

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

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING, SMIT  
RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI PANCHASARA**

**Respondents**

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## **MOTION RECORD OF THE RECEIVER**

**Returnable October 14, 2022**

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October 5, 2022

**HARRISON PENZA LLP**

Barristers & Solicitors

130 Dufferin Avenue, Suite 1101

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Solicitors for the Receiver,  
msi Spergel inc.

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Receiver

AND

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Lawyers for the Canada Revenue Agency

AND

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OF ONTARIO AS REPRESENTED BY  
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Lawyers for 1301026 Ontario Limited o/a Healthy Planet

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# Tab 1

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

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING, SMIT  
RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI PANCHASARA**

**Respondents**

**NOTICE OF MOTION  
(returnable October 14, 2022)**

msi Spergel inc. ("**Spergel**") in its capacity as Court-appointed receiver (the "**Receiver**") appointed pursuant to the Order of the Honourable Justice Cavanagh dated August 24, 2021 (the "**Appointment Order**") of the Property, as defined in the Appointment Order, will make a Motion to a Judge as soon as the Motion can be heard.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard:

- ☐ In writing under subrule 37.12.1 (1) because it is on consent;
- ☐ In writing as an opposed motion under subrule 37.12.1 (4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location:

At the Court House, 330 University Avenue, Toronto, Ontario on October 14, 2022 at 12:30 p.m., or as soon after that time as the Motion can be heard by judicial teleconference via Zoom at Toronto, Ontario, with video conference details to be provided prior to this date.

**THE MOTION IS FOR:**

1. An Order (Distribution and Discharge), substantially in the form attached hereto at Schedule "A", *inter alia*:
  - a. That the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today, and hereby dispensing with further service and confirmation hereof;
  - b. Approving the Receiver's First Report to the Court dated September 27, 2022 (the "**First Report**") and the activities and conduct of the Receiver as detailed therein;
  - c. Approving the Professional Fees and the Fee Accrual (both as detailed in the First Report), and payment of same;
  - d. Approving the Statement of Receipts and Disbursements as detailed in the First Report;
  - e. Authorizing the Receiver to make the Proposed Distribution (as detailed in the First Report and defined below);
  - f. Discharging Spergel as the Receiver on the filing of the Certificate of Completion as provided for in the First Report, and releasing the Receiver from liability for its actions while acting in such capacity, save and except for the Receiver's gross negligence or willful misconduct; and,
2. Such further and other relief as counsel may request and this honourable court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

The Debtor and the Appointment of the Receiver

1. Pursuant to the Appointment Order, Spergel was appointed as the Receiver, without security, of all the assets, undertakings and properties acquired for, or used in relation to a business (the "**Property**") carried on by RJ Packaging Incorporated operating as Custom Food Packaging (the "**Debtor**").



2. The Debtor owes arrears of employee deductions at source to the Canada Revenue Agency ("**CRA**") totalling \$58,362.44 as at [insert date] (the "**Source Arrears**").
3. The Debtor owes arrears for Harmonized Sales Tax to CRA totalling \$50,916.54 as at [insert date] (the "**HST Arrears**").
4. The Receiver mailed a Wage Earner Protection Program notification, including schedules of amounts payable, to the eligible former employee of the Debtor. The Receiver received a statement from the Employment and Social Development Canada indicating a total of \$2,000.00 outstanding with security for payment pursuant to subsection 81.4(4) of the *Bankruptcy and Insolvency Act (Canada)*.
5. The Applicant creditor, Royal Bank of Canada (hereinafter "**RBC**") is a secured creditor of the Debtor, and the Debtor was indebted to RBC in the sum of \$659,596.85 as at September 21, 2022 with interest and legal costs continuing to accrue (the "**Indebtedness**"), pursuant to certain financing provided by RBC to the Debtor secured by a general security agreement from the Debtor.

#### Actions of the Receiver

6. Pursuant to the Appointment Order, the Receiver attended at 1A-45 basaltic Road, Concord, ON L4K 1G5 which is the registered head office of the Debtor to take possession of the Property.
7. The Receiver issued demand letters regarding accounts receivable in August of 2021 to all customers listed in the Debtor's books and records. In discussions with customers the Receiver discovered that none of the receivables were collectible.
8. The Receiver retained Platinum Asset Appraisals to provide an appraisal of the value of the inventory and equipment. Based on the appraised value of the assets, the Receiver determined it was commercially reasonable for the Receiver to sell the inventory and equipment by way of auction.
9. On or about December 12, 2021, the assets were sold by Platinum Asset Services Inc. for gross proceeds of \$71,145.00.

#### Approval of Receiver's Accounts

10. The Appointment Order requires the Receiver and its legal counsel to pass its accounts from time to time.
11. The Receiver has properly incurred fees and disbursements as detailed in the First Report.
12. The fees incurred by the Receiver for services provided by its legal counsel, Harrison Pensa LLP are detailed in the First Report.
13. The Receiver seeks the approval of the Professional Fees, and payment of same, as defined in the First Report.

#### Proposed Distribution

14. The Receiver recommends that a reserve not exceeding the sum of \$10,000.00 (inclusive of HST), should be held for the final fees and expenses to complete the Receivership (the "**Fee Accrual**").
15. The Receiver recommends the distribution as detailed in the First Report, as follows:
  - a. Professional Fees;
  - b. \$24,428.96 to the Receiver General in respect of the HST Arrears;
  - c. \$2,000.00 to the Receiver General in respect of the priority claim pursuant to subsection 81.4(4) of the *Bankruptcy and Insolvency Act (Canada)*; and,
  - d. The balance of the funds residing in the Receiver's account, less the Fee Accrual, to RBC which is not expected to be sufficient to pay the Indebtedness in full.

(collectively, the "**Proposed Distribution**")

16. The Receiver seeks approval of the Proposed Distribution.

## Discharge

17. Following the completion of the Proposed Distribution (as defined in the First Report) and the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the Receivership have been completed to the satisfaction of the Receiver, the Receiver will have completed the administration of the estate of the Debtor, and as such requests its discharge as Receiver.
18. Section 243 of the *BIA*.
19. Sections 100 and 137(2) of the *Courts of Justice Act*.
20. Rules 2, 3, 37, 38, and 60.10 of the *Rules of Civil Procedure*.
21. The grounds as detailed in the First Report.
22. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Appointment Order;
2. The First Report of the Receiver and the Appendices thereto;
3. Such materials as counsel may advise and this Honourable Court may permit.

October 3, 2022

**HARRISON PENSA LLP**  
Barristers & Solicitors  
130 Dufferin Avenue, Suite 1101  
London, ON N6A 5R2

**Melinda Vine (LSO #53612R)**

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Solicitors for the Receiver,  
msi Spergel inc.

To: Service List

SCHEDULE "A"

Court File No. CV-21-00665286-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	WEEKDAY, THE #
	)	
JUSTICE	)	DAY OF MONTH, 20YR

B E T W E E N:

**ROYAL BANK OF CANADA**

Applicant

- and -

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING, SMIT  
RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI  
PANCHASARA**

Respondents

**ORDER**

**(DISTRIBUTION AND DISCHARGE)**

THIS MOTION, made by msi Spergel inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of RJ Packaging Incorporated operating as Custom Food Packaging (the "Debtor"), for an Order:

1. That the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and hereby dispensing with further service and confirmation hereof;
2. Approving the activities and conduct of the Receiver as set out in the First and Final Report of the Receiver dated September 27, 2022 (the "First Report");

3. Approving the Professional Fees and the Fee Accrual, as defined and detailed in the First Report, and payment thereof;
4. Approving the Receiver's Statement of Receipts and Disbursements, as defined and detailed in the First Report (the "Statement of Receipts and Disbursements");
5. Authorizing and directing the distribution of the remaining proceeds available in the estate of the Debtor after payment of the Professional Fees and the holding back of the Fee Accrual, as detailed in the First Report (the "Proposed Distribution"), as follows:
  - (a) To the Receiver General, a distribution of \$24,428.96 on account of the HST Arrears;
  - (b) To the Receiver General, a distribution of \$2,000.00 on account of the priority claim pursuant to subsection 81.4(4) of the *Bankruptcy and Insolvency Act*; and,
  - (c) To the Applicant, Royal Bank of Canada ("RBC"), a distribution of the balance of the funds residing in the Receiver's account, if any, on account of the Debtor's secured indebtedness to RBC, for principal, interest and costs up to the amount of the Debtor's indebtedness to RBC.
6. Discharging msi Spergel Inc. as Receiver of the undertaking, property and assets of the Debtor on the filing of the Certificate of Completion, as provided for in the First Report; and
7. Releasing msi Spergel Inc. from any and all liability, as set out in paragraph 7 of this Order,

was heard this day by way of judicial teleconference via Zoom at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Notice of Motion dated October 3, 2022, the First Report, the affidavits of the Receiver and its counsel as to Professional Fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of Lindsay Ferguson sworn October 3, 2022, filed;

1. THIS COURT ORDERS that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and hereby dispensing with further service and confirmation hereof.
2. THIS COURT ORDERS that the activities of the Receiver, as set out in the First Report, are hereby approved.

3. THIS COURT ORDERS that the Professional Fees and the Fee Accrual, as set out in the First Report and the Fee Affidavits, and payment thereof, be and are hereby approved.

4. THIS COURT ORDERS that the Statement of Receipts and Disbursements be and is hereby approved.

5. THIS COURT ORDERS that, after payment of the Professional Fees herein approved, and subject to the Fee Accrual the Receiver be and is authorized and directed to make the Proposed Distribution, as described in the First Report, as follows:

- (a) To the Receiver General, a distribution in the amount of \$24,428.96;
- (b) To the Receiver General, a distribution in the amount of \$2,000.00; and
- (c) To RBC, a distribution of the balance of the funds residing in the Receiver's account, if any, on account of the Debtor's secured indebtedness to RBC for principal, interest and costs up to the amount of the Debtor's indebtedness to RBC.

6. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 and 5 hereof and upon the Receiver filing the Certificate of Completion as provided for in the First Report certifying that it has completed the other activities described in the Report, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of msi Spergel Inc. in its capacity as Receiver.

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

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Justice, Ontario Superior Court of Justice, Commercial List

ROYAL BANK OF CANADA

v.

RJ PACKAGING INCORPORATED operating as CUSTOM FOOD  
PACKAGING, et al.

Applicant

Respondents

Court File No. CV-21-00665286-00CL

	<b>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</b>  PROCEEDING COMMENCED AT TORONTO, ONTARIO
	<b>DISTRIBUTION AND DISCHARGE ORDER</b>
	<b>HARRISON PENZA</b> <sup>LLP</sup> Barristers & Solicitors 130 Dufferin Avenue, Suite 1101 London, Ontario N6A 5R2  <b>Melinda Vine (LSO #53612R)</b>  Tel : (519) 679-9660 Fax: (519) 667-3362 Email: <a href="mailto:mvine@harrisonpensa.com">mvine@harrisonpensa.com</a>  Lawyers for the Receiver, msi Spergel inc.



ROYAL BANK OF CANADA

v.

RJ PACKAGING INCORPORATED operating as CUSTOM FOOD  
PACKAGING, et al.

Applicant

Respondents

Court File No. CV-21-00665286-00CL

	<b>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</b>  PROCEEDING COMMENCED AT TORONTO, ONTARIO
	<b>NOTICE OF MOTION</b>
	<b>HARRISON PENZA</b> <sup>LLP</sup> Barristers & Solicitors 130 Dufferin Avenue, Suite 1101 London, Ontario N6A 5R2  <b>Melinda Vine (LSO #53612R)</b>  Tel : (519) 679-9660 Fax: (519) 667-3362 Email: <a href="mailto:mvine@harrisonpensa.com">mvine@harrisonpensa.com</a>  Lawyers for the Receiver, msi Spergel inc.

# Tab 2

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

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

-and-

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING, SMIT  
RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI PANCHASARA**

Respondents

**FIRST AND FINAL REPORT OF MSI SPERGEL INC.  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER  
OF RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING**

**September 27, 2022**

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## **APPENDICES**

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2. The Platinum Appraisal
3. The Auctioneer's Summary Report
4. Fee Affidavit of Mukul Manchanda, sworn September 27, 2022
5. Fee Affidavit of Jason DiFruscia, sworn September 26, 2022
6. Interim Statement of Receipts and Disbursements as at September 21, 2022
7. Copy of the Unsecured Payroll Claim
8. Copies of the HST Deemed Trust Claim and the Unsecured HST Claim
9. Copy of the statement from Employment and Social Development Canada

## **I. APPOINTMENT AND BACKGROUND**

1. This first and final report (this “**Report**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of RJ Packaging Incorporated operating as Custom Food Packaging (“**RJ Packaging**” or the “**Company**”).
2. RJ Packaging is a private Ontario corporation with its registered office at 1A-45 Basaltic Rd, Concord, ON L4K 1G5 (the “**Premises**”).
3. Spergel was appointed as the Receiver of all the assets, undertakings and properties of RJ Packaging (collectively, the “**Property**”) by Order of the Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made August 24, 2021 (the “**Receivership Order**”). The Receivership Order was made upon the application of RJ Packaging’s general secured creditor, Royal Bank of Canada (“**RBC**”). Attached as **Appendix “1”** to this Report is a copy of the Receivership Order.
4. The Receiver retained Harrison Pensa LLP as its independent counsel (the “**Receiver’s Counsel**”).

