

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 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 January 24, 2018)

January 16, 2018

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Direct Tel: 416-777-5197
Direct Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited

TO: **THE SERVICE LIST**

SERVICE LIST
Re January 24, 2018 Motion

TO: BLANEY MCMURTRY LLP
Barristers and Solicitors
2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

Reeva M. Finkel
Tel: 416-593-3959
rfinkel@blaney.com

Tel: 416-593-1221
Fax: 416-593-5437

Lawyers for the Applicant,
2292912 Ontario Inc.

AND TO: HIMELFARB PROSZANSKI LLP
Barristers and Solicitors
480 University Avenue, Suite 1401
Toronto, ON M5G 1V2

Tom Arndt
Tel: 416-599-8080 Ext. 252
Fax: 416-599-3131
E-mail: tom@himprolaw.com

Lawyers for 2380009 Ontario Limited

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

Maya Poliak
Tel: 416-218-1161
Fax: 416-222-8402
E-mail: maya@chaitons.com

Lawyers for BuiltRite Technologies Inc.

AND TO: **KAGAN SHASTRI LLP**

Lawyers
188 Avenue Road
Toronto, ON M5R 2J1

David Winer (LSUC #39330D)
Tel: 416-368-2100 ext 225
Fax: 416-324-4202
E-mail: dwiner@ksllp.ca

Lawyers for 2383603 Ontario Inc. and William Fong

AND TO: **OSCAR C. WONG PROFESSIONAL CORPORATION**

Barristers and Solicitors
330 Highway 7 East, Suite 503
Richmond Hill, ON L4B 3P8

Oscar Wong (LSUC #17233L)
Tel: 905-881-2992
Fax: 905-881-8856
E-mail: ocwlaw@rogers.com

Lawyers for Atlantic Advantage Management Inc.
and Atlantic (HS) Capital Inc.

AND TO: **FRED TAYAR & ASSOCIATES PROFESSIONAL CORPORATION**

65 Queen Street West
Suite 1200
Toronto, ON M5H 2M5

Fred Tayar
Tel: 416-363-1800
Fax: 416-363-3356
E-mail: fred@fredtayar.com

Lawyers for Eco Energy Home Services Inc.

AND TO: **ROMANO LAW OFFICE**

Lawyers
22 Goodmark Place, Unit 6
Toronto, ON M9W 6S2

Bernie Romano – Bernie@romanolaw.ca
Jordan Nussbaum - jordan@romanolaw.ca
Phone: (416) 213-1225
Fax: (416) 213-1251

Lawyers for Mario & Gina Iacobelli

AND TO: **GIACOMO FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers and Solicitors
120 Adelaide St. West, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero (gruggiero@srlawpractice.com)

AND TO: **G & L CARPENTERS LIMITED**
c/o Schneider Ruggiero LLP
Barristers and Solicitors
120 Adelaide St. West, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero (gruggiero@srlawpractice.com)

AND TO: **MERCEDES FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers and Solicitors
120 Adelaide St. West, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero (gruggiero@srlawpractice.com)

AND TO: **RENATO FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers and Solicitors
120 Adelaide St. West, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero (gruggiero@srlawpractice.com)

AND TO: **LUCIEN CARPENTERS LIMITED**
c/o Schneider Ruggiero LLP
Barristers and Solicitors
120 Adelaide St. West, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero (gruggiero@srlawpractice.com)

AND TO: **CASSELS BROCK & BLACKWELL LLP**
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

David S. Ward LSUC #: 33541W
Tel: 416.869.5960
Fax: 416.640.3154
dward@casselsbrock.com

Lawyers for the City of Mississauga

AND TO: **PROFILEX INC.**
c/o Ernesto Alvarez
594 Newpark Blvd.
Newmarket, ON L3X 2S2

AND TO: **GARTH LOW**
Barrister
70 Bond Street, Suite 200
Toronto, ON M5B 1X3

Tel: 416-365-9320
Fax: 416-365-0695
E-mail: garth.low@garthlow.com

Lawyers for Christophere Ho and
Ho and Associates Consulting Group Inc.

AND TO: **ADVOCATES LLP**
Barristers and Solicitors
One London Place
255 Queens Avenue, 16th Floor
London, ON N6A 5R8

Jeff Van Bakel
J.VanBakel@advocatesLLP.com
Tel: 519-858-8220 ext. 246
Fax: 519-858-0687

Lawyers for Fan Xiao Bing a.k.a. Angela Fan

AND TO: **BAY POINT FINANCIAL SERVICES INC.**
125 Park Ridge Drive
Kleinburg, ON L0J 1C0

AND TO: **DEPARTMENT OF JUSTICE**
The Exchange Tower
130 King St. W., #3400, P.O. Box 36
Toronto, ON M5X 1K6

Diane Winters - diane.winters@justice.gc.ca
Tel.: 416 973-3172

Rakhee Bhandari - Rakhee.Bhandari@justice.gc.ca
Tel.: 416-952-8563

Lawyers for the Canada Revenue Agency

AND TO: **MINISTRY OF FINANCE**
Legal Services Branch
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Kevin J. O'Hara
Tel: 905.433.6934
Fax: 905.436.4510
E-mail: kevin.ohara@fin.gov.on.ca

AND TO: **CROWE SOBERMAN INC.**
2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5

Hans Rizarri
Tel: 416.963.7175
Fax: 416.964.6454
Email: hans.rizarri@crowesoberman.com

Proposal Trustee

AND TO **MACDONALD SAGER MANIS LLP**
Barristers & Solicitors and Trade-Mark Agents
150 York Street, Suite 800
Toronto, ON M5H 3S5

Howard Manis
Tel: 416.364.5289
Fax: . 416.364.1453
Email: hmanis@msmlaw.ca

TABLE OF
CONTENTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

TABLE OF CONTENTS

Tab	Description
1	Notice of Motion dated January 16, 2018
2	Fifth Report of the Receiver dated January 16, 2018
	<u>Appendices to Fifth Report</u>
A	Appendix A - Appointment Order dated February 7, 2017
B	Appendix B - Substitution Order dated December 5, 2017
C	Appendix C - May 29 Order of Justice Pattillo
D	Appendix D - July 21 Order of Justice Conway
E	Appendix E - Approval and Vesting Order dated December 5, 2017
F	Appendix F - Ancillary Relief Order dated December 5, 2017
G	Appendix G - Endorsement of Justice Conway dated December 5, 2017
H	Appendix H - January 10 Endorsement
I	Appendix I - Receiver's Certificate filed with the Court on December 19, 2017
J	Appendix J - Motion Record filed by Eco

Tab	Description
K	Appendix K – Fourth Report (without appendices)
L	Appendix L – Parcel register for the Property and a copy of the Second Mortgage
M	Appendix M – Mills Order dated November 14, 2017
N	Appendix N – Interim Statement of Receipts and Disbursements for the period February 7, 2017 to January 10, 2018
O	Appendix O - Affidavit of Daniel Weisz sworn January 16, 2018
P	Appendix P – Affidavit of Stewart Thom sworn January 16, 2018

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 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

RSM Canada Limited, in its capacity as court appointed receiver (in such capacity, the “Receiver”) of the assets, property and undertaking of 2380009 Ontario Limited (“238”) will make a Motion to a Judge presiding over the Commercial List on Wednesday, January 24, 2018 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 7th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- in writing under subrule 37.12.1(1) because it is on consent;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR

1. An order:
 - (a) approving the Receiver entering into and completing the settlement with Eco Home Energy Services Inc. (“**Eco**”) and authorizing payment to Eco of the Settlement Amount (as herein defined);
 - (b) releasing to the Receiver the balance of the Segregated Eco Funds (as herein defined) for use in the administration of the receivership or otherwise for distribution to the creditors of 238;
 - (c) approving the Receiver’s Fifth Report to Court (the “**Fifth Report**”), the Receiver’s conduct and activities described therein and the summary of the Receiver’s cash receipts and disbursements for the period from February 7, 2017 to January 10, 2018 (the “**R&D**”);
 - (d) approving the fees and disbursements of the Receiver and of the Receiver’s counsel as set out in the Fifth Report; and
 - (e) Such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

Background

- (f) By Order of the Honourable Justice Newbould dated February 7, 2017 (the “**Appointment Order**”), Collins Barrow Toronto Limited was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertaking and properties

of 2380009 Ontario Limited ("**238**" or the "**Debtor**") acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof. On December 5, 2017, Justice Haaney made an Order that the name RSM Canada Limited be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting);

- (g) 238 is an Ontario corporation incorporated on July 9, 2013 and appears to be a single purpose corporation holding legal and beneficial title to certain lands and a free standing industrial building located thereon at 2370 South Sheridan Way, Mississauga, Ontario (the "**Property**");
- (h) The building located on the Property was formerly occupied by a single related-party tenant, BuiltRite Technologies Inc. ("**BuiltRite**"). BuiltRite occupied the Property from February 1, 2014 to August 8, 2017 pursuant to a lease between BuiltRite and 238 dated January 15, 2014 (the "**Lease**");
- (i) The Applicant, 2292912 Ontario Inc. ("**229**"), is the registered holder of a first mortgage on the Property (the "**Mortgage**") and the first-ranking secured creditor of 238. As a result of defaults and breaches of the terms of the Mortgage, 229 sought and obtained the appointment of the Receiver;

Approval to List Property and Market for Sale

- (j) By Order of the Honourable Justice Pattillo dated May 29, 2017 (the "**May 29 Order**"), the Receiver was authorized to:

- (i) enter into a listing agreement (the "**CBRE Listing Agreement**") with CBRE Limited ("**CBRE**") for the marketing for sale of the Property;
- (ii) list the Property for sale and market the Property to prospective purchasers;
and
- (iii) terminate the Lease on 45-days' notice, to be given no earlier than June 21, 2017, at the end of which period vacant possession was to be delivered to the Receiver;

Termination of Lease

- (k) The Lease was terminated as of August 8, 2017, at which point the Receiver took possession of the Property and proceeded with marketing the Property for sale;

Sale of the Property

- (l) Following the conclusion of the sale process respecting the Property, the Receiver sought approval of the sale of the Property to 2603092 Ontario Inc. On December 5, 2017, the sale of the Property was approved by the Order of the Honourable Justice Conway. The sale of the Property has now closed. A copy of the Receiver's certificate was filed with the Court on December 19, 2017;

Eco Claim and Settlement

- (m) Based upon the information provided by Eco and 238, Eco was engaged by 238 in or around November 29, 2013 for the purpose of supplying and installing HVAC units on the building located at the Property (the "**Eco Work**");

- (n) Eco registered a security interest against 238 under the PPSA as registration 20141218 1623 9382 0000 in December 2014 and registered a Notice of Security interest on title to the Property on February 22, 2017;
- (o) Eco has asserted a trust claim pursuant to the *Construction Lien Act* over funds received by the Receiver in connection with the Property (the “**Eco Trust Claim**”). Eco claims a trust in respect of outstanding principal, interest and associated legal fees in connection with the unpaid balance outstanding in relation to the Eco Work. As of November 21, 2017 the Eco Trust Claim amounted to \$40,580.75, not inclusive of additional legal fees to be claimed if a determination of the validity of the Eco Trust Claim was to proceed on an opposed basis;
- (p) Both the Receiver and Eco brought parallel motions for advice and directions concerning the Eco Trust Claim, which motions were originally returnable on December 5, 2017, to be heard together with the Receiver’s motion for approval of the sale of the Property;
- (q) On December 5, 2017, Justice Conway adjourned the hearing of the question of the Eco Trust Claims to January 10, 2018, in order to allow the affected parties to consider settlement of the issue. At that time, Justice Conway further ordered that the amount of \$60,000 be segregated from funds received by the Receiver and held in trust by the Receiver pending the determination or resolution of the Eco Trust Claim (the “**Eco Segregated Funds**”);
- (r) In light of the closing of the sale of the Property, and given that the Receiver does not anticipate significant further realizations from the assets of 238, the Receiver

has determined that the interest directly affected by any settlement or determination of the validity of the Eco Trust Claim is the interest claimed under the second mortgage registered on title to the Property (the “**Second Mortgage**”), which is held jointly by Atlantic (HS) Capital Inc., Atlantic Advantage Management Inc. and 2383603 Ontario Inc. (the “**Second Mortgagees**”). There will be a shortfall under the Second Mortgage and therefore any payment to Eco will erode realization pursuant to same;

- (s) The Second Mortgagees and Eco have agreed in principle to resolve the Eco Trust Claim on the basis of payment to Eco of the sum of \$25,000 from the Eco Segregated Funds (the “**Settlement Amount**”), which payment is to be made following Court approval of the settlement with Eco. Given the agreement of the directly affected parties, the Receiver supports the settlement and herein seeks approval of same;

Approval of Conduct and Fees

- (t) The Receiver submits that its conduct as set out in the Fifth Report is reasonable and that the fees of the Receiver and its Counsel are reasonable and justified in all the circumstances. The Receiver requests that this Honourable Court approve the Fifth Report, R&D, the activities of the Receiver and the fees and expenses of the Receiver and its counsel, as are all set out more particularly in the Fifth Report; and
- (u) Such further and other grounds as the lawyers may advise.

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

- (v) the Fifth Report;
- (w) the Affidavit of Daniel Weisz, sworn January 16, 2018;
- (x) the Affidavit of Stewart Thom sworn January 16, 2018;
- (y) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

January 16, 2018

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Direct Tel: 416-777-5197
Direct Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

TO: **THE SERVICE LIST**

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

FIFTH REPORT OF THE RECEIVER OF
2380009 ONTARIO LIMITED

January 16, 2018

Table of Contents

I. INTRODUCTION..... 1

II. RELEVANT PROCEDURAL HISTORY OF RECEIVERSHIP2

III. COMPLETION OF THE SALE OF THE PROPERTY7

IV. POTENTIAL INCOME TAX LIABILITY FROM THE SALE OF THE PROPERTY7
 Claims of Canada Revenue Agency (“CRA”)..... 7

V. SETTLEMENT OF ECO ENERGY HOME SERVICES INC. CLAIMS 8
 Eco Trust Claim..... 8

VI. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS 12

VII. PROFESSIONAL FEES 13

VIII. CONCLUSION 14

Appendices

Appointment OrderA

December 5 Substitution Order B

May 29 Order C

July 21 Order..... D

Approval & Vesting Order..... E

Ancillary Relief Order F

Endorsement of Justice Conway G

January 10 Endorsement H

Receiver’s Certificate I

Motion Record filed by Eco J

Fourth Report (without appendices)K

Parcel register and copy of the Second Mortgage L

Mills Order	M
Interim Statement of Receipts and Disbursements	N
Affidavit of Daniel Weisz.....	O
Affidavit of Stewart Thom	P

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (“**Court**”) dated February 7, 2017 (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of 2380009 Ontario Limited (“**238**” or the “**Debtor**”) acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof. Torkin Manes LLP (“**Torkin Manes**”) is counsel to the Receiver. A copy of the Appointment Order is attached to this report as **Appendix “A”**.
2. On December 5, 2017, Justice Hainey made an Order (the “**Substitution Order**”) that the name RSM Canada Limited be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting). A copy of the Substitution Order is attached hereto as **Appendix “B”**.
3. 238 is an Ontario corporation incorporated on July 9, 2013. The corporation was a single purpose corporation holding legal and beneficial title to certain lands and a free standing industrial building located thereon at 2370 South Sheridan Way, Mississauga, Ontario (the “**Property**”).
4. The building located on the Property was occupied by a single tenant, BuiltRite Technologies Inc. (“**BuiltRite**”). BuiltRite occupied the Property from February 1, 2014 to August 8, 2017 pursuant to a lease between BuiltRite and 238 dated January 15, 2014 (the “**Lease**”).

-
5. The Receiver has been administering the receivership on the assumption that the only assets of 238 are the Property and any amounts that may be owing to 238 by BuiltRite. The Receiver has been advised by 238 that no financial statements have ever been prepared for 238.

II. RELEVANT PROCEDURAL HISTORY OF RECEIVERSHIP

6. Following its appointment, the Receiver brought a motion, returnable on May 29, 2017, seeking certain relief in connection with the Property, including authorization to enter into a listing agreement in respect of same and to market the Property for sale. On May 29, 2017, Justice Pattillo made an Order, (the "**May 29 Order**"), of copy of which is attached hereto as **Appendix "C"**, that states, *inter alia*,

- (a) the Receiver was authorized to:
- (i) enter into a listing agreement (the "**CBRE Listing Agreement**") with CBRE Limited ("**CBRE**") for the marketing for sale of the Property; and
 - (ii) list the Property for sale and market the Property to prospective purchasers; and
- (b) as of June 21, 2017 the Receiver was authorized to terminate the Lease on 45-days' notice, at the end of which period vacant possession was to be delivered to the Receiver.

7. Following issuance of the May 29 Order, the Receiver encountered difficulty in obtaining access to the Property, which continued to be occupied by BuiltRite, for

the purposes of providing tours to prospective purchasers. Furthermore, BuiltRite continued to be in breach of certain obligations pursuant to the Lease.

8. These issues precipitated Court attendances on July 6, 2017 and July 21, 2017. On July 21, 2017, Justice Conway made an Order (the "**July 21 Order**"), a copy of which is attached hereto as **Appendix "D"**:

(a) declaring that a Notice of Termination of Lease issued by the Receiver on June 22, 2017 in respect of the Lease was properly issued and that the Lease was terminated effective as of August 8, 2017 (the "**Termination Date**"); and

(b) ordering BuiltRite and 238 to deliver vacant possession of the Premises upon the Termination Date.

9. The Receiver took possession of the property on August 8, 2017 and proceeded to market the property for sale with CBRE in accordance with the CBRE Listing Agreement approved by this Honorable Court as referenced above.

10. On November 23, 2017, following completion of the marketing process for the Property, the Receiver brought a motion, returnable on December 5, 2017, for the purpose of, *inter alia*:

(a) seeking approval of the sale of the property (the "**Approval & Vesting Order**"); and

(b) seeking the advice and direction of the Court as to the nature and priority of certain claims asserted by Eco Energy Home Services Inc. ("**Eco**").

-
11. A second motion for advice and directions was brought by Eco, also returnable on December 5, 2017, seeking a declaration that Eco was the beneficiary of a trust in respect of proceeds received by the Receiver in connection with the Property.
 12. On December 5, 2017, Justice Conway:
 - (a) granted the Approval and Vesting Order sought by the Receiver, a copy of which is attached hereto as **Appendix “E”**;
 - (b) granted an additional Order (the **“Ancillary Relief Order”**) concerning various ancillary relief. A copy of the Ancillary Relief Order is attached hereto as **Appendix “F”**; and
 - (c) adjourned the motion for advice and directions respecting Eco’s claim to January 10, 2018 in order to permit settlement discussions to take place between counsel, with a view to resolving the question of Eco’s trust claims. A copy of the Endorsement of Justice Conway is attached hereto as **Appendix “G”**.
 13. Prior to the return of the motion for advice and directions, Eco and the directly affected parties agreed to terms of settlement in principle for the resolution of Eco’s claims, which settlement is supported by the Receiver.
 14. At the return on January 10, 2018, Justice Conway made an Endorsement (the **“January 10 Endorsement”**) that reads, in part: “The Eco Trust Claim has now been resolved in principle. The [Receiver] is bringing a motion for approval of same, likely unopposed. Motion set for 30 minutes on Jan 24, 2018...” A copy of the January 10 Endorsement is attached hereto as **Appendix “H”**.

-
15. The orders and reports referred to in this report, together with related Court documents, are posted on the Receiver's website, which can be found at <http://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/2380009-ontario-limited.html>

Purpose of Fifth Report

16. The purpose of this fifth report of the Receiver (the "**Fifth Report**") is to:
- (a) report to the Court on the activities of the Receiver since the date of the Receiver's Fourth Report and Second Supplemental Report to the Fourth Report;
 - (b) report to the Court on the closing of the sale of the Property;
 - (c) report to the Court on the potential income tax liability arising from the completion of the sale of the Property and the status of the Receiver's communications with Canada Revenue Agency in respect of same;
 - (d) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period from February 7, 2017 to January 10, 2018 (the "**R&D**"); and
 - (e) seek an order:
 - a. approving the Receiver entering into and completing the settlement with Eco and authorizing payment to Eco of the Settlement Amount (as herein defined);

-
- b. releasing to the Receiver the balance of the Segregated Eco Funds (as herein defined) for use in the administration of the receivership or otherwise for distribution to the creditors of 238;
 - c. approving the Fifth Report, the Receiver's conduct and activities described therein and the R&D; and
 - d. approving the fees and disbursements of the Receiver and of the Receiver's counsel, from November 25, 2017 to December 31, 2017 and November 23, 2017 to December 21, 2017, respectively.

Terms of Reference

17. In preparing this Fifth Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "Information"). Certain of the information contained in this Fifth Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
18. Unless otherwise stated, all dollar amounts contained in the Fifth Report are expressed in Canadian dollars.

III. COMPLETION OF THE SALE OF THE PROPERTY

19. In the Receiver's Fourth Report to Court, the Receiver provided the Court with details of the proposed sale transaction with the Purchaser. Following the issuance of the Approval & Vesting Order, the Receiver proceeded to close the sale transaction.
20. Prior to the closing of the sale transaction, the purchaser advised that the name of the entity that was incorporated to purchase the Property was 2603092 Ontario Inc. (the name used of the accepted offer was a placeholder name), and the closing documents were prepared accordingly. The sale closed on December 19, 2017.
21. A copy of the Receiver's Certificate filed with the Court on December 19, 2017 is attached to this report as **Appendix "I"**.

IV. POTENTIAL INCOME TAX LIABILITY FROM THE SALE OF THE PROPERTY

Claims of Canada Revenue Agency ("CRA")

22. No corporate income tax returns were filed by 238. The Receiver is in the process of preparing the corporate income tax returns of 238 in order to attempt to recover the HST Input Tax Credits arising during the post-receivership period. Based on the Receiver's understanding of 238's operations, the Receiver estimates that 238 incurred losses for income tax purposes in the years prior to the receivership.
23. Although the sale price of the Property exceeded the price paid for it by 238, it was the Receiver's understanding that in view of the receivership proceedings, there would be no capital gains tax liabilities payable by the Receiver as a result of the sale. However, the Receiver nonetheless thought it prudent to obtain confirmation

from CRA that CRA would not take the position that the Receiver bore liability to pay capital gains taxes associated with the sale of the Property. The Receiver estimates that the capital gains tax liability resulting from the sale of the Property, if applicable, would be equal to approximately \$1,000,000.

24. Accordingly, the Receiver has contacted CRA to request such confirmation. The Receiver has provided information to CRA in support of the Receiver's view that the Receiver is not liable for any such taxes and is currently awaiting CRA to confirm its position.

V. SETTLEMENT OF ECO ENERGY HOME SERVICES INC. CLAIMS

Eco Trust Claim

Motion for Advice and Directions

25. As referenced previously, both the Receiver and Eco brought motions for advice and direction concerning a trust claim asserted by Eco pursuant to s.7(3) of the *Construction Lien Act* (the "**Eco Claim**"). The Eco Claim relates to amounts outstanding and owed to Eco by 238 in connection with Eco's installation of an HVAC unit at the Property. Counsel for Eco quantified its claims for principal, interest and related legal fees, as of November 21, 2017, as being in the amount of \$40,580.75, not inclusive of additional legal costs to be incurred if the motion for advice and direction proceeded on an opposed basis. Attached hereto as **Appendix "J"** is a copy of the Motion Record filed by Eco in connection with Eco's motion for advice and directions.

