED

CAPACITY SHARE
BFNO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1993/09/13 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1993/09/13						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO						
** SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1993/09/13 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
24R2364	1979/09/18	PLAN REFERENCE				C
LT27549	2000/01/17	TRANSFER		908593 ONTARIO LIMITED	1393382 ONTARIO LIMITED	C
CK32760	2009/01/09	NOTICE	\$1	1393382 ONTARIO LIMITED	THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT	C
CK129070	2017/03/02	CHARGE	\$11,000,000	1393382 ONTARIO LIMITED	FIRSTONTARIO CREDIT UNION LIMITED	C
CK129071	2017/03/02	NO ASSGN RENT GEN		1393382 ONTARIO LIMITED	FIRSTONTARIO CREDIT UNION LIMITED	C
REMARKS: CK129070.						
CK154953	2019/02/13	NOTICE	\$2	1393382 ONTARIO LIMITED	FIRSTONTARIO CREDIT UNION LIMITED	C
REMARKS: CK129070						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #24

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

00877-0040 (LT)

PAGE 2 OF 2
PREPARED FOR Gualtieri
ON 2020/07/20 AT 15:52:44

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CK164261	2019/10/01	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	BDO CANADA LIMITED	C
CK165744	2019/11/04	RESTRICTIONS ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	CANADIAN IMPERIAL BANK OF COMMERCE	C
CK167835	2019/12/20	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	MSI SPERGER, INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

Appendix D



SPERGEL

69

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

TABLE OF CONTENTS

	Page
I. INTRODUCTION AND BACKGROUND	5
II. PURPOSE OF THE REPORT	7
III. ACTIONS OF THE RECEIVER UPON APPOINTMENT	8
IV. PROPOSED SALES PROCESS	11
V. FEES AND DISBURSEMENTS	12
VI. RECEIPTS AND DISBURSEMENTS	13
VII. RECOMMENDATIONS	13

APPENDICES

- A. Order of the Honourable Justice Hainey, dated December 16, 2019
- B. Order of the Honourable Justice Hainey, 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

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**").

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.

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;

- (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,

- 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.

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

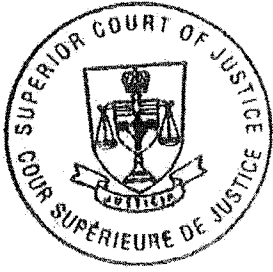
and not in its personal or corporate capacity

Per:



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

Appendix E



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*

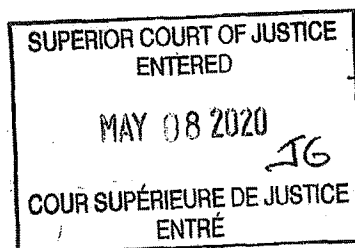
ORDER

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

Appendix F

AGREEMENT OF PURCHASE AND SALE

1393382 ONTARIO LIMITED

THIS AGREEMENT dated as of the 29 day of June, 2020.

BETWEEN:

MSI SPERGEL INC., in its capacity as Court-appointed receiver of the assets, undertakings and properties of **1393382 ONTARIO LIMITED** and not in its personal or corporate capacity and without personal or corporate liability.

(the "Vendor")

OF THE FIRST PART

- and -

K2 Group Inc.

(the "Purchaser")

OF THE SECOND PART

IN CONSIDERATION of the mutual agreements contained in this Agreement, the sufficiency of which is acknowledged by each of the Vendor and the Purchaser, the Vendor and the Purchaser agree as follows:

1. **DEFINITIONS**

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) **"Act"** means, for purposes of Section 20 hereof only, the *Excise Tax Act* (Canada);
- (b) **"Adjusted Inventory Value"** has the meaning ascribed to it in Section 9(d) hereof;
- (c) **"Agreement"** means this agreement of purchase and sale executed by the Purchaser and accepted by the Vendor, together with the attached schedules;

- (d) **"Approval and Vesting Order"** means an order of the Court substantially in the form of the template Approval and Vesting Order for use on the Commercial List of the Court on notice to the service list in the Debtor's receivership proceeding, all persons having a registered Encumbrance against the Purchased Assets, or any part thereof, and such other persons as the Purchaser may reasonably request, approving the transaction provided for in this Agreement, the completion by the Vendor of the transaction provided for in this Agreement and vesting in the Purchaser, or as the Purchaser may direct, all of the right, title and interest, if any, of the Debtor in the Purchased Assets free and clear of any right, title or interest of the Debtor, the Vendor or any other person, including all Encumbrances, save and except any Permitted Encumbrances;
- (e) **"Assignment of Contracts"** means an assignment and assumption of the right, title and interest and obligations of the Debtor in the Assumed Contracts to the Purchaser in the form mutually agreed upon between the Vendor and the Purchaser, each acting reasonably;
- (f) **"Assumed Contracts"** shall have the meaning ascribed to it in Section 3 hereof;
- (g) **"Buildings"** means the buildings, improvements, installations and fixtures of every nature and kind situate in, on and/or over the Lands;
- (h) **"Business"** means the business carried on by the Vendor from the Lands consisting of the operation of a gas station and convenience store;
- (i) **"Business Day"** means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (j) **"Closing"** shall have the meaning ascribed to it in Section 10 hereof;
- (k) **"Closing Adjustments"** shall have the meaning ascribed to it in Section 8(a) hereof;
- (l) **"Closing Documents"** means the Vendor's closing deliveries and the Purchaser's Closing deliveries together as set forth in Sections 17 and 18 hereof;
- (m) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (n) **"Court Order"** means collectively the orders of the Honourable Mr. Justice Hainey dated the 16th and 18th days of December, 2019 in the receivership proceeding of the Debtor whereby the Vendor was appointed receiver of the assets, undertakings and properties of the Debtor located at 22216 Bloomfield Road, Chatham, Ontario (the "Bloomfield Property");
- (o) **"Damages"** shall have the meaning ascribed to it in Section 18(h) hereof;

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- (p) **"Date of Closing"** shall have the meaning ascribed to it in Section 10 hereof;
- (q) **"Debtor"** means 1393382 Ontario Limited;
- (r) **"Deposit"** shall have the meaning ascribed to it in Section 7(a) hereof;
- (s) **"DRA"** shall have the meaning ascribed to it in Section 11(a)(i) hereof;
- (t) **"Encumbrances"** means all claims, liabilities, liens, mortgages, pledges, security interests, charges, restrictions and encumbrances of any kind or description, fixed or contingent, accrued or unaccrued, arising under contract, tort, statute or otherwise affecting or in any way relating to the Purchased Assets or any part thereof;
- (u) **"Environmental Activity"** means any past or present activity, event or circumstance in respect of any Hazardous Materials, including its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation or its release, escape, leaching, dispersal, emission, discharge or migration into the natural environment, including movement through or in the air, soil, subsoil, surface water or ground water, or in indoor spaces;
- (v) **"Environmental Law"** means any and all applicable federal, provincial, municipal and local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives, authorizations, rules, codes, permits, licenses, agreement or other governmental restrictions having the force of law relating to the environment, occupational health and safety, health protection, Hazardous Materials or any Environmental Activity;
- (w) **"Estimated Inventory Value"** shall have the meaning ascribed to it in Section 9(d) hereof;
- (x) **"ETA Election"** shall have the meaning ascribed to it in Section 20(c) hereof;
- (y) **"Excluded Assets"** means the following assets, property, rights and interests of the Debtor:
 - (i) all cash on hand, bank deposits, guaranteed investment certificates, securities and other similar cash or cash equivalent items;
 - (ii) all notes receivable and other debts due or accruing due to the Debtor, whether or not related to the Business;
 - (iii) all prepaid expenses not related to the Business;

- (iv) all income tax refunds, HST refunds and all other tax refunds and amounts that may be due to the Debtor from Canada Revenue Agency or any provincial tax authorities;
 - (v) all corporate records, minute books, tax records and returns, and other records having to do with the corporate organization of the Debtor;
 - (vi) all lottery tickets, the lottery terminal and related supplies;
 - (vii) any goods and chattels located on the Lands and owned by a third party; and
 - (viii) all information and materials in electronic and physical form of the Debtor not specifically related to or used in connection with the Business.
- (z) **"Government Authority"** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the transaction contemplated in this Agreement and/or one or both of the parties hereto and shall include a board or association of insurance underwriters;
- (aa) **"Hazardous Materials"** means any substance, material, matter or thing defined or regulated by any Environmental Law, contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in any Environmental Law and, not to limit the generality of the foregoing, includes asbestos, mould, urea formaldehyde foam insulation and mono- or poly-chlorinated biphenyl wastes;
- (bb) **"HST"** shall have the meaning ascribed thereto in Section 20(a) hereof;
- (cc) **"ICA"** shall have the meaning ascribed thereto in Section 14(b) hereof;
- (dd) **"Inventory"** means all inventories of or relating to or associated with the Business and situated on the Lands, including:
- (i) fuel in underground storage tanks;
 - (ii) propane; and

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- (iii) convenience store merchandise.
- (ee) "Lands" means the lands legally described on Schedule "A" hereto, together with all easements, rights-of-way, privileges and appurtenances attaching thereto and enuring to the benefit thereof;
- (ff) "Material Damage" shall have the meaning ascribed to it in Section 12 hereof;
- (gg) "Leases" means all leases or agreements to lease, if any, for the Lands and/or Buildings, or any portion thereof;
- (hh) "Permitted Encumbrances" means the Encumbrances listed in Schedule "B" hereof;
- (ii) "Personal Property" means the personal property relating to or associated with the Business situated on the Lands and listed on Schedule "C" hereof;
- (jj) "Purchase Price" shall have the meaning ascribed thereto in Section 7 hereof;
- (kk) "Purchased Assets" means the Lands, the Buildings, the Personal Property, the Inventory and the Rights;
- (ll) "Purchaser" means K2 Group Inc.;
- (mm) "Purchaser's Solicitor" means RSG LAW;
- (nn) "Registry Office" shall have the meaning ascribed to it in Section 11(a) hereof;
- (oo) "Requisition Date" means the fifth business day immediately preceding the return date of the motion to obtain the Approval and Vesting Order;
- (pp) "Rights" means the right, title and interest, if any, of the Debtor in the Leases and all benefits, advantages, licences, guarantees, warranties, indemnities, income, rents and options relating to the Land and the Buildings;
- (qq) "Tenants' Direction" shall have the meaning ascribed to it in Section 9(c) hereof;
- (rr) "TERS" shall have the meaning ascribed to it in Section 11(a) hereof;
- (ss) "Vendor" means msi Spergel Inc., in its capacity as Court-appointed receiver of the assets, undertakings and properties of the Debtor located at the Bloomfield Property, and not in its personal or corporate capacity and without personal or corporate liability; and
- (tt) "Vendor's Solicitors" means the firm of Flett Beccario;

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2. NATURE OF TRANSACTION

The Purchaser shall purchase and the Vendor shall sell all of the right, title and interest, if any, of the Debtor in the Purchased Assets, upon and subject to the terms of this Agreement.

3. ASSUMED CONTRACTS

- (a) As soon as practicable prior to the Closing Date, the Purchaser shall provide written notice to the Vendor of those contracts and or licenses which relate to the Business which the Purchaser has elected, at its sole discretion, to assume on Closing, if any (individually, an "Assumed Contract" and collectively, the "Assumed Contracts"), and such notice shall be deemed to be a provision contained in this Agreement.
- (b) Upon and subject to the terms of this Agreement, the Vendor shall assign to the Purchaser all of the Debtor's right, title and interest, if any, in and to the Assumed Contracts pursuant to the Assignment of Contracts and the Purchaser shall assume and indemnify and save harmless the Vendor from and against the obligations and liabilities under the Assumed Contracts arising after Closing.
- (c) This Agreement and any document delivered under this Agreement shall not constitute an assignment or attempted assignment of any Assumed Contract contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third party and if such consent has not been obtained such assignment or attempted assignment would constitute a breach of such Assumed Contract.
- (d) The Purchaser shall be solely responsible for obtaining all third party consents which are required or desirable for the assignment of the Assumed Contracts. The Vendor shall cooperate with the Purchaser in obtaining such consents but the Vendor shall be under no obligation to incur any expense or make any payment required to effect the assignment of the Assumed Contracts.
- (e) Any Assumed Contract for which the consent of a third party is required to effect the assignment and for which such third party consent has not been obtained as of Closing may be disclaimed by the Vendor.

4. ASSUMED LIABILITIES

Subject to the terms and conditions of this Agreement, the Purchaser agrees that it will, as and from the Date of Closing, effective as of the Closing, assume, discharge, perform, pay and fulfill and indemnify and save harmless the Vendor from and against the following obligations and liabilities (collectively, the "Assumed Liabilities"):

- (a) all obligations and liabilities under the Assumed Contracts arising after Closing; and

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- (b) all liabilities and obligations in respect of the Purchased Assets arising or incurred from and after Closing, including, without limitation, all obligations and liabilities relating to the Permitted Encumbrances.

5. **OBLIGATIONS EXCLUDED**

The Purchaser is not assuming and shall not be responsible for any liabilities or obligations of the Debtor other than those liabilities and obligations arising from the Purchased Assets and Assumed Contracts.

6. **EXCLUDED ASSETS**

- (a) The Vendor is not selling and the Purchaser is not purchasing the Excluded Assets, all of which are excluded from the Purchased Assets and the purchase and sale hereunder.
- (b) If any of the Excluded Assets or any proceeds thereof shall at any time come into the possession of or under the control of the Purchaser, such assets and/or proceeds shall be held by the Purchaser, in trust for the benefit of the Vendor. Upon the Purchaser becoming aware that it has come into possession of such assets and/or proceeds, the Purchaser shall forthwith so advise the Vendor in writing of same and shall, if so requested by the Vendor, account and deliver over to the Vendor, at the Vendor's cost, any such assets and/or proceeds.

7. **PURCHASE PRICE**

The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the "Purchase Price") shall be the sum of (i) [REDACTED] dollars (\$ [REDACTED]), plus (ii) the value of the Inventory calculated in accordance with Section 9(d). The Purchase Price shall be paid, accounted for and satisfied as follows:

Deposit: The Vendor acknowledges receipt from the Purchaser prior to the date of this Agreement of a deposit in the principal amount of \$ [REDACTED] (the "Deposit"), which sum shall be held by the Vendor, in trust, as a deposit pending Closing or termination of this Agreement. Subject only to the terms of this Agreement, the Deposit is to be credited on account of the Purchase Price upon completion of the transaction contemplated in this Agreement. In the event that this Agreement is not completed due to the Purchaser's default, the Vendor, in addition to any other remedies that it may have, shall be entitled to retain the Deposit as liquidated damages and not as a penalty. In the event that this Agreement is terminated for any reason whatsoever other than the default of the Purchaser, the Deposit shall be returned to the Purchaser forthwith, without interest or deduction;

- (b) **Balance Due at Closing:** the balance of the Purchase Price, net of the Deposit and subject to the adjustments contained in this Agreement, by payment at Closing to the Vendor (or as the Vendor may otherwise direct in writing) by way of certified cheque, bank draft or wire transfer drawn upon one of Canada's chartered banks or other financial institution acceptable to the Vendor.
- (c) **Allocations:** The Vendor and the Purchaser acknowledge and agree that they shall each make their own allocations of the Purchase Price between the Purchased Assets for the purposes of the *Income Tax Act* (Canada) and any filings in accordance with the provisions thereof.

8. **CLOSING AND POST-CLOSING ADJUSTMENTS**

- (a) **Closing Adjustments:** Adjustment shall be made, as of 12:01 a.m. on the Date of Closing, for realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates, utilities, fuel costs, and any other items which are usually adjusted in purchase transactions involving commercial properties in Ontario. The Date of Closing shall be for the account of the Purchaser, both as to income and expense. Save and except the adjustment provide for in Section 9(d) for the value of the Inventory, the Vendor shall not be required to re-adjust after closing any item on or omitted from the statement of adjustments.
- (b) **Reduction in Property Taxes:** The Purchaser acknowledges and agrees that the Vendor shall be entitled to the benefit of any reduction in the property taxes payable with respect to the Lands for the period prior to the Closing Date. To the extent that the Purchaser receives any amounts from the applicable municipality in respect of any reduction of property taxes relating to the period prior to the Date of Closing, the Purchaser shall forthwith forward such amounts to the Vendor.