## **II. PURPOSE OF THIS REPORT AND DISCLAIMER**

5. The purpose of this Report is to advise the Court as to the steps taken by the Receiver in these proceedings and to seek the following Orders from this Court:
  - a) approving this Report and the actions of the Receiver described herein, including without limitation, the Receiver’s interim statement of receipts and disbursements as at September 21, 2022;
  - b) approving the fees and disbursements of the Receiver for the period to and including August 31, 2022;
  - c) approving the fees and disbursements of the Receiver’s Counsel for the period to and including September 6, 2022;
  - d) approving the Fee Accrual (as defined herein);

- e) authorizing and directing the Receiver to make the distributions proposed in this Report; and
- f) effective upon filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership of the Company have been completed to the satisfaction of the Receiver, discharging Spergel as the Receiver and granting certain ancillary relief in relation thereto.

#### Restrictions & Disclaimer

- 6. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Report for any other purpose.
- 7. In preparing this Report, the Receiver has relied upon certain information provided to it by the management of the Company. The Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information.
- 8. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

### **III. ACTIONS OF THE RECEIVER UPON APPOINTMENT**

- 9. A copy of the Receivership Order was provided to the Company by RBC's counsel and by the Receiver. In addition, the Receiver prepared its statutory Notice and Statement of the Receiver in accordance with subsections 245 (1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)* and mailed copies of same to all creditors of the Company known to the Receiver.
- 10. On August 24, 2021, the Receiver attended at the Premises and met with the principal of the Company, Smit Jani ("**Smit**"). During the inspection of the Premises and in discussion with Smit, it became evident that there would be no benefit in

continuing the operation of the Company. As such the Receiver took possession of the Property of the Company and terminated the employees.

### ***Accounts Receivable***

11. After taking possession of the Property, the Receiver extracted an accounts receivable listing from the accounting software and took steps to realize on the Company's outstanding accounts receivable. In this regard, the Receiver issued demand letters to all customers listed in the Company's books and records totaling \$375,552.59. It should be noted that approximately 98% of the receivables were aged over 90 days and in discussions with the customers, the Receiver discovered that none of the receivables were collectible.

### ***Inventory and Equipment***

12. The Receivership Order empowers the Receiver to, among other things, sell the assets of the Company without the approval of the Court, for any transaction not exceeding \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$150,000.
13. Upon taking possession and inspection of the Property, the Receiver retained Platinum Asset Appraisals to provide an appraisal of the value of the inventory and equipment (the "**Platinum Appraisal**"). The Platinum Appraisal indicated a forced liquidation value of the inventory and equipment between \$28,650 and \$41,350. Attached as **Appendix "2"** to this Report is a copy of the Platinum Appraisal.
14. Given the appraised value of the assets and the threshold of the Receiver to sell the assets of the Company without the approval of the Court, the Receiver determined that it was commercially reasonable for the Receiver to sell the inventory and equipment by way of an auction. Accordingly, on October 25, 2021, the Receiver entered into an auction agreement with Platinum Asset Services Inc. (the "**Auctioneer**"). On December 12, 2021, the Auctioneer conducted the auction and was successful in selling all the assets. The auction resulted in gross proceeds of \$71,145 with no individual item being sold for more than \$25,000. Attached as **Appendix "3"** to this Report is a copy of the Auctioneer's summary report.



### ***Wage Earner's Protection Program***

15. The Receiver mailed a Wage Earner Protection Program notification, including schedules of amounts payable, to the eligible former employee of RJ Packaging. The Receiver estimates that the amounts owed to the employee which would provide the employee with security for payment pursuant to sections 81.3 or 81.4 of the *Bankruptcy and Insolvency Act* totals \$2,000.

### **IV. FEES AND DISBURSEMENTS OF THE RECEIVER**

16. Attached hereto as **Appendix "4"** is the Affidavit of Mukul Manchanda, sworn September 27, 2022, which incorporates by reference a copy of the Receiver's time dockets for the period to and including August 31, 2022 in the amount of \$37,637.57 (inclusive of disbursements and HST). This represents a total of 107.30 hours at an average rate of \$310.35 per hour.

### **V. FEES AND DISBURSEMENTS OF THE RECEIVER'S COUNSEL**

17. Attached hereto as **Appendix "5"** is the Affidavit of Jason DiFruscia, sworn September 26, 2022, which incorporates by reference a copy of the accounts rendered by the Receiver's Counsel for the period to and including September 6, 2022 in the amount of \$8,584.07 (inclusive of disbursements and HST).
18. The Receiver has reviewed the accounts of Receiver's Counsel and given the Receiver's involvement in this matter, the Receiver is of the view that all the work set out in the accounts of the Receiver's Counsel was carried out and was necessary. The hourly rates of the lawyers who worked on this matter were reasonable in light of the services required, and the services were carried out by lawyers with the appropriate level of experience

### **VI. FEE ACCRUAL**

19. Provided there is no opposition to the relief sought in this Report and that such relief is granted, the Receiver estimates that the additional fees and disbursements for itself and the Receiver's Counsel necessary to complete the proceedings will be \$10,000 (not including HST and disbursements), respectively (the "**Fee Accrual**").

**VII. RECEIVER'S INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS**

20. Attached hereto as **Appendix "6"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements as at September 21, 2022.

**VIII. PROPOSED DISTRIBUTION**

***Canada Revenue Agency***

21. Canada Revenue Agency ("**CRA**") conducted a trust audit of RJ Packaging's payroll account and filed an unsecured claim in the amount of \$58,362.44 (the "**Unsecured Payroll Claim**"). Attached as **Appendix "7"** to this Report is a copy of the Unsecured Payroll Claim.
22. CRA also conducted a trust audit of RJ Packaging's *Harmonized Sales Tax* ("**HST**") account and filed a deemed trust claim in the amount of \$24,428.96 (the "**HST Deemed Trust Claim**") and an unsecured claim in the amount of \$50,916.54 (the "**Unsecured HST Claim**"). Attached as **Appendix "8"** to this Report are copies of the HST Deemed Trust Claim and Unsecured HST Claim.

***Wage Earners Protection Program ("WEPP")***

23. As reported above, the Receiver mailed WEPP notification, including schedules of amounts payable, to the eligible former employee of RJ Packaging. The Receiver received a statement from Employment and Social Development Canada on April 28, 2022 indicating a total of \$2,000 outstanding with security for payment pursuant to subsection 81.4(4) of the *Bankruptcy and Insolvency Act (Canada)*. Attached as **Appendix "9"** to this Report is a copy of the statement received from Employment and Social Development Canada.
24. Therefore, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel, including the Fee Accrual, the Receiver recommends that it be authorized and directed to distribute:
- a) \$24,428.96 to the Receiver General in respect of the HST Deemed Trust Claim; and

- b) \$2,000 to the Receiver General in respect of the priority claim pursuant to subsection 81.4(4) of the *Bankruptcy and Insolvency Act (Canada)*.

### **RBC**

- 25. RBC holds certain security over RJ Packaging, including, amongst others, general security agreement dated and signed December 21, 2018 ("**RBC's Security**").
- 26. The Receiver's Counsel has reviewed RBC's Security, and, subject to the usual assumptions and qualifications of an opinion of such nature, has opined that RBC's Security is validly perfected and enforceable in accordance with its terms (the "**Security Opinion**").
- 27. On September 21, 2022 RBC provided details of the amounts due by the Company to RBC, including legal expenses, which together total \$659,569.85 (plus further amounts for the continued accrual of interest and recovery expenses).
- 28. Accordingly, the Receiver recommends that, after payment of the fees and disbursements of the Receiver and the Receiver's Counsel, including the Fee Accrual, and after the distribution proposed above to the Receiver General, the Receiver be authorized and directed to pay the balance of any and all funds available in RJ Packaging's estate to RBC, on account of RJ Packaging's secured indebtedness to RBC for principal, interest and costs up to the amount of RJ Packaging's indebtedness to RBC. It is anticipated that RBC will suffer a significant shortfall accordingly there will be no funds available for distribution to unsecured creditors.

## **IX. DISCHARGE OF THE RECEIVER**

- 29. Subsequent to the date of this Report, and prior to the Receiver's discharge, the Receiver proposes to attend to the following:
  - a) the payment of distributions as identified above;
  - b) other residual and/or administrative matters in connection with Spergel's appointment as Receiver; and
  - c) filing of the final Receiver's certificate of discharge.

**X. RECOMMENDATIONS**

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

Dated at Toronto this 27<sup>th</sup> day of September, 2022.

**msi Spergel inc.**

solely in its capacity as the Court-appointed  
Receiver of RJ Packaging Assets Corp., and  
not in its personal or corporate capacity.

Per:



---

Mukul Manchanda, CPA, CIRP, LIT

# **APPENDIX 1**

Court File No. CV-21-00665286-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE MR.**

)

**TUESDAY, THE 24<sup>th</sup>**

)

**JUSTICE CAVANAGH**

)

**DAY OF AUGUST, 2021**

**B E T W E E N :**

**ROYAL BANK OF CANADA**

Applicant

- and -

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING,  
SMIT RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI  
PANCHASARA**

Respondents

**ORDER  
(appointing Receiver)**

**THIS MOTION** made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing msi Spergel inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of RJ packaging Incorporated operating as Custom Food Packaging and all other property, assets and undertakings relating thereto, (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard on August 19, 2021 by video conference at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of W. Craig McInnes sworn July 9, 2021 and the Exhibits thereto and on hearing the submissions of counsel for Royal Bank of Canada and counsel for the Respondents,

and on being satisfied that service was properly made, and on the consent of msi Spergel inc. to act as the Receiver,

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

## **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

## **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, 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 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 Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;



- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$150,000.00; 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;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, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of 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; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

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

4. **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 Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related

to the business or affairs of the 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.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the

premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

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

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or 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**

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

## **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with 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.

## **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein,

shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

14. **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**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately

and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. **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, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, 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**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and

disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **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.

20. **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**

21. **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 \$100,000.00 (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 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.

22. **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.

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

24. **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**

25. **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>.

26. **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**

27. **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.

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

29. **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.

30. **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.

31. **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.

32. **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 digital signature in blue ink, appearing to be 'Cavanagh', is displayed within a light gray rectangular box.

Digitally signed by  
Mr. Justice Cavanagh

## SCHEDULE "A"

### RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "**Receiver**") of the assets, undertakings and properties RJ Packaging Incorporated operating as Custom Food Packaging 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 \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Order**") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

msi Spergel inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

ROYAL BANK OF CANADA

-and-

RJ PACKAGING INCORPORATED operating as CUSTOM  
FOOD PACKAGING, et al  
Respondents  
Court File No. CV-21-00665286-00CL

Applicant

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**

**MINDEN GROSS LLP**  
Barristers and Solicitors  
2200 - 145 King Street West  
Toronto, ON M5H 4G2

**Rachel Moses** (LSO# 42081V)  
[rmoses@mindengross.com](mailto:rmoses@mindengross.com)  
Tel: 416-369-4115

Lawyers for the Applicant

(File No. 4122089)

ROYAL BANK OF CANADA

Applicant

-and-

RJ PACKAGING INCORPORATED operating as CUSTOM  
FOOD PACKAGING, et al  
Respondents  
Court File No. CV-21-00665286-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**APPLICATION RECORD**

**MINDEN GROSS LLP**  
Barristers and Solicitors  
2200 - 145 King Street West  
Toronto, ON M5H 4G2

**Rachel Moses** (LSO# 42081V)  
[rmoses@mindengross.com](mailto:rmoses@mindengross.com)  
Tel: 416-369-4115

Lawyers for the Applicant

(File No. 4122089)

# **APPENDIX 2**





# PLATINUM

**Personalized Service...  
Financial Strength**

**[www.platinumassets.com](http://www.platinumassets.com)**

Phone: 416.366.2326 Fax: 416.366.2325

Email: [info@platinumassets.com](mailto:info@platinumassets.com)



***Auctioneers***



***Appraisers***



***Financiers***



PLATINUM  
Asset Appraisals

# Appraisal Report

## RJ PACKAGING INCORPORATED

**Asset Appraised:**

Packaging and Ancillary Equipment

**Client:**

Msi Spergel Inc.

**Report Date:**

September 27, 2021



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## **Appraisal of RJ Packaging Incorporated**

### **Summary of Engagement**

At the express request of msi Spergel Inc. ("Client"), Platinum Asset Appraisals ("Platinum") was engaged to appraise the packaging and ancillary equipment ("Assets") of RJ Packaging Incorporated ("Company").

The Assets were appraised using the forced liquidation value method of asset valuation. An asset listing is enclosed.

