

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SUBSECTION 243 OF *THE BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

**MOTION RECORD
(Returnable June 25, 2026)**

June 12, 2026

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**Lawyers for msi Spergel Inc., the court-
appointed Receiver of Advantage Machine
& Tool Inc.**

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SUBSECTION 243 OF *THE BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

**NOTICE OF MOTION
(Returnable June 25, 2026)**

msi Spergel Inc. ("**Spergel**") in its capacity as the court-appointed receiver (in that capacity, "**Receiver**") of the assets, undertakings, and properties of Advantage Machine & Tool Inc. ("**Company**"), appointed pursuant to the Order of Justice Smith dated July 24, 2025 ("**Appointment Order**"), will make a motion to a Judge sitting at 85 Frederick Street Kitchener, Ontario on June 25, 2026 at 10:00 a.m. (EST), or as soon after that time as the motion can be heard, via Zoom videoconference.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1(4);
- In person;

By telephone conference;

By video conference;

at the following location:

Zoom link to be uploaded on Case Center

THE MOTION IS FOR:

1. An order,
 - (a) approving the Second Report and the activities of the Receiver described therein;
 - (b) approving the Receiver's Interim Statement of Receipts and Disbursements as at May 26, 2026;
 - (c) approving the fees and disbursements of the Receiver and Miller Thomson, as set out in the Second Report including the fee affidavits appended thereto;
 - (d) approving a fee accrual of \$35,000.00 (excluding HST and disbursements) ("**Fee Accrual**") in respect of the fees incurred or to be incurred by the Receiver and Miller Thomson, in connection with the within motion and the completion of the Receiver's remaining duties and administration of these receivership proceedings;
 - (e) authorizing and directing the Receiver to make the following distributions

- (i) first, to Service Canada in the amount of \$94,988.08, for the outstanding priority claim under the Wage Earner Protection Program;
 - (ii) second, to the Bank of Montreal ("**BMO**") from the net Real Property Transaction sale proceeds in an amount up to \$1,875,000 (plus applicable interest and costs) on account of BMO's indebtedness secured by the BMO Charge (defined below); and
 - (iii) third, to the Canada Revenue Agency ("**CRA**") of the balance of cash in the receivership estate, net of the Fee Accrual, and any unused balance of the Fee Accrual, on account of its Deemed Trust Claims (defined below);
- (f) discharging Spergel as the Receiver and granting certain ancillary relief in relation thereto, including a release of liability, 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; and
- (g) for such further and other relief as the Receiver's counsel may advise and the court deems just.

THE GROUNDS FOR THE MOTION ARE:

2. Capitalized terms used and not otherwise defined in this notice of motion have the meanings ascribed to them in the Receiver's second report to the court dated May 27, 2026 ("**Second Report**").

BACKGROUND

3. Advantage is a privately owned Ontario corporation that formerly carried on business as an engineering, integration, and manufacturing service provider, producing tools, dies, jigs, fixtures and providing custom machining, welding, and light assembly services, as well as equipment repairs. Its clients included automotive, medical and food processing companies in Southwestern Ontario and the United States. Advantage operated from owned premises located at 155 Huron Road, Mitchell, Ontario.

4. Pursuant to the Appointment Order issued July 24, 2025, Spergel was appointed as Receiver, without security, of all the assets, undertakings, and properties of the Company.

5. The Receiver retained Miller Thomson LLP ("**Miller Thomson**") as its independent counsel.

6. On February 12, 2026, the Court approved the sale of the Company's real property and equipment (together, "**Transactions**") to JB Fabrication Corp. and GHM Inc. The Transactions closed on February 24, 2026.

7. Following the issuance of the Receiver's First Report, the Receiver has, with the assistance of Miller Thomson (as necessary), amongst other things,

- (a) continued to facilitate the release of certain leased Equipment upon the confirmation of negative equity in the equipment and the validity and priority of the lessor's purchase money security interest;
- (b) obtained court approval of the Transactions;
- (c) closed the Transactions;
- (d) attended to post-closing matters in respect of the Transactions;
- (e) distributed the funds to the Municipality of West Perth in accordance with the Ancillary Order;
- (f) cancelled the Debtor's insurance coverage;
- (g) notified suppliers and utility companies of the sale of the building and to contact the purchaser regarding services post-sale;
- (h) continued communicating with Service Canada in the administration of the Wage Earner Protection Program; and
- (i) prepared and filed all statutory notices in accordance with the *Bankruptcy and Insolvency Act*.

The Receiver has Acted Diligently and in Good Faith in Carrying Out its Duties

8. The activities of the Receiver following the Appointment Date are described in the Second Report.

The Professional Fees of the Receiver and Miller Thomson are Reasonable and Appropriate

9. The accounts of the Receiver and Miller Thomson are attached as appendices to the Second Report.

10. All the work set out in these accounts was carried out and was necessary; the hourly rates of the professionals and clerks who worked on this matter were reasonable in light of the services required, and consistent with the rates charged by comparable firms providing insolvency services in the southwestern Ontario market; and the services were carried out by professionals or clerks with the appropriate level of experience.

The Proposed Distributions Should be Approved

11. Service Canada holds a priority claim of \$94,988.08 under the Wage Earner Protection Program, which ranks above all other claims pursuant to subsection 81.4(1) of the *Bankruptcy and Insolvency Act*.

12. BMO holds a collateral mortgage charge over the Company's real property (the "**BMO Charge**"), initially registered on January 7, 2022 in the maximum principal amount of \$1,875,000, plus interest and costs. (BMO also holds a general security agreement over the Company's personal property.)

13. Miller Thomson has provided a security opinion confirming that, subject to customary assumptions and qualifications, the security interests in favour of BMO against the Real Property (and the Company's personal property) are valid and enforceable in the Province of Ontario.

14. The BMO Charge is a “prescribed security interest” under the *Income Tax Act* and the *Excise Tax Act*. The BMO Charge was registered before the Deemed Trust Claims arose, and the obligations secured by the BMO Charge were never reduced below the initially registered amount of \$1,875,000.

15. The CRA holds deemed trust claims (the “**Deemed Trust Claims**”) for unremitted source deductions of \$1,465,676.84 and unremitted HST of \$97,862.37.

16. The Receiver is currently holding \$2,286,531.35 of cash, substantially all of which was generated by the Transactions. The Receiver proposes to distribute all of the available cash, net of the Fee Accrual, as follows:

- (j) first, to Service Canada in the amount of \$94,988.08 on account of its priority WEPP claim;
- (k) second, to BMO from the net Real Property Transaction sale proceeds in an amount up to \$1,875,000 (plus applicable interest and costs), on account of the BMO Charge;
- (l) third, to CRA in an amount equal to the balance of the remaining cash less the Fee Accrual, on account of its Deemed Trust Claims, with any unused balance of the Fee Accrual to be distributed to CRA on account of its Deemed Trust Claims.

Fee Accrual

17. The Receiver estimates that the Fee Accrual of \$35,000.00 (excluding HST and disbursements) is necessary to pay the outstanding Professionals' Fees and the fees and expenses required to complete the administration of this receivership.

Discharge and Release of the Receiver

18. The Receiver has completed the realization of the Company's assets and proposes to attend to the distributions described above and any remaining administrative matters prior to filing a certificate of discharge. The Receiver seeks its discharge as Receiver and a release from any and all liability arising out of its acts or omissions while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct.

THE FOLLOWING GROUNDS will be relied on at the hearing of the motion:

19. Sections 81.4, 243, and 246 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

20. Sections 222 and 227 of the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp), as amended, and section 222 of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

21. The Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, including Rules 1.05, 2.03, 3.02, 16, and 37; and

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:

23. The Second Report, filed; and

24. Such further evidence as the lawyers may advise and this Honourable Court may permit.

June 12 2026

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**Lawyers for msi Spergel Inc., in its capacity
as Court-appointed receiver of Advantage
Machine & Tool Inc.**

TO: The Service List (attached at Schedule A)

SCHEDULE A

(Service List)

TO: **Advantage Machine & Tool Inc.**
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Mitchell, ON N0K 1N0

Respondent

AND TO: **Chaitons LLP**
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Christopher J. Staples
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Email: chris@chaitons.com

Lawyers for the Applicant

AND TO: **msi Spergel Inc.**
Licensed Insolvency Trustees
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Hamilton, ON L8P 4W7

Trevor Pringle
Tel: 905.527.2227
Email: tpringle@spergel.ca

Court-appointed Receiver

AND TO: **Maury Patton**

Email: mvpatton04@gmail.com

AND TO: **His Majesty in Right of Ontario Represented by
the Minister of Finance**
347 Preston St. 3rd Floor
Ottawa, ON K1S 3H8

PPSA registrant

AND TO: **Concentra Equipment Finance, a Division of Bennington Financial Corp.**
100-1465 North Service Rd East
Oakville, ON L6H 1A7

PPSA registrant

AND TO: **Wells Fargo Equipment Finance Company**
900-1290 Central Parkway W.
Mississauga, ON L5C 4R3

PPSA registrant

AND TO: **De Lage Landen Financial Services Canada Inc.**
3450 Superior Court, Unit 1
Oakville, ON L6L 0C4

PPSA registrant

AND TO: **David Lloyd Mccarthy**
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Mitchell, ON N0K 1M0

PPSA registrant

AND TO: **Wells Fargo Bank, National Association**
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Charlotte, NC 28202
USA

PPSA registrant

AND TO: **JB Fabrication Corp. and GHM Inc.**
70602 Plugtown Line
Kirkton, ON N0K 1K0

Justin Boel
Email: jdboel@hotmail.com

JB Fabrication Corp. and GHM Inc.
170 Brock Ave
Hensall, ON N0M 1X0

Gerhard Metzger
Email: gmetzger@hay.net

Purchaser

AND TO: **McKenzie Lake Lawyers**
140 Fullarton St #1800
London, ON N6A 5P2

Todd Devitt
Tel: 519.672.5666 x 7455
Email: todd.devitt@mckenzielake.com

Lawyers for the Purchaser

AND TO: **Municipality of West Perth**
Finance Department and Utilities Clerk
160 Wellington Street
P.O. Box 609
Mitchell, ON N0K 1N0

Email: propertytaxes@westperth.com

AND TO: **Canada Revenue Agency**
c/o Department of Justice
Ontario Regional Office
120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1

Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

AND TO: **His Majesty the King in Right of the Province of Ontario**
as Represented by The Ministry of Finance
Revenue Collections Branch – Insolvency Unit
33 King Street W., P.O. Box 627
Oshawa, ON L1H 8H5

Email: insolvency.unit@ontario.ca

BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at KITCHENER

**NOTICE OF MOTION
(Returnable June 25, 2026)**

MILLER THOMSON LLP

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255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

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**Lawyers for msi Spergel Inc., in its
capacity as court-appointed Receiver of
Advantage Machine & Tool Inc.**

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

BANK OF MONTREAL

Applicant

and

ADVANTAGE MACHINE & TOOL INC.

Respondent

**SECOND REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS RECEIVER OF
ADVANTAGE MACHINE & TOOL INC.**

May 27, 2026

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7. WEPP statement
8. The Affidavit of Trevor Pringle sworn May 25, 2026
9. The Affidavit of Tony Van Klink sworn May 26, 2026
10. Security Opinion from Miller Thomson LLP
11. Receiver's Statement of receipts and disbursements, as at May 26, 2026

I. APPOINTMENT AND BACKGROUND

1. This report to the court (the “**Second Report**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the court-appointed receiver (in such capacity, the “**Receiver**”) of Advantage Machine & Tool Inc. (“**Advantage**,” and the “**Debtor**”).
2. Advantage is a privately owned Ontario corporation that formerly carried on business as an engineering, integration, and manufacturing service provider, producing tools, dies, jigs, fixtures and providing custom machining, welding, and light services, as well as equipment repairs. Its clients included automotive, medical and food processing companies in Southwestern Ontario and the United States. Advantage operated from owned premises located at 155 Huron Road, Mitchell, Ontario (the “**Real Property**”).
3. Pursuant to the order of Justice Ian Smith (the “**Appointment Order**”) issued July 24, 2025 (the “**Appointment Date**”), Spergel was appointed as Receiver, without security, of all the assets, undertakings, and properties of the Debtor (collectively, the “**Property**”). Attached to this Second Report as **Appendix “1”** is a copy of the Appointment Order.
4. The Receiver retained Miller Thomson LLP (“**Miller Thomson**”) as its independent counsel.
5. On February 3, 2026, the Receiver submitted its First Report to Court, dated February 3, 2026 (the “**First Report**”), which is attached to this Second Report as **Appendix “2”**. The First Report sought approval of the Court for an Order granting the following relief:
 - (i) An order (the “**Equipment Sale Order**”), (A) approving the transaction (“**Equipment Sale Transaction**”) contemplated by the Agreement of Purchase and Sale dated November 27, 2025 (the “**Equipment Sale Agreement**”) between JB Fabrication Corp. and GHM Inc. (“**JB Fabrication**”), as Purchaser, and the Receiver, as Vendor, for the purchase and sale of the Purchased Assets (as defined in the Equipment Sale Agreement), and (B) granting necessary relief in relation thereto;

- (ii) an order (the “**Real Property Sale Order**” and, together with the Equipment Sale Order, the “**Approval and Vesting Orders**”) (A) approving the sale transaction (the “**Real Property Transaction**” and, together with the Equipment Sale Transaction, the “**Transactions**”) contemplated by the Agreement of Purchase and Sale dated November 27, 2025 (the “**Real Property Sale Agreement**” and, together with the Equipment Sale Agreement, the “**Agreements**”) between JB Fabrication, as Purchaser, and the Receiver, as Vendor, for the purchase and sale of the Real Property, and (B) granting necessary relief in relation thereto;
 - (iii) an order (the “**Ancillary Order**”), (A) approving the First Report and the activities of the Receiver described therein; (B) approving the Receiver’s Interim Statement of Receipts and Disbursements as at January 12, 2026; (C) approving the accounts of the Receiver and Miller Thomson for the periods to and including November 30, 2025 and December 31, 2025, respectively; (D) authorizing and directing the Receiver to make a distribution to the Municipality of West Perth in the amount of \$22,090.85, plus any other amounts accrued at the closing of the transaction, for the outstanding realty taxes in respect of the Real Property; (E) sealing the Confidential Appendices to the First Report until the completion of the Transactions or further order of the court; and
 - (iv) for such further and other relief as the Receiver’s counsel may advise and the court deems just.
6. On February 12, 2026, the Court granted the requested relief. Attached to this Second Report as **Appendices “3”, “4” and “5”** are copies of the Property Approval and Vesting Order, Equipment Approval and Vesting Order and the Ancillary Order of the Honourable Mr. Justice Smith, dated February 12, 2026.
 7. The transactions approved by the Equipment Sale Order and the Real Property Sale Order closed on February 24, 2026.

II. PURPOSE OF THIS SECOND REPORT AND TERMS OF REFERENCE

Purpose

8. This Second Report is filed:
- (a) to report on the Receiver's activities in this receivership proceeding since the filing of the Receiver's First Report;
 - (b) in support of the Receiver's motion for an order:
 - (i) approving the Second Report and the activities of the Receiver described therein;
 - (ii) approving the Receiver's Interim Statement of Receipts and Disbursements as at May 26, 2026;
 - (iii) approving the fees and disbursements of the Receiver and Miller Thomson, as set out in this Second Report including the fee affidavits appended hereto;
 - (iv) approving a fee accrual of \$35,000.00 (excluding HST and disbursements) (the "**Fee Accrual**") in respect of the fees incurred or to be incurred by the Receiver and Miller Thomson, in connection with the within motion and the completion of the Receiver's remaining duties and administration of these receivership proceedings;
 - (v) authorizing and directing the Receiver to make a distribution to the Bank of Montreal ("**BMO**") from the net Real Property Transaction sale proceeds in an amount up to initially registered amount of the BMO Charge (\$1,875,000), in account of BMO's indebtedness secured by the BMO Charge (defined below);
 - (vi) authorizing and directing the Receiver to make a distribution to Service Canada in the amount of \$94,988.08, for the outstanding priority claim under the Wage Earner Protection Program;
 - (vii) authorizing and directing the Receiver to make a distribution to the Canada Revenue Agency ("**CRA**") of the balance of cash in the

receivership estate, net of the Fee Accrual, and any unused balance of the Fee Accrual, on account of its Deemed Trust Claims (defined below);

- (viii) the discharge of Spergel as the Receiver and granting certain ancillary relief in relation thereto, 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 Debtor have been completed to the satisfaction of the Receiver; and
- (ix) for such further and other relief as the Receiver's counsel may advise and the court deems just.

Terms of Reference

9. The information contained in this Second Report has been obtained from the books and records of the Debtor and from conversations with its management and employees. While the Receiver has reviewed the documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises ("**ASPE**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to ASPE or IFRS or otherwise with respect to such information except as expressly stated herein.
10. This Second Report has been prepared for the purposes described above. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose.
11. The Receiver will not assume responsibility or liability for losses incurred by the reader because of the circulation, publication, reproduction, or use of this Second Report for any other purpose.
12. This Second Report, and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver's website at: <https://www.spergelcorporate.ca/engagements/advantage-machine-tool-inc/> (the

“**Case Website**”) and will remain available on the Case Website for a period of six months following the Receiver’s discharge.

13. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

III. **RECEIVER’S ACTIVITIES SINCE THE FIRST REPORT**

Overview

14. Following the issuance of the Receiver’s First Report, the Receiver has, with the assistance of Miller Thomson (as necessary), amongst other things,
- (a) continued to facilitate the release of certain leased Equipment upon the confirmation of negative equity in the equipment and the validity and priority of the lessor’s purchase money security interest;
 - (b) obtained court approval of the Transactions;
 - (c) closed the Transactions;
 - (d) attended to post-closing matters in respect of the Transactions;
 - (e) distributed the funds to the Municipality of West Perth in accordance with the Ancillary Order;
 - (f) cancelled the Debtor’s insurance coverage;
 - (g) notified suppliers and utility companies of the sale of the building and to contact the purchaser regarding services post-sale;
 - (h) continued communicating with Service Canada in the administration of the Wage Earner Protection Program (“**WEPP**”); and
 - (i) prepared and filed all statutory notices in accordance with the *Bankruptcy and Insolvency Act* (“**BIA**”).

IV. **MISCELLANEOUS UPDATES**

Canada Revenue Agency

15. As stated in the First Report, the Receiver assisted CRA in the completion of a trust examination on Advantage’s HST and source deduction accounts to verify if there were any deemed trust claims. On January 12, 2026, the Receiver

obtained the deemed trust claims for Source Deductions and HST from CRA in the amount of \$1,465,676.84 and \$97,862.37 respectively (together “**Deemed Trust Claims**” and each a “**Deemed Trust Claim**”), attached to this Second Report as **Appendix “6”** is a copy of a letter from the CRA asserting the Deemed Trust Claims.

Wage Earner Protection Program

16. The Receiver continues to work with Service Canada in the administration of the WEPP. There were sixty employees eligible under the program. As of December 9, 2025, the WEPP priority claim is \$94,988.08. Attached to this Second Report as **Appendix “7”** is a copy of the most recent WEPP statement.

V. PROFESSIONAL FEES OF THE RECEIVER AND ITS COUNSEL

17. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 19 of the Appointment Order, the Receiver and its counsel are required to pass their accounts.
18. As required by the Appointment Order, the Receiver is seeking the approval of its accounts and the accounts of Miller Thomson for the receivership period to date (“**Professionals’ Fees**”).
19. The accounts of the Receiver for the period of December 1, 2025 to April 30, 2026, are detailed in the fee affidavit of Trevor Pringle sworn May 25, 2026, a copy of which is attached hereto at **Appendix “8”**.
20. The fees and disbursements of the Receiver for the period of December 1, 2025 up to and including April 30, 2026, are \$61,800.84 inclusive of fees (\$54,377.50) disbursements (\$313.50) and HST (\$7,109.84). The Receiver billed a total of 156.75 hours at an average rate of \$346.91 per hour.
21. The accounts of Miller Thomson for the period of December 30, 2025 to April 30, 2026, are detailed in the fee affidavit of Tony Van Klink sworn May 26, 2026, a copy of which is attached hereto at **Appendix “9”**.

22. The fees and disbursements of Miller Thomson for the period of December 30, 2025 and up to and including April 30, 2026, are \$47,901.92 inclusive of fees (\$41,229.50) disbursements (\$1,200.58) and HST (\$5,471.84). Miller Thomson billed a total of 63.1 hours at an average rate of \$653.40 per hour.
23. The Receiver has reviewed the accounts of Miller Thomson and is of the view that all the work set out in these accounts was carried out and was necessary; that the hourly rates of the lawyers and clerks who worked on this matter were reasonable in light of the services required, and consistent with the rates charged by comparable law firms practicing insolvency law in the southwestern Ontario market; and that the services were carried out by lawyers or clerks with the appropriate level of experience.

