

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

B E T W E E N:

ROYNAT INC.

Applicant

and

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

Respondents

**RESPONDING MOTION RECORD OF
CENTRAL ONTARIO DAIRY DISTRIBUTING INC.
(returnable July 29, 2020)**

July 23, 2020

AFFLECK GREENE MCMURTRY LLP
Barristers and Solicitors
200 - 365 Bay St
Toronto ON M5H 2V1

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dvaillancourt@agmlawyers.com
Meredith Hayward LSO# 40870V
mhayward@agmlawyers.com
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jmillar@agmlawyers.com

Tel: (416) 360-2800
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Lawyers for the Responding Party,
Central Ontario Dairy Distributing Inc.

TO: SERVICE LIST

SERVICE LIST
(as of July 21, 2020)

<p>BLAKE, CASSELS & GRAYDON LLP 4000 - 199 Bay St Toronto ON M5L 1A9</p> <p>Chris Burr Tel: (416) 863-2400 Fax: (416) 863-2653 E-mail: chris.burr@blakes.com</p> <p>Lawyers for Roynat Inc.</p>	<p>CHAITONS LLP 10th Fl 5000 Yonge St Toronto ON M2N 7E9</p> <p>Sam Rappos Tel: (416) 218-1137 Fax: (416) 218-1837 E-mail: samr@chaitons.com</p> <p>Lawyers for msi Spergel Inc., Court-appointed Receiver</p>
<p>MSI SPERGEL INC. 200 - 505 Consumers Rd North York ON M2J 4V8</p> <p>Philip Gennis and Mukul Manchanda Tel: (416) 497-1660 Fax: (416) 494-7199 E-mail: PGennis@spergel.ca; mmanchanda@spergel.ca</p> <p>Court-appointed Receiver</p>	<p>SEIZED PROPERTY MANAGEMENT DIRECTORATE Public Services and Procurement Canada 11 Laurier St Place du Portage Gatineau QC K1A 0S5</p> <p>Jean Cadrin and Céline Forest E-mail: Jean.Cadrin@tpsgc-pwgsc.gc.ca; Celine.Forest@tpsgc-pwgsc.gc.ca</p>
<p>PUBLIC PROSECUTION SERVICE OF CANADA 9th Fl Guy-Favreau Complex, East Tower 200 René-Lévesque Blvd W Montréal QC H2Z 1X4</p> <p>Ninette Singoye and Belinda Peres E-mail: Ninette.Singoye@ppsc-sppc.gc.ca; Belinda.Peres@ppsc-sppc.gc.ca</p>	<p>TRANSBIZ TRUCK TRAINING CENTRE 2nd Fl 1405 Morningside Ave Scarborough ON M1B 3J1</p> <p>Muzzaffar Malik E-mail: malikjee123@hotmail.com; smalik124@hotmail.com</p>
<p>RELIABLE CONSULTANTS INC. 2nd Fl 1405 Morningside Ave Scarborough ON M1B 3J1</p> <p>Beverly Gobin E-mail: careers.reliable.consultants@gmail.com</p>	<p>ABRAHAMS LLP 488 Huron St Toronto ON M5R 2R3</p> <p>Garth Dingwall Tel: (416) 964-0304 Fax: (866) 807-0806 E-mail: garth@abrahamsllp.com</p> <p>Lawyers for Reliable Consultants Inc.</p>

<p>DEPARTMENT OF JUSTICE CANADA Ontario Regional Office 400 - 120 Adelaide St W Toronto ON M5H 1T1</p> <p>Diane Winters and Pat Confalone Tel: (416) 973-3172 Fax: (416) 973-0810 Email: Diane.Winters@justice.gc.ca; Pat.Confalone@justice.gc.ca</p> <p>Lawyers for Canada Revenue Agency</p>	<p>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE 11 Fl Legal Services 777 Bay St Toronto ON M5G 2C8</p> <p>Kevin J. O'Hara Tel: (416) 327-8463 Fax: (416) 325-1460 Email: kevin.ohara@ontario.ca</p>
<p>DEPARTMENT OF JUSTICE CANADA 174 Stone Rd W Guelph ON N1G 4S9</p> <p>Andrea Horton Tel: (226) 217-8478 Fax: (226) 217-8507 Email: andrea.horton@canada.ca</p> <p>Lawyers for Agriculture and Food Inspection Legal Services</p>	<p>FASKEN MARTINEAU DuMOULIN LLP 2400 - 333 Bay St Bay Adelaide Centre, Box 20 Toronto ON M5H 2T6</p> <p>Dylan Chochla Tel: (416) 868-3425 Fax: (416) 364-7813 E-mail: dchochla@fasken.com</p> <p>Lawyers for Forest Ridge Inc.</p>
<p>MACDONALD SAGER MANIS LLP 800 - 150 York St Toronto, ON M5H 3S5</p> <p>Howard Manis Tel: (416) 364-1553 Fax: (416) 364-1453 E-mail: hmanis@msmlaw.net</p> <p>Lawyers for Argil Property Tax Services Paralegal Professional Corporation</p>	<p>CITY OF TORONTO 26th Fl Metro Hall 55 John St Toronto ON M5V 3C6</p> <p>City Clerk E-mail: clerk@toronto.ca Christopher J. Henderson Tel: (416) 397-7106 Email: chender3@toronto.ca</p>
<p>TREASURER, CITY OF TORONTO George Charocopos Collections Department North York Civic Centre, Lower Level 5100 Yonge St North York ON M2N 5V7</p> <p>Fax: (416) 395-6703 E-mail: gcharoc@toronto.ca</p>	<p>TAMTAN INC. 46 Tomlin Cres Richmond Hill ON L4C 7S9</p>

1308963 ONTARIO LTD. 46 Tomlin Cres Richmond Hill ON L4C 7S9	1978240 ONTARIO INC. (o/a OpalOnline and formerly 1562712 Ontario Inc.) c/o Gary Rapkoski 301 High St Whitby ON L1N 5H7
EMPLOYMENT PANACHE c/o Birenbaum Gottlieb PC 21 - 951 Wilson Ave Toronto ON M3K 2A7 Tel: (416) 633-3720 Fax: (416) 633-4546	THE DENBAR FOOD GROUP INC. c/o Denise and Barry Millman 328 Wicklow Beach Rd Colborne ON K0K 1S0

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

B E T W E E N:

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Respondents

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TAB 1

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

B E T W E E N:

ROYNAT INC.