9. **TERMS OF PURCHASE**

- (a) **"As Is, Where Is":** The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Materials or deficiencies which may exist on the Date of Closing, including, without limiting the generality of the foregoing, any latent or patent defects in the Purchased Assets and such defects as may be revealed in the Vendor's Deliveries. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets that the Purchaser shall have conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and shall have satisfied itself with regard to these matters. No representation, warranty or condition expressed or implied, statutory or non-statutory, oral or written has been or will be given by the Vendor as to title, encumbrances, description, fitness for any present or intended



purpose or use, the existence or non-existence of Hazardous Materials, compliance or non-compliance with any Environmental Law, any Environmental Activity from, on or in relation to the Lands, the existence, state, nature, identity, extent or effect of any investigations, administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under any Environmental Law in relation to the Lands, merchantability, condition, or quality, cost, state of repair, degree of maintenance, durability or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendor to sell same save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* of Ontario do not apply hereto and have been waived by the Purchaser. The descriptions of the Purchased Assets contained in this Agreement are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the accuracy of such descriptions. Any documentation, materials or information provided by the Vendor to the Purchaser regarding the Purchased Assets, or any part thereof, was provided solely for the convenience of the Purchaser and is not warranted or represented to be complete or accurate and does not form part of this Agreement. The Purchaser shall and shall be deemed to rely entirely on its own inspections and investigations concerning the Purchased Assets. The Purchaser acknowledges that it shall have no recourse to the Vendor with respect to the environmental condition of the Lands and has satisfied itself with respect to same. If the Closing occurs, the Purchaser shall assume any and all risks relating to the physical condition of the Purchased Assets which existed on or prior to the Closing Date. Neither the Purchaser nor any permitted occupant of the Lands shall have any recourse to the Vendor as a result of the nature or condition of the Purchased Assets. This section 9(a) shall not merge on Closing and is deemed incorporated by reference into all Closing documents and deliveries.

- (b) **Title and Other Requisitions:** The Purchaser acknowledges that it shall, at its own expense, examine title to the Lands and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Lands, satisfy itself as to the use of the Lands being in accordance with applicable zoning requirements and satisfy itself that the Buildings may be insured to the satisfaction of the Purchaser. Title to the Lands shall be good and marketable title in fee simple free from all Encumbrances save and except Permitted Encumbrances. The Purchaser shall be allowed until the Requisition Date, at its own expense, to satisfy itself that on Closing it will acquire title to the Purchased Assets free of any Encumbrances other than Permitted Encumbrances and shall provide Vendor's counsel with notice in writing of any valid requisition or objection in respect of Encumbrances against the Purchased Assets by no later than 5:00 p.m. (Eastern Standard Time) on the Requisition Date. The Vendor agrees to take reasonable steps and utilize its best efforts to satisfy or comply with any valid requisition. If the Vendor shall, through any cause, be unable to answer or comply with any valid requisition or objection which

the Purchaser will not waive, this Agreement shall be at an end (notwithstanding any intervening negotiations or litigation or any attempt to remove or comply with the same) and the full amount of the Deposit shall be returned to the Purchaser forthwith, without interest or deduction and the Purchaser shall not be entitled to any other compensation of any kind whatsoever with respect to the failure to satisfy or comply with such requisition. The Vendor shall not be required to furnish or produce any survey, abstract, deed, declaration or document or evidence of title except those in its possession.

- (c) **Leases and Tenancies:** The Purchaser agrees to accept title to the Lands subject to the Leases and any existing tenancies thereunder. The Vendor makes no representation or warranty whatsoever with respect to the Leases or the tenancies thereunder including, without limitation, the following matters:

- (i) whether rent deposits, damage deposits or like payments have been made or not;
- (ii) the correctness of the calculation, both past and present, of all sums received on account of such tenancies;
- (iii) the existence of any renewal rights or the terms associated with any renewal privileges;
- (iv) the absence of any ongoing disputes with the tenants with respect to any matter including the physical condition of the leased premises, any claim of setoff, the existence of rent deposits or renewal privileges;
- (v) the absence of any rights conferred upon the tenants in any lease or tenancy agreement or ancillary document granting to the tenant additional rights or privileges, including rights of first refusal, options or any exclusivity or non-competition clause; and
- (vi) the absence of any commitment made by the Debtor or any party acting on behalf of the Debtor to grant additional rights or privileges to the tenants.

The Purchaser acknowledges that the Vendor shall only be obliged to provide on Closing such information as it may have in hand relating to the names of tenants, the amount of the monthly rent, the date of the month on which rent is paid and whether the rent has been paid for the current month, together with any leases or renewal agreements which are actually in the Vendor's possession. The Purchaser acknowledges that the Vendor shall not be obliged to provide on closing any documentation other than a direction to tenants instructing them to pay future rent to the Purchaser or pursuant to the Purchaser's direction (the "Tenants' Direction").

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The Purchaser acknowledges the Vendor shall not be obliged to provide signed acknowledgments, estoppel certificates or any other documents signed by the tenants confirming the terms of the tenancies or the absence of any dispute with respect to the tenancies and acknowledge that the only adjustments to be provided on the Statement of Adjustments with respect to any tenancies shall be an adjustment in the Purchaser's favour for any rent actually received by the Receiver for the post-Closing period and an adjustment in the Receiver's favour for all unpaid rents for the month in which Closing occurs.

- (d) **Inventory:** The value of the Inventory for the purpose of calculating the Purchase Price shall be calculated as follows: (a) for fuel and propane, at the Receiver's actual invoiced cost for the quantity on hand; and (b) for convenience store merchandise, 85% of the Receiver's retail value.

Not less than two (2) Business Days prior to the Date of Closing the Vendor shall provide to the Purchaser the Vendor's estimated value for the Inventory (the "**Estimated Inventory Value**"). The Estimated Inventory Value shall be used to calculate the Purchase Price for the Closing.

Following Closing the Estimated Inventory Value will be adjusted in accordance with the following: (i) at the Date of Closing a physical count/measure and valuation of the Inventory will be completed by the Vendor using the services of one or more qualified independent professionals acceptable to the Vendor and the Purchaser, acting reasonably (the "**Adjusted Inventory Value**"); (ii) the Adjusted Inventory Value shall be provided by the Vendor to the Purchaser within two (2) Business Days after the Date of Closing; (iii) the Purchase Price shall be adjusted either upwards or downwards, based on whether the Adjusted Inventory Value is greater than or less than the Estimated Inventory Value. It is expressly acknowledged and agreed that:

- (i) both the Vendor and the Purchaser are entitled to be present and monitor the physical count/measure and valuation of the Inventory; and
- (ii) the amount of any adjustment to the Purchase Price shall be paid by certified cheque or bank draft within one (1) Business Day of the delivery by the Vendor to the Purchaser of the Adjusted Inventory Value.

10. **DATE OF CLOSING**

Subject to the provisions of Section 12 hereof, the transaction contemplated hereunder shall be completed (the moment of completion shall be referred to as "**Closing**") on the first business day following the date upon which the time to appeal the Approval and Vesting Order has expired, or, in the event that an appeal from the Appeal and Vesting Order is filed, the first business day following the final dismissal of the appeal (the "**Date of Closing**"), unless the parties hereto

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otherwise agree to such other date in writing. All documents and monies shall be delivered in accordance with the provisions of Section 11 of this Agreement.

11. ELECTRONIC REGISTRATION

- (a) In the event that the electronic registration system ("TERS") is operative in the relevant land registry office (the "Registry Office"), the following provisions shall apply:
 - (i) The Purchaser shall be obliged to retain a solicitor who is an authorized TERS user, has the necessary computer facilities to complete the transaction via TERS and is in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction and shall authorize such solicitor to enter into the Vendor's solicitor's standard form of escrow closing agreement or document registration agreement which will establish the procedures and timing for closing this transaction, provided they are in accordance with Law Society guidelines (the "DRA").
 - (ii) The delivery and exchange of the Closing Documents:
 - (1) shall not occur contemporaneously with the registration of the Deed and other registerable documentation; and
 - (2) shall be governed by the DRA, pursuant to which the Vendor's Solicitors and Purchaser's Solicitor shall hold all Closing Documents in escrow, and will not be entitled to release them except in strict accordance with the provisions of the DRA.
- (b) The Purchaser expressly acknowledges and agrees that the Vendor will not release the Approval and Vesting Order for registration until the balance of funds due on Closing, in accordance with the Statement of Adjustments, are remitted by personal delivery to the Vendor's Solicitors (or in such other manner as the Vendor or Vendor's Solicitors may direct) prior to the release of the Approval and Vesting Order for registration, which the Vendor's Solicitors will hold in escrow.
- (c) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Vendor upon the Purchaser when the Vendor's Solicitors have:
 - (i) delivered to the Purchaser's Solicitor all Closing Documents required to be delivered by the Vendor to the Purchaser pursuant to Section 17 hereof;

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- (ii) advised the Purchaser's Solicitor in writing that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
- (iii) completed all steps required by TERS to complete this transaction that can be performed or undertaken by the Vendor's Solicitors without the cooperation or participation of the Purchaser's Solicitor, and specifically when the "completeness signatory" for the Approval and Vesting Order has been electronically "signed" by the Vendor's Solicitors,

without the necessity of personally attending upon the Purchaser or the Purchaser's Solicitor with the Closing Documents, and without any requirement to have an independent witness evidencing the foregoing.

- (d) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Purchaser upon the Vendor, when the Purchaser's Solicitor has:
 - (i) delivered to the Vendor's Solicitor the balance due at Closing and all Closing Documents required to be delivered by the Purchaser to the Vendor pursuant to Section 18 hereof;
 - (ii) advised the Vendor's Solicitors in writing that the Purchaser is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) completed all steps required by TERS to complete this transaction that can be performed or undertaken by the Purchaser's Solicitor without the cooperation or participation of the Vendor's Solicitors, and specifically when the "completeness signatory" for the Approval and Vesting Order has been electronically "signed" by the Purchaser's Solicitor,

without the necessity of personally attending upon the Vendor or the Vendor's Solicitors with the Closing Documents, and without any requirement to have an independent witness evidencing the foregoing.

- (e) If through no fault of the Purchaser's Solicitor or the Vendor's Solicitors TERS is unavailable on the Closing Date, such that the Purchaser's Solicitor is unable to register the Approval and Vesting Order, then the transaction contemplated by this Agreement shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the Vendor's Solicitors shall advise the Purchaser's Solicitor forthwith and the parties shall arrange to

complete the registration of the Approval and Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 11 and the terms of the DRA, the terms of this Section 11 shall prevail.

12. **PRE-CLOSING RISK AND POST-DAMAGE ENTITLEMENTS**

The Purchased Assets are and shall remain at the Vendor's risk until Closing. In the event of damage to the Purchased Assets prior to the Closing Date, in excess of two hundred and fifty thousand (\$250,000) Dollars, as determined by an independent third party expert appointed by the Vendor ("**Material Damage**"), the Purchaser may, at its option: (a) complete the transaction contemplated by this Agreement without reduction of the Purchase Price, in which event all proceeds of insurance or compensation shall be payable to the Purchaser; or (b) rescind this Agreement, and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without interest or deduction, and the Purchaser shall not be entitled to any other compensation of any kind whatsoever with respect to the failure to close as a result of such loss or damage. The Vendor shall use its best efforts to advise the Purchaser, in writing, within twenty-four (24) hours of the Vendor learning of any Material Damage to the Purchased Assets. The Purchaser shall have five (5) days, or such longer period as the Vendor in its sole and absolute discretion may agree to in writing, from delivery of such notice to advise the Vendor in writing as to its election, if any. In the event that the Purchaser fails to notify the Vendor in writing as to its election within the prescribed time period, the Vendor may terminate this Agreement immediately by providing written notice to the Purchaser and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without deduction, failing which, the Purchaser shall be deemed to have elected to complete the transaction in accordance with subparagraph (a) above.

13. **VENDOR'S REPRESENTATIONS AND WARRANTIES**

The Vendor represents and warrants to the Purchaser that, as at the date hereof and as of the Closing Date:

- (a) **Non-Residency**: the Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and the Vendor is not now and does not intend to become, prior to Closing, an agent or a trustee of such non-resident;
- (b) **Court Order**: the Court Order is in full force and effect; and

- (c) **HST Registration:** The Vendor shall be registered for the purposes of the ETA prior to the Closing and shall provide its registration number to the Purchaser on or prior to the Closing.

14. **PURCHASER'S REPRESENTATIONS AND WARRANTIES**

The Purchaser represents and warrants to the Vendor that, as at the date hereof and as of the Closing Date:

- (a) **Corporate Matters Regarding Purchaser:** the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the transaction contemplated hereunder will violate:

- (i) the Purchaser's articles of incorporation and by-laws;
- (ii) any agreement to which the Purchaser is bound or is a party;
- (iii) any judgement or order of a court of competent authority or any Government Authority; or
- (iv) any applicable law;

and the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder;

- (b) **Investment Canada Act (Canada):** either (i) the Purchaser is not a "non-Canadian", as defined in the *Investment Canada Act* (Canada) ("ICA"); or (ii) if the Purchaser is a "non-Canadian", this transaction is not a reviewable transaction under the ICA, or, if applicable, the Purchaser is a non-Canadian for the purpose of the ICA and will within three (3) Business Days of the execution of this Agreement submit to Investment Canada a fully completed Application for Review with respect to the transaction contemplated in this Agreement and will use its best efforts to obtain Investment Canada Approval within ten (10) days thereafter.
- (c) **HST Registration:** The Purchaser shall be registered for the purposes of the ETA prior to the Closing and shall provide its registration number to the Vendor on or prior to the Closing.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser's representations and warranties contained in this Agreement not continuing to be true as at Closing.

15. **CONDITIONS OF CLOSING IN FAVOUR OF THE VENDOR**

- (a) The Vendor's obligations contained in this Agreement shall be subject to the fulfilment at or prior to Closing, of each of the following conditions:
- (i) **Representations and Warranties**: each of the Purchaser's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing;
 - (ii) **Covenants/Agreements**: the Purchaser shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing;
 - (iii) **Redemption or Loss of Control**: the Vendor shall not have lost its ability to convey the Purchased Assets or any part thereof;
 - (iv) **No Legal Action**: no action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the completion of the transaction contemplated by this Agreement or the right of the Purchaser to own the Purchased Assets after the time of Closing and no Order restraining or prohibiting Closing shall have been made by the Court;
 - (v) **Approval and Vesting Order**: the Vendor shall have obtained the Approval and Vesting Order.
 - (vi) **No Stay or Appeal**: The Approval and Vesting Order shall not have been stayed, varied or vacated and shall be in full force and effect and no appeal of the Approval and Vesting Order shall have been commenced and be outstanding; and
 - (vii) **Corporate Steps and Proceedings**: all necessary corporate steps and proceedings shall have been taken by the Purchaser to permit the Purchaser's execution of this Agreement and performance of each of the Purchaser's obligations hereunder.

For greater certainty, each of the conditions contained in this Section 13(a) have been inserted for the benefit of the Vendor.

- (b) The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled the condition contained in Section 15(a)(v) and the Purchaser covenants to use

its reasonable commercial efforts to fulfil or cause to be fulfilled the conditions contained in Section 15 hereof prior to Closing which are under the Purchaser's control.

- (c) In the event that any of the foregoing conditions shall not be fulfilled, in whole or in part, at or prior to Closing, the Vendor may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Purchaser without penalty or liability whatsoever to the Vendor, subject to the provisions of Section 7(a) hereof with respect to the Deposit, and otherwise without cost or other compensation and each of the Vendor and the Purchaser shall be released from its obligations and liabilities hereunder.

16. **CONDITIONS OF CLOSING IN FAVOUR OF THE PURCHASER**

- (a) The Purchaser's obligations contained in this Agreement shall be subject to the fulfilment, at or prior to Closing, of each of the following conditions:

- (i) **Representations and Warranties:** each of the Vendor's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing;
- (ii) **Covenants/Agreements:** the Vendor shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing;
- (iii) **No Legal Action:** no action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the completion of the transaction contemplated by this Agreement or the right of the Purchaser to own the Purchased Assets after the time of Closing and no Order restraining or prohibiting Closing shall have been made by the Court; and
- (iv) **Approval and Vesting Order:** the Vendor shall have obtained the Approval and Vesting Order; and
- (v) **No Stay or Appeal:** The Approval and Vesting Order shall not have been stayed, varied or vacated and shall be in full force and effect and no appeal of the Approval and Vesting Order shall have been commenced and be outstanding.

For greater certainty, each of the conditions contained in this Section 16(a) have been inserted for the benefit of the Purchaser.

- (b) The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled all of the conditions contained in section 16 which are under the Vendor's control.

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- (c) In the event that any of the foregoing conditions shall not be fulfilled at or prior to Closing, the Purchaser may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Vendor without any penalty or liability whatsoever to the Purchaser, subject to the provisions of Section 7(a) hereof with respect to the Deposit, and otherwise without cost or other compensation and each of the Vendor and the Purchaser shall be released from all other obligations hereunder.

