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Court File No. CV-23-00002144-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY, THE 14th
)	
JUSTICE CARNEGIE)	DAY OF FEBRUARY, 2025

B E T W E E N:

1112396 ONTARIO LIMITED, BLUEBERRY RECORDS INC.,
STANART HOLDINGS INC. and FALVO HOLDINGS LIMITED

Applicants

- and -

Z. DESJARDINS HOLDINGS INC. and ZACHARY DESJARDINS

Respondents

APPLICATION UNDER SUBSECTION 243(1) 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

**ORDER
(FEE APPROVAL, DISTRIBUTION, AND DISCHARGE)**

THIS MOTION, made by TDB Restructuring Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**" or "**TDB**"), without security, of all of the assets, undertakings and properties of Z. Desjardins Holdings Inc. (the "**Debtor**"), other than the Excluded Assets (as defined in the Order of Tranquilli J. made on October 25, 2023 in this proceeding), for an order, among other things, (i) approving the activities of the Receiver as set out in the report of the Receiver dated February 4, 2025 (the "**Fourth Report**"); (ii) approving the fees and disbursements of the Receiver and its counsel; (iii) approving the distribution of the remaining proceeds available in the estate of the Debtor; (iv) discharging

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AGI as Receiver of the Debtor; and (v) releasing the Receiver from any and all liability as set out in this Order, was heard this day by judicial videoconference via Zoom.

ON READING the Motion Record of the Receiver (the “**Motion Record**”), including the Fourth Report, the Affidavit of Bryan A. Tannenbaum sworn February 4, 2025 (the “**TDB Fee Affidavit**”), and the Affidavit of Caitlin Fell sworn February 4, 2025 (the “**Recon Fee Affidavit**”), and on hearing the submissions of counsel for the Receiver and such other counsel as were present as indicated by the counsel sheet, no one else appearing for any other person on the service list, although duly served as evidenced by the affidavit of service of Jessica Wuthmann sworn February 5, 2025, filed:

SERVICE

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

DISTRIBUTION

2. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the following distributions:

- (a) to the Receiver and Reconstruct LLP (“**Reconstruct**”) in respect of their outstanding fees and disbursements;
- (b) \$8,160 to Jenco Technologies Inc. in respect of an adjustment for sales at the property municipally known as 71146 Bluewater Highway, Grand Bend, Ontario on July 31, 2024;
- (c) \$90,643 to 1112396 Ontario Limited (“**111’ Ltd**”) in partial payment of the mortgages owing to 111’ Ltd;

- (d) \$49,919 to Blueberry Records Inc., Stanart Holdings Inc., and Falvo Holdings Limited (the “**Stanart Entities**”) in payment of the Receiver’s Borrowings owing to the Stanart Entities; and
- (e) the balance, if any, to the Stanart Entities and 111’ Ltd, on a 1/3 (one third) basis per real property or by further order of this Court.

3. **THIS COURT ORDERS** that the Receiver, its counsel and other agents are hereby authorized to take all necessary or appropriate steps and actions to effect the payments and distributions described in this Order, and shall not incur any liability as a result of making such payments and distributions.

4. **THIS COURT ORDERS** that, notwithstanding anything else contained in this Order, each of the payments and distributions provided for in this Order shall be made free and clear of 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of Tranquilli J. dated October 25, 2023; and (ii) all charges security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.

5. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by applicable law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto,

such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

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

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

any payment or distribution made pursuant to this Order are final and irreversible and shall be binding on any trustee-in-bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction pursuant to 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 law.

DISCHARGE OF THE RECEIVER

7. **THIS COURT ORDERS** that upon the Receiver filing a certificate substantially in the form attached as **Schedule "A"** hereto (the "**Discharge Certificate**") certifying that all matters to be attended to in connection with these receivership proceedings of the Debtor have been completed to the satisfaction of the Receiver, the Receiver shall be discharged as receiver and manager of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including, without

limitation, all approvals, protections and stay of proceedings in favour of TDB in its capacity as Receiver.

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

APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER

9. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the Fourth Report, including the Receiver's Statement of Receipts and Disbursements for the period of October 25, 2023 to January 31, 2025, be and are hereby approved; provided, however, that only the Receiver in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

10. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, for the period from September 1, 2024 to January 31, 2025 in the total amount of \$62,094.07 - which is comprised of \$54,950.50 in fees and disbursement plus HST of \$7,143.57 - as well as estimated fees in the amount of \$15,000.00 plus HST to be incurred leading up to the discharge of the Receiver, as set out in the Fourth Report and the TDB Fee Affidavit attached as Appendix "O" to the Fourth Report, be and are hereby approved.

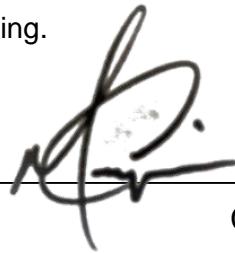
11. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel,

Reconstruct, for the period from September 11, 2024 to January 31, 2025 in the total amount of \$21,065.04 - which is comprised of \$18,783.15 in fees and disbursements plus HST of \$2,281.89 - as well as estimated fees in the amount of \$10,000 plus HST to be incurred leading up to the discharge of the Receiver, as set out in the Fourth Report and the Recon Fee Affidavit attached as Appendix "P" to the Fourth Report, be and are hereby approved.

GENERAL

12. **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.

13. **THIS COURT ORDERS** 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.

A handwritten signature in black ink, appearing to be 'Carnegie J.', written over a horizontal line.

Carnegie J.

SCHEDULE "A" – Form of Discharge Certificate

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FALVO HOLDINGS LIMITED**

Applicants

and

Z. DESJARDINS HOLDINGS INC. and ZACHARY DESJARDINS

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) 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**

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Tranquilli of the Ontario Superior Court of Justice (the "**Court**") dated October 25, 2023, TDB Restructuring Limited was appointed as the receiver and manager (the "**Receiver**") without security, of all of the assets, undertakings and properties of Z. Desjardins Holdings Inc. (the "**Debtor**"), other than the Excluded Assets (as defined in the Order of Tranquilli J. made on October 25, 2023 in this proceeding).

B. Pursuant to an Order of the Court dated February 14, 2025, the Court approved the discharge of the Receiver to become effective upon the filing by the Receiver of a certificate

certifying that all outstanding matters in respect of the receivership proceeding have been completed.

THE RECEIVER CERTIFIES the following:

1. All outstanding matters in respect of the receivership proceeding, including but not limited to those set out in the Fourth Report of the Receiver dated February 4, 2025, have been completed.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ 2025.

TDB Restructuring Limited, solely in its capacity as Court-appointed receiver and manager of the Debtor, and not in its personal capacity

Per:

Name:

Title: Licensed Insolvency Trustee

1112396 ONTARIO LIMITED ET AL.

-and-

Z. DESJARDINS HOLDINGS INC. ET AL.

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at London

**ORDER
(Fee Approval, Distribution, and Discharge)**

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as court-appointed Receiver of Z. Desjardins
Holdings Inc.