### **Methodology**

The Company assets were inspected and appraised using the criteria outlined in this appraisal report.

### **Asset Location**

The Assets are located at 45 Basaltic Road, Unit 1, Concord, Ontario.

### **Date of Inspection**

The Assets were inspected on August 30<sup>th</sup>, 2021.

### **Asset Condition**

Unless otherwise indicated the Company's assets were in fair condition at the time of inspection.



## **Approaches to Determining Asset Value**

### **Market Approach**

The market approach is used to determine the market price of the subject property as well as its market desirability. Data pertaining to the asset(s) appraised assets is collected. Recent sale data, as well as the number of the same or similar asset(s) currently available for sale is considered when appraising the asset(s).

### **Cost Approach**

The cost approach is based on the assumption that an educated purchaser would not pay more for the subject property than the cost of producing or acquiring an asset that provides the same utility as the asset(s) appraised.

Both the market and cost approaches to value were considered when determining the appraised value of the Assets.

## **Valuation**

The assets were appraised using the forced liquidation value method of asset valuation, defined as:

### **Forced Liquidation Value**

The estimated most probable price, expressed in terms of currency, that the subject personal property could typically realize at a properly advertised and conducted public auction sale, held under forced sale conditions and present day economic trends, as of the effective date of the appraisal report. The conclusions take into consideration location, difficulty of removal, condition, adaptability, specialization, marketability, overall appearance, and psychological appeal. Further, the ability of the asset group to draw sufficient prospective buyers to ensure competitive offers is considered. All



assets are to be sold on a piecemeal basis "as is, where is" with the purchaser being responsible for removal of the assets at their own risk and expense. Any deletions or additions to the assets appraised could change the psychological and/or monetary appeal necessary to attain the values estimated.

The *Forced Liquidation Value* for the Assets is between:



<b><u>Forced Liquidation Value</u></b>
<b>\$28,650 - \$41,350</b> <b>TWENTY EIGHT THOUSAND SIX HUNDRED AND FIFTY DOLLARS TO FORTY-ONE THOUSAND THREE HUNDRED AND FIFTY DOLLARS)</b>

The value(s) above represent(s) the gross cash value obtained from the sale of the Company's Assets before the deduction of all costs and fees to be incurred to facilitate the sale.

**THIS IS NOT THE APPRAISAL REPORT. THE APPRAISAL REPORT MUST BE READ IN ITS ENTIRETY.**

### **Liquidation Assumptions**

Gross recovery values do not take into consideration the costs to be incurred to prepare the Assets for sale. These costs include, but are not limited to, sale preparation, advertising, occupancy costs, and asset removal.

-  The said Assets are to be sold by Public Auction and/or Private Treaty on an "as is, where is" basis.
-  The sale's agent would be provided with unencumbered access and free use of the fully serviced premises.

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**Appraisal of RJ Packaging Incorporated**  
(Concord, Ontario)



### **Research and Analysis Performed**

The Company and/or the Client were consulted to gather any additional information required. Each asset was then evaluated based on some, or all, of the following criteria:

- New purchase price of the same or similar asset;
- Cost and time delay of acquiring and installing the same or similar asset;
- Market comparables;
- Market and geographical conditions;
- Age, condition and technological components of the assets;
- Support available – either by the manufacturer or by third party technicians;
- Data was gathered from industry suppliers, dealers and manufacturers to obtain information with respect to:
  - (a) Market trends and prices;
  - (b) Market conditions;
  - (c) Market safety requirements;
  - (d) Technological issues; and
  - (e) Marketability and timing issues.
- Sales prices from our internal database, used equipment publications and journals, if applicable, were reviewed and analyzed.

### **Limitations on Assets and Property**

- Platinum was retained to perform an appraisal of the Assets of the Company. Additional information provided by the Client and/or Company was relied upon and deemed to be correct.





- Opinions and conclusions made in this report reflect our professional judgment based on the facts and conditions available to the Appraiser at the time of this report.
- All facts and data set forth in this report are true and accurate to the best of the Appraiser's knowledge and beliefs. Platinum, in its capacity as an auctioneer and liquidator may have a prospective interest in the said property should it be sold by auction or liquidation, however, the foregoing in no way influenced the valuation performed.
- Compliance or non-compliance with regulatory agencies that may have jurisdiction in the area where the subject property is located has not been considered.
- Any environmental regulations that would have an effect on the salability and/or use of the equipment have not been taken into account by the Appraiser.
- The fee for this appraisal is not contingent upon the values reported.
- To the best of the Appraiser's knowledge, there were no gross visible defects on the machinery unless otherwise noted. The functions, performance, operation, and/or flaws – inherent, hidden or otherwise – have not been considered unless specifically outlined. It is assumed that all equipment is functional and in good working order unless otherwise noted.
- Platinum assumes no responsibility for changes in market conditions, or changes in the values of the appraised Assets, which may be affected by, but not limited to technological obsolescence, economic changes, excessive comparable equipment available for sale and environmental or regulatory rulings affecting the industry.
- No investigation of legal title, liens and/or encumbrances to the assets has been made and the Company's claim to the assets has been assumed to be valid. Rental or lease agreements that may pertain to any or all of





the Assets inspected have not been investigated unless specifically outlined in this appraisal report.

- ❶ Information gathered for this report, whether by documentation, hearsay, or other means is believed to be both reliable and correct, however Platinum shall not be held liable whatsoever for any errors and/or omissions.
- ❷ The appraised value herein, calculated on a piece-by-piece basis, does not contemplate an en bloc specific use buyer from whom a higher value may be obtained.
- ❸ The values reported in this appraisal are calculated based on the entire composition of the plant assets appraised. If any part of the plant were sold independent of the entire plant, the appraised value may be significantly reduced for both the part sold and the remaining equipment to be sold.
- ❹ The report, in its entirety, is only to be used only by the Client to whom it is addressed. The report is not intended for any other use or distribution to other parties. The report may not be used for any purpose by anyone other than the Client, without the expressed written consent of the Appraiser.
- ❺ Platinum reserves the right to revise the values setout in this appraisal in the event of the occurrence of force majeure which shall include, but not be limited to, acts of god, civil disturbances, strikes, lock-outs, acts of war, terrorism, insurrection and the like.
- ❻ The appraisal fee does not include attendance at hearings, judicial, or otherwise. Such attendance is available, at current rates, as long as prior arrangements have been made.



### **The Principle of Change**

The Principle of Change is a fundamental appraisal concept, defined as:

*"The result of the cause and effect relationship among the forces that influence value".*

The Appraiser recommends that the Client and any other parties with a current or anticipated interest in the subject assets closely monitor both general economic and industry-specific market conditions in the near term – i.e. the number of upcoming auctions / liquidations of the same or similar equipment. Monitoring market conditions will ensure that any changes in the market that may impact the value of the assets be identified on a timely basis.



**Appraisal Certification**

I hereby certify that to the best of my knowledge and beliefs:

- The facts contained in this report are true and correct.
- I have no personal interest in the subject property appraised and no biases with respect to the parties involved. Platinum, in its capacity as an auctioneer and liquidator may have a prospective interest in the said property should it be sold by auction or liquidation, however, the foregoing in no way influenced the valuation performed.
- My compensation for this appraisal is not contingent upon the values reported in this appraisal.
- My analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Personal Property Appraisers Group, and the Uniform Standards of Professional Appraisal Practice.
- I have personally inspected the subject property appraised.

Effective date of this appraisal:

September 27, 2021

  
\_\_\_\_\_  
**Adam Moskowitz, CPPA**

**PLATINUM ASSET APPRAISALS**



**PLATINUM**  
Asset Appraisals

## Tab 1





**PLATINUM**  
Asset Appraisals

## Asset List





**APPRAISAL OF RJ PACKAGING INCORPORATED**

I#	QTY	PIC	DESCRIPTION	MODEL	S/N	F.L.V. LOW	F.L.V. HIGH
1	2	1	<b>WINCO</b> , STAINLESS STEEL, TABLE TOP, DEEP FRYERS	EFT-32	EFT3201003716 EFT32010004650	\$ 400	\$ 800
2	2	2	<b>SPRAYING SYSTEMS CO</b> , STAINLESS STEEL, 2 HEAD, DISINFECTION SYSTEM, 2020	CPJ 2413-05	562743 562743	\$ 500	\$ 1,500
3	1	3	<b>PACKSEAL</b> , STAINLESS STEEL, 100-1000 ML, 5-20 BOTTLES PER MINUTE, HORIZONTAL, SINGLE HEAD, PASTE FILLING MACHINE	PHPF-1000	N/A	\$ 200	\$ 300
4	1	4	<b>ALL AMERICAN</b> CAN SEALER	N/A	N/A	\$ 50	\$ 150
5	1	5	<b>MACHO POP</b> , STAINLESS STEEL, POPCORN MACHINE	2553S	MP16FCS-00203	\$ 400	\$ 600
6	4	6	CONCRETE MIXER	060-4050-2	N/A	\$ 300	\$ 450
7	1	7	LOT OF (32) SECTIONS (APPROX.) OF 8' PALLET RACKING	N/A	N/A	\$ 2,500	\$ 3,500
8	1	8	<b>DOCKSTOCKER</b> , 3500 LBS., 36 VOLT, BATTERY POWERED, REACH TRUCK, 228" MAXIMUM LIFT WITH CHARGER	DSS350TT	S350-00286-0795	\$ 2,000	\$ 3,000
9	1	9-10	LOT OF EQUIPMENT COMPRISED OF CONTINUOUS BAND SEALERS, BOTTLE LABELLING MACHINE, IMPULSE SEALER, WEIGH PACK DISPENSING SYSTEM, SEMI AUTOMATIC ROUND BOTTLING LABELLING MACHINE	N/A	N/A	\$ 1,500	\$ 2,500
10	1	11	<b>CRAFTSMAN</b> DUST COLLECTOR	N/A	N/A	\$ 100	\$ 150
11	1	12	CUSTOM BUILT GRINDERS	N/A	N/A	\$ 200	\$ 400
12	1	13	<b>WEIGHPACK</b> , STAINLESS STEEL, INCLINE AUGER CONVENOR	SCREW CONVEYOR 200	4904	\$ 15,000	\$ 20,000
12A	1	14	<b>WEIGHPACK</b> , STAINLESS STEEL, AUTOMATIC FILLING MACHINE	STAR AGUER 200	4903	\$ -	\$ -



**APPRAISAL OF RJ PACKAGING INCORPORATED**

I#	QTY	PIC	DESCRIPTION	MODEL	S/N	F.L.V. LOW	F.L.V. HIGH
13	1	15	<b>GOLD METAL</b> COOKER MIXER	2175ER	ECTR-856	\$ 800	\$ 1,200
14	1	16	<b>CRETORS</b> , 60 OZ ELECTRIC GIANT PEDESTAL POPPER	TGSE60D1S-XX-5L-X	UNIT 1	\$ 2,000	\$ 3,000
14	1	17	<b>SANDBORN</b> , 3.7 HP, VERTICAL, TANK MOUNTED, PISTON TYPE AIR COMPRESSOR	N/A	N/A	\$ 200	\$ 300
16	1		LOT OF OFFICE FURNITURE AND EQUIPMENT, DISPLAY CASES, STAINLESS STEEL TABLES, TABLE TOP PACKAGING MACHINES NOT OTHERWISE LISTED, LOCKERS, DOLLIES, PUMP CARTS, LADDERS, FANS, ETC.	N/A	N/A	\$ 2,500	\$ 3,500
<b>TOTAL</b>						<b>\$ 28,650</b>	<b>\$ 41,350</b>



**PLATINUM**  
Asset Appraisals

## Tab 2





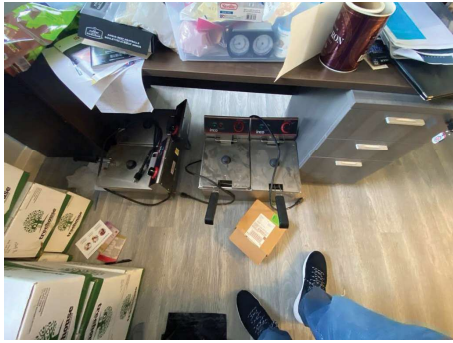


**PLATINUM**  
Asset Appraisals

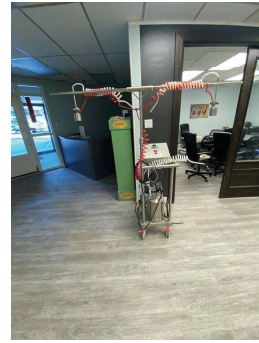
## Asset Photos



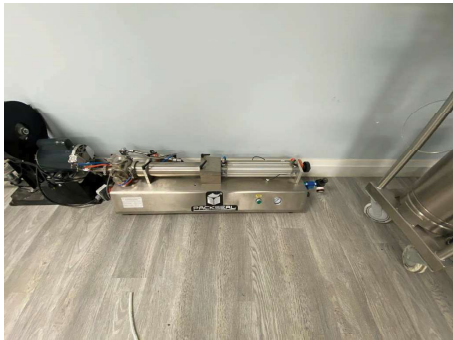
## **Asset Photos**



PICTURE 1



PICTURE 2



PICTURE 3



PICTURE 4

## **Appraisal of RJ Packaging Incorporated**



**PLATINUM**  
Asset Appraisals

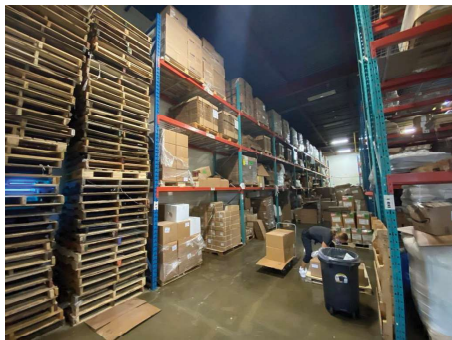
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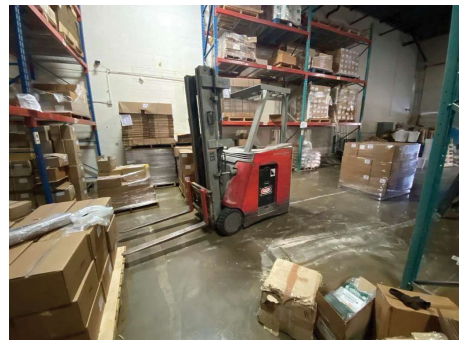
PICTURE 5