17. **VENDOR'S CLOSING DELIVERIES**

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- (a) **Approval and Vesting Order**: A copy of the Approval and Vesting Order;
- (b) **Statement of Adjustments**: a statement of adjustments prepared in accordance with Section 7 hereof, to be delivered not less than two (2) Business Days prior to Closing;
- (c) **Vendor's Certificate**: the Vendor's Certificate setting out that each of the Vendor's representations and warranties contained in this Agreement are true as of Closing and that each of the conditions in section 15 have been fulfilled, performed or waived as of the Time of Closing;
- (d) **Direction Regarding Funds**: a direction from the Vendor designating the party or parties to which the balance of the Purchase Price described in Subsection 7(b) hereof shall be paid; in the event that the Vendor designates more than one party then it shall also designate amounts payable to each of the parties;
- (e) **Keys, etc.**: all keys, security cards and access codes for the Buildings in the Vendor's possession;
- (f) **ETA Election**: the ETA Election, if applicable;
- (g) **Assignment of Contracts**: the Assignment of Contracts;
- (h) **Tenants Direction**: the Tenants' Direction;
- (i) **Receiver's Certificate**: the Receiver's Certificate as provided for in the Approval and Vesting Order;
- (j) **Certificate Re: Appeals**: a certificate of the Vendor certifying that except as disclosed in the Certificate, the Vendor has not been served with any notice of appeal with respect to the Court Order or the Approval and Vesting Order, or any notice of any application, motion or proceeding seeking to set aside or vary the Court Order or Approval and Vesting Order or to enjoin, restrict or prohibit the transaction provided for in this Agreement.

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- (k) **Non-Residence Certificate**: the Vendor's certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and is not the agent nor trustee of a "non-resident";
- (l) **Receipt**: a receipt from the Vendor for the Purchase Price; and
- (m) **Further Documentation**: such further documentation relating to the completion of this Agreement as may be reasonably required by the Purchaser or the Purchaser's Solicitor, provided that such further documentation is in a form satisfactory to the Vendor, taking into consideration the fact that the Vendor is selling the Purchased Assets as a court-appointed receiver.

18. **PURCHASER'S CLOSING DELIVERIES**

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) **Undertaking To Re-Adjust**: the Purchaser's undertaking to re-adjust any item on or omitted from the statement of adjustments, subject to the limitation contained in Subsection 8(a) hereof;
- (b) **Purchaser's Certificate**: the Purchaser's certificate setting out that each of the Purchaser's representations and warranties contained in this Agreement are true as at Closing and that each of the conditions in section 16 have been fulfilled, performed or waived as of the Time of Closing;
- (c) **Directors' Resolution**: a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder;
- (d) **Property Tax Reduction**: such directions, acknowledgments and other documents as may be necessary or desirable to ensure that the benefit of any reduction in the property taxes payable with respect to the Lands for the period prior to the Closing Date is received by the Vendor;
- (e) **Taxes**: payment or evidence of payment of applicable federal and provincial taxes or alternatively, the ETA Election, if applicable, or appropriate self-assessment or exemption documentation;
- (f) **HST Indemnity**: the indemnity provided for under Subsection 20(d) hereof;
- (g) **Certificate of Incumbency**: a certificate of incumbency setting out the names and specimen signatures of each of the directors and officers of the Purchaser;

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- (h) **Environmental Indemnity:** an environmental indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
- (i) the presence or release of any Hazardous Materials in, on or under the Lands or the threat of a release;
 - (ii) the presence of any Hazardous Materials in, on or under properties adjoining or proximate to the Lands;
 - (iii) any other environmental matters relating to the Lands;
 - (iv) the breach by the Purchaser or those for whom it is responsible at law of any Environmental Law applicable to the Lands; or,
 - (v) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled or transported by or on behalf of the Purchaser.
- (i) **Balance Due at Closing:** the balance of the Purchase Price described in Subsection 7(b) hereof;
- (j) **Assignment of Contracts:** the Assignment of Contracts; and
- (k) **Further Documentation:** any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or the Vendor's Solicitors.

19. **PLANNING ACT (ONTARIO)**

This Agreement shall be effective to create an interest in the Lands for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing.

20. **HARMONIZED GOODS AND SERVICES TAX**

- (a) **Application of HST to this Agreement:** If the transaction contemplated hereunder shall be subject to Harmonized sales tax ("**HST**") levied pursuant to the Act, then HST shall be in addition to and not included in the Purchase Price, shall be payable by the Purchaser and shall be collected and remitted in accordance with the Act.

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- (b) **HST Registration:** The Purchaser is registered for the purposes of the Act, and its HST number is _____, or shall be registered as of Closing.
- (c) **Self-Assessment:** If part or all of the said transaction is subject to HST then, where applicable, the Purchaser shall have the option of furnishing the Vendor with appropriate exemption certificates and/or self-assessment indemnification documentation in form satisfactory to the Vendor. If available, the Vendor agrees to execute an election pursuant to s. 167(1) of the Act to have the sale of the Purchased Assets take place without the requirement for the collection or remittance of HST to the extent possible (the "ETA Election"). In such case, the Purchaser agrees to file such election in accordance with the provisions of the Act.
- (d) **HST Indemnity:** The Purchaser shall indemnify and save harmless the Vendor from all claims, liabilities, penalties, interest, costs and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated hereunder.

21. **POSSESSION**

The Vendor shall remain in possession of the Purchased Assets until the time of Closing. Upon the completion of the transaction, the Vendor shall yield up possession of the Purchased Assets to the Purchaser and the Purchaser shall take possession of the Purchased Assets where situate. Title to the Purchased Assets shall not pass to the Purchaser until the completion of the transaction provided for herein and the Receiver's Certificate has been delivered to the Purchaser. The Vendor shall be entitled, but shall not be obligated, to remove from the Buildings any chattels, books, records, documents or other personal property situate in the Buildings which does not form part of the Purchased Assets. Any original books and records of the Debtor which remain on the Lands at Closing shall be retained by the Purchaser and made available to the Vendor for inspection for a period of six (6) years after the Date of Closing or such longer period as may be required by applicable laws.

22. **NOTICE**

Any notice given hereunder shall be in writing and delivered or communicated by facsimile or electronic transmission to:

in the case of the Purchaser to:

- (a) In the case of the Purchaser:

K2 Group INC
147 Liberty St
TORONTO, ONTARIO

Attention: KASLASH KASAL
 Tel.: 416-434-5120
 Fax: _____
 Email: KKASAL@K2GROUP.CA

and with a copy to the Purchaser's Solicitor:

R J G LAW
20 MARITIME ONTARIO BUILD
SUITE 210
BRAMPTON, ONTARIO
L6R 0E7

Attention: RAJ GREWAL
 Tel.: 416-948-2665
 Fax: ~~416~~ 4866-5700-0633
 Email: raj@rajgrewal.ca

and in the case of the Vendor to:

msi Spergel Inc., in its Capacity as
 Court-Appointed Receiver of 1393382 ONTARIO LIMITED
 200-505 Consumers Road
 Toronto, ON M2J 4V8

Attention: Deborah Hornbostel
 Email: deborah@spergel.ca
 Tel. & Telecopier: (416) 498-4308

with a copy to the Vendor's Solicitors at:

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

Attention: Ross Macfarlane
 Email: jrmacfar@flettbeccario.com



Telephone (905) 732-4481 ext. 274
Fax (905) 732-2020

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted on the next Business Day. A party may change its address and/or telecopier machine number and/or e-mail address by providing notice in accordance with this Section 22.

23. WAIVER OF CONDITIONS

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Vendor or the Purchaser, as indicated, and are conditions of the obligations of such party to complete the transaction contemplated hereunder at Closing and are not conditions precedent of this Agreement. Any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting party without prejudice to the benefiting party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the closing of the transaction contemplated hereunder by a party hereof shall be deemed to be a waiver by such party of compliance with any condition inserted for its benefit and not satisfied at Closing.

24. SEVERABILITY

If any provision contained in this Agreement or the application thereof to any person/entity or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons/entities or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

25. DIVISION/HEADINGS

The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

26. ENTIRE AGREEMENT

This Agreement and the schedules attached hereto constitute the entire agreement between the Vendor and the Purchaser in respect of the Purchased Assets. Each of the parties acknowledges that, except as contained in this Agreement, there is no representation, warranty, collateral

agreement or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement.

27. **CUMULATIVE REMEDIES**

No remedy conferred upon or reserved to one or both of the parties hereto is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

28. **INTERPRETATION**

This Agreement shall be read with all changes of gender and number as required by the context.

29. **REFERENCES TO STATUTES**

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

30. **TIME OF ESSENCE**

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Vendor and the Purchaser or their respective solicitors who are hereby expressly appointed for that purpose.

31. **CANADIAN FUNDS**

All references to dollar amounts contained in this Agreement shall be deemed to refer to Canadian funds.

32. **TENDER**

Any tender of notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by a negotiable cheque certified by a Canadian chartered bank or by an official bank draft drawn upon one of Canada's five largest chartered banks.

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33. **FURTHER ASSURANCES**

Except as otherwise expressed herein to the contrary, each party shall, without receiving additional consideration therefore, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement. Provided that upon the discharge of the Vendor as receiver, the Vendor's obligation under this paragraph shall be at an end and the Vendor shall have no continuing obligation under this paragraph.

34. **CONFIDENTIALITY**

The Purchaser and its agents, advisors and authorized representatives shall maintain in strict confidence, until Closing, all information and materials delivered or made available pursuant to this Agreement, except as may reasonably be disclosed by the Purchaser:

- (a) to facilitate the procurement of financing for the Purchased Assets;
- (b) to enforce any of its rights/remedies hereunder;
- (c) to enforce any of its other rights/remedies, if any, pursuant to common law, equity or statute; or
- (d) to comply with laws requiring disclosure.

In the event that the transaction contemplated in this Agreement is, for any reason whatsoever, not completed, then the Purchaser shall, upon request from the Vendor, promptly return to the Vendor all materials delivered hereunder and deliver to the Vendor all copies of materials made available hereunder.

35. **NON-BUSINESS DAYS**

In the event that any date specified or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

36. **DOCUMENTATION PREPARATION AND REGISTRATION**

The Purchaser shall prepare or cause to be prepared the land transfer tax affidavit to be attached to the Approval and Vesting Order. Each of the parties shall deliver draft documentation to the other not less than five (5) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and have substance satisfactory to the Vendor and the Purchaser, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the transaction contemplated in this Agreement.

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Except as otherwise expressly provided in this Agreement, each of the Vendor and the Purchaser shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

37. **LAND TRANSFER TAXES AND SALES TAXES**

The Purchaser shall pay on or prior to Closing all applicable federal and provincial taxes exigible in connection with the transaction hereunder including, without limitation, HST and land transfer taxes (as required pursuant to the *Land Transfer Tax Act* (Ontario)).

38. **GOVERNING LAWS**

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario and each of the parties irrevocably attorns to the Courts of the Province of Ontario.

39. **ASSIGNMENT AND ENUREMENT**

The Purchaser shall not assign part or all of its interest under this Agreement without the prior written consent of the Vendor, which consent may be arbitrarily withheld. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

40. **NON-REGISTRATION OF AGREEMENT**

The Purchaser acknowledges that this Agreement is personal to the Purchaser and that this Agreement or any monies paid hereunder do not create an interest in the Lands and the Purchaser further acknowledges that upon any breach of this Agreement by the Vendor, the Purchaser has an adequate remedy in damages. The Purchaser agrees that it will not register or cause or permit to be registered this Agreement and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Lands, and the Purchaser shall be deemed to be in default under this Agreement if it makes any registration or causes or permits any registration to be made on title to the Lands prior to the Date of Closing.

41. **VENDOR'S CAPACITY**

It is acknowledged by the Purchaser that msi Spergel Inc. is entering into this Agreement solely in its capacity as Court-appointed receiver pursuant to the Court Order and that msi Spergel Inc. shall have no personal or corporate liability under or as a result of this Agreement. Any claim against msi Spergel Inc. shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as receiver of the Debtor, and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used

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in this Agreement shall have no inference or reference to the present registered owner of the Purchased Assets.

42. FURTHER ASSURANCES

Each of the parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other parties hereto may reasonably require from time to time after Closing at the expense of the requesting party for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Provided that upon the discharge of the Vendor as receiver, the Vendor's obligations under this paragraph shall be at an end and neither the Vendor nor msi Spergel Inc. shall have any continuing obligation under this paragraph.

43. WAIVER, AMENDMENT

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

44. TIME FOR ACCEPTANCE

The offer to purchase comprising this Agreement shall be irrevocable by the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. on the 13TH day of July, 2020 after which time, if not accepted and notice of such acceptance communicated to the Purchaser, then the said offer to purchase shall be null and void and of no further force and effect. This Agreement may be accepted by giving a copy thereof to the Purchaser with the Vendor's acceptance endorsed thereon personally or by facsimile or other electronic transmission. If so accepted prior to the expiration hereof, this Agreement shall constitute a binding contract between the parties

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to purchase and sell the Purchased Assets on the terms and conditions set forth herein and is not subject to any conditions precedent.

DATED BRAMPTON, Ontario as of the date first mentioned above.

KR Group Inc.
 By: [Signature]
 Name: KAILASH KASAL
 Title: PRESIDENT

I have authority to bind the Corporation.

The Vendor hereby accepts the foregoing offer to purchase and its terms and agrees with the Purchaser to duly complete the transaction contemplated thereunder.

HAMILTON
 DATED at ~~Toronto~~, Ontario this 2ND day of JULY, 2020.

msi Spergel Inc., in its capacity as Court-Appointed Receiver of the assets, undertakings and properties of 1393382 ONTARIO LIMITED, and not in its personal or corporate capacity and without personal or corporate liability

By: [Signature]
 Name: J. FRANGE, JT
 Title: PARTNER

I have authority to bind the Corporation.

Schedule "A" – LEGAL 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 (PIN: 00877-0040(LT))

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Schedule "B" – PERMITTED ENCUMBRANCES

1. Any undetermined or inchoate liens and charges incidental to the Purchased Assets.
2. The Leases.
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 Lands;
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 Lands 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 Lands;
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 Lands in the Land Registry Office:

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

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Schedule "C" – PERSONAL PROPERTY

Retail Counters

Restaurant Equipment

Kubota Tractor

Storage Trailer

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Appendix G

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRSTONTARIO CREDIT UNION LIMITED

Applicant

- and -

1393382 ONTARIO LIMITED

Respondent

AFFIDAVIT OF DEBORAH HORNBOSTEL
(Sworn July 22, 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 Hainey 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.

**Exhibit "A" of the Affidavit of
Deborah Hornbostel
Sworn before me on this 22nd day of July, 2020**



A Commissioner, Etc.

**Velly Livshitz, a Commissioner, etc.,
Province of Ontario, for rsi Spergel inc.
Expires March 13, 2021.**

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

**Summary Of Time Charges Of The Receiver
For The Period April 1, 2020 TO July 17, 2020**

	Hours	Standard Hourly Rates	Standard Charge	Discount Applied	Fees Charged
Deborah Hornbostel, CPA, CA, CFE, CIRP, LIT	122.7	\$525.00	\$64,417.50	\$15,951.00	\$48,466.50
Trevor Pringle, CFE, CIRP, LIT	30.5	525.00	16,012.50	3,965.00	12,047.50
Philip H. Gennis, LL.B., CIRP, LIT	0.45	525.00	236.25	58.50	177.75
Gillian Goldblatt, CPA, CA, CIRP, LIT	0.2	375.00	75.00	17.00	58.00
Mukul Manchanda, CPA, CIRP, LIT	0.8	395.00	316.00	84.00	232.00
Rashid Peeroo CPA	245.9	200.00	49,180.00	11,065.50	38,114.50
Eileen Sturge	0.5	250.00	125.00	32.50	92.50
Inga Friptuleac	127.6	125.00	15,950.00	3,190.00	12,760.00
Haran Sivanathan	15.1	150.00	2,265.00	755.00	1,510.00
Hinna Shakh	0.5	150.00	75.00	20.00	55.00
BREC	12	200.00	2,400.00	600.00	1,800.00
Total	<u>556.25</u>		<u>\$151,052.25</u>	<u>\$35,738.50</u>	<u>\$115,313.75</u>
HST					14,990.79
Total Charge					<u>\$130,304.54</u>
Average Hourly Rate			<u>\$ 271.55</u>		<u>\$ 207.31</u>