Applicant

and

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

Respondents

**AFFIDAVIT OF MICHAEL BINETTI
(SWORN JULY 22, 2020)**

I, MICHAEL BINETTI, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a lawyer at Affleck Greene McMurtry LLP, lawyers for Central Ontario Dairy Distributing Inc. ("Dairy Central"), an unsecured creditor of the Respondent 1308963 Ontario Limited o/a EZ Food Group ("1308"). As such have personal knowledge of the matters deposed to herein. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all cases, believe it to be true.

2. I am advised by David Vaillancourt that Dairy Central supplied dairy products to 1308 from time to time. In early 2019, 1308 stopped paying for the products supplied to it by Dairy Central. On June 27, 2019, Dairy Central obtained Default Judgment against 1308, inclusive of costs, in the amount of \$207,817.09, plus interest. A copy of the Statement of Claim is located at

Tab 2 of Dairy Central's responding motion record. A copy of the Judgment obtained by Dairy Central, dated June 27, 2019, is located at Tab 3 of Dairy Central's responding motion record.

3. After obtaining the Judgment, Dairy Central attempted to enforce its Judgment by Notice of Garnishment dated August 13, 2019, served on The Bank of Nova Scotia. A copy of the Notice of Garnishment is attached as Exhibit "A" hereto.


4. On August 22, 2019, The Bank of Nova Scotia remitted a Garnishee's Statement stating "No funds to remit at this time." A copy of the Garnishee's Statement received from The Bank of Nova Scotia is attached as Exhibit "B" hereto.

5. On or about October 21, 2019, Dairy Central received a Notice and Statement of the Receiver from msi Spergel, notifying Dairy Central of the receivership of 1308. The Notice and Statement of Receiver attached as Appendix "A" a list of 1308's unsecured creditors that shows 1308 owed approximately \$617,000 to 18 creditors. A copy of the Notice and Statement of Receiver dated October 21, 2019 is attached as Exhibit "C" hereto.

6. Attached hereto as Exhibit "D" is the Affidavit of Silvio Marsili sworn October 3, 2019 (without exhibits) filed in the Application Record of the Applicant when it sought to have the Receiver court-appointed on October 16, 2019.

7. I make this affidavit in support of Dairy Central's response to the Receiver's motion for approval of its fees and for no other or improper purpose.

SWORN BEFORE ME
at the City of Toronto,
in the Province of Ontario
on July 22, 2020



Commissioner for Taking Affidavits
(or as may be)
David N. Vaillancourt



MICHAEL BINETTI

TAB A

This is Exhibit A referred to in the
affidavit of Michael Bivetti
sworn before me, this 22nd
day of July 2020
[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

3

Court File No. CV-19-00619616-0000

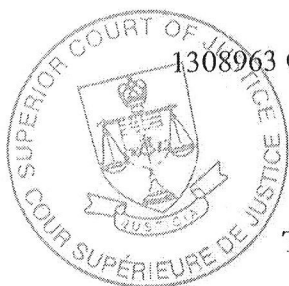
ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

CENTRAL ONTARIO DAIRY DISTRIBUTING INC.

Creditor

and



1308963 ONTARIO LTD. O/A EZ FOOD GROUP

Debtor

and

THE BANK OF NOVA SCOTIA

Garnishee

NOTICE OF GARNISHMENT

TO The Bank of Nova Scotia
Cedarbrae Plaza
3475 Lawrence Avenue East
Scarborough ON M1H 1B2

A LEGAL PROCEEDING in this Court between the creditor and the debtor has resulted in an Order that the debtor pay a sum of money to the creditor. The creditor claims that you owe or will owe a debt to the debtor. A debt to the debtor includes both a debt payable to the debtor and a debt payable to the debtor and one or more co-owners. The creditor has had this Notice of Garnishment directed to you as garnishee in order to seize any debt that you owe or will owe to the debtor. Where the debt is payable to the debtor and to one or more co-owners, you must pay

one-half of the indebtedness or the greater or lesser amount specified in an Order made under sub rule 60.08(16).

YOU ARE REQUIRED TO PAY to the Sheriff of the City of Toronto,

- (a) within 10 days after this notice is served on you, all debts now payable by you to the debtor; and
- (b) within 10 days after they become payable, all debts that become payable by you to the debtor within 6 years after this notice is served on you, subject to the exemptions provided by section 7 of the *Wages Act*. The total amount of all your payments to the Sheriff is not to exceed \$212,390.47 less \$10.00 for your costs of making each payment.

EACH PAYMENT MUST BE SENT with a copy of the attached garnishee's payment notice to the Sheriff at the address shown below.


IF YOU DO NOT PAY THE TOTAL AMOUNT OF \$212,390.47 LESS \$10.00 FOR YOUR COSTS OF MAKING EACH PAYMENT WITHIN 10 DAYS after this notice is served on you, because the debt is owed to the debtor and to one or more co-owners or for any other reason, you must within that time serve on the creditor and the debtor and file with the Court a garnishee's statement in Form 60I attached to this notice.

IF YOU FAIL TO OBEY THIS NOTICE, THE COURT MAY MAKE AND ENFORCE AN ORDER AGAINST YOU for payment of the amount set out above and the costs of the creditor.

IF YOU MAKE PAYMENT TO ANYONE OTHER THAN THE SHERIFF, YOU MAY
BE LIABLE TO PAY AGAIN.

TO THE CREDITOR, THE DEBTOR AND THE GARNISHEE

Any party may make a Motion to the Court to determine any matter in relation to this
Notice of Garnishment.

Date Aug. 13, 2019 Issued by 
Local Registrar
Address of court office: Superior Court of Justice
393 University Avenue, 10th Floor
Toronto ON M5G 1E6

Creditor's address	Debtor's address	Sheriff's address
Central Ontario Dairy Distributing Inc. 5820 Kennedy Road Mississauga ON L4Z 2C3	1405 Morningside Ave Scarborough ON M1B 3J1	393 University Avenue 6th Floor Toronto ON M5G 1E6

(The top portion of the garnishee's payment notice is to be completed by the creditor before the notice of garnishment is issued. Where it is anticipated that more than one payment will be made by the garnishee, the creditor should provide extra copies of the payment notice.)