-
26. The relevant facts and circumstances surrounding Eco's claim are similarly addressed in the Receiver's Fourth Report to Court (the "**Fourth Report**") at paragraphs 79-99, which is attached hereto as **Appendix "K"**.
27. Both Eco and the Receiver's motions for advice and directions concerning the nature and priority of the Eco Claim were originally returnable December 5, 2017, to be heard together with the Receiver's motion for approval of the sale of the Property.
28. On December 5, 2017, all aspects of the Receiver's motion concerning the sale of the Property and related ancillary relief were heard and determined by Justice Conway. With respect to the advice and directions sought in relation to the Eco Claim, Justice Conway adjourned the issue to January 10, 2018, in order to allow settlement discussions to take place between Eco and the affected creditors, which discussions were to be facilitated by the Receiver.
29. Given the nature of Eco's claim, the Ancillary Relief Order issued on December 5, 2017 required that the Receiver hold the sum of \$60,000 in trust (the "**Segregated Eco Funds**"), pending further order of the Court respecting the Eco Claim.

The affected creditors

30. Prior to the closing of the sale of the Property, the question of whose economic interest would be directly affected by any settlement which accounted for payment to Eco in priority to creditors with a secured interest in the Property was uncertain. Now that the sale of the Property is closed, and given that there are not anticipated to be significant further realizations from the assets of 238, the Receiver has identified the directly affected party.

-
31. Based upon receipts to date, there will be a shortfall suffered in connection with the second mortgage registered on title to the Property. There will be no realizations for any subsequent mortgagees. Settlement of the Eco Claim, or Court confirmation that funds in the hands of the Receiver were impressed with a trust in favour of Eco, would therefore erode the distribution that would otherwise be available under the second mortgage. No parties, other than those interested under the second mortgage, are affected.
32. The second mortgage on the Property was registered on title to the Property as Instrument No. PR2754956 on July 28, 2015 (the "**Second Mortgage**") and is held by Atlantic (HS) Capital Inc., Atlantic Advantage Management Inc. and 2383603 Ontario Inc. (the "**Second Mortgagees**"). Attached hereto as **Appendix "L"** is a copy of the parcel register for the Property and a copy of the Second Mortgage.
33. The Receiver's counsel has obtained and reviewed documentation from the Second Mortgagees concerning the Second Mortgage and has advised the Receiver that, subject to the usual qualifications, it is satisfied that the Second Mortgage is valid and enforceable.

The Fan Proceeding

34. An order of Master Mills issued on November 14, 2017 (the "**Mills Order**") in a separate proceeding (the "**Fan Proceeding**"), has determined the relative interests in the Second Mortgage as follows:
- (a) 2383603 Ontario Inc.: 38.46%;
 - (b) Atlantic (HS) Capital Inc. and Atlantic Advantage Management Inc.: 61.54%.

35. The Mills Order further provides that “40% of 2383603 Ontario Inc.’s entitlement to any Proceeds of Sale shall be paid into the trust account of Advocates LLP, up to the amount of \$475,000.00, before any of the Proceeds of Sale shall be distributed to 2383603 Ontario Inc.” and thereafter shall be released to the plaintiff in the Fan Proceeding, Angela Fan, as a credit towards her claim in that proceeding. A copy of the Mills Order is attached hereto as **Appendix “M”**.

Settlement of Eco Claim

36. As referenced previously, Eco and the Second Mortgagees have come to agreement on settlement in principle of the Eco Claim. Given the consent of these parties to same, the Receiver supports the settlement.

37. The terms of the proposed settlement are as follows:

- (a) the Receiver will pay to Eco, from the Segregated Eco Funds, the amount of \$25,000, all inclusive, in full and final settlement of all claims advanced by Eco (the “**Settlement Amount**”). The balance of the Segregated Eco Funds shall be released to the Receiver for use in the administration of the receivership or otherwise for distribution to the creditors of 238;
- (b) in consideration of payment of the Settlement Amount, Eco, the Receiver and the Second Mortgagees will execute a full and final mutual release of all claims in a form to be agreed upon by counsel, acting reasonably;
- (c) Minutes of Settlement shall be prepared and agreed by the parties, acting reasonably, reflecting the above terms of settlement; and

-
- (d) the Receiver will prepare a report to Court seeking approval of the settlement and a Court order permitting payment of funds to Eco in the manner described above.
38. Settlement documentation has yet to be finalized, but the Receiver anticipates that prior to the return of this Motion, settlement documentation will have been completed and executed by Eco, the Receiver and the Second Mortgagees.
39. Counsel for Angela Fan has been advised of the settlement. As of the date of this report, Ms. Fan has not advised as to whether she consents to the settlement, opposes the settlement or takes no position.
40. The Receiver therefore seeks the Court's approval:
- (a) of the settlement with Eco and payment by the Receiver of the Settlement Amount to Eco from the Eco Segregated Funds; and
 - (b) that the balance of the Eco Segregated Funds held in trust be released to the Receiver for use in the administration of the receivership or otherwise for distribution to the creditors of 238.

VI. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

41. Attached to this report as **Appendix "N"** is the R&D for the period February 7, 2017 to January 10, 2018. Taking into account the net proceeds from the sale of the Property, as well as the repayment to the first mortgagee of its indebtedness and amounts borrowed by the Receiver pursuant to Receiver Certificates, the excess of cash receipts over disbursements is \$1,932,750. This amount does not reflect

any amounts which may be owing to CRA on account of 238's HST liability or amounts that may be payable arising from the sale of the Property.

42. As set out in the Fourth Report, the timing of any future distributions by the Receiver will, in light of the recent Federal Court of Appeal decision in *Her Majesty the Queen vs. Callidus Capital Corporation*, be dependent on the Receiver receiving confirmation from CRA that all claims against 238 of Her Majesty the Queen which may have priority over the claims of 238's secured creditors, have been paid in full, or upon further Order of the Court.

VII. PROFESSIONAL FEES

43. The Receiver's account totals \$26,688.50 in fees plus HST of \$3,469.51 for a total amount of \$30,158.01 for the period November 25, 2017 to December 31, 2017 (the "**Receiver's Account**"). A copy of the Receiver's Account setting out the total billable hours charged per the account is attached to the Affidavit of Daniel Weisz sworn January 16, 2018 that is attached to this report as **Appendix "O"**.
44. The account of the Receiver's counsel, Torkin Manes, totals \$51,858.78 in fees and disbursements and \$6,717.80 in HST for a total of \$58,576.58 (the "**Torkin Manes Account**") for the period November 23, 2017 to December 21, 2017. A copy of the Torkin Manes Account, together with a summary of the personnel, hours and hourly rates described in the Torkin Manes Account, supported by the Affidavit of Stewart D. Thom sworn January 16, 2018 is attached to this report as **Appendix "P"**.

Affidavit of Stewart D. Thom sworn January 16, 2018 is attached to this report as **Appendix "P"**.

VIII. CONCLUSION

45. The Receiver respectfully requests that the Court grant an Order which provides for the following:
- (a) approving the Receiver entering into and completing the settlement with Eco described herein, authorizing the Receiver to pay the Settlement Amount to Eco and releasing to the Receiver the balance of the Segregated Eco Funds for use in the administration of the receivership or otherwise for distribution to the creditors of 238;
 - (b) approving the Fifth Report, the Receiver's conduct and activities described therein and the R&D; and
 - (c) approving the fees and disbursements of the Receiver and of the Receiver's counsel, from November 25, 2017 to December 31, 2017 and November 23, 2017 to December 21, 2017, respectively.

All of which is respectfully submitted to this Court as of this 16th day of January, 2018.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver
of 2380009 Ontario Limited and
not in its personal capacity

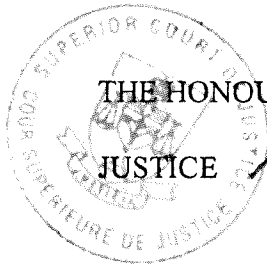


Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice President

34487.0002/10827628_1

TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE

JUSTICE

NEWBOLD

)

)

)

7th

DAY, THE

7th

DAY OF FEBRUARY, 2017

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

ORDER
(appointing Receiver)

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing COLLINS BARROW TORONTO LIMITED as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2380009 ONTARIO LIMITED (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Jones sworn April 29th, 2016 and the Exhibits thereto, the Supplementary Affidavit of Andrew Jones sworn May 4th, 2016, the Exhibit thereto, and the Further Supplementary Affidavit of Andrew Jones sworn September 27, 2016 and the Exhibits thereto and on hearing the submissions of counsel for 2292912 Ontario Inc. and 2380009 Ontario Limited, no one appearing for the parties on the Service List although duly

served as appears from the affidavits of service of Gail Fairhart sworn May 5, 2016 and Suzana Perik sworn September 29, 2016 and on reading the consent of COLLINS BARROW TORONTO LIMITED to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, COLLINS BARROW TORONTO LIMITED 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 \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in

that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL <http://www.collinsbarrow.com/en/toronto-ontario/current-engagements-toronto/2380009-Ontario>.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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


29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

FEB 07 2017

PER / PAR:



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that COLLINS BARROW TORONTO LIMITED, the receiver (the "Receiver") of the assets, undertakings and properties of 2380009 Ontario Limited acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

COLLINS BARROW TORONTO LIMITED,
solely in its capacity as Receiver of the Property,
and not in its personal capacity

Per: _____

Name: Daniel Weisz

Title: Senior Vice-President

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

et al

Respondent

Court File No.: CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**ORDER
(appointing Receiver)**

BLANEY McMURTRY LLP
Barristers and Solicitors
2 Queen Street East
Suite 1500
Toronto, Ontario
M5C 3G5

Reeva M. Finkel (LSUC#: 18762E)
Tel: (416) 593-1221
Fax: (416) 593-5437

Lawyers for the Applicant

TAB B

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

THE HONOURABLE)
JUSTICE HAINEY)
TUESDAY, THE 5TH DAY
OF DECEMBER, 2017

BETWEEN:

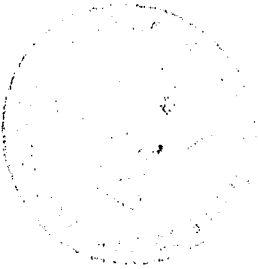
RSM CANADA LIMITED

Applicant

-AND-

1194678 ONTARIO INC.

Respondent



Application under Rule 14.05(3)(h) of the *Rules of Civil Procedure*

SUBSTITUTION ORDER

THIS APPLICATION made by RSM Canada Limited was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of RSM Canada Limited, including the Affidavit of Bryan A. Tannenbaum sworn December 4, 2017, together with the exhibits attached thereto (the "**Affidavit**"), and on hearing the submissions of counsel for RSM Canada Limited and counsel listed on the Counsel Slip, no one else appearing although served as evidenced by the Affidavit of Service:

SERVICE

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

EFFECTIVE DATE

1. THIS COURT ORDERS that the effective date of this order (the “**Effective Date**”) shall be December 1, 2017, being the effective date of the acquisition transaction described in the Affidavit and the change of name to RSM Canada Limited (“**Transaction**”).

BIA MANDATES

2. THIS COURT ORDERS that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as Trustee in Bankruptcy (the “**Bankruptcy Trustee**”) of the estate files listed as bankruptcies on **Schedule “A”** hereto (the “**BIA Estates**”) and as Proposal Trustee (the “**Proposal Trustee**”) of the estate files listed as proposals on **Schedule “A”** hereto (collectively with the BIA Estates, the “**BIA Mandates**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such BIA Mandates or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

3. THIS COURT ORDERS AND DIRECTS that, for greater certainty all, real and personal property wherever situate of the BIA Estates shall be, remain and is hereby vested in RSM Canada Limited in its capacity as Bankruptcy Trustee, to be dealt with by RSM Canada Limited in accordance with the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), pursuant to its powers and obligations as Bankruptcy Trustee of the BIA Estates.

4. **THIS COURT ORDERS** that RSM Canada Limited is authorized and directed to continue and to complete the administration of the BIA Mandates, to deal with the property in the BIA Mandates in accordance with its duties and functions as Bankruptcy Trustee or Proposal Trustee, as the case may be, as set out in the BIA and to receive all remuneration of the Bankruptcy Trustee or Proposal Trustee in the BIA Mandates for services performed from the commencement of each of the BIA Mandates until the discharge of the Bankruptcy Trustee or Proposal Trustee, as applicable.

5. **THIS COURT ORDERS** that the requirement and responsibility for taxation of the Bankruptcy Trustee's or Proposal Trustee's accounts in respect of the BIA Mandates with respect to all work performed in respect of such BIA Mandate from the initial appointment of Collins Barrow Toronto Limited or any other party, through to the completion of the administration of such BIA Mandates and discharge of RSM Canada Limited as Bankruptcy Trustee or Proposal Trustee, as applicable, shall be completed using the name RSM Canada Limited.

6. **THIS COURT ORDERS AND DIRECTS** to the extent that security has been given in the name of Collins Barrow Toronto Limited in cash or by bond of a guarantee company pursuant to section 16(1) of the BIA (the "**Security**"), such Security shall be transferred from the name Collins Barrow Toronto Limited to the name RSM Canada Limited and any party holding such Security be and is hereby directed to take all steps necessary to effect such transfer. RSM Canada Limited shall retain all obligations respecting the Security.

RECEIVERSHIP PROCEEDINGS

7. **THIS COURT ORDERS** that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as the Receiver, Receiver and

Manager, or Interim Receiver (collectively, “**Receiver**”) in respect of the mandates listed in **Schedule “B”** hereto (the “**Receivership Proceedings**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such Receivership Proceedings or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

CONSTRUCTION LIEN ACT PROCEEDINGS

8. **THIS COURT ORDERS** that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as trustee under the *Construction Lien Act* in respect of the mandates listed in **Schedule “C”** hereto (the “**CLA Proceedings**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such CLA Proceedings or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

ESTATE TRUSTEE DURING LITIGATION PROCEEDINGS

9. **THIS COURT ORDERS** that the name RSM Canada Limited be and is hereby substituted in place of the name Collins Barrow Toronto Limited as Estate Trustee During Litigation in respect of the mandate listed in **Schedule “D”** hereto (the “**Estate Trustee During Litigation Proceeding**”) and any reference to the name Collins Barrow Toronto Limited in any Court Order in respect of such Estate Trustee During Litigation Proceeding or any schedule to such Court Order shall be replaced by the name RSM Canada Limited.

SUBSTITUTED MANDATES

10. Collectively, the BIA Mandates, the Receivership Proceedings, the CLA Proceedings and the Estate Trustee During Litigation Proceeding are referred to herein as the “**Substituted Mandates**”.

11. **THIS COURT ORDERS** that RSM Canada Limited (and its directors, officers, employees, agents, legal counsel and other representatives, as applicable, collectively “**Representatives**”) will continue to have all rights, benefits, protections and obligations granted to Collins Barrow Toronto Limited (and its Representatives, as applicable) under any order made in the Substituted Mandates or any statute applicable to the Substituted Mandates or any contract or agreement to which RSM Canada Limited is party under the name Collins Barrow Toronto Limited in the Substituted Mandates. For greater certainty and without limitation, this includes the benefit of any indemnity, charge or priority granted in the Substituted Mandates and relief from the application of any statute including the *Personal Information Protection and Electronic Documents Act* (Canada) (“**PIPEDA**”).

12. **THIS COURT ORDERS** that to the extent required by the applicable Orders in the BIA Mandates, Receivership Proceedings, CLA Proceedings and Estate Trustee During Litigation Proceeding, the accounts of Collins Barrow Toronto Limited and its legal counsel in respect of the Substituted Mandates shall be passed in accordance with the applicable Orders in the Substituted Mandates in the name and on the application of RSM Canada Limited.

ACCOUNTS

13. **THIS COURT ORDERS** that RSM Canada Limited be and is hereby authorized to transfer any and all accounts from the name Collins Barrow Toronto Limited to the name RSM Canada Limited and, if the name on such accounts cannot be changed, to transfer all funds that remain in its trust bank accounts that belong or relate to the Substituted Mandates, or otherwise, to accounts in the name RSM Canada Limited, and RSM Canada Limited be and is hereby authorized to take all steps and to execute any instrument required for such purpose. Any bank, financial institution or other deposit-taking institution with which RSM Canada Limited banks be

and is hereby authorized to rely on this Order for all purposes of this paragraph and shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any of the foregoing actions.

14. **THIS COURT ORDERS AND DIRECTS** that RSM Canada Limited be and is hereby authorized to endorse for deposit, deposit, transfer, sign, accept or otherwise deal with all cheques, bank drafts, money orders, cash or other remittances received in relation to any of the Substituted Mandates where such cheques, bank drafts, money orders, cash or other remittances are made payable or delivered to the name Collins Barrow Toronto Limited, in relation to the same, and any bank, financial institution or other deposit-taking institution with which RSM Canada Limited banks be and is hereby authorized to rely on this Order for all purposes of this paragraph and shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any of the foregoing actions.

REAL PROPERTY

15. **THIS COURT ORDERS AND DIRECTS** that the Registrar of Land Titles in any Land Title District wherein any registration was previously made in the name Collins Barrow Toronto Limited in its capacity as Bankruptcy Trustee, Proposal Trustee, Receiver, trustee under the *Construction Lien Act* or Estate Trustee During Litigation in respect of Substituted Mandates including, without limitation, the registrations in respect of the real property described in Schedule "E" hereto, be and is hereby authorized and directed to amend any such registration to reflect the substitution of the name RSM Canada Limited for Collins Barrow Toronto Limited.

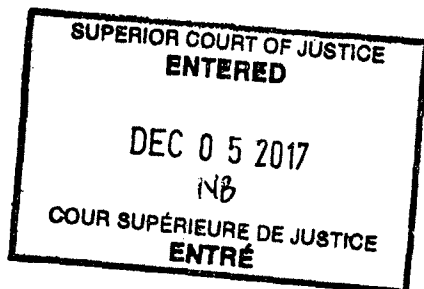
GENERAL

16. **THIS COURT ORDERS** that this Order shall be effective in all judicial districts in Ontario which govern any of the Substituted Mandates.

17. **THIS COURT ORDERS** that the requirement for a separate Notice of Motion and supporting Affidavit to be filed in the Court file of each of the Substituted Mandates be and is hereby waived.

18. **THIS COURT ORDERS** that RSM Canada Limited shall notify the parties on the Service Lists of the Substituted Mandates (if applicable) of the new website established for such Substituted Mandate and shall post a copy of this Order to the website of each Substituted Mandate and that such notice shall satisfy all requirements for service or notification of this application and this Order on any interested party in the Substituted Mandates including, without limitation, proven creditors within the BIA Mandates, parties on the Service Lists of the Substituted Mandates (if applicable), the applicable bankrupts or debtors within the Substituted Mandates, and any other person, and any other requirements of service or notification of this application be and is hereby waived.

19. **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 RSM Canada Limited 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 RSM Canada Limited as may be necessary or desirable to give effect to this Order, or to assist RSM Canada Limited and its agents in carrying out the terms of this Order.



A handwritten signature in black ink, appearing to read "Haimy J.", written over a horizontal line.

Schedule "A": BIA Mandates

Bankruptcies

Name	Estate Number
1. Carrington Homes Ltd.	31-OR-207962-T
2. CHF (formerly known as Canadian Hunger Foundation)	33-2051143
3. Nordic Gold Salmon Products Ltd.	31-OR-208026-T
4. Sean Teperman Consulting Corp.	31-2294107
5. 1-800 Mascots Inc.	31-2177932
6. George Fernicola	31-457619
7. D. Mady Investments Inc.	31-2281994
8. David Mady Investments (2008) Inc	31-2281991
9. D. Mady Holdings Inc.	35-2292366

Proposals

Name	Estate Number
1. Sean Teperman Consulting Corp.	31-2294107
2. D. Mady Investments Inc.	31-2281994
3. David Mady Investments (2008) Inc.	31-2281991
4. John Robert Charles Hunter	32-1886289
5. William Ian Innes	31-1877401

Schedule "B": Receivership Proceedings

Name	Court File Number
1. 2131059 Ontario Limited	CV-15-10951-00CL
2. 2380009 Ontario Limited	CV-16-011354-00CL
3. 64, 68 and 70 Reynolds Drive, Brockville, Ontario and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, and 39-85 Costello Avenue, Ottawa, Ontario	17-72881
4. Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto, Limited	CV-08-361644
5. Dang Variety Store and Gas Bar and Lucky Restaurant Inc.	C-585-16
6. 2267 Industrial Street Investments Ltd.	CV-15-4228-00

Schedule "C": CLA Proceedings

Name	Court File Number
1. 144 Park Ltd.	CV-15-10843-00CL
2. Jade-Kennedy Development Corporation	CV-15-10882-00CL

Schedule "D": Estate Trustee During Litigation Proceeding

Name	Court File Number
1. Estate of Lev Alexandr Karp	05-100/17

Schedule E: Real Property

Receivership Proceedings

- (i) With respect to the receivership proceedings of 2380009 Ontario Limited, the following properties:

MUNICIPAL ADDRESS: 2370 South Sheridan Way, Mississauga, ON
LEGAL DESCRIPTION: PT LT 33, CON 2 SDS TT , PTS 1 TO 6, 43R10160 ; EXCEPT S/T RO580849; S/T RO646570; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1, 2, 3, PL 43R34842 AS IN PR2350267; CITY OF MISSISSAUGA
ROLL NUMBER: 05-02-0-048-14400-0000-0 3
PIN: 13429-0002 (LT)

- (ii) With respect to the receivership proceedings of 64, 68 and 70 Reynolds Drive, Brockville, Ontario and 10, 14, 18 and 22 Salisbury Avenue, Brockville, Ontario, and 39-85 Costello Avenue, Ottawa, Ontario, the following properties:

- *Brockville Property*
BLOCK F, PLAN 250, BROCKVILLE, CITY OF BROCKVILLE BEING ALL OF PIN 44175-0386 (LT)
- *Ottawa Property*
BLOCK L, PLAN 529418, NEPEAN, CITY OF OTTAWA BEING ALL OF PIN 04694-0184 (LT)

CLA Proceedings

- (i) With respect to the CLA proceeding of 144 Park Ltd., the unsold units listed below in respect of the following properties:

PIN: 22417-0135 (LT)
LRO: # 58
Property Description: Part of Lots 217, 218, 219 & 267 Plan 385, Being Part 1 on 58R- 17836; Subject to an easement as in WR666363; City of Waterloo

PIN: 22417-0134 (LT)
LRO: # 58
Property Description: Lots 2 & 3, Part of Lots 1, 4, 5, & 6 Plan 186, Being Part 2 on 58R-17836; Subject to an easement as in WR666363; City of Waterloo

144 Park Ltd.: Unsold Units

Unit	23591	0002
Parking	23591	0033
Locker	23591	0016

- (ii) With respect to the CLA proceeding of Jade-Kennedy Development Corporation, the unsold units listed below in respect of the following properties:

Jade-Kennedy Development Corporation: Unsold Phase I Commercial Units

PIN	Property Description
29759-0742 (LT)	Unit 388, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0744 (LT)	Unit 390, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0774 (LT)	Unit 25, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0805 (LT)	Unit 56, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0806 (LT)	Unit 57, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-08014 (LT)	Unit 65, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham

Jade-Kennedy Development Corporation: Unsold Residential Units

PIN	Property Description
29796-0429 (LT)	Unit 178, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0430 (LT)	Unit 179, Level B, York Region Standard Condominium Plan No. 1265

PIN	Property Description
	and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham

Jade-Kennedy Development Corporation: Unsold Phase II Commercial Units

PIN	Property Description
29759-0839 (LT)	Unit 360, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0840 (LT)	Unit 361, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0841 (LT)	Unit 85, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham

Estate Trustee During Litigation Proceeding

With respect to Lev Alexandr Karp, the following property:

PIN 5911 - 0011 LT
Description UNIT 11, LEVEL 1, SIMCOE CONDOMINIUM PLAN NO. 119; PT LT 48 CON 11 (FORMERLY TWP NOTTAWASAGA), PTS 7, 8, 9, 10, 12, 13, 14 & 15 51R18700, PTS 1 & 2 51R19269, MORE FULLY DESCRIBED IN SCHEDULE 'A' OF DECLARATION LT171901 & LT175111;
Address COLLINGWOOD
43 LIGHTHOUSE LANE E
COLLINGWOOD

RSM CANADA LIMITED

1194678 ONTARIO INC.

and

Applicant

Respondent Court File No: CV-17-587715-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)

Proceeding commenced at Toronto

SUBSTITUTION ORDER

OSLER, HOSKIN & HARCOURT LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Shawn T. Irving (LSUC No. 50035U)
Tel: 416.862.4733

Patrick Riesterer (LSUC No. 60258G)
Tel: 416.862.5947
Fax: 416.862.6666

Lawyers for the Applicant,
RSM Canada Limited

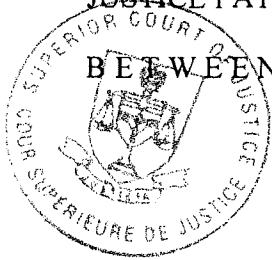
TAB C

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE PATTILLO

)
)
)

MONDAY, THE 29TH
DAY OF MAY, 2017



BETWEEN:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 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

(Re: Approval of Sales Process)

THIS MOTION, brought by Collins Barrow Toronto Limited in its capacity as the Court-appointed receiver (in such capacity, the “Receiver”), without security of all of the assets, undertakings, properties of 2380009 Ontario Limited (“238”) for an order, *inter alia*:

- (a) Authorizing the Receiver to list for sale the property known municipally as 2370 South Sheridan Way, Mississauga, Ontario (the “Property”), pursuant to the terms of a listing agreement with CBRE Limited (“CBRE”) and engaging CBRE as the Receiver's agent for the purpose of marketing the Property for sale;
- (b) Authorizing the Receiver to market the Property for sale to prospective purchasers on a vacant possession basis, specifically, free and clear of the tenancy or other

interest of the current lessee of the premises, BuiltRite Technologies Inc. (“BuiltRite”);

- (c) Directing Elias Mancebo (“Mancebo”) and Marcelo Hernandez (“Hernandez”) to provide to the Receiver the “Requested Information”, as defined in the Supplemental Report of the Receiver dated May 24, 2017 (the “Supplemental Report”) within seven days of the date of this Order;
- (d) Approving the First Report to Court of the Receiver dated May 11, 2017 (the “First Report”) and the Supplemental Report and the activities of the Receiver outlined therein as well as the fees and disbursements of the Receiver and its counsel as shown in the Fee Affidavits filed in support of this Motion; and
- (e) Terminating the lease dated January 15, 2014 between 238 as landlord and BuiltRite as Tenant (the “Lease”) on such terms as are set out in the materials filed on this Motion; and
- (f) Sealing certain Confidential Appendices to the First Report.

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

ON READING the First Report, the Supplemental Report and the Factum of the Receiver, and on hearing the submissions of counsel for the Receiver and counsel for BuiltRite and 238 and on being advised of the consent of the parties attending,

1. **THIS COURT ORDERS** that the time for service of this Motion is hereby abridged and validated so that this Motion is properly returnable in Toronto today and hereby dispenses with further service thereof.
2. **THIS COURT FURTHER ORDERS** that the Receiver is authorized to list the Property for sale pursuant to the terms a listing agreement with CBRE substantially in the form as that

appended as Exhibit "N" to the First Report and to engage CBRE as the Receiver's agent for the purpose of marketing the Property for sale.

3. **THIS COURT FURTHER ORDERS** that the Receiver is authorized to market the Property for sale to prospective purchasers on a vacant possession basis, specifically, free and clear of the tenancy of or any other interest of BuiltRite.

4. **THIS COURT FURTHER ORDERS** that the Receiver is authorized to enter into an Agreement of Purchase and Sale in respect of the Property with a prospective purchaser, conditional upon Court approval of any proposed sale of the Property.

5. **THIS COURT FURTHER ORDERS** that Mancebo and Hernandez deliver all Requested Information within their possession, power or control to the Receiver within seven days of the date of this Order failing which the Receiver is authorized to conduct examinations of such persons as it may deem appropriate in order to obtain the Requested Information.

6. **THIS COURT FURTHER ORDERS** that the First Report and the Supplemental Report and the activities of the Receiver outlined therein and the fees and disbursements of the Receiver and its counsel as shown in the Fee Affidavits filed in support of this Motion, are approved.

7. **THIS COURT FURTHER ORDERS** that Confidential Appendices "J", "K", "L" and "M" of the First Report are sealed and shall not be publicly available until such time as the sale of the Property by the Receiver has been fully completed, or until further Order of this Court.

8. **THIS COURT ORDERS** that the Receiver is authorized to terminate the Lease on 45 days' notice to BuiltRite and 238 (the "Notice Period") and that BuiltRite and 238 are ordered to

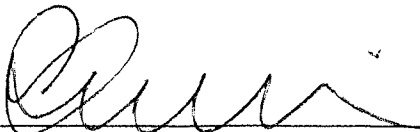
deliver vacant possession of the Property, in a proper state of cleanliness and repair, upon the expiry of the Notice Period.

9. **THIS COURT ORDERS** that provided that on or before June 2, 2017:

- (a) all rent owing by BuiltRite under the Lease, plus HST, for May 2017 and June 2017 is paid in full;
- (b) all HST arrears owing by BuiltRite under the Lease are paid in full by BuiltRite;
- (c) an insurance certificate from BuiltRite's and 238's insurer naming the Receiver and Sterling Karamar Property Management as additional insured is provided to the Receiver;
- (d) proof of payment of all utilities in respect of the Property is provided to the Receiver; and
- (e) the Receiver is reimbursed \$4,176.43 in respect of utilities paid by Receiver to date.

then the Receiver shall not exercise its right under paragraph 8 of this Order prior to June 21, 2017.

10. **THIS COURT ORDERS** that provided that the obligations set out at paragraph 9 herein are complied with, the Receiver shall not offer the Property for sale prior to June 21, 2017.



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

C. Irwin
Registrar

MAY 30 2017

PER / PAR. 

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER
(Re: Approval of Sales Process)

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)
jsimpson@torkinmanes.com
Tel: 416-777-5413
Fax: 1-888-587-9143

Lawyers for the Receiver, Collins Barrow Toronto Limited

RCP-E 4C (May 1, 2016)

TAB D

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE CONWAY)
FRIDAY, THE 21ST
DAY OF JULY, 2017

BETWEEN:



2292912 ONTARIO INC. Applicant

-and-

2380009 ONTARIO LIMITED Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 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

THIS MOTION, brought by Collins Barrow Toronto Limited in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security of all of the assets, undertakings and properties of 2380009 Ontario Limited (“**238**”) for an Order, *inter alia*, confirming termination of a lease agreement (the “**Lease**”) dated January 15, 2014 between 238 and BuiltRite Technologies Inc. (“**BuiltRite**”) respecting the property located at 2370 South Sheridan Way, Mississauga, Ontario (the “**Premises**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver, the Third Report of the Receiver, the Supplemental Report to the Third Report of the Receiver and on hearing the submissions of

counsel for the Receiver and counsel for 238 and BuiltRite, and on being advised of the consent of BuiltRite and 238,

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

2. **THIS COURT ORDERS AND DECLARES** that the Notice of Termination of Lease issued by the Receiver on June 22, 2017 respecting the Lease has been properly issued upon BuiltRite and 238 and that the Lease is terminated effective as of August 8, 2017 (the "**Termination Date**").

3. **THIS COURT ORDERS** that BuiltRite and 238 are required to deliver vacant possession of the Premises to the Receiver in a proper state of cleanliness and repair on the Termination Date.

4. **THIS COURT ORDERS** that upon the Termination Date:

(a) BuiltRite and 238 shall provide the Receiver with all necessary keys to the Premises and, upon the Receiver's request, such other information as may be required by the Receiver for the purposes of ingress and egress to and from the Premises;

(b) BuiltRite, 238, ~~Elias Mancebo and Marcelo Hernandez~~ shall provide the Receiver with the names and contact information of any parties who have, claim or are likely to claim an interest in any property located at the Premises;

(c) the Receiver is authorized to:

- (i) enter and take possession of the Premises;
- (ii) change any locks at the Premises;
- (iii) ~~take possession and control of all property located within the Premises and~~
✓ ~~remove or dispose of any property located on the Premises, subject to the~~
Be ✓ ~~rights of any secured parties or other third parties;~~
- (iv) enlist the assistance of any local authorities or the Peel Regional police in carrying out the terms of the Order and that such persons are hereby directed to assist the Receiver in facilitating the peaceful removal of the tenant, BuiltRite, from the Premises, as necessary; and
- (v) exclude BuiltRite from the Premises.

5. **THIS COURT ORDERS AND CONFIRMS** that the rights of the Receiver to undertake those steps set out as paragraph 4 herein are, upon the Termination Date, unconditional and may be exercised at the sole and absolute discretion of the Receiver unless otherwise ordered by the Court prior to the Termination Date.

6. **THIS COURT ORDERS** that the Receiver and its agents are authorized to place signage on the Premises advertising the Premises for sale, provided such signage complies with all applicable municipal by-laws and does not physically interfere with BuiltRite's business operations.

7. **THIS COURT ORDERS** that 238, BuiltRite and any persons with notice of this Order shall cooperate with the Receiver and comply with the terms of this Order.

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel, Torkin Manes LLP, as set out in the Supplemental Report to the Receiver's Third Report, are approved.

9. **THIS COURT ORDERS** that the activities of the Receiver as set out in the Receiver's Second Report dated July 4, 2017, Third Report dated July 17, 2017 and Supplemental Report to the Third Report dated July 20, 2017 (collectively, the "Reports") are approved and the Reports are approved.

10. **THIS COURT ORDERS** that notwithstanding the foregoing, the Receiver may either extend the Termination Date by such period as it deems appropriate or withdraw the Notice of Termination by delivering written and signed notice of same to BuiltRite and 238 prior to the Termination Date, and that:

- (a) in the case of extension, all aspects of this Order which relate to the obligations of BuiltRite and 238 or authorizations granted to the Receiver upon the Termination Date apply equally to the extended Termination Date; and
- (b) in the case of withdrawal of the Notice of Termination, paragraphs 2, 3, 4 and 5 of this Order shall be inoperative;

✓ 11. THIS COURT ORDERS that notwithstanding the above, in the event Builtrite pays the

August 2017 rent (\$18,000 plus HST) on or before August 1, 2017, Builtrite may in the month of

on 24 hours notice to

August 2017 during regular business hours or as otherwise agreed with the Receiver have access to

the Premises to remove or dispose of any of Builtrite's property located on the Premises, and the

for the purpose of removing

Receiver shall be entitled to supervise the removal of any such Property.

Conway

✓ 12. THIS COURT ORDERS that the Receiver is authorized to take possession and control of all property located within the Premises and remove and dispose of any property located on the Premises, subject to the rights of any secured parties or other third parties, including BuiltRite, on

(A) August 8, 2017, in the event that August 2017 rent has not been paid by certified cheque or bank draft to the Receiver by BuiltRite; or

(B) August 30, 2017. ✓

~~PC~~

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

JUL 21 2017

PER / PAR:



2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)
jsimpson@torkinmanes.com
Tel: 416-777-5413
Fax: 1-888-587-9143

Lawyers for the Receiver, Collins Barrow Toronto Limited

RCP-E 4C (May 1, 2016)

TAB E

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 5TH DAY
JUSTICE CONWAY) OF DECEMBER, 2017

BETWEEN:

2292192 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited (formerly, Collins Barrow Toronto Limited) in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 2380009 Ontario Limited (the "**Debtor**"), acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 2603092 Ontario Inc., being the assignee of David Chen in trust for a company to be incorporated (the "**Purchaser**"), made as of October 24, 2017, as Amended by Amending Agreement dated November 17, 2017, and as appended to the Confidential Supplemental Report to the Fourth Report of the Receiver dated November 28, 2017 (the "**1st Supplemental Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, Fourth Report of the Receiver dated November 23, 2017 (the "**Fourth Report**"), the 1st Supplemental Report, the Second Supplemental Report to the Fourth Report dated November 29, 2017 (the "**2nd Supplemental Report**") (collectively, the "**Receiver's Reports**") and on hearing the submissions of counsel

for the Receiver, counsel for the Purchaser, counsel for 2292192 Ontario Inc., no other persons being in attendance,

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

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtor and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

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 Receiver's and all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto 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 Order of the Honourable Justice Newbould dated February 7, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Peel of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. **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.

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

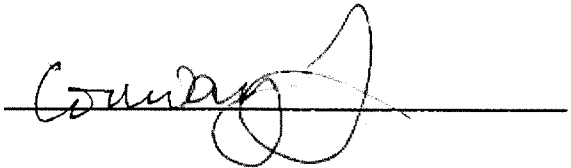
7. **THIS COURT ORDERS** that, notwithstanding:

- (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 Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance 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 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.

A handwritten signature in black ink, appearing to read "Counsellor", is written over a horizontal line. The signature is stylized and cursive.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-16-011354-00CL

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

B E T W E E N:

2292192 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated February 7, 2017, Collins Barrow Toronto Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 2380009 Ontario Limited (the "**Debtor**"), acquired for, or used in relation to the business carried on by the Debtor, including the proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Honourable Justice <*> of the Court dated December <*>, 2017, the name RSM Canada Limited was substituted in place of the name Collins Barrow Toronto Limited as the Receiver of the Debtor.

C. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "**Sale Agreement**") between the Receiver and [NAME OF PURCHASER] (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver’s and the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction 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 Sale Agreement.

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 Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver of 2380009 Ontario
Limited and not in its personal or corporate
capacity and without personal or corporate liability**

Per: _____

Name: ►

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and the Debtor's right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS: 2370 South Sheridan Way, Mississauga, ON
LEGAL DESCRIPTION: PT LT 33, CON 2 SDS TT , PTS 1 TO 6, 43R10160 ; EXCEPT S/T RO580849 ; S/T RO646570; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1, 2, 3, PL 43R34842 AS IN PR2350267; CITY OF MISSISSAUGA
ROLL NUMBER: 05-02-0-048-14400-0000-0 3
PIN: 13429-0002 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Instrument No. PR2273791 registered on September 28, 2012, being a Charge in favour of Computershare Trust Company of Canada (“**Computershare**”) in the original principal amount of \$3,630,000 (the “**Computershare Charge**”);
2. Instrument No. PR2273792 registered on September 28, 2012, being a Notice of Assignment of Rents – General in favour of Computershare relating to the Computershare Charge (the “**Computershare GAR**”);
3. Instrument No. PR2350268 registered on April 2, 2013, being a Postponement of Interest in connection with the Computershare Charge in favour of PR2350267, being a Transfer of Easement in favour of The Corporation of the City of Mississauga;
4. Instrument No. PR2350271 registered on April 2, 2013, being a Postponement of Interest in connection with the Computershare GAR in favour of PR2350267, being a Transfer of Easement in favour of The Corporation of the City of Mississauga;
5. Instrument No. PR2420139 registered on August 21, 2013, being a Notice relating to the Computershare Charge;
6. Instrument No. PR2484073 registered on January 6, 2014, being a Charge in favour of Giacomo Francesconi (“**Francesconi**”) in the original principal amount of \$320,000 (the “**Francesconi Charge**”);
7. Instrument No. PR2484074 registered on January 6, 2014, being a Notice of Assignment of Rents - General in favour of Francesconi relating to the Francesconi Charge (the “**Francesconi GAR**”);
8. Instrument No. PR2504209 registered on February 27, 2014, being a Charge in favour of Mario and Gina Iacobelli (collectively, “**Iacobelli**”) in the original principal amount of \$420,000 (the “**Iacobelli Charge**”);
9. Instrument No. PR2504210 registered on February 27, 2014, being a Notice of Assignment of Rents - General in favour of Iacobelli relating to the Iacobelli Charge;
10. Instrument No. PR2504264 registered on February 27, 2014, being a Postponement of Interest postponing the Francesconi Charge to the Iacobelli Charge;
11. Instrument No. PR2518652 registered on April 4, 2014, being a Notice relating to the Francesconi Charge;
12. Instrument No. PR2518656 registered on April 4, 2014, being a Transfer of Charge relating to the Francesconi Charge from Francesconi to G & L Carpenters Limited (“**GL**”) and Francesconi;

13. Instrument No. PR2524004 registered on April 22, 2014, being a Notice relating to the Francesconi Charge;
14. Instrument No. PR2533658 registered on May 13, 2014, being a Notice relating to the Francesconi Charge;
15. Instrument No. PR2533659 registered on May 13, 2014, being a Transfer of Charge relating to the Francesconi Charge from Francesconi and GL to GL, Francesconi, Renato Francesconi ("**Renato**") and Mercedes Francesconi ("**Mercedes**");
16. Instrument No. PR2593857 registered on September 3, 2014, being a Notice relating to the Francesconi Charge;
17. Instrument No. PR2593863 registered on September 3, 2014, being a Transfer of Charge relating to the Francesconi Charge from Francesconi, GL, Mercedes and Renato to Francesconi, GL, Mercedes, Renato and Lucien Carpenters Limited ("**Lucien**");
18. Instrument No. PR2754956 registered on July 28, 2015, being a Charge in favour of Atlantic (HS) Capital Inc. ("**Atlantic HS**"), Atlantic Advantage Management Inc. ("**Atlantic Advantage**") and 2382603 Ontario Inc. ("**2382603**") in the original principal amount of \$2,600,000 (the "**Atlantic Charge**");
19. Instrument No. PR2754957 registered on July 28, 2015, being a Notice of Assignment of Rents - General in favour of Atlantic HS, Atlantic Advantage and 2382603 relating to the Atlantic Charge (the "**Atlantic GAR**");
20. Instrument No. PR2754961 registered on July 28, 2015, being a Postponement of Interest postponing the Iacobelli Charge in favour of the Atlantic Charge;
21. Instrument No. PR2754962 registered on July 28, 2015, being a Postponement of Interest postponing the Francesconi Charge in favour of the Atlantic Charge;
22. Instrument No. PR2820333 registered on November 12, 2015, being an Application to Change Name – Instrument changing the name of 2382603 under the Atlantic Charge to 2383603 Ontario Inc. ("**2383603**");
23. Instrument No. PR2826298 registered on November 23, 2015, being a Transfer of Charge relating to the Atlantic Charge from Atlantic HS, Atlantic Advantage and 2383603 to Atlantic HS, Atlantic Advantage, 2383603 and William Fong ("**Fong**");
24. Instrument No. PR2826619 registered on November 24, 2015, being a partial Transfer of Charge relating to the Atlantic Charge from Fong to Atlantic HS;

25. Instrument No. PR2887876 registered on March 29, 2016, being a Transfer of Charge relating to the Computershare Charge from Computershare to 2292912 Ontario Inc. (“2292192”);
26. Instrument No. PR2887877 registered on March 29, 2016, being a Notice of Assignment of Rents – General assigning the Computershare GAR to 2292912;
27. Instrument No. PR3075681 registered on February 2, 2017, being a Charge in favour of Bay Point Financial Services Inc. in the original principal amount of \$350,000; and
28. Instrument No. PR3083146 registered on February 22, 2017, being a Notice of Security Interest in favour of Eco Energy Home Services Inc.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property;

10. The following instruments registered on title to the Property:
 - i. Instrument No. RO568239 registered on January 6, 1981, being an Agreement with The Corporation of the Town of Mississauga;
 - ii. Instrument No. RO646570 registered on June 24, 1983, being a Transfer of Easement in favour of The Corporation of the City of Mississauga (the “City”);
 - iii. Instrument No. RO674879 registered on March 14, 1984, being an Agreement with the City;
 - iv. Instrument No. PR2350267 registered on April 2, 2013, being a Transfer of Easement in favour of the City;
 - v. Instrument No. PR2420131 registered on August 21, 2013, being a Transfer of the Property from IGW Industrial GP Inc. to the Debtor; and
 - vi. Instrument No. PR3086095 registered on February 28, 2017, being an Application to Register Court Order relating to the Court Order.

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Direct Tel: 416-777-5197
Direct Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited (formerly,
Collins Barrow Toronto Limited)

TAB F

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 5TH DAY
JUSTICE CONWAY) OF DECEMBER, 2017

BETWEEN:

2292192 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

ORDER

THIS MOTION, made by RSM Canada Limited (formerly, Collins Barrow Toronto Limited) in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 2380009 Ontario Limited (the "**Debtor**"), acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof for, *inter alia*, an order approving the Receiver's conduct and the fees and disbursements of the Receiver and its counsel was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Fourth Report of the Receiver dated November 23, 2017 (the "**Fourth Report**"), the Confidential Supplemental Report to the Fourth Report of the Receiver dated November 28, 2017 (the "**1st Supplemental Report**"), the Second Supplemental Report to the Fourth Report dated November 29, 2017 (the "**2nd Supplemental Report**") (collectively, the "**Receiver's Reports**") and on hearing the submissions of counsel for the Receiver, counsel for 2603092 Ontario Inc. and counsel for 2292192 Ontario Inc., no other persons being in attendance,

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

2. **THIS COURT FURTHER ORDERS** that the Receiver's Reports, the activities of the Receiver outlined therein including the Receiver's Statement of Receipts and Disbursements, are approved.

3. **THIS COURT FURTHER ORDERS** that the fees and disbursements of the Receiver and its counsel as shown in the Fee Affidavits attached to the Receiver's Reports, filed, are approved.

4. **THIS COURT FURTHER ORDERS** that the borrowing limit referred to in Paragraph 21 of the Order dated February 7, 2017 is increased to \$750,000.

5. **THIS COURT FURTHER ORDERS** that the Receiver is authorized and directed to make the Interim Distribution described in the Receiver's Reports upon the sale of the Property.

6. **THIS COURT FURTHER ORDERS** that the 1st Supplemental Report, including all appendices thereto, is sealed and shall not be publicly available until such time as the sale of the property located at 2370 South Sheridan Way, Mississauga by the Receiver, as contemplated in the Approval and Vesting Order in this matter dated December 5, 2017, has been fully completed, or until further Order of this Court.