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 1 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Bank Reconciliations (BREC)					
Fri	07/17/2020	Time to prepare and review monthly bank reconciliations to July 2020	12.00	\$150.00	\$1,800.00
Bank Reconciliations (BREC)			12.00		\$1,800.00
Deborah Hornbostel (DHO)					
Wed	04/01/2020	Review email from RP re ADS cleaning services, discussion with him on it, email to KRS to confirm D.Ellis termination, request ROE and draft pay report for him, forward ADS quote, advise them of initial discussions with Arvinder and request proposed plan of action approve coremark order, review Cushman Wakefield listing proposal, email from Gary Singh requesting Receiver to obtain ROE form, investigation into process, register with Service Canada etc., email to Gary to provide instructions on obtaining ROE forms, review and approve disbursements, request copies of invoices re Coldhaus	3.20	\$395.00	\$1,264.00
Thur	04/02/2020	Attempts to obtain ROE form from Service Canada, review KRS management agreement wrt their duties, approve accounts payable, download bank statement for RP	0.60	\$395.00	\$237.00
Fri	04/03/2020	Review and amend draft P&L for March'20, discussion with RP re same, forward draft to TP, email to RP re WSIB and ROE status, update from KRS re ROEs	1.30	\$395.00	\$513.50
Sat	04/04/2020	Review email from Joe Emmons, review listing proposal from CBRE, review invoice submission from Randy Anderson, requisition payment	0.50	\$395.00	\$197.50
Mon	04/06/2020	Review email and statement of account from NATSN, email to Angie to advise of missing payment and requisition wire transfer for new charges, review and approve posting reports and payment requisitions, locate and forward NATSN banking info, review listing proposal from Colliers, review and approve disbursements	1.20	\$395.00	\$474.00
Tues	04/07/2020	F/u with Traffic West re April truck parking rent, review newly issue customer account statements, review and email fuel delivery invoice to RP for processing, review and comment on RP's new quote for covid cleaning	0.40	\$395.00	\$158.00
Wed	04/08/2020	Review and approve receiver's invoice and requisition payment, review and approve payroll and various supplier invoices, finalize invoice for issuance to First Ontario, sign disbursement cheques	1.90	\$395.00	\$750.50
Thur	04/09/2020	Review and approve disbursements, forward fuel pricing to KRS	0.10	\$395.00	\$39.50
Mon	04/13/2020	Review cleaning quote summary email from RP to KRS, instructions to RP re 10% wage subsidy, review and download bank statement, em it to RP, provide March P&L statement to KRS, review email from Jas re broken freezer, respond, review email from him re deep cleaning and respond	0.60	\$395.00	\$237.00
Tues	04/14/2020	Review and approve disbursements, discuss cleaning needs and quotes, review and approve HST return, file March 2020 return online, approve online payment of DAS re March	1.50	\$395.00	\$592.50
Wed	04/15/2020	Review new cleaning quotes and provide instructions to RP, review and approve quote for grass cutting	0.20	\$395.00	\$79.00
Thur	04/16/2020	Review email from Jas Singh re \$12K adjustment to OLG statement on April 15, tc to OLG to enquire about it, email back to Jas, review invoice from KRS re Covid 19 supplies and charges, approve direct payment by KRS, review and approve various invoices and requisitions and online Coremark payment, commence court report drafting	2.50	\$395.00	\$987.50
Fri	04/17/2020	Report drafting	4.50	\$395.00	\$1,777.50

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- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 2 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Mon	04/20/2020	Drafting of court report, review and provide instructions to RP re Covid cleaning engagement with Jan-Pro,, instructions to him re Derrick Ellis final pay, calculations required for Covid wage subsidy, review his draft SRD and provide amendment instructions and request for reconciliation between cash and accrual results, redact documents for the court report, provide info to Jas Singh for completion of ROE, forward pricing re fuel to KRS	5.30	\$395.00	\$2,093.50
Tues	04/21/2020	Review of SRD and queries to RP on lit, finalize SRD and update report, send to TP and Ross MacFarlane to review draft, work on affidavit of fees, review and approve disbursements, receipt and review of legal fee affidavit, approve payment of new legal invoice, email to Alyssa of Flett Beccario re affidavit issue, review and approve summer lawn maintenance quotes and contract	4.70	\$395.00	\$1,856.50
Wed	04/22/2020	Review and approve Coremark Order, review payroll and advise RP of errors in KRS payroll submission, request corrections, tc with Jeff Podsadecki of Jan-Pro to co-ordinate scheduling and provide payment information via credit card, prepare and execute required contract and email to Jeff, review request from Jas Soingh for various account openings and provide instructions to RP, review emails from Ross MacFarlane and revised legal fee affidavit, work on finalizing receiver's affidavit, discussion with TP re Ross MacFarlane's comments to draft report, email to Angelo Consoli of BDO to advise of proposed sales process, review amended payroll and expense requisitions and approve, receipt of executed Jan-Pro contract and payment receipt, review appraisals wrt restaurant equipment implications, amend draft fee affidavit and send to Ross MacFarlane for review along with responses to his comments on the draft report, update from RP re WSIB coverage status, review and forward fuel pricing to KRS	3.80	\$395.00	\$1,501.00
Thur	04/23/2020	Review email from Ross MacFarlane, review original receivership motion record, review and approve various operating disbursements and sign cheques, cc with TP and Ross MacFarlane, court report drafting, finalize fee affidavit	3.50	\$395.00	\$1,382.50
Fri	04/24/2020	Completion of credit applications for Champion and Krispey Kernals, approve Coremark order, review of new fuel invoices, prepare summary of appraisal, finalize court report and all appendices for issuance to Ross MacFarlane	3.90	\$395.00	\$1,540.50
Mon	04/27/2020	Review quote for clean up of dispensers, canopies etc and approve, review and approve various disbursements, review WSIB statement and instructions to RP to dispute charges for 2019	0.60	\$395.00	\$237.00
Wed	04/29/2020	Forward pump cleaning quote to TP, respond to him re KRS communications	0.10	\$395.00	\$39.50
Thur	04/30/2020	Review and approve disbursements, instructions to KRS to prepare CEWS schedules for 75% wage subsidy, review email from Gary Singh requesting authorization for CAD drawings, request explanation for need, update from RP re WSIB premium resolution, review CRA portal, email to FK to contact CRA for explanation on ineligibility re CEWS, review email from Mark Perkins and execute agreement re McClosky Engineering	0.80	\$395.00	\$316.00
Mon	05/04/2020	Download bank statement for reconciliation, review and sign cheques, review email chain between Gary Singh and Mark Zimmer of Parkland and provide confirmation of self haulage request, arrange for website posting of application record and motion record, provide WIP amount for April SRD, review and respond to email from Chris Mazer BDO re Matthew Vettese, review and approve various cheque requisitions,	1.20	\$395.00	\$474.00

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- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 3 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hombostel (DHO)					
Tues	05/05/2020	Review and approve invoices from NATSN and Jan Pro, prepare and issue wire/cheque requisitions, draft APS and send to TP and Ross Macfarlane for review, review and approve draft court order, online approval of wire payment, review and approve payroll and employee expenses	3.20	\$395.00	\$1,264.00
Wed	05/06/2020	Review and approve expenses, review email from Vladd of Lax of Sullivan re debtors' concerns on the Colliers' proposal and draft order, cc with Ross MacFarlane re same, sign disbursement and payroll cheques, review draft P&L, queries to RP, finalize and send to TP	1.30	\$395.00	\$513.50
Thur	05/07/2020	Approve Coremark order, f/u on Traffic West, review court order and arrange for posting to website, review invoices from KRS for various services, update from TP re sales process and data room	0.50	\$395.00	\$197.50
Fri	05/08/2020	Review and file HST return online, check again ability to file CEWS online - not working.	0.70	\$395.00	\$276.50
Mon	05/11/2020	TC to CRA re CEWS filing problem, review and approve disbursements, prepare CEW eligibility schedule, review and approve DAS payment requisition, review previous correspondence documentation sent to Colliers and forward to RP, review OHB publication schedule, instructions to FK re advertising	1.20	\$395.00	\$474.00
Tues	05/12/2020	Tc with Eric Gravel of MOF re tobacco license, em to Arvinder re license posting and request to contact Eric Gravel, review and approve operating disbursements, tc with CRA re wage subsidy access problem, review Colliers NDA, review CEWS schedule prepared by Jas Singh, queries to him on his calculations, review revised Country Signs quote, forward to TP for confirmation from First Ontario for proceeding, approve online payments, discussion with RP re Colliers info requirements and Slushie machine contract, email to Gary Singh to obtain another sign quote, review email from Jas Singh re CEWS calculations, receipt and review of Slushi contract, email to RP re concerns wrt Slushie contract and to request historical revenue from it	2.30	\$395.00	\$908.50
Wed	05/13/2020	Emails with McCloskey Engineering re invoice and site plan reporting, tc from CRA re CEWS ineligibility due to insolvency proceeding, review HST/P&L discrepancy, requisition McCloskey payment, receipt of site plan pdf, fwd to RP for Colliers, sign cheques for accounts payable, review changes on NDA from Ross Macfarlane, tc from Mark Scott of Parkland Fuels re self haulage agreement details	1.20	\$395.00	\$474.00
Thur	05/14/2020	Email to Angelo Consoli of BDO to request detailed listing of 908 assets onsite, review proposed changes to APS from Ross Macfarlane and finalize APS, send to Colliers for data room, instructions to RP re info to provide to Colliers, review and respond to email from Chris Mazure re realtor with purchaser	1.50	\$395.00	\$592.50
Fri	05/15/2020	Review draft CIM from Colliers, tcs with Colliers team re CIM and financial data, submit 2020 volume summary to them for data room, review email from Ross Macfarlane on required changes to CIM, discussion with RP re chattels inventory, review Colliers Due Diligence check list with RP and instructions to him re f/u, work on providing info to Colliers as required, review appraisals for info, review and approve disbursements, email to Ian at Colliers to respond to due diligence list	2.50	\$395.00	\$987.50

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- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 4 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hombostel (DHO)					
Tues	05/19/2020	Review email from Ian Gragtmans, prepare redacted version of property tax statement and send to him, check on filing ability re CEWS, review email history for asset info from BDO, email to RP to follow up with BDO, review and approve various operating expense requisitions, review Collier's data room, arrange for reissuance of wire to NATSN and approve online payment to Coremark, forward various operational emails to KRS/RP	1.20	\$395.00	\$474.00
Wed	05/20/2020	Review and approve payroll and expense report of Arvinder, tc with Narinder Bhachu pp, email him Colliers contact info, review listing of assets received from Angelo Consoli, forward to Arvinder for verification, email to TP re same	0.60	\$395.00	\$237.00
Thur	05/21/2020	Email exchange with Angelo Consoli of BDO re 908 assets, email to Benaco for appraisal quote	0.50	\$395.00	\$197.50
Fri	05/22/2020	Review emails between RP and J.Singh re onsite mail, review email and contract from J. Singh re Slushie, respond, review update from RP re Slushie's response to contract terms, em to TP to advise of situation and confirm go forward plans	0.50	\$395.00	\$197.50
Sun	05/24/2020	Review and approve accounts payable, review and respond to email from Narinder Bachu, forward pricing emails	0.30	\$395.00	\$118.50
Mon	05/25/2020	TC to CRA BW complex case officer re CEWS, discussion with TP re environmental report, review and respond to email from Narinder Bhachu re same, review and approve Coremark order	0.70	\$395.00	\$276.50
Tues	05/26/2020	Review and approve various invoices and disbursement requisitions, queries with RP re same, approve online Coremark payment, receipt and review of Benaco appraisal on chattels, forward to TP with suggested offer amount, review response	0.90	\$395.00	\$355.50
Wed	05/27/2020	Review email from Waste Connections re cardboard in garbage, provide instructions to RP, review email from A. Consoli of BDO, discuss with RP and TP and respond, requisition payment for Benaco, tc with Jas Singh re potential new customer and credit check requirements, forward gas pricing	0.70	\$395.00	\$276.50
Thur	05/28/2020	Update from Jas Singh re status of credit check for new customer, provide him with copy of April'20 P&L statement, review email from Angelo Consoli of BDO and arrange for sending of inventory info, review and approve disbursements and sign cheques	0.80	\$395.00	\$316.00
Fri	05/29/2020	Review and forward Imperial Tobacco invoice and email from Parkland re new settlement procedures	0.20	\$395.00	\$79.00
Mon	06/01/2020	Receipt and review of Jan Pro invoice, requisition payment, instructions to RP for site attendance and monthly P&L, review Country sign quotes and analyse changes, emails with Gary Singh re change in scope and costs, recommendation to TP to proceed, review credit application and PAD agreement for new customer Kahlonz Transport, discussion with FI re PAD ability, query to Jas Singh re same	1.70	\$395.00	\$671.50
Tues	06/02/2020	Email to G. Sign re Country Sign quote approval status, review email history of sign/light quote and respond, tc from Jas updating on credit check of references for new customer and billing plans, review payroll and numerous cheque and posting requisitions, queries to RP on them, f/u emails with Jas Singh and RP re payroll issues	1.30	\$395.00	\$513.50
Wed	06/03/2020	Review of amended payroll and discussion with RP re same, approve for processing, email to update Gary on status of signage approval, review and sign accounts payable	0.90	\$395.00	\$355.50

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- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 5 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hombostel (DHO)					
Thur	06/04/2020	Review draft P&L for May'20, amendments and forward to TP, discussion with RP re Veolia account, provide instructions re same and KRS, review WIP, arrange for rate corrections, review and approve disbursements, review accounts receivable and returned NSF payment, review NATSN invoice and prepare for wire transfer	1.90	\$395.00	\$750.50
Fri	06/05/2020	Tc to CRA business windows again re CEWS error code, review and respond to email from Jas Singh re Pizza Pizza demand for return of goods, forward pricing to KRS, approve online payments, review Colliers new marketing report	1.40	\$395.00	\$553.00
Mon	06/08/2020	Review and sign disbursement cheques, tel with Wendy Rugger of CRA to discuss CEWS with her to escalate matter, email from Mark Perkins authorizing Country Sign replacement work, email to Gary Singh to advise to proceed with Country Sign	0.50	\$395.00	\$197.50
Tues	06/09/2020	Review email on issues raised during site visit and email from Angelo Consoli re upcoming sale and SIR system, discuss with RP and provide instructions, review email from Angie of NATSN, prepare wire requisition for additional payment, review email from Gary Singh re signage problem, update him on SIR pricing issue and tc to Kim Gervais at Country Signs to provide credit card info for service call, requisition deposit payment for new Country Sign work, update call from RP, forward various parkland emails, tcs with Abrams Towing wrt removal of vehicle abandoned onsite	2.30	\$395.00	\$908.50
Wed	06/10/2020	Tel call from Brenda of CRA HQ re CEWS exclusion, tc from Ian of Colliers re asset listing, review email chain on issue and tc with RP to discuss, work on preparing listing for data room, email to Angelo Consoli of BDO to advise of correspondence from TD requesting return of POS system, respond to email from Gary Singh re sign change service call payment status, review and approve various cheque requisitions and posting reports, tc with Mandy of Abrams Towing, email to RP with detailed instructions for vehicle removal, review of email from Arvinder re his confirmation of asset listing, finalize listing and email to Ian and Tina at Colliers, approve online payments and authorize tow charge	2.70	\$395.00	\$1,066.50
Thur	06/11/2020	NATSN wire transfer issues, approve operating disbursements and online payments, search records and environmental and appraisal reports for info on fuel tanks for KRS, emails with Jas re hydro outage and resumption of showers and laundry, update from RP re car ownership onsite belonging to Derek Ellis and provide instructions, email to KRS to scale back temporary wage increase, agree on change date, review email from Kim Gervais of Country Sign re site inspection report, tc with Vittoria on new sign installation and possible solutions to price changing problem, email update to TP, update from Kim Gervais re located refurbished part, tc with Jas Singh re generator repair and price change controller	2.60	\$395.00	\$1,027.00
Fri	06/12/2020	Review email from Kim Gervais of Country Signs re refurbished unit no warranty, email to KRS re same, review email from Angelo forwarding insurance site inspection and issues raised, forward to KRS for compliance, tc from Ian Grettman of Colliers re purchaser's questions on contracts, email from Angelo Consoli advising of forthcoming insurance termination and instructions for proceeding with D. Timmermans, responding email, review response from Jas Singh re price changer and email to him to proceed, f/u with Jas re pricing issue when BDO ceases services and transition to KRS system, forward fuel pricing schedules to KRS, review emails re fax and authorize placement of Bell line, update from RP re towing status of Derek Ellis' car	1.50	\$395.00	\$592.50

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- Time Entry Date: 4/01/20 to 7/17/20
 - File 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: 7/21/20