GARNISHEE'S PAYMENT NOTICE

Make payment by cheque or money order payable to the Sheriff of the City of Toronto and send it, along with a copy of this payment notice, to:

393 University Avenue
6th Floor
Toronto ON M5G 1E6

Court: Ontario Superior Court of Justice

File No.
CV-19-00619616-0000

Office at: 393 University Avenue
10th Floor
Toronto ON M5G 1E6

Creditor: CENTRAL ONTARIO DAIRY DISTRIBUTING INC.

Debtor: 1308963 Ontario Ltd. o/a EZ Food Group

Garnishee: The Bank of Nova Scotia

TO BE COMPLETED BY GARNISHEE FOR EACH PAYMENT

Date of payment: _____
Amount enclosed: \$ _____

GARNISHEE'S PAYMENT NOTICE

Make payment by cheque or money order payable to the Sheriff of the City of Toronto and send it,
along with a copy of this payment notice, to:

393 University Avenue
6th Floor
Toronto ON M5G 1E6

Court: Ontario Superior Court of Justice

File No.
CV-19-00619616-0000

Office at: 393 University Avenue
10th Floor
Toronto ON M5G 1E6

Creditor: CENTRAL ONTARIO DAIRY DISTRIBUTING INC.

Debtor: 1308963 Ontario Ltd. o/a EZ Food Group

Garnishee: The Bank of Nova Scotia

TO BE COMPLETED BY GARNISHEE FOR EACH PAYMENT

Date of payment: _____
Amount enclosed: \$ _____

GARNISHEE'S PAYMENT NOTICE

Make payment by cheque or money order payable to the Sheriff of the City of Toronto and send it, along with a copy of this payment notice, to:

393 University Avenue
6th Floor
Toronto ON M5G 1E6

Court: Ontario Superior Court of Justice

File No.
CV-19-00619616-0000

Office at: 393 University Avenue
10th Floor
Toronto ON M5G 1E6

Creditor: CENTRAL ONTARIO DAIRY DISTRIBUTING INC.

Debtor: 1308963 Ontario Ltd. o/a EZ Food Group

Garnishee: The Bank of Nova Scotia

TO BE COMPLETED BY GARNISHEE FOR EACH PAYMENT

Date of payment: _____
Amount enclosed: \$ _____

CENTRAL ONTARIO DAIRY
DISTRIBUTING INC.
Creditor

-and-

1308963 ONTARIO LTD. O/A EZ
FOOD GROUP
Debtor

-and-

THE BANK OF NOVA SCOTIA

Garnishee

Court File No. CV-19-00619616-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

NOTICE OF GARNISHMENT

AFFLECK GREENE MCMURTRY LLP
Barristers and Solicitors
200 - 365 Bay St
Toronto ON M5H 2V1

David N. Vaillancourt (569691)
dvaillancourt@agmlawyers.com
Tel: (416) 360-8100
Fax: (416) 360-5960

Lawyers for the Creditor

TAB B

This is Exhibit B referred to in the
affidavit of Michael B. Pykett
sworn before me, this 22nd
day of July 2020
[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

10
Court File No. CV-19-00619616-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

CENTRAL ONTARIO DAIRY DISTRIBUTING INC.

Creditor

and

1308963 ONTARIO LTD. O/A EZ FOOD GROUP

Debtor

and

THE BANK OF NOVA SCOTIA

Garnishee

(The general heading on this form is to be completed by the creditor and the form is to be attached to the notice of garnishment to be served on the garnishee before the notice of garnishment is issued.)

GARNISHEE'S STATEMENT

1. I acknowledge that I owe or will owe the debtor or the debtor and one or more co-owners the sum of \$ _____ payable on _____, because

NO FUNDS TO REMIT AT THIS TIME

(Give reasons why you owe the debtor or the debtor and one or more co-owners money. If you are making payment of less than the amount stated in line 2 of this paragraph because the debt is owed to the debtor and to one or more co-owners or for any other reason, give a full explanation of the reason. If you owe the debtor wages, state how often the debtor is paid. State the gross amount of

the debtor's wages before any deductions and the net amount after all deductions and attach a copy of a pay slip.)

- 1.1 *(If debt owed to debtor and one or more co-owners, check here ☐ and complete the following:)*

Co-owners(s) of the Debt (name, address)


2. *(If you do not owe the debtor money, explain why. Give any other information that will explain your financial relationship with the debtor.)*

3. *(If you have been served with any other notice of garnishment or a writ of execution against the debtor, give particulars.)*

Name of Creditor	Location of Sheriff	Date of Notice or Writ	Date of Service on you
------------------	---------------------	------------------------	------------------------

4. *(If you have been served outside Ontario and you wish to object on the ground that service outside Ontario was improper, give particulars of your objection.)*

August 22 , 2019


Signature of or for garnishee

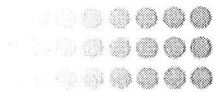
Name of garnishee
Address

The Bank of Nova Scotia
Cedarbrae Plaza
3475 Lawrence Avenue East
Scarborough ON M1H 1B2

Telephone number
Fax number

416 439 2333
416 439 5544

TAB C



SPERGEL

This is Exhibit C referred to in the
affidavit of Michael Lynett
sworn before me, this 22nd
day of July 2020
[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

13

NOTICE AND STATEMENT OF THE RECEIVER
(Sec. 245(1) & 246(1))

IN THE MATTER OF THE RECEIVERSHIP OF
1308963 ONTARIO LIMITED o/a EZ Food Group

The Receiver gives notice and declares that:

1. On the 16th day of October, 2019, msi Spergel inc. became a Court-Appointed Receiver in respect of 1308963 Ontario Limited (o/a EZ Food Group) (the "Debtor") that is described below:

All the assets, undertakings, and properties of the Debtor.

2. msi Spergel inc. became a Court-Appointed Receiver by virtue of being appointed by the Order of Honourable Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List).
3. The Receiver took control of the assets of the Debtor on the 16th day of October, 2019.
4. The following information relates to the Receivership:

- (a) Address of Debtor: 1405 Morningside Avenue, Scarborough, ON M1B 3J1
- (b) Principal line of business: Food Processing Plant
- (c) Former Location of business: 1405 Morningside Avenue, Scarborough, ON M1B 3J1

- (d) Amounts owed by the Debtors to each creditor who holds a security on the property described above are:

Roynat Inc.	\$2,412,144.95
-------------	----------------

- (e) The list of other known creditors of the Debtor and the amount owed to each creditor and the total amount due is attached as Appendix 'A'.
- (f) The Receiver is in the process of developing a plan to realize on the property subject to the Receivership.