7. **THIS COURT ORDERS** that upon completion of the sale of the property, the Receiver shall hold, from the proceeds of sale, the sum of \$60,000 in trust and shall not distribute same pending an order of the Court respecting the trust claims of Eco Energy Home Services Inc.

Conway

DATE: 06/07/17
BOOK NO:
FILE REGISTRE NO
DEC 06 2017 MS

34487000210700195-1

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Direct Tel: 416-777-5197
Direct Fax: 1-877-689-3872

Tel: 416-863-1188

Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited (formerly,
Collins Barrow Toronto Limited)

TAB G

9:58 AM

8

CV-16-11354-00CL

2292912 ONTARIO INC v. 2380009 ONTARIO LIMITED
ET AL.

cc'd
red) Counsel for ^{Mc} 2292912 R. FRANKEL
Counsel for Receiver S. Thom.

M 416-593-3959
S 416-596-2041
T 416-777-5157
F 416-863-0305
E sthom@torontolaw.com

Eco Energy Corp / LINTKAWIRE
p. 416-363-7800 x300
f. 416-363-3356
e. colby@fedfay.com

H. MANIS
FOR THE PURCHASER

t. (416) 364-5289
f. (416) 364-1453
HMANIS@MSMLAW.CA

Dec 5 (17) Matter re Eco adj to Jan 10th before me (90 minutes) (confirmed) to permit discussions among counsel.
In the meantime, I have signed the AVO & ancillary orders, both unopposed, ~~and~~ the Court J.

TAB H

COUNSEL SLIP

COURT FILE NO. CV-16-11354-WCL DATE JAN 10/18

229212 ONTARIO INC. NO. 0151 6
VS.

TITLE OF PROCEEDING: 2380109 ONTARIO LIMITED

COUNSEL FOR:
PLAINTIFF(S) Stewart D. Thom
APPLICANT(S) for Receiver, RM Canada
PETITIONER(S)

PHONE & FAX NOS
T 416-777-5197
F 416-865-0305
E sthem@brkinmanes.com

COUNSEL FOR:
DEFENDANT(S)
RESPONDENT(S)

PHONE & FAX NOS

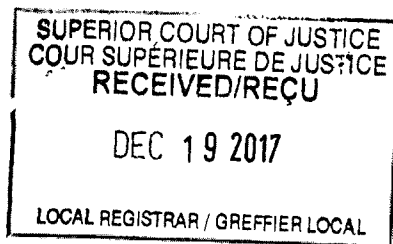
Jan 10/18

The ~~claim~~ ^{TRUST} E co claim has now been resolved in principle. The Rec is bringing a motion for approval of same, likely unopposed.

Motion set for 30 minutes on Jan 24/18, confirmed (anywise)

Conway J.

TAB I



Court File No. CV-16-011354-00CL

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

BETWEEN:

2292192 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated February 7, 2017, Collins Barrow Toronto Limited was appointed as the receiver (the "**Receiver**") of all of the assets, undertakings and properties of 2380009 Ontario Limited (the "**Debtor**"), acquired for, or used in relation to the business carried on by the Debtor, including the proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Honourable Justice Hainey dated December 5, 2017, the name RSM Canada Limited was substituted in place of the name Collins Barrow Toronto Limited as the Receiver of the Debtor.

C. Pursuant to an Order of the Court dated December 5, 2017 the Court approved the agreement of purchase and sale dated October 12, 2017, as amended and assigned from time to time (the "**Sale Agreement**") between the Receiver and 2603092 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction 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 Sale Agreement.

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 Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at 8:57 Am on December 19 2017.

RSM CANADA LIMITED, solely in its capacity as Court-appointed Receiver of 2380009 Ontario Limited and not in its personal or corporate capacity and without personal or corporate liability

Per: 

Name: **Daniel Weisz**

Title: **ASO**

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

RECEIVER'S CERTIFICATE

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)
jsimpson@torkinmanes.com
Tel: 416-777-5413
Fax: 1-888-587-9143

Lawyers for the Receiver, Collins Barrow Toronto Limited

RCP-E 4C (May 1, 2016)

TAB J

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

**MOTION RECORD
(MOTION RETURNABLE DECEMBER 5, 2017)**

November 21, 2017

**FRED TAYAR & ASSOCIATES
Professional Corporation
Barristers and Solicitors
65 Queen Street W, Suite 1200
Toronto, Ontario M5H 2M5**

Fred Tayar (23909N)

Tel.: (416) 363-1800
Fax: (416) 363-3356

Lawyers for Eco Energy
Home Services Inc.

**TO: TORKIN MANES LLP
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7**

Stewart Thom

Tel. (416) 863-1188
Fax. (416) 863-0305

Lawyers for the Court-Appointed
Receiver, Collins Barrow Toronto Limited

AND TO: SERVICE LIST

SERVICE LIST

TO: **TORKIN MANES LLP**
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Jeffrey J. Simpson
jsimpson@torkinmanes.com
Tel.: (416) 863-1188
Fax: (416) 863-0305

Lawyers for the Receiver, Collins Barrow Toronto Limited

AND TO: **BLANEY MCMURTRY LLP**
Barristers & Solicitors
2 Queen Street E, Suite 1500
Toronto, ON M5C 3G5

Reeva M. Finkel
rfinkel@blaney.com

Tel: (416) 593-3959 (Direct)
Fax: (416) 593-5437

Lawyers for the Applicant, 2292912

AND TO: **HIMELFARB PROSZANSKI LLP**
Barristers & Solicitors
480 University Avenue, Suite 1401
Toronto, ON M5G 1V2

Tom Arndt
tom@himprolaw.com

Tel: (416) 599-8080 ext. 252
Fax: (416) 599-3131

Lawyers for 2380009 Ontario Limited and
BuiltRite Technologies Inc.

AND TO: **MARCELO HERNANDEZ**
2370 South Sheridan Way
Mississauga, ON L5T 2M4

mhernandez@builtritetech.com

AND TO: **KAGAN SHASTRI LLP**
Lawyers
188 Avenue Road
Toronto, ON M5R 2J1

David Winer
dwiner@ksllp.ca

Tel: (416) 368-2100 ext 225
Fax: (416) 324-4202

Lawyers for 2383603 Ontario Inc. and William Fong

AND TO: **OSCAR C. WONG PROFESSIONAL CORPORATION LAWYERS**
Barristers & Solicitors
330 Highway 7 East, Suite 503
Richmond Hill, ON L4B 3P8

Oscar Wong
ocwlaw@rogers.com

Tel: (905) 881-2992
Fax: (905) 881-8856

Lawyers for Atlantic Advantage Management Inc. and Atlantic (HS) Capital Inc.

AND TO: **KOSKIE MINSKY LLP**
20 Queen Street W, Suite 900, Box 52
Toronto, ON M5H 3R3

Jeff van Bakel
jvanbakel@kmlaw.ca

Tel: (416) 595-2266
Fax: (416) 204-2814

Lawyers for Fan Xiao Bing a.k.a. Angela Fan

AND TO: **MARIO IACOBELLI**
22 Goodmark Place, Unit 6
Toronto, ON M9W 6S2

AND TO: **GINA IACOBELLI**
22 Goodmark Place, Unit 6
Toronto, ON M9W 6S2

AND TO: **GIACOMO FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **G & L CARPENTERS LIMITED**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **MERCEDES FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **RENATO FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **LUCIEN CARPENTERS LIMITED**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **THE CORPORATION OF THE CITY OF MISSISSAUGA**
Corporate Services Department
City Clerk's Office
300 City Centre Drive
Mississauga, ON L5B 3C1

AND TO: **PROFILEX INC.**
c/o Ernesto Alvarez
594 Newpark Boulevard
Newmarket, ON L3X 2S2

AND TO: **CHRISTOPHERE HO**
6271 Chatsworth Road
Richmond, BC V7C 3S4

info@cnkhcanada.com

AND TO: **HO & ASSOCIATES CONSULTING GROUP INC.**
6271 Chatsworth Road
Richmond, BC V7C 3S4

info@cnkhcanada.com

AND TO: **BAY POINT FINANCIAL SERVICES INC.**
125 Park Ridge Drive
Kleinburg, ON L0J 1C0

AND TO: **DEPARTMENT OF JUSTICE**
Attn: Diane Winters
The Exchange Tower
130 King Street W, Suite 3400, P.O. Box 36
Toronto, ON M5X 1K6

diane.winters@justice.gc.ca

AND TO: **MINISTRY OF FINANCE**
Legal Services Branch
33 King Street W, 6th Floor
Oshawa, ON L1H 8E9

Kevin J. O'Hara
kevin.ohara@fin.gov.on.ca

Tel: (905) 433-6934
Fax: (905) 436-4510

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

TABLE OF CONTENTS

1. Notice of Motion dated November 21, 2017
2. Affidavit of Bianca Myles-Jansen sworn November 21, 2017

EXHIBITS

- A Invoice No. 14182 dated January 21, 2014 between ECO Energy Homes Services Inc. and 2380009 Ont. Ltd.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

NOTICE OF MOTION

ECO ENERGY HOME SERVICES INC. ("Eco-Energy") will make a motion to the Judge presiding over the Commercial List, at 330 University Avenue, Toronto, Ontario, on Tuesday, the 5th day of December, 2017.

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

THE MOTION IS FOR:

1. An order declaring that Eco Energy is the beneficiary of a trust under the *Construction Lien Act* ("CLA"), in respect of rent receipts received by Collins Barrow Toronto Limited, ("Receiver") the Court appointed receiver of the Respondent 2380009 Ontario Limited.
2. An order requiring the Receiver to pay to Eco Energy the full amount of its claim of \$12,560.20 plus interest at the rate of 24% per annum thereon from January 21, 2014 to the date of payment and its legal fees, out of the rent money the Receiver has collected.

3. Such further and other relief as counsel may advise and this Honourable Court permit.

THE GROUNDS FOR THE MOTION ARE:

1. Eco Energy delivered and installed an HVAC system in the property municipally known as 2370 South Sheridan Way, Mississauga (the "Property").
2. The Respondent defaulted by only paying a portion of the selling price.
3. Interest accrues on the balance at 24% per annum.
4. The Receiver has collected rent from the occupant of the Property in an amount that exceeds what is owed to Eco Energy.
5. The rent collected is held in trust for Eco Energy as an unpaid supplier of goods and services for the improvement of the Property.

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

1. The Affidavit of Bianca Myles-Jansen; and
2. Such further and other materials as counsel may advise and this Honourable Court permit.

November 21, 2017

FRED TAYAR & ASSOCIATES
Professional Corporation
Barristers and Solicitors
65 Queen Street W, Suite 1200
Toronto, Ontario M5H 2M5

Fred Tayar (23909N)

Tel.: (416) 363-1800
Fax: (416) 363-3356

Lawyers for Eco Energy
Home Services Inc.

TO: TORKIN MANES LLP
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7

Stewart Thom

Tel. (416) 863-1188
Fax. (416) 863-0305

Lawyers for the Court-Appointed
Receiver, Collins Barrow Toronto Limited

AND TO: SERVICE LIST

SERVICE LIST

TO: TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Jeffrey J. Simpson
jsimpson@torkinmanes.com
Tel.: (416) 863-1188
Fax: (416) 863-0305

Lawyers for the Receiver, Collins Barrow Toronto Limited

AND TO: BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street E, Suite 1500
Toronto, ON M5C 3G5

Reeva M. Finkel
rfinkel@blaney.com

Tel: (416) 593-3959 (Direct)
Fax: (416) 593-5437

Lawyers for the Applicant, 2292912

AND TO: HIMELFARB PROSZANSKI LLP
Barristers & Solicitors
480 University Avenue, Suite 1401
Toronto, ON M5G 1V2

Tom Arndt
tom@himprolaw.com

Tel: (416) 599-8080 ext. 252
Fax: (416) 599-3131

Lawyers for 2380009 Ontario Limited and
BuiltRite Technologies Inc.

AND TO: MARCELO HERNANDEZ
2370 South Sheridan Way
Mississauga, ON L5T 2M4

mhernandez@builtritetech.com

AND TO: **KAGAN SHASTRI LLP**
Lawyers
188 Avenue Road
Toronto, ON M5R 2J1

David Winer
dwiner@ksllp.ca

Tel: (416) 368-2100 ext 225
Fax: (416) 324-4202

Lawyers for 2383603 Ontario Inc. and William Fong

AND TO: **OSCAR C. WONG PROFESSIONAL CORPORATION LAWYERS**
Barristers & Solicitors
330 Highway 7 East, Suite 503
Richmond Hill, ON L4B 3P8

Oscar Wong
ocwlaw@rogers.com

Tel: (905) 881-2992
Fax: (905) 881-8856

Lawyers for Atlantic Advantage Management Inc. and Atlantic (HS) Capital Inc.

AND TO: **KOSKIE MINSKY LLP**
20 Queen Street W, Suite 900, Box 52
Toronto, ON M5H 3R3

Jeff van Bakel
jvanbakel@kmlaw.ca

Tel: (416) 595-2266
Fax: (416) 204-2814

Lawyers for Fan Xiao Bing a.k.a. Angela Fan

AND TO: **MARIO IACOBELLI**
22 Goodmark Place, Unit 6
Toronto, ON M9W 6S2

AND TO: **GINA IACOBELLI**
22 Goodmark Place, Unit 6
Toronto, ON M9W 6S2

AND TO: **GIACOMO FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **G & L CARPENTERS LIMITED**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **MERCEDES FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **RENATO FRANCESCONI**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **LUCIEN CARPENTERS LIMITED**
c/o Schneider Ruggiero LLP
Barristers & Solicitors
120 Adelaide Street W, Suite 1000
Toronto, ON M5H 3V1

Attention: George Ruggiero
gruggiero@srlawpractice.com

AND TO: **THE CORPORATION OF THE CITY OF MISSISSAUGA**
Corporate Services Department
City Clerk's Office
300 City Centre Drive
Mississauga, ON L5B 3C1

AND TO: **PROFILEX INC.**
c/o Ernesto Alvarez
594 Newpark Boulevard
Newmarket, ON L3X 2S2

AND TO: **CHRISTOPHERE HO**
6271 Chatsworth Road
Richmond, BC V7C 3S4

info@cnkhcanada.com

AND TO: **HO & ASSOCIATES CONSULTING GROUP INC.**
6271 Chatsworth Road
Richmond, BC V7C 3S4

info@cnkhcanada.com

AND TO: **BAY POINT FINANCIAL SERVICES INC.**
125 Park Ridge Drive
Kleinburg, ON L0J 1C0

AND TO: **DEPARTMENT OF JUSTICE**
Attn: Diane Winters
The Exchange Tower
130 King Street W, Suite 3400, P.O. Box 36
Toronto, ON M5X 1K6

diane.winters@justice.gc.ca

AND TO: **MINISTRY OF FINANCE**
Legal Services Branch
33 King Street W, 6th Floor
Oshawa, ON L1H 8E9

Kevin J. O'Hara
kevin.ohara@fin.gov.on.ca

Tel: (905) 433-6934
Fax: (905) 436-4510

2292912 ONTARIO INC.

v.

2380009 ONTARIO LIMITED

Applicant

Respondent

Court File No.: CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

**FRED TAYAR & ASSOCIATES
Professional Corporation
Barristers and Solicitors
65 Queen Street W, Suite 1200
Toronto, ON M5H 2M5**

Fred Tayar (23909N)

Tel. (416) 363-1800

Fax. (416) 363-3356

Lawyers for Eco Energy Home Services Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

**AFFIDAVIT OF BIANCA MYLES-JANSEN
(SWORN NOVEMBER 21, 2017)**

I, BIANCA MYLES-JANSEN, of the Town of Courtice, in the County of Clarington, in the Province of Ontario, Executive Manager, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Executive Manager of the moving party, Eco Energy Home Services Inc. ("Eco Energy"), and as such have knowledge of the matters hereinafter deposed.
2. I commenced my employment at Eco Energy in March 2014.
3. In or about January 2014 Eco Energy was approached by the Respondent to negotiate and enter into an agreement to sell and install two HVAC (air conditioning) systems in the Respondent's building municipally known as 2370 South Sheridan Way, Mississauga (the "Property"). The Respondent was represented through its principal, Marcello Hernandez, who advised Eco Energy that the Respondent was the owner of the Property and the operator of the business therein.

4. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of the agreement entered into by Eco Energy with the Respondent, which is documented by a selling invoice (bearing number 14182), together with its terms and conditions.

5. As may be seen from the contract, Eco Energy was to sell and install the HVAC systems in the Property for a total consideration of \$43,392.00. Eco Energy delivered to and installed the HVAC systems in the Property.

6. Although there were some payments on account, the Respondent was delinquent in making payments as they fell due in January 2014. A balance of \$12,560.20 went into default in January 2014.

7. Paragraphs 7 and 8 of the terms and conditions provide as follows:

"7. Eco Energy Home Services Inc. remains the owner of all the articles herein referred to until payment in full is received. In case of failure to make the payment when due or either of repossessing the said articles or claiming the entire balance due in case of repossession. Eco Energy Home Services Inc. shall have the right to retain all or part of any payments made prior to repossession on the basis of quantum meruit and shall more over have the right to dispose of the articles repossessed without any accounting.

8. An server [sic] charge of 2% per Month (24% Annually) will be charge [sic] on overdue amount."

9. The Receiver was appointed in respect of the Property by an Order of this Court on February 7, 2017.

10. From information provided by the Receiver, we understand that the Receiver has collected rent from the tenant occupying the building that is in receivership, in an amount that exceeds Eco Energy's claim.

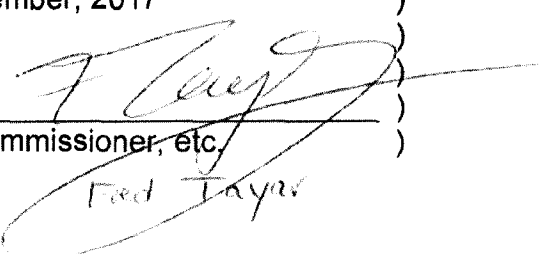
11. In addition to the interest that has accrued on the debt, we have incurred the sum of \$16,375.70 in legal fees in relation to enforcing our construction trust claim through the receivership process, to the date of the swearing of this affidavit.

12. I make this Affidavit in support of a motion for an order requiring the Receiver to pay out of the rent monies it has received, the sum of \$40,580.75, which is comprised of the following:

(a) Principal	\$12,560.20
(b) Interest from January 24, 2014 to and including December 5, 2017	\$11,644.85
(c) Legal fees incurred	<u>\$16,375.70</u>
TOTAL:	<u>\$40,580.75</u>

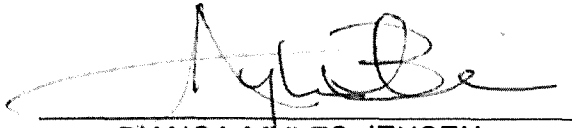
13. I make this Affidavit in support of an order declaring that Eco Energy is a beneficiary of a trust under the *Construction Lien Act* in respect of rent that has been paid to the Court appointed Receiver by the tenant occupying the Property.

SWORN BEFORE ME at the)
City of Toronto, Province of)
Ontario, this 21st day of)
November, 2017)



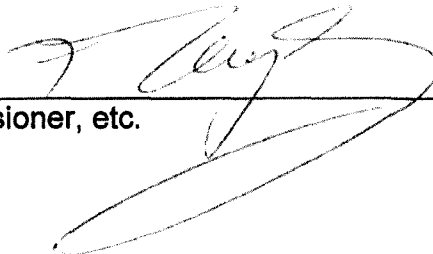
A Commissioner, etc.)

Fred Taylor



BIANCA MYLES-JENSEN

THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF BIANCA MYLES-JANSEN
SWORN THIS 21ST DAY OF
NOVEMBER, 2017

A handwritten signature in black ink, appearing to read 'Fred Tayar', is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

A Commissioner, etc.

FRED TAYAR

2292912 ONTARIO INC.

v.

2380009 ONTARIO LIMITED

Applicant

Respondent

Court File No.: CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF BIANCA
MYLES-JANSEN**
(Sworn November 21, 2017)

**FRED TAYAR & ASSOCIATES
Professional Corporation**
Barristers and Solicitors
65 Queen Street W, Suite 1200
Toronto, ON M5H 2M5

Fred Tayar (23909N)

Tel. (416) 363-1800

Fax. (416) 363-3356

Lawyers for Eco Energy Home Services Inc.

eco ENERGY

Home Services Inc.

Sales * Service * Installation

24 hrs/7 days Service

HST#: 803689298RT0001

Head Office:

500 Alden Rd, Unit 7, Markham, ON L3R 5H5

Tel: 905-475-6888 Fax: 905-475-6588

24hr Service: 1-855-ECO-ASAP
(326-2727)


INVOICE: 14182

Customer Name: MARCELLO 2380009 ONT. LTD.	Date: NOV 29TH. 2013
Address: 2370 SOUTH SHELDON WAY	Tel:
City: MISSISSAUGA	Postal Code:
Enbridge Acc#	Cell: 416.909.0373
Email: marcello@sheildon.com	Consultant 647.282.8105
Energy Audit Date:	Time:
Installation Date:	Time:
	Auditor: TIRONE SINGH
	Technician:

QTY	MODEL NO.	DESCRIPTION	PRICE
1	ZF120N20N5AAA5	YORK 10TON, 575V, 3PHASE 200,000 BTU	11,500.00
1	ZF240N3Z55AAA2	YORK 20TON, 575V, 3PHASE 320,000 BTU	18,550.00
1		YORK 5TON, 575V, 3PHASE	7,550.00
2	THERMOSTAT PROGRAMMABLE	WIRELESS REPLACEMENT	800.00
		STANDARD EQUIPMENT WARRANTY Plus 2 Yrs	LABOUR
		Does Not include POWER LINE to Units.	
		INCLUDES INSTALLATION, CURB ADJUST. CRANE	

Warranty:	<input type="checkbox"/> Furnace	Yrs Parts	Heat Exchanger	Yrs Labor	Subtotal	\$38,400.00
	<input type="checkbox"/> A/C	Yrs Parts	Yrs Labor		Tax	\$4,992.00
	<input type="checkbox"/> Tankless	Yrs Parts	Heat Exchanger	Yrs Labor	Total	\$43,392.00
	<input type="checkbox"/> Water Heater	Yrs Parts	Body	Yrs Labor	Deposit	\$8,271.60
Paid By:	Deposit:	<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Cheque	<input type="checkbox"/> Credit Card	Balance	\$35,120.40
	Balance:	<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Cheque	<input type="checkbox"/> Financing	<input type="checkbox"/> Credit Card	
	Card #:		Exp. Date:			

Existing Furnace:	<input type="checkbox"/> Mid-Efficiency	<input type="checkbox"/> Hi-Efficiency	<input type="checkbox"/> High-Boy	<input type="checkbox"/> Low-Boy
Ceiling:	<input type="checkbox"/> Unfinished	<input type="checkbox"/> Drop Ceiling	<input type="checkbox"/> Drywall Ceiling	
Chimney Liner:	<input type="checkbox"/> Required	Filter Rack:	<input type="checkbox"/> Required	
Venting Pipe:	Feet	Condensation Pump:	<input type="checkbox"/> Required	

Customer Signature: 

Date: Jan 21/2014

Terms and Conditions

1. This document contains all the terms and conditions of sale as agreed by Eco Energy Home Services Inc. and the purchaser, and no other agreement or understanding, verbal or written shall be binding on either party.