Page 6 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Mon	06/15/2020	Review the invoice from KRS re generator repair and authorize direct withdrawal, forward pricing emails, review Colliers marketing report, tc with Brenda Arseneault of CRA HQ re CEWS, tc with Jas Singh re customer issue, repair issues etc	0.70	\$395.00	\$276.50
Tues	06/16/2020	Review documentation from Khazon Transport, email to Banking for instructions wrt direct debiting of customer, review and approve accounts payable, payroll and expense report, approve for posting, cheques and online payment, tc with Jas Singh and Haran S. re debiting customer bank accounts	1.10	\$395.00	\$434.50
Wed	06/17/2020	Prepare wire instruction template and send to Jas Singh for customer distribution along with banking update, sign payroll cheques, review electronic records for turnover and related instructions to RP to review hard copies	0.80	\$395.00	\$316.00
Thur	06/18/2020	Respond to Jas Singh re banking status and forward pricing emails, update from HS re direct debit resolution, emails to Jas and RP on procedures for debiting customer account, discussion with RP re 246 report and banking, review and approve operating disbursements, review and respond to email from Jas Singh re incident wrt dispenser damaged by truck	1.20	\$395.00	\$474.00
Fri	06/19/2020	Review email from Angelo Consoli re Pizza Bell line, discussion with RP re same, review email from Kahlon re bank debit authorization, review issue re Arvinder's pay cheque, authorize payment via e-transfer, review and respond to email from Narinder Bhachu re forthcoming offer and appraisals, review further emails from BDO re Bell bills, review updated marketing report from Colliers, email update to TP re expected offer, approve online payment, email to Arvinder to update and provide security answer.	1.10	\$395.00	\$434.50
Mon	06/22/2020	Approve Coremark order, review and respond to email from Ian Gragtmans, review detailed draft SRD with RP, finalize and submit to 246(2) report to OSB via virtual fax, review and forward Imperial Tobacco invoice to RP, instructions to him re locksmith for site for Arvinder's office, email to Doug Timmermans regarding monthly insurance premium, review and finalize May HST return, file online and requisition payment, review and approve accounts payable, review email from Jas Singh re repairs to fuel dispenser, requisition payment to Dart Petroleum	3.60	\$395.00	\$1,422.00
Tues	06/23/2020	Review and attend to various operational emails	0.20	\$395.00	\$79.00
Wed	06/24/2020	Review emails from Pioneer/Parkland re programming changes, fwd to KRS for explanation and f/u, review and approve various operating disbursements and online payments, review email and photos from Gary Singh re new signage installation	0.50	\$395.00	\$197.50
Thur	06/25/2020	Review and approve disbursements	0.20	\$395.00	\$79.00
Fri	06/26/2020	Telephone calls with Doug Timmermans to request premium information and payment instructions, review amended policy premium, investigate properties under insurance policy and premium changes resulting from withdrawal of BDO properties from policy, review ad forward various operational emails/invoices, tc with Jean Philip of Federated Insurance regarding change in banking info, email to him to provide new banking info and also request change in monthly withdrawals, execute revised wording of Intact release and email it to Sue Rosenberg, further emails with Doug Timmermans re additional insured companies on the insurance policy, forward to update TP, review Colliers marketing report, approve online payment to R. Anderson	2.90	\$395.00	\$1,145.50

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 7 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hombostel (DHO)					
Mon	06/29/2020	Review and approve disbursements, email and tc with Jas Singh re Chakkar Transport NSF cheque, instructions to him and Rashid, download banking info for RP, update call with TP re offers received today and go-forward strategy, receipt of offer and correspondence via email from Tatro Properties, forward to TP and Ian of Colliers, further updates re Chakkar Transport payment issue and provide further instructions, review and query charges re laundry	1.40	\$395.00	\$553.00
Tues	06/30/2020	Review emails from Colliers re offer grid and review APS from K2 Group, discussion with TP, cc with Colliers team and TP, update from TP re his discussion with Mark Perkins of First Ontario, review and approve Coremark invoice and payroll, update from RP re NSF customer payment, review email and invoicing from Country Signs re price changer, forward to RP for processing reimbursement to G. Singh, review comments from Ross Macfarlane on the K2 APS	1.50	\$395.00	\$592.50
Thur	07/02/2020	Review and approve disbursements and postings, tc to Brenda Arsenault at CRA HQ re CEWS status, review email from Angelo Consoli re insurance premium and additional # company coverages, review bank statement for bank withdrawal of premium, review email re sign-back on K2 offer,	0.70	\$395.00	\$276.50
Fri	07/03/2020	Review emails on the K2 signback and acceptance, provide wire transfer info to Colliers, discussion with TP re next steps, review emails for any fuel invoices from Parkland, update RP, review email from Jean Philip of Federated Insurance re newly revised premiums, forward to RP for update and posting	0.80	\$395.00	\$316.00
Mon	07/06/2020	Review bank transactions, approve Coremark PO via email, receipt of new NATSN invoice, requisition payment, forward various operational email to KRS and RP, review email from Teresa Teng of Coremark re retroactive HST charges, tc from Lisa of Colliers re issues relating to the wire transfer, review and approve disbursements, provide counsel info to Ian Gregtmans for purchaser, f/u emails on o/s deposit funds	1.20	\$395.00	\$474.00
Tues	07/07/2020	Dealings with respect to the missing wired deposit funds, tcs with Raj Grewal, HS, Ian Gregtmans etc., review and respond to email from Ross Macfarlane re APS and his discussions with Raj Grewal, review and approve operating disbursements and purchases	1.80	\$395.00	\$711.00
Wed	07/08/2020	Review and approval of operating disbursements, review and editing of draft P&L, f/u with banking department re interest posting, queries with RP re the draft statement, review and respond to emails from Raj Grewal re site visit for appraisal,	2.50	\$395.00	\$987.50
Thur	07/09/2020	Review and approve expenses and posting reports, review and forward pricing and invoice emails, review email re reduction in Colliers commission report, review draft HST data for June 2020 and file return online with CRA, forward assessment to RP for payment processing	1.60	\$395.00	\$632.00
Fri	07/10/2020	Review and approve/forward various operational emails	0.20	\$395.00	\$79.00
Mon	07/13/2020	Prepare deposit requisition for sale deposit, review operations emails and approve disbursements, sign cheques, Khazon transport issues with RP	0.80	\$395.00	\$316.00
Tues	07/14/2020	Review and approve disbursements and online payments, forward pricing emails to KRS, report drafting, review and approve payroll and employee expense report, vm to CR HQ re wage subsidy	5.30	\$395.00	\$2,093.50
Wed	07/15/2020	Review and approval of various operating disbursements, investigation into CRA accounts status online, report drafting, approve online payments, file RT0002 for June'20	5.50	\$395.00	\$2,172.50

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 8 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Deborah Hornbostel (DHO)					
Thur	07/16/2020	Telephone call with Robert McKenzie Keer of CRA HQ re CEWS, Court Report drafting, discussion with TP re First Ontario holdback amount and CIBC receivership charge issues, email to Angelo Consoli of BDO for status of BDO receivership borrowings against 139 Co., email draft report to TP	6.80	\$395.00	\$2,686.00
Fri	07/17/2020	Review and approve various expenses and forward pricing notices, email draft report to Ross Macfarlane for review, review email from TP re CIBC cost issue	0.30	\$395.00	\$118.50
Deborah Hornbostel (DHO)			122.70		\$48,466.50
Eileen Sturge (EST)					
Wed	04/08/2020	Prepare interim invoice	0.50	\$185.00	\$92.50
Eileen Sturge (EST)			0.50		\$92.50
Gillian Goldblatt (GGO)					
Thur	06/04/2020	sign payroll cheques	0.10	\$290.00	\$29.00
Wed	07/15/2020	sign payroll and disbursement cheques.	0.10	\$290.00	\$29.00
Gillian Goldblatt (GGO)			0.20		\$58.00
Hinna Shaikh (HSH)					
Mon	05/04/2020	updated site	0.20	\$110.00	\$22.00
Thur	05/07/2020	updated site	0.20	\$110.00	\$22.00
Fri	05/08/2020	updated site	0.10	\$110.00	\$11.00
Hinna Shaikh (HSH)			0.50		\$55.00
Haran Sivanathan (HSI)					
Wed	04/01/2020	General	0.50	\$100.00	\$50.00
Fri	04/03/2020	General	0.60	\$100.00	\$60.00
Mon	04/06/2020	General	0.40	\$100.00	\$40.00
Thur	04/23/2020	General	0.20	\$100.00	\$20.00
Tues	04/28/2020	General	0.60	\$100.00	\$60.00
Wed	04/29/2020	General	0.50	\$100.00	\$50.00
Thur	05/07/2020	General	0.60	\$100.00	\$60.00
Tues	05/12/2020	General	0.50	\$100.00	\$50.00
Thur	05/21/2020	General	0.50	\$100.00	\$50.00
Thur	05/28/2020	General	0.90	\$100.00	\$90.00
Wed	06/03/2020	General	1.70	\$100.00	\$170.00
Fri	06/05/2020	General	0.80	\$100.00	\$80.00
Mon	06/08/2020	General	0.50	\$100.00	\$50.00
Thur	06/11/2020	General	0.80	\$100.00	\$80.00
Wed	06/24/2020	General	0.40	\$100.00	\$40.00
Mon	06/29/2020	General	1.70	\$100.00	\$170.00
Tues	07/07/2020	General	0.40	\$100.00	\$40.00
Wed	07/08/2020	General	0.80	\$100.00	\$80.00
Thur	07/09/2020	General	2.70	\$100.00	\$270.00
Haran Sivanathan (HSI)			15.10		\$1,510.00
Inga Friptuleac (IFR)					
Mon	04/06/2020	Issue cheques; Post debit and credit transactions	6.60	\$100.00	\$660.00
Tues	04/07/2020	Issue cheques; Post debit and credit transactions	7.00	\$100.00	\$700.00
Wed	04/08/2020	Issue cheques; Post debit and credit transactions	1.20	\$100.00	\$120.00
Mon	04/13/2020	Issue cheques; Post debit and credit transactions; Deposits	7.00	\$100.00	\$700.00

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 9 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Inga Friptuleac (IFR)					
Tues	04/14/2020	Issue cheques; Post debit and credit transactions; Deposits	7.00	\$100.00	\$700.00
Wed	04/15/2020	Issue cheques, Post deposit	0.60	\$100.00	\$60.00
Mon	04/20/2020	Issue cheques; Post debit and credit transactions; Deposits	7.00	\$100.00	\$700.00
Tues	04/21/2020	Issue cheques; Post debit and credit transactions; Deposits	3.40	\$100.00	\$340.00
Mon	04/27/2020	Post Debit and Credit transactions; Issue cheques	7.00	\$100.00	\$700.00
Tues	04/28/2020	Post Debit and Credit transactions	1.00	\$100.00	\$100.00
Tues	05/05/2020	Post debit and credit transactions; Issue cheques	7.00	\$100.00	\$700.00
Wed	05/06/2020	Post debit and credit transactions; Issue cheques	3.40	\$100.00	\$340.00
Mon	05/11/2020	Post debit and credit transactions , Deposits, Issue cheques	1.20	\$100.00	\$120.00
Tues	05/12/2020	Post debit and credit transactions , Deposits, Issue cheques	7.00	\$100.00	\$700.00
Wed	05/13/2020	Post debit and credit transactions , Deposits, Issue cheques	2.60	\$100.00	\$260.00
Tues	05/19/2020	Post debit and credit transactions , Deposits, Issue cheques	7.00	\$100.00	\$700.00
Wed	05/20/2020	Post debit and credit transactions , Deposits, Issue cheques	2.40	\$100.00	\$240.00
Mon	05/25/2020	Post debit and credit transactions; Issue cheques	6.40	\$100.00	\$640.00
Tues	05/26/2020	Post debit and credit transactions; Issue cheques	3.40	\$100.00	\$340.00
Tues	06/02/2020	Issue cheques; Posting Debit and credit transactions	3.80	\$100.00	\$380.00
Thur	06/04/2020	Issue cheques; Posting Debit and credit transactions	3.00	\$100.00	\$300.00
Mon	06/08/2020	Issue cheques; Posting Debit and credit transactions	1.80	\$100.00	\$180.00
Tues	06/09/2020	Issue cheques; Posting Debit and credit transactions	1.20	\$100.00	\$120.00
Wed	06/10/2020	Issue cheques; Posting Debit and credit transactions	4.70	\$100.00	\$470.00
Mon	06/15/2020	Issue cheques; Posting Debit and credit transactions	2.20	\$100.00	\$220.00
Tues	06/16/2020	Issue cheques; Posting Debit and credit transactions	2.20	\$100.00	\$220.00
Mon	06/22/2020	Issue cheques; Posting Debit and credit transactions	2.50	\$100.00	\$250.00
Wed	06/24/2020	Issue cheques; Posting Debit and credit transactions	2.50	\$100.00	\$250.00
Thur	06/25/2020	Issue cheques; Posting Debit and credit transactions	2.50	\$100.00	\$250.00
Fri	06/26/2020	Issue cheques; Posting Debit and credit transactions	2.50	\$100.00	\$250.00
Thur	07/02/2020	Issue cheques, Post debit and credit transactions	2.80	\$100.00	\$280.00
Fri	07/03/2020	Issue cheques, Post debit and credit transactions	2.00	\$100.00	\$200.00
Mon	07/06/2020	Issue cheques, Post debit and credit transactions	1.70	\$100.00	\$170.00
Thur	07/09/2020	Issue cheques, Post debit and credit transactions	2.00	\$100.00	\$200.00
Mon	07/13/2020	Issue cheques, Post debit and credit transactions	1.00	\$100.00	\$100.00
Tues	07/14/2020	Issue cheques, Post debit and credit transactions	1.00	\$100.00	\$100.00
Inga Friptuleac (IFR)			127.60		\$12,760.00
Mukul Manchanda (MMA)					
Fri	07/03/2020	Receipt, review and approve payables.	0.30	\$290.00	\$87.00
Tues	07/14/2020	Review and approve payables.	0.30	\$290.00	\$87.00
Wed	07/15/2020	Review and approve payables.	0.20	\$290.00	\$58.00
Mukul Manchanda (MMA)			0.80		\$232.00
Philip H. Gennis (PGE)					
Mon	04/20/2020	Review and approve payables; execution of cheques.	0.20	\$395.00	\$79.00
Wed	06/10/2020	Review and approve payables.	0.25	\$395.00	\$98.75
Philip H. Gennis (PGE)			0.45		\$177.75
Rashid Peeroo (RPR)					
Wed	04/01/2020	Daily bank reconciliation and corresponding cheque requisitions. Phone conversation with cleaning companies to coordinate deep clean services for truck stop.	4.30	\$155.00	\$666.50

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 10 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Rashid Peeroo (RPR)					
Thur	04/02/2020	Daily bank reconciliation and posting of cheque requisitions. Phone call with Cintas on cleaning services. Start work on creation of monthly P&L. Updating of sales tracker and credit card reconciliation. Email correspondence with AR customers on 30+ days outstanding balances. Emailing and creation of invoices for monthly AR customers.	2.80	\$155.00	\$434.00
Fri	04/03/2020	Creation of monthly P&L for March 2020. Review of financial data and phone call with Arvinder to clarify sections of the operations. Finalizing and finishing of P&L. Daily bank reconciliation and creation of cheque requisitions. Email correspondence with KRS group concerning ROE for Derek Ellis.	4.40	\$155.00	\$682.00
Mon	04/06/2020	Posting of cheque requisitions and daily bank reconciliation for weekend transactions. Phone conversations with potential vendors soliciting quotes for cleaning services. Phone conversation with Arvinder on Derek Expenses. Review of expenses/mileage for Derek and Arvinder.	4.60	\$155.00	\$713.00
Tues	04/07/2020	Daily bank reconciliation and phone conversation with potential cleaning vendor. Emailing of invoices to AR customers. Updating of AR tracker.	3.70	\$155.00	\$573.50
Wed	04/08/2020	Daily bank reconciliation and review of payroll from KRS group. Posting of cheque requisitions. Daily update of sales tracker and credit card reconciliation.	4.10	\$155.00	\$635.50
Thur	04/09/2020	Email correspondence with Arvinder regarding payroll issues. Mailing of payroll cheques. Daily bank reconciliation and posting of cheque requisitions. Phone call to powerbev regarding unpaid invoices and email to Bell Canada. Commence work on March HST return.	3.50	\$155.00	\$542.50
Mon	04/13/2020	Emailing of invoices to AR customers. Daily bank reconciliation and reconciliation of credit card sales. Phone conversation with vendors on obtaining cleaning quotes. Preparation of payroll taxes and calculation of government subsidy.	4.00	\$155.00	\$620.00
Tues	04/14/2020	Daily bank reconciliation and posting of cheque requisitions for four days of transactions. Phone conversation with Arvinder regarding cleaning requirements for store. Phone conversation with Jan Pro cleaning services. Finalization of HST for March operations.	3.20	\$155.00	\$496.00
Wed	04/15/2020	Updating of sales information into daily sales tracker, credit card reconciliation. Phone conversation with vendors regarding cleaning of site, review of proposal from vendor. Email correspondence with Jas S on status of maintenance on site and coordination of cleaning of site. Analysis on sales since appointment.	3.00	\$155.00	\$465.00
Thur	04/16/2020	Daily bank reconciliation, email correspondence with coremark on invoice credits. Phone conversation with Arvinder S. on issues regarding store operations and kubota.	3.30	\$155.00	\$511.50
Fri	04/17/2020	Work on SRD for Bloomfield. Review of AR balances and sales for March.	4.00	\$155.00	\$620.00
Mon	04/20/2020	Finalizing of SRD and review of AR balances for SRD. Updating of sales information into tracker and performing credit card reconciliation.	3.70	\$155.00	\$573.50
Tues	04/21/2020	Bank reconciliation for five days of transactions and posting of cheque requisitions. Credit card sales reconciliation and emailing of invoices to AR customers.	5.00	\$155.00	\$775.00

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 - File 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: 7/21/20