VI. BANK OF MONTREAL'S SECURITY

24. BMO holds a collateral mortgage charge over the Real Property, and the proceeds therefrom, securing Advantage's indebtedness to BMO in the maximum principal amount of \$2,550,000, plus interest and costs ("**BMO Charge**"). The BMO Charge was initially registered on January 7, 2022 in the maximum principal amount of \$1,875,000, plus interest and costs. By an amending agreement dated April 5, 2023, the maximum principal amount was increased to \$2,550,000.
25. There are no registered charges affecting the Real Property that are prior in time to the BMO Charge.
26. BMO also holds a general security agreement ("**GSA**"), under which Advantage granted to BMO a security interest in all of its real and personal property, as security for all of its present and future indebtedness to BMO. A financing statement was registered under the PPSA on November 19, 2021 to perfect the security interest provided for in the GSA.
27. There are two registrations under the PPSA that are prior in time to BMO's registration. Each of those registrations is in respect of specific pieces of equipment which have been returned to the parties in whose favour the registrations were made.

28. The Receiver requested that Miller Thomson review the security held by BMO. The Receiver has received an opinion from Miller Thomson that, subject to customary assumptions and qualifications for opinions of this nature, the security interests in favour of BMO against the Equipment and the Real Property are valid and enforceable in the Province of Ontario. A copy of the security opinion is attached hereto at **Appendix “10”**.

VII. **STATUTORY PRIORITY CREDITORS**

WEPP priority claim

29. The *Wage Earner Protection Program Act* is remedial legislation in force since 2008 that provides limited payments to employees by the federal government in the event of certain insolvency proceedings of their employer.
30. In summary, under the WEPP, the federal government covers the unpaid wages of an employee of an insolvent enterprise (up to a prescribed amount) and then is subrogated to the employee's rights for the amounts paid to the employee (up to a prescribed amount). This subrogation of the employee's rights to the Crown means that the Crown holds the employee's priority rights under the BIA.
31. Subsection 81.4(1) of the BIA establishes a super-priority security interest in favor of unpaid wages, to the extent of \$2000 per person, for services rendered during the six months before the receivership.
32. Subsection 81.4(4) of the BIA states that the security interest for unpaid wages ranks above “every other claim, right, charge or security against the person's current assets — regardless of when that other claim, right, charge or security arose” (except for the rights of unpaid suppliers to repossess goods and specific rights of farmers, fishermen, and aquaculturalists).
33. As of December 9, 2025, the WEPP priority claim was \$94,988.08.

CRA Deemed Trust

34. Section 227 of the *Income Tax Act* establishes a statutory deemed trust in favour of the CRA for unremitted source deductions.

35. Section 222 of the *Excise Tax Act* establishes a statutory deemed trust in favour of the CRA for unremitted HST.
36. The Deemed Trust Claims are particularized in Appendix 6 and include \$1,465,676.84 for unremitted source deductions and \$97,862.37 for unremitted HST.
37. The Deemed Trust Claims attach to all of Advantage's property, and the proceeds thereof.

Priority between BMO's Security and CRA's deemed trusts

38. Section 227(4.2) of the Income Tax Act exempts a "prescribed security interest" from the deemed trust in favor of source deductions; a "prescribed security interest" is defined in Regulation 2201 of the *Income Tax Act*.
39. Section 222(4) of the Excise Tax Act exempts a "prescribed security interest" from the deemed trust in favor of unremitted HST; a "prescribed security interest" is defined in Regulation 2011-55 of the *Excise Tax Act*.
40. The language under both regulations is similar and is appended hereto at **Schedule "1"**.
41. Put simply, a prescribed security interest includes a mortgage over land or a building that secures a debtor's obligations, provided the mortgage was registered under the applicable land registration system before the deemed trust arose; if a lender registered its mortgage against real property before the debtor failed to remit source deductions, the lender's mortgage can take priority over the Crown's deemed trust — up to a certain amount.
42. That amount is calculated under the Regulations. The prescribed security interest is capped at the outstanding balance of the mortgage obligation at the time of the failure to remit, minus two things: first, the value of any other security the lender holds for that same obligation; and second, any amounts that have been applied against the obligation after the time the debtor failed to remit.
43. Based on the following analysis, the Receiver has determined that the BMO Charge against the Real Property is a "prescribed security interest" under each Regulation, and that BMO's mortgage security is exempted from the CRA's

Deemed Trust Claims in an amount that exceeds the net proceeds from the Real Property Transaction:

- (a) The BMO Charge is a collateral mortgage, securing all obligations of the borrower to BMO.
- (b) The BMO charge was registered on January 7, 2022.
- (c) Based on the CRA's letter to the Receiver, the Deemed Trust Claims arose after the date on which the BMO Charge was registered. The Deemed Trust Claim for source deductions arose sometime in 2023 and the Deemed Trust Claim for HST/GST remittances arose in July 2024.
- (d) BMO has provided the Receiver with account statements verifying that the obligations secured by the BMO Charge were never reduced below the initially registered amount of the BMO Charge (\$1,875,000).
- (e) The obligations secured by the BMO Charge are also secured by a general security agreement ("**GSA**") over Advantage's personal property. As discussed below, the net proceeds from the sale of that personal property are proposed to be distributed to the CRA on account of its Deemed Trust Claims. Accordingly, there is no recovery available to BMO under the GSA.
- (f) BMO holds a guarantee from Advantage's principal in respect of Advantage's obligations to BMO, however, recovery under the guarantee is at best uncertain. The Receiver has been advised that there is litigation regarding the guarantee and that to date no recovery has been made by BMO under the guarantee.

VIII. PROPOSED DISTRIBUTIONS

44. As described in the interim statement of receipts and disbursements attached hereto as **Appendix "11"**, the Receiver is currently holding \$2,286,531.35 of cash. Most of this cash was generated by the Transactions.

45. The aggregate gross cash purchase price under the Transactions was \$2,350,000; \$2,000,000 in respect of the Real Property Sale Transaction and \$350,000 in respect of the Equipment Sale Transaction.
46. The Receiver proposes to distribute all of the available cash, net of a holdback on account of the Fee Accrual and disbursements, to (a) Service Canada, (b) BMO, and (c) the CRA for the reasons, and in the amounts, described below.
47. The Receiver proposes to make distributions as follows.
 - (a) First, to Service Canada in the amount of \$94,988.08 on account of its priority WEPP claim.
 - (b) Second, to BMO from net Real Property Transaction sale proceeds in an amount up to initially registered amount of the BMO Charge (\$1,875,000), on account of its mortgage security.
 - (c) Third, to CRA, in amount equal to the balance of the remaining cash less the Fee Accrual and disbursements, on account of its Deemed Trust Claims.
48. The Receiver proposes to hold the remaining balance in trust on account of the Fee Accrual and disbursements, provided that there is no opposition to the relief sought in this Second Report and that such relief is granted.

IX. FEE ACCRUAL

49. The Receiver estimates that the following fees (not including HST and disbursements) will be paid out of the Fee Accrual:
 - (i) The outstanding Professionals' Fees;
 - (ii) The fees and expenses necessary to complete the administration of this receivership, which are estimated at:
 - (A) for the Receiver, \$20,000 plus HST and disbursements; and,
 - (B) for the Receiver's Counsel, Miller Thomson, \$15,000 plus HST and disbursements.

X. RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

50. Attached to this Second Report as Appendix "11" is a copy of the Receiver's Interim Statement of Receipts and Disbursements for the Debtor as at May 26, 2026.

XI. DISCHARGE OF RECEIVER

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

- (i) Payment of distributions described above;
- (ii) Other residual and/or administrative matters in connection with the Receiver's appointment; and
- (iii) Filing of the Receiver's certificate of discharge.

XII. RECOMMENDATION

52. Based on the foregoing, the Receiver respectfully requests and recommends that this Honourable Court grant the order sought in the proposed form.

All of which is respectfully submitted.

Dated at Hamilton, Ontario this 27th day of May, 2026.

msi Spergel inc.

solely in its capacity as the Court-appointed Receiver of the Debtor and not in its personal or corporate capacity

Per:



Trevor Pringle, CFE, CIRP, LIT
Partner

BANK OF MONTREAL and **ADVANTAGE MACHINE & TOOL INC.**

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at
Kitchener

**SECOND REPORT OF MSI SPERGEL
INC.
IN ITS CAPACITY AS RECEIVER OF
ADVANTAGE MACHINE & TOOL INC.**

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Appendix “1”

Court File No. CV-25-00001158-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MR.) THURSDAY, THE 24th
)
JUSTICE IAN SMITH) DAY OF JULY, 2025
)



BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

ORDER

THIS APPLICATION, brought 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 Advantage Machine & Tool Inc. (the "Debtor") acquired for, or used in relation to business carried on by the Debtor, was heard this day by videoconference at Kitchener, Ontario.

ON READING the affidavit of Dave Coutts sworn June 27, 2025 and the Exhibits thereto, and on hearing the submissions of counsel for the applicant, no one appearing for the respondent although duly served, and on reading the consent of msi Spergel inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application 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 \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; 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* 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, with the exception of a third party claim issued at London as Court File No. CV-25-00001476-00A1, 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, 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 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 \$1,000,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the 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 <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) 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.

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 application, 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.

— *Ln Smith* —

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 of 2723579 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 3rd day of February, 2025 (the "Order") made in an action having Court file number CV-25-00000005-0000, 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 MONTH, 20YR.

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

Per: _____
Name:
Title:

Appendix “2”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

BANK OF MONTREAL

Applicant

and

ADVANTAGE MACHINE & TOOL INC.

Respondent

**FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS RECEIVER OF
ADVANTAGE MACHINE & TOOL INC.**

February 3, 2026

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I. APPOINTMENT AND BACKGROUND

1. This report to the court (the “**First Report**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the court-appointed receiver (in such capacity, the “**Receiver**”) of Advantage Machine & Tool Inc. (“**Advantage**,” and the “**Debtor**”).
2. Advantage is a privately owned Ontario corporation that formerly carried on business as an engineering, integration, and manufacturing service provider, producing tools, dies, jigs, fixtures and providing custom machining, welding, and light services, as well as equipment repairs. Its clients included automotive, medical and food processing companies in Southwestern Ontario and the United States. Advantage operated from owned premises located at 155 Huron Road, Mitchell, Ontario (the “**Real Property**”).
3. Pursuant to the order of Justice Ian Smith (the “**Appointment Order**”) issued July 24, 2025 (the “**Appointment Date**”), Spergel was appointed as Receiver, without security, of all the assets, undertakings, and properties of the Debtor (collectively, the “**Property**”). Attached to this First Report as **Appendix “1”** is a copy of the Appointment Order.
4. The Receiver retained Miller Thomson LLP (“**Miller Thomson**”) as its independent counsel.

II. PURPOSE OF THIS FIRST REPORT AND TERMS OF REFERENCE

Purpose

5. This First Report is filed:
 - (a) to report on the Receiver’s activities in this receivership proceeding since the Appointment Date;
 - (b) in support of the Receiver’s motion for the following orders:
 - (i) an order (the “**Equipment Sale Order**”), (A) approving the transaction (“**Equipment Sale Transaction**”) contemplated by the Agreement of Purchase and Sale dated November 27, 2025 (the “**Equipment Sale Agreement**”) between JB Fabrication Corp. and GHM Inc. (“**JB Fabrication**”), as Purchaser, and the Receiver, as

Vendor, for the purchase and sale of the Purchased Assets (as defined in the Equipment Sale Agreement), and (B) granting necessary relief in relation thereto;

- (ii) an order (the “**Real Property Sale Order**” and, together with the Equipment Sale Order, the “**Approval and Vesting Orders**”) (A) approving the sale transaction (the “**Real Property Transaction**” and, together with the Equipment Transaction, the “**Transactions**”) contemplated by the Agreement of Purchase and Sale dated November 27, 2025 (the “**Real Property Sale Agreement**” and, together with the Equipment Sale Agreement, the “**Agreements**”) between JB Fabrication, as Purchaser, and the Receiver, as Vendor, for the purchase and sale of the Real Property, and (B) granting necessary relief in relation thereto;
- (iii) an order (the “**Ancillary Order**”), (A) approving the First Report and the activities of the Receiver described therein; (B) approving the Receiver’s Interim Statement of Receipts and Disbursements as at January 12, 2026; (C) approving the accounts of the Receiver and Miller Thomson for the periods to and including November 30, 2025 and December 31, 2025, respectively; (D) authorizing and directing the Receiver to make a distribution to the Municipality of West Perth in the amount of \$22,090.85, plus any other amounts accrued at the closing of the transaction, for the outstanding realty taxes in respect of the Real Property; (E) sealing the Confidential Appendices to the First Report until the completion of the Transactions or further order of the court; and
- (iv) for such further and other relief as the Receiver’s counsel may advise and the court deems just.

Terms of Reference

6. The information contained in this First Report has been obtained from the books and records of the Debtor and from conversations with its management and employees. While the Receiver has reviewed the documents provided, such

review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises (“ASPE”) or International Financial Reporting Standards (“IFRS”). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to ASPE or IFRS or otherwise with respect to such information except as expressly stated herein.

7. This First Report has been prepared for the purposes described above. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose.
8. The Receiver will not assume responsibility or liability for losses incurred by the reader because of the circulation, publication, reproduction, or use of this First Report for any other purpose.
9. This First Report, and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver’s website at: <https://www.spergelcorporate.ca/engagements/advantage-machine-tool-inc/> (the “Case Website”) and will remain available on the Case Website for a period of six months following the Receiver’s discharge.
10. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

III. RECEIVER’S ACTIVITIES

Overview

11. Following the Appointment Date, the Receiver has, with the assistance of Miller Thomson (as necessary), amongst other things,
 - (a) 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), for the Debtor and mailed same to all creditors of the Debtor known to the Receiver;
 - (b) attended at the Debtor’s premises to take possession of the Property;
 - (c) communicated with the Debtor in relation to, among other things, obtaining the Debtor’s books and records;

- (d) validated accounts receivable and managed the ongoing collection of same;¹
- (e) as described in greater detail below, assessed the viability of completing the Debtor's work-in-progress;
- (f) arranged for an appraisal of the Debtor's equipment (the "**Equipment**");
- (g) facilitated the sale of the Debtor's work-in-progress;
- (h) discontinued the Debtor's business operations and terminated its employees;
- (i) evaluated priority claims to the Equipment;
- (j) facilitated the release of certain leased Equipment upon the confirmation of negative equity in the equipment and the validity and priority of the lessor's purchase money security interest;
- (k) opened a dedicated trust account for the receivership;
- (l) arranged insurance for the Property;
- (m) arranged for the registration of the Receiver's interest on title of the Real Property;
- (n) notified the Office of the Superintendent of Bankruptcy of its appointment as Receiver;
- (o) communicated with the Canada Revenue Agency ("**CRA**");
- (p) communicated with Service Canada in the administration of the Wage Earner Protection Program ("**WEPP**");
- (q) communicated with secured creditors;
- (r) arranged for appraisals of the Real Property;
- (s) requested and obtained sales and marketing proposals from two commercial real estate brokerages for the Real Property;

¹ As of the Appointment Date, the books and records of the Debtor indicated total accounts receivable in the amount of \$368,592.00. While a significant portion of these accounts are older than 90 days, the Receiver has to date managed to collect \$90,301.00 on account thereof.

- (t) entered into a listing agreement with Cushman & Wakefield Waterloo Region Ltd. (“**Cushman**”) for the sale of the Real Property;
- (u) with the assistance of Cushman, listed the Real Property on the Multiple Listing Service (“**MLS**”);
- (v) coordinated and supervised the Sale Process (defined below) for the Equipment and Real Property;
- (w) reviewed and analyzed offers received from prospective purchasers of the Debtor’s Equipment and Real Property; and
- (x) negotiated the terms of the Equipment Sale Agreement and the Real Property Sale Agreement.

Assessment of Work-In-Progress

12. Following its appointment, one of the Receiver’s first activities was to determine whether it was economic to complete the Debtor’s work-in-progress.
13. Unfortunately, the books and records available to the Receiver are materially incomplete. Despite efforts to obtain information from management and employees, the Receiver is missing: (a) a comprehensive list of projects in progress; (b) project costing information; (c) accounts payable; and (d) accounts receivable. While management had advised that project costing was available on the Debtor’s project management and accounting software, management was unable to produce the information requested by the Receiver; and employees had further advised the Receiver that accounts payable had not been recorded since approximately March 2024, due to a security breach that compromised the Debtor’s accounting systems.
14. As a result, the Receiver was unable to conclude that completing the Debtor’s work-in-progress would generate any value for stakeholders.
15. A potential purchaser of the Debtor’s assets was similarly unable to conclude that the Debtor’s work-in-progress assets were economic at the current pricing given the estimated costs to complete.
16. The Receiver therefore determined that it was in the best interests of stakeholders to wind-down the Debtor’s going concern operations.

IV. SALE TRANSACTIONS

Relevant Provisions of the Appointment Order

17. Pursuant to the subparagraph 3(j) of the Appointment Order, the Receiver is empowered and authorized to:
- (j) market any or all of the Property of the Debtor, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver, in its discretion, deems appropriate.
18. Pursuant to subparagraphs 3(k)(i) and (ii) of the Appointment Order, the Receiver is authorized to sell, convey, transfer, lease, or assign the Property or any part or parts thereof:
- (i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00 provided that the aggregate consideration for all such transactions does not exceed \$500,000.00...;
 - (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 Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

Unfinished Inventory Transactions

19. During discussions with management, the Receiver was advised that Advantage had work-in-progress and related raw materials that were likely to have market value (collectively the “**Unfinished Inventory**”); management also identified for the Receiver potential purchasers of the Unfinished Inventory.
20. Following discussions with these potential purchasers and the Debtor’s management, the Receiver determined that the sale of the Unfinished Inventory was in the best interests of stakeholders and completed two separate transactions for the Unfinished Inventory (the “**Unfinished Inventory Transactions**”). The aggregate value of the Unfinished Inventory Transactions was \$268,500.90 excluding Harmonized Sales Tax (“**HST**”), with neither individual transaction exceeding \$250,000 in value.

Equipment Sale Agreement

21. Following its appointment, the Receiver engaged Platinum Asset Appraisals (“**Platinum**”) to attend and conduct an appraisal of the Equipment. A copy of Platinum’s appraisal is attached hereto at **Confidential Appendix “1”**. A schedule describing the value of the of Equipment net of estimated auction costs (and excluding leased Equipment) is attached hereto at **Confidential Appendix “2”**.
22. Based on the Receiver’s experience and the Platinum appraisal, the Receiver determined that the highest value for the Equipment would likely be realized if it was sold together with the Real Property. In the Receiver’s view, selling the Equipment independently, whether collectively or piece-by-piece, would result in higher transaction costs and lower aggregate proceeds and therefore a lower overall recovery as compared to an *en bloc* sale with the Real Property.
23. Certain lessors have registered financing statements against specific pieces of Equipment. A copy of a *Personal Property Security Act* registration system search, current as of January 20, 2026, is attached hereto at **Appendix “2”**. The Receiver, with the assistance of Miller Thomson, is reviewing the relevant lease documentation and financing statements. In each case where the Receiver has determined there is negative equity in the encumbered Equipment and the relevant lessor has a perfected purchase money security interest; the relevant Equipment will be returned to the lessor. As described below, as of the date of this First Report, two pieces of Equipment have been returned to lessors holding valid purchase money security interests.

Real Property

24. The Real Property is comprised of a 3.247-acre lot 155 Huron Road Real Property, improved with an industrial manufacturing building where the Debtor operated.
25. The Receiver engaged two real property appraisers, Wagner Andrews Kovacs (“**WAK**”) and Colliers, to conduct a full narrative appraisal of the Real Property. A copy of the WAK appraisal is attached hereto at **Confidential Appendix “3”** and a copy of the Colliers appraisal is attached hereto at **Confidential Appendix “4”**.