PICTURE 6



PICTURE 7



PICTURE 8

**Appraisal of RJ Packaging Incorporated**



## **Asset Photos**



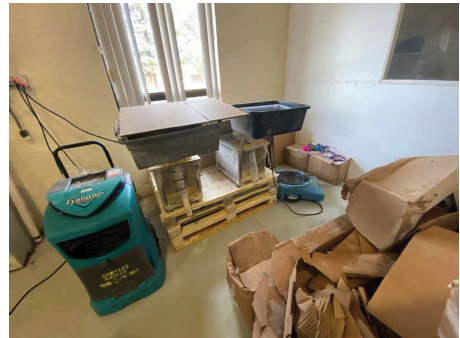
PICTURE 9



PICTURE 10



PICTURE 11



PICTURE 12

## **Appraisal of RJ Packaging Incorporated**



## **Asset Photos**



PICTURE 13



PICTURE 14



PICTURE 15



PICTURE 16

## **Appraisal of RJ Packaging Incorporated**

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Financial Strength"***



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# **APPENDIX 3**





# PLATINUM

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***Auctioneers***



***Appraisers***



***Financiers***





PLATINUM  
Asset Services

# Summary Report

## RJ PACKAGING

**Client:**

Msi Spergel

**Report Date:**

January 26, 2022



**PLATINUM**  
Asset Services

Auctioneers • Appraisers • Financiers

January 26, 2022

[VIA EMAIL]

Mr. Mukul Manchanda  
Msi Spergel  
505 Consumers Road, Suite 200  
Toronto, ON, M2J 4V8

**Re:** Auction of RJ Packaging

Mukul,

Please find your settlement report below for the above noted auction. If you have any questions, please do not hesitate to get in touch with me. It was a pleasure working together and I look forward to continuing to do so in the future.

Best regards,

**THE PLATINUM GROUP**

Adam Moskowitz  
President

[www.platinumassets.com](http://www.platinumassets.com)



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Detailed Sales By Lot.....	Tab 2



PLATINUM  
Asset Services

## Tab 1





# Summary Report

<b>Client</b>	Spergel	<b>Sale Date</b>	December 12, 2021
<b>File</b>	RJ Packaging		
<b>Sale Proceeds</b>		\$	71,145
<b>Sale Expenses</b>		\$	(21,138)
Platinum Commission	\$	(14,229)	
Asset Pickup Delivery and Offload	\$	(5,000)	\$ 21,138.00
Forklift Wheel Repair	\$	(634)	\$ 50,007.00
Weighpack Communication Cable, Installation, and Testing	\$	(1,275)	
<b>Net Proceeds of Sale</b>		<b>\$</b>	<b>50,007</b>



PLATINUM  
Asset Services

## Tab 2





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**Consignor: 5878**

MSI Spergel  
 505 Consumers Road  
 Suite #200  
 Toronto, ON  
 M2J 4V8

## Auction: RJ Packaging

Lot#	Description	Quantity	Unit Price	Ext.Price	Comm/BuyBack	Expenses
22	KEURIG, K40, COFFEE MACHINE, 110 VAC	1.00	20.00	20.00	-4.00	0.00
27	RCA, MICROWAVE 700 WATT, 110 VAC	1.00	10.00	10.00	-2.00	0.00
34	WINCO, EFT-32, TABLE TOP, ELECTRIC, DUAL CHAMBER, DEEP FRYER, 125 TO 380 DEG F, 110 VAC 1PH 15 AMP PER UNIT, SR EFT32010003716	1.00	60.00	60.00	-12.00	0.00
35	WINCO, EFT-32, COUNTERTOP, ELECTRIC, DUAL CHAMBER, DEEP FRYER, 125 TO 380 DEG F, 110 VAC 1PH 15 AMP PER UNIT, SR EFT32010003716 - ONLY 1 HEATING ELEMENT	1.00	40.00	40.00	-8.00	0.00
36	WINCO, 20 LBS., WEIGH SCALE	3.00	6.00	18.00	-3.60	0.00
37	ACCUWEIGHT, AW-KS001BB, DIGITAL, WEIGH SCALE, 11 LBS MAX CAP.	4.00	5.50	22.00	-4.40	0.00
49	STAINLESS STEEL, 6 HEAD, GRINDER, 5" GRINDER, 2" INLET X 2.5" OUTLET, 1/2 HP MOTOR, 110 VAC 1PH	1.00	500.00	500.00	-100.00	0.00
50	STAINLESS STEEL, 6 HEAD, GRINDER, 5" GRINDER, 2" INLET X 2.5" OUTLET, 1/2 HP MOTOR, 110 VAC 1PH	1.00	250.00	250.00	-50.00	0.00
52	MIXER, CM 060-4050-2, 15" DIA. 30 GAL MAX CAP 110VAC 1PH 12 AMP, S/N 68102072019, 2019 - LIKE NEW	1.00	130.00	130.00	-26.00	0.00
53	MIXER, CM 060-4050-2, 15" DIA. 30 GAL MAX CAP 110VAC 1PH 12 AMP, S/N 68102072019, 2019 - LIKE NEW	1.00	0.00	0.00	0.00	0.00
54	MIXER, CM 060-4050-2, 15" DIA. 30 GAL MAX CAP 110VAC 1PH 12 AMP, S/N 68102072019, 2019 - LIKE NEW	1.00	0.00	0.00	0.00	0.00
55	MIXER, CM 060-4050-2, 15" DIA. 30 GAL MAX CAP 110VAC 1PH 12 AMP, S/N 68102072019, 2019 - LIKE NEW	1.00	0.00	0.00	0.00	0.00
56	CRAFTEX, CX405, DUAL INFEED DUST COLLECTOR SYSTEM CASTER MOUNTED STEEL CONSTRUCTION FRAME, 2 HP, 220 VAC, 1PH, 9 AMP, S/N 1521	1.00	250.00	250.00	-50.00	0.00

# Consignor Settlement



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Lot#	Description	Quantity	Unit Price	Ext.Price	Comm/BuyBack	Expenses
57	OMEGA FOOD EQUIPMENT, STAINLESS STEEL, TABLE, 60" X 30" X 34"	1.00	150.00	150.00	-30.00	0.00
58	OMEGA FOOD EQUIPMENT, STAINLESS STEEL, TABLE, 60" X 30" X 24"	1.00	160.00	160.00	-32.00	0.00
59	OMEGA FOOD EQUIPMENT, STAINLESS STEEL, TABLE, 60" X 30" X 24"	1.00	170.00	170.00	-34.00	0.00
60	OMEGA FOOD EQUIPMENT, STAINLESS STEEL, TABLE, 30" X 26" X 35"	1.00	110.00	110.00	-22.00	0.00
61	OMEGA FOOD EQUIPMENT, STAINLESS STEEL, TABLE, 24" X 18" X 34"	1.00	90.00	90.00	-18.00	0.00
62	BREWER, STAINLESS STEEL, CART ON CASTERS, 30" X 12" X 36"	1.00	110.00	110.00	-22.00	0.00
63	OMEGA FOOD EQUIPMENT, STAINLESS STEEL, SINK, BAFFLES, DRAIN TUBES, 20" RISER LEGS, 24" X 24" X 14"	1.00	350.00	350.00	-70.00	0.00
65	ABISYSTEM, MLF500, STAINLESS STEEL, COUNTERTOP, MANUAL LIQUID DISPENSER, FOOT PEDAL OPERATED, 110 VAC 1PH	1.00	150.00	150.00	-30.00	0.00
66	TECHTONGDA, G1WC, STAINLESS STEEL, PNEUMATIC SINGLE HEAD DEPOSITOR, 50 ML TO 500 ML, FOOT PEDAL OPERATED, 110 VAC 1PH	1.00	800.00	800.00	-160.00	0.00
67	PACKSEAL, PHPF-1000, STAINLESS STEEL, 100-1000 ML, 5-20 BOTTLES PER MINUTE, HORIZONTAL, SINGLE HEAD, PASTE FILLING MACHINE, HEATED HOPPER, 220 VAC, 1PH	1.00	800.00	800.00	-160.00	0.00
68	PACKSEAL, POWER TRANSFORMER 120 VAC PRI TO 220 VAC SEC 1 PH	1.00	105.00	105.00	-21.00	0.00
69	PACKSEAL, STAINLESS STEEL, TEMPERATURE CONTROLLER	1.00	80.00	80.00	-16.00	0.00
70	C. CREATORS COMP, TGSE60X1S-XX-5L-X, STAINLESS STEEL, KETTLE CORN SNACK PRODUCTION STATION COMPRISED OF HOT OIL KETTLE, SECONDARY COATING KETTLE, CORN FLAVORING BULK PUMP, WORK AREA 57" X 30" X 6", 208 VAC, 3 PH, 20 AMP, DUAL FEED, S/N 05114641	1.00	4,200.00	4,200.00	-840.00	0.00
71	GOLD MEDAL, MACHO POP 2553S, STAINLESS STEEL, HOT OIL KETTLE, CORN POPPING MACHINE, LIGHTED & HEATED, 26" X 26" X 36", COMMERCIAL CABINET, 120 VAC, 1 PH, 20 AMP, 2009, S/N MP16FCS-00203	1.00	0.00	0.00	0.00	0.00
72	GOLD MEDAL, CCT 2703, STAINLESS STEEL, CHEDDAR TUMBLER WITH HOT PLATE AND HEAT LAMP, 8 GALLON CAPACITY, 250 WATT	1.00	550.00	550.00	-110.00	0.00





**PLATINUM**  
Asset Services

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HEAT LAMP, 125 WATT WARMING PLATE,  
110 VAC, 1 PH, 6 AMP, 2010, SR  
2703-00-000-3076

73	INTBUYING, SEMI-AUTOMATIC, SEMI-AUTOMATIC, FILLING MACHINE FOR NUTS AND/OR POWDERS, VIBRATING HOPPER, PROGRAMMABLE WEIGH SCALE, 19" X 16" X 10" HOPPER, 110 VAC 1 PH	1.00	700.00	700.00	-140.00	0.00
74	INTBUYING, SEMI-AUTOMATIC, SEMI-AUTOMATIC, FILLING MACHINE FOR NUTS AND/OR POWDERS, VIBRATING HOPPER, PROGRAMMABLE WEIGH SCALE, 19" X 16" X 10" HOPPER, 110 VAC 1 PH	1.00	825.00	825.00	-165.00	0.00
75	WEIGH-RIGHT, PWB-1ES, STAINLESS STEEL, SINGLE LANE, VIBRATORY, SCALE, 5 To 15 FILLS PER MINUTE, , VACUUM LOADER VIBRATORY HOPPER, TEDEA LOAD CELL PNEUMATIC FILL & DUMP, PIPING, 110 VAC, 1 PH 7 AMP, S/N 2005-0079	1.00	7,500.00	7,500.00	-1,500.00	0.00
76	2019 WEIGHPACK, STAR AUGER 200, STAINLESS STEEL, AUTOMATED, VIBRATORY PACKAGING MACHINE FOR POWDER PACKAGING, S/N 49303	1.00	24,000.00	24,000.00	-4,800.00	0.00
76a	WEIGHPACK, SCREW CONVEYOR, 200, INCLINE AUGER FEE	1.00	22,000.00	22,000.00	-4,400.00	0.00
86	GLF, GLF-500F, ELECTROMAGNETIC INDUCTION SEALER, DIGITAL CONTROL, 110 VAC, 1PH	1.00	40.00	40.00	-8.00	0.00
88	ALL AMERICAN, AUTOMATIC, 10" CAN SEALER, 10" MAX CAN HEIGHT, 110 VAC, 1 PH, 9 AMP, LIKE NEW	1.00	80.00	80.00	-16.00	0.00
89	HUALIAN, FRM-980II, STAINLESS STEEL, HORIZONTAL SOLID INK CODING CONTINUOUS BAND SEALER, 16M PER MIN. 30" X 5", VARIABLE SPEED CONVEYOR, PRODUCT COUNTER, 110 VAC, 1 PH, 8 AMP, 2016, S/N 1131216120035	1.00	550.00	550.00	-110.00	0.00
90	HUALIAN, FRM-980II, STAINLESS STEEL, HORIZONTAL SOLID INK CODING CONTINUOUS BAND SEALER, 16M PER MIN. 30" X 5", VARIABLE SPEED CONVEYOR, PRODUCT COUNTER, 110 VAC, 1 PH, 8 AMP, 2016, S/N 113111612059	1.00	0.00	0.00	0.00	0.00
91	HUALIAN, FRM-980I, STAINLESS STEEL, HORIZONTAL SOLID INK CODING CONTINUOUS BAND SEALER, 16M PER MIN. 30" X 5", VARIABLE SPEED CONVEYOR,	1.00	160.00	160.00	-32.00	0.00