2. This contract shall become binding upon Eco Energy Home Services Inc. only upon acceptance by it, by delivering to the customer an accepted and signed copy of the contract, or by the commencement of the installation by Eco Energy Home Services Inc. This contract is not subject to cancellation.

3. Price not including any required increase in the main electrical service or any permit for the premises.

4. The purchaser agrees with the Vendor that concealed space, chimneys attics, etc. reveal difficulties of installation that are beyond the sales consultant's examination and the purchaser agrees to pay any extra work and materials that are needed to complete the work because of these obstruction and difficulty.

5. It is understood that Eco Energy Home Services Inc. don't assume any risks of any other nature in connection with this order and is not responsible for delays, damages or inability to carry on the work of installation caused by or resulting from strikes, fires, accidents, lack of materials or any other cause beyond reasonable control either before or after delivering of material, equipment at the said premises.

6. Eco Energy Home Services Inc. shall not, under any circumstances whatsoever, be liable for any damage to properties or injury to any person either direct or consequential, caused by or arising out of the delivery, installation, operation, use or repossession of the goods. Or from any defect therein or in any part thereof, particularly in regard to soot or dirt damage to rugs, carpets floors or walls during the removal of furnaces, boilers or similar equipment.

7. Eco Energy Home Services Inc. remains the owner of all the articles herein referred to until payment in full is received. In case of failure to make the payment when due or either of repossessing the said articles or claiming the entire balance due in case of repossession. Eco Energy Home Services Inc. shall have the right to retain all or part of any payments made prior to repossession on the basis of quantum merit and shall more over have the right to dispose of the articles repossessed without any accounting.

8. An server charge of 2% per Month (24% Annually) will be charge on overdue amount.

2292912 ONTARIO INC.

v.

2380009 ONTARIO LIMITED

Applicant

Respondent

Court File No.: CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(Returnable December 5, 2017)

FRED TAYAR & ASSOCIATES
Professional Corporation
Barristers and Solicitors
65 Queen Street W, Suite 1200
Toronto, ON M5H 2M5

Fred Tayar (23909N)

Tel. (416) 363-1800

Fax. (416) 363-3356

Lawyers for Eco Energy Home Services Inc.

TAB K

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

**FOURTH REPORT OF THE RECEIVER OF
2380009 ONTARIO LIMITED**

November 23, 2017

Table of Contents

I.	INTRODUCTION	1
II.	PROCEDURAL HISTORY OF RECEIVERSHIP	2
III.	TERMINATION OF LEASE AND POST-TERMINATION ACTIVITIES	7
	Termination of the Lease and Possession by the Receiver	7
	Insurance.....	8
	BuiltRite's Removal of its Property	8
	Electrical Issues and Repairs during the BuiltRite Property Removal Period.....	10
	Disposal of Remaining BuiltRite Property.....	11
IV.	BANKRUPTCY OF BUILTRITE	12
V.	THE SALE PROCESS FOR THE PROPERTY	14
	Marketing Activities	14
	Response to Marketing Activities.....	15
VI.	OFFERS RECEIVED FOR THE PROPERTY.....	16
VII.	APPROVAL OF SALE	17
VIII.	SECURED OR PRIORITY CLAIMS	18
	Secured Creditors	18
	Claims of Canada Revenue Agency ("CRA").....	19
	Property Taxes.....	22
IX.	CLAIMS OF ECO ENERGY HOME SERVICES INC. ("Eco").....	22
	Work Performed by Eco and Related Documents	22
	Eco Registrations	24
	Eco Outstanding Balance.....	24
	Eco Trust Claim	25
	Rent Paid to 238	26
	Scheduling of Motion for Advice and Directions	26
	Position of the Receiver re Eco Claims.....	27
X.	RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	28
XI.	PROPOSED INTERIM DISTRIBUTION	29
XII.	PROFESSIONAL FEES	30
XIII.	CONCLUSION	31

Appendices

Appointment Order	A
Parcel register	B
May 29 Order.....	C
First Report and First Report Supplemental	D
Second Report.....	E
Third Report.....	F
Third Report Supplemental.....	G
July 21 Order.....	H
CBRE Marketing Materials	I
Legal Opinion	J
Contract.....	K
Terms and Conditions	L
PPSA registry search	M
Instrument Number PR3083146	N
Invoice	O
Endorsement of the Honourable Justice Hainey dated October 3, 2017	P
Commercial List Scheduling request and copy of correspondence	Q
Interim Statement of Receipts and Disbursements.....	R
Affidavit of Daniel Weisz.....	S
Affidavit of Barry A. Cohen, Q.C.....	T

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) ("**Court**") dated February 7, 2017 (the "**Appointment Order**"), Collins Barrow Toronto Limited ("**CBTL**") was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2380009 Ontario Limited ("**238**" or the "**Debtor**") acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof. A copy of the Appointment Order is attached to this report as **Appendix "A"**.
2. 238 is an Ontario corporation incorporated on July 9, 2013 and appears to be a single purpose corporation holding legal and beneficial title to the Property, being certain lands and a free standing industrial building located thereon at 2370 South Sheridan Way, Mississauga, Ontario (the "**Property**"). Attached as **Appendix "B"** is a parcel register for the Property.
3. The building located on the Property was occupied by a single tenant, BuiltRite Technologies Inc. ("**BuiltRite**"). BuiltRite occupied the Property from February 1, 2014 to August 8, 2017 pursuant to a lease between BuiltRite and 238 dated January 15, 2014 (the "**Lease**").
4. The Applicant, 2292912 Ontario Inc. ("**229**"), is the registered holder of a first mortgage on the Property, which mortgage was assigned from Computershare Trust Company of Canada to 229 on March 23, 2016 (the "**Mortgage**").
5. 238 defaulted on its obligations under the Mortgage and property tax arrears were permitted by 238 to accumulate in respect of the Property. Following demands to rectify the defaults and breaches of 238, a Notice of Application

dated April 19, 2016 ("**Application**") was issued by 229 seeking appointment of the Receiver.

6. Following a series of adjournments, the Application was heard on February 7, 2017 and the Appointment Order was issued. Torkin Manes LLP ("**Torkin Manes**") is counsel to the Receiver.
7. The Receiver has been advised by the main principals of 238 that no financial statements were prepared for 238 since its incorporation. The Receiver is administering the receivership on the assumption that the only assets of 238 are the Property and any amounts that may be owing to 238 by BuiltRite.

II. PROCEDURAL HISTORY OF RECEIVERSHIP

8. Following its appointment, the Receiver brought a motion, returnable on May 29, 2017, seeking certain relief in connection with the Property, including authorization to enter into a listing agreement in respect of same and to market the Property for sale. On May 29, 2017, the Honourable Justice Pattillo made an Order, (the "**May 29 Order**") that, *inter alia*:

(a) the Receiver was authorized to:

- (i) enter into a listing agreement (the "**CBRE Listing Agreement**") with CBRE Limited ("**CBRE**") for the marketing for sale of the Property; and
- (ii) list the Property for sale and market the Property to prospective purchasers; and

(b) as of June 21, 2017 the Receiver was authorized to terminate the Lease on 45-days' notice, at the end of which period vacant possession was to be delivered to the Receiver and the premises left in a proper state of cleanliness and repair.

A copy of the May 29 Order is attached hereto as **Appendix "C"**.

A copy of the First Report of the Receiver and Supplemental Report to the First Report are attached collectively, without appendices, as **Appendix "D"**.

9. Following issuance of the May 29 Order, the Receiver encountered difficulty in obtaining access to the Property, which continued to be occupied by BuiltRite, for the purposes of providing tours to prospective purchasers. Furthermore, BuiltRite continued to be in breach of certain obligations pursuant to the Lease. These issues, which are addressed more fully in the Receiver's Second and Third Reports to the Court, precipitated court attendances on July 6, 2017 and July 21, 2017. A copy of the Second Report, without appendices, is attached hereto as **Appendix "E"**. A copy of the Third Report and Supplemental Report to the Third Report, without appendices, are attached hereto as **Appendix "F"** and **Appendix "G"**, respectively.
10. On July 21, 2017, Justice Conway made an Order (the "**July 21 Order**"), on the consent of BuiltRite and 238:
 - (i) declaring that a Notice of Termination of Lease issued by the Receiver on June 22, 2017 in respect of the Lease was properly

issued and that the Lease was terminated effective as of August 8, 2017 (the "**Termination Date**");

(ii) ordering BuiltRite and 238 to deliver vacant possession of the Premises in a proper state of cleanliness and repair upon the Termination Date; and

(iii) permitting BuiltRite access to the Property during the month of August, 2017 for the purpose of removing BuiltRite's property, subject to certain conditions.

A copy of the July 21 Order is attached hereto as **Appendix "H"**.

11. The orders and reports referred to in this report, together with related Court documents, are posted on the Receiver's website, which can be found at <http://www.collinsbarrow.com/en/cbn/current-engagements-toronto/2380009-Ontario-Limited>.

Purpose of Fourth Report

12. The purpose of this fourth report of the Receiver (the "**Fourth Report**") is to:
- (a) report to the Court on the activities of the Receiver since the date of the Receiver's Third Report to Court and the Supplemental Report to the Third Report;
 - (b) report to the Court on the termination of the Lease, the Receiver's actions in taking possession and control of the Property, and the removal by BuiltRite of its assets;
 - (c) report to the Court on the results of the sales process and activities leading to receipt of an offer for the Property;

-
- (d) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period from February 7, 2017 to November 22, 2017;
- (e) seek an order:
- a. authorizing and directing the Receiver to carry out the terms of the agreement of purchase and sale between the Receiver and "David Chen in Trust for a Company to be Incorporated and Without Personal Liability" (the "**Purchaser**") dated October 12, 2017, as amended (the "**APS**") in connection with the sale of the Property, together with any further minor amendments thereto deemed necessary by the Receiver in its sole opinion;
 - b. vesting title to the Property in the Purchaser, or as it may further direct in writing, upon closing of the APS and the delivery of the Receiver's Certificate to the Purchaser;
 - c. sealing the Confidential Supplemental Report to the Fourth Report of the Receiver ("**Confidential Fourth Report Supplemental**"), including the confidential appendices contained therein, until the closing of the sale of the Property;
 - d. for advice and directions of the Court as to the nature and priority of certain claims asserted by Eco (as defined herein);
 - e. increasing the borrowing limit referred to in Paragraph 21 of the Appointment Order from \$500,000 to \$750,000;

-
- f. authorizing the Receiver to pay the proposed Interim Distribution (as defined herein);
 - g. approving the Fourth Report and the Confidential Fourth Report Supplemental and the Receiver's conduct and activities described therein; and
 - h. approving the fees and disbursements of the Receiver and of the Receiver's counsel, from July 18, 2017 to October 31, 2017 and June 20, 2017 to November 22, 2017, respectively.

Terms of Reference

- 13. In preparing this Fourth Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "Information"). Certain of the information contained in this Fourth Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
- 14. Defined terms in this Fourth Report, unless indicated otherwise herein, have the same meanings as set out in the First Report, the First Report

Supplemental, the Second Report, the Third Report and the Third Report Supplemental.

15. Unless otherwise stated, all dollar amounts contained in the Fourth Report are expressed in Canadian dollars.

III. TERMINATION OF LEASE AND POST-TERMINATION ACTIVITIES

Termination of the Lease and Possession by the Receiver

16. Pursuant to the Notice of Termination of Lease and July 21 Order, the Lease was terminated on August 8, 2017.
17. On August 8, 2017, the Receiver attended at the Property to take possession and to meet with the main principals of 238/BuiltRite. At the time, the Receiver addressed with the main principals of 238/BuiltRite the removal of BuiltRite's property, which included some heavy machinery and other equipment, from the premises. As of that date, substantially all of BuiltRite's property remained on site as it appeared to the Receiver that BuiltRite's business operations did not cease prior to the morning of August 8, 2017, and that BuiltRite employees were at the Property until shortly before the Receiver's attendance.
18. Upon taking possession of the Property on August 8, 2017, the Receiver arranged for the locks to the building to be changed. After considering the Receiver's insurance requirements and the fact that BuiltRite's assets were in the building, the Receiver engaged a security guard to provide security services until such time as the necessary security and alarm monitoring systems could be installed / made operational.

-
19. After assessing the building's security and the costs of various alternatives, the Receiver arranged for (i) the installation of a burglary alarm system to be monitored by a security company; (ii) the inspection and reactivation of the sprinkler system; and (iii) the connection of the fire alarm panel to the monitoring system. This work was completed on August 30, 2017.
 20. The Receiver arranged for an inventory to be taken of all property located on the premises as of August 8, 2017. A listing of the property was provided to BuiltRite and 238 upon their request.

Insurance

21. Prior to the appointment of the Receiver, 238 had placed insurance coverage for the Property with Aviva Insurance Company of Canada ("Aviva"). As the Aviva policy was due to expire on August 15, 2017 and Aviva would not renew the policy, the Receiver sought quotes for the required coverage from three insurance brokers. After considering the quotes received, the Receiver obtained property and liability insurance through HUB International Insurance Brokers ("HUB").

BuiltRite's Removal of its Property

22. The July 21 Order permitted BuiltRite access to the Property for the purpose of removing its property, subject to certain conditions, including that BuiltRite pay to the Receiver an amount equivalent to August 2017 rent. All property of BuiltRite was to be removed from the Property by August 30, 2017.
23. During the period from August 17, 2017 to August 30, 2017, BuiltRite attended at the Property to remove machinery, equipment, inventory, furniture and other

items which belonged to BuiltRite. The removal of certain machinery and equipment was a complex process which, in some cases, necessitated disassembly of same prior to removal.

24. On August 18, 2017, BuiltRite requested that it be allowed to operate certain machinery in order to continue to produce product during the property removal period. The Receiver denied this request.
25. On August 30, 2017, the intended deadline for removal, BuiltRite advised the Receiver that the property removal process was incomplete. BuiltRite requested that it be granted an extension and continued access to the Property until September 8, 2017. The Receiver agreed to BuiltRite's extension request, subject to certain conditions. Further extensions to September 13, 2017 and then to September 15, 2017 were sought by BuiltRite and agreed to by the Receiver.
26. On September 7, 2017, BuiltRite requested the Receiver provide, and pay for, garbage bins needed for the removal of waste located at the premises, indicating that it did not have funds to pay for same. The Receiver was of the view that if it did not agree to this request, the waste would have been left at the premises and the related expense would fall upon the Receiver in any event, together with additional labour costs. Accordingly, the Receiver agreed to provide the requested bins to BuiltRite, at the Receiver's cost, in order to facilitate BuiltRite's removal of the waste on site.

Electrical Issues and Repairs during the BuiltRite Property Removal Period

27. In order to determine whether certain breakers in the building's main electrical panel were considered to be fixtures of the building or property of BuiltRite that could be removed, the Receiver engaged Campbell and Kennedy Electric (1996) Limited ("**Campbell**") to attend at the premises and inspect the electrical panel. Following Campbell's attendance at the premises, Campbell advised the Receiver of its concerns that cables and wiring were being disconnected by BuiltRite's electricians in a manner that was unsafe or not compliant to code.
28. After receiving this advice, the Receiver contacted BuiltRite and requested that prior to any further electrical work being performed, BuiltRite provide the Receiver with:
- i) proof that BuiltRite's electricians are Master Electricians, licensed by the Electrical Safety Authority ("**ESA**"), and that they hold a valid electrical contractor license issued by ESA;
 - ii) a certificate of insurance from BuiltRite's electricians confirming that they have liability insurance and that they have added the Receiver as an additional insured party under their policy for work to be completed at the Property; and
 - iii) written confirmation from BuiltRite's electricians that they would complete all work to ESA standards.
29. None of the documentation requested was provided to the Receiver.
30. The Receiver subsequently retained Campbell to perform an electrical audit of the building in order to identify any hazards that needed to be addressed.

Campbell identified seven areas of concern and provided its recommendations on how to remedy the electrical deficiencies.

31. After being notified by the Receiver of Campbell's findings, HUB advised that in order to maintain insurance coverage the Receiver needed to take immediate steps to repair or remedy the deficiencies identified by Campbell.
32. The Receiver engaged Campbell to perform the necessary repairs, which were completed on September 20, 2017. The total cost of addressing the electrical issues at the Property identified by Campbell was approximately \$53,000.

Disposal of Remaining BuiltRite Property

33. On September 15, 2017, BuiltRite substantially completed the removal of its property, with the exception of an indoor mezzanine, certain scrap and other items (the "**Remaining Property**"). BuiltRite requested that it be permitted to store the Remaining Property outdoors at the Property until BuiltRite could arrange for its removal the following week. The Receiver agreed, subject to certain conditions.
34. All BuiltRite property had been removed from the building interior by September 15, 2017, with all Remaining Property being stored outdoors after that date. Between September 15, 2017 and October 13, 2017, the Receiver engaged in regular correspondence with BuiltRite respecting the removal of the Remaining Property, a substantial portion of which was ultimately removed by BuiltRite.
35. BuiltRite was deemed bankrupt on October 13, 2017 (addressed in more detail below).

-
36. On October 17, 2017, the Receiver wrote to BuiltRite's Trustee in Bankruptcy (the "Trustee") and requested that the Trustee advise by 5:00 p.m. on October 23, 2017 if the Trustee intended to recover any of the Remaining Property, failing which it would be disposed of by the Receiver. The Trustee indicated that it would seek instructions from the creditors at BuiltRite's First Meeting of Creditors scheduled for November 2, 2017 as to the Remaining Property and advise accordingly.
 37. On October 20, 2017, the Trustee informed the Receiver that the Remaining Property that did not belong to BuiltRite belonged to 238.
 38. On November 8, 2017, the Trustee released its right, title and interest (if any) in and to the Remaining Property that belonged to BuiltRite.
 39. Accordingly, the Receiver arranged for the disposal of the Remaining Property, which included four barrels containing an unidentified liquid which had to be removed by an environmental waste disposal company.
 40. In total, costs of approximately \$44,000 were incurred by the Receiver in connection with the removal of BuiltRite's property from the premises, exclusive of the costs of the electrical repairs addressed previously.

IV. BANKRUPTCY OF BUILTRITE

41. On September 14, 2017, BuiltRite filed a Notice of Intention to Make a Proposal ("NOI") under the BIA.

-
42. On October 13, 2017, BuiltRite applied to the Court for an extension of the time for filing of its proposal. The request was denied. BuiltRite was deemed bankrupt on October 13, 2017.
43. The statement of liabilities provided to creditors in connection with the NOI indicates that BuiltRite's total liabilities amount to \$1,585,031. 238 was not included on the list of creditors.
44. The Receiver calculates that BuiltRite is indebted to 238 in the amount of \$185,967.74 in respect of:
- i) HST that was not remitted on rent paid by BuiltRite prior to the receivership;
 - ii) costs incurred by the Receiver to repair or remediate the electrical deficiencies; and
 - iii) costs associated with attending at the Property during BuiltRite's removal of its property, cleaning up the Property and removing the Remaining Property.
45. The Receiver has filed a proof of claim for an unsecured claim in the amount of \$185,967.74 with the Trustee.
46. The First Meeting of Creditors in the bankruptcy of BuiltRite was held on November 2, 2017. Based upon the Receiver's review of the Trustee's Preliminary Report, it does not appear that any dividends will be payable to any unsecured creditors of BuiltRite from its estate.

V. THE SALE PROCESS FOR THE PROPERTY

Marketing Activities

47. Pursuant to the May 29 Order, CBRE launched its marketing campaign on June 26, 2017. A summary of the sales process undertaken by CBRE is set out below:

- i) on June 26, 2017 and on an ongoing basis, CBRE distributed a property information sheet flyer to co-operating brokers and interested prospects;
- ii) on June 26, 2017, the Property was listed for sale on MLS;
- iii) on June 29 and July 4, 2017, an advertisement was placed in the business section of the national edition of the Globe and Mail newspaper (the "**Newspaper Advertisement**");
- iv) from July 10 to July 14, 2017, a "post card" highlighting the listing (the "**Post-Card**") was sent to approximately 2,900 CBRE clients across the GTA West market;
- v) on a monthly basis, an email of the listing (the "**Email**") was sent to 495 co-operating brokers in the GTA;
- vi) on a bi-monthly basis, a targeted email was sent to 220 companies and tenants in the GTA West area;
- vii) a ground sign was erected on the Property on August 14, 2017 (the "**Sign**"); and
- viii) the Property was listed on CBRE's website and on LoopNet (the commercial real estate online marketplace).

Copies of the Newspaper Advertisement, Post-Card, Email and Sign are attached hereto as **Appendix "I"**.

Response to Marketing Activities

48. Effective progress in the sales process was delayed due to issues encountered by the Receiver/CBRE in obtaining access to the Property for the purposes of conducting tours with potential purchasers during the period in which it continued to be occupied by BuiltRite. Following termination of the Lease between BuiltRite and 238, further issues with showing the Property were encountered as a result of the ongoing work being performed at the premises in connection with BuiltRite's removal of its equipment and machinery. Some such issues gave rise to concerns on the part of the Receiver with respect to the safety of visitors to the Property.
49. CBRE's tours of the Property with interested parties commenced in earnest on September 14, 2017.
50. Prior to the October 12, 2017 deadline for submission of offers:
 - i. tours of the Property were conducted for 21 different parties between August 16, 2017 and October 3, 2017; and
 - ii. 15 Confidentiality Agreements were signed by prospective purchasers who were all given access to confidential information on the Property.

VI. OFFERS RECEIVED FOR THE PROPERTY

51. Purchasers were required to submit their offers for the Property by October 12, 2017 on a form of agreement of purchase and sale prepared by the Receiver and made available to interested parties.
52. CBRE received a number of offers in connection with the Property. These offers are summarized in an Offer Summary generated by CBRE attached as Appendix "A" to the Confidential Fourth Report Supplemental.
53. Following the Receiver's review with CBRE of the Offer Summary, CBRE, with the Receiver's concurrence, corresponded to all offerors and advised them that the Receiver would like to provide all parties who have submitted an offer with the opportunity of considering submission of a revised, improved offer before a final determination is made as to the successful bid which will be accepted. Any amended offers were to be submitted prior to 5:00 PM on Friday, October 20, 2017, failing which the original offer made would be taken as a final offer.
54. A copy of the Revised Offer Summary, including any amended offers received prior to the October 20, 2017 deadline, is attached as Appendix "B" to the Confidential Fourth Report Supplemental.
55. Following its review of the offers received, including any amended offers, and the agreements of purchase and sale submitted, the Receiver entered into the APS with the Purchaser. Conditions under the APS include:
 - (i) the Purchaser is permitted to November 17, 2017 to allow it time to satisfy itself with all matters relating to the Property; and

(ii) Court Approval of the transaction and the issuance of an Approval and Vesting Order.

56. Closing of the sale is to occur on the tenth (10th) business day following the issuance by the Court of an Approval and Vesting Order, or such other date as agreed between the Purchaser and the Receiver. A copy of the executed APS is attached as Appendix "C" to the Confidential Fourth Report Supplemental.
57. On November 17, 2017, and following negotiations between the Purchaser and the Receiver, the Purchaser provided the Receiver with a waiver of conditions, a copy of which is attached as Appendix "D" to the Confidential Fourth Report Supplemental. Amendments to the APS are reflected in Amending Agreement #1 which is attached as Appendix "E" to the Confidential Fourth Report Supplemental.