Equipment and Real Property Sale Process

26. After obtaining the Real Property appraisals, the Receiver requested and obtained sales and marketing proposals from Avison Young Commercial Real Estate Services LP (“**Avison**”), and Cushman.
27. After evaluating both proposals, the Receiver selected Cushman to list and market the Real Property and Equipment. While Avison and Cushman are each highly regarded, and have experience selling distressed real estate, the Receiver determined that Cushman was likely to add more value in the circumstances; Cushman’s commission structure is more favorable and Cushman has significant experience in the area where the Real Property is located.
28. The Receiver therefore entered into an MLS listing agreement with Cushman (the “**Listing Agreement**”). A copy of the Listing Agreement is attached hereto as **Appendix “3”**.
29. The sale process for the Equipment and the Real Property was led by Cushman, with the oversight of the Receiver.
30. Following its engagement, Cushman prepared marketing materials and established a virtual data room in respect of the Equipment and the Real Property.
31. A redacted marketing and offer summary is attached hereto at **Appendix “4”**; an unredacted copy is attached hereto at **Confidential Appendix “5”**.
32. The Receiver believes that Cushman comprehensively marketed the Equipment and Real Property for the reasons described below.
33. The Real Property was listed on MLS on September 8, 2025.
34. A 6-page brochure describing the Real Property and the offering process was distributed via email on September 22, October 22 and October 27, 2025; the brochure was distributed to 425 recipients in total. A copy of the brochure is attached hereto at **Appendix “5”**.
35. During the same period, Cushman directly contacted 33 potential purchasers of either, or both, the Equipment and the Real Property.
36. These efforts resulted in ten interested parties executing confidentiality agreements.

37. All ten interested parties accessed the virtual data room.
38. All ten interested parties toured the Real Property (and viewed the Equipment) between September and October 2025.
39. Ultimately, three bidders submitted bids by the October 30, 2025 bid deadline. Two bidders made *en bloc* offers and one bid for the Equipment only.

Selection of the Winning Offer

40. Following discussions with Cushman and Miller Thomson, the Receiver determined that JB Fabrication's offer was superior. Amongst other factors, the Receiver considered the following when evaluating the offers:
 - (a) the overall consideration offered, and proceeds that would be realized by creditors;
 - (b) the consideration offered for the Real Property, relative to the WAK and Colliers appraisals;
 - (c) the proposed conditions, if any;
 - (d) the effect of the transactions on all stakeholders;
 - (e) the counterparties to the proposed transactions, including their reputation and financial wherewithal;
 - (f) transaction costs;
 - (g) the speed and certainty of closing; and
 - (h) the closing and post-closing services required of the Receiver.
41. The Receiver then entered negotiations with JB Fabrication, which resulted in the execution of (a) the Equipment Sale Agreement and (b) the Real Property Sale Agreement on November 27, 2025.
42. A redacted copy of the Equipment Sale Agreement is attached hereto **at Appendix "6"**; an unredacted copy of the Equipment Sale Agreement is attached hereto **at Confidential Appendix "6"**.

43. A redacted copy of the Real Property Sale Agreement is attached hereto at **Appendix “7”**; an unredacted copy of the Real Property Sale Agreement is attached hereto at **Confidential Appendix “7”**.

Transaction Agreement Summaries

44. A summary of each Agreement follows. In the tables below, undefined capitalized terms have the meaning given to them in the applicable Agreement.

Equipment Sale Agreement	
Term	Details
Vendor	Spergel, in its capacity as Receiver
Purchaser	JB Fabrication & GHM Inc., for a company to be assigned
Transaction structure	Asset sale, effected by approval and vesting order
Form of consideration	Cash
Purchased Assets	Chattels, Inventory, Assumed Contracts, Warranty Rights, and Goodwill
Assumed Contracts	The Contracts that the Purchaser has elected to receive an assignment of and assume on Closing, as identified to the Vendor prior to Closing
As-is, where-is	The Purchased Assets will be sold to the Purchaser on an “as-is, where-is” basis, without guarantee of title, subject only to the express warranties set out in Section 3.1. of the agreement
Closing conditions for the benefit of the Vendor	<ol style="list-style-type: none"> 1. The representations and warranties of the Purchaser shall be true and accurate at the time of Closing; and 2. The Purchaser shall have complied in all material respects with all of its obligations in the agreement.
Closing conditions for the benefit of the Purchaser	<ol style="list-style-type: none"> 1. The representations and warranties of the Vendor shall be true and accurate at the time of Closing; and 2. The Vendor shall have complied in all material respects with all of its obligations in the agreement.

Equipment Sale Agreement	
Approval and Vesting Order	The obligation of each of the Vendor and Purchaser to complete the Transaction is subject to the mutual conditions precedent specified in Section 4.3, which conditions include a final order of the court approving the Agreement and the Transaction, and vesting the Debtor's right, title, and interest to the Purchased Assets in the Purchaser (or its designee), free and clear of Encumbrances
Outside Date for Closing	May 27, 2026

Real Property Sale Agreement	
Term	Details
Vendor	Spergel, in its capacity as Receiver
Purchaser	JB Fabrication & GHM Inc., for a company to be assigned
Transaction structure	Asset sale, effected by approval and vesting order
Form of consideration	Cash
Purchased assets	The Real Property (PT LOT 19 CONCESSION 1 LOGAN PT 1 44R685; W PERTH and municipally known as 115 Huro Road, Mitchell, Ontario (PIN: 53188-0030, LRO #44), free and clear of Encumbrances, other than Permitted Encumbrances
Assumed Contracts	None
As-is, where-is	The Real Property will be sold to the Purchaser on an "as-is, where-is" basis, without guarantee of title, subject only to the express warranties set out in Section 3.1. of the agreement and the Environmental Indemnity
Closing conditions for the benefit of the Vendor	<ol style="list-style-type: none"> 1. The representations and warranties of the Purchaser shall be true and accurate at the time of Closing; and 2. The Purchaser shall have complied in all material respects with all of its obligations in the agreement. 3. The Vendor shall not have lost its ability to convey the Real Property

Real Property Sale Agreement	
Closing conditions for the benefit of the Purchaser	<ol style="list-style-type: none"> 1. The representations and warranties of the Vendor shall be true and accurate at the time of Closing; and 2. The Vendor shall have complied in all material respects with all of its obligations in the agreement.
Approval and Vesting Order	The obligation of each of the Vendor and Purchaser to complete the Transaction is subject to the mutual conditions precedent specified in Section 4.3, which conditions include a final order of the court approving the Agreement and the Transaction, and vesting the Debtor's right, title, and interest to the Purchased Assets in the Purchaser (or its designee), free and clear of Encumbrances
Outside Date for Closing	May 27, 2026

Encumbrances to be Vested Out

45. The registrations and encumbrances to be vested out from the Equipment as disclosed by the PPSA registry search are as follows:²

No.	File No.	Registration No.	Secured Party	Collateral Classification
1.	514505466	20250325 0907 1031 4865	His Majesty in Right of Ontario Represented by the Minister of Finance	Inventory Equipment Accounts Other Motor Vehicle
2.	505778301	20240528 1242 1901 8155	Concentra Equipment Finance, a Division of Bennington Financial Corp.	Equipment Other Motor Vehicle
3.	792031653	20230403 1442 1590 7484	Bank of Montreal	Accounts Other

² A copy of a search of registrations against the Debtor under the *Personal Property Security Act* as of January 20, 2026 is attached hereto as Appendix "2".

No.	File No.	Registration No.	Secured Party	Collateral Classification
4.	785799423	20220815 1240 5064 3995	Wells Fargo Equipment Finance Company	Equipment Motor Vehicle
5.	780600627	20220223 1931 1531 6160	De Lage Landen Financial Services Canada Inc.	Equipment Accounts Other
6.	779654898	20220113 1521 2948 0754, as amended by 20220216 1155 2948 0763	David Lloyd McCarthy	Inventory Equipment Accounts Other
7.	778370616	20211119 1347 1590 5258	Bank of Montreal	Inventory Equipment Accounts Other Motor Vehicle
8.	770863491	20210324 1046 1529 3889	De Lage Landen Financial Services Canada Inc.	Equipment Accounts Other Motor Vehicle
9.	725739147	20170320 1151 1862 0162, as amended by 20211029 1453 1901 7055, and renewed by 20211118 1910 1902 6164	Wells Fargo Bank, National Association	Accounts Other

46. As of the date of this First Report, the Receiver, with the assistance of Miller Thomson, has determined that two of the above secured equipment lessors each hold a valid purchase money security interest in the collateral identified in their respective registrations. The Receiver is therefore in the process of returning the subject collateral.

47. A copy of the parcel register for the Real Property as of January 21, 2026 is attached hereto at **Appendix “8”**. The instruments and encumbrances to be deleted from title and vested out from the Real Property are as follows:

Registration No.	Date	Instrument Type	Party To
PC198948	2022/01/07	Charge	Bank of Montreal
PC198949	2022/01/07	No Assign Rent Gen	Bank of Montreal
PC212656	2023/04/05	Notice	Bank of Montreal
PC233092	2025/07/29	APL Court Order	msi Spergel inc.

Conclusion

48. The Receiver believes that the sale and marketing process for the Equipment and the Real Property was industry-standard, fair, reasonable, and appropriate. Based on its experience with similar assets, the Receiver believes that the Debtor’s assets were broadly advertised and exposed to the market for a commercially reasonable length of time. The receiver does not believe that additional marketing or market exposure of the assets would have generated a higher overall purchase price. As a result, the overall purchase price is as high as can reasonably be expected and represents the best transaction for the receivership estate in the circumstances.
49. The Receiver believes that each Agreement is commercially reasonable in all respects. Based on its experience, the Receiver believes each Agreement creates a high likelihood of closing with minimal risk to the estate.
50. The Debtor’s senior secured creditor, BMO, has been consulted with respect to the Transactions and supports the completion of same, as well as the other relief sought by the Receiver at the return of this motion.
51. If the requested Approval and Vesting Orders are granted, the Receiver intends to close both Transactions within ten business days after the date of court approval.
52. Accordingly, the Receiver respectfully requests that the Court grant the Approval and Vesting Orders in respect of the Transactions.

V. SEALING ORDER

53. The Receiver is seeking a sealing order in respect of the Confidential Appendices to this First Report, to protect the value of the Debtor's estate. Each Confidential Appendix contains commercially sensitive information related to the Sale Process and the estimated value of the Equipment and Real Property, including but not limited to the appraised values and the consideration offered by all bidders. If either Transaction fails to close, it is likely that public access to the confidential information would negatively impact the integrity of any future sale process, including by setting a price ceiling – which in turn would negatively effect recoveries for creditors.
54. The sealing order is proposed to be time-limited, expiring upon completion of the Transactions or further order of the court.

VI. MISCELLANEOUS UPDATES

Canada Revenue Agency

55. The Receiver has assisted CRA in the completion of a trust examination on Advantage's HST and source deduction accounts to verify if there any deemed trust claims. On January 12, 2026, the Receiver obtained the Deemed Trust claims for Source Deductions and HST from CRA in the amount of \$1,465,676.84 and \$97,862.37 respectively, attached to this First Report as **Appendix "9"** is a copy of the Deemed Trust claims.

Wage Earner Protection Program

56. The Receiver has worked with Service Canada in the administration of the WEPP. There were sixty employees eligible under the program. As of December 9, 2025 the WEPP priority claim is \$94,988.08. Attached to this First Report as **Appendix "10"** is a copy of the most recent WEPP statement.

VII. PROFESSIONAL FEES OF THE RECEIVER AND ITS COUNSEL

57. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment

Order. Pursuant to paragraph 19 of the Appointment Order, the Receiver and its counsel are required to pass their accounts.

58. As required by the Appointment Order, the Receiver is seeking the approval of its accounts and the accounts of Miller Thomson for the receivership period to date.
59. The accounts of the Receiver for the period to November 30, 2025, are detailed in the fee affidavit of Trevor Pringle sworn January 12, 2026, a copy of which is attached hereto at **Appendix “11”**.
60. The fees and disbursements of the Receiver for the period up to and including November 30, 2025, are \$252,669.86 inclusive of fees (\$223,587.00) disbursements (\$15.57) and HST (\$29,067.29). The Receiver billed a total of 673.10 hours at an average rate of \$331.03 per hour.
61. The accounts of Miller Thomson for the period to December 31, 2025, are detailed in the fee affidavit of Tony Van Klink sworn January 22, 2026, a copy of which is attached hereto at **Appendix “12”**.
62. The fees and disbursements of Miller Thomson for the period up to and including December 31, 2025, are \$15,773.52 inclusive of fees (\$13,546.00) disbursements (\$427.58) and HST (\$1,799.94). Miller Thomson billed a total of 19.2 hours at an average rate of \$326.80 per hour.
63. The Receiver has reviewed the accounts of Miller Thomson and is of the view that all the work set out in these accounts was carried out and was necessary; that the hourly rates of the lawyers and clerks who worked on this matter were reasonable in light of the services required, and consistent with the rates charged by comparable law firms practicing insolvency law in the southwestern Ontario market; and that the services were carried out by lawyers or clerks with the appropriate level of experience.

VIII. RECEIVER’S STATEMENT OF RECEIPTS AND DISBURSEMENTS

64. Attached to this First report as **Appendix “13”** is a copy of the Receiver’s Interim Statement of Receipts and Disbursements for the Debtor as at January 12, 2026.

IX. PROPOSED DISTRIBUTION

65. As stated above, the title search conducted with respect to the Real Property January 21, 2026 indicated one mortgage charge and one notice of assignment of rents on title, each registered on January 7, 2022, in favour of BMO.
66. The Receiver requested that Miller Thomson review the security held by BMO. The Receiver has received an opinion from Miller Thomson that, subject to customary assumptions and qualifications for opinions of this nature, the security interests in favour of BMO against the Equipment and Real Property are valid and enforceable in the Province of Ontario.
67. The Municipality of West Perth ("**West Perth**") is owed \$22,090.85 in respect of property tax arrears that have accrued in respect of the Real Property. Attached to this First Report as **Appendix "14"** is a copy of the property tax statement issued by West Perth on December 12, 2025, confirming the balance owed. The Receiver has determined, with the assistance of Miller Thomson, that the property tax arrears have priority over BMO's security in respect of the Real Property.
68. To facilitate the closing of the sale of the Real Property, the Receiver is proposing to make a distribution (after payment of the fees and disbursements of both the Receiver and the Receiver's Counsel, as outlined in this First Report) to the Municipality of West Perth in the amount of \$22,090.85, or such other amount accrued for outstanding property tax arrears at the time of closing, from Real Property Transaction proceeds.
69. Other than the payment of the property tax arrears, the Receiver is not proposing to make any further distributions at this time. Following the completion of the Transactions, the Receiver will report to the Court on the proposed distribution of the funds in the receivership estate and the relative priorities as between BMO and CRA with respect to those funds.

X. RECOMMENDATION


70. Based on the foregoing, the Receiver respectfully requests and recommends that this Honourable Court grant orders sought, substantially in the forms proposed.

All of which is respectfully submitted.

Dated at Hamilton, Ontario this 3rd day of February, 2026.

msi Spergel inc.

solely in its capacity as the Court-appointed
Receiver of the Debtor and not in its personal
or corporate capacity

Per: 

Trevor Pringle, CFE, CIRP, LIT
Partner

BANK OF MONTREAL and **ADVANTAGE MACHINE & TOOL INC.**

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at
Kitchener

**FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS RECEIVER OF
ADVANTAGE MACHINE & TOOL INC.**

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON N6A 5R8
Tel: 519-931-3500
Fax: 519-858-8511

Tony Van Klink (LSO #29008M)

Tel: (519) 931-3509
Email: tvanklink@millerthomson.com

Patrick John Corney (LSO# 65462N)

Tel: (416) 595-8555
Email: pcorney@millerthomson.com

Lawyers for msi Spergel Inc., the Receiver

Title	AAADVA-R First Report of the Receiver
File name	AAADVA_-_First_Re...nal_Version_.docx
Document ID	4e7b750ebe03f816ec6c3219c61d1741972e2a41
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document history



SENT

02 / 03 / 2026
11:23:18 UTC-5

Sent for signature to Trevor Pringle (tpringle@spergel.ca)
from hamiltonsign@spergel.ca
IP: 104.171.204.20



VIEWED

02 / 03 / 2026
11:23:50 UTC-5

Viewed by Trevor Pringle (tpringle@spergel.ca)
IP: 104.171.204.20



SIGNED

02 / 03 / 2026
11:24:13 UTC-5

Signed by Trevor Pringle (tpringle@spergel.ca)
IP: 104.171.204.20



COMPLETED

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The document has been completed.

Appendix "3"

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.) THURSDAY, THE 12TH DAY
)
JUSTICE SMITH) OF FEBRUARY, 2026



BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

**ORDER
(Real Property Approval and Vesting Order)**

THIS MOTION, made by msi Spergel Inc. in its capacity as the court-appointed receiver (in that capacity, "**Receiver**") of the assets, undertakings, and properties of Advantage Machine & Tool Inc. (the "**Company**"), appointed pursuant to the Order of Justice Smith dated July 24, 2025 (the "**Receivership Order**"), was heard this day via Zoom videoconference at Kitchener, Ontario.

ON READING the motion record of the Receiver dated February 3, 2026, including the first report of the Receiver dated February 3, 2026 (the "**First Report**") and on hearing the submissions of counsel for the Receiver, and such other counsel

as were present and listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Julie Frachini, sworn February 3, 2026 and Laurie Marshall, sworn February 4, 2026, filed:

1. **THIS COURT ORDERS** that all capitalized terms used and not defined herein shall have the meanings given to them in the Agreement of Purchase and Sale (the “**APS**”) dated November 27, 2025 between Receiver in its capacity as Receiver, and not in its personal or corporate capacities, as vendor (the “**Vendor**”), and JB Fabrication Corp. & GHM Inc., for a company to be assigned, as purchaser (now assigned to 1001498694 Ontario Inc. (the “**Purchaser**”), with such APS being appended in redacted form as Appendix 7 to the First Report and provided unredacted to the Court as Confidential Appendix 7 to the First Report.

2. **THIS COURT ORDERS AND DECLARES** that the transaction contemplated by the APS (the “**Transaction**”) is hereby approved, and the execution of the APS by the Receiver is hereby authorized and approved, with such amendments as may be agreed between the Receiver and the Purchaser. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the real property identified in Schedule “B” hereto (the “**Real Property**”) to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule**

“A” hereto (the “**Receiver’s Certificate**”), all of the right, title and interest of the Vendor in and to the Real Property described in the APS and listed on Schedule “B” hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Real Property are hereby expunged and discharged as against the Real Property.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Perth (No. 44) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) the Land Registrar is hereby directed to enter the Purchaser as the owner of Real Property in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and

priority of Claims, the net proceeds from the sale of the Real Property shall stand in the place and stead of the Real Property, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Real Property with the same priority as they had with respect to the Real Property immediately prior to the sale, as if the Real Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

7. **THIS COURT ORDERS** that, notwithstanding:

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

the vesting of the Real Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and*

Insolvency Act (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS** that, following the closing of the Transaction, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Real Property and to register the Real Property in the name of the Purchaser.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction 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.

10. **THIS COURT ORDERS** that the Receiver and the Purchaser be at liberty and are 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.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without any need for entry and filing.

February 12, 2026

Handwritten signature in black ink, appearing to read "M. Smith".

Signature of Judge

SCHEDULE "A"

Court File No. CV-25-00001158-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE****BANK OF MONTREAL****Applicant****- and -****ADVANTAGE MACHINE & TOOL INC.****Respondent****RECEIVER'S CERTIFICATE****RECITALS**

A. Pursuant to an Order of the Honourable Justice Smith of the Ontario Superior Court of Justice (the "**Court**") dated July 24, 2025, msi Spergel Inc. was appointed as receiver of the assets, undertakings, and properties of Advantage Machine & Tool Inc. (the "**Company**").

B. Pursuant to an Order of the Court dated February 12, 2026 (the "**AVO**"), the Court approved the Agreement of Purchase and Sale (the "**APS**") dated November 27, 2025 between Receiver in its capacity as Receiver, as vendor (the "**Vendor**"), and JB Fabrication Corp. & GHM Inc., for a company to be assigned (as assigned to 1001498694 Ontario Inc., the "**Purchaser**"), as purchaser.

C. The AVO provided for the vesting in the Purchaser of the right, title and interest of the Vendor in and to the Real Property (as defined under the APS and listed at **Schedule "B"** to the AVO), which vesting is to be effective with respect to such Real Property upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by

the Purchaser of the Purchase Price for the Real Property; (ii) that the conditions to Closing as set out in Article 4 and of the APS have been satisfied or waived by the receiver and the Purchaser; and (iii) the transaction described in the APS has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APS.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Real Property payable on the Closing Date pursuant to the APS;
2. The conditions to Closing as set out in Article 4 of the APS have been satisfied or waived by the Purchaser and the Receiver, as the case may be; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

msi Spergel Inc., in its capacity as court-appointed receiver of the assets, undertakings, and properties of Advantage Machine & Tool Inc., and not in its personal or corporate capacities

Per:

Name:

Title:

**SCHEDULE "B"
REAL PROPERTY**

155 Huron Road, Mitchell, Ontario

PIN: 53188-0090 (LT)

PT LOT 19 CONCESSION 1 LOGAN PT 1 44R685; W PERTH

including all buildings, fixtures, erections, and improvements thereon.