**PLATINUM**  
Asset Services

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PRODUCT COUNTER, 110 VAC, 1 PH, 8 AMP,  
2019, S/N 1131119123109

92	HUALIAN, FRM-980I, STAINLESS STEEL, HORIZONTAL SOLID INK CODING CONTINUOUS BAND SEALER, 16M PER MIN. 30" X 5", VARIABLE SPEED CONVEYOR, PRODUCT COUNTER, 110 VAC, 1 PH, 8 AMP, 2019, S/N 1131119123109	1.00	60.00	60.00	-12.00	0.00
93	HUALIAN, FRM-900, STAINLESS STEEL, HORIZONTAL SOLID INK CODING CONTINUOUS BAND SEALER, 12M PER MIN. 20" X 5", VARIABLE SPEED CONVEYOR, 110 VAC, 1 PH, 8 AMP, 2019, S/N 1131119123109	1.00	70.00	70.00	-14.00	0.00
94	LOT OF HUALIAN ASSORTED PARTS - SOLID INK PRINTING DRUMS AND MARKING KEYS	1.00	20.00	20.00	-4.00	0.00
95	LOT OF 56 (APPROX.) HUALIAN, 14.625", FRICTION DRIVE BELTS	1.00	10.00	10.00	-2.00	0.00
96	DHCM INC, DY-8, DIRECT HEAT CODING INK, ADJUSTABLE TEMPERATURE, 110 VAC 1 PH 60 WATTS	2.00	50.00	100.00	-20.00	0.00
97	STAINLESS STEEL, 375M, STAINLESS STEEL, SEMI-AUTOMATIC BOTTLE LABELER, 14" MAX DIA. X 10.750" MAX LABEL WIDTH, 20" MAX DIA LABEL ROLL, 110 VAC, 1 PH	1.00	0.00	0.00	0.00	0.00
98	STAINLESS STEEL, LT-50S, SEMI-AUTOMATIC ROUND BOTTLE LABELER, 10" MAX DIA. X 7" MAX LABEL WIDTH, 20" MAX DIA LABEL ROLL, 110 VAC 1 PH	1.00	200.00	200.00	-40.00	0.00
102	RDK, 10926EWS06, OILLESS, TANK MOUNTED, AIR COMPRESSOR, ULTRA QUIET 1.6 GAL. TANK .65 HP 120 MAX PSI, 110 VAC 1 PH 5 AMP, S/N 2018080400 - LIKE NEW	1.00	130.00	130.00	-26.00	0.00
103	2020, SPRAYING SYSTEMS CO, OSN562743, STAINLESS STEEL, SEMI-AUTOMATIC, PROGRAMABLE, DUAL 4 PORT HEAD SANITIZING SPRAY UNIT, 10 LITRE TANK, OILLESS SELF CONTAINED PRESSURIZING COMPRESSOR, 120 MAX PSI, 220 VAC 1 PH 7 AMP, SR CPJ2143-05/2020-07	1.00	200.00	200.00	-40.00	0.00
104	2020, SPRAYING SYSTEMS CO, OSN562743, STAINLESS STEEL, SEMI-AUTOMATIC, PROGRAMABLE, DUAL 4 PORT HEAD SANITIZING SPRAY UNIT, 10 LITRE TANK, OILLESS, SELF CONTAINED PRESSURIZING COMPRESSOR, 120 MAX PSI, 220 VAC 1 PH 7 AMP, SR CPJ2143-05/2020-09	1.00	200.00	200.00	-40.00	0.00

# Consignor Settlement



CO #:	629
Date:	2021-12-09
Page:	5

Lot#	Description	Quantity	Unit Price	Ext.Price	Comm/BuyBack	Expenses
105	CANWAY, 6', ROLLING LADDER, 400 MAX LBS CAP., DIMENSIONS 114"H X 28"W X 60"L	1.00	0.00	0.00	0.00	0.00
106	CATERPILLAR, 5000 LBS, HYDRAULIC PALLET JACK	1.00	150.00	150.00	-30.00	0.00
107	CATERPILLAR, 5000 LBS, HYDRAULIC PALLET JACK	1.00	150.00	150.00	-30.00	0.00
108	ULINE, 5000 LBS, HYDRAULIC PALLET JACK	1.00	150.00	150.00	-30.00	0.00
112	DOCKSTOCKER, DSS-350, 3500 LBS, 3 STAGE, 36V, BATTERY POWERED NARROW AISLE REACH TRUCK, 156" MAXIMUM LIFT, 42" FORKS, SIDE SHIFT, BRAND NEW STEER WHEELS, 7591 HOURS, S/N S350-00286-0795	1.00	4,500.00	4,500.00	-900.00	0.00
112a	HYSTER, N40XMR2, 3750 LBS., 3 STAGE, 36V, BATTERY POWERED, REACH TRUCK, 212" MAXIMUM LIFT, RECONDITIONED BATTERY, S/N B470N01910W	1.00	0.00	0.00	0.00	0.00
114	AVERY WEIGH-TRONIX, 5000 LBS MAX CAP FLOOR WEIGH SCALE, 4FT X 4FT, ( SCALE ONLY )	1.00	225.00	225.00	-45.00	0.00
CO Expense (						6,909.00)

Total Quantity:	61.00
Total Invoice Sale Price:	71,145.00
Total Expenses: (	6,909.00)
Total Commission: (	14,229.00)
Total Due to Consignor:	50,007.00
Total Payments:	0.00
Balance:	<u>\$50,007.00</u>

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# APPENDIX 4

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

BETWEEN:

**ROYAL BANK OF CANADA**

Applicant

- and -

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING,  
SMIT RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI  
PANCHASARA**

Respondents

**AFFIDAVIT OF MUKUL MANCHANDA**  
(sworn September 27, 2022)

I, **MUKUL MANCHANDA** of the City of Brampton, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Licensed Insolvency Trustee with msi Spergel inc. ("**Spergel**"), the Court-Appointed Receiver (in such capacity, the "**Receiver**") of RJ Packaging Incorporated operating as Custom Food Packaging (the "**Debtor**") and as such have knowledge of the matters to be deposed herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Receiver was appointed, without security, of all of the assets, undertakings and properties of the Debtor by Order of the Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) made August 24, 2021.

3. In connection with the receivership of the Debtor for the period from August 23, 2022, to and including August 31, 2022 fees of \$37,637.57 (inclusive of HST and disbursements) were charged by Spergel as detailed in the billing summary and time dockets attached hereto as **Exhibit "1"** to this my Affidavit. This represents 107.30 hours at an effective rate of \$310.35 per hour.
4. The hourly billing rates detailed in this Affidavit are comparable to the hourly rates charged by Spergel for services rendered in relation to similar proceedings.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the receipts and disbursements of the Receiver and its accounts.
6. I make this Affidavit for no improper purpose.

SWORN BEFORE ME at the City  
of Toronto, in the Province of  
Ontario, this 27<sup>th</sup> day of September,  
2022.

*B. Eileen Sturge*

\_\_\_\_\_  
A Commissioner, etc.

Barbara Eileen Sturge,  
a Commissioner, etc. for msi Spergel inc.  
and Spergel & Associates Inc.  
Expires September 21, 2025

*Mukul Manchanda*

\_\_\_\_\_  
**MUKUL MANCHANDA**

**This is Exhibit “1” of the Affidavit of  
MUKUL MANCHANDA  
Sworn before me on this 27<sup>th</sup> day of September, 2022**



**A Commissioner, Etc.**

Barbara Eileen Sturge,  
a Commissioner, etc. for msi Spergel inc.  
and Spergel & Associates Inc.  
Expires September 21, 2025



March 04, 2022

**Invoice #:** 12311

RJ Packaging Incorporated

**Billing Period:** January 31, 2022

## Invoice

**RE: RJ Packaging Incorporated**

**FOR PROFESSIONAL SERVICES RENDERED** in the period up to January 31, 2022, in connection with the Court  
-appointed receivership

	Hours	Hourly Rate	Total
Gillian Goldblatt, CPA, CA, CIRP, LIT	1.00	\$325.00	\$325.00
Mukul Manchanda, CPA, CIRP, LIT	24.10	395.00	9,519.50
Paula Amaral	46.40	250.00	11,600.00
Others	3.30	161.36	532.50
Total Professional fees	74.80	\$293.81	\$21,977.00
HST			2,857.01

Reimbursable Expenses

PPSA Search	\$8.00
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Total Reimbursable expenses	\$8.00
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<b>Total</b>	<b>\$24,842.01</b>
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HST Registration #R103478103

**(AARJPA-R)**

**msi Spergel inc.** Licensed Insolvency Trustees 505 Consumers Road, Suite 200, Toronto, ON M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199

• Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813  
• Brampton 905 874 4905 • London 519 902 2772 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Saskatchewan 306 341 1660

Member **CAIRP** Canadian Association of Insolvency  
and Restructuring Practitioners

[www.spergel.ca](http://www.spergel.ca)

Member **ICIN** The Independent Canadian Insolvency Network

Filters Used:

- Time Entry Date: 1/01/70 to 1/31/22
- File ID: AARJPA-R: to AARJPA-R:
- Time Entry Bill Status: Billed to Billed

## MSGG - Detailed Time Dockets

Printed on: 3/04/22

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**File Name (ID): RJ Packaging Incorporated (AARJPA-R:)**

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Frieda Kanaris (FKA)</b>					
Thur	09/02/2021	Attend to mail redirection at the post office.	0.50	\$250.00	\$125.00
		<b>Frieda Kanaris (FKA)</b>	<b>0.50</b>		<b>\$125.00</b>
<b>Gillian Goldblatt (GGO)</b>					
Tues	09/28/2021	review and approve disbursements.	0.20	\$325.00	\$65.00
Wed	09/29/2021	review and approve disbursements.	0.10	\$325.00	\$32.50
Tues	10/05/2021	review and approve disbursement.	0.10	\$325.00	\$32.50
Tues	10/19/2021	review and approve disbursement.	0.10	\$325.00	\$32.50
Tues	11/02/2021	review and approve disbursement.	0.10	\$325.00	\$32.50
Thur	11/18/2021	review and approve disbursement.	0.10	\$325.00	\$32.50
Fri	11/19/2021	review and approve disbursement.	0.10	\$325.00	\$32.50
Tues	12/14/2021	review and approve disbursement.	0.10	\$325.00	\$32.50
Thur	01/06/2022	review and approve bank reconciliation.	0.10	\$325.00	\$32.50
		<b>Gillian Goldblatt (GGO)</b>	<b>1.00</b>		<b>\$325.00</b>
<b>Hinna Shaikh (HSH)</b>					
Tues	08/24/2021	updated site	0.30	\$120.00	\$36.00
Fri	10/08/2021	updated site	0.40	\$120.00	\$48.00
		<b>Hinna Shaikh (HSH)</b>	<b>0.70</b>		<b>\$84.00</b>
<b>Haran Sivanathan (HSI)</b>					
Thur	09/16/2021	General	0.50	\$150.00	\$75.00
Thur	09/30/2021	Bank reconciliation/Posting cheques/Deposit	0.20	\$150.00	\$30.00
Thur	09/30/2021	Bank reconciliation/Posting cheques/Deposit	0.20	\$150.00	\$30.00
Thur	12/16/2021	Bank reconciliation/Posting cheques/Deposit	0.50	\$150.00	\$75.00
		<b>Haran Sivanathan (HSI)</b>	<b>1.40</b>		<b>\$210.00</b>
<b>Inga Friptuleac (IFR)</b>					
Mon	09/27/2021	Issue cheques,	0.30	\$125.00	\$37.50
Mon	10/04/2021	Issue cheques	0.20	\$125.00	\$25.00
Mon	11/15/2021	Issue cheque	0.10	\$125.00	\$12.50
		<b>Inga Friptuleac (IFR)</b>	<b>0.60</b>		<b>\$75.00</b>
<b>Jeff Adiken (JAD)</b>					
Mon	10/11/2021	Sept 24, 2021 - sign cheques .1	0.10	\$385.00	\$38.50
		<b>Jeff Adiken (JAD)</b>	<b>0.10</b>		<b>\$38.50</b>
<b>Mukul Manchanda (MMA)</b>					
Mon	08/23/2021	Time spent previously including multiple email exchanges with R. Moses and C. McInnes, review of draft notice of motion and receivership order, application record, respondents application record, supplementary application record of the bank and factum of the bank.	4.50	\$395.00	\$1,777.50
Tues	08/24/2021	Email exchanges with R. Moses regarding the receivership. Receipt and review of the receivership order and the endorsement. Instructions to P. Amaral regarding taking possession. Multiple telephone discussions with M. Vine regarding notifying the lawyer for the debtor of the Receiver's visit to take possession. Travel to the premises. Met with Amit from Amson Global and took possession of the premises. Review of books and records available at the premises. Meeting with S. Jani. Asked him to provide access to accounting software and other relevant information. Travel back.	4.80	\$395.00	\$1,896.00