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

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

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

www.spergel.ca

Member **ICIN** The Independent Canadian Insolvency Network

Contact person for the Receiver:

msi Spergel inc.
Attention: Mukul Manchanda
Telephone/Fax (416) 498-4314

Dated at Toronto, Ontario this 21st day of October, 2019.

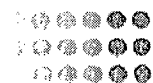
msi Spergel inc.

solely in its capacity as Court-Appointed
Receiver of 1308963 Ontario Limited and
not in its personal or corporate capacity

Per:



Mukul Manchanda, CPA, CIRP, LIT
Partner _____



SPERGEL

IN THE MATTER OF THE RECEIVERSHIP OF
1308963 ONTARIO LIMITED

Appendix "A"

Unsecured Creditors	Amount \$
ADT Security Services Canada Inc.	56.82
Air Products Canada Ltd	19,984.43
Cascades Canada Inc	267.74
Cintas Canada Limited	2945.14
Central Ontario Dairy	201,698.53
Crystal Paper & Packaging	688.16
Canada Revenue Agency	65,887.92
Imperial Pest Control	706.25
Kerryon Computer Consulting	3,259.62
Mr. Lawnmower Landscaping	5,367.50
Minotaur Software Ltd	2,204.45
Reliable Consultants Inc	77,639.68
Rex Services	2,938.00
Saputo Dairy Products Canada	99,548.59
Sanitation Pros Inc	61,187.24
Sentinel D.E.C. Systems Inc.	1,192.72
Speedy Staffing Services	63,238.50
United Dairy and Grocers Inc	8,120.00
Total	616,931.29

TAB D

This is Exhibit D referred to in the
affidavit of Michael Sivetti
sworn before me, this 22nd
day of July 2020
[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

13 16

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ROYNAT INC.

Applicant

— and —

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

Respondents

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

AFFIDAVIT OF SILVIO MARSILI
(Sworn October 3, 2019)

I, Silvio Marsili of the City of Toronto, in the Province of Ontario, **MAKE OATH AND**
SAY AS FOLLOWS:

1. I am a Managing Director of the Applicant, Roynat Inc. ("**Roynat**"), a secured creditor of the Respondents, TamTan Inc. (the "**Borrower**") and 1308963 Ontario Ltd. (the "**Guarantor**" together with the Borrower, the "**Debtors**"). As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in support of Roynat's application for an order appointing msi Spergel Inc. ("**Spergel**") as receiver of all of the assets, properties and undertakings of each of the Respondents, other than certain accounts subject to the Account Restraint Orders (defined below) (collectively, the "**Property**"). Spergel in its capacity as receiver of the Property is referred to herein as the "**Receiver**".

3. Capitalized terms used herein and not otherwise defined shall have the definition given to them in the Debenture (defined below).

OVERVIEW

4. Roynat is the secured creditor of the Borrower and is owed \$2,371,607.71 as of September 26, 2019 and, as defined below, on a senior secured basis. The Borrower's obligations to Roynat are guaranteed by the Guarantor, an affiliate of the Borrower, which guarantee is secured against all of the assets of the Guarantor. The Debtors have been in default since February 12, 2019. Roynat has demanded repayment, all applicable notice periods have expired, all reasonable efforts by the Debtors to repay the indebtedness have failed, and Roynat is seeking to enforce its security by appointing the Receiver.

5. The Borrower's primary asset, and Roynat's primary collateral, is a building in Scarborough, Ontario (the "**Commercial Property**"), which it leases to the Guarantor. The Guarantor purportedly operates a food processing business out of the building. It is unclear to Roynat whether there are other companies that currently lease or occupy the Commercial Property.

6. The Commercial Property is subject to a restraint order and management order issued on February 12, 2019 by the Quebec Court (Criminal and Penal Division) under the *Criminal Code*

(the “**Real Property Restraint Order**”), on the grounds that the Attorney General alleges that the property is an offence-related property. The Real Property Restraint Order has been registered against the Commercial Property

7. Certain of the Debtors’ accounts are also subject to restraint orders (the “**Account Restraint Orders**”, collectively with the Real Property Restraint Order, the “**Restraint Orders**”) in connection with an investigation by the Royal Canadian Mounted Police into the Borrower’s affairs (the “**RCMP Investigation**”). The RCMP Investigation resulted in the Federal prosecution of the Borrower’s Principal, among others.

8. The Borrower’s failure to make payments to Roynat, the issuance and registration of the Restraint Order, and the restraint and freezing of certain of the Borrower’s accounts are clear defaults under the Offer of Finance. Notices of default, demand letters and statutory notices of intention to enforce security were delivered to the Borrower on April 8, 2019 and to the Guarantor on June 18, 2019. The statutory notice periods under these demands and notices expired on April 18, 2019 and June 28, 2019 respectively.

9. In spite of the defaults and the RCMP Investigation, Roynat agreed with the Borrower and the Guarantor to forbear from enforcing its rights in order to provide the Borrower with an opportunity to market and sell the Commercial Property and repay its obligations to Roynat. Multiple attempts by the Debtors to sell the property have failed, and Roynat has lost all confidence in the Borrower’s ability to facilitate a sale outside of a court process.

10. The RCMP Investigation, interim criminal sanctions including the Restraint Orders, the restraint and freezing of the certain of the Debtors’ bank accounts, and the Borrower’s inability to

sell the Commercial Property to repay Roynat have left Roynat with no other choice but to exercise its legal rights to appoint the Receiver to sell the Commercial Property.

11. The Restraint Order explicitly permits Roynat to enforce its rights under its security, provided certain government parties are served. Roynat has consulted with the relevant parties, including the Minister of Public Works and Government Services (the “**Minister**”), which has been appointed by the Restraint Order as manager of the Commercial Property, and the Seized Property Management Directorate (the “**SPMD**”), to whom Roynat is required by the Restraint Order to provide an accounting of its indebtedness and security interest. The SPMD do not object to Roynat’s application to appoint the Receiver.