**SCHEDULE "C"
ENCUMBRANCES****155 Huron Road, Mitchell, Ontario****PIN: 53188-0090 (LT)**

Registration No.	Registration Date (Y/M/D)	Document Type	Party To
PC198948	2022/01/07	Charge	Bank of Montreal
PC198949	2022/01/07	No assign rent gen	Bank of Montreal
PC212656	2023/04/05	Notice	Bank of Montreal
PC233092	2025/07/29	APL Court Order	msi Spergel inc.

SCHEDULE "D"
PERMITTED ENCUMBRANCES

155 Huron Road, Mitchell, Ontario

PIN: 53188-0090 (LT)

1. The reservations, limitations, provisos, conditions, restrictions and exceptions expressed in the letters patent or grant from the Crown and all statutory exceptions to title;
2. The provisions of governing municipal by-laws;
3. Municipal taxes, liens, charges, including hydro and water charges, rates and assessments accruing from day to day and not yet due and payable;
4. Any minor encroachments which might be revealed by an up to date survey of the Real Property but which do not materially adversely affect the use and marketability of the Real Property;
5. Any right of expropriation conferred upon, reserved to or vesting in Her Majesty the Queen in Right of Canada and Ontario;
6. Any agreements, restrictions or covenants that run with the Real Property and any agreements with the municipal, utilities or public authorities provided that same have been complied with in all material respects and do not materially adversely affect the use and marketability of the Real Property;
7. Any easements, rights of way or right of re-entry which do not impair the intended use of the Real Property by the Purchaser, provided that same have been complied within all material respects and do not materially adversely affect the use and marketability of the Real Property; and
8. The following instruments registered on title to the Real Property:

Registration No.	Registration Date (Y/M/D)	Document Type	Party To
R89361	1959/08/03	By-law	N/A
44R685	1977/07/29	Plan reference	N/A
PC197672	2021/11/26	Notice	N/A

BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at KITCHENER

**ORDER
(Real Property Approval and
Vesting Order)**

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink (LSO#: 29008M)

Tel: 519.931.3509

Email: tvanklink@millerthomson.com

Patrick John Corney (LSO#: 65462N)

Tel: 416.595.8555

Email: pcorney@millerthomson.com

**Lawyers for msi Spergel Inc., in its
capacity as court-appointed Receiver of
Advantage Machine & Tool Inc.**

Appendix “4”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.) THURSDAY, THE 12th DAY
)
JUSTICE SMITH) OF FEBRUARY, 2026



BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

**ORDER
(Equipment Approval and Vesting Order)**

THIS MOTION, made by msi Spergel Inc. in its capacity as the court-appointed receiver (in that capacity, "**Receiver**") of the assets, undertakings, and properties of Advantage Machine & Tool Inc. (the "**Company**"), appointed pursuant to the Order of Justice Smith dated July 24, 2025 (the "**Receivership Order**"), was heard this day via Zoom videoconference at Kitchener, Ontario.

ON READING the motion record of the Receiver dated February 3, 2026, including the first report of the Receiver dated February 3, 2026 (the "**First Report**") and on hearing the submissions of counsel for the Receiver, and such other counsel as were present and listed on the counsel slip, no one appearing for any other person

on the service list, although properly served as appears from the affidavit of service of Julie Franchini, sworn February 3, 2026 and Laurie Marshall, sworn February 4, 2026, filed:

1. **THIS COURT ORDERS** all capitalized terms used and not defined herein shall have the meanings given to them in the Agreement of Purchase and Sale (the “**APS**”) dated November 27, 2025 between Receiver in its capacity as Receiver, and not in its personal or corporate capacities, as vendor (the “**Vendor**”), and JB Fabrication Corp. & GHM Inc., for a company to be assigned, as purchaser (now assigned to 1001498694 Ontario Inc. (the “**Purchaser**”), with such APS being appended in redacted form as Appendix 6 to the First Report and provided unredacted to the Court as Confidential Appendix 6 to the First Report.

2. **THIS COURT ORDERS AND DECLARES** that the transaction contemplated by the APS (the “**Transaction**”) is hereby approved, and the execution of the APS by the Receiver is hereby authorized and approved, with such amendments as may be agreed between the Receiver and the Purchaser. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of all right, title and interest of the Vendor in the purchased assets identified in Schedule “B” hereto (the “**Purchased Assets**”).

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule “A”** hereto (the “**Receiver’s Certificate**”), all of the right, title and interest of the Vendor

in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, pledges, rights or options to acquire, or other claims of any kind or nature whatsoever, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, whether or not they have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system. For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a

copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

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

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

7. **THIS COURT ORDERS** that, following the closing of the Transaction, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Assets and to register the Purchased Assets in the name of the Purchaser.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court,

tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction 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.

9. **THIS COURT ORDERS** that the Receiver and the Purchaser be at liberty and are 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.

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without any need for entry and filing.

February 12, 2026



Signature of Judge

SCHEDULE "A"

Court File No. CV-25-00001158-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Smith of the Ontario Superior Court of Justice (the "**Court**") dated July 24, 2025, msi Spergel Inc. was appointed as receiver of the assets, undertakings, and properties of Advantage Machine & Tool Inc. (the "**Company**").

B. Pursuant to an Order of the Court dated February 12, 2026 (the "**AVO**"), the Court approved the Agreement of Purchase and Sale (the "**APS**") dated November 27, 2025 between Receiver in its capacity as Receiver, as vendor (the "**Vendor**"), and JB Fabrication Corp. & GHM Inc., for a company to be assigned (as assigned to 1001498694 Ontario Inc., the "**Purchaser**"), as purchaser.

C. The AVO provided for the vesting in the Purchaser of the right, title and interest of the Vendor in and to the Purchased Assets (as defined under the APS and listed at **Schedule "B"** to the AVO), which vesting is to be effective with respect to such Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Purchase Price for the Purchased Assets;

(ii) that the conditions to Closing as set out in Article 4 and of the APS have been satisfied or waived by the receiver and the Purchaser; and (iii) the transaction described in the APS has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APS.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the APS;
2. The conditions to Closing as set out in Article 4 of the APS have been satisfied or waived by the Purchaser and the Receiver, as the case may be; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

msi Spergel Inc., in its capacity as court-appointed receiver of the assets, undertakings, and properties of Advantage Machine & Tool Inc., and not in its personal or corporate capacities

Per:

Name:

Title:

SCHEDULE "B"
PURCHASED ASSETS

1. The chattels listed on Schedule 1 to the Agreement of Purchase and Sale (the "**APS**") dated November 27, 2025 between Receiver in its capacity as Receiver, as vendor (the "**Vendor**"), and JB Fabrication Corp. & GHM Inc., for a company to be assigned (as now assigned to 1001498694 Ontario Inc., the "**Purchaser**"), as purchaser and situate at the real property located at 155 Huron Road, Mitchell, Ontario (the "**Chattels**").
2. All inventories and work in progress of any kind and nature pertaining to the business carried on by the Advantage Machine & Tool Inc. (the "**Company**") immediately before the making of the Receivership Order as an engineering, integration and manufacturing service provider producing tools, dies, jigs, fixtures and providing custom machining, welding and light services, as well as equipment repairs (the "**Business**").
3. All contracts to which the Company is a party for the sale or supply of any services or product, and any other contract pertaining to the operation of the Business that the Purchaser has prior to Closing elected to assume on Closing (as defined in the APS).
4. The full benefit of all warranties, warranty rights, performance bonds and indemnities (implied or express or otherwise) of the Company against manufacturers, contractors or any other person in respect of the Chattels, but only to the extent that the same are capable of being assigned.
5. All goodwill of the Business and all information and documents relating thereto, including customer lists, supplier relationships, and transferrable rights relating to telephone numbers, website, links, internet addresses and any other means of communicating with the Business, together with the right of the Purchaser to represent itself as carrying on the Business in succession to the Company.

BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at KITCHENER

**ORDER
(Equipment Approval and Vesting Order)**

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink (LSO#: 29008M)
Tel: 519.931.3509
Email: tvanklink@millerthomson.com

Patrick John Corney (LSO#: 65462N)
Tel: 416.595.8555
Email: pcorney@millerthomson.com

**Lawyers for msi Spergel Inc., in its
capacity as court-appointed Receiver of
Advantage Machine & Tool Inc.**

Appendix “5”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.) THURSDAY, THE 12TH DAY
)
JUSTICE SMITH) OF FEBRUARY, 2026



BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

**ORDER
(Ancillary Order)**

THIS MOTION, made by msi Spergel Inc. in its capacity as the court-appointed receiver (in that capacity, "**Receiver**") of the assets, undertakings, and properties of Advantage Machine & Tool Inc. (the "**Company**"), appointed pursuant to the Order of Justice Smith dated July 24, 2025 (the "**Receivership Order**"), was heard this day via Zoom videoconference at Kitchener, Ontario.

ON READING the Motion Record of the Receiver dated February 3, 2026, including the first Report of the Receiver dated February 3, 2026 (the "**First Report**") and on hearing the submissions of counsel for the Receiver, and such other counsel

as were present and listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Julie Franchini, sworn February 3, 2026 and Laurie Marshall, sworn February 4, 2026, filed:

DEFINED TERMS

1. **THIS COURT ORDERS** that all terms capitalized but not defined herein shall have the meanings ascribed to such terms in the First Report.

SERVICE

2. **THIS COURT ORDERS** that the time for and method of service of the Notice of Motion and the Motion Record are hereby abridged and validated, as necessary, and hereby dispenses with further service thereof so that this motion is properly returnable today.

DISTRIBUTION

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the following distribution from the Real Property Transaction:

- (a) \$22,090.85 in respect of property taxes outstanding against the Real Property, plus any other accrued property taxes due and payable at the closing of the Real Property Transaction, to the Municipality of West Perth.

APPROVAL OF THE FIRST REPORT AND RECEIVER'S ACTIVITIES

4. **THIS COURT ORDERS** that the First Report, and the actions, conduct and activities of the Receiver as set out therein, including but not limited to the Receiver's statement of receipts and disbursements appended thereto, be and are hereby approved; provided, however, that only the Receiver, in its personal capacity and only with respect to their own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF ACCOUNTS

5. **THIS COURT ORDERS** that the professional fees (including disbursements and taxes) of the Receiver and its legal counsel, Miller Thomson LLP, as described in the fee affidavits of Trevor Pringle sworn January 12, 2026 and Tony Van Klink sworn January 22, 2026 are hereby approved.

SEALING

6. **THIS COURT ORDERS** that the Confidential Appendices to the First Report are hereby sealed and shall not form part of the public record until the earlier of (a) the closing of both Transactions or (b) further Order of this Court.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction 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.

8. **THIS COURT ORDERS** that the Receiver and the Purchaser be at liberty and are 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.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without any need for entry and filing.

February 12, 2026



Signature of Judge

BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at KITCHENER

**ORDER
(Ancillary Order)**

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink (LSO#: 29008M)
Tel: 519.931.3509
Email: tvanklink@millerthomson.com

Patrick John Corney (LSO#: 65462N)
Tel: 416.595.8555
Email: pcorney@millerthomson.com

**Lawyers for msi Spergel Inc., in its
capacity as court-appointed Receiver of
Advantage Machine & Tool Inc.**

Appendix “6”

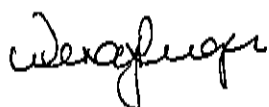
FACSIMILE MESSAGE

Secure

PROTECTED A

Unsecure 

FROM:	<input checked="" type="checkbox"/> Originals will follow in the mail	
	<input checked="" type="checkbox"/> Please respond accordingly	
WENDY RUEGER		
RO/CCO Insolvency Unit, Revenue Collections	To Facsimile No:	(905) 527-6670 *00
Cell Ph: (905) 516-2715	No. of Pages: (including cover sheet)	5
(or if there are any problems with the transmission)		

TO:	DATE:	January 12, 2026
ATTENTION	EVAN MCCULLAGH	
COMPANY	MSI Spergel Inc	
SUBJECT	Advantage Machine & Tool Inc	
MESSAGE	<p>Please see attached amended claims; the originals will follow in the mail.</p> <p>If you have any questions or concerns, please call.</p> <p>Thanks</p> 	

Kitchener / Waterloo Tax Services Office
 166 Frederick Street
 Kitchener, Ontario
 N2H 0A9
 Fax: (833) 540-3352

Canada Revenue
AgencyAgence du revenu
du CanadaTax Centre
Kitchener ON N2H 0A9

January 12, 2026

ATTENTION: EVAN MCCULLAGH
MSI SPERGEL INC
1100 - 200 YORKLAND BLVD
NORTH YORK ON M2J 5C1Account Number
89809 8546 RP0001

Dear Mr. McCullagh:

Subject: ADVANTAGE MACHINE & TOOL INC.
Account number: 89809 8546 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 \$2,487,234.89 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:
Tax years: 2023-2025.

Tax deductions:	\$1,097,854.65
CPP:	\$ 530,859.73
EI:	\$ 202,714.08
Penalties and interest:	\$ 655,806.43
Total:	\$2,487,234.89

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 ADVANTAGE MACHINE & TOOL INC. in receivership.

Federal income tax:	\$ 810,106.13
Provincial income tax:	\$ 276,559.92
CPP employee part:	\$ 295,481.76
EI employee part:	\$ 83,529.03
Total:	\$1,465,676.84

.../2

National Insolvency Office
166 Frederick Street
Kitchener ON N2H 0A9Local: 905-516-2715
Toll Free: 1-833-540-3352
Fax: 833-540-3352
Web site: canada.ca/taxes

- 2 -

Acct No: 89809 8546 RP0001

Payment for the total amount of this trust, namely \$1,465,676.84, 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.

Please let us know when payment of this trust amount and the remaining balance of \$1,021,558.05 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 905-516-2715.

Yours truly,



Wendy Rueger (1220)
Resource/Complex Case Officer

Canada Revenue
AgencyAgence du revenu
du CanadaTax Centre
Kitchener ON N2H 0A9

January 12, 2026

ATTENTION: EVAN MCCULLAGH
MSI SPERGEL INC
1100 - 200 YORKLAND BLVD
NORTH YORK ON M2J 5C1Account Number
89809 8546 RT0001

Dear Mr. McCullagh:

Subject: ADVANTAGE MACHINE & TOOL INC.

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 \$422,663.83.

Period outstanding -----	GST/HST payable -----	Penalty & interest -----	Total -----
2024-07-31	\$ 9,207.20	\$1,847.32	\$11,054.51
2024-08-31	\$16,946.69	\$1,634.66	\$18,590.35
2024-09-30	\$13,555.72	\$1,165.43	\$14,721.15
2024-10-31	\$13,001.74	\$1,014.03	\$14,015.77
2024-11-30	\$17,597.09	\$1,228.40	\$18,825.49
2024-12-31	\$27,553.93	\$1,796.35	\$29,350.28
2025-01-31	\$15,629.83	\$ 998.83	\$16,628.66
2025-02-28	\$15,629.83	\$ 845.66	\$16,475.49
2025-03-31	\$15,629.83	\$ 801.49	\$16,431.32
2025-04-30	\$15,629.83	\$ 760.90	\$16,390.73
2025-05-31	\$85,202.50	\$4,811.46	\$90,013.96
2025-06-30	\$85,202.50	\$4,058.09	\$89,260.59
2025-07-24	\$68,162.02	\$2,743.51	\$70,905.53

Under the Excise Tax Act, \$97,862.37 of the above totals represents property of the Crown held in trust and does not form part of ADVANTAGE MACHINE & TOOL INC.'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.

.../2

National Insolvency Office
166 Frederick Street
Kitchener ON N2H 0A9Local: 905-516-2715
Toll Free: 1-833-540-3352
Fax: 833-540-3352
Web site: canada.ca/taxes

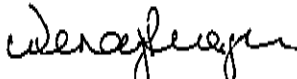
- 2 - Acct No: 89809 8546 RT0001

You must pay the Receiver General for Canada \$97,862.37 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 \$324,801.46.

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 905-516-2715.

Yours truly,



Wendy Rueger (1220)
Resource/Complex Case Officer

Appendix “7”



Government of Canada

Gouvernement du Canada

Wage Earner Protection Program (WEPP) - Estate Breakdown for Trustees Estate Number : 35-124800

Protected - B



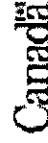
Business Name : Advantage Machine & Tool Inc.

SIN	First Name	Last Name	Application Status	Pay Schedule				Termination	Severance	*Total Payments	Super Priority	Non-Secured
				Wages	Disbursement	Vacation	Severance					
	STEVEN	JORDAN	Payment Issued	\$1,218.98	\$0.00	\$1,697.42	\$5,927.82	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	KAREN	KRAEMER	Payment Issued	\$1,605.81	\$0.00	\$5,665.59	\$1,572.82	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	TODD	KRAMERS	Payment Issued	\$815.43	\$0.00	\$1,285.32	\$6,743.47	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	DEEPAK	KUMAR	Payment Issued	\$5,849.05	\$0.00	\$2,943.70	\$51.47	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	SAGAR	LAGISHETTI	Payment Issued	\$773.80	\$0.00	\$1,051.67	\$7,018.75	\$0.00	\$8,844.22	\$1,825.47	\$7,018.75	
	TAYLOR	LEBLANC	Payment Issued	\$1,080.36	\$0.00	\$855.18	\$6,908.68	\$0.00	\$8,844.22	\$1,935.54	\$6,908.68	
	BROOKLYN	MACLEAN	Payment Issued	\$118.49	\$0.00	\$306.72	\$6,336.00	\$0.00	\$6,761.21	\$425.21	\$6,336.00	
	MARK	MAWHINNEY	Payment Issued	\$8,844.22	\$0.00	\$0.00	\$0.00	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	JARED	MCCARTHY	Payment Issued	\$1,249.13	\$0.00	\$281.60	\$7,040.00	\$0.00	\$8,570.73	\$1,530.73	\$7,040.00	
	JOE	MCCARTHY	Payment Issued	\$1,236.64	\$0.00	\$1,424.09	\$6,183.49	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	MATTHEW	MCCARTHY	Payment Issued	\$956.18	\$0.00	\$401.28	\$7,486.76	\$0.00	\$8,844.22	\$1,357.46	\$7,486.76	
	BRIAN	MC GUGAN	Payment Issued	\$1,872.77	\$0.00	\$6,071.97	\$899.48	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	MATTHEW	MCKENZIE	Payment Issued	\$0.00	\$0.00	\$696.97	\$8,147.25	\$0.00	\$8,844.22	\$696.97	\$8,147.25	
	CRAIG	MITCHELL	Payment Issued	\$1,537.48	\$0.00	\$4,080.16	\$3,226.58	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	LINDA	MYERS	Payment Issued	\$746.10	\$0.00	\$513.63	\$6,336.00	\$0.00	\$7,595.73	\$1,259.73	\$6,336.00	
	MARY LOU	O'KEEFE	Payment Issued	\$1,144.80	\$0.00	\$4,945.89	\$2,753.53	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	JAMES	O'REILLY	Payment Issued	\$1,459.34	\$0.00	\$4,327.14	\$3,057.74	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	MARK	OLIVER	Payment Issued	\$515.70	\$0.00	\$570.24	\$7,758.28	\$0.00	\$8,844.22	\$1,085.94	\$7,758.28	
	HARMEET DEEPAKSHAI	PATEL	Payment Issued	\$791.00	\$0.00	\$2,028.15	\$6,025.07	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22	
	SAHIL	PATEL	Payment Issued	\$983.79	\$0.00	\$1,007.42	\$6,853.01	\$0.00	\$8,844.22	\$1,991.21	\$6,853.01	

Note: *Actual payment.

Note: The data used for this report is refreshed once a day only.
Report (11.4.7B) Run: 202603/16 09:07:25 (Atlantic Time)

Note: Amounts do not reflect any dividend payments made to the account





Government of Canada

Gouvernement du Canada

Wage Earner Protection Program (WEPP) - Estate Breakdown for Trustees Estate Number : 35-124800

Protected - B



Business Name : Advantage Machine & Tool Inc.