Filters Used:

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- File ID: AARJPA-R: to AARJPA-R:
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## MSGG - Detailed Time Dockets

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### File Name (ID): RJ Packaging Incorporated (AARJPA-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Mukul Manchanda (MMA)</b>					
Wed	08/25/2021	Email exchanges with D. Hart of CIBC regarding company's bank account. Email exchanges with P. Hanke regarding company's bank accounts.	0.20	\$395.00	\$79.00
Thur	08/26/2021	Email exchanges regarding access to the premises. Email exchanges with A. Moskowitz regarding appraisal of assets. Email exchanges with H. Sheikh regarding creation of the case website and amendments to same. Telephone discussion with A. Moskowitz. Review of email exchanges with an employee regarding WEPPA.	0.50	\$395.00	\$197.50
Fri	08/27/2021	Email exchanges and telephone discussions with J. Coetzee regarding insurance policy and outstanding premiums. Receipt and review of the signed lease agreement along with rental statement. Multiple telephone conversations with M. Vine and P. Amaral regarding the file and the insurance.	1.10	\$395.00	\$434.50
Tues	08/31/2021	Email exchanges regarding insurance.	0.20	\$395.00	\$79.00
Wed	09/01/2021	Review of emails from J. COetzee and J. Van Den Berg regarding continuation of insurance. Lengthy telephone discussion with J. Coetzee regarding outstanding premiums. Review of email exchanges with S. Afzal regarding removal of inventory. Email exchanges with A. Moskowitz regarding a report with respect to staying or vacating the premises and value of assets. Email exchanges with Howard Dixon regarding the premises. Email exchanges with P. Amaral regarding preparation of Notice and Statement of the Receiver. Receipt, review and sign the Notice and Statement of the Receiver. Receipt and review of the PPSA search.	1.60	\$395.00	\$632.00
Thur	09/02/2021	Email exchanges and telephone discussion with P. Amaral and Amit regarding removal of inventory. Email exchanges regarding obtaining insurance with respect to the assets. Review and approve the insurance survey and vacancy form. Review of email exchanges between A. Coluccio and P. Amaral regarding the insurance and nature of assets.	0.30	\$395.00	\$118.50
Tues	09/07/2021	Email exchanges regarding insurance.	0.20	\$395.00	\$79.00
Wed	09/08/2021	Receipt and review of an email from J. Coetzee containing the insurance cancellation and statement of outstanding amounts. Receipt and review of the lease agreement and rental arrears. Discussion with P. Amaral and M. Vine regarding same.	0.60	\$395.00	\$237.00
Thur	09/09/2021	Email exchanges with A. Colucci regarding status of insurance. Lengthy telephone discussion with J. Coetzee regarding payment of insurance premiums outstanding prior to the receivership.	0.50	\$395.00	\$197.50
Fri	09/10/2021	Email exchanges and discussion with A. Moskowitz regarding removal of assets from the premises. Instructed P. Amaral to advise the landlord that the Receiver is vacating the premises today. Telephone discussion with P. Amaral regarding same. Telephone discussion with C. McInnes regarding same. Sent an email to M. Vine instructing her to write to the landlord regarding vacating of premises by the Receiver. Receipt and review of an email from P. Amaral to H. Dixon regarding vacating the premises and confirmation of dropping keys to the property management office.	0.80	\$395.00	\$316.00
Mon	09/13/2021	Email exchanges with M. Vine regarding occupancy cost. Lengthy telephone call with A. Moskowitz regarding the auction of the assets removed from the premises. Receipt and review of email from M. Horri regarding removal of inventory. Review of email exchanges with H. Joshi regarding her WEPPA claim.	0.80	\$395.00	\$316.00

## Filters Used:

- Time Entry Date: 1/01/70 to 1/31/22
- File ID: AARJPA-R: to AARJPA-R:
- Time Entry Bill Status: Billed to Billed

## MSGG - Detailed Time Dockets

Printed on: 3/04/22

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## File Name (ID): RJ Packaging Incorporated (AARJPA-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Mukul Manchanda (MMA)</b>					
Thur	09/16/2021	Email exchanges with P. Amaral regarding outstanding wages of H. Joshi and confirmation of same from Smit. Email exchanges regarding issuance of ROE.	0.50	\$395.00	\$197.50
Mon	09/20/2021	Prepare the Receiver's Certificate and sent an email to C. McInnes asking for a \$20,000 advance.	0.20	\$395.00	\$79.00
Thur	09/23/2021	Receipt and review of an email from Smit regarding the wage subsidy and amounts outstanding to H. Joshi.	0.20	\$395.00	\$79.00
Mon	09/27/2021	Receipt, review and approve payables. Review of the lease and per diem rent. Instructed P. Amaral to calculate the rent owing for the period of occupation by the Receiver. Receipt and review of an email from P. Amaral containing the total occupation cost outstanding to the landlord. Instructed M. Vine to send a letter to the landlord regarding same. Receipt and review of draft email to landlord from M. Vine. Provided comments regarding same and approved transmission. Receipt and review of an email from A. Moskowitz containing the appraisal.	1.20	\$395.00	\$474.00
Tues	09/28/2021	Receipt and review of an email from H. Dixon containing invoice for occupation cost. Approved same for processing.	0.20	\$395.00	\$79.00
Mon	10/04/2021	Receipt and review of an email from E. Constantin containing information with respect to an action commenced by Health Planet. Discussion regarding same with M. Vine.	0.50	\$395.00	\$197.50
Tues	10/05/2021	Email exchanges with M. Vine regarding the claim from Health Planet. Receipt and review of an email from R. Moses regarding removal of assets from the premises. Sent an email to R. Moses providing the requested information. Further email exchanges regarding cooperation from Smit.	0.50	\$395.00	\$197.50
Wed	10/06/2021	Receipt and review of an email from M. Vine containing the comments regarding the auction agreement.	0.30	\$395.00	\$118.50
Thur	10/07/2021	Email exchanges with H. Dixon regarding inclusion of the landlord on the creditor listing. Revised the listing and emailed same to H. Dixon. Receipt and review of an email containing demand letter and claim of Global Employment for outstanding invoices. Forwarded same to M. Vine for reply. Receipt and review of documents to be sent to CRA with respect to the trust exam. Email exchanges with H. Dixon regarding secured creditors and amounts outstanding to secured creditors.	0.60	\$395.00	\$237.00
Fri	10/15/2021	Receipt, review and approve payables.	0.10	\$395.00	\$39.50
Tues	10/19/2021	Receipt review and approve disbursements.	0.10	\$395.00	\$39.50
Wed	10/20/2021	Review of the revised auction agreement. Sent an email to A. Moskowitz containing comments and requesting a change in the fee structure. Review of email from P. Amaral regarding a claim of retrieval of property. Email exchanges with A. Moskowitz regarding same. Telephone discussion with A. Moskowitz regarding the auction agreement.	1.00	\$395.00	\$395.00
Mon	10/25/2021	Receipt and review of signed copy of the auction agreement from A. Moskowitz. Prepared a fully executed copy and emailed same to A. Moskowitz.	0.20	\$395.00	\$79.00
Tues	11/09/2021	Email exchanges with A. Moskowitz regarding the sale of the items. Email exchanges with Q Foods regarding ownership of certain equipment. Telephone discussion regarding same	0.50	\$395.00	\$197.50
Wed	11/17/2021	Receipt, review and approve payables.	0.20	\$395.00	\$79.00
Fri	11/19/2021	Review of email exchanges between Sam and P. Amaral regarding ownership proof for the items claimed to be owned by Q Foods. Email exchanges with C. McInnes regarding the file.	0.20	\$395.00	\$79.00
Thur	12/09/2021	Receipt, review and approve payables.	0.20	\$395.00	\$79.00

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## MSGG - Detailed Time Dockets

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**File Name (ID): RJ Packaging Incorporated (AARJPA-R:)**

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Mukul Manchanda (MMA)</b>					
Mon	12/13/2021	Email exchanges with P. Amaral regarding a property claim. Review of documents with respect to same.	0.30	\$395.00	\$118.50
Tues	12/14/2021	Receipt, review and approve payables. Telephone call with A. Moskowitz regarding auction proceeds.	0.50	\$395.00	\$197.50
Fri	01/14/2022	Email exchanges with A. Moskowitz regarding update on the auction and proceeds of same.	0.10	\$395.00	\$39.50
Fri	01/21/2022	Email exchanges with A. Moskowitz regarding the auction proceeds.	0.20	\$395.00	\$79.00
Wed	01/26/2022	Receipt and review of an email from A. Moskowitz containing the auction summary. Instructed P. Amaral to reach out to CRA regarding trust exams.	0.20	\$395.00	\$79.00
<b>Mukul Manchanda (MMA)</b>			<b>24.10</b>		<b>\$9,519.50</b>
<b>Paula Amaral (PAM)</b>					
Tues	08/24/2021	Receive order and prepare copies and finalize notices. Contact Lockit to organize lock change. Attend premises and take possession of property and assets.	5.00	\$250.00	\$1,250.00
Thur	08/26/2021	Discussion with customer of RJ Packaging to organize shipment of goods to their customers. Discussion with employee to request payroll information needed to prepare WEPPA and discuss the WEPPA program. Receive and review information provided. Organize appraisal of assets by Platinum Assets	1.00	\$250.00	\$250.00
Fri	08/27/2021	Attend premises to supervise clean up flood and customer's removal of product.	10.00	\$250.00	\$2,500.00
Mon	08/30/2021	Meet Adam from Platinum Appraisals for appraisal of assets. Supervise contractors completing clean up and customer removal of products. Contact customers regarding removal of product.	4.00	\$250.00	\$1,000.00
Wed	09/01/2021	Attend site to supervise removal of customer's products. Prepare Notice of Statement of Receiver. Respond to customer enquiries. Download accounting information from Xero accounting program.	6.70	\$250.00	\$1,675.00
Thur	09/02/2021	Finalize Notice and Statement of Receiver. Source supplier addresses. Prepare mailings. Send Notice and Statement of Receiver to Official Receiver, CRA and Insolvency Unit. Contact Insurance Company and fill out forms to obtain insurance. Preparation of WEPPA spreadsheet.	4.50	\$250.00	\$1,125.00
Wed	09/08/2021	Attend premises to meet with Platinum Appraisals and review assets to be removed.	2.00	\$250.00	\$500.00
Fri	09/10/2021	Attend premises to supervise removal of items.	4.00	\$250.00	\$1,000.00
Mon	09/20/2021	General	0.50	\$250.00	\$125.00
Mon	09/20/2021	Discussion with Mukul regarding previous employee and send email to employee requesting further information for WEPPA program.	0.40	\$250.00	\$100.00
Thur	09/23/2021	Complete Authorize a Representative and request RT0002 account. Contact CRA to ensure previous owner is not receiving subsidies.	0.50	\$250.00	\$125.00
Fri	09/24/2021	Preparation of WEPPA spreadsheet, Form 31 and Letter to Employee. Submit information on WEPPA website. Forward information to employee.	4.00	\$250.00	\$1,000.00
Tues	09/28/2021	Discuss WEPPA program with employee and assist with application.	0.50	\$250.00	\$125.00

## Filters Used:

- Time Entry Date: 1/01/70 to 1/31/22
- File ID: AARJPA-R: to AARJPA-R:
- Time Entry Bill Status: Billed to Billed

## MSGG - Detailed Time Dockets

Printed on: 3/04/22

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**File Name (ID): RJ Packaging Incorporated (AARJPA-R:)**