12. The Public Prosecution Service of Canada (“**PPSC**”), which is responsible for the prosecution related to the RCMP Investigation and obtained the Restraint Orders, has been consulted on the appointment of the Receiver sought by Roynat’s application. I understand that a PPSC Representative will attend the hearing of this application on October 10, 2019 to address any questions that the Court may have.

DESCRIPTION OF THE RESPONDENTS

Corporate Organization

13. The Borrower is an Ontario corporation with its registered office located at 46 Tomlin Crescent, Richmond Hill, Ontario. It is the registered owner of the Commercial Property, which is located at 1405 Morningside Avenue and leased to the Guarantor. A copy of the parcel register for the Commercial Property with a currency date of September 25, 2019 is attached hereto as Exhibit “A”.

14. Based on the Borrower's corporate profile report, a copy of which is attached hereto as **Exhibit "B"**, Nader Gramian-Nik ("Mr. Gramian-Nik") is the sole officer and director of the Borrower.

15. The Guarantor is an Ontario corporation with its registered office located at 46 Tomlin Crescent, Richmond Hill, Ontario. It operates as EZ Food Group from leased premises located at the Commercial Property. The Guarantor is purportedly in the food processing business. A copy of the Guarantor's corporate profile report is attached hereto as **Exhibit "C"**.

Limited Business Operations

16. It is Roynat's understanding that the Borrower is a real estate holding company, whose primary asset is the Commercial Property. Roynat understands that the Guarantor, operating as EZ Foods, is a food processing company, however Roynat is unaware of the scope or scale of its operations and believes that it has ceased carrying on business.

Employees

17. Roynat is unaware of any current employees of either the Borrower or the Guarantor.

Potential Tenants of the Commercial Property

18. As stated above, the Guarantor EZ Food Group operates out of the Commercial Property. It is unclear whether there are other companies that currently lease or occupy the Commercial Property.

19. On or around May 2, 2019, Roynat received a letter from counsel to Denbar Food Group Inc. ("**Denbar**"), indicating that Denbar was storing and operating its equipment and supplies at

the EZ Foods facility within the Commercial Property. Roynat is unaware whether these items remain at the facility or were removed by Denbar. Roynat is furthermore unaware of whether Denbar has a commercial lease of any part of the Commercial Property.

20. Preliminary searches conducted by Roynat's counsel suggest there may be other businesses operating from the Commercial Property. 1405 Morningside Avenue appears to be the current business address of Tranzbiz Truck Training Centre, Opalonline and One World Foods. Roynat does not have any additional information about these companies, nor does it know whether there is a commercial lease in place in respect of one or all of them.

CRIMINAL SANCTIONS

Real Property Restraint Order

21. On February 12, 2019, the Court of Quebec (Criminal and Penal Division) issued the Real Property Restraint Order pursuant to sections 490.8 and 490.81 of the *Criminal Code* (Canada) in respect of the Commercial Property. A copy of the Real Property Restraint Order is attached hereto as **Exhibit "D"**.

22. Among other things, the Real Property Restraint Order:

- a. appoints the Minister as the manager of the property described above for the sole purpose of the fulfillment of its duties under the Real Property Restraint Order;
- b. prohibits any person, including the Borrower, Mr. Gramian-Nik and Roynat, from disposing or otherwise dealing with the Commercial Property or any interest therein in

any manner whatsoever, except as provided for in the Real Property Restraint Order or by further order of the Court;

- c. requires the Borrower and Mr. Gramian-Nik, among others (collectively, the **"Restraint Order Parties"**), to fulfil all obligations arising from charges or loans on the Commercial Property and to pay, among other things, mortgage amounts and the required monthly payments in respect of any line of credit secured by a mortgage on the real property, including any arrears in respect thereof;
- d. requires Roynat to provide a full accounting to the SPMD of all particulars of the encumbrances on the Commercial Property, including any deposit, withdrawal, term, balance, principal balance, interest rate, accrued interest and service charges, as well as monthly statements setting out current particulars of the Property, including all service charges (such reporting obligations collectively, the **"Roynat Reporting Obligations"**). The Real Property Restraint Order also requires Roynat to immediately inform SPMD if the Restraint Order Parties fail to respect the terms and conditions of the Debenture; and
- e. orders that nothing shall prevent Roynat from enforcing any of its rights under the Debenture, requires that the SPMD and counsel for Her Majesty the Queen (the **"Crown"**) be served with notice of any such enforcement action, application or proceeding, and establishes a waterfall for the distribution of proceeds from the sale of the Commercial Property pursuant to which Roynat is required to pay any net proceeds of the sale to the Receiver General of Canada.

23. In accordance with the Real Property Restraint Order, Roynat has complied with all of the Roynat Reporting Obligations and has been in regular contact with Mr. Jean Cadrin at SPMD regarding the forbearance and enforcement steps that Roynat has taken in connection with the Commercial Property (which steps are detailed below).

Account Restraint Orders

24. On February 8 and 12, 2019, the Court of Quebec (Criminal and Penal Division) also issued Account Restraint Orders pursuant to sections 490.8 and 490.81 of the Criminal Code (Canada) in respect of certain of the Debtors' bank accounts. Copies of the Account Restraint Orders are attached hereto as **Exhibit "E"**.

25. On or about February 15, 2019, Roynat did not receive its monthly principal loan payment from the Borrower. The notice Roynat received indicated that the payment was returned due to the Borrower's Royal Bank of Canada account being frozen in connection with the RCMP Investigation.

DEBT AND SECURITY

26. As described in detail in this section of my Affidavit, the Borrower is indebted to Roynat pursuant to a \$2,692,600 term loan created by a facility letter. The obligations are secured by a mortgage against the Commercial Property and a grant of a general personal property security interest against the Borrower's property. The obligations are guaranteed by the Guarantor, which guarantee is secured by a grant of a general personal property security interest against the Guarantor's property.

27. All of Roynat's security is validly registered and, based on property registries, first priority.

Borrower Debt and Security

28. On June 24, 2014, Roynat issued an Offer of Finance to the Borrower which was accepted by the Borrower and the Guarantor on July 16, 2014 (the “**2014 Facility Letter**”). Pursuant to the 2014 Facility Letter, Roynat advanced a term loan to the Borrower in the amount of \$2,692,600 (the “**Term Loan**”). A copy of the 2014 Facility Letter is attached as **Exhibit “F”**.