SIN	First Name	Last Name	Application Status	Pay Schedule				*Total Payments	Super Priority	Non-Secured	
				Wages	Disbursement	Vacation	Termination				Severance
	MAURY	PATTON	Payment Issued	\$1,033.07	\$0.00	\$739.20	\$7,071.95	\$0.00	\$8,844.22	\$1,772.27	\$7,071.95
	KEVIN	POPPE	Payment Issued	\$952.20	\$0.00	\$1,650.61	\$6,241.41	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	TYLER	PRIMEAU	Payment Issued	\$1,431.15	\$0.00	\$3,108.85	\$4,304.22	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	ANKITKUMAR	RAI	Payment Issued	\$765.97	\$0.00	\$1,725.16	\$6,355.09	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	CAROLINE	SANGSTER	Payment Issued	\$1,940.61	\$0.00	\$2,319.12	\$4,584.49	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	SHUBHAM	SANJORIA	Payment Issued	\$920.84	\$0.00	\$2,130.21	\$5,793.17	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	NEHANSH	SHRIMALI	Payment Issued	\$993.61	\$0.00	\$363.28	\$7,487.33	\$0.00	\$8,844.22	\$1,356.89	\$7,487.33
	KEEGAN	SIMPSON	Payment Issued	\$912.99	\$0.00	\$2,056.92	\$5,874.31	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	DOUGLAS	SNYDERS	Payment Issued	\$541.00	\$0.00	\$1,618.39	\$6,684.83	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	COLTEN	STRANG	Payment Issued	\$891.00	\$0.00	\$380.64	\$7,572.58	\$0.00	\$8,844.22	\$1,271.64	\$7,572.58
	CHARLES	THRUCHELVAM	Payment Issued	\$376.78	\$0.00	\$1,631.89	\$6,835.55	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	AUBREY	VOSPER	Payment Issued	\$162.53	\$0.00	\$821.72	\$5,702.40	\$0.00	\$6,686.65	\$984.25	\$5,702.40
	JASON	WATT	Payment Issued	\$1,224.87	\$0.00	\$1,789.60	\$5,829.75	\$0.00	\$8,844.22	\$2,000.00	\$6,844.22
	CHARLIE	WOOD	Payment Issued	\$1,332.62	\$0.00	\$479.06	\$7,032.34	\$0.00	\$8,844.22	\$1,811.88	\$7,032.34
	SAI KUMAR	YAMASANI	Payment Issued	\$795.83	\$0.00	\$439.05	\$7,040.00	\$0.00	\$8,274.88	\$1,234.88	\$7,040.00
Total :				\$0.00	\$100,240.27	\$303,657.13	\$0.00	\$473,925.41	\$94,988.08	\$378,937.33	

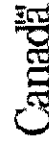
Pay Schedule				*Total Payments	Super Priority	Non-Secured
Wages	Disbursement	Vacation	Termination	Severance	Priority	Non-Secured
\$70,028.01	\$0.00	\$100,240.27	\$303,657.13	\$0.00	\$94,988.08	\$378,937.33

Note: *Actual payment.

Note: The data used for this report is refreshed once a day only.

Report (11.4.7B) Run: 202603/16 09:07:25 (Atlantic Time)

Note: Amounts do not reflect any dividend payments made to the account



Appendix “8”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondents

**AFFIDAVIT OF TREVOR PRINGLE
(sworn May 25, 2026)**

I, TREVOR PRINGLE, of the City of Hamilton, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Licensed Insolvency Trustee with msi Spergel Inc. ("**MSI**"), the court-appointed Receiver (the "**Receiver**") of all the assets, undertakings and properties of the Respondents. As such I have knowledge of the matters hereinafter deposed to.
2. MSI was appointed Receiver pursuant to the Order made by the Honourable Justice Ian Smith of the Ontario Superior Court of Justice on July 24, 2025.
3. Attached hereto as **Exhibit "A"** are true copies of the Receiver's accounts with respect to professional fees incurred in respect of the receivership of Advantage Machine & Tool Inc. from the period of December 1, 2025 up to and including April 30, 2026, in the amount of \$61,800.84, inclusive of HST and disbursements. This represents a total of 156.75 hours at an average rate of \$346.91 per hour. The accounts and supporting time dockets disclose in detail: the nature of the services rendered, the time expended by each person

and their hourly rates, disbursements charged and the total charges for the services rendered.

4. The hourly billing rates detailed in this Affidavit are the standard billing and charge out rates of MSI for services rendered in relation to similar proceedings.
5. To the best of my knowledge the rates charged by MSI in connection with acting as Receiver are comparable to the rates charged by other firms in the Hamilton market for the provision of similar services.
6. I make this affidavit in support of the Receiver's motion for; *inter alia*, approval of its fees and disbursements and not for an improper purpose.

SWORN BEFORE ME at the City
of Hamilton, in the Province of
Ontario, this 25th day of May, 2026.



A Commissioner, etc.

**Evan Scott McCullagh,
a Commissioner etc, Province of
Ontario, for msi Spergel inc. Expires
October 6, 2026**

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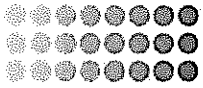

TREVOR PRINGLE

This is Exhibit "A"
To the Affidavit of Trevor Pringle

dated May 25, 2026



**Evan Scott McCullagh,
a Commissioner etc, Province of
Ontario, for msi Spergel inc. Expires
October 6, 2026**



SPERGEL

msi Spergel inc., Licensed Insolvency Trustees
Head Office: 200 Yorkland Blvd., Suite 1100
Toronto, ON., M2J 5C1
T: 416 497 1660 • F: 416 494 7199
www.spergel.ca

May 20, 2026

DRAFT

Invoice #: 1397

Advantage Machine & Tool Inc.

INVOICE

RE: Advantage Machine & Tool Inc.

Professional Services	Hours	Hourly Rate	Total
Trevor Pringle, CFE, CIRP, LIT	41.90	\$575.00	\$24,092.50
Mukul Manchanda, CPA, CIRP, LIT	4.30	\$575.00	\$2,472.50
Gillian Goldblatt, CPA, CA, CIRP, LIT	1.10	\$425.00	\$467.50
Paula Amaral	26.20	\$425.00	\$11,135.00
Dharam Tiwana	0.80	\$295.00	\$236.00
Eileen Stürge	0.50	\$250.00	\$125.00
Evan McCullagh	20.45	\$250.00	\$5,112.50
Manocher Sarabi	61.10	\$175.00	\$10,692.50
Cassandra Glover	0.40	\$110.00	\$44.00
Total Professional Services	156.75	\$346.91	\$54,377.50
HST			\$7,069.08

Reimbursable Expenses	Total
Miscellaneous	\$313.50
Total Reimbursable Expenses	\$313.50
HST on expenses	\$40.76

Total **\$61,800.84**

HST Registration #R103478103
(AAADVA-R)



SPERGEL

msi Spergel inc., Licensed Insolvency Trustees
 Head Office: 200 Yorkland Blvd., Suite 1100
 Toronto, ON., M2J 5C1
 T: 416 497 1660 • F: 416 494 7199
 www.spergel.ca

May 20, 2026

DRAFT

Invoice #: 1397

Advantage Machine & Tool Inc.

INVOICE

INVOICE RECONCILIATION PAGE

Date	Staff	Memo	Hours	B-Rate	Amount
Professional Services					
2025-12-01	TPR	review and approve payment of Intact Insurance invoice; review G/L	0.20	\$575.00	\$115.00
2025-12-01	GGO	Receive and review September bank reconciliation.	0.10	\$425.00	\$42.50
2025-12-02	TPR	correspond with Joshua Buffinga, Cushman & Wakefield re JB offers	0.10	\$575.00	\$57.50
2025-12-02	PAM	Discussion with previous management regarding information required for third party claim. Email spreadsheet and instructions to forward to customer.	0.30	\$425.00	\$127.50
2025-12-03	TPR	correspond with Nyna Bishop, Wells Fargo re leased equipment; review JB Fabrication agreements of purchase and sale for 155 Huron and equipment; review equipment listing schedule; correspond with Joshua Buffinga, Cushman & Wakefield re JB APS deposit; review confirmation of co-operation and representation OREA form; review application record	1.20	\$575.00	\$690.00
2025-12-03	MMA	Receipt and review of schedule documents from N. Bishop (Financial Servicing). Discussion with the team regarding the 30 day goods claims, sale of inventory and ancillary matters.	1.30	\$575.00	\$747.50
2025-12-03	PAM	Email exchanges with secured creditor regarding information required for release.	0.10	\$425.00	\$42.50
2025-12-04	TPR	review Wells Fargo equipment lease and equity calculation; correspond with Joshua Buffinga, Cushman & Wakefield re JB/GHM deposit; review equipment lease; review JB Fabrication wire transfer; correspondence/discussions re Wells Fargo lease, third-party property; correspond/tdw Tony Van Klink, lawyer re AVO motion	1.10	\$575.00	\$632.50
2025-12-04	EMC	Discussion re report to court; correspondence with Cushman re deposit; review GL and wire payments;	0.20	\$250.00	\$50.00
2025-12-04	MMA	Receipt and review of email exchange with P. Amaral and Avid Bots regarding purchase orders.	0.10	\$575.00	\$57.50
2025-12-05	TPR	correspondence/discussions re third-party property, property tour; review G/L	0.30	\$575.00	\$172.50
2025-12-05	MMA	Receipt and review of email exchange with P. Amaral and Avid Bots regarding purchase orders.	0.20	\$575.00	\$115.00
2025-12-05	MSR	Multiple emails, received and reviewed regarding the status PO's for Advantage clients.	0.50	\$175.00	\$87.50



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2025-12-05	PAM	Receive POs and remittances from customer claiming third party goods. Review documentation and confirm inventory has been paid for. Prepare chart of findings and forward to customer for review and to provide further information.	0.80	\$425.00	\$340.00
2025-12-08	EMC	Review intact invoice; pre CHQ REQ	0.10	\$250.00	\$25.00
2025-12-08	TPR	review and approve payment of Intact insurance invoice; review G/L	0.20	\$575.00	\$115.00
2025-12-09	EST	Review and scan confirmations for Ellis, Harloff and Vosper. Update spreadsheet.	0.30	\$250.00	\$75.00
2025-12-09	EMC	Review receivership order; review application materials; review APSs; review PPSA; review title search; begin draft report to court;	2.50	\$250.00	\$625.00
2025-12-09	TPR	discussions/correspondence re AVO motion, marketing summary	0.10	\$575.00	\$57.50
2025-12-10	TPR	correspondence/discussions re prospective purchaser, third-party property	0.10	\$575.00	\$57.50
2025-12-10	EMC	Continue drafting report to court; review appraisals, et al;	2.50	\$250.00	\$625.00
2025-12-10	MMA	Receipt and review of email exchanges with Avid Bots regarding call to discuss purchase orders, remittance and balances.	0.50	\$575.00	\$287.50
2025-12-10	MSR	Email, received and reviewed from colleague regarding the property taxes, reviewed the mails, received to confirm.	0.20	\$175.00	\$35.00
2025-12-10	DTI	Review correspondence with customers.	0.40	\$295.00	\$118.00
2025-12-11	TPR	correspondence/discussions re third-party property; review G/L	0.10	\$575.00	\$57.50
2025-12-11	EMC	review draft report to court; update TP;	0.30	\$250.00	\$75.00
2025-12-11	MMA	Receipt and review of email exchanges with Avid Bots regarding call to discuss purchase orders and balances.	0.10	\$575.00	\$57.50
2025-12-12	EMC	review property tax statement; update report to court;	0.20	\$250.00	\$50.00
2025-12-12	MSR	Mail, received reviewed, scanned and saved in drive.	0.20	\$175.00	\$35.00
2025-12-14	GGO	Receive and review bank reconciliation.	0.20	\$425.00	\$85.00
2025-12-15	TPR	review Cushman & Wakefield listing activity report	0.10	\$575.00	\$57.50
2025-12-16	TPR	review and approve payment of Erth Power invoice, Enbridge invoices, Platinum Assets invoice; review and approve (5) cheque requisitions; review general ledger; review Cushman & Wakefield sale summary report; correspondence/discussions re equipment, tooling	0.90	\$575.00	\$517.50



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2025-12-16	MMA	Receipt and review of email exchanges with Spergel team regarding potential sale of equipment back to Curtiss Wright.	0.20	\$575.00	\$115.00
2025-12-17	TPR	review Denton's legal correspondence	0.10	\$575.00	\$57.50
2025-12-17	EST		0.10	\$250.00	\$25.00
2025-12-17	EST	Scan and save confirmation; update spreadsheet for Simpson	0.10	\$250.00	\$25.00
2025-12-17	PAM	Call with customer claiming third party goods to review documentation provided and information required to support third party claim.	0.50	\$425.00	\$212.50
2025-12-18	TPR	correspond with Ton Van Klink, lawyer re SRED claim, AVO motion date; correspondence/discussions re Wells Fargo leased equipment; correspond with Nyna Bishop, Wells Fargo	0.50	\$575.00	\$287.50
2025-12-18	EMC	Review marketing listing summary; and APSS	0.20	\$250.00	\$50.00
2025-12-18	MMA	Receipt and review of email exchanges with N. Bishop (Financial Servicing) regarding release letter.	0.20	\$575.00	\$115.00
2025-12-22	TPR	correspond with Joshua Buffinga et al, Cushman & Wakefield; review general ledger; review and sign CCR/MLS form	0.40	\$575.00	\$230.00
2025-12-22	PAM	Email exchange with realtor regarding update on court process for court approval and closing date.	0.20	\$425.00	\$85.00
2025-12-22	MSR	Multiple, Emails, and phone call with snow removal company regarding the outstanding invoice and confirming with banking department regarding the status of cheque issued.	0.50	\$175.00	\$87.50
2025-12-23	TPR	review legal correspondence; correspondence/discussions re SRED claim; correspond with Nyna Bishop, Wells Fargo	0.30	\$575.00	\$172.50
2025-12-23	MMA	Receipt and review of email exchanges with T. Pringle and N. Bishop (Financial Servicing) regarding update on file and release.	0.20	\$575.00	\$115.00
2025-12-29	EMC	review and update draft report to court;	0.50	\$250.00	\$125.00
2025-12-30	EMC	Review and various appendices; review cushman marketing; continue draft report to court;	1.00	\$250.00	\$250.00
2026-01-05	TPR	correspondence/discussions re leased equipment; review general ledger; review De Lage Landen Financial Services secured proof of claim; review equipment listing; review and make amendments to draft first report to court; review appendices to first report including receivership order, PPSA search, WEPPA statement, parcel register, property tax statement; review Colliers property appraisal	1.30	\$575.00	\$747.50
2026-01-05	EMC	review and update draft report to court;	0.50	\$250.00	\$125.00



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2026-01-05	PAM	Receive and review invoices from supplier to be paid.	0.20	\$425.00	\$85.00
2026-01-06	TPR	review Miller Thomson independent legal opinion re Bank of Montreal's mortgage/security; review and approve payment of Intact insurance invoice; discussions/correspondence re CRA claim; correspond/tdw Tony Van Klink, lawyer; review and make amendments to draft first report to court	1.10	\$575.00	\$632.50
2026-01-06	EMC	Review intact invoice, prep CHQ REQ	0.10	\$250.00	\$25.00
2026-01-07	TPR	discussions/correspondence re fee affidavit, motion material, purchaser; review and make amendments to draft first report to court; review confidential appendices to first report to court including equipment and property appraisals; review De Lage equipment lease equity calculation	1.00	\$575.00	\$575.00
2026-01-07	EMC	Discussion with TP re report; discussion and correspondence with PA re AR collection, report wording; review DLL secured claims, draft equity calculation;	0.50	\$250.00	\$125.00
2026-01-08	TPR	review and make amendments to draft first report to court; review and approve cheque requisition; review accounts receivable listing	0.40	\$575.00	\$230.00
2026-01-08	EMC	discussion re motion material, report to court;	0.10	\$250.00	\$25.00
2026-01-08	MSR	Mail, received, reviewed and scanned to drive.	0.20	\$175.00	\$35.00
2026-01-09	TPR	review and approve payment of Miller Thomson legal fees invoice	0.10	\$575.00	\$57.50
2026-01-09	EMC	review MT invoice, prep CHQ REQ;	0.10	\$250.00	\$25.00
2026-01-09	MMA	Receipt and review of Miller Thomson's accounts and payables.	0.20	\$575.00	\$115.00
2026-01-12	TPR	correspondence/discussions re motion material, books and records, leased equipment; review general ledger; review appendices to first report to court; review receivership order; review draft statement of receipts and disbursements; review and sign 246(2) interim report; review and sign fee affidavit; correspond with Nyna Bishop, Wells Fargo; review CRA deemed trust claims for payroll deductions and HST	1.30	\$575.00	\$747.50
2026-01-12	EMC	Review GL; prepare interim report and SRD for OSB; review draft invoice and detailed WIP, prep and finalize affidavit; review and update report to court; correspondence re DLL security; review Source and HST deemed trust claims, update report to court, discussion with TP.	1.50	\$250.00	\$375.00
2026-01-12	MMA	Receipt and review of email exchanges with T. Pringle and N. Bishop	0.20	\$575.00	\$115.00



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<i>(Financial Servicing) regarding update on file.</i>					
2026-01-12	GGO	Receive and review bank reconciliation.	0.20	\$425.00	\$85.00
2026-01-12	PAM	Review report to court prepared by team and update with information related to accounts receivable and assets on site.	0.30	\$425.00	\$127.50
2026-01-13	TPR	review and make amendments to draft first report to court; discussions/correspondence re CRA, books and records, sale of inventory; review appendices to first report to court including receivership appointment, PPSA search, C&W listing agreement, agreements of purchase and sale, WEPPA statement, interim statement of receipts and disbursements, title search; review prospective purchaser correspondence; review general ledger; review confidential appendices to first report to court; call/correspond with Tony Van Klink, lawyer re draft motion material	2.90	\$575.00	\$1,667.50
2026-01-13	PAM	Review emails and sequence of events resulting in the Receiver deciding not to continue with operations. Prepare summary of events for report to the court. Receive request for location of assets. Review appraisal report and confirm assets are located at premises.	0.80	\$425.00	\$340.00
2026-01-13	EMC	Review report; review Equipment listing and values subject to leases/secure claims, discuss with TP;	0.20	\$250.00	\$50.00
2026-01-14	TPR	review CRA deemed trust claims; review property title search; correspond/tow Gary Feldman, Chaitons lawyer for BMO; review legal correspondence; correspondence/discussions re SRED claim, books & records; correspond with Tony Van Klink, lawyer	0.90	\$575.00	\$517.50
2026-01-14	PAM	Receive and review proof of claim received from CRA with trust amounts for HST and payroll accounts. Prepare a summary of events since taking possession of business including efforts made to validate the project costing in order to make decision to operate or not. Review emails and documents gathered for preparation of summary.	1.50	\$425.00	\$637.50
2026-01-15	TPR	correspond with Nyna Bishop, Wells Fargo; discussions/correspondence re Wells Fargo leased equipment	0.30	\$575.00	\$172.50
2026-01-15	MMA	Receipt and review of email exchanges with N. Bishop (Financial Servicing) regarding equipment location.	0.30	\$575.00	\$172.50
2026-01-15	MSR	Travel to and from site to provide access and supervise the staff to locate customers' orders, walked around the premises to ensure all doors are locked and secure only verified customers' orders with purchase order.	12.00	\$175.00	\$2,100.00



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2026-01-16	TPR	review Miller Thomson legal opinion; correspond with Patrick Corney et al, Miller Thomson lawyers; review draft Wells Fargo equipment release	0.40	\$575.00	\$230.00
2026-01-16	EMC	review legal opinion re Wells claim; prep release letter for review;	0.30	\$250.00	\$75.00
2026-01-19	TPR	review Patton correspondence; review G/L; review legal correspondence; review and execute Wells Fargo leased equipment release agreement; correspond with Roland Greber, S.Wilson & Co. Bailiffs; correspondence/discussions re equipment, sales process	0.90	\$575.00	\$517.50
2026-01-19	EMC	Review wells release; correspondence re same; review bennington lease, review equipment listing;	0.20	\$250.00	\$50.00
2026-01-19	PAM	Review cheque requisitions and source documents and approve for further processing. Review and organize documents required for HST filings.	0.50	\$425.00	\$212.50
2026-01-21	TPR	review Miller Thomson's amendments to and update draft first report to court; discussions/correspondence re sales process, marketing; correspond/tdw Patrick Corney, MT lawyer; review confidential appendices to first report to court including Cushman & Wakefield marketing activity report, equipment net value realization schedule; correspond with Roland Greber, S.Wilson & Co. Bailiffs; review Cushman & Wakefield listing proposal	1.50	\$575.00	\$862.50
2026-01-21	EMC	Review lawyer revisions on report; discussion and correspondence with Joshua, Cushman re report, items for clarification; update report; discuss with TP;	0.75	\$250.00	\$187.50
2026-01-23	TPR	review legal correspondence; correspond with Patrick Corney et al, MT lawyers re AVO motion date; correspondence/discussions re sales process, court date	0.50	\$575.00	\$287.50
2026-01-23	DTI	Prepare cheque requisitions.	0.40	\$295.00	\$118.00
2026-01-26	TPR	review legal correspondence; review general ledger; discussions/correspondence re secured proof of claim; review and approve cheque requisition	0.50	\$575.00	\$287.50
2026-01-26	EMC	Bennington correspondence re secured claim request; begin draft release;	0.10	\$250.00	\$25.00
2026-01-27	TPR	review confidential appendices to first report including net equipment value schedule, Platinum equipment appraisal; review and approve payment of Intact Insurance invoice	0.50	\$575.00	\$287.50
2026-01-27	EMC	review intact invoice, prep CHQ REQ;	0.10	\$250.00	\$25.00