VII. APPROVAL OF SALE

58. The Receiver believes that the sales process undertaken by the Receiver (i) was appropriate for the type of property in question, (ii) provided sufficient market exposure to the Property and (iii) resulted in the Receiver obtaining a commercially reasonable offer for the Property for the following reasons:
- i) the Property was listed for sale on MLS;
 - ii) the Property was advertised for sale in The Globe and Mail;
 - iii) the Property was listed on CBRE's website and LoopNet; and
 - iv) the Property was exposed to the market for a period of more than three months.

59. The Receiver therefore recommends the approval by this Honourable Court of the APS.

60. The Receiver believes that the offers for the Property and the APS should be kept confidential until the closing of the transaction. The Receiver is of the view that public disclosure of the offers received for the Property, the Purchase Price and the information obtained in respect of the Property would have a negative impact on the future marketing of the Property should the transaction with the Purchaser not be approved or completed. The Receiver respectfully requests that the Confidential Fourth Report Supplemental be sealed by this Honourable Court until after the sale transaction closes.

VIII. SECURED OR PRIORITY CLAIMS

Secured Creditors

61. Based upon the registrations against title to the Property and Personal Property Security Act ("PPSA") registry search results, the secured creditors of 238 are (without regard to order of priority):

- i) 229;
- ii) 2383603 Ontario Inc./Atlantic (HS) Capital Inc./Atlantic Advantage Management Inc.;
- iii) Bay Point Financial Services Inc.;
- iv) ECO Energy Home Services Inc.;
- v) G & L Carpenters Limited;
- vi) Giacomo Francesconi;

-
- vii) Lucien Carpenters Limited;
 - viii) Mario Iacobelli / Gina Iacobelli;
 - ix) Mercedes Francesconi;
 - x) Renato Francesconi; and
 - xi) William Fong.

- 62. The Receiver has obtained an opinion from its counsel confirming the validity and enforceability of the Mortgage, general security interest, and other security documents in favour of 229, a copy of which is attached as **Appendix "J"**.
- 63. Following the closing of the sale of the Property, the Receiver will communicate with secured creditors of 238 with the view to determining the quantum and priority of claims as against 238 and/or the Property. Following this analysis, the Receiver will provide its recommendations to this Honourable Court as to the appropriate distribution of any remaining funds in the possession of the Receiver.
- 64. The sole exception to the above is in relation to Eco, which wishes to have the question of the nature and priority of its claims dealt with now. Eco's claims are addressed in more detail below.

Claims of Canada Revenue Agency ("CRA")

- 65. The Receiver has contacted CRA in order to determine the outstanding obligations of 238, if any.
 - a) *HST*
- 66. CRA has advised the Receiver that four returns for the period July 10, 2013 to October 31, 2014 were filed in respect of 238's HST account and that no

revenue or HST collected was reported on those returns. CRA further advised that 238 has not filed any HST returns since October 31, 2014.

67. To the best of the Receiver's knowledge, 238's revenues were comprised solely of rental income derived from the Lease between 238 and BuiltRite. The stipulated monthly rent in the Lease for the Rental Period is \$18,000 per month plus HST.
68. Pursuant to a Direction re Funds dated January 15, 2014 ("**Direction**"), 238 authorized and directed BuiltRite to "make the lease payments payable under the lease on the above-mentioned Property in the amount of \$18,000.00 per month" to Timbercreek Asset Management, which the Receiver understands is the servicing agent for 229.
69. Since the commencement of the Lease on February 1, 2014 to and including February 1, 2017 (the "**Rental Period**"), BuiltRite's total rent payments equal \$666,000 (37 months @ \$18,000 per month).
70. The amounts paid by BuiltRite do not appear to include an amount equal to the HST payable on rent, equal to \$86,580, which should have been paid to 238 over the same 37 month period. It therefore appears that BuiltRite is indebted to 238 in the amount of \$86,580 in respect of unpaid HST owing under the terms of the Lease.
71. CRA has confirmed to the Receiver that, on June 6, 2017, BuiltRite/238 (not by the Receiver) filed an election for closely related corporations seeking to treat certain taxable supplies as having been made for NIL consideration for HST purposes, retroactive to January 1, 2014. If the election is approved by CRA,

this could reduce or eliminate the HST-related indebtedness. CRA has not yet notified the Receiver of its decision on the election.

72. If CRA does not approve the aforementioned election, the Receiver will prepare and file 238's HST returns (including amended returns in respect of the returns previously filed by 238) for the period since 238's incorporation on the basis of information currently known to the Receiver.
73. 238 has not provided the Receiver with any of 238's accounting records or details of any payments that would enable the Receiver to determine if 238 is eligible to claim any input tax credits, in respect of 238's activities. The only input tax credits that would therefore be available would be in relation to HST paid on the Receiver's fees and disbursements incurred in the receivership.
74. On the assumption that there will be no realizations for 238 from the bankruptcy estate of BuiltRite, the Receiver intends on claiming a credit of \$11,255 when filing 238's HST returns, representing the HST portion of the \$86,580. While 238 may have an HST liability of up to \$86,580, the Receiver currently estimates that 238's HST liability may be \$75,325.
75. The Receiver has filed HST returns for the period since the commencement of the receivership. As the input tax credits for the receivership period exceed the HST payable, the Receiver is in a refund position. The Receiver has been advised by CRA that CRA will not issue an HST refund pending the filing of all corporate tax and HST returns of 238.

b) Payroll Source Deductions and the Wage Earner Protection Program Act

76. 238 has informed the Receiver that 238 has never had any employees. CRA has confirmed to the Receiver that 238 has never opened an account at CRA in respect of payroll deductions. As a result, it appears that there are no payroll source deductions outstanding, and no requirements to administer any claims pursuant to the *Wage Earner Protection Program Act*.

c) Corporation income tax returns

77. The Receiver was advised by CRA that 238 has not filed any corporation income tax returns. Accordingly, the Receiver will be filing corporation income tax returns for 238 for the required periods commencing from the date of 238's incorporation as it is possible that the sale of the Property may generate an income tax liability for 238 that will have to be addressed by the Receiver.

Property Taxes

78. As of October 3, 2017, the outstanding property taxes totaled \$440,722. The Receiver does not have the funds to pay the 2017 property taxes or outstanding prior period taxes. Accordingly, payment of the outstanding property taxes will occur at the time of the sale of the Property.

IX. CLAIMS OF ECO ENERGY HOME SERVICES INC. ("Eco")

Work Performed by Eco and Related Documents

79. Based upon the information provided by Eco and 238, Eco was engaged by 238 in or around November 29, 2013 for the purpose of supplying and installing

HVAC units on the building located at the Property. The Receiver has been provided by Eco with a copy of a contract for services dated November 29, 2013 (the "**Contract**") respecting the work to be performed by Eco at the Property. A copy of same is attached as **Appendix "K"**. The Contract indicates a total cost, including applicable taxes, of \$43,392.00 for the work to be performed by Eco.

80. Eco has also provided the Receiver with a copy of what it advises are the standard terms and conditions which accompany invoices issued by Eco. A copy of the Eco standard terms and conditions provided to the Receiver are attached as **Appendix "L"** (the "**Terms and Conditions**"). The Terms and Conditions are not signed by 238 and do not appear to be incorporated by reference in the Contract. Counsel for Eco advises that the Terms and Conditions were printed on the back page of the Contract. Counsel to Eco has agreed that the Receiver can inspect the original copy of the Contract.

81. The Terms and Conditions contain, *inter alia*, the following provisions:

- i) "Eco Energy Home Services Inc. remains the owner of all the articles herein referred to until payment in full is received. In case of failure to make the payment when due or either of repossessing the said articles or claiming the entire balance due in case of repossession, Eco Energy Home Services Inc. shall have the right to retain all or part of any payments made prior to repossession on the basis of *quantum merit* (sic) and shall more over (sic) have the right to dispose of the articles repossessed without any accounting."

ii) "An server (sic) charge of 2% per Month (24% Annually) will be charge (sic) on overdue amount".

82. Counsel to Eco has advised that the work contemplated by the Invoice was completed in January of 2014. The Contract appears to have been signed on behalf of 238 on January 21, 2014. The Receiver has not been provided with evidence which establishes whether the Contract was signed by 238 before, or after, the work was performed. The specific date of completion of the relevant work is not addressed in the Affidavit materials filed on behalf of Eco.

83. The Receiver is not aware of any dispute between 238 and Eco as to the nature of the work to be performed by Eco, that the work was in fact performed or the total amount payable pursuant to the Contract.

Eco Registrations

84. On December 18, 2014, Eco registered a security interest against 238 under the PPSA as registration 20141218 1623 9382 0000. Attached as **Appendix "M"** is a copy of the relevant excerpt from a PPSA registry search in respect of 238.

85. On February 22, 2017, Eco registered a Notice of Security interest on title to the Property as Instrument Number PR3083146. A copy of instrument Number PR3083146 is attached as **Appendix "N"**.

Eco Outstanding Balance

86. On February 28, 2017, the Receiver contacted Eco to inquire as to the nature of the security interest claimed by Eco. A representative of Eco confirmed that its security interest relates to Eco's installation of the HVAC units at the

Property. On March 1, 2017, Eco delivered a series of documents to the Receiver relating to same, including a copy of an invoice dated as of February 28, 2017, which indicates a total outstanding balance of \$75,996.35 in connection with the Contract, inclusive of interest and taxes. Attached as **Appendix "O"** is a copy of the February 28, 2017 invoice (the "**Invoice**"), together with subsequent correspondence delivered to the Receiver by counsel for Eco respecting Eco's claims.

87. Counsel for Eco has confirmed that the Invoice did not account for certain payments made to Eco pursuant to the Contract and that the correct current outstanding principal balance is only \$12,560.20.

Eco Trust Claim

88. The Receiver understands Eco's position to be that any rent paid to the Receiver in respect of the Property, or any proceeds of sale realized in respect of the Property, are funds held in trust for Eco pursuant to s.7(3) of the *Construction Lien Act*. Eco asserts that its trust claim extends to the outstanding balance owing on the Contract, interest on the outstanding balance in accordance with the Terms and Conditions at 24% per annum from January 2014 to present, plus indemnity for legal costs incurred by Eco in connection with the enforcement of its claim.
89. Counsel for Eco has quantified its claims for principal, interest and related legal fees, as of November 21, 2017, as being in the following amounts:
- i) Principal = \$12,560.20
 - ii) Interest = \$11,644.85

iii) Legal Fees = \$16,375.70

Rent Paid to 238

90. As addressed above, total rent of \$666,000 was paid by BuiltRite during the course of the Lease up to the date of the Appointment Order. These payments were directed to 229 and applied against 238's outstanding secured indebtedness to 229.
91. From the appointment of the Receiver to present, the total amount of \$108,000 plus HST of \$14,040 has been paid to the Receiver by BuiltRite on account of payments due under the terms of the Lease (the "**Post-Receivership BuiltRite Payments**").
92. Eco claims a trust interest in the Post-Receivership BuiltRite Payments in the amount of its total claims as referenced above, plus such additional fees to be incurred up to and including the determination of same.

Scheduling of Motion for Advice and Directions

93. On October 3, 2017, Eco attended at a 9:30 chambers appointment for the purpose of timetabling a motion for advice and directions, to be brought by Eco, as to the priority of Eco's claims relative to the claims of other creditors of 238. Eco and the Receiver consented to a timetable for the delivery of materials, which timetable contemplated a subsequent 9:30 appointment to be held on November 6, 2017 (following the delivery of materials) to be used for scheduling the hearing of the motion. Attached as **Appendix "P"** is a copy of the Endorsement of the Honourable Justice Hailey dated October 3, 2017.

-
94. Materials were not delivered by any party in accordance with the initial timetable set. During the month of October, the sale process for the Property was completed and the Receiver scheduled this motion, to be heard on December 5, 2017, for approval of the intended sale. The December 5, 2017 date was booked in consultation with counsel for Eco with the intention that, should Eco desire, the Receiver could seek advice and directions as to the priority of Eco's claims together with approval of the sale of the Property. Attached as **Appendix "Q"** is a copy of the Commercial List Scheduling request and a copy of correspondence delivered to counsel for Eco in this regard.
95. At the 9:30 appointment scheduled for November 6, 2017, the determination of Eco's trust claims was scheduled to be heard together with the Receiver's motion for advice and directions on December 5, 2017.
96. The Receiver has therefore prepared these materials seeking advice and directions as to the validity and priority of Eco's claims. Parallel relief is sought by Eco.

Position of the Receiver re Eco Claims

97. The Receiver has advised counsel for Eco that it has concerns regarding the application of the *Limitations Act, 2002* to Eco's trust claims, given that more than three years have passed since the completion of relevant work. The Receiver has been unable to locate any authority which in its view definitively resolves the question of whether Eco's trust claim can now be asserted against the Receiver in connection with Post-Receivership BuiltRite Payments.

-
98. If accepted as a trust claim, Eco's claim will adversely impact the realization of at least one other creditor of 238, who would otherwise receive such funds. At this time, the identity of the affected creditor cannot be disclosed without, in effect, disclosing the approximate range within which the purchase price for the Property falls.
99. The Receiver is of the view that the determination of the priority and status of Eco's claims should be resolved by way of a motion for advice and directions on which the potentially affected creditor(s) will have the opportunity to respond.

X. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

100. Attached to this report as **Appendix "R"** is the Receiver's Interim Statement of Receipts and Disbursements for the period May 1, 2017 to November 22, 2017 (the "R&D"). During this period, receipts were \$622,271 while disbursements were \$585,511, resulting in an excess of cash receipts over disbursements of \$36,760.
101. Included in the Receiver's cash receipts is \$500,000 the Receiver borrowed from 229. In the last advance on September 20, 2017, the Receiver received \$300,000 from 229 which resulted in total borrowings exceeding the \$500,000 maximum borrowing limit provided for in the Initial Order. On September 26, 2017, \$90,000 was returned to 229 such that the total Receiver borrowings were \$500,000, representing the maximum allowable as per the Appointment Order.

102. To date, the Receiver has issued to 229 the following Receiver Certificates:

No.	Date	Amount
1	February 28, 2017	\$ 75,000
2	June 21, 2017	215,000
3	September 20, 2017	210,000
	Total	\$500,000

103. Pending completion of the sale of the Property, the Receiver will require additional funds to continue its administration of the receivership. There have been no further rental payments since August 1, 2017 and there are no other revenue sources available to 238. Accordingly, the Receiver respectfully requests that the borrowing limit referred to in Paragraph 21 of the Appointment Order be increased from \$500,000 to \$750,000.

XI. PROPOSED INTERIM DISTRIBUTION

104. Upon the closing of the sale of the Property and receipt by the Receiver of the sales proceeds, funds will be available for the Receiver to make an interim distribution.

105. As set out above in more detail, the Receiver has received the Security Opinion which indicates that the mortgage and general security agreement granted by 238 to 229 are validly registered and that those security interests rank first in priority to the security interests of other parties.

106. The Receiver seeks to make an interim distribution to 229. The Receiver intends on providing to the Court an updated mortgage statement of 229 prior to the hearing of the within motion.

107. As set out earlier herein, upon the closing of the sale of the Property to the Purchaser, the Receiver will seek from other parties which have registered their interests against the Debtor or the Property, information regarding the basis and quantity of their claims in order that the Receiver can be in a position to make a recommendation to the Court in respect of future distributions by the Receiver.

108. The timing of any future distributions by the Receiver to other secured creditors of 238 will, in light of the recent Federal Court of Appeal decision in *Her Majesty the Queen vs. Callidus Capital Corporation*, be dependent on the Receiver receiving confirmation from CRA that all claims against 238 of Her Majesty the Queen which may have priority over the claims of 238's secured creditors, have been paid in full, or upon further Order of the Court.

XII. PROFESSIONAL FEES

109. The Receiver's accounts total \$83,375.65 in fees and disbursements plus HST of \$10,838.84 for a total amount of \$94,214.48 (rounded) for the period July 18, 2017 to October 31, 2017 (the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Daniel Weisz sworn November 23, 2017 that is attached to this report as **Appendix "S"**.

110. The accounts of the Receiver's counsel, Torkin Manes, total \$76,387.94 in fees and disbursements and \$9,897.96 in HST for a total of \$86,285.90 (the "**Torkin**

Manes Accounts") for the period June 20, 2017 to November 22, 2017. A copy of the Torkin Manes Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Manes Accounts, supported by the Affidavit of Barry A. Cohen, Q.C. sworn November 23, 2017 is attached to this report as Appendix "T".

XIII. CONCLUSION

111. The Receiver respectfully requests that the Court grant an Order which provides for the following:

- (a) approving the Fourth Report and the Confidential Fourth Report Supplemental and the conduct and activities of the Receiver as set out therein;
- (b) authorizing and directing the Receiver to carry out the terms of the agreement of purchase and sale between the Receiver and the Purchaser and vesting title to the Property in the Purchaser, or as it may further direct in writing, upon closing of the APS and the delivery of the Receiver's Certificate to the Purchaser;
- (c) sealing the Confidential Fourth Report Supplemental including the confidential appendices contained therein until the closing of the sale of the Property;
- (d) Providing directions to the Receiver as to the claim to priority being asserted by Eco;

-
- (e) increasing to \$750,000 the borrowing limit referred to in Paragraph 21 of the Appointment Order;
 - (f) authorizing and directing the Receiver to pay the Interim Distribution;
 - (g) approving the R&D; and
 - (h) approving the Receiver's Accounts and the Torkin Manes Accounts.

All of which is respectfully submitted to this Court as of this 23rd day of November, 2017.

COLLINS BARROW TORONTO LIMITED

In its capacity as Court Appointed Receiver
of 2380009 Ontario Limited and
not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice President

TAB L



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

PROPERTY DESCRIPTION: PT LT 33, CON 2 SDS TT , PTS 1 TO 6, 43R10160 ; EXCEPT S/T R0580849 ; S/T R0646570; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1, 2, 3, PL 43R34842 AS IN PR2350267; CITY OF MISSISSAUGA

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 13429-0479

PIN CREATION DATE:
1998/05/19

OWNERS' NAMES
2380009 ONTARIO LIMITED

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/03/18 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1998/05/19						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1998/05/20 **						
43R8368	1980/10/01	PLAN REFERENCE				C
R0568239	1981/01/06	AGREEMENT			THE CORPORATION OF THE TOWN OF MISSISSAUGA	C
43R10160	1982/07/14	PLAN REFERENCE				C
43R10876	1983/05/17	PLAN REFERENCE				C
R0646570	1983/06/24	TRANSFER EASEMENT			THE CORPORATION OF THE CITY OF MISSISSAUGA	C
R0674879	1984/03/14	AGREEMENT			THE CORPORATION OF THE CITY OF MISSISSAUGA	C
43R34842	2012/09/07	PLAN REFERENCE				C
PR2273791	2012/09/28	CHARGE	53,630,000	IGW INDUSTRIAL GP INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C

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



ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #43

13429-0002 (LT)

PAGE 2 OF 4
PREPARED FOR Shalan01
ON 2017/10/05 AT 11:19:32

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
PR2273792	2012/09/28	NO ASSGN RENT GEN REMARKS: PR2273791.		IGW INDUSTRIAL GP INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
PR2350267	2013/04/02	TRANSFER EASEMENT	\$2	IGW INDUSTRIAL GP INC.	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR2350268	2013/04/02	POSTPONEMENT REMARKS: PR2273791 TO PR2350267		COMPUTERSHARE TRUST COMPANY OF CANADA	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR2350271	2013/04/02	POSTPONEMENT REMARKS: PR2273792 TO PR2350267		COMPUTERSHARE TRUST COMPANY OF CANADA	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR2420131	2013/08/21	TRANSFER REMARKS: PLANNING ACT STATEMENTS.	\$3,600,000	IGW INDUSTRIAL GP INC.	2380009 ONTARIO LIMITED	C
PR2420139	2013/08/21	NOTICE REMARKS: PR2273791		2380009 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA	C
PR2484073	2014/01/06	CHARGE	\$320,000	2380009 ONTARIO LIMITED	FRANCESCONI, GIACOMO	C
PR2484074	2014/01/06	NO ASSGN RENT GEN REMARKS: PR2484073.		2380009 ONTARIO LIMITED	FRANCESCONI, GIACOMO	C
PR2504209	2014/02/27	CHARGE	\$420,000	2390009 ONTARIO LIMITED	IACOBELLI, MARIO IACOBELLI, GINA	C
PR2504210	2014/02/27	NO ASSGN RENT GEN		2390009 ONTARIO LIMITED	IACOBELLI, MARIO IACOBELLI, GINA	C
PR2504264	2014/02/27	POSTPONEMENT REMARKS: PR2484073 TO PR2504209		FRANCESCONI, GIACOMO	IACOBELLI, GINA IACOBELLI, MARIO	C
PR2518652	2014/04/04	NOTICE REMARKS: PR2484073	\$2	2380009 ONTARIO LIMITED	FRANCESCONI, GIACOMO	C
PR2518656	2014/04/04	TRANSFER OF CHARGE REMARKS: PR2484073.		FRANCESCONI, GIACOMO	G & L CARPENTERS LIMITED FRANCESCONI, GIACOMO	C
PR2524004	2014/04/22	NOTICE REMARKS: PR2484073	\$2	2380009 ONTARIO LIMITED	FRANCESCONI, GIACOMO G & L CARPENTERS LIMITED	C

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



REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
PR2533658	2014/05/13	NOTICE	\$2	2380009 ONTARIO LIMITED	FRANCESCO, GIACOMO G & L CARPENTERS LIMITED	C
		REMARKS: RE: PR2484073				
PR2533659	2014/05/13	TRANSFER OF CHARGE		FRANCESCO, GIACOMO G & L CARPENTERS LIMITED	G & L CARPENTERS FRANCESCO, GIACOMO FRANCESCO, RENATO FRANCESCO, MERCEDES	C
		REMARKS: PR2484073.				
PR2593857	2014/09/03	NOTICE	\$2	2380009 ONTARIO LIMITED	FRANCESCO, GIACOMO G & L CARPENTERS LIMITED FRANCESCO, RENATO FRANCESCO, MERCEDES	C
		REMARKS: PR2484073				
PR2593863	2014/09/03	TRANSFER OF CHARGE		FRANCESCO, GIACOMO G & L CARPENTERS LIMITED FRANCESCO, MERCEDES FRANCESCO, RENATO	FRANCESCO, GIACOMO G & L CARPENTERS LIMITED FRANCESCO, MERCEDES FRANCESCO, RENATO LUCIEN CARPENTERS LIMITED	C
		REMARKS: PR2484073.				
PR2754956	2015/07/28	CHARGE	\$2,600,000	2380009 ONTARIO LIMITED	ATLANTIC (HS) CAPITAL INC. ATLANTIC ADVANTAGE MANAGEMENT INC. 2382603 ONTARIO INC.	C
PR2754957	2015/07/28	NO ASSGN RENT GEN		2380009 ONTARIO LIMITED	ATLANTIC (HS) CAPITAL INC. ATLANTIC ADVANTAGE MANAGEMENT INC. 2382603 ONTARIO INC.	C
		REMARKS: PR2754956				
PR2754961	2015/07/28	POSTPONEMENT		IACOBELLI, MARIO IACOBELLI, GINA	ATLANTIC (HS) CAPITAL INC. ATLANTIC ADVANTAGE MANAGEMENT INC. 2382603 ONTARIO INC.	C
		REMARKS: PR2504209 TO PR2754956				
PR2754962	2015/07/28	POSTPDNEMENT		FRANCESCO, GIACOMO G & L CARPENTERS LIMITED FRANCESCO, MERCEDES FRANCESCO, RENATO LUCIEN CARPENTERS LIMITED	ATLANTIC (HS) CAPITAL INC. ATLANTIC ADVANTAGE MANAGEMENT INC. 2382603 ONTARIO INC.	C