Page 11 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Rashid Peeroo (RPR)					
Wed	04/22/2020	Review of Payroll from KRS group. Email correspondence with Jas S on corrections to be made to payroll. Calculation of average wages per employee for wage subsidy program. Reviewed email from BDO on outstanding payments to PowerBev. Review of agreement from Jan Pro cleaning services. Updating of Sales tracker.	4.20	\$155.00	\$651.00
Thur	04/23/2020	Posting of cheque requisitions and daily bank reconciliation. Updating of AR tracker for collections. Review of expenses and Jan pro agreement.	3.00	\$155.00	\$465.00
Fri	04/24/2020	Updating of sales tracker and credit card reconciliation. Phone conversation with Arvinder with respect to storage trailer on site. Reconciliation of all bank deposits to sales tracker. Completing two credit application for suppliers. Email to vendors regarding outstanding rent cheques owing to 1393882 Ontario Ltd.	3.80	\$155.00	\$589.00
Mon	04/27/2020	Bank reconciliation for Friday - Monday transactions including credit card sales reconciliation and updating of daily sales tracker. Cheque requisitions and postings. Phone conversation with KRS group on discounts to AR customers. Recording of AR collections and updating of AR tracker. Call to WSIB regarding outstanding premiums.	3.70	\$155.00	\$573.50
Tues	04/28/2020	Emailing and recording of AR invoices to customers. Email correspondence with Jas S. on AR customer discounts. Email to CBS services representative on vendor issues.	2.80	\$155.00	\$434.00
Wed	04/29/2020	Updating of sales tracker and credit card reconciliation. Review of AR customer invoices and discounts. Review of sales and volume sales for April.	2.10	\$155.00	\$325.50
Thur	04/30/2020	Daily bank reconciliation and posting of cheque requisitions with credit card reconciliation. Calculation of WSIB premiums and phone conversation with WSIB representative.	3.50	\$155.00	\$542.50
Fri	05/01/2020	Work on P&L for April. Updating of sales tracker and mailing of customer AR invoices. Updating of AR tracker.	3.60	\$155.00	\$558.00
Mon	05/04/2020	Work on producing P&L for April. Posting of cheque requisitions and disbursements. Entering of sales data into tracker and reconciliation of credit card sales. Phone conversation with Arvinder S. on storage trailer on site and cleaning of store.	5.60	\$155.00	\$868.00
Tues	05/05/2020	Review of Payroll from KRS group and Arvinder Expenses.	0.50	\$155.00	\$77.50
Wed	05/06/2020	Daily bank reconciliation for two days transactions and posting of cheque requisitions. Updating of sales tracker and credit card sales reconciliation. Finalization of P&L. Email correspondence with Jas S.	3.50	\$155.00	\$542.50
Thur	05/07/2020	E-mailing of invoices and updating of AR tracking form. Review of AR customer discounts and outstanding amounts. Commence work on creating HST return for April. Updating of daily sales tracker and credit card reconciliation.	3.20	\$155.00	\$496.00
Fri	05/08/2020	Finalization of HST, entering of data into sales tracker and credit card reconciliation. Email conversation with Arvinder S. Regarding payroll.	2.10	\$155.00	\$325.50
Mon	05/11/2020	Bank reconciliation for multiple days and posting of cheque requisitions. Updating of AR collections and review of BDO email regarding Entergus power lines. Credit card reconciliation and email correspondence with Arvinder S on trailer on site.	3.20	\$155.00	\$496.00

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 12 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Rashid Peeroo (RPR)					
Tues	05/12/2020	Emailing of AR statements to customers and tracking of AR sales. Review of slush puppie agreement and phone conversation with slush puppie representative. Review of wage subsidy back up documentation and country sign quote from KRS group. Updating of daily sales tracker and credit card reconciliation.	3.00	\$155.00	\$465.00
Wed	05/13/2020	Updating and maintenance work on daily sales tracker.	2.70	\$155.00	\$418.50
Thur	05/14/2020	Updating of daily sales tracker. Time spent on reviewing documentation for data room. Review of voice mail regarding Colliers requirements. Updating of credit card sales reconciliation.	2.00	\$155.00	\$310.00
Fri	05/15/2020	Daily bank reconciliation for multiple days and posting of cheque requisitions. Emails with suppliers and appraisers regarding obtaining operating agreements and site plans to support sales process. Email with Arvinder regarding information for sales process. Updating of AR statement. Phone conversation with Ian from Colliers regarding Data room requirements.	4.30	\$155.00	\$666.50
Tues	05/19/2020	Bank reconciliation and posting of cheque requisition for four days of transactions. Updating of daily sales tracker and credit card reconciliation. Follow up with Mark Zimmer regarding short payment of debit sweep account. Phone call out to Angelo from BDO regarding equipment listing and phone conversation with Arvinder regarding same. Emailing of AR statements to customers and updating of tracker document. Email follow up with vendor regarding expenses and bank account. Review of documents from Colliers regarding sale of property.	4.80	\$155.00	\$744.00
Wed	05/20/2020	Review of payroll and Arvinder Expenses. Phone conversation with Arvinder regarding expenses and operations on site. Daily bank reconciliation and posting of cheque requisitions. Updating of sales tracker and credit card reconciliation. Follow up email with Mark Zimmer regarding short payment of debit sweep account.	3.20	\$155.00	\$496.00
Thur	05/21/2020	Creation of vendor listing. Updating of daily sales tracker and credit card reconciliation. Phone call with Arvinder about vendors and status of orders on hold. Reach out to vendors subsequently.	2.80	\$155.00	\$434.00
Fri	05/22/2020	Cheque requisitions and daily bank reconciliation with updating of daily sales tracker. Phone conversation with Arvinder S and Jas S regarding sales numbers for Slush puppie. Email correspondence with slush puppie representative regarding same.	3.20	\$155.00	\$496.00
Mon	05/25/2020	Follow up work regarding unpaid invoices to vendors including coca cola, powerbev, coldhaus and jack links. Email correspondence with Arvinder S regarding outstanding invoices. specifically SIR solutions. Follow up email to SIR solutions regarding service call to site. Phone conversation with Vivian Uniform regarding missing mats on property.	2.80	\$155.00	\$434.00
Tues	05/26/2020	Updating of AR tracker and emailing of invoices to customers. Daily bank reconciliation for weekend and Monday transactions. Processing of invoices and investigation of missing invoices to be processed. Follow up with vendors regarding unpaid invoices. Credit card reconciliation. Email and phone correspondence with Arvinder S regarding operations and unpaid invoices.	4.20	\$155.00	\$651.00
Wed	05/27/2020	Updating of sales tracker and credit card reconciliation. Phone conversation with Arvinder S regarding operations.	1.20	\$155.00	\$186.00
Thur	05/28/2020	Bank reconciliation and multiple days of cheque requisitions. Credit card reconciliation and updating of excel spreadsheet sales and AR trackers. Review of email from Angelo C. and response.	3.20	\$155.00	\$496.00
Fri	05/29/2020	Updating of daily sales tracker and email conversation with Arvinder S regarding back court sales transactions.	0.40	\$155.00	\$62.00

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- Time Entry Date: 4/01/20 to 7/17/20
 - File 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: 7/21/20

Page 13 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Rashid Peeroo (RPR)					
Mon	06/01/2020	Review of Payroll schedule and expenses from Arvinder S. Updating of sales tracker for transactions occurring over the weekend.	0.60	\$155.00	\$93.00
Tues	06/02/2020	Daily bank reconciliation and posting of cheque requisitions. Updating of sales tracker and credit card reconciliation. Review of payroll and phone/ email conversations with Arvinder S and Jas S. regarding same. Work on creation of monthly P&L. Email conversation with Mark Zimmer from parkland fuel regarding charges on account.	6.00	\$155.00	\$930.00
Wed	06/03/2020	Updating of daily sales tracker and credit card reconciliation. Daily bank reconciliation. Review of email from Jas S. regarding house accounts. Final review of payroll for Bloomfield.	2.70	\$155.00	\$418.50
Thur	06/04/2020	Daily bank reconciliation and posting of cheque requisitions. Email with Arvinder S regarding derelict vehicle on site. Emailing and creation of AR statements to customer for weekly and monthly invoices. Email correspondence with Jas S. regarding AR customer and status of terms extended. Phone call with Coldhaus (supplier) on method of payments. Research into removal of derelict vehicles for Chatham Kent.	5.00	\$155.00	\$775.00
Fri	06/05/2020	Updating of daily sales tracker and review of email from Arvinder S regarding vehicle on premises.	0.40	\$155.00	\$62.00
Mon	06/08/2020	Travel time to location. Inspection of property and examination of derelict vehicle on site. Phone call with Chatham police on matter. Documenting trash dumped on site. Conversation with Arvinder S. on store operations. Travel back.	7.30	\$155.00	\$1,131.50
Tues	06/09/2020	Daily Bank reconciliation and posting of cheque requisitions. Credit card reconciliation and updating of sales tracker and AR tracker for returned cheque. Phone call with Arvinder S. regarding SIR system, email with Jas S. regarding same.	3.70	\$155.00	\$573.50
Wed	06/10/2020	Daily bank reconciliation and posting of cheque requisitions. Phone conversation with Arvinder S regarding operations. Review of AR balance and updating of AR tracker.	3.40	\$155.00	\$527.00
Thur	06/11/2020	Phone call with former employee Derek E. on ownership of derelict vehicle on property regarding removal, follow up with Chatham police department and Meyers towing on same. Review of PD fuels invoices to KRS fuel deliveries. Updating of sales tracker and credit card reconciliation. Phone call to Parkland fuel regarding new format of account summaries and request for invoices. Phone call with Arvinder S. regarding power outages, employee expenses and Derek E.	4.00	\$155.00	\$620.00
Fri	06/12/2020	Daily bank reconciliation for multiple days of cheque requisitions. Follow up email and phone call with Arvinder S regarding operations including trash on site and car on property. Follow up email on status of price changing for site and AR customer Chakar Carrier Corp and status of NSF cheque. Follow up email and phone conversation with Bell regarding fax line.	4.10	\$155.00	\$635.50
Mon	06/15/2020	Phone call with Arvinder S regarding removal of car and email regarding AR customer with bounced cheque. Email to Pepsico Canada and to Pepsico (Frito Lay) contact regarding outstanding invoices. Daily Bank reconciliation and posting of cheque requisitions. Phone call with Jas S regarding AR customers. Emailing of invoices to customers and updating of AR sales tracker.	4.40	\$155.00	\$682.00
Tues	06/16/2020	Review of Payroll and phone call with Arvinder S. regarding employee expenses and payroll for employee. Posting of cheque requisitions and review of expenses. Sign up on PepsiCo platform for online invoicing portal.	1.20	\$155.00	\$186.00

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- Time Entry Date: 4/01/20 to 7/17/20
 - File 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: 7/21/20

Page 14 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Rashid Peeroo (RPR)					
Thur	06/18/2020	Daily bank reconciliation for three days, updating of sales tracker and posting of expenses. Review of Frito lay invoices outstanding and email correspondence with pepsico representative. Credit card reconciliation and updating of AR tracker for collections. Email to Arvinder S. on deposit information.	4.20	\$155.00	\$651.00
Fri	06/19/2020	Work on statement of receipts and disbursements and preparation of form 246(2). Entering of sales information into sales tracker and phone call with Arvinder S regarding payroll. Review of invoice from supplier.	4.60	\$155.00	\$713.00
Mon	06/22/2020	Emailing of invoices to customers. Updating of sales tracker and credit card reconciliation. Phone conversation with Arvinder S. regarding issue on site. Review of email from Pepsico representative and outstanding balances. Bank reconciliation for multiple days and review of cheque disbursements and deposits. Work on HST return for Bloomfield and preparation of necessary backup.	4.20	\$155.00	\$651.00
Tues	06/23/2020	Entering of sales data into tracker and review of bank deposit from Arvinder S. Updating of AR tracker and credit card reconciliation.	1.30	\$155.00	\$201.50
Wed	06/24/2020	Daily bank reconciliation and posting of cheque deposits requisitions. Review of expenses and posting of cheque requisitions. Updating of sales tracker and credit card reconciliation. Email and phone conversation with Car-Tel regarding missing invoices.	3.30	\$155.00	\$511.50
Thur	06/25/2020	Bank reconciliation and posting of cheque requisitions. Email correspondence with vendors on missing invoices. Review of email from KRS group regarding NSF cheque and response on same matter.	3.90	\$155.00	\$604.50
Fri	06/26/2020	Review of AR and balances outstanding. Includes emails to customers inquiring on outstanding amounts. Updating of sales tracker and credit card reconciliation. Review of email regarding insurance premiums.	3.10	\$155.00	\$480.50
Mon	06/29/2020	Daily bank reconciliation and credit card reconciliation. Phone call with Vivian uniform regarding laundry services. Work on updating sales tracker spreadsheet adding charts.	4.20	\$155.00	\$651.00
Tues	06/30/2020	Review of payroll and updating of sales tracker. Preparation of cheque requisition for payroll. Review of AR customer Chakkar Corp and phone call to customer regarding outstanding payment.	3.10	\$155.00	\$480.50
Thur	07/02/2020	Daily bank reconciliation for several days worth of transactions. Creation of cheque requisitions and review of expenses.	3.00	\$155.00	\$465.00
Fri	07/03/2020	Work on P&L for bloomfield. Recording of sales transactions into tracker and updating of credit card reconciliation. Emailing of AR invoices to customers and updating of AR tracker.	4.30	\$155.00	\$666.50
Mon	07/06/2020	Daily bank reconciliation for weekend transactions and posting of cheque requisitions. Emailing of AR statements to customers and updating of AR tracker. Communication with vendor for retrieval of invoices. Finalization of P&L.	3.60	\$155.00	\$558.00
Tues	07/07/2020	Communication with KRS group relating to fuel invoices. and final review of HST return. Updating of sales tracker and credit card reconciliation.	2.80	\$155.00	\$434.00
Wed	07/08/2020	Daily bank reconciliation and posting of cheque requisitions. Review of payables due and communication with vendors regarding invoices.	3.20	\$155.00	\$496.00
Thur	07/09/2020	Posting of cheque requisitions and updating of daily sales tracker. Preparation of payroll taxes for payment.	2.70	\$155.00	\$418.50

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
 - File 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: 7/21/20

Page 15 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Rashid Peeroo (RPR)					
Fri	07/10/2020	Review of sales tracker to update for different months and input of data for transactions relating to the week. Phone conversation with vendor on missing mats on site. Updating of AR tracker for collections. Additional review of P&L	2.60	\$155.00	\$403.00
Mon	07/13/2020	Review of payroll and employee expenses from Arvinder S. Updating of sales information into daily tracker and updating of credit card reconciliation. Email correspondence with Arvinder regarding employee expenses.	1.30	\$155.00	\$201.50
Tues	07/14/2020	Email with Arvinder S. regarding invoices to customers. Updating of sales tracker and review of AR outstanding balances.	2.40	\$155.00	\$372.00
Wed	07/15/2020	Posting of multiple cheque requisitions and bank reconciliation for multiple days of transactions. Preparation of mailing of payroll cheques. Phone conversation with Arvinder S regarding fuel amounts purchased on December 18th 2019.	4.20	\$155.00	\$651.00
Thur	07/16/2020	Updating of sales tracker and phone conversation with Arvinder S. regarding credit card receipts.	0.30	\$155.00	\$46.50
Fri	07/17/2020	Phone call with Arvinder S. receiving an explanation on his sales reporting is generated. Work on SRD. Entering of data into sales tracker and updating credit card reconciliation.	4.60	\$155.00	\$713.00
Rashid Peeroo (RPR)			245.90		\$38,114.50
Trevor Pringle (TPR)					
Wed	04/01/2020	review G/L, bank rec; discussions/correspondence re operations; review Cushman & Wakefield listing proposal; correspond with Mike Yull, Cushman & Wakefield; correspond/twd Brad Walford, CBRE re listing proposal; twd Mike Czestochowski, CBRE re listing proposal; review daily sales; correspondence re Derek Ellis ROE	0.90	\$395.00	\$355.50
Thur	04/02/2020	review G/L, bank rec; discussions re operations; review daily sales	0.20	\$395.00	\$79.00
Fri	04/03/2020	review G/L; correspond with Brad Walford, CBRE re listing proposal	0.10	\$395.00	\$39.50
Mon	04/06/2020	review G/L, bank rec; review and make changes to March 2020 profit & loss statement; review CBRE listing proposal; correspond/twd Virginia Selemidis, FirstOntario; discussions/correspondence re operations; twd Ian Gragtmans, Colliers re listing proposal; review Colliers listing proposal; prepare listing proposal summary	1.20	\$395.00	\$474.00
Tues	04/07/2020	review G/L, bank reconciliation; review Cushman & Wakefield listing proposal; review Colliers listing proposal; review CBRE listing proposal; prepare listing proposal summary for FirstOntario	1.40	\$395.00	\$553.00
Wed	04/08/2020	finalize listing proposal summary; review G/L, bank rec; correspond/twd Virginia Selemidis, FirstOntario; review draft invoice; conference call with Mark Perkins, Virginia Selemidis & Frank Mancuso, FirstOntario re sale process, listing proposals; twd Ian Gragtmans, Colliers; twd Ross Macfarlane, lawyer	0.90	\$395.00	\$355.50
Thur	04/09/2020	correspond with Ian Gragtmans, Colliers; review G/L	0.10	\$395.00	\$39.50
Mon	04/13/2020	correspond with Mark Perkins, FirstOntario; review G/L; correspond with Ian Gragtmans, Colliers	0.10	\$395.00	\$39.50
Tues	04/14/2020	twd Brad Walford, CBRE; correspond with Mike Yull, Cushman & Wakefield; review G/L, bank rec; discussions/correspondence re operations; twd David Jackson, lawyer; twd Ross Macfarlane, lawyer; twd Virginia Selemidis, FirstOntario	0.70	\$395.00	\$276.50
Wed	04/15/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50
Thur	04/16/2020	review G/L, bank rec, daily sales; correspondence re Kubota/storage trailer keys	0.20	\$395.00	\$79.00
Fri	04/17/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50