29. On May 24, 2016, Roynat issued an Offer of Extension and Supplemental Financing to the Borrower, which was accepted by the Borrower and the Guarantor on the same day (the “**Extension and Supplemental Financing Letter**” and the 2014 Facility Letter as amended by the Extension and Supplemental Financing Letter, the “**Facility Letter**”). Pursuant to the terms of the Extension and Supplemental Financing Letter, Roynat extended the maturity date of the Term Loan and agreed to provide the Borrower with additional financing.

30. The Borrower’s obligations to Roynat in respect of the Term Loan are secured by:

a. a Demand Debenture dated August 14, 2014, which was registered, pursuant to the *Land Titles Act* (Ontario) (the “**LTA**”), as a charge on title to the Commercial Property as instrument number AT3706673 on October 3, 2014 (the “**Debenture**”); and

b. a General Assignment of Leases and Rents dated August 14, 2014, which was registered, pursuant to the LTA, as a notice on title to the Commercial Property as instrument number AT3706684 on October 3, 2014 (the “**GAR**”),

(collectively, the “**Borrower Security Documents**”).

Copies of the Debenture and GAR are each attached hereto as Exhibits "G" and "H", respectively.

31. The parcel register in respect of the Commercial Property, attached hereto as Exhibit "A", reflects the registrations made pursuant to the LTA in favour of Roynat in respect of the Debenture and GAR.

32. Roynat has registered the following financing statements pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA") against the Borrower:

- a. on April 8, 2010, a financing statement in respect of all collateral classifications except "consumer goods" for a period of 10 years;
- b. on August 8, 2014, a financing statement in respect of all collateral classifications except "consumer goods" for a period of 10 years; and
- c. on April 8, 2014 a financing statement in respect of "accounts" and "other" with a general collateral description that refers to a "general assignment of rents and leases with regard to 1405 Morningside Avenue, Scarborough, Ontario".

33. As of September 24, 2019, no other financing statements have been registered against the Borrower pursuant to the PPSA. A copy of the PPSA search results for the Borrower with a currency date of September 24, 2019 is attached hereto as Exhibit "I".

Guarantor Debt and Security

34. The Borrower's obligations to Roynat in respect of the Term Loan are guaranteed by the Guarantor pursuant to a Guarantee and Indemnity dated August 14, 2014 issued by the Guarantor

in favour of Roynat (the “**Guarantee**”). The Guarantor’s obligations to Roynat pursuant to the Guarantee are secured by a general security agreement dated August 14, 2014, issued by the Guarantor in favour of Roynat (the “**Guarantor GSA**”, and together with the Borrower Security Documents, the “**Security**”). Copies of the Guarantee and Guarantor GSA are each attached as Exhibits “J” and “K”, respectively.

35. Roynat has registered the following financing statements pursuant to the PPSA against the Guarantor:

- a. on October 14, 2010, a financing statement in respect of all collateral classifications, except “consumer goods” for a period of 10 years;
- b. on August 8, 2014, a financing statement in respect of all collateral classifications, except “consumer goods” for a period of 10 years;
- c. on October 8, 2015, a financing statement in respect of “equipment” and “other”, with respect to a manual load cartoner machine for a period of 5 years; and
- d. on April 8, 2019, a financing statement in respect of all collateral classifications, except “consumer goods” for a period of 10 years;

36. As of September 24, 2019, no other financing statements have been registered against the Guarantor pursuant to the PPSA. A copy of the PPSA search results for the Guarantor with a currency date of September 24, 2019 is attached hereto as Exhibits “L”.

37. The indebtedness of the Borrower and Guarantor to Roynat, as of September 26, 2019, is \$2,371,607.71, which includes principal, interest and late payment charges which continue to accrue, but excludes legal fees and enforcement costs (collectively, the “**Indebtedness**”).

Other Creditors

38. The parcel register in respect of the Commercial Property reflects an easement and cost sharing agreement among the Slough Estates Canada Limited, The Trustees of the Malvern Congregation of Jehovah’s Witnesses, and MXT Investment Corp registered on the Commercial Property (“**Cost Sharing Agreement**”). The agreement indicates that amounts owing under the agreement shall constitute a first lien and charge against the property. Roynat is unaware whether amounts are currently owed under the Cost Sharing Agreement.

39. On or around September 26, 2019, Roynat’s counsel obtained a verbal report regarding property tax arrears with respect to the Commercial Property. The Debtors currently owe \$90,685.14 to the City of Toronto, inclusive of interest, fees and penalties. After September 30, 2019, additional interest began to accrue at 1.25%. Currently, no amounts are owing for utilities.

40. Roynat also obtained Writs of Execution registered against the Debtors, EZ Foods and TamTan, effective April 11, 2017 (the “**2017 Writ**”) in favour of Employment Panache and August 16, 2019 (the “**2019 Writ**”) in favour of Argil Property Tax Services Paralegal Professional Corporation. The 2017 Writ is for the face amount of \$70,874.41 and costs of \$926.93. The 2019 Writ is for the face amount of \$12,482.68 and costs of \$191.00.

DEFAULT, DEMAND AND ATTEMPTS TO SELL THE COMMERCIAL PROPERTY

41. The registration of the Restraint Order and the freezing of the Borrower's accounts are clear defaults under the Facility Letter.

42. In addition to the defaults related to the RCMP Investigation and criminal sanctions, the Borrower failed to pay monthly principal loan instalments of \$12,050 on February 15, 2019, March 15, 2019, April 15, 2019, May 15, 2019, June 15, 2019, July 15, 2019, August 15, 2019 and September 15, 2019.

43. On April 8, 2019, Roynat issued a demand to the Borrower for immediate repayment of all indebtedness owing, citing the issuance of the Restraint Order and the Payment Default as Events of Default entitling Roynat to accelerate and declare the full amount of the Obligations to be immediately due and payable (the "**Borrower Demand Letter**").

44. The Borrower Demand Letter enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") (the "**Borrower 244 Notice**"). Copies of the Borrower Demand Letter and the Borrower 244 Notice are attached hereto as **Exhibit "M"**.

45. Shortly after issuing the Borrower Demand Letter and the Borrower 244 Notice, Roynat was advised by Louie Sopov, the Borrower's counsel ("**Borrower's Counsel**"), and David Moore, the Borrower's Real Estate Broker ("**Borrower's Broker**") that the Borrower was party to a signed agreement of purchase and sale with an entity (the "**First Potential Purchaser**") for the sale of the Commercial Property, and was further advised that a portion of the proceeds from such transaction would be used to repay the Borrower's indebtedness to Roynat in full.