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2026-01-28	TPR	<i>tdw Jordan Palmer, Cushman & Wakefield; review De Lage Landen Financial Services secured (2) proofs of claim and leased equipment; review Cengiz Fehmi bankruptcy documents; correspond with Patrick Corney, MT lawyer re De Lage leases; review and approve cheque requisitions; review and approve payment of Erth Power & Enbridge utility invoices; review G/L; review Wells Fargo correspondence; review and approve payment of Quadro invoice</i>	1.50	\$575.00	\$862.50
2026-01-28	EMC	<i>Review enbridge, erth power, mono CHQ REQs;</i>	0.20	\$250.00	\$50.00
2026-01-28	MSR	<i>Prepared, reviewed and submitted cheque requisitions for; review and approval reconciled previous payments made and coordinating with banking department to process payments.</i>	2.00	\$175.00	\$350.00
2026-01-29	TPR	<i>correspond with Joshua Buffingo, Cushman & Wakefield</i>	0.10	\$575.00	\$57.50
2026-01-29	MMA	<i>Review accounts, supporting documents, and approve payables.</i>	0.60	\$575.00	\$345.00
2026-01-30	TPR	<i>review legal correspondence; correspondence/discussions re AVO motion, confidential appendices, leased equipment, service list; review draft notice of motion; review draft approval and vesting order for real property; review draft approval and vesting order for equipment; correspond with Patrick Corney, MT lawyer re DLL leases, service list</i>	1.10	\$575.00	\$632.50
2026-01-30	EMC	<i>lawyer correspondence re appendices; review and issue appendices; review legal opinion re DLL, correspondence to DLL re info needed;</i>	0.30	\$250.00	\$75.00
2026-02-02	TPR	<i>review draft notice of motion; review general ledger; correspond with Patrick Corney, MT lawyer; correspondence/discussions re DLL lease, insurance; review draft first report to court; review confidential appendix/net equipment estimated realization schedule</i>	0.90	\$575.00	\$517.50
2026-02-03	TPR	<i>review ARMO assets offer; review Working Man Capital equipment offer; review appendices to first report including receivership order, CRA deemed trust claims, WEPP statement, fee affidavits, property tax statement; review and make amendments to confidential appendix/net value realization schedule; review Platinum equipment appraisal; correspond with Patrick Corney, MT lawyer; review, make amendments to and sign first report to court; review legal correspondence; correspond with Gary Feldman, Chaitons lawyer for BMO; review Motion Record</i>	1.80	\$575.00	\$1,035.00
2026-02-03	EMC	<i>Discussion with PA re secured claims, books and records, vehicles; review final report to court;</i>	0.30	\$250.00	\$75.00



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2026-02-03	CGL	Upload court documents on case website.	0.10	\$110.00	\$11.00
2026-02-03	MSR	Travel to and from the premises to coordinate bailiff entry, locate secured assets/machinery, and perform site-related receivership duties.	12.00	\$175.00	\$2,100.00
2026-02-03	PAM	Coordination with M.Sarabi regarding equipment removal, access to property and identification of third party goods. Receipt and review supporting documentation related to third party goods. Prepare release agreement and forward to relevant parties for signing.	0.80	\$425.00	\$340.00
2026-02-04	TPR	review legal correspondence; correspondence/discussions re Orr COI, Wells Fargo equipment removal; review Motion Record; review confirmation of motion	0.50	\$575.00	\$287.50
2026-02-05	TPR	review Factum; review equipment offers; tdw Dave Coutts, Bank of Montreal re AVO motion	0.30	\$575.00	\$172.50
2026-02-05	EMC	Review factum for AVO motion;	0.10	\$250.00	\$25.00
2026-02-06	TPR	review Bennington Financial correspondence	0.10	\$575.00	\$57.50
2026-02-09	TPR	review Motion Record; review PPSA search; review general ledger; correspond with Dave McCarthy (secured creditor); correspondence/discussions re DLL leased equipment	0.60	\$575.00	\$345.00
2026-02-09	PAM	Email previous employee to request information on preparing T4s. Discussion with previous management regarding amounts listed on NSDR and third party claim for property belonging to customer.	0.50	\$425.00	\$212.50
2026-02-10	TPR	review legal correspondence; review Articles of Incorporation for purchaser (1001498694 Ontario Inc.)	0.30	\$575.00	\$172.50
2026-02-10	EMC	Discussion with Josh, Cushman re update, court;	0.10	\$250.00	\$25.00
2026-02-11	TPR	correspond with Patrick Corney, lawyer; review confidential appendix 2 review and approve payment of Intact insurance invoice; review G/L; review Miller Thomson legal opinion; review and sign Bennington Financial leased equipment release letter	0.90	\$575.00	\$517.50
2026-02-11	EMC	review intact schedule, prep CHQ REQ	0.10	\$250.00	\$25.00
2026-02-11	PAM	Coordinate with bailiff to provide access for removal of assets. Request documents including WSIB certificate and insurance certificate. Coordinate snow plowing and ensure doorways are cleared to permit access.	1.20	\$425.00	\$510.00
2026-02-12	TPR	review Motion Record; attend approval and vesting order motion in Kitchener Court virtually before Justice Ian Smith (via Zoom); review	1.50	\$575.00	\$862.50



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		<i>receivership order; correspond with Patrick Corney, MT lawyer; review offers; review Cushman & Wakefield correspondence re sales process; correspondence/discussions re court approval, third party equipment; call Dave Coutts, Bank of Montreal; tdw Jordan Palmer, Cushman & Wakefield</i>			
2026-02-12	PAM	<i>Coordinate with bailiff to pick up asset on behalf of secured creditor. Request insurance and WSIB from moving company and assist with coordination of preparation of site to enable pick up of asset. Coordinate preparation of T4s with previous staff.</i>	0.30	\$425.00	\$127.50
2026-02-12	EMC	<i>Court update;</i>	0.10	\$250.00	\$25.00
2026-02-12	MSR	<i>Phone call and multiple emails received and reviewed, responded to regarding Snow removal from property, bailiff.</i>	0.50	\$175.00	\$87.50
2026-02-12	GGO	<i>Receive and review December bank reconciliation.</i>	0.20	\$425.00	\$85.00
2026-02-13	CGL	<i>Uploaded court documents to case website.</i>	0.30	\$110.00	\$33.00
2026-02-13	TPR	<i>review ancillary order; review AVO's</i>	0.20	\$575.00	\$115.00
2026-02-13	MSR	<i>Email, received and reviewed from snow removal contractor regarding removal of snow from west site of the main building.</i>	0.20	\$175.00	\$35.00
2026-02-17	TPR	<i>review ancillary order, AVO's; review general ledger; review legal correspondence</i>	0.30	\$575.00	\$172.50
2026-02-17	PAM	<i>Receive requests for T4 slips. Review payroll documents and reply to former employee. Coordinate site visit to prepare payroll documents.</i>	0.20	\$425.00	\$85.00
2026-02-18	TPR	<i>review legal correspondence</i>	0.10	\$575.00	\$57.50
2026-02-18	MSR	<i>Email, received, reviewed and responded to update the rent roll reconciled the payments received in prefilling account, requested bank statements from banking statements, requested and reviewed the receipt register.</i>	2.00	\$175.00	\$350.00
2026-02-18	PAM	<i>Receive additional information from customer validating ownership of the third party goods including purchase orders and proof of payment of goods. Prepare release agreement outlining items to be released and forward to customer for signing.</i>	0.80	\$425.00	\$340.00
2026-02-19	TPR	<i>review legal correspondence; review draft closing documents including statement of adjustments, closing agenda, receipt for payment of purchase price, bring down certificates, directions, undertakings, receiver certificate, purchaser's indemnity re sales taxes; discussions/correspondence re Wells Fargo leased equipment; correspond with Tony Van Klink et al, Miller Thomson lawyers re</i>	1.70	\$575.00	\$977.50



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		<i>equipment leases; review and sign Bennington equipment release; review Cushman & Wakefield listing agreement & commission invoice</i>			
2026-02-19	EMC	<i>Correspondence with Bennington re release changes, review legal opinion; discussions with manocher and Josh, Cushman re Wells Fargo, purchaser upset about release; legal correspondence re cushman commission;</i>	0.30	\$250.00	\$75.00
2026-02-19	MSR	<i>Travel to and from the premises to coordinate bailiff entry, supervise the removal of machinery and perform site-related receivership duties.</i>	15.00	\$175.00	\$2,625.00
2026-02-19	PAM	<i>Email exchanges and discussions with team regarding release of equipment on site, release of third party property and required documentation. Email exchange with secured creditor regarding release and amendments of same.</i>	0.80	\$425.00	\$340.00
2026-02-20	EMC	<i>Lawyer correspondence re assumed agreements; discussion with PA and Manocher re closing update; discussion with Purchaser; memo to TP; discuss same with PA;</i>	0.50	\$250.00	\$125.00
2026-02-20	TPR	<i>review draft statement of adjustments; correspond with Kyle Bertsch et al, Miller Thomson lawyers</i>	0.20	\$575.00	\$115.00
2026-02-23	TPR	<i>review legal correspondence; discussions/correspondence re third party equipment, commission, leases, contracts; review tooling inspection photos; review and sign closing documents including section 116 statutory declaration, certificate re appeals, vendor's bring down certificate, undertaking to pay property taxes, GST election, assignment and assumption of contracts, directions, receiver certificate; correspond with Kyle Bertsch et al, Miller Thomson lawyers; tdw Jordan Plamer, Cushman & Wakefield; review revised Cushman & Wakefield commission invoice; review general ledger; review Platinum Assets appraisal equipment listing</i>	2.00	\$575.00	\$1,150.00
2026-02-23	PAM	<i>Coordinate final pick up of inventory with customer with third party goods. Review documentation submitted and update file. Rewview third party claims and request additional information from customer prior to pick up. Email exchange with secured creditor regarding tooling that was removed during the removal of equipment.</i>	0.80	\$425.00	\$340.00
2026-02-23	EMC	<i>Review purchaser's correspondence, review photos; correspondence to Wells Fargo re tooling; respond to purchaser; discuss with TP;</i>	0.30	\$250.00	\$75.00



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Date	Client	Description	Hours	Rate	Amount
<i>legal correspondence re closing items;</i>					
2026-02-24	TPR	<i>review statement of adjustments; discussions/correspondence re property sale closing, third party property, books & records; review legal correspondence; review and approve payment of Erth Power utility (2) bills; review and approve payment of Enbridge utility (2) bills; review and approve cheque requisition; tdw Patrick Corney, MT lawyer; review general ledger</i>	1.20	\$575.00	\$690.00
2026-02-24	EMC	<i>Review various CHQ REQs (utilities, et al), discussions with PA re closing, purchaser access;</i>	0.30	\$250.00	\$75.00
2026-02-24	MSR	<i>Travel to and from the premises to coordinate removal of customer orders, locating and shredding employes records, meeting with new owners of the property, handing over the keys, walk around the property with them, and performing site related receivership activities.</i>	12.00	\$175.00	\$2,100.00
2026-02-24	PAM	<i>Attend property to supervise removal of third party goods, meet with previous staff to obtain payroll records required to prepare T4s, meet with Iron Mountain for shredding of documents, meet with purhcasers to provide keys.</i>	12.00	\$425.00	\$5,100.00
2026-02-25	TPR	<i>correspond with Joshua Buffinga et al, Cushman & Wakefield; review wire transfer confirmation; review general ledger; review and approve payment of Cushman & Wakefield invoice; correspond with Kyle Bertsch et al, Miller Thomson lawyers; review and approve cheque requisitions; review and approve payment of Miller Thomson legal fees; discussions/correspondence re insurance cancellation; review and sign Orr Insurance policies cancelation forms; review Burchill statement</i>	1.50	\$575.00	\$862.50
2026-02-25	EMC	<i>Review GL: review MT invoices, prep CHQ REQs; review msi invoice, prep CHQ REQ; review Cushman invoice, prep CHQ REQ; review wire details, draft deposit req; review statement of adjustments; correspondence with insurer re policies;</i>	0.50	\$250.00	\$125.00
2026-02-25	MSR	<i>Received the approved cheque requisition and coordinating with banking department to process them.</i>	0.30	\$175.00	\$52.50
2026-02-25	PAM	<i>Review payroll information obtained on site and confirm information required for preparation fo T4s. Reconcile information received with known T4s to validate information.</i>	2.50	\$425.00	\$1,062.50
2026-02-26	TPR	<i>review general ledger; tdw Dave Coutts, Bank of Montreal; correspond with Kyle Bertsch, MT lawyer</i>	0.30	\$575.00	\$172.50



SPERGEL

msi Spergel inc., Licensed Insolvency Trustees
 Head Office: 200 Yorkland Blvd., Suite 1100
 Toronto, ON., M2J 5C1
 T: 416 497 1660 • F: 416 494 7199
www.spergel.ca

May 20, 2026

DRAFT

Invoice #: 1397

Advantage Machine & Tool Inc.

INVOICE

2026-02-26	MSR	<i>Emailed and requested final bill from Quadro.</i>	0.20	\$175.00	\$35.00
2026-02-27	TPR	<i>review general ledger</i>	0.10	\$575.00	\$57.50
2026-03-03	TPR	<i>correspond with Kristin Bard et al, Cushman & Wakefield; review FINTRAC forms; review general ledger</i>	0.30	\$575.00	\$172.50
2026-03-04	TPR	<i>correspondence/discussions re employees, T4's</i>	0.10	\$575.00	\$57.50
2026-03-04	EMC	<i>Discussion with PA re employee T4s, update TP;</i>	0.10	\$250.00	\$25.00
2026-03-04	MMA	<i>Receipt and review of inquiry from past employee regarding T4 information.</i>	0.20	\$575.00	\$115.00
2026-03-04	PAM	<i>Receive email from employee regarding status of T4 slip and request copy of last paystub. Discuss filing of tax return using last paystub.</i>	0.30	\$425.00	\$127.50
2026-03-09	TPR	<i>review Miller Thomson legal invoice; review general ledger; correspond with Dave Coutts, Bank of Montreal; review draft interim statement of receipts and disbursements</i>	0.50	\$575.00	\$287.50
2026-03-09	EMC	<i>Review GL; prepare interim SRD; discussion with PA re outstanding disbursements;</i>	0.30	\$250.00	\$75.00
2026-03-09	MSR	<i>Mail, received, reviewed and scanned to drive.</i>	0.10	\$175.00	\$17.50
2026-03-10	TPR	<i>tdw Dave Coutts, Bank of Montreal</i>	0.10	\$575.00	\$57.50
2026-03-11	EMC	<i>review AVO orders; first report appendices; begin drafting 2nd report to court;</i>	1.00	\$250.00	\$250.00
2026-03-12	TPR	<i>discussions/correspondence re draft report to court, WEPPA; review legal correspondence; review filed receiver's certificate; review and make amendments to draft final report to court</i>	0.60	\$575.00	\$345.00
2026-03-12	EMC	<i>Review Appendices for 2nd report; continue drafting 2nd report to court;</i>	2.00	\$250.00	\$500.00
2026-03-12	GGO	<i>Receive and review January bank reconciliation.</i>	0.20	\$425.00	\$85.00
2026-03-13	TPR	<i>call/correspond with Tony Van Klink et al, Miller Thomson lawyers re distribution and discharge motion</i>	0.20	\$575.00	\$115.00
2026-03-17	TPR	<i>review creditor correspondence; review general ledger</i>	0.20	\$575.00	\$115.00
2026-03-17	EMC	<i>review Orr Insurance statement, respond;</i>	0.10	\$250.00	\$25.00
2026-03-17	PAM	<i>Call with previous employee regarding status of T4s and process for filing taxes using final paystub.</i>	0.30	\$425.00	\$127.50
2026-03-26	TPR	<i>review and approve payment of ERTH Power utility (2) bills; review general ledger; review and approve cheque requisitions; review and approve payment of Lockit security invoices; review and approve</i>	1.00	\$575.00	\$575.00



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May 20, 2026

DRAFT

Invoice #: 1397

Advantage Machine & Tool Inc.

INVOICE

Date	Client	Description	Hours	Rate	Amount
		<i>payment of Enbridge Gas utility (2) bills; correspondence/discussions re sale of vehicles</i>			
2026-03-26	MSR	<i>Receiving, reviewing and preparing the cheque requisitions to process payment to utility companies and phone call with security company manager to get the outstanding invoices review them prepare cheque requisitions, submitting the cheque requisitions for review and approval, receiving the approved cheque requisitions and coordinating with bank department to process them. Phone call with Internet provider discussing regarding their final invoice and last of day of service provided.</i>	3.00	\$175.00	\$525.00
2026-03-27	EMC	<i>Call with CRA re RT0002 returns;</i>	0.10	\$250.00	\$25.00
2026-03-31	TPR	<i>review and approve HST (8) returns for July 2025 through February 2026; review general ledgers; review DLL correspondence</i>	0.40	\$575.00	\$230.00
2026-03-31	PAM	<i>Receive call from employee regarding T4. Discussion with employee regarding steps required to file taxes.</i>	0.50	\$425.00	\$212.50
2026-03-31	EMC	<i>Review GLs for July to February; prepare and file HST RT0002 returns;</i>	1.00	\$250.00	\$250.00
2026-04-01	TPR	<i>correspond with Patrick Corney, Miller Thomson lawyer re DLL</i>	0.10	\$575.00	\$57.50
2026-04-01	EMC	<i>DLL correspondence;</i>	0.10	\$250.00	\$25.00
2026-04-06	TPR	<i>correspond with Tony Van Klink, Miller Thomson lawyer; review G/L</i>	0.20	\$575.00	\$115.00
2026-04-08	TPR	<i>review and approve cheque requisition; correspondence/discussions re DLL leased equipment, CRA deemed trust claim</i>	0.30	\$575.00	\$172.50
2026-04-08	EMC	<i>Legal correspondence re CRA deemed trust;</i>	0.10	\$250.00	\$25.00
2026-04-09	EMC	<i>Lawyer correspondence;</i>	0.10	\$250.00	\$25.00
2026-04-10	EMC	<i>Review WEPP statement; review GL, prepare Interim SRD for report;</i>	0.30	\$250.00	\$75.00
2026-04-10	TPR	<i>review legal correspondence</i>	0.10	\$575.00	\$57.50
2026-04-13	GGO	<i>Receive and review February bank reconciliation.</i>	0.20	\$425.00	\$85.00
2026-04-14	MSR	<i>Mail, received reviewed, scanned and forwarded to colleague.</i>	0.20	\$175.00	\$35.00
2026-04-16	TPR	<i>correspond/tdw Dave Coutts, Bank of Montreal re distribution motion; review general ledger</i>	0.30	\$575.00	\$172.50
2026-04-17	TPR	<i>correspond with Patrick Corney, MT lawyer re motion material</i>	0.10	\$575.00	\$57.50
2026-04-20	TPR	<i>review creditor correspondence; review general ledger</i>	0.20	\$575.00	\$115.00
2026-04-21	EMC	<i>creditor correspondence;</i>	0.10	\$250.00	\$25.00



SPERGEL

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T: 416 497 1660 • F: 416 494 7199
www.spergel.ca

May 20, 2026

DRAFT

Invoice #: 1397

Advantage Machine & Tool Inc.