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Paula Amaral (PAM)</b>					
Fri	10/01/2021	Prepare requisitions for payment of invoices. Contact CRA to ensure subsidy payments are not being sent o previous owner. Confirm mail forwarding.	0.50	\$250.00	\$125.00
Tues	10/05/2021	Receive and respond to email from unsecured creditor. Update Notice of Receiver to include landlord and unsecured creditor currently not listed. Forward update to Mukul.	0.40	\$250.00	\$100.00
Wed	10/06/2021	Discussion with CRA trust examiner. Contact Xero accounting and request access to accounting records Assemble information for trust examiner and submit	1.00	\$250.00	\$250.00
Tues	10/12/2021	Prepare requisitions for payables and send for approval.	0.20	\$250.00	\$50.00
Mon	10/18/2021	Complete form for access to files from Xero accounting ion order to complete trust exam and prepare demand letters.	0.10	\$250.00	\$25.00
Fri	10/22/2021	Forward Xero Insolvency form to Xero for access to accounting records.	0.10	\$250.00	\$25.00
Wed	11/17/2021	Prepare requisition for payable for legal fees. Email party with claims to equipment requesting proof of ownership.	0.20	\$250.00	\$50.00
Fri	11/19/2021	Receive email from former employee regarding status of WEPPA program. Receive email from supplier claiming to own equipment. Request proof of ownership.	0.20	\$250.00	\$50.00
Wed	12/08/2021	Receive invoice for insurance and prepare requisition for payment.	0.10	\$250.00	\$25.00
Wed	12/15/2021	Send email to insurance company to cancel insurance. Complete and forward cancellation form as requested by insurance provider.	0.30	\$250.00	\$75.00
Mon	01/24/2022	Receive call from Ministry of Labour to discuss claim filed by previous employee of RJ Packaging. Confirm details of employment and payments made to employee by previous employer.	0.20	\$250.00	\$50.00
<b>Paula Amaral (PAM)</b>			<b>46.40</b>		<b>\$11,600.00</b>
<b>Total for File ID AARJPA-R:</b>			<b>74.80</b>		<b>\$21,977.00</b>
<b>Grand Total:</b>			<b>74.80</b>		<b>\$21,977.00</b>

August 19, 2022

**Invoice #:** 12409

RJ Packaging Incorporated

**Billing Period:** July 31, 2022

## Invoice

**RE: RJ Packaging Incorporated**

**FOR PROFESSIONAL SERVICES RENDERED** in the period up to July 31, 2022, in connection with the Court Appointed Receivership.

	<b>Hours</b>	<b>Hourly Rate</b>	<b>Total</b>
Gillian Goldblatt, CPA, CA, CIRP, LIT	0.60	\$325.00	\$195.00
Mukul Manchanda, CPA, CIRP, LIT	14.40	395.00	5,688.00
Susan Downey	0.20	150.00	30.00
Paula Amaral	8.70	250.00	2,175.00
Others	0.20	125.00	25.00
Total Professional fees	24.10	\$336.64	\$8,113.00
HST			1,054.69
<b>Total</b>			<b>\$9,167.69</b>

HST Registration #R103478103

**(AARJPA-R)**

**msi Spergel inc.** Licensed Insolvency Trustees 505 Consumers Road, Suite 200, Toronto, ON M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199

• Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813  
• Brampton 905 874 4905 • London 519 902 2772 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Saskatchewan 306 341 1660

Member **CAIRP** Canadian Association of Insolvency  
and Restructuring Practitioners

[www.spergel.ca](http://www.spergel.ca)

Member **ICIN** The Independent Canadian Insolvency Network



## Filters Used:

- Time Entry Date: 2/01/22 to 7/31/22  
 - File Client ID: AARJPA-R to AARJPA-R

## MSGG - Detailed Time Dockets

Printed on: 8/19/22

Page 1 of 2

File Name (ID): RJ Packaging Incorporated (AARJPA-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<u>Gillian Goldblatt (GGO)</u>					
Thur	02/03/2022	review and approve bank reconciliation.	0.10	\$325.00	\$32.50
Fri	03/04/2022	review and approve bank reconciliation.	0.10	\$325.00	\$32.50
Thur	03/10/2022	review and approve disbursement.	0.10	\$325.00	\$32.50
Mon	04/04/2022	review and approve bank reconciliation.	0.10	\$325.00	\$32.50
Mon	06/13/2022	review and approve bank reconciliation.	0.10	\$325.00	\$32.50
Wed	07/06/2022	review and approve bank reconciliation.	0.10	\$325.00	\$32.50
Gillian Goldblatt (GGO)			0.60		\$195.00
<u>Inga Friptuleac (IFR)</u>					
Mon	02/14/2022	Issue cheque	0.10	\$125.00	\$12.50
Thur	03/10/2022	Issue cheque	0.10	\$125.00	\$12.50
Inga Friptuleac (IFR)			0.20		\$25.00
<u>Mukul Manchanda (MMA)</u>					
Mon	02/14/2022	Review of financial information with respect to an HST audit. Lengthy discussions with staff regarding response to the audit and the application of RT2 accounts to amounts outstanding on RT1 account. Lengthy call with a creditor regarding the proceedings and availability of funds for distribution to creditors.	3.80	\$395.00	\$1,501.00
Tues	02/15/2022	Review of summary received from Platinum. Telephone discussion with A. Moskowitz regarding the auction proceeds. Review of deemed trust claim regarding source and HST. Instructed P. Amaral to discuss with CRA the unsecured portion of the source deduction claim. Receipt, review and edit the 246 report.	2.80	\$395.00	\$1,106.00
Wed	02/16/2022	Lengthy discussion with the previous landlord regarding status of the process and any possibility of receiving a distribution. Review of R&D and other materials and prepared estimated distribution schedule based on claims on hand.	1.70	\$395.00	\$671.50
Wed	02/23/2022	Receipt, review edit and sign the 246 report.	0.60	\$395.00	\$237.00
Mon	03/14/2022	Lengthy call with a creditor regarding status of proceedings and possibility of a distribution to unsecured creditors. Review of file with respect realizations, trust claims from CRA and secured claim of RBC. Discussion with P. Amaral regarding same.	1.00	\$395.00	\$395.00
Thur	03/17/2022	Telephone call with M. Vine regarding status of the file.	0.30	\$395.00	\$118.50
Mon	03/21/2022	Lengthy call with CRA regarding the HST and source deduction trust amounts.	0.50	\$395.00	\$197.50
Tues	06/21/2022	Review of the file and participated in a call with C. McInnes regarding the status. Lengthy call with CRA with respect to the HST and RP trust claim. Prepare draft R&D and emailed same to counsel.	1.80	\$395.00	\$711.00
Tues	07/26/2022	Email exchanges with M. Vine regarding the file. Review of file in advance of drafting the report to court. Discussion with P. Amaral regarding the file.	1.60	\$395.00	\$632.00
Thur	07/28/2022	Review of email exchanges between M. Vine and S. Sud.	0.30	\$395.00	\$118.50
Mukul Manchanda (MMA)			14.40		\$5,688.00
<u>Paula Amaral (PAM)</u>					
Fri	02/04/2022	Call with Ministry of Labour regarding a claim against the director of the company by a previous employee. Receive email requesting further information.	0.40	\$250.00	\$100.00



## Filters Used:

- Time Entry Date: 2/01/22 to 7/31/22  
 - File Client ID: AARJPA-R to AARJPA-R

## MSGG - Detailed Time Dockets

Printed on: 8/19/22

Page 2 of 2

File Name (ID): RJ Packaging Incorporated (AARJPA-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<u>Paula Amaral (PAM)</u>					
Mon	02/14/2022	Prepare Receiver's Interim Report and Statement of Receipts and Disbursements. Contact CRA to confirm secured amounts for HST and source deductions. Discussion with auditor regarding HST account and report remittances.	2.80	\$250.00	\$700.00
Tues	02/15/2022	Review Interim Receiver report with Mukul. Receive payment information for amount received from sale of assets. Prepare requisition for posting.	0.50	\$250.00	\$125.00
Wed	02/16/2022	Receive call from the labour board requesting information pertaining to claim being made by previous employee.	0.30	\$250.00	\$75.00
Wed	02/23/2022	Finalize Statement of Interim Receiver and forward for signing.	0.20	\$250.00	\$50.00
Mon	02/28/2022	Filing of HST return, including reviewing of trial balance, preparing return and filing via netfile.	0.50	\$250.00	\$125.00
Tues	07/26/2022	Time spent preparing and writing draft of first and final report.	4.00	\$250.00	\$1,000.00
Paula Amaral (PAM)			8.70		\$2,175.00
<u>Susan Downey (SDW)</u>					
Tues	02/15/2022	Corporate profile search	0.20	\$150.00	\$30.00
Susan Downey (SDW)			0.20		\$30.00
Total for File ID AARJPA-R:			24.10		\$8,113.00
Grand Total:			24.10		\$8,113.00

September 21, 2022

**Invoice #:** 12420

RJ Packaging Incorporated

**Billing Period:** Aug 31, 2022

## Invoice

### RE: RJ Packaging Incorporated

**FOR PROFESSIONAL SERVICES RENDERED** in the period from August 1 to August 31, 2022, in connection with the Court-appointed receivership proceedings.

	Hours	Hourly Rate	Total
Gillian Goldblatt, CPA, CA, CIRP, LIT	0.10	\$325.00	\$32.50
Mukul Manchanda, CPA, CIRP, LIT	7.90	395.00	3,120.50
Susan Downey	0.30	150.00	45.00
Others	0.10	125.00	12.50
Total Professional fees	8.40	\$382.20	\$3,210.50
HST			417.37
<b>Total</b>			<b>\$3,627.87</b>

HST Registration #R103478103

**(AARJPA-R)**

## Filters Used:

- Time Entry Date: 1/01/70 to 8/31/22
- File ID: AARJPA-R: to AARJPA-R:
- Time Entry Bill Status: Un-Billed to Un-Billed
- Time Entry Bill Status: Un-Billed to Un-Billed

## MSGG - Detailed Time Dockets

Printed on: 9/21/22

Page 1 of 1

## File Name (ID): RJ Packaging Incorporated (AARJPA-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Gillian Goldblatt (GGO)</b>					
Tues	08/09/2022	review and approve bank reconciliation.	0.10	\$325.00	\$32.50
		<b>Gillian Goldblatt (GGO)</b>	<b>0.10</b>		<b>\$32.50</b>
<b>Inga Friptuleac (IFR)</b>					
Wed	08/24/2022	Issue chq	0.10	\$125.00	\$12.50
		<b>Inga Friptuleac (IFR)</b>	<b>0.10</b>		<b>\$12.50</b>
<b>Mukul Manchanda (MMA)</b>					
Mon	08/08/2022	Receipt, review and edit report to court. Email exchanges and discussion with M. Vine regarding same. Receipt review and sign the section 246 report to OSB.	7.80	\$395.00	\$3,081.00
Fri	08/19/2022	Receipt, review and approve payables.	0.10	\$395.00	\$39.50
		<b>Mukul Manchanda (MMA)</b>	<b>7.90</b>		<b>\$3,120.50</b>
<b>Susan Downey (SDW)</b>					
Mon	08/08/2022	Prepare 246 interim report	0.20	\$150.00	\$30.00
Mon	08/22/2022	Receipt and filing of WEPPA statement	0.10	\$150.00	\$15.00
		<b>Susan Downey (SDW)</b>	<b>0.30</b>		<b>\$45.00</b>
		<b>Total for File ID AARJPA-R:</b>	<b>8.40</b>		<b>\$3,210.50</b>
		<b>Grand Total:</b>	<b>8.40</b>		<b>\$3,210.50</b>

# **APPENDIX 5**

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

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING, SMIT  
RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI PANCHASARA**

**Respondents**

**AFFIDAVIT OF JASON DIFRUSCIA  
(Sworn September 26, 2022)**

**I, JASON DIFRUSCIA, of the City of London, in the Province of Ontario, MAKE OATH AND  
SAY:**

1. I am a solicitor qualified to practice law in the Province of Ontario and I am a lawyer with Harrison Pensa <sup>LLP</sup>, who acts as counsel for msi Spergel inc., in its capacity as Court-Appointed Receiver of the Respondent, RJ Packaging Incorporated in the within proceeding, and as such I have knowledge of the matters to which I hereinafter depose except for those matters based expressly upon information and belief.
2. Attached hereto and marked as Exhibit "A" is a summary of the time incurred by professionals at Harrison Pensa <sup>LLP</sup>, the hourly rate and fees associated with such and disbursements for the period of July 8, 2021 to October 14, 2021 and an account statement detailing the services provided dated November 9, 2021.
3. Attached hereto and marked as Exhibit "B" are particulars of time spent by professionals at Harrison Pensa <sup>LLP</sup> in connection with this matter for the period of March 17, 2022 to September 6, 2022 and an account statement detailing the services provided dated

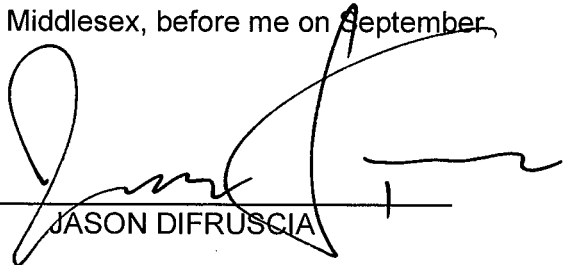
September 7, 2022.