Filters Used:

- Time Entry Date: 4/01/20 to 7/17/20
- File 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: 7/21/20

Page 16 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevor Pringle (TPR)					
Mon	04/20/2020	review G/L, bank rec, daily sales; discussions re draft report to Court, operations; tdw Virginia Selemidis, FirstOntario	0.30	\$395.00	\$118.50
Tues	04/21/2020	review G/L, bank rec, daily sales; review Flett Beccario draft fee affidavit; review and make changes to draft report to Court; review draft statement of receipts and disbursements; tdw Ian Gragtmans, Colliers	0.90	\$395.00	\$355.50
Wed	04/22/2020	review G/L, bank rec, daily sales; review amendments to draft report to Court; review Flett Beccario revised fee affidavit; review msi fee affidavit; correspond/tdw David Jackson, lawyer	0.60	\$395.00	\$237.00
Thur	04/23/2020	correspond with Ross Macfarlane, lawyer; review G/L, bank rec, daily sales; review KRS fuel invoices; review fee affidavit; conference call with Ross Macfarlane, lawyer re draft report to Court; correspondence re motion to Court to approve sales process; correspond with Virginia Selemidis, FirstOntario	0.80	\$395.00	\$316.00
Fri	04/24/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50
Mon	04/27/2020	review G/L, bank rec, daily sales; review appendices to report to Court; tdw Ross Macfarlane, lawyer	0.30	\$395.00	\$118.50
Tues	04/28/2020	review G/L, bank rec, daily sales; correspond with Ross Macfarlane, lawyer re court approval date re sales process	0.20	\$395.00	\$79.00
Wed	04/29/2020	review G/L, bank rec, daily sales; correspond with Mark Perkins, FirstOntario; correspondence re operations; correspond with Ian Gragtmans, Colliers; review motion record	0.40	\$395.00	\$158.00
Thur	04/30/2020	review Federated Insurance statement; review G/L, bank rec; tdw Ross Macfarlane, lawyer; tdw Virginia Selemidis, FirstOntario	0.30	\$395.00	\$118.50
Fri	05/01/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50
Mon	05/04/2020	correspond/tdw Ian Gragtmans, Colliers re MLS listing agreement; review G/L, bank rec, daily sales; correspondence re self haulage; tdw David Jackson, lawyer	0.40	\$395.00	\$158.00
Tues	05/05/2020	correspond w/ Ian Gragtmans, Colliers re MLS listing agreement; review G/L, bank rec, daily sales; review draft agreement of purchase & sale; correspond/tdw Ross Macfarlane, lawyer; review draft order	0.70	\$395.00	\$276.50
Wed	05/06/2020	review MLS listing agreement; review G/L, bank rec, daily sales; correspond with Ross Macfarlane, lawyer re sales process; conference call with Ross Macfarlane, lawyer & DH re proposed changes to draft order	0.50	\$395.00	\$197.50
Thur	05/07/2020	review, amend and execute MLS listing agreement with Colliers; review and make changes to April profit & loss statement; correspond with Ross Macfarlane, lawyer; review Court Order and Endorsement re approval of sales process; review G/L, bank rec, daily sales; correspond with Mark Perkins, FirstOntario; correspond with David Jackson, lawyer; correspond/tdw's Ian Gragtmans, Colliers re sales process; correspondence re Court order; review Colliers due diligence check list	1.80	\$395.00	\$711.00
Fri	05/08/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50
Mon	05/11/2020	review G/L, bank rec, daily sales; discussions re operations; conference call with Mark Perkins, Frank Mancuso & Virginia Selemidis, FirstOntario re sales process; prepare updated statement of receipts and disbursements; correspond with Virginia Selemidis, FirstOntario; correspondence re Colliers' sales process	0.90	\$395.00	\$355.50
Tues	05/12/2020	review G/L, bank rec, daily sales; correspond/tdw Ian Gragtmans, Colliers re sales process; correspond with Ross Macfarlane, lawyer; review confidentiality agreement; review signage quote; correspond with Mark Perkins, FirstOntario re signage quote; correspond with Virginia Selemidis, FirstOntario	0.70	\$395.00	\$276.50

Filters Used:

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MSGG - Detailed Time Dockets

Printed on: 7/21/20

Page 17 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevor Pringle (TPR)					
Wed	05/13/2020	review G/L, bank rec, daily sales; correspond with Ross Macfarlane, lawyer; review amended CA; correspond with Ian Gragtmans, Colliers; review amended APS	0.40	\$395.00	\$158.00
Thur	05/14/2020	correspond/tdw Ian Gragtmans, Colliers re sales process; correspond/tdw Ross Macfarlane, lawyer; review COVID-19 visit policy and liability waiver forms; review G/L, bank rec, daily sales; review APS; discussions re operations, gas haulage agreement	0.60	\$395.00	\$237.00
Fri	05/15/2020	review G/L, bank rec, daily sales; correspond with Ian Gragtmans, Colliers re draft CIM; correspond with Ross Macfarlane re draft CIM; review and approve draft confidential information memorandum; review Colliers receivership sale email blast; review fuel volume summary; review due diligence checklist	0.70	\$395.00	\$276.50
Tues	05/19/2020	review G/L, bank rec, daily sales; review and execute MLS forms; correspond with Mark Perkins, FirstOntario; correspond with Ian Gragtmans/Tina Teng, Colliers re sales process; review property tax info; review Colliers data room	0.60	\$395.00	\$237.00
Wed	05/20/2020	review G/L, bank rec, daily sales; correspond with Ian Gragtmans, Colliers re signage	0.20	\$395.00	\$79.00
Thur	05/21/2020	review 908 asset listing; discussions re sales process, 908 asset appraisal; review G/L, bank rec, daily sales	0.30	\$395.00	\$118.50
Fri	05/22/2020	correspondence re Slush Puppy machine agreement; review G/L, bank rec, daily sales	0.20	\$395.00	\$79.00
Mon	05/25/2020	correspond with Ian Gragtmans, Colliers re sales process; review G/L, bank rec, daily sales; discussions re operations, wage subsidy program; correspond with Virginia Selemidis, FirstOntario re Phase I/Phase 2 environmental reports	0.40	\$395.00	\$158.00
Tues	05/26/2020	review G/L, bank rec, daily sales; review Benaco appraisal of 908 assets	0.20	\$395.00	\$79.00
Wed	05/27/2020	review G/L; correspondence re BDO inventory	0.10	\$395.00	\$39.50
Thur	05/28/2020	review G/L, bank rec, daily sales; discussions/correspondence re BDO inventory; correspond/tdw Virginia Selemidis, FirstOntario re Phase II environmental report; correspond with Ian Gragtmans, Colliers re Phase II	0.40	\$395.00	\$158.00
Fri	05/29/2020	review G/L, bank rec, daily sales; review Phase II environmental report; review and approve payment of legal invoice	0.30	\$395.00	\$118.50
Mon	06/01/2020	review Colliers marketing update report; review G/L, bank rec, daily sales; tdw Virginia Selemidis, FirstOntario; discussions/correspondence re operations; correspond with Mark Perkins, FirstOntario	0.40	\$395.00	\$158.00
Tues	06/02/2020	review G/L, bank rec, daily sales; tdw Virginia Selemidis, FirstOntario re signage	0.20	\$395.00	\$79.00
Wed	06/03/2020	review G/L, bank rec, daily sales; discussions re operations	0.20	\$395.00	\$79.00
Thur	06/04/2020	review G/L, bank reconciliation, daily sales; discussions re operations; review and make changes to May profit & loss statement; correspond with Virginia Selemidis, FirstOntario re May P&L; correspond with Ian Gragtmans, Colliers	0.70	\$395.00	\$276.50
Fri	06/05/2020	review G/L, daily sales; bank rec; review Colliers marketing update; correspond with Virginia Selemidis, FirstOntario	0.20	\$395.00	\$79.00
Mon	06/08/2020	discussions/correspondence re new signage; review G/L, bank rec, daily sales	0.20	\$395.00	\$79.00
Tues	06/09/2020	correspondence re operations; review G/L, bank rec, daily sales; review site photos	0.20	\$395.00	\$79.00
Wed	06/10/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50

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MSGG - Detailed Time Dockets

Printed on: 7/21/20

Page 18 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevor Pringle (TPR)					
Thur	06/11/2020	review G/L, bank rec, daily sales; review Federated Insurance statement; discussion re Derek's abandoned vehicle; correspondence re broken signage (photo)	0.30	\$395.00	\$118.50
Fri	06/12/2020	review G/L, bank rec, daily sales; correspondence re Chakkor NSF; correspondence re signage repair; correspondence re 246(2) notice; correspondence re insurance coverage; review Colliers marketing report; correspond with Virginia Selemidis, FirstOntario	0.40	\$395.00	\$158.00
Mon	06/15/2020	review G/L, bank rec, daily sales; conference call with Mark Perkins, Frank Mancuso & Virginia Selemidis, FirstOntario	0.30	\$395.00	\$118.50
Tues	06/16/2020	review G/L, bank rec, daily sales; correspond with Mark Perkins, FirstOntario	0.10	\$395.00	\$39.50
Wed	06/17/2020	correspond with Virginia Selemidis, FirstOntario; review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50
Thur	06/18/2020	review G/L, bank rec, daily sales; discussions/correspondence re operations	0.20	\$395.00	\$79.00
Fri	06/19/2020	review G/L; correspond with Virginia Selemidis, FirstOntario	0.10	\$395.00	\$39.50
Mon	06/22/2020	review G/L, daily sales, bank rec; review Colliers marketing update; review draft 246(2) report & SRD; correspondence re fuel sales, repairs	0.30	\$395.00	\$118.50
Tues	06/23/2020	review G/L, daily sales, bank rec	0.10	\$395.00	\$39.50
Wed	06/24/2020	correspond with Mark Perkins, FirstOntario; review G/L, daily sales, bank rec; review photos of new sign	0.20	\$395.00	\$79.00
Thur	06/25/2020	tdw Mark Perkins, FirstOntario re sales process; review G/L, daily sales, bank rec	0.20	\$395.00	\$79.00
Fri	06/26/2020	review G/L, daily sales, bank rec; correspondence re insurance; review Colliers marketing update; correspond with Virginia Selemidis, FirstOntario	0.30	\$395.00	\$118.50
Mon	06/29/2020	bid deadline date; review G/L; correspond/tdw Ian Gragtmans, Colliers re offers; review Tatso Properties offer	0.40	\$395.00	\$158.00
Tues	06/30/2020	review Colliers bid summary matrix; tdw's Mark Perkins, FirstOntario re K2 offer; review G/L, bank rec, daily sales; discussions re offers; review K2 agreement of purchase & sale; conference call with Ian Gragtmans et al, Colliers re bids; correspond with Ross Macfarlane, lawyer re K2 APS	1.10	\$395.00	\$434.50
Thur	07/02/2020	review K2 agreement of purchase and sale amendments; correspond/tdw Louis Grilli, FirstOntario re K2 offer; tdw Virginia Selemidis, FirstOntario; review G/L, bank rec, daily sales; correspond/tdw's Mark Perkins, FirstOntario re signing back K2 offer; review and sign back K2 offer; correspond/tdw's Ian Gragtmans, Colliers re signing back K2 offer; review 201 offer; review 207 offer; review 224 offer; review 233 offer; review 260 offer; review Kings offer; review MacEwen offer; review Mian offer; review Sandhu offer; review Mann offer; review Sunray offer; review amended K2 Group APS/offer	1.90	\$395.00	\$750.50
Fri	07/03/2020	correspond/tdw Mark Perkins, FirstOntario re acceptance of K2 Group APS, court approval and vesting order process; correspond/tdw Ian Gragtmans, Colliers re acceptance of K2 Group APS; correspond with Ross Macfarlane, lawyer re AVO process; discussions/correspondence re EFT/deposit/AVO process; correspond/tdw Virginia Selemidis, FirstOntario; review G/L, bank rec, daily sales;	1.00	\$395.00	\$395.00
Tues	07/07/2020	tdw Ian Gragtmans, Colliers re commission reduction; correspond/tdw Mark Perkins, FirstOntario re commission reduction	0.10	\$395.00	\$39.50

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MSGG - Detailed Time Dockets

Printed on: 7/21/20

Page 19 of 19

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

Day	Date	Memo	B-Hrs	B-Rate	Amount
Trevor Pringle (TPR)					
Mon	07/13/2020	review G/L, bank rec, daily sales; discussion re profit & loss statement; review and make changes to profit & loss statement; correspond with Virginia Selemidis, FirstOntario	0.40	\$395.00	\$158.00
Tues	07/14/2020	review G/L, bank rec, daily sales	0.10	\$395.00	\$39.50
Wed	07/15/2020	review G/L, bank rec, daily sales; correspond/tdw Virginia Selemidis, FirstOntario re June P&L, AVO court date	0.20	\$395.00	\$79.00
Thur	07/16/2020	review G/L, bank rec, daily sales; correspond with Ross Macfarlane, lawyer re ILA; discussions re drafting report to court; tdw David Jackson, lawyer; correspond with Virginia Selemidis, FirstOntario	0.50	\$395.00	\$197.50
Fri	07/17/2020	review G/L, bank rec, daily sales; review draft report to court; correspondence re draft report to court; call/correspond with Ross Macfarlane, lawyer re draft report; correspond with Virginia Selemidis, FirstOntario	0.50	\$395.00	\$197.50
Trevor Pringle (TPR)			30.50		\$12,047.50
Total for File ID AA1393:			556.25		\$115,313.75
Grand Total:			556.25		\$115,313.75

Appendix H

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 1393382.

3. Pursuant to the Appointment Order, Flett provided services and incurred disbursements from the period March 23, 2020 to July 21, 2020, to the Receiver (the "Period"). Copies of Flett's accounts dated May 28, 2020 and July 21, 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 \$11,331.94 all inclusive.
4. I was called to the bar of the Province of Ontario in 2008, and I practice in the area of insolvency. My standard hourly rate is \$350.00. I am identified as AMA in the accounts attached and marked as Exhibit "A".
5. J. Ross Macfarlane was called to the bar of the Province of Ontario in 1995, and specializes in the practice 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".
6. 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
21st day of July, 2020.



A Commissioner, etc.

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

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ALYSSA ADAMS

This is Exhibit "A" referred to
in the affidavit of Alyssa Adams
sworn before me in the city of Welland
in the Regional Municipality of Niagara,
this 21th day of July, 2020

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

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

July 21, 2020

File #: 52355
Inv #: 77387

Re: Receivership of 1393382 Ontario Limited (Dhillon)
For Professional Services rendered through July 21/20

DATE	DESCRIPTION	HOURS	RATE	LAWYER
Jun-29-20	Receive and review offer; correspondence from Kirwin	0.20	425.00	JRM
Jun-30-20	Receive and review offer; emails with clients	0.70	425.00	JRM
Jul-03-20	Emails with client; review final APS	0.20	425.00	JRM
Jul-06-20	Email from Grewal	0.10	425.00	JRM
Jul-07-20	Prepare for and attend conf call with Grewal; emails with Grewal and client	0.90	425.00	JRM
Jul-08-20	Emails with Grewal	0.10	425.00	JRM
Jul-20-20	Email to purchaser's lawyer	0.10	425.00	JRM
	Prepare and draft security opinion; TCT client; TCT Jackson; emails with Jackson and client	4.20	425.00	JRM
	Prepare and draft approval and vesting order	1.60	425.00	JRM
	Totals	8.10	\$3,442.50	
	Total HST on Fees		447.53	
Taxable Disbursements				
	Teranet express-writs		\$15.62	
	Teranet search charges - ordering instrument - SG		\$3.00	
	Totals		\$18.62	
	Total HST on Disbursements		2.42	
Total Fees & Disbursements (including HST)			\$3,911.07	

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.