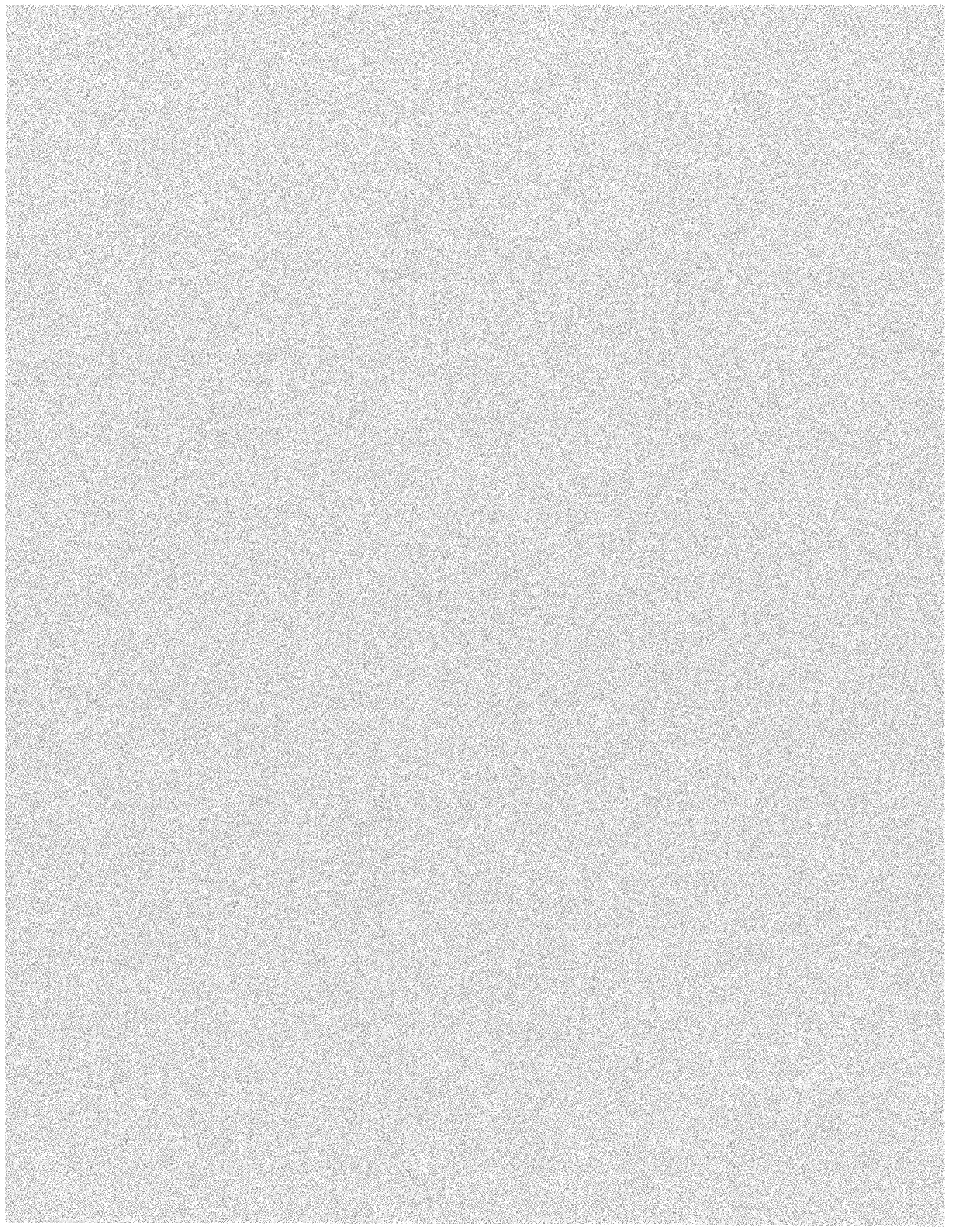
NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: PR2484073 TO PR2754956						
PR2820333	2015/11/12	APL CH NAME INST		2382603 ONTARIO INC.	2383603 ONTARIO INC.	C
REMARKS: PR2754956.						
PR2826298	2015/11/23	TRANSFER OF CHARGE		ATLANTIC (HS) CAPITAL INC. ATLANTIC ADVANTAGE MANAGEMENT INC. 2383603 ONTARIO INC.	ATLANTIC (HS) CAPITAL INC. ATLANTIC ADVANTAGE MANAGEMENT INC. 2383603 ONTARIO INC. FONG, WILLIAM	C
REMARKS: PR2754956.						
PR2826619	2015/11/24	TRANSFER OF CHARGE		FONG, WILLIAM	ATLANTIC (HS) CAPITAL INC.	C
REMARKS: PR2754956. PR2826298. PARTIAL.						
PR2887876	2016/03/29	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	2292912 ONTARIO INC.	C
REMARKS: PR2273791.						
PR2887877	2016/03/29	NO ASSGN RENT GEN		COMPUTERSHARE TRUST COMPANY OF CANADA	2292912 ONTARIO INC.	C
REMARKS: PR2273791						
PR3075681	2017/02/06	CHARGE	\$350,000	2380009 ONTARIO LIMITED	BAY POINT FINANCIAL SERVICES INC.	C
PR3083146	2017/02/22	NO SEC INTEREST	\$2	ECO ENERGY HOME SERVICES INC		C
PR3086095	2017/02/28	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	2292912 ONTARIO INC.	C

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



Properties

PIN 13429 - 0002 LT *Interest/Estate* Fee Simple
Description PT LT 33, CON 2 SDS TT , PTS 1 TO 6, 43R10160 ; EXCEPT S/T RO580849 ; S/T RO646570; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 1, 2, 3, PL 43R34842 AS IN PR2350267; CITY OF MISSISSAUGA
Address 2370 SOUTH SHERIDAN WAY
 MISSISSAUGA

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2380009 ONTARIO LIMITED
Address for Service 2370 South Sheridan Way
 Mississauga, Ontario
 L5J 2M4

I, Elias F. Mancebo, Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)	Capacity	Share
<i>Name</i> ATLANTIC (HS) CAPITAL INC.	Tenants In Common	As to 26.92% interest
<i>Address for Service</i> 80 Acadia Avenue Suite 211 Markham, Ontario L3R 9V1		
<i>Name</i> ATLANTIC ADVANTAGE MANAGEMENT INC.	Tenants In Common	as to 34.62% interest
<i>Address for Service</i> 80 Acadia Avenue Suite 211 Markham, Ontario L3R 9V1		
<i>Name</i> 2382603 ONTARIO INC.	Tenants In Common	as to the remaining 38.46% interest
<i>Address for Service</i> 80 Acadia Avenue Suite 211 Markham, Ontario L3R 9V1		

Statements

Schedule: See Schedules

Provisions

Principal \$2,600,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date 2016/07/15
Interest Rate 14% per annum
Payments \$30,333.33
Interest Adjustment Date 2015 07 15
Payment Date 15th day of each month
First Payment Date 2015 08 15
Last Payment Date 2016 07 15
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor Builtrite Technologies Inc., and Elias F. Mancebo

Signed By

Yat Ming Wong 3-3030 Midland Avenue acting for Chargor Signed 2015 07 28
Scarborough (s)
M1S 5C9

Tel 416-298-0203

Fax 416-298-1339

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

KAI WING TSANG 3-3030 Midland Avenue 2015 07 28
Scarborough
M1S 5C9

Tel 416-298-0203

Fax 416-298-1339

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

TAB M

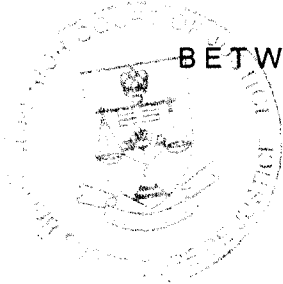
**ONTARIO
SUPERIOR COURT OF JUSTICE**

MASTER *MILLS*

)
)
)
)

TUESDAY, THE *14th*

DAY OF NOVEMBER, 2017



BETWEEN :

FAN XIAO BING a.k.a. ANGELA FAN

Plaintiff

- and -

2380009 ONTARIO INC., COMPUTERSHARE TRUST COMPANY OF CANADA,
2292912 ONTARIO INC., 2383603 ONTARIO INC., PROFILEX INC., MARCELO
ANTONIO HERNANDEZ, CHRISTOPHERE HO, HO AND ASSOCIATES
CONSULTING GROUP INC., WILLIAM FONG, ATLANTIC (HS) CAPITAL INC.,
ATLANTIC ADVANTAGE MANAGEMENT INC., BUILTRITE TECHNOLOGIES INC.
and ELIAS F. MANCEBO

Defendants

ORDER

THIS MOTION, made by the plaintiff, for a preservation order, was heard this day the 14th day of November 2017, at the court house at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Eric Grigg sworn November 2nd, 2017, filed, the consent of the parties, filed, and on hearing the submissions of the lawyer(s) for the plaintiff:

1. THIS COURT ORDERS that in the event:
 - (a) the premises known municipally as 2370 South Sheridan Way, Mississauga, Ontario, L5T 2M2, the legal description as set out in the Schedule "A" (the "**Property**"), is sold privately, by the Receiver, by court order, by power of sale, and/or any other means (the "**Property Sale**"); and

- (b) the mortgagees of the second mortgage registered on title to the Property (the "**Second Mortgagees**", namely Atlantic (HS) Capital Inc., Atlantic Advantage Management Inc., and 2383603 Ontario Inc.) bearing registration number PR2754956 in land registry office number 43 (the "**Second Mortgage**") are entitled to any of the proceeds of sale from the Property Sale (the "Proceeds of Sale");

the Proceeds of Sale shall be apportioned/allocated to the Second Mortgagees along the following percentages:

- (c) 2383603 Ontario Inc.: 38.46%;
- (d) Atlantic (HS) Capital Inc. and Atlantic Advantage Management Inc.: 61.54%

2. THIS COURT ORDERS that 40% of 2383603 Ontario Inc.'s entitlement to any Proceeds of Sale shall be paid into the trust account of Advocates LLP, up to the amount of \$475,000.00, before any of the Proceeds of Sale shall be distributed to 2383603 Ontario Inc.;

3. THIS COURT ORDERS that any funds paid into the trust account of Advocates LLP, as set out above, shall be released to the plaintiff as a credit towards her claim against 2383603 and William Fong in this action;

4. THIS COURT ORDERS that the Second Mortgage cannot be transferred, conveyed, or assigned by the Second Mortgagees pending further order of the court, or consent of the plaintiff and the Second Mortgagees;

5. THIS COURT ORDERS that the Second Mortgagees shall be at liberty to provide an undertaking to discharge the Second Mortgage and shall be at liberty to discharge the Second Mortgage provided 2383603 Ontario Inc. and its solicitor provide an undertaking to pay \$475,000.00 (or an amount as calculated in accordance with subparagraphs 2(c)(d) and paragraph 3 of this order) from the proceeds of sale into the trust account of Advocates LLP;

6. THIS COURT ORDERS that in the event that more than \$400,000.00 is paid into the trust account of Advocates LLP, pursuant to this order, the plaintiff shall pay

FAN XIAO BING a.k.a. ANGELA FAN
Plaintiff

and 2380009 ONTARIO INC.
Defendant

Court File No.: CV-16-551581

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

ORDER

ADVOCATES LLP

16th Floor - One London Place
255 Queens Avenue
London ON N6A 5R8

Jeff Van Bakel (56003U)

Tel: (519) 858-8220 ext. 246

Fax: 519-858-0687

Lawyers for the plaintiff

TAB N

RSM Canada Limited
Court Appointed Receiver of 2380009 Ontario Limited
Interim Statement of Receipts and Disbursements
For the period February 7, 2017 to January 10, 2018

Receipts	
Advances from secured lender (1)	\$ 500,000
Rent	108,000
Sale of Property (2)	7,000,000
HST collected	14,040
Other	299
Total receipts	<u>\$ 7,622,339</u>
Disbursements	
Appraisals and consultant's reports	\$ 19,503
Commission (3)	269,500
Insurance	19,573
Legal fees	189,016
Miscellaneous	475
Property Manager	17,500
Property taxes (4)	452,481
Receiver's fees	236,469
Repairs	75,576
Repayment of advances from secured lender (1)	514,967
Security and taking possession	56,532
Snow removal	1,944
Utilities	21,334
Waste removal / disposal	26,499
HST/PST paid	120,307
Total disbursements	<u>\$ 2,021,675</u>
Excess of Receipts over Disbursements	\$ 5,600,664
Payment to Secured Creditor	
Interim distribution - First Mortgagee (5)	(3,667,914)
Net funds on hand (6) (7)	<u>\$ 1,932,750</u>

Notes:

- (1) Funds advanced by 2292912 Ontario Inc. under Receiver Certificates No. 1, 2 and 3, which were repaid with interest subsequent to the closing of the sale of the Property.
- (2) This represents the gross purchase price for the sale of the Property.
- (3) Commission payable to CBRE upon the sale of the Property.
- (4) Payment of outstanding property taxes for 2017 and from prior years.
- (5) Payment in full of the amount owed to 2292912 Ontario Inc. under its mortgage.
- (6) This amount includes the \$60,000 held in trust on account of Eco Energy's claim.
- (7) Of this amount, \$1,750,000 is held in a guaranteed investment certificate.

This Appendix forms part of the Fifth Report of the Receiver of 2380009 Ontario Limited dated January 15, 2018 and should only be read in conjunction therewith.

TAB O

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

AFFIDAVIT OF DANIEL WEISZ
(Sworn January 16, 2018)

I, **DANIEL WEISZ**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of RSM Canada Limited ("**RSM**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.
2. Pursuant to an order of the Court dated February 7, 2017, Collins Barrow Toronto Limited was appointed receiver (the "**Receiver**"), without security, of all of the assets,

undertakings and properties of 2380009 Ontario Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof.

3. On December 5, 2017, Justice Hainey made an Order (the "Substitution Order") that the name RSM Canada Limited be substituted in place of the name Collins Barrow Toronto Limited in respect of this proceeding (and other mandates on which it is acting).

4. Attached hereto and marked as Exhibit "A" to this my affidavit is a copy of an invoice issued by RSM for fees and disbursements incurred by the Receiver in respect of the receivership proceedings for the period November 25, 2017 to December 31, 2017 (the "Period"). The total fees charged for the Period are \$26,688.50, plus HST of \$3,469.51 for a total of \$30,158.01. The average hourly rate charged during the Period was \$454.66.

5. The invoice is a fair and accurate description of the services provided and the amounts charged during the Period.

6. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

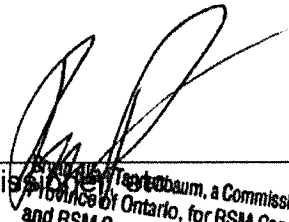
SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 16th day of January, 2018


A Commissioner, etc.

)
)
)
)
)
)
)
)
)
)
)
_____)
DANIEL WEISZ

Bryan Allan Tannenbaum, a Commissioner, etc.,
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 16th DAY OF JANUARY, 2018**



A Commissioner for the Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver of 2380009 Ontario Limited
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date January 5, 2018

Client File 301618-36118

Invoice 12

No. C000588

For professional services rendered with respect to the appointment of RSM Canada Limited¹ as Court-appointed Receiver of 2380009 Ontario Limited ("**238**" or the "**Company**") for the period November 25, 2017 to December 31, 2017.

Date	Professional	Description
11/27/2017	Daniel Weisz	Discussion with S. Steele of CBRE Limited (" CBRE ") regarding the status of the closing of the transaction, listing agreement; review of sections of draft factum and discussion with S. Thom of Torkin Manes LLP (" Torkin ") re same; review correspondence from counsel to second mortgagee and provide comments to B. Cohen of Torkin re his draft reply; conference call with B. Cohen and S. Thom re same.
11/27/2017	Brenda Wong	Review emails; prepare second supplemental report to Fourth Report; review Torkin changes to supplemental report and check references to source; file October 31, 2017 RT0002 return; review and respond to emails from SG Security, Toromont Cat Power Systems (" Toromont ") and J. Tertigas of Tert & Ross Ltd. (" T&R ") regarding delivery of heater; emails with HUB International Insurance Brokers (" HUB ") regarding HVAC system and rental of heater.
11/28/2017	Daniel Weisz	Discussion with B. Wong regarding delivery of heater; review draft email to T&R and discussion with B. Wong on same; work on updating second supplemental report to court, fee affidavit; discussion with S Thom; review letter from counsel to second mortgagee.
11/28/2017	Brenda Wong	Review and draft response to email from J. Tertigas; discussions with D. Weisz and S. Thom regarding heater; calls from L. Kingston of Canada Revenue Agency (" CRA ") regarding RC4616 election status; emails with Toromont regarding heater; email to J. Tertigas regarding manual for set-up of heater.
11/29/2017	Daniel Weisz	Discussion with S. Thom regarding updating Second Supplementary Report, review S. Thom comments and update, discussion with B. Wong on same;

¹ Pursuant to a Substitution Order dated December 5, 2017, the Receiver's name was changed from Collins Barrow Toronto Limited to RSM Canada Limited effective December 1, 2017.

Date	Professional	Description
		review, finalize and sign second supplementary report; attend at Torkin's office to discuss reports and court application scheduled for December 5; exchange emails with A. English of Torkin regarding assignment of agreement of purchase and sale by the purchaser; review amended notice of motion served; review draft confidentiality agreement and forward comments to B. Cohen; review emails regarding status of heater; review correspondence between B. Cohen and O. Wong of Oscar C. Wong Professional Corporation.
11/29/2017	Brenda Wong	Review email from SG Security regarding heater status; review changes to supplementary report; follow up with GFL Environmental Inc. ("GFL") regarding pick-up of barrels; review invoices to pay.
11/30/2017	Cindy Baeta	Post accruals for disbursements to pay in Ascend.
11/30/2017	Brenda Wong	Review estate trust account cash position.
11/30/2017	Daniel Weisz	Discussion with B. Cohen regarding his discussion with O. Wong; review changes to confidentiality agreement; review and sign cheques; review information request from CBRE regarding FINTRAC; discussion with B. Wong regarding status regarding O. Wong and B. Cohen's discussion with R. Finkel; review and execute confidentiality agreement; review draft letter to O. Wong, provide comments and discussion with B. Cohen.
12/1/2017	Brenda Wong	Review factum received and arrange for posting to web page.
12/1/2017	Daniel Weisz	Discussions with B. Cohen regarding correspondence with O. Wong and potential income tax liability and prepare schedule regarding same; discussion with S. Thom regarding court attendance next week and factum filed by counsel to Eco Energy; review draft email to O. Wong and exchange emails with B. Cohen regarding same; review subsequent email from O. Wong and discussion with B. Cohen re same; review draft court orders and provide comments to S. Thom; discussion with B. Cohen regarding Eco Energy; review revised reply to O. Wong and provide comments to B. Cohen; discussion with R. Finkel on status.
12/4/2017	Brenda Wong	Send email to J. Tertigas regarding heater and low-temperature monitor and review response; email to Toromont to confirm heater operation; call to CRA to inquire regarding treatment of rent not collected.
12/4/2017	Daniel Weisz	Review emails re O. Wong; discussion with S. Thom regarding court motion tomorrow.
12/5/2017	Daniel Weisz	Prepare for and attend in court re application for court approval of the agreement of purchase and sale and re Eco Energy motion for directions; email to Torkin regarding closing date for the sale; review email from R. Finkel and B. Cohen reply thereto.
12/5/2017	Brenda Wong	Review invoice for payment.
12/6/2017	Brenda Wong	Discussion with J. Berger regarding preparation of HST returns and financial statements; emails with A. English regarding service contracts.
12/6/2017	Daniel Weisz	Review and exchange emails with Torkin regarding scheduled closing date, assignment of contracts, etc.; discussion with S. Steele on court order obtained and scheduled closing date; exchange emails with R. Finkel regarding estimated closing date; discussion with B. Wong on assignment of contracts.

Date	Professional	Description
12/7/2017	Daniel Weisz	Discussion with S. Thom regarding correspondence to be sent to F Tayar's office re Eco Energy and to O. Wong; discussion with A. Miller of CBRE regarding approval and vesting order obtained; discussion with A. English regarding CBRE request and status of closing date.
12/7/2017	Brenda Wong	Discussion with J. Tertigas regarding heater and sensor; discussion with HUB regarding requirement for sensor to be installed or daily site visits; email to J. Tertigas to schedule daily site visits.
12/8/2017	Cindy Baeta	Prepare bank reconciliation; prepare disbursement cheques.
12/8/2017	Daniel Weisz	Review email from purchaser's counsel regarding contracts not being assumed; review and sign cheques.
12/11/2017	Brenda Wong	Email and call with J. Tertigas regarding closing date and arranging for Toromont and Campbell to attend; email to A. English regarding closing matters; email to GFL regarding pick-up of barrels; call Enbridge and Alectra and City of Mississauga and Region of Peel Water to request final meter readings; emails with Toromont regarding termination of rental contract; review correspondence from purchaser's counsel and discussion with D. Weisz re closing; email to J. Tertigas regarding keys to be turned over to the purchaser.
12/11/2017	Daniel Weisz	Review emails regarding closing issues and discussion with B. Wong on same; review correspondence from CBRE regarding commissions and email to CBRE re same; discussion with S. Thom regarding correspondence he received from B. Romano re position of M. Iacobelli and G. Iacobelli; review email from A. English regarding closing issues and respond to same.
12/12/2017	Brenda Wong	Review/respond to emails regarding assignment of snow removal contract; call and emails with J. Tertigas regarding electrician and heater pick-up; email to A. English regarding timing of closing on December 18; review statement of adjustments.
12/12/2017	Daniel Weisz	Exchange emails with A. English regarding purchaser assuming the snow removal contract and discussion with B. Wong on same; review Torkin memo regarding responsibility of a Receiver to pay capital gains tax on disposition of a property in receivership; provide corporate profile report and court order to CBRE pursuant to its request and meet with B. Wong re same; emails to D. Winters of Department of Justice to request a call and email to B. Cohen re same; review draft closing documents and provide comments to A. English.
12/13/2017	Daniel Weisz	Discussion with A. English regarding comments on the draft closing documents; discussion with B. Cohen in anticipation of call with D. Winters tomorrow and email to B. Wong re same; review further revisions to closing documents and exchange emails with A. English re same.
12/14/2017	Brenda Wong	Review emails re closing; email to J. Tertigas regarding timing of transfer of property; follow up with GFL regarding pick-up; review invoices to pay; review emails re heater.