INVOICE

2026-04-24	TPR	<i>review creditor correspondence; review general ledger</i>	0.20	\$575.00	\$115.00
2026-04-27	TPR	<i>review closing documents for sale of 155 Huron Road West including final reporting letter from Miller Thomson; review general ledger; review creditor correspondence</i>	0.50	\$575.00	\$287.50
2026-04-27	EMC	<i>Correspondence with creditor;</i>	0.10	\$250.00	\$25.00
Professional Services Total:			156.75		\$54,377.50
Reimbursable Expenses					
2026-03-19	NTA				\$313.50
Reimbursable Expenses Total:			1.00		\$313.50

Appendix “9”

Court File No. CV-25-00001158-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SUBSECTION 243 OF *THE BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

FEE AFFIDAVIT OF TONY VAN KLINK

I, Tony Van Klink, of the Municipality of Thames Centre, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am a Senior Counsel with the law firm of Miller Thomson LLP (“**MT**”), lawyers for msi Spergel Inc. (“**MSI**”), in its capacity as Court-appointed Receiver (the “**Receiver**”) of the property, assets and undertakings of the Respondent and, as such, have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. I make this Affidavit in support of the Receiver’s motion for, among other things, having the fees and disbursements of MT, as legal counsel to the Receiver, approved.

3. Attached hereto to this my Affidavit and marked as **Exhibit “A”** are copies of the invoices (the “**MT Invoices**”) rendered by MT to MSI which reflect, *inter alia*, fees and disbursements of MT for the period December 30, 2025 through April 30, 2026 (the “**Period**”). The MT Invoices accurately reflect the services provided by MT during the Period and the fees and disbursements claimed by it. During the Period, the total fees billed were \$41,229.50, the disbursements billed were \$1,200.58, plus applicable taxes in the amount of \$5,471.84.

4. Attached hereto to this my Affidavit and marked as **Exhibit “B”** is a schedule summarizing MT’s fees for the Period. Lawyers and staff at MT have collectively expended a total of 63.1 billable hours in connection with this matter during the Period as outlined in the schedule.

5. To the best of my knowledge, the rates charged by MT throughout these proceedings are comparable to the rates charged by other firms in the Southwestern Ontario market for the provision of similar services. No premiums have been charged on the MT Invoices.

SWORN BEFORE ME:

in person by video conference

With the deponent in the Municipality of Thames Centre, Province of Ontario and the Commissioner in the City of Toronto, Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely this 26th day of May, 2026.

Signed by:
Patrick Corney

1028E238DD04E2

A Commissioner for taking Affidavits (*or as may be*)

(Patrick Corney LSO #65462N)

Signed by:
Tony Van Klink

E6C8E39AA38B462

Tony Van Klink

Attached is Exhibit "A" to the
Affidavit of Tony Van Klink sworn
the 26th day of May, 2026.

Signed by:

Patrick Conroy

1026E238DDD04F2...

A Commissioner, Etc.

(Patrick Conroy LSO #65462N)

EXHIBIT "A"

MILLER THOMSON LLP
 ONE LONDON PLACE
 255 QUEENS AVENUE, SUITE 2010
 LONDON, ON N6A 5R8
 CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

February 28, 2026

Invoice Number 4227734

msi Spergel Inc.
 200 Yorkland Blvd., Suite 1100
 Toronto, ON M2J 5C1

Attention: Mukul Manchanda, CPA, CIRP, LIT, Managing Partner

To Professional Services Rendered in connection with the following matter(s) including:

**Re: Receivership of Advantage Machine & Tool Inc.
 Our File No. 0225982.0005**

Date	Initials	Description	Hours
12/30/2025	JC	Conduct PPSA (ON) search for Advantage Machine & Tool Inc.;	0.10
01/06/2026	AVK	Communicating with Mr. Pringle regarding CRA deemed trust claim and upcoming motion	0.30
01/15/2026	AVK	Reviewing documents and communicating with Mr. Corney regarding Wells Fargo conditional sale contract	0.20
01/16/2026	PC	Email to client re release letter; update first report;	0.30
01/17/2026	PC	Update First Report;	0.70
01/19/2026	PC	Update first report;	3.20
01/19/2026	AVK	Email to Mr. Patton	0.10
01/20/2026	PC	Edit first report;	3.00
01/20/2026	AVK	Working on revisions to court report	0.30
01/21/2026	PW	Receive and review instructions; search for property by address; obtain copy of PIN; provide same to P. Corney.	0.20
01/21/2026	JC	Conduct PPSA (ON) search for Advantage Machine & Tool Inc.;	0.10
01/22/2026	JC	Review PPSA search for Advantage Machine & Tool Inc.; prepare search summary;	1.00
01/22/2026	PC	Call with T Van Klink re content of orders;	0.20
01/22/2026	SCL	Attend at the Business and Personal Property Branch, pick-up PPSA certificate for Advantage Machine &	0.10



Date	Initials	Description	Hours
		Tool Inc., scan and provide same to Jessie Chau;	
01/23/2026	PC	Review Bennington documents and PPSA registration;	0.40
01/23/2026	PC	Phone call with Kitchener court; email to client; review and revise client email to tenant;	0.80
01/27/2026	PC	Review process summary and updated searches; update First Report;	2.30
01/29/2026	PC	Draft notice of motion; update approval orders; draft cover email to purchaser counsel; DLL lease review;	3.20
01/30/2026	PC	Draft notice of motion;	0.80
01/30/2026	PC	Outline and first draft of factum;	3.40
01/31/2026	PC	Final review of report, appendices, and orders;	1.40
01/31/2026	PC	Draft ancillary order; final review of orders; update report	1.30
01/31/2026	PC	Draft ancillary order;	0.40
02/02/2026	PC	Update ancillary order;	1.50
02/02/2026	AVK	Reviewing draft motion materials and providing comments thereon	0.30
02/03/2026	PC	Review of motion record and appendices check; email to purchaser counsel; review cover letter;	0.80
02/04/2026	PC	Edit factum;	0.80
02/05/2026	PC	Check citations and serve factum;	0.70
02/10/2026	PC	Prepare for advantage hearing	0.70
02/12/2026	PC	Prepare for, attend and present at sale approval hearing;	2.50
02/13/2026	KB	Correspondence with T. Van Klink regarding sale; Review purchase agreement and parcel;	0.80
02/17/2026	KB	Correspondence with P. Corney regarding purchase agreement; Call with P. Corney regarding closing; Correspondence with R. Armstrong regarding closing documents and requisitions; Review requisition letter; Correspondence with T. Van Klink regarding requisitions and closing;	2.00



Date	Initials	Description	Hours
02/18/2026	AVK	Communicating with Mr. Bertsch regarding closing requirements	0.20
02/18/2026	RA	Reviewing requisition letter and drafting response; drafting closing documents; corresponding with K. Bertsch	1.90
02/18/2026	KB	Correspondence with T. Van Klink and C. Patrick regarding closing items; Draft closing agenda; Review and draft closing documents; Review requisition letter and draft requisition response; Correspondence with R. Armstrong regarding closing items;	2.80
02/19/2026	RA	Corresponding with opposing counsel and real estate agency	0.60
02/19/2026	AVK	Reviewing draft closing agenda; communicating with Mr. Bertsch regarding closing requirements	0.20
02/19/2026	AVK	Communicating with receiver and buyer's lawyer regarding 2022 Okuma lathe leased from WF	0.20
02/19/2026	AVK	Communicating with Mr. Pringle regarding Bennington release	0.10
02/19/2026	KB	Correspondence with P. Corney regarding closing; Review and sign requisition response letter; Correspondence with T. Van Klink regarding closing agenda; Call with Buyer's counsel regarding Okuma; Review commission statement; Correspondence with T. Van Klink regarding invoice;	2.50
02/20/2026	AVK	Communicating with other counsel and Mr. Bertsch regarding assignment and assumption of leasing contracts	0.10
02/20/2026	KB	Draft assignment agreement; Update closing agenda and draft closing documents; Correspondence with Buyer's counsel regarding closing documents; Correspondence with Client and Broker regarding invoice; Correspondence with Client regarding SOA and outstanding items; Update closing documents; Correspondence with Client and J. Franchini regarding docuSign package;	2.90
02/23/2026	KB	Review and file declaration; Correspondence with J.	2.70



Date	Initials	Description	Hours
		Franchini regarding Docusign package; Correspondence with Buyer's counsel regarding closing documents; Correspondence with internal group regarding closing funds; Review commission invoice and update re-direction; Correspondence with Buyer's counsel and Client regarding closing items; Correspondence with R. Armstrong regarding closing;	
02/24/2026	RA	Drafting closing letters and corresponding with opposing counsel and client in connection to closing matters	0.70
02/24/2026	KB	Correspondence with R. Armstrong regarding closing items; Correspondence with Buyer's counsel regarding outstanding items; Correspondence with accounting group regarding funds;	0.70
02/25/2026	RA	Corresponding with opposing counsel to provide confirmation of tax arrears payment	0.20
02/25/2026	KB	Correspondence with Accounting regarding closing payments; Correspondence with Broker regarding commission;	0.50
02/26/2026	RA	Reviewing email from opposing counsel and corresponding with K. Bertsch	0.10
02/27/2026	RA	Drafting letter to Municipality enclosing water arrears payment	0.20
Total Hours			50.50

Our Fee: **32,440.00**

Taxable Disbursements

Delivery	233.88	
Land Registry Office Searches	35.80	
Tax Certificate	437.85	
PPSA Search - Ontario	24.00	
Total Taxable Disbursements	731.53	\$731.53



Non-Taxable Disbursements

Issue Notice of Motion.	339.00	
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Total Non-Taxable Disbursements	339.00	\$339.00
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Total Fees and Disbursements		\$33,510.53
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Ontario HST 13% (R119440766)

On Fees		\$4,217.20
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On Disbursements		\$95.10
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Total Amount Due	\$37,822.83	
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E.&O.E.



MILLER THOMSON LLP
 ONE LONDON PLACE
 255 QUEENS AVENUE, SUITE 2010
 LONDON, ON N6A 5R8
 CANADA

T 519.931.3500
 F 519.858.8511

MILLERTHOMSON.COM

April 30, 2026

Invoice Number 4253108

msi Spergel Inc.
 200 Yorkland Blvd., Suite 1100
 Toronto, ON M2J 5C1

Attention: Mukul Manchanda, CPA, CIRP, LIT, Managing Partner

To Professional Services Rendered in connection with the following matter(s) including:

**Re: Receivership of Advantage Machine & Tool Inc.
 Our File No. 0225982.0005**

Date	Initials	Description	Hours
02/04/2026	PC	Edit and finalize factum;	0.50
02/06/2026	PC	Review additional updated lease documents;	0.60
02/11/2026	PC	Prepare for sale approval hearing;	4.90
02/18/2026	PC	draft closing agenda;	0.50
03/05/2026	RB	Corresponding with Township of Dundas to provide final water account payment	0.20
03/10/2026	KB	Correspondence with T. Van Klink and Buyer's counsel regarding AVO;	0.50
03/11/2026	KB	Review revised AVO; Correspondence with Buyer's counsel regarding AVO;	0.40
03/13/2026	AVK	Considering CRA deemed trust and distribution of estate proceeds; communicating with receiver	0.50
03/17/2026	KB	Review comments from Buyer's counsel regarding AVO;	0.30
03/18/2026	KB	Correspondence with R. Armstrong and T. Van Klink regarding AVO;	0.20
04/08/2026	PC	Review CRA documents and Income Tax Act/Regulations re deemed trust priority;	0.60
04/09/2026	PC	Review law on WEPP and deemed trust priorities;	1.70
04/10/2026	PC	Discuss "prescribed security interest" with T Van Klink and email to BMO counsel;	0.40
04/13/2026	RB	Drafting reporting letter	0.80



Date	Initials	Description	Hours
04/17/2026	KB	Review and sign closing report;	0.50
Total Hours			12.60

Our Fee: 8,789.50

Taxable Disbursements

Delivery	79.25	
Tax Certificate	50.80	
Total Taxable Disbursements	130.05	\$130.05

Total Fees and Disbursements \$8,919.55

Ontario HST 13% (R119440766)

On Fees		\$1,142.64
On Disbursements		\$16.91

Total Amount Due \$10,079.09

E.&O.E.

Attached is Exhibit "B" to the
Affidavit of Tony Van Klink sworn
the 26th day of May, 2026.

Signed by:

Patrick Corney

1026E238DDD04E2...

A Commissioner, Etc.

(Patrick Corney LSO #65462N)

EXHIBIT "B"

Miller Thomson's Fees

	<u>Year of Call</u>	<u>Rate 2025</u>	<u>Rate 2026</u>	Invoice #4227734 <u>28-Feb-26</u>	Invoice #4253108 <u>30-Apr-26</u>	<u>Total</u>
Hours						
T. Van Klink - Partner	1988	N/A	\$785.00	2.00	0.50	2.50
K. Bertsch - Associate	2022	N/A	\$460.00	14.90	1.90	16.80
P. Corney - Partner	2014	N/A	\$790.00	28.40	9.20	37.60
R. Burleigh (RA) - Law Clerk	N/A	N/A	\$255.00	3.70	1.00	4.70
J. Chau - Law Clerk (2025 rate)	N/A	\$475	\$485.00	0.10	0.00	0.10
J. Chau - Law Clerk (2026 rate)	N/A	\$475	\$485.00	1.10	0.00	1.10
P. Watson - Law Clerk	N/A	N/A	\$200.00	0.20	0.00	0.20
Solutions Corp., Services	N/A	N/A	\$155.00	0.10	0.00	0.10
				<u>50.50</u>	<u>12.60</u>	<u>63.10</u>

Total \$

T. Van Klink - Partner	1988	N/A	\$785.00	\$ 1,570.00	\$ 392.50	\$ 1,962.50
K. Bertsch - Associate	2022	N/A	\$460.00	\$ 6,854.00	\$ 874.00	\$ 7,728.00
P. Corney - Partner	2014	N/A	\$790.00	\$ 22,436.00	\$ 7,268.00	\$ 29,704.00
R. Burleigh (RA) - Law Clerk	N/A	N/A	\$255.00	\$ 943.50	\$ 255.00	\$ 1,198.50
J. Chau - Law Clerk (2025 rate)	N/A	\$475	\$485.00	\$ 47.50	\$ -	\$ 47.50
J. Chau - Law Clerk (2026 rate)	N/A	\$475	\$485.00	\$ 533.50	\$ -	\$ 533.50
P. Watson - Law Clerk	N/A	N/A	\$200.00	\$ 40.00	\$ -	\$ 40.00
Solutions Corp., Services	N/A	N/A	\$155.00	\$ 15.50	\$ -	\$ 15.50
				<u>\$ 32,440.00</u>	<u>\$ 8,789.50</u>	<u>\$ 41,229.50</u>

Summary

Fees				\$ 32,440.00	\$ 8,789.50	\$ 41,229.50
Disbursements				\$ 1,070.53	\$ 130.05	\$ 1,200.58
HST				\$ 4,312.30	\$ 1,159.54	\$ 5,471.84
Total				<u>\$ 37,822.83</u>	<u>\$ 10,079.09</u>	<u>\$ 47,901.92</u>

BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at KITCHENER

FEE AFFIDAVIT OF TONY VAN KLINK

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSO# 29008M

Tel: 519.931.3509

Email: tvanklink@millerthomson.com

Patrick Corney LSO# 65462N

Tel: 416.595.8555

Email: pcorney@millerthomson.com

**Lawyers for msi Spergel Inc., Court-
Appointed Receiver of Advantage Machine
& Tool Inc.**

Appendix “10”

August 25, 2025

Tony Van Klink
Direct Line: +1 519.931.3509
tvanklink@millerthomson.com**Delivered via Email (tpringle@spergel.ca)**

File No. 0225982.0005

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

Attention: Trevor Pringle, CFE, CIRP, LIT

Dear Trevor:

Re: Advantage Machine & Tool Inc. (the "Debtor")

By Order of the Honourable Mr. Justice Ian Smith dated July 24, 2025, msi Spergel Inc. (the "**Receiver**") was appointed as receiver of the assets, undertakings and properties of the Debtor. We understand that the assets of the Debtor, in general terms, consist of the following:

1. the real property located at 155 Huron Road West, Mitchell, Ontario (the "**Real Property**") from which the Debtor formerly carried on business as an engineering, integration and manufacturing service provider, producing tools, dies, jigs and fixtures and providing custom machining, welding and light services, as well as equipment repairs (the "**Business**"); and
2. accounts receivable, equipment and other personal property of the Business (the "**Personal Property**").

The following is our report to you and our opinion on the validity and enforceability of the security held by Bank of Montreal ("**BMO**") against the assets of the Debtor, including the Real Property and the Personal Property.

ASSUMPTIONS AND QUALIFICATIONS

The opinions expressed in this letter are subject to the qualifications and assumptions set forth on Schedule "A" to this letter.

SEARCHES

We have conducted the following searches concerning the Debtor:

1. Profile Report – We obtained a profile report with respect to the Debtor from the Ministry of Public and Business Service Delivery for the Province of Ontario on August 22, 2025 which confirmed that the Debtor was incorporated under its present name on January 12, 2022;

2. Certificate of Status – We obtained a certificate of status for the Debtor which confirmed the Debtor came into existence on January 12, 2022 under corporation number 1000080650 and had not been dissolved as of August 22, 2025;
3. Land Titles – We performed a sub search of the Real Property on August 19, 2025, the results of which are summarized on Schedule “B”. The registrations disclosed by the sub search included a charge in the principal amount of \$1,875,000 in favour of BMO registered on January 7, 2022 as instrument number PC198948 (the “**BMO Charge**”). By a Mortgage Amending Agreement dated April 5, 2023 (the “**Amending Agreement**”), notice of which was registered on April 5, 2023 as instrument number PC212656, the principal amount secured under the BMO Charge was increased to \$2,550,000;
4. *Planning Act* – We completed an abutting lands search for the Real Property as of the date of the registration of the BMO Charge (January 7, 2022) to ensure compliance of the BMO Charge with s. 50 of the *Planning Act*. The abutting lands search confirmed that the Debtor was not the registered owner of any abutting lands at the date of the registration of the BMO Charge;
5. Executions – We obtained an execution certificate dated August 25, 2025 from the Sheriff of the County of Perth (Stratford) in respect of the Debtor which confirmed that there was one active writ of execution filed in respect of the Debtor within the electronic database maintained by the said sheriff in accordance with s. 10 of the *Execution Act* as of that date, the particulars of which are as follows:
 - (a) Execution number 25-0000066 issued on April 11, 2025 in the amount of \$81,661 in favour of the Ministry of Finance.
6. *Personal Property Security Act (Ontario) (“PPSA”)* – We conducted a search of registrations against the Debtor under the *PPSA* which search was current as of August 21, 2025. The registrations disclosed by that search are summarized on Schedule “C” to this letter; and
7. *Bank Act (Canada)* – We conducted a search of registrations against the Debtor under the *Bank Act* which search was current as of August 22, 2025 and did not disclose any outstanding registrations against the Debtor in the Province of Ontario as of that date.

SECURITY REVIEWED

We have reviewed the Application Record of BMO in Ontario Superior Court of Justice court file number CV-25-00001158-0000 which sets out the particulars of the loans made by BMO to the Debtor and the security provided by the Debtor to BMO. In general terms, BMO extended credit facilities totalling \$4,082,734 to the Debtor on which there was an outstanding balance owing to BMO of \$3,492,759, plus accruing interest and costs, as of April 29, 2025. The Debtor has secured its indebtedness and liabilities to BMO with a collateral mortgage over the Real Property and a *PPSA* General Security Agreement.

We have reviewed copies of the following security documents granted by the Debtor to BMO:

1. the BMO Charge; and



2. General Security Agreement dated January 7, 2022 (the “**GSA**”).

The BMO Charge

The BMO Charge was registered electronically in the Perth County Land Registry Office. We have reviewed a copy of the opinion provided by the Debtor’s legal counsel to BMO confirming the due authorization, execution and delivery of the BMO Charge by the Debtor.

The BMO Charge is a collateral charge securing all indebtedness of the Debtor to BMO to a maximum principal amount of \$1,875,000, plus interest thereon and costs. By the Amending Agreement, the principal amount secured under the BMO Charge was increased to \$2,550,000.

There is no apparent defect in the registration of the BMO Charge.

The BMO GSA

The BMO GSA has been executed by Cengzi Fehmi, as chief executive officer, on behalf of the Debtor.

Under the terms of the BMO GSA, the Debtor granted to BMO a security interest in all of its present and after acquired personal and real property as security for all of its present and future indebtedness to BMO.

There is no apparent defect in the execution of the BMO GSA.

PPSA REGISTRATIONS

The *PPSA* registrations outstanding against the Debtor as of August 21, 2025 are summarized on Schedule “C”.

As set out on Schedule “C”, a financing statement in favour of BMO, as secured party, was registered against the Debtor on November 19, 2021 for an initial period of 5 years. The registration is in proper form, including all appropriate collateral classifications.