H.S.T. No.: 122423049

THIS IS OUR ACCOUNT

FLETT BECCARIO

Per:

J. Ross Macfarlane

Total Fees	\$3,442.50
Total Disb.	\$18.62
Total HST	<u>\$449.95</u>
	\$3,911.07

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

May 28, 2020

JRM CF# 52355
AMA CF# 53247

Hamilton, ON L8P 4W7

Attention: Trevor B. Pringle

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

DATE	DESCRIPTION	HOURS	RATE	LAWYER
Mar-23-20	Review of file and email exchange with Ms. Hornbostel; legal research and report - AMA	3.00	350.00	AMA
Mar-27-20	Review email exchange and client documents - AMA	0.20	350.00	AMA
Mar-29-20	Review executed offer of employment; legal research - AMA	0.80	350.00	AMA
Apr-21-20	Review and revise fee affidavit	0.20	425.00	JRM
Apr-22-20	Review and revise first report	1.20	425.00	JRM
Apr-23-20	Emails with clients; teleconference with clients; email to court and emails with counsel	1.40	425.00	JRM
Apr-24-20	Receive and review receiver's report; email with client and Calina	0.20	425.00	JRM
Apr-28-20	Emails with court re: scheduling motion and Zoom conference	0.80	425.00	JRM
Apr-29-20	Prepare and draft notice of motion; review and revise motion record and confidential record; instructions to clerk re: service and filing; emails with court re: scheduling	2.20	425.00	JRM
Apr-30-20	Compiling, scanning, copying and binding motion records; email to service list; correspondence to service list - CB	2.50	175.00	JRM
	Final review of hard copy materials for service	0.30	425.00	JRM
May-05-20	Emails with client; tcf client; emails with Calina; prepare and draft order for sale	1.10	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.

	approval motion			
	Emails with client re: draft order; finalize draft	0.20	425.00	JRM
May-06-20	Email to court; emails with Galina and clients; teleconference with clients; revising draft order	0.60	425.00	JRM
May-07-20	Prepare for and attend motion before Gilmore J; revising draft order; communications with client and court re: signed order and entry of order	2.20	425.00	JRM
May-12-20	Emails with clients re: agreements to review	0.10	425.00	JRM
May-13-20	Review and revise confidentiality agreement	0.70	425.00	JRM
	Review and revise agreement of purchase and sale	3.30	425.00	JRM
May-14-20	Emails with client and Dutrizac	0.30	425.00	JRM
	Review COVID-19 compliance documents; tct client; emails with client	0.30	425.00	JRM
May-15-20	Review CIM and emails with client	0.40	425.00	JRM
	Totals	22.00	<u>\$8,425.00</u>	

Total HST on Fees

1,095.25

Taxable Disbursements

Courier Charges	\$218.26
Photocopying Charges - motion record	\$150.00
Totals	\$368.26
Total HST on Disbursements	47.87

Non-Taxable Disbursements

Court fees - Motion Record May 7 2020	\$320.00
Totals	<u>\$320.00</u>

Total Fees & Disbursements (including HST)**\$10,256.38**

H.S.T. No.: 122423049

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

JRM Fees \$7,025.00
 AMA Fees \$1,400.00
 Total Disb \$688.26
 Total HST \$1,143.12
 Total \$10,256.38

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

July 21, 2020

File #: 52355
Inv #: 77387

Re: Receivership of 1393382 Ontario Limited (Dhillon)

For Professional Services rendered through July 21/20

DATE	DESCRIPTION	HOURS	RATE	LAWYER
Jun-29-20	Receive and review offer; correspondence from Kirwin	0.20	425.00	JRM
Jun-30-20	Receive and review offer; emails with clients	0.70	425.00	JRM
Jul-03-20	Emails with client; review final APS	0.20	425.00	JRM
Jul-06-20	Email from Grewal	0.10	425.00	JRM
Jul-07-20	Prepare for and attend conf call with Grewal; emails with Grewal and client	0.90	425.00	JRM
Jul-08-20	Emails with Grewal	0.10	425.00	JRM
Jul-20-20	Email to purchaser's lawyer	0.10	425.00	JRM
	Prepare and draft security opinion; TCT client; TCT Jackson; emails with Jackson and client	4.20	425.00	JRM
	Prepare and draft approval and vesting order	1.60	425.00	JRM

Totals	8.10	\$3,442.50
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Total HST on Fees		447.53
-------------------	--	--------

Taxable Disbursements

Teranet express-writs	\$15.62
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Teranet search charges - ordering instrument - SG	\$3.00
---	--------

Totals	\$18.62
--------	---------

Total HST on Disbursements	2.42
----------------------------	------

Total Fees & Disbursements (including HST)	\$3,911.07
---	-------------------

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

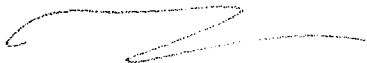
E.&O.E.

H.S.T. No.: 122423049

THIS IS OUR ACCOUNT

FLETT BECCARIO

Per:



J. Ross Macfarlane

Total Fees	\$3,442.50
Total Disb.	\$18.62
Total HST	<u>\$449.95</u>
	\$3,911.07

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*

Appendix I

1393382 Ontario Limited

Statement of Receipts and Disbursements

As at June 30, 2020

RECEIPTS

Fuel and Store Sales	\$ 3,607,023
Receiver's Borrowings	707,000
HST Collected	487,445
Rental Income	8,715
Cross Lease Income	8,302
Lottery Commission	4,486
Interest Earned	3,635
Misc Income	120
TOTAL RECEIPTS	<u>4,826,727</u>

DISBURSEMENTS

Fuel Purchases	3,092,247
HST Paid on Disbursements	474,346
Management Fees	244,497
Store Purchases	214,893
Wages	106,666
Credit Card Processing Fees	53,221
Lottery Expense	50,494
Repairs and Maintenance	38,882
Purchase of Equipment	28,500
Utilities	28,058
Property Taxes	27,546
Insurance Fees	20,530
Appraisal Fees	13,164
GST/HST Remitted	19,335
Payroll Deductions Remitted	17,476
Legal Fees	15,397
Other Miscellaneous Expenses	6,874
TOTAL DISBURSEMENTS	<u>4,452,126</u>

NET RECEIPTS**\$ 374,601****Notes**

- 1.) Accounts Receivable of \$74,328.54 were outstanding as of June 30, 2020
- 2.) Sales exclude \$121,037.02 in credit card sales held by Parkland fuel to be offset by fuel purchases and credited for the difference in July

Appendix J

From: Selemidis, Virginia <Virginia.Selemidis@firstontario.com>

Sent: July 17, 2020 11:08 AM

To: Trevor Pringle <tpringle@spergel.ca>

Cc: Selemidis, Virginia <Virginia.Selemidis@firstontario.com>

Subject: RE: Bloomfield payout statement

Hi Trevor.

The pay out as of July 20, 2020 is as follows:

Principal Balance	\$14,510,393.10 (includes all collection expenses to date)
Interest owing	\$ 605,186.98
Balance owing as of July 20, 2020	\$15,115,580.08

If there is anything else you need, let me know.

Did you need the Receivers LOC as well?

Virginia Selemidis Senior Portfolio Manager, Commercial Credit

FirstOntario Credit Union | 4021 Upper Middle Rd, Burlington, ON L7M 0Y9

T: 289-288-0208 x1075 | Toll-Free: 1-800-616-8878 ext. 1075 | F: 289-288-0215 | C: 289-527-2836

E: Virginia.Selemidis@firstontario.com | W: www.FirstOntario.com

FirstOntario

CREDIT UNION

"This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose, or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply email and delete this message. Thank you for your cooperation."

Appendix K

**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

VIA E-MAIL: tpringle@spergel.ca

Reply To: J. Ross Macfarlane (Ext. 274)
Fax No: (905) 732-2020
E-mail: jrmacfar@flettbeccario.com
Assistant: Colleen Baling (Ext. 277)
E-mail: cbalint@flettbeccario.com

July 20, 2020

msi Spergel Inc.
21 King Street West, Suite 1602
Box 54
Hamilton, ON L8P 4W7

Attention: Trevor B. Pringle

Dear Mr. Pringle:

Re: FirstOntario Credit Union Limited ("FirstOntario") and 1393382 Ontario Limited (the "Debtor")

In accordance with your instructions, we reviewed certain security granted by the Debtor to FirstOntario and offer the following comments:

We have reviewed the Affidavit of Virginia Selemidis sworn December 2, 2019 (the "Selemidis Affidavit") in support of the application to appoint msi Spergel Inc. as receiver of the Debtor, including certain documents relating to the loan and security held by FirstOntario.

Corporate Profile Search

The Debtor was incorporated in the Province of Ontario on December 29, 1999. According to the corporate profile report, the registered office and mailing address of the Debtor is 60 Rose Avenue, Tilbury, Ontario N0P 2L0. As of July 16, 2020, the corporate status of the Debtor is active and the directors are Sarbjit Singh Dhillon, Sarbjit Dhillon Dhillon, and Mandhir Singh Dhillon.

Section 427 Bank Act Security Search

Our search for notices of intention to give security under the Bank Act registered in Ontario against the Debtor, revealed no matches as of July 16, 2020.

Bankruptcy and Insolvency Records Search

Our search of the Office of the Superintendent of Bankruptcy records revealed that the Debtor is in receivership as of September 30, 2019, with yourself noted as the receiver. There were no other insolvency proceedings noted.

We have further reviewed the Orders dates December 16 and 18, 2019, which ordered the appointment of msi Spergel Inc. as receiver, without security, of the real property municipally known as 22216 Bloomfield Road, Chatham, Ontario (the "Bloomfield Property").

Execution Search

Our execution search against the Debtor is clear in the sheriff's office for Chatham-Kent as of July 20, 2020.

PPSA

The PPSA search results for the Debtor are detailed on Schedule "A" attached hereto.

Personal Property Security

We have reviewed a copy of a Business Loan General Security Agreement executed by the Debtor in favour of FirstOntario dated February 28, 2017 (the "GSA"). Pursuant to the GSA, the Debtor granted to FirstOntario a general and continuing security interest in all of its business undertakings, and the personal property described in the GSA, including, Inventory, Equipment, Receivables, Chattel Paper, Documents of Title, books and records relating to the foregoing, securities and proceeds of the foregoing, whether then presently owned or after acquired.

The GSA appears to have been signed on behalf of the Debtor by Sarbjit Singh Dhillon as President and Mandhir Singh Dhillon as Secretary-Treasurer of the Debtor. We note that there is a recital indicating that they have authority to bind the Debtor. There does not appear to have been a corporate seal on the document. We have not received or reviewed any corporate resolution or other corporate documents which authorize the granting of the GSA. The "indoor management rule" provided in section 9 of the *Business Corporations Act* (Ontario) would estop the Debtor from asserting that the individuals who signed the GSA did not have authority to do so. Therefore, the GSA on its face is enforceable. Subject to the foregoing and the other assumptions and

qualifications herein we are of the opinion that First Ontario holds a valid, perfected security interest in the personal property of the Debtor described in the GSA.

The Selemidis Affidavit attached various postponement documents as follows (the "Postponements") which purport to subordinate the security interests of various creditors to the interest of FirstOntario as follows:

DATE	PPSA FILE NUMBER	CREDITOR
February 17, 2017	655266528	Parkland Fuel Corporation (stated to be the successor to Pioneer Energy LP)
February 22, 2017	700079229	Libro Credit Union Limited
February 28, 2017	697391325	Canadian Imperial Bank of Commerce

The Postponements appear to be in order, and by virtue of sections 38 and 50 of the *Personal Property Security Act* would appear to be effective to subordinate the security interests listed therein to the interest of FirstOntario in accordance with the terms of the Postponements, notwithstanding that no financing change statement has been registered in connection with any of the Postponements.

Indebtedness to FirstOntario

We have reviewed the Selemidis Affidavit in support of the application in this proceeding. It would appear from the Selemidis Affidavit FirstOntario loaned monies to the Debtor pursuant to commitment letters dated April 11, 2017 and December 21, 2018 (the "Commitment Letters").

According to the Selemidis Affidavit, as at November 27, 2019, the Debtor was indebted to FirstOntario in the amount of \$14,604,124.72.

Real Property Security

As security for the indebtedness, FirstOntario registered a charge/mortgage of land in the principal amount of \$11,000,000.00 as instrument number No. CK129070 on March 2, 2017 which was amended to the principal amount of \$14,625,000.00 by notice registered as instrument no. CK154953 on February 13, 2019 (collectively the "FirstOntario Charge"), which subject to the assumptions and qualifications expressed herein, appears to represent a first charge against title to the Bloomfield Property municipally known as 22216 Bloomfield Road, Chatham, Ontario, and described for legal purposes as:

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))

(the "Real Property")

The FirstOntario Charge was given as collateral security for all indebtedness to FirstOntario. The FirstOntario Charge has been properly registered as a charge upon the Real Property. The instrument has been registered electronically and, as we have not received or reviewed corporate authorities authorizing the granting and registration of this instrument, we must assume that the Debtor through its authorized officers, authorized and executed a form of acknowledgment directing the registration of this instrument.

As further security for the indebtedness, an Assignment of Rents-General from the Debtor was registered against the Real Property on March 2, 2017 as Instrument No. CK129071 ("Assignment of Rents"). The Assignment of Rents appears to have been signed on behalf of the Debtor by Sarbjit Singh Dhillon as President and Mandhir Singh Dhillon as Secretary-Treasurer of the Debtor. We note that there is a recital indicating that they have authority to bind the Debtor. There does not appear to have been a corporate seal on the document. The instrument has been registered electronically and, as we have not received or reviewed corporate authorities authorizing the granting and registration of this instrument, we must assume that the Debtor, through its authorized officer, authorized and executed a form of acknowledgment directing the registration of this instrument.

Subject to the foregoing and the assumptions and qualifications expressed herein, we are of the opinion that the security compromised by the FirstOntario Charge and the Assignment of Rents create valid security interests in favour of FirstOntario in the Real Property above-mentioned and were registered by appropriate documents in the Land Titles Registry and the Personal Property Security Registry, and constitute a valid mortgage and assignment of rents against the Real Property.

Assumptions and Qualifications

In addition to any qualifications made within the context of the foregoing correspondence, the comments and opinions expressed herein are subject to the following assumptions and qualifications:

1. We have assumed the genuineness of all signatures and the authenticity of the documents provided to us;
2. We have relied, without independent verification, upon matters of fact certified by public officials;
3. We have assumed the accuracy and currency of all public records, indexes, and filing systems where we have searched or inquired or caused searches or inquiries to be made, or in respect of which we have received copies of searches from third parties;
4. The enforcement of the various security documents may be limited by moratorium, arrangement, personal property security, and other laws generally affecting the

enforceability of the rights of secured parties and subject to the availability of equitable remedies;

5. The security documents have been duly executed and delivered by the Debtor and constitute valid and legally binding and enforceable obligations of the Debtor; and,
6. The Debtor is lawfully indebted to FirstOntario.

We express no opinion with respect to the following:

- (a) Except as specifically noted herein, possible claims in the nature of purchase money security interests, leases, and claims under Section 81.1(1) of the *Bankruptcy and Insolvency Act* ranking in priority to the claim or claims of any of the secured creditors under their security instruments;
- (b) Possible trust claims under federal or provincial legislation ranking in priority to the claim or claims of the secured creditors;
- (c) Possible claims for statutory priorities under the federal, provincial, or municipal legislation ranking in priority to the claim or claims of the secured creditors; and,
- (d) The validity, enforceability, or priority of the various security interests in relation to any personal property that is not located in the Province of Ontario.

Please feel free to contact us if you have any questions with respect to this report.

Yours truly,

FLETT BECCARIO

Per:



J. ROSS MACFARLANE

For the Firm

JRM/cb

SCHEDULE "A"

Our review of the searches under the Personal Property Security Act as against the Debtor revealed the following registrations as of July 15, 2020:

Creditor	File Number	Registration Date	Expiry Date	Collateral
Pioneer Energy LP	655266528	July 30, 2009	July 30, 2020	Invtry, Equip., Accts., Other General Security Agreement (Secured Party changed by assignment from Bradshaw Fuels Ltd. registered September 14, 2011)
Canadian Imperial Bank of Commerce, Credit Processing Services	697391325	June 24, 2014	June 24, 2029	Invtry, Equip., Accts., Other, MV Incl.
Libro Credit Union Limited	700079229	September 24, 2014	September 24, 2020	Invtry, Equip., Accts., Other, MV Incl.
FirstOntario Credit Union Limited	723395313	December 14, 2016	December 14, 2026	Invtry, Equip., Accts., Other, MV Incl.
FirstOntario Credit Union Limited	723395331	December 14, 2016	December 14, 2026	Accts., Other General Assignment of Rents and Leases relating to 22216 Bloomfield Road, Chatham, Ontario only, plus proceeds
Canadian Imperial Bank of Commerce	756449802	October 11, 2019	October 11, 2022	Other Mareva Order
Canadian Imperial Bank of Commerce	756456921	October 11, 2019	October 11, 2022	Other Mareva Order

Confidential Appendix A

Confidential Appendix B

Confidential Appendix C

Confidential Appendix D

Confidential Appendix E

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

**MOTION RECORD
(Motion returnable August 5, 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 the Court-Appointed Receiver, msi Spergel Inc.