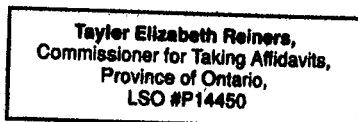
4. The hourly billing rates set out in the Exhibits are comparable to the hourly rates charged by Harrison Pensa <sup>LLP</sup> for services rendered in relation to similar proceedings.
5. The fees and disbursements of Harrison Pensa <sup>LLP</sup> in this matter to September 6, 2022 are as follows:
  - a. Total Billed Fees and Disbursements from July 8, 2021 to October 14, 2021 - \$4,883.87;
  - b. Total Billed Fees and Disbursements from March 17, 2022 to September 6, 2022 - \$3,700.20;
  - c. Total - \$8,584.07.
6. The weighted average hourly rate charged by professionals at Harrison Pensa <sup>LLP</sup> is \$340.25.
7. I estimate that the legal fees incurred by professionals at Harrison Pensa <sup>LLP</sup> to close this matter will total an additional \$3,000.00.
8. I make this Affidavit in support of among other things, approval of fees and disbursements of the counsel for the Receiver.

**Sworn before me:** ☒ in person OR ☐ by video conference

by Jason DiFruscia at the City of London in the County of Middlesex, before me on September, 26, 2022.

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

  
\_\_\_\_\_  
JASON DIFRUSCIA



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

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING, SMIT  
RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI PANCHASARA**

**Respondents**

**EXHIBITS**

**TABS "A" AND "B" ARE THE  
EXHIBITS TO THE AFFIDAVIT OF  
JASON DIFRUSCIA  
SWORN THIS 26TH DAY OF SEPTEMBER, 2022**



A Commissioner for taking Affidavits

**Taylor Elizabeth Reiners,  
Commissioner for Taking Affidavits,  
Province of Ontario,  
LSO #P14450**

## EXHIBIT A



(From July 8, 2021 to October 14, 2021)

	NAME	YEAR OF CALL	ACTUAL HOURS	HOURLY RATE	TOTAL
<b>Partners</b>	Melinda Vine	2007	12.30	\$350.00	\$4,305.00
<b>Clerks</b>	Lindsay Ferguson		0.10	\$165.00	\$16.50
<b>TOTAL FEES</b>					<b>\$4,321.50</b>
<b>HST ON FEES</b>					<b>\$561.80</b>
<b>TOTAL TAXABLE DISBURSEMENTS</b>					<b>\$0.50</b>
<b>TOTAL NON TAXABLE DISBURSEMENTS</b>					<b>\$0.00</b>
<b>HST DISBURSEMENTS</b>					<b>\$0.07</b>
<b>TOTAL FEES, DISBURSEMENTS AND HST</b>					<b>\$4,883.87</b>

## EXHIBIT B

(From March 17, 2022 to September 6, 2022)

	NAME	YEAR OF CALL	ACTUAL HOURS	HOURLY RATE	TOTAL
<b>Partners</b>	Melinda Vine	2007	6.60	\$350.00	\$2,310.00
<b>Associates</b>	Jason DiFruscia	2021	3.30	\$200.00	\$660.00
<b>TOTAL FEES</b>					<b>\$2,970.00</b>
<b>HST ON FEES</b>					<b>\$386.10</b>
<b>TOTAL TAXABLE DISBURSEMENTS</b>					<b>\$234.80</b>
<b>TOTAL NON TAXABLE DISBURSEMENTS</b>					<b>\$78.78</b>
<b>HST DISBURSEMENTS</b>					<b>\$30.52</b>
<b>TOTAL FEES, DISBURSEMENTS AND HST</b>					<b>3,700.20</b>

ROYAL BANK OF CANADA

v.

RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING et al.

Applicant

Respondent

Court File No. CV-20-00665286-00CL

**ONTARIO**  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at TORONTO

**AFFIDAVIT OF JASON DIFRUSCIA**

Harrison Pensa <sup>LLP</sup>  
Barristers and Solicitors  
130 Dufferin Avenue, Suite 1101  
London, Ontario N6A 5R2

**Melinda Vine (LSO #53612R)**

Tel: (519) 679-9660  
Fax: (519) 667-3362

Lawyers for the Receiver, msi Spergel inc.

# **APPENDIX 6**

**In the matter of the Receivership of  
RJ Packaging Incorporated  
of the City of Toronto, in the Province of Ontario**

Receiver's Statement of Receipts and Disbursements  
As at September 21, 2022

**RECEIPTS**

1	Interest Allocation	606.96	
	CRA Rent Subsidies	56,830.61	
	Sales of Assets	50,007.00	

<b>TOTAL RECEIPTS</b>			<b><u>107,444.57</u></b>
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**DISBURSEMENTS**

2.	Federal and Provincial taxes		
	HST paid on disbursements exclusive of fees	1,470.17	
	HST on Legal Fees	561.87	
	HST on Receiver's Fees	3,911.70	
			5,943.74

3.	Miscellaneous		
	Appraisal Fees	1,500.00	
	Change of Locks	535.00	
	Filing Fees Paid to Official Receiver	72.97	
	Insurance	1,330.56	
	Legal Fees and Disbursements	4,322.00	
	Occupation Rent	8,828.46	
	Other Misc. Disbursements	283.00	
	Receiver's Fees and Costs	30,090.00	
	Redirection of Mail	170.55	
			47,132.54

<b>TOTAL DISBURSEMENTS</b>			<b><u>53,076.28</u></b>
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Net Receipts over Disbursements			<b><u>54,368.29</u></b>
			<b>E&amp;OE</b>

# **APPENDIX 7**



Canada Revenue  
Agency

Agence du revenu  
du Canada

Tax Centre  
Hamilton ON L8R 3P7

October 28, 2021

RJ PACKAGING INCORPORATED  
C/O MSI SPERGEL INC.  
200 - 505 CONSUMERS RD  
NORTH YORK ON M2J 4V8

Account Number  
72827 6924 RP0001

Dear Paula Amaral:

Subject: RJ Packaging Incorporated  
Account number: 72827 6924 RP0001

We were told that you have been appointed as receiver for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to \$58,362.44 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:

Tax deductions:	\$27,025.73
CPP:	\$17,619.49
EI:	\$7,422.48
Penalties and interest:	\$6,294.74
Total:	\$58,362.44

Further to the Income Tax Act, the Canada Pension Plan, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of RJ Packaging Incorporated in receivership.

Federal income tax:	\$0.00
Provincial income tax:	\$0.00
CPP employee part:	\$0.00
EI employee part:	\$0.00
Total:	\$0.00

Payment for the total amount of this trust, namely \$0.00, must be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory trusts in priority to all other creditors.

35,957.00 potentially.../2

Canada

National Insolvency Office  
55 Bay Street North  
Hamilton ON L8R 3P7

Local : 416-997-1102  
Fax : 416-954-6411  
Web site : canada.ca/taxes



Please let us know when payment of this trust amount and the remaining balance of \$58,362.44 will be made.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.

Also, see section 5 of the Employment Insurance Act and section 8 of the Canada Pension Plan Regulations.

For more information or clarification, please call me at 416-997-1102.

Yours truly,



---

K. Figaszewska (1214)  
Insolvency Officer



Canada Revenue  
Agency

Agence du revenu  
du Canada

Tax Centre  
Hamilton ON L8R 3P7

September 23, 2021

RJ PACKAGING INCORPORATED  
C/O MSI SPERGEL INC.  
505 CONSUMERS RD., SUITE 200  
TORONTO ON M2J 2V8

Account Number  
72827 6924 RP0001

Dear Paula Amaral:

Subject: RJ Packaging Incorporated  
Account number: 72827 6924 RP0001

We were told that you have been appointed as receiver for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to \$791.53 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:

Tax deductions:	\$350.03
CPP:	\$249.72
EI:	\$105.21
Penalties and interest:	\$86.57
Total:	\$791.53

Further to the Income Tax Act, the Canada Pension Plan, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of RJ Packaging Incorporated in receivership.

Federal income tax:	\$261.22
Provincial income tax:	\$88.81
CPP employee part:	\$124.86
EI employee part:	\$43.83
Total:	\$518.73

Payment for the total amount of this trust, namely \$518.73, must be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory trusts in priority to all other creditors.

.../2

**Canada**

National Insolvency Office  
55 Bay Street North  
Hamilton ON L8R 3P7

Local : 416-997-1102  
Fax : 416-954-6411  
Web site : [canada.ca/taxes](http://canada.ca/taxes)

Please let us know when payment of this trust amount and the remaining balance of \$272.80 will be made.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.


Also, see section 5 of the Employment Insurance Act and section 8 of the Canada Pension Plan Regulations.

For more information or clarification, please call me at 416-997-1102.

Yours truly,



---

 K. Figaszewska (1214)  
Insolvency Officer

# APPENDIX 8



Canada Revenue  
Agency

Agence du revenu  
du Canada

Tax Centre  
Hamilton ON L8R 3P7

September 23, 2021

RJ PACKAGING INCORPORATED  
C/O MSI SPERGEL INC.  
505 CONSUMERS RD. SUITE 200  
TORONTO ON M2J 2V8

Account Number  
72827 6924 RT0001

Dear Paula Amaral:

Subject: RJ Packaging Incorporated

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$75,675.50.

Period outstanding	GST/HST payable	Penalty & interest	Total
2020-12-31	\$12,274.09	\$ 895.26	\$13,169.35
2019-12-31	\$30,236.75	\$4,053.17	\$34,289.92
2018-12-31	\$24,758.96	\$3,457.27	\$28,216.23

Under the Excise Tax Act, \$24,428.96 of the above totals represents property of the Crown held in trust and does not form part of RJ Packaging Incorporated's property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$24,428.96 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$50,916.54.

.../2

Canada

National Insolvency Office  
55 Bay Street North  
Hamilton ON L8R 3P7


Local : 416-997-1102  
Fax : 416-954-6411  
Web site : canada.ca/taxes 117

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416-997-1102.

Yours truly,



 K. Figaszewska (1214)  
Insolvency Officer

# APPENDIX 9



RM 606, 875 CHEMIN HERON RD  
61EME ÉTAGE, SALLE 606, 6TH FL  
Ottawa, ON, K1A 1A2  
1(866) 864-5823



MAY - 6 2022

Please retain this portion  
Veuillez s.v.p. conserver cette partie

28/4/2022



MSI SPERGER INC.  
PAULA AMARAL  
200-505 Consumers Rd  
Toronto ON M2J 4V8

00000001

*Handwritten signature: KJ Pachay*

Payment Office/Bureau de paiement  
WEPP MSA Payment Office /  
Bureau de Paiement de PPS relevé de comp  
PO Box 2222  
Matane QC G4W 4R8

Page 1 / 2

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### Statement of Accounts/Relevé de comptes

Name Nom	Client ID Id. du client	Total Balance Solde total	Statement Date Date du relevé	Due Date Date d'échéance	Minimum Payment Paiement minimum
MSI SPERGER INC.	31-459240YY	7,061.95	28/4/2022	27/5/2022	0.00

### Summary of Accounts/Sommaire des comptes

Program Programme	Previous Balance Solde précédent	Establishments Établissements (+)	Interest Intérêt (+)	Payments Paiements (-)	Adjustments Ajustements (+/-)	Current Balance Solde actuel
Wage Earner Protection Program WEPP Employer Super Priority Programme de protection des salariés PPS - Employeur priorité super	\$2,000.00	0.00	0.00	0.00	0.00	2,000.00
Wage Earner Protection Program WEPP Employer non-secured Programme de protection des salariés PPS Employeur mont non-garanti	\$5,061.95	0.00	0.00	0.00	0.00	5,061.95
<b>Total</b>	<b>7,061.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,061.95</b>

PLEASE SEE REVERSE FOR FURTHER DETAILS / S.V.P. VOIR AU VERSO POUR DE PLUS AMPLES RENSEIGNEMENTS





ROYAL BANK OF CANADA

v.

RJ PACKAGING INCORPORATED operating as CUSTOM FOOD  
PACKAGING et al.

Applicant

Respondents

Court File No. CV-21-00665286-00CL

	<b>ONTARIO SUPERIOR COURT OF JUSTICE</b>  PROCEEDING COMMENCED AT TORONTO, ONTARIO
	<b>FIRST AND FINAL REPORT OF THE RECEIVER</b>
	<b>HARRISON PENZA</b> <sup>LLP</sup> Barristers & Solicitors 130 Dufferin Avenue, Suite 1101 London, Ontario N6A 5R2  <b>Melinda Vine (LSO #53612R)</b>  Tel : (519) 679-9660 Fax: (519) 667-3362 Email: <a href="mailto:mvine@harrisonpensa.com">mvine@harrisonpensa.com</a>  Lawyers for the Receiver, msi Spergel Inc.

ROYAL BANK OF CANADA

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

PROCEEDING COMMENCED AT  
TORONTO, ONTARIO

**MOTION RECORD OF THE RECEIVER**

**HARRISON PENSEA** <sup>LLP</sup>  
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msi Spergel inc.