There are two registrations that are prior in time to the BMO registration: (i) registration in favour of Wells Fargo Bank with respect to accounts owing and payable by Curtiss-Wright Corporation and its identified affiliates, and (ii) De Lage Landen Financial Services Canada Inc. with respect to a 2021 Okuma/Genos M560-V vehicle

OPINIONS

Subject to the qualifications and assumptions set forth on Schedule “A” to this letter, we are of the opinion that:

1. The BMO Charge is a valid and enforceable charge against the Real Property securing the principal sum of \$2,550,000, plus interest and costs;
2. There are no registered charges affecting the Real Property that are prior in time to the BMO Charge;



3. BMO has a valid and perfected security interest in the assets of the Debtor, including the Personal Property, securing all indebtedness and liabilities of the Debtor to BMO; and
4. There are no PPSA registrations that are prior in time to the BMO registration other than the two registrations specifically mentioned in the preceding section of this letter.

Yours truly,



Tony Van Klink
TVK/jf



SCHEDULE "A"

Genuineness and Authenticity

We assume the genuineness of all signatures and the authenticity of all documents or copies thereof.

Equity and other Statutory Limitations

The opinions herein expressed are subject to any equities between the parties of which we have no notice or knowledge.

Proper Corporate Authorization

We assume that the security documents described in the attached letter have been executed by proper signing officers of the Debtor duly authorized.

Accuracy of PPSA Register and Public Records

We have assumed the accuracy of all public records, indexes and filing systems which we have searched or have caused inquiries to be made. We also assume that the registrations disclosed by the *PPSA* and *Bank Act* searches which we have conducted accurately reflects the contents of and all registrations affecting the Debtor made by all secured parties.

Laws of Ontario

The opinions expressed herein, insofar as same relate to personal property, are limited to personal property located in the Province of Ontario. The opinions expressed herein are, as well, limited to the laws of the Province of Ontario and all federal laws applicable therein.

Attachment

We assume that the Debtor either owned or had rights akin to ownership to permit the security interest created in the BMO GSA to attach within the meaning of the *PPSA*.

Consideration and Outstanding Indebtedness

We assume that consideration was given by the BMO to support the granting of the security documents by the Debtor.



SCHEDULE "B"

SUB SEARCH OF REAL PROPERTY – AUGUST 19, 2025

REGISTRATION NO.	DATE	INSTRUMENT	PARTY
R89361	1959/08/13	By-law	N/A
44R685	1977/07/29	Plan Reference	N/A
LT3399	1999/06/18	Transfer	Aktion Freeholds Corporation
PC197672	2021/11/26	Notice	The Corporation of the Municipality of West Perth
PC198948	2022/01/07	Charge (\$1,875,000)	Bank of Montreal
PC198949	2022/01/07	Notice of Assignment of Rents (General)	Bank of Montreal
PC212656	2023/04/05	Notice	Bank of Montreal
PC233092	2025/07/29	Application (Court Order)	msi Spergel Inc.



SCHEDULE "C"

**ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH
FILE CURRENCY: AUGUST 21, 2025**

REFERENCE FILE NO.	SECURED PARTY	COLLATERAL CLASSIFICATION	PPSA (P)/ RSLA (R)
725739147	Wells Fargo Bank, National Association	Accounts, Other	P
770863491	De Lage Landen Financial Services Canada Inc.	Equipment, Accounts, Other, Motor Vehicle Included	P
778370616	Bank of Montreal	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	P
779654898	David Lloyd McCarthy	Inventory, Equipment, Accounts, Other	P
780600627	De Lage Landen Financial Services Canada Inc.	Equipment, Accounts, Other	P
785799423	Wells Fargo Equipment Finance Company	Equipment, Motor Vehicle Included	P
792031653	Bank of Montreal	Accounts, Other	P
505778301	Concentra Equipment Finance, a Division of Bennington Financial Corp.	Equipment, Other, Motor Vehicle Included	P
514505466	His Majesty in Right of Ontario Represented by the Minister of Finance	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	P



Appendix “11”

District of Ontario
Division No. 35 - London
Estate No. 35-124800

**In the matter of the Receivership of
Advantage Machine & Tool Inc.
Receiver's Interim Statement of Receipts and Disbursements
as of May 26, 2026**

RECEIPTS

Building and Land	\$ 2,002,020.77
Sale of Equipment	350,000.00
Sales	268,500.90
Accounts Receivables	90,301.48
HST Collected	34,905.12
Interest	<u>14,928.36</u>

TOTAL RECEIPTS

\$ 2,760,656.63

DISBURSEMENTS

Receiver's Fees	\$ 223,587.00
Commission	65,250.00
HST Paid	40,120.57
Insurance	32,672.07
Property Taxes	27,784.49
Appraisal Fees	22,057.03
Utilities	21,311.30
Legal Fees	13,973.58
Security	11,449.69
Travel	9,058.02
Repairs & Maintenance	4,340.55
Casual Labour	1,481.25
Filing Fee, Ascend License, Bank Charges, Search Fees	446.53
Redirection of Mail	302.75
Office Expenses	<u>290.45</u>

TOTAL DISBURSEMENTS

\$ 474,125.28

NET RECEIPTS OVER DISBURSEMENTS

\$ 2,286,531.35 E&OE

Schedule “1”

**Income Tax Regulations (C.R.C. (Consolidated Regulations of Canada), c. 945)**

Regulations are current to 2026-05-26 and on 2026-03-26.

2201 (1) For the purpose of subsection 227(4.2) of the Act, ***prescribed security interest***, in relation to an amount deemed by subsection 227(4) of the Act to be held in trust by a person, means that part of a mortgage securing the performance of an obligation of the person, that encumbers land or a building, where the mortgage is registered pursuant to the appropriate land registration system before the time the amount is deemed to be held in trust by the person.

(2) For the purpose of subsection (1), where, at any time after 1999, the person referred to in subsection (1) fails to pay an amount deemed by subsection 227(4) of the Act to be held in trust by the person, as required under the Act, the amount of the prescribed security interest referred to in subsection (1) is deemed not to exceed the amount by which the amount, at that time, of the obligation outstanding secured by the mortgage exceeds the total of

(a) all amounts each of which is the value determined at the time of the failure, having regard to all the circumstances including the existence of any deemed trust for the benefit of Her Majesty pursuant to subsection 227(4) of the Act, of all the rights of the secured creditor securing the obligation, whether granted by the person or not, including guarantees or rights of set-off but not including the mortgage referred to in subsection (1), and

(b) all amounts applied after the time of the failure on account of the obligation,

so long as any amount deemed under any enactment administered by the Minister, other than the *Excise Tax Act*, to be held in trust by the person, remains unpaid.

(3) For greater certainty, a prescribed security interest includes the amount of insurance or expropriation proceeds relating to land or a building that is the subject of a registered mortgage interest, adjusted after 1999 in accordance with subsection (2), but does not include a lien, a priority or any other security interest created by statute, an assignment or hypothec of rents or leases, or a mortgage interest in any equipment or fixtures that a mortgagee or any other person has the right absolutely or conditionally to remove or dispose of separately from the land or building.

[NOTE: Application provisions are not included in the consolidated text; see relevant amending Acts and regulations.] ; SOR/99-322, s. 2.

Date modified:

2026-06-05

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) THURSDAY THE 25TH DAY
)
JUSTICE) OF JUNE, 2026

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SUBSECTION 243 OF *THE BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by msi Spergel Inc. ("**Spergel**"), in its capacity as the court-appointed receiver (in that capacity, the "**Receiver**") of the assets, undertakings, and properties of Advantage Machine & Tool Inc. (the "**Company**"), appointed pursuant to the Order of Justice Smith dated July 24, 2025 (the "**Receivership Order**"), for an Order, among other things, approving the Second Report, approving the fees and disbursements of the Receiver and its counsel, authorizing distributions to Service Canada, the Bank of Montreal, and the Canada Revenue Agency, discharging Spergel as Receiver, and releasing Spergel from any and all liability, was

heard this day via Zoom videoconference at Kitchener, Ontario.

ON READING the motion record of the Receiver, including the second report of the Receiver dated May 27, 2026 (the “**Second Report**”) and on hearing the submissions of counsel for the Receiver, and such other counsel as were present and listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit(s) of service, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated, if necessary, so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that all terms capitalized but not defined herein shall have the meanings ascribed to such terms in the Receivership Order and the Second Report.
3. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver described therein are hereby approved; provided, however, that only the Receiver, in its personal capacity, shall be entitled to rely upon or utilize in any way such approval.
4. **THIS COURT ORDERS** that the Receiver’s Interim Statement of Receipts and Disbursements as at May 26, 2026, appended to the Second Report, is hereby approved.

DISTRIBUTIONS

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Miller Thomson LLP (“**Miller Thomson**”), as set out in the Second Report and the fee affidavits appended thereto, are hereby approved.

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to hold the sum of \$35,000.00 (excluding HST and disbursements) (the “**Fee Accrual**”) on account of the fees and disbursements incurred or to be incurred by the Receiver and Miller Thomson in connection with the within motion and the completion of the Receiver’s remaining duties and administration of these receivership proceedings.

7. **THIS COURT ORDERS AND DIRECTS** that the Receiver is hereby authorized and directed, without any personal or corporate liability whatsoever to any Person, to make the following distributions:

- (a) First, to Service Canada in the amount of \$94,988.08, on account of the priority claim under the Wage Earner Protection Program;
- (b) Second, to the Bank of Montreal the net sale proceeds in the amount of \$1,875,000.00 (plus applicable interest and costs) from the Real Property Transaction on account of BMO’s indebtedness secured by the BMO Charge; and
- (c) Third, to the Canada Revenue Agency (“**CRA**”) of the balance of cash in the receivership estate, net of the Fee Accrual, on account of CRA’s Deemed Trust Claims, and further to distribute any unused balance of

the Fee Accrual to CRA on account of its Deemed Trust Claims.

8. **THIS COURT ORDERS AND DECLARES** that the distributions authorized by this Order shall not constitute a “distribution” for the purposes of section 107 of the *Corporations Tax Act* (Ontario), section 22 of the *Retail Sales Tax Act* (Ontario), section 117 of the *Taxation Act, 2007* (Ontario), section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 86 of the *Employment Insurance Act* (Canada), or any other similar applicable federal, provincial or territorial tax legislation (collectively, the “**Tax Statutes**”), and the Receiver, in making the distributions, is merely a disbursing agent and is not exercising any discretion in making the distributions, and no Person is “distributing” such funds for the purpose of the Tax Statutes, and the Receiver shall not incur any liability under the Tax Statutes in respect of the distributions and the Receiver is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of or as a result of the distributions made by it in accordance with this Order and any claims of this nature are hereby forever barred.

9. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Receiver pursuant to the previous Orders granted by the Court in these proceedings, the Receiver shall not be liable for any act or omission pertaining to the discharge of its duties under this Order, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Receiver. Nothing in this Order shall derogate from the protections afforded by any applicable law or any previous Orders granted by the Court in these proceedings.

DISCHARGE

10. **THIS COURT ORDERS** that upon (a) payment of the distributions set out in this Order and (b) that upon the Receiver filing with the Court a certificate in the form attached as **Schedule A** to this Order 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, the Receiver shall be discharged as receiver of the undertaking, property and assets of the Company, 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 Spergel in its capacity as Receiver.

11. **THIS COURT ORDERS AND DECLARES** that Spergel is hereby released and discharged from any and all liability that Spergel now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Spergel 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, Spergel 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.

12. **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.

13. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made and is enforceable without any need for entry and filing. Any party may nonetheless submit a formal Order for original entry and filing.

SCHEDULE A

Court File No. CV-25-00001158-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN :

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SUBSECTION 243 OF *THE BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

DISCHARGE CERTIFICATE

msi Spergel Inc., as Receiver, hereby certifies that the outstanding matters as described in the Second Report of the Receiver to the Court dated May 27, 2026 have been completed and that it has completed the administration of the receivership estate.

Dated this ____ day of _____, 2026.

msi Spergel Inc., the Court appointed Receiver of the assets, undertakings and properties of Advantage Machine & Tool Inc.

Per: _____

BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at KITCHENER

DISTRIBUTION AND DISCHARGE ORDER

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink (LSO#: 29008M)

Tel: 519.931.3509

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Patrick John Corney (LSO#: 65462N)

Tel: 416.595.8555

Email: pcorney@millerthomson.com

**Lawyers for msi Spergel Inc., in its
capacity as court-appointed Receiver of
Advantage Machine & Tool Inc.**

TAB 4

Court File No. — CV-25-00001158-0000

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

THE HONOURABLE) THURSDAY THE 25TH DAY
)
~~THE HONOURABLE~~) ~~WEEKDAY, THE #~~
)
JUSTICE —) ~~DAY OF MONTH~~ JUNE, 20YR 2026

BETWEEN:

BANK OF MONTREAL

~~PLAINTIFF~~ Applicant

~~Plaintiff~~

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SUBSECTION 243 OF *THE BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

~~**DEFENDANT**~~

~~Defendant~~

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by msi Spergel Inc. ("**Spergel**"), in its capacity as the
court-appointed receiver (in that capacity, the "**Receiver**") of the assets,
undertakings, and properties of Advantage Machine & Tool Inc. (the "**Company**"),
appointed pursuant to the Order of Justice Smith dated July 24, 2025 (the

"Receivership Order"), for an Order, among other things, approving the Second Report, approving the fees and disbursements of the Receiver and its counsel, authorizing distributions to Service Canada, the Bank of Montreal, and the Canada Revenue Agency, discharging Spergel as Receiver, and releasing Spergel from any and all liability, was heard this day via Zoom videoconference at Kitchener, Ontario.

~~THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"), for an order:-~~

~~1. approving the activities of the Receiver as set out in the report of the Receiver dated [DATE] (the "Report");-~~

~~2. approving the fees and disbursements of the Receiver and its counsel;-~~

~~3. approving the distribution of the remaining proceeds available in the estate of the Debtor; **{and}**~~

~~4. discharging [RECEIVER'S NAME] as Receiver of the undertaking, property and assets of the Debtor; **and**~~

~~5. releasing [RECEIVER'S NAME] from any and all liability, as set out in paragraph 5 of this Order][†];-~~

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

ON READING the ~~Report, the affidavits~~motion record of the Receiver ~~and its counsel as to fees (the "Fee Affidavits")~~, including the second report of the Receiver dated May 27, 2026 (the "Second Report") and on hearing the submissions of

[†]~~If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.-~~

counsel for the Receiver, ~~no one else~~ and such other counsel as were present and listed on the counsel slip, no one appearing for any other person on the service list, although properly served as ~~evidenced by the Affidavit of [NAME] sworn [DATE]~~ appears from the affidavit(s) of service, filed²;

1. THIS COURT ORDERS that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated, if necessary, so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that all terms capitalized but not defined herein shall have the meanings ascribed to such terms in the Receivership Order and the Second Report.

3. ~~1.~~ THIS COURT ORDERS that the Second Report and the activities of the Receiver, as set out in the Report, described therein are hereby approved; provided, however, that only the Receiver, in its personal capacity, shall be entitled to rely upon or utilize in any way such approval.

4. THIS COURT ORDERS that the Receiver's Interim Statement of Receipts and Disbursements as at May 26, 2026, appended to the Second Report, is hereby approved.

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

DISTRIBUTIONS

5. ~~2.~~ **THIS COURT ORDERS** that the fees and disbursements of the Receiver and ~~its counsel~~ Miller Thomson LLP (“Miller Thomson”), as set out in the Second Report and the ~~Fee Affidavits~~ fee affidavits appended thereto, are hereby approved.

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to hold the sum of \$35,000.00 (excluding HST and disbursements) (the “**Fee Accrual**”) on account of the fees and disbursements incurred or to be incurred by the Receiver and Miller Thomson in connection with the within motion and the completion of the Receiver’s remaining duties and administration of these receivership proceedings.

7. ~~3.~~ **THIS COURT ORDERS** ~~that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY]³:-~~ **AND DIRECTS** that the Receiver is hereby authorized and directed, without any personal or corporate liability whatsoever to any Person, to make the following distributions:

- (a) First, to Service Canada in the amount of \$94,988.08, on account of the priority claim under the Wage Earner Protection Program;
- (b) Second, to the Bank of Montreal the net sale proceeds in the amount of \$1,875,000.00 (plus applicable interest and costs) from the Real Property Transaction on account of BMO’s indebtedness secured by

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

the BMO Charge; and

- (c) Third, to the Canada Revenue Agency (“CRA”) of the balance of cash in the receivership estate, net of the Fee Accrual, on account of CRA’s Deemed Trust Claims, and further to distribute any unused balance of the Fee Accrual to CRA on account of its Deemed Trust Claims.

8. **THIS COURT ORDERS AND DECLARES** that the distributions authorized by this Order shall not constitute a “distribution” for the purposes of section 107 of the *Corporations Tax Act* (Ontario), section 22 of the *Retail Sales Tax Act* (Ontario), section 117 of the *Taxation Act, 2007* (Ontario), section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 86 of the *Employment Insurance Act* (Canada), or any other similar applicable federal, provincial or territorial tax legislation (collectively, the “**Tax Statutes**”), and the Receiver, in making the distributions, is merely a disbursing agent and is not exercising any discretion in making the distributions, and no Person is “distributing” such funds for the purpose of the Tax Statutes, and the Receiver shall not incur any liability under the Tax Statutes in respect of the distributions and the Receiver is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of or as a result of the distributions made by it in accordance with this Order and any claims of this nature are hereby forever barred.

9. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Receiver pursuant to the previous Orders granted by the Court in these

proceedings, the Receiver shall not be liable for any act or omission pertaining to the discharge of its duties under this Order, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Receiver. Nothing in this Order shall derogate from the protections afforded by any applicable law or any previous Orders granted by the Court in these proceedings.

DISCHARGE

10. ~~4.~~ **THIS COURT ORDERS** that upon (a) payment of the ~~amounts~~ distributions set out in ~~paragraph 3 hereof~~ [this Order and (b) that upon the Receiver filing with the Court a certificate ~~certifying that it has completed the other activities described in the Report~~ in the form attached as Schedule A to this Order 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, the Receiver shall be discharged as ~~Receiver~~ receiver of the undertaking, property and assets of the ~~Debtor~~ Company, 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 ~~[RECEIVER'S NAME]~~ Spergel in its capacity as Receiver.

11. ~~5.~~ **THIS COURT ORDERS AND DECLARES** that ~~{RECEIVER'S NAME}~~Spergel is hereby released and discharged from any and all liability that ~~{RECEIVER'S NAME}~~Spergel now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~{RECEIVER'S NAME}~~Spergel while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the ~~Receiver's~~Receiver's part. Without limiting the generality of the foregoing, ~~{RECEIVER'S NAME}~~ is Spergel 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~~Receiver's part.⁴

⁴~~The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.~~

12. 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.

13. THIS COURT ORDERS that, notwithstanding Rule 59.05, this Order is effective from the date that it is made and is enforceable without any need for entry and filing. Any party may nonetheless submit a formal Order for original entry and filing.

SCHEDULE A

Court File No. CV-25-00001158-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

ADVANTAGE MACHINE & TOOL INC.

Respondent

APPLICATION UNDER SUBSECTION 243 OF *THE BANKRUPTCY AND*
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

DISCHARGE CERTIFICATE

msi Spergel Inc., as Receiver, hereby certifies that the outstanding matters as
described in the Second Report of the Receiver to the Court dated May 27, 2026 have
been completed and that it has completed the administration of the receivership estate.

Dated this ___ day of _____, 2026.

msi Spergel Inc., the Court appointed
Receiver of the assets, undertakings and
properties of Advantage Machine & Tool
Inc.

Per: _____

[Different first page setting changed from on in original to off in modified.].

BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at KITCHENER

DISTRIBUTION AND DISCHARGE ORDER

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Lawyers for msi Spergel Inc., in its
capacity as court-appointed Receiver of
Advantage Machine & Tool Inc.

Summary report:	
Litera Compare for Word 11.10.0.38 Document comparison done on 6/12/2026 10:48:40 AM	
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Intelligent Table Comparison: Active	
Original DMS: iw://dmswork.millerthomson.corp/LEGAL/88529344/1	
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BANK OF MONTREAL

and

ADVANTAGE MACHINE & TOOL INC.

Court File No: CV-25-00001158-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at KITCHENER

**MOTION RECORD
(Returnable June 25, 2026)**

MILLER THOMSON LLP

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**Lawyers for msi Spergel Inc., in its
capacity as court-appointed Receiver of
Advantage Machine & Tool Inc.**