46. In order to facilitate this transaction, at the Borrower's request, Roynat agreed to forbear from taking further enforcement steps to permit the First Potential Purchaser to complete its diligence on the Commercial Property. Despite Roynat's patience, the transaction did not close.

47. On June 18, 2019, after the transaction fell through, Roynat issued a demand to the Guarantor pursuant to the Guarantee for payment of the Guaranteed Liabilities (as defined in the Guarantee), which consist primarily of the Borrower's obligations to Roynat (the "**Guarantor Demand**"). The Guarantor Demand enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the BIA (the "**Guarantor 244 Notice**"). Copies of the Guarantor Demand and the Guarantor 244 Notice are attached hereto as **Exhibit "N"**.

48. On June 18, 2019, Roynat also issued a notice of sale under mortgage pursuant to the *Mortgages Act* (Ontario) to, among others, the Borrower and Guarantor (the "**Notice of Sale**"). A copy of the Notice of Sale is attached hereto as **Exhibit "O"**.

49. Shortly after issuing the Guarantor Demand, Guarantor 244 Notice and Notice of Sale, Roynat was advised by the Borrower's Broker on or about July 5, 2019 that the Borrower and Guarantor had entered into another agreement of purchase and sale with a new purchaser (the "**Second Potential Purchaser**") in respect of the Commercial Property and certain equipment of the Guarantor (the "**Second APS**"). Based on assurances that each of the Borrower, Guarantor and Second Potential Purchaser were determined to close this new transaction, Roynat continued to cooperate with the parties in an effort to facilitate this transaction, notwithstanding that the notice period under the Notice of Sale, Borrower 244 Notice and Guarantor 244 Notice had expired and that the Indebtedness owing to Roynat remained outstanding.

50. Despite Roynat's continued cooperation, it had become clear that the parties faced challenges in satisfying the conditions required to advance the transaction contemplated by the Second APS to closing. In light of these challenges, on August 23, 2019, Roynat's counsel issued a letter to Borrower's Counsel (the "**August 23rd Letter**") advising that if the transaction contemplated by the Second APS did not close by October 24, 2019 (which was the outside date contemplated for closing by the Second APS), Roynat intended to seek the appointment of a receiver over the assets of the Borrower and Guarantor, including the Commercial Property. A copy of the August 23rd Letter is attached hereto as **Exhibit "P"**.

51. A copy of the August 23rd Letter was sent to Mr. Cadrin at SPMD.

52. In the August 23rd Letter, Roynat expressly reserved the right to exercise all rights and remedies as it considered appropriate against the Borrower and Guarantor, including at any time prior to October 24, 2019.

53. On August 26, 2019, Roynat was advised by the Mr. Dane Gilbert, the Purchaser's real estate agent ("**Purchaser's Agent**") that the Borrower had failed to satisfy certain diligence conditions, and had issued a Mutual Release Letter, citing lack of confidence in the Borrower's ability to meet its obligations under the Second APS. Shortly thereafter, on August 29, 2019, Roynat was advised by the Purchaser's Agent that the parties had agreed to a new diligence deadline of September 9, 2019 (the "**Diligence Deadline**") in order to provide the Borrower with additional time to satisfy certain diligence conditions, including clearing all permits issued in respect of the Commercial Property. The Diligence Deadline was subsequently further extended to September 16, 2019.

54. On or around September 26, 2019, Roynat was advised by the Purchaser's Agent that the Diligence Deadline was extended again to September 30, 2019. The Purchaser's Agent remains apprehensive of the Borrower's ability to meet its obligations under the Second APS.

55. On or around September 30, 2019, Roynat contacted Borrower's Counsel and the Purchaser's Agent for an update regarding the status of the Second APS. No response was received from either party.

NEED FOR A RECEIVER

56. The Debtors have failed to repay the Indebtedness, which has been in default for months. As of the date hereof, despite demands from Roynat, the Indebtedness remains outstanding. Accordingly, the Respondents are unable to pay their debts as they become due.

57. Pursuant to the Security, Roynat is entitled to appoint the Receiver in respect of the Property of each of the Respondents.

58. Roynat has cooperated in an effort to facilitate an out-of-court resolution of this matter. However, at this time, after several failed attempts to sell the Commercial Property and against the backdrop of serious criminal allegations, the RCMP Investigation and the Restraint Orders, Roynat has lost faith in the Borrower and Guarantor's ability to repay the Indebtedness. Roynat now seeks the appointment of a Receiver in order to facilitate a transparent sale process, in the interest of all of the Respondent's stakeholders, which will maximize value and expeditiously and efficiently bring this matter to a conclusion.

59. The Receiver is best positioned to address the interests of other stakeholders under the circumstances, including the SPMD, the RCMP and the Crown. It is anticipated that the Receiver

will market the Commercial Property and liquidate the assets that may be contained therein, under the Court's supervision.

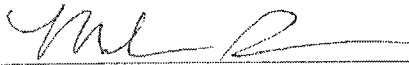
60. At PPSC's request, Roynat is proposing that the accounts of the Debtors that are subject to the Account Restraint Orders will not form a part of the Property over which the Receiver is appointed (the "**Excluded Accounts**"). It is not known if the Debtors have any accounts other than the Excluded Accounts. Given that there may be no liquid assets of the Debtors available to the Receiver to fund its expenses, it is anticipated that the Receivership will be funded by loans from Roynat, secured by priority receiver's certificates.

61. It is anticipated that the specific details of the receivership will be developed in consultation with SPMD, to ensure that at all times the Receiver is in compliance with the *Criminal Code* and does not interfere with the RCMP Investigation.

62. Spergel is a licensed insolvency trustee and has consented to act should the Court so appoint it. A copy of Spergel's Consent to Act is attached to the Application Record herein.

63. This Affidavit is made in support of the within application, and for no other purpose.

SWORN BEFORE ME at the
City of Toronto, this 3rd
day of October, 2019



A Commissioner for Taking Affidavits
MELISSA M. FERIOZZO
LSO # 72209P

)
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)
)

SILVIO MARSILI



Court File No.:

ROYNAT INC.