Date	Professional	Description
12/14/2017	Daniel Weisz	Prepare for and attend conference call with R. Bhandari of CRA, D. Winters, B. Cohen to discuss the status of the receivership and potential tax issues relating to same; review revised documents forwarded to purchaser's counsel and discussion with A. English; discussion with B. Wong regarding closing of sale and attendance at property; exchange emails with CBRE regarding the closing date; review comments from purchaser's counsel regarding draft closing documents and exchange emails with A. English regarding same; review exchange of correspondence between S. Thom and O. Wong; discussion with S. Thom regarding email from B. Wong and status of Eco Energy; discussion with A. English regarding timing of closing time to be put in registration document and subsequent exchange of emails; review S. Thom reply to O. Wong; review email from A. English regarding purchaser request re heater; email to T. Thompson of HUB re same, discussion with T. Thompson and email to A. English.
12/15/2017	Cindy Baeta	Prepare disbursement cheques.
12/15/2017	Brenda Wong	Calls with and email to Toromont regarding status of the rental contract; review and sign disbursement cheques; review emails re closing; prepare and send key sign-off sheet to J. Tertigas.
12/15/2017	Daniel Weisz	Discussion with B. Wong regarding heater issue; prepare for and attend at Torkin to sign closing documents re sale of property and to discuss issue re heater; meet with S. Thom to discuss status of Eco Energy and O. Wong's client; exchange emails with A. English regarding the heater and the closing date; review and sign cheques; review purchaser director resolution and email to A. English re same.
12/18/2017	Daniel Weisz	Review and exchange emails regarding closing of the transaction; discussion with A. English regarding status of closing; review and file emails; discussion with B. Wong on heater at the premises; discussions with A. English, B. Wong and T. Thompson regarding matters relating to the extension of the closing date re the sale of the property; discussion with R. Finkel regarding status of the completion of sale of the property.
12/18/2017	Brenda Wong	Emails and or calls with Torkin and J. Tertigas regarding closing.
12/19/2017	Brenda Wong	Review emails and call to J. Tertigas regarding time scheduled for transfer of keys to purchaser; prepare letter for wire transfer to Timbercreek and calculate balance payable to Timbercreek; prepare letter for transfer to CBRE and call to verify wire transfer information; prepare cheque/receipts processing forms for processing of sales transaction; email to Garden City regarding assignment of contract; email to HUB to cancel insurance.
12/19/2017	Daniel Weisz	Review emails regarding closing of the sale of the property today; discussion with R. Bhandari on status of CRA position regarding taxes payable by the Receiver; exchange emails with A. English re keys to the property, E. Kowalewska of Macdonald Sager Manis LLP re same; emails to P. Jones and R. Finkel regarding completion of the sale of the property and proposed distribution; exchange emails with CBRE regarding the closing of the transaction; discussion with B. Wong regarding delivery of keys and attend at MacDonald Sager Manis to deliver a set of keys; prepare schedule of funds potentially available for distribution.
12/20/2017	Brenda Wong	Review estimate of available funds.

Date	Professional	Description
12/20/2017	Daniel Weisz	Discussion with S. Thom regarding status of receipt of security of second mortgagee and preliminary review of information provided; review and file emails; emails to Timbercreek regarding wiring of funds; review and update schedules regarding funds on hand; review Torkin account and exchange emails with D. Bafaro re same.
12/21/2017	Cindy Baeta	Prepare disbursement cheques.
12/21/2017	Daniel Weisz	Draft letter to Torkin.
12/22/2017	Daniel Weisz	Discussion with R. Bhandari regarding CRA position on income tax re gain on the sale of the property and email to B. Cohen re same; exchange emails with B. Cohen; filing of documents; discussion with J. Berger on investment of funds and review and sign letter to Bank of Montreal re same.
12/27/2017	Daniel Weisz	Review and file emails.
12/28/2017	Daniel Weisz	Discussion with B. Wong on calculation of interest on Receiver's Certificates and email from L. Wheller of Timbercreek re same.
12/28/2017	Brenda Wong	Review exit photos and save to server; review and file emails; review schedule from Timbercreek regarding calculation of interest on Receiver advances; review invoices to pay; review general ledger and journal entry required to account for repayment of receiver certificates and interest thereon.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	42.50	\$ 495	\$ 21,037.50
Brenda Wong, CIRP, LIT	Senior Manager	14.60	\$ 375	5,475.00
Cindy Baeta	Estate Administrator	1.60	\$ 110	176.00
Total hours and professional fees		58.70		\$ 26,688.50
HST @ 13%				3,469.51
Total payable				\$ 30,158.01

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED

TAB P

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

AFFIDAVIT OF STEWART THOM

I, Stewart Thom, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Lawyer with the law firm of TORKIN MANES LLP (“**Torkin Manes**”), which has been engaged as independent counsel to RSM Canada Limited (“**RSM**”) formerly Collins Barrow Toronto Limited, in its capacity as Court-Appointed Receiver, over the assets and undertakings of 2380009 Ontario Limited in this proceeding and as such have knowledge of the matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.

2. Attached hereto as **Exhibit "A"** are true copies of the accounts issued by Torkin Manes to RSM, in its capacity as Court-Appointed Receiver, which includes detailed descriptions of the work performed for the period from November 23, 2017 to and including December 21, 2017. The

total fees charged by Torkin Manes to RSM during this period were \$48,846.00 plus HST of \$6,349.98, plus disbursements of \$3,012.78 plus HST of \$367.82, for a total amount of \$58,576.58.

3. I confirm that the attached accounts accurately reflect the services provided by Torkin Manes in this matter and the fees and disbursements claimed by it during the period described above.

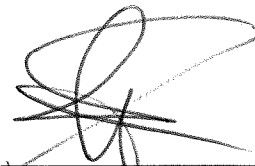
4. Additionally, attached hereto as **Exhibit "B"** is a summary of additional information with respect to the aforesaid account indicating all members of Torkin Manes who worked on this matter during the period described above, their year of call to the bar, total time charges and hourly rates, and I hereby confirm that this list represents an accurate accounts of such information.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
January 16, 2018

Commissioner for Taking Affidavits

(or as may be)

Peter Straszynski



STEWART THOM

This is Exhibit "A" referred to in the Affidavit of Stewart Thom
sworn January 16, 2018



Commissioner for Taking Affidavits (or as may be)

Peter Straszynski

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com

Torkin|Manes
Barristers & Solicitors

January 16, 2018

Attention: Daniel Weisz
RSM Canada
Court-appointed Receiver of
2380009 Ontario Limited
11 King St. W., Suite 700, Box 27
Toronto, ON M5H 4C7

Invoice No.: 297554

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership of 2380009 Ontario Inc.
File No.: 34487.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Nov 23 17	ND	Assembled exhibits, scanned motion record and served the motion record of the receiver returnable December 5	1.30
Nov 23 17	BAC	Review revisions to 4th Report; dialogue with Stewart Thom; correspondence to H. Manis; correspondence from Receiver; review material; correspondence to Receiver; correspondence to H. Manis	0.70
Nov 23 17	BAC	Receive correspondence from Receiver; review rental quote; provide comment to Receiver	0.20
Nov 23 17	SDT	Continued preparation and revision to motion materials and 4th report of receiver; communications with counsel for Eco re inspection of security document and inclusion of request for certificate of substantial performance; review of law re inclusion of interest and costs in CLA trust claim;	5.30

finalization and service of materials
re motion for approval of sale and
advice and directions re Eco claims

Nov 24 17	ND	Drafted and swore the affidavit of service for the Motion Record returnable December 5, 2017; assigned by Stewart Thom	0.30
Nov 24 17	JJS	Review of materials filed by Mr. Tayar and analysis of same; inter-office discussion with Mr. Thom; review of draft factum and comments on same; several inter-office discussions with Mr. Thom regarding strategy and approach	3.00
Nov 24 17	SDT	Preparation of factum re motion for advice and directions re Eco claims; revisions/comment to confidential fourth report; communications with Ryan Hauk re construction lien act issues	3.20
Nov 26 17	LM	Legal research re post-realization capital gain tax liability of Receiver	3.10
Nov 26 17	SDT	Continued preparation of factum re Advice and Directions	4.70
Nov 27 17	LM	Legal research re liability of receiver for capital gain; discussion with W. Isaacs and B. Cohen re same	2.10
Nov 27 17	ND	Attended the office of Fred Tayar to inspect the original contract of Eco Energy; assigned by Stewart Thom	0.30
Nov 27 17	SDT	Review of additional legal research and additions to law section; completion of draft factum; revisions to same; communications with receiver re comments and revisions to factum; finalization of factum re motion for advice and directions; communication with receiver re finalization of supplemental report and confidential	9.30

		report	
Nov 27 17	BAC	Correspondence from Oscar Wong counsel to second mortgagee, consider same; draft response and provide it to Receiver; telephone discussion with Receiver; revise draft response; correspondence to/from Receiver; correspondence to Oscar Wong	0.50
Nov 27 17	WI	Discussion with Leslie McGrowan re tax issue	0.30
Nov 27 17	RH	Attendance on factum and list of authorities; preparing arguments regarding impact of certificate of substantial performance; discussions with S. Thom regarding the same;	3.20
Nov 28 17	LM	Drafted memorandum re tax liability of receiver for capital gain on disposition of property; discussion with K. Leung re tax vetting for memorandum	1.20
Nov 28 17	AE	To e-mail correspondence with Daniel Weisz and purchaser's counsel re Assignment of Agreement of Purchase and Sale	0.10
Nov 28 17	ND	Prepared book of authorities for the Eco breach of trust Motion and compiled accompanying cases	1.10
Nov 28 17	BAC	Correspondence from Oscar Wong, consider same; correspondence to Receiver	0.30
Nov 28 17	BAC	Correspondence from Receiver; correspondence to Receiver	0.20
Nov 28 17	BAC	Review correspondence from Oscar Wong; prepare initial draft of non disclosure and no participation as purchaser agreement	0.80

Nov 28 17	SDT	Correspondence with Receiver re second supplemental report and review/comments re same; correspondence with Receiver re discharge statement from 229; telephone call with Cassels Brock re municipal taxes, correspondence with Receiver re same and follow up correspondence with Cassels Brock re outstanding balance; correspondence with Receiver re confirmation from CRA as to status of 238/BuiltRite HST election; instructions to student re assemble of book of authorities	2.30
Nov 29 17	AE	To e-mail correspondence with Daniel Weisz re consent to assignment; e-mail correspondence with purchaser's counsel re same	0.20
Nov 29 17	SDT	Review and revisions to second supplemental report; preparation of correspondence re service of same; instructions to Josset Johnson re filing of materials and confidential supplemental report; review and revisions to book of authorities; e-mail correspondence with counsel for 238/BuiltRite	3.40
Nov 29 17	BAC	Dialogue with Aaron English regarding specific agreement terms; correspondence from Receiver	0.30
Nov 29 17	BAC	Correspondence to Receiver; receive comments from Receiver on draft agreement; review and consider comments; telephone discussion with Receiver; correspondence to Oscar Wong and the Receiver	0.70
Nov 29 17	BAC	Correspondence from Oscar Wong, consider same; correspondence to Oscar Wong and Receiver	0.20

Nov 30 17	LM	Discussion with K. Leung re tax vetting of memorandum; revisions to memorandum	0.40
Nov 30 17	KL	Review memo; discussion with L. McGowan	0.80
Nov 30 17	BAC	Telephone discussion with Reeva Finkel, 1st mortgagee counsel; correspondence from Oscar Wong, consider issue; revision to confidentiality agreement, send confidentiality agreement to Oscar Wong; correspondence from Oscar Wong, receipt of executed confidentiality agreement; correspondence to Receiver; telephone discussion with Receiver; draft confidential letter of advice as to sale price and provide to Receiver for review/consent.	1.00
Nov 30 17	BAC	Telephone discussion with Receiver; receipt of comments from Receiver, consider same; revise letter to Oscar Wong; correspondence to Oscar Wong and Receiver	0.40
Nov 30 17	SDT	Discussions with Barry Cohen re communication with second mortgagee and terms of confidentiality agreement; received communication from court re rejection of factum due to length; revisions to factum to conform with length requirement set by court; service of revised factum	3.70
Dec 01 17	AE	To updating searches and attending to finalization of approval and vesting order; review of assignment of agreement of purchase and sale and notice of same; e-mail correspondence with Daniel Weisz re same	0.50
Dec 01 17	LM	Review and revision of memorandum; continued legal research re income tax liability of a receiver	1.50

Dec 01 17	BAC	Telephone discussion with Receiver re sale issue	0.20
Dec 01 17	BAC	Telephone discussion with Receiver; receipt of correspondence from Oscar Wong; correspondence to Receiver; telephone discussion with Receiver; dialogue with Kay Leung and Leslie McGowran regarding tax issue and research areas to address	1.40
Dec 01 17	BAC	Correspondence from Oscar Wong; telephone discussion with Receiver; draft response to Oscar Wong and Receiver	0.30
Dec 01 17	BAC	Telephone discussion with Receiver; amend correspondence to Oscar Wong	0.30
Dec 01 17	KL	Research clearance certificate issue	1.70
Dec 01 17	SDT	Received and reviewed factum and brief of authorities from Eco; review of case law referenced by Eco; communication with counsel for purchaser re return of motion and materials; communication with Aaron English re sale of property; instructions to Ryan Hauk re additional research responding to Eco factum issues; communications with Receiver and Barry Cohen re calculation of net proceeds and tax issues	3.90
Dec 04 17	LM	Review of CRA directive re legal representatives received from K. Leung; continued legal research re receivers considered as legal representatives; telephone call with Canada Revenue Agency re same	2.10
Dec 04 17	BAC	Correspondence from Oscar Wong; correspondence to Oscar Wong; dialogue with Stewart Thom regarding motion	0.50

Dec 04 17	BAC	Consider tax liability of Receiver; review CRA directive RCD-01-01; internal office discussion with Leslie McGowran; correspondence to Receiver	2.00
Dec 04 17	KL	Research tax issue; discuss with B. Cohen and L. McGowran	1.20
Dec 04 17	SDT	Telephone call to Oscar Wong re attendance at motion and approval of sale; communications with receiver re same; additional legal research re Eco motion and preparation of oral argument, review of all materials and case law; finalization of draft orders re APV and ancillary relief; communications with counsel re same; communications with counsel for applicant re timing of notice of enforcement and discoverability of Eco claims	8.50
Dec 05 17	AE	To commencing preparing for closing; conference with Barry Cohen re closing date	0.70
Dec 05 17	BAC	Telephone discussion with Reeva Finkel; correspondence from/to Reeva Finkel	0.40
Dec 05 17	BAC	Correspondence from/to Receiver	0.30
Dec 05 17	SDT	Preparation for and attendance in court	4.20
Dec 06 17	AE	To e-mail correspondence with Daniel Weisz and Brenda Wong re closing date, adjustments and assignment of contracts; e-mail correspondence with purchaser's counsel re same; telephone discussion with Brenda Wong;	1.00
Dec 06 17	SDT	Communications with receiver and counsel for applicant re timing of closing, relevant appeal period and disclosure of purchase price; attended to issuance of order; communications with counsel for purchaser re issued	1.70

order and timing of closing;
communications with Barry Cohen re
capital gains issue and review of
memorandum and related information

Dec 07 17	AE	To telephone discussion with Daniel Weisz re satisfaction of approval and vesting order; telephone discussion and e-mail correspondence with Alison Miller re same and re commission statement; review of draft closing documents; e-mail correspondence with purchaser's counsel re closing date	1.20
Dec 08 17	AE	To e-mail correspondence with Edyta Kowalewska re assumption of contracts	0.10
Dec 11 17	AE	To e-mail correspondence with Brenda Wong re walk-around with purchaser and removal of heater; review of requisitions and related documents; e-mail correspondence with Daniel Weisz and Brenda Wong re same; review of revised and additional closing documents; e-mail correspondence with Edyta Kowalewska re assumption of snow removal contract	1.40
Dec 11 17	JJS	Inter-office discussion with Mr. Thom regarding mortgage opinion	0.40
Dec 11 17	LF	Reviewed Agreement of Purchase and Sale; Commenced drafting closing documents; Drafting statement of adjustments	5.00
Dec 11 17	SDT	Received fax from counsel for Iacobelli's re enforcement of security and seizure of assets; telephone call to receiver re same; e-mail and telephone call with counsel re status of receivership, known assets of 238 and tenant and stay of proceedings; correspondence with counsel for Eco re settlement of Eco claims and discussions with counsel for interested	2.70

party; communications with Oscar Wong re vetting of security and Eco claims

Dec 12 17	AE	To e-mail correspondence with Daniel Weisz and Brenda Wong re issues relating to assignment of snow removal contract and turnover of keys/passcodes; e-mail correspondence with Edyta Kowalewska re same; finalizing draft closing documents; telephone discussion with Daniel Weisz re closing documents	1.30
Dec 12 17	LF	Continued drafting closing documents; Telephone conversation with the City of Mississauga Tax Department; Email to client attaching draft closing documents	5.00
Dec 12 17	JP	Continued preparing research re: whether s. 4 of the Interest Act has been given a strict interpretation by the courts	3.30
Dec 13 17	AE	To review of comments received from Daniel Weisz on draft closing documents; e-mail correspondence and telephone discussion with Daniel Weisz re same; attending to revisions to documents; attending to reply to requisitions	1.60
Dec 13 17	SDT	Communications with receiver re Eco claims and security of interested party; communications with counsel for Eco re settlement; further communications with counsel for interested party re security and settlement position; communications with Aaron English re closing matters and receiver's certificate	2.00
Dec 14 17	AE	To e-mail correspondence with Edyta Kowalewska re arrangements for turnover of keys and closing documents; review of comments on closing documents received from purchaser's solicitors	0.90

		and e-mail correspondence re responses to same; telephone discussion with Daniel Weisz re timing of closing and document registration agreement	
Dec 14 17	BAC	Review CRA interpretation bulletin and memo to Danny Weisz in preparation for conference call with Receiver; CRA and Diane Winters (DOJ); conference call; telephone discussion with Receiver	0.40
Dec 14 17	BAC	Dialogue with Stewart Thom regarding second mortgage	0.30
Dec 14 17	SDT	Receipt and review of security documentation provided by counsel for second mortgagee; further correspondence with counsel re same	1.50
Dec 15 17	AE	To attending to outstanding closing matters; meeting with Daniel Weisz re execution of closing documents; review of purchaser's authorizing resolution and e-mail correspondence re same; finalizing reply to requisitions	1.20
Dec 15 17	LF	Reply to requisitions; Further amending closing documents; Email to purchaser's solicitor enclosing purchaser documents for execution; Letter to purchaser's solicitor enclosing original documents for execution; Drafting letter to City of Mississauga Tax Department	6.00
Dec 17 17	AE	To attending to issues re Receiver's certificate	0.10
Dec 18 17	AE	To attending to closing matters, extension of closing and related issues, including telephone discussions with Daniel Weisz re heater issues	2.20
Dec 19 17	AE	To attending to closing; attending to post-closing matters and reporting	1.40

Page 11
 January 16, 2018
 Our File No.: 34487.0002
 Invoice # 297554



Dec 19 17	BAC	Various dialogue regarding closing issues; correspondence from/to Receiver	0.40
Dec 19 17	JLS	Attend at Superior Court of Justice to file Receiver Certificate	1.00
Dec 21 17	BAC	Correspondence from/to Receiver	0.30
Total Hours:			126.70

OUR FEE:	\$48,846.00
HST:	\$6,349.98
SUB-TOTAL:	<u>\$55,195.98</u>

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

<u>LAWYERS AND LEGAL ASSISTANTS INVOLVED</u>	<u>HOURLY RATE</u>	<u>HOURS WORKED</u>
Luisa Faria	120.00	16.00
Justyna Parusinski	200.00	3.30
Jennifer Siemon	220.00	1.00
Nicholas Dempsey	220.00	3.00
Leslie McGowran	275.00	10.40
Stewart D. Thom	400.00	56.40
Wesley Isaacs	425.00	.30
Ryan Hauk	425.00	3.20
Aaron English	450.00	13.90
Jeffrey Simpson	540.00	3.40
Kay Leung	600.00	3.70
Barry A. Cohen	675.00	12.10
TOTAL HOURS		126.70

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents	702.90
Deliveries	107.52
Long distance telephone charges	3.89
Binding service	44.89
Document Scanning	259.95

Page 12
January 16, 2018
Our File No.: 34487.0002
Invoice # 297554

Torkin|Manes
Barristers & Solicitors

Title search disbursements	24.35
Laser copies	440.85
Computer Legal Research	1,066.03
Process Server	160.00
Colour Copies	19.00
	<hr/>
	2,829.38

NON-TAXABLE DISBURSEMENTS:

Title search disbursements	11.65
File a Motion	160.00
Bank transfer and service charges	11.75
	<hr/>
	183.40

Total Disbursements	\$3,012.78
HST on Disbursements	\$367.82

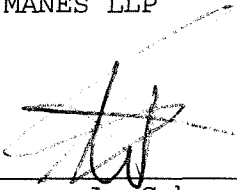
TOTAL DISBURSEMENTS AND HST: \$3,380.60

TOTAL FEE, DISBURSEMENTS & HST \$58,576.58

BALANCE DUE AND OWING BY YOU \$58,576.58

TORKIN MANES LLP

Per: _____


Barry A. Cohen

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

This is Exhibit "B" referred to in the Affidavit of Stewart Thom
sworn January 16, 2018



Commissioner for Taking Affidavits (or as may be)

Peter Straszynski

Summary of Additional Lawyer Information

<u>Lawyer</u>	<u>Year of Call</u>	<u>Hours Billed</u>	<u>Hourly Rate</u>	<u>Total Billed</u>
Barry A. Cohen	1967	12.10	\$675.00	\$8,167.50
Jeffrey Simpson	1997	3.40	\$540.00	\$1,836.00
Kay Leung	2000	3.70	\$600.00	\$2,220.00
Aaron English	2004	13.90	\$450.00	\$6,255.00
Stewart Thom	2008	56.40	\$400.00	\$22,560.00
Ryan Hauk	2009	3.20	\$425.00	\$1,360.00
Wesley Isaacs	2009	0.30	\$425.00	\$127.50
Leslie McGowran	2017	10.40	\$275.00	\$2,860.00
Nicholas Dempsey	Student	3.00	\$220.00	\$660.00
Jennifer Siemon	Student	1.00	\$220.00	\$220.00
Justyna Parusinski	Student	3.30	\$200.00	\$660.00
Luisa Faria	Clerk	16.00	\$120.00	\$1,920.00
TOTAL				\$48,846.00

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF STEWART THOM

TORKIN MANES LLP

Barristers & Solicitors

151 Yonge Street, Suite 1500

Toronto, ON M5C 2W7

Stewart Thom (55695C)

sthom@torkinmanes.com

Direct Tel: 416-777-5197

Direct Fax: 1-877-689-3872

Tel: 416-863-1188

Fax: 416-863-0305

Lawyers for the Receiver, Collins Barrow Toronto Limited

RCP-E 4C (May 1, 2016)

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD
(RETURNABLE JANUARY 24, 2018)**

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)