- and -

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at Toronto

AFFIDAVIT OF SILVIO MARSILI
Sworn October 3, 2019

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Lawyers for the Applicant

ROYNAT INC.
Applicant

-and-
TAMTAN INC. et al
Respondents

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

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

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF MICHAEL BINETTI
SWORN JULY 22, 2020**

AFFLECK GREENE MCMURTRY LLP

Barristers and Solicitors

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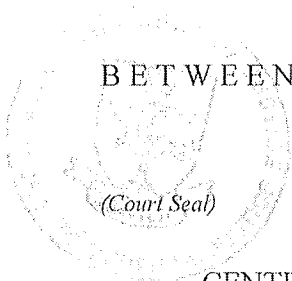
Lawyers for the Responding Party,
Central Dairy Distributing Inc.

TAB 2

Court File No. CV-19-00619616-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:



CENTRAL ONTARIO DAIRY DISTRIBUTING INC. O/A DAIRY CENTRAL

Plaintiff

and

1308963 ONTARIO LTD. O/A EZ FOOD GROUP

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$2,000 for costs, within the time for serving and filing your Statement of Defence you may move to have this proceeding dismissed by the Court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff's claim and \$400 for costs and have the costs assessed by the Court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date May 08, 2019 Issued by J. Kuch Local Registrar

Address of Superior Court of Justice
court office: 393 University Avenue, 10th Floor
Toronto ON M5G 1E6

TO: **1308963 Ontario Ltd. o/a EZ Food Group**
1405 Morningside Avenue
Scarborough, Ontario
M1B 3J1

CLAIM

1. The Plaintiff claims:
 - (a) the sum of \$201,697.73;
 - (b) prejudgment and postjudgment interest on the above amount at the rate of 18 percent per annum in accordance with the agreement between the parties, and pursuant to sub-sections 128(4) and 129(5) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
 - (c) in the alternative to (b), prejudgment and postjudgment interest in accordance with sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (d) the costs of this proceeding, plus all applicable taxes; and
 - (e) such further and other relief as to this Honourable Court may seem just.

The Parties

2. Central Ontario Dairy Distribution Inc. o/a Dairy Central ("Dairy Central") is a corporation incorporated pursuant to the laws of the province of Ontario. Dairy Central operates a dairy distribution business in the Greater Toronto Area.
3. 1308963 Ontario Ltd. o/a EZ Food Group ("EZ Food") is a corporation incorporated pursuant to the laws of the province of Ontario. EZ Food operates a food manufacturing facility in Scarborough. At the times material to this action, EZ Food was a customer of Dairy Central.

Unpaid Invoices

4. Dairy Central supplied EZ Food with dairy products from time to time in accordance with the standard terms stated on Dairy Central's invoices.

5. In early 2019, EZ Food stopped paying Dairy Central's invoices.

6. The following table reflects products that were ordered by EZ Food, delivered by Dairy Central to EZ Food, invoiced by Dairy Central to EZ Food, and for which payment has never been made:

Date	Amount
Jan 2, 2019	\$27,690.47
Jan 9, 2019	\$27,864.96
Jan 16, 2019	\$27,864.96
Jan 23, 2019	\$27,864.96
Jan 30, 2019	\$27,864.96
Feb 6, 2019	\$27,339.43
Feb 8, 2019	\$8,228.00
Feb 13, 2019	\$27,511.68
Total	\$202,229.42

7. EZ Food currently has a credit on its account of \$498.84. Applying the credit against the unpaid invoices, the total debt of EZ Food to Dairy Central is \$201,697.73.

8. Each Dairy Central delivery has accompanied by a Dairy Central invoice providing that payment was to be made within 14 days, and that overdue accounts accrue interest at a rate of 18% per annum.

Liability of EZ Food

9. EZ Food is liable to Dairy Central for breach of contract with respect to the \$201,697.73 in merchandise that it ordered, received, and did not pay for.

May 8, 2019

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Lawyers for the Plaintiff

CENTRAL ONTARIO DAIRY DISTRIBUTING INC. O/A DAIRY
CENTRAL
Plaintiff

-and-

1308963 ONTARIO LTD. O/A EZ FOOD GROUP

Defendant

CJ-19-006196160000

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF CLAIM

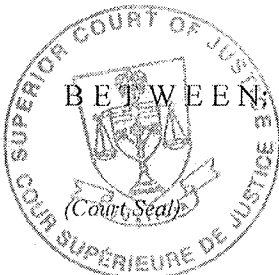
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Lawyers for the Plaintiff

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE**



)
)
) *Ms.* THE
DAY OF, 2019

CENTRAL ONTARIO DAIRY DISTRIBUTING INC.

Plaintiff

and

1308963 ONTARIO LTD. O/A EZ FOOD GROUP

Defendant


JUDGMENT

ON READING the Statement of Claim in this action and the proof of service of the Statement of Claim on the Defendant, 1308963 Ontario Ltd. o/a EZ Food Group filed, and the Defendant, 1308963 Ontario Ltd. o/a EZ Food Group having been noted in default,

1. IT IS ORDERED AND ADJUDGED that the Defendant, 1308963 Ontario Ltd. o/a EZ Food Group pay to the Plaintiffs the sum of \$206,671.09 and the sum of ~~\$1,812.91~~ *\$1,146.00* for the costs of this action.

This Judgment bears interest at the rate of 18.00 per cent per year from its date.

June 27, 2019

A handwritten signature in cursive script, appearing to read 'H. Kelly', written over a horizontal line.

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

JUL 17 2019

PER / PAR:

A handwritten signature in cursive script, appearing to read 'M. Kelly', written over a horizontal line.

CENTRAL ONTARIO DAIRY DISTRIBUTING INC.
Plaintiff

-and-

1308963 ONTARIO LTD. O/A EZ FOOD GROUP
Defendant

Court File No. CV-19-00619616-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

JUDGMENT

D

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Lawyers for the Plaintiff

ROYNAT INC.
Applicant

-and- TAMTAN INC. et al
Respondents

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

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

PROCEEDING COMMENCED AT
TORONTO

**RESPONDING MOTION RECORD OF
CENTRAL ONTARIO DAIRY
DISTRIBUTING INC.
(returnable July 29, 2020)**

AFFLECK GREENE MCMURTRY LLP
Barristers and Solicitors
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Lawyers for the Responding Party,
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