Court File No. CV-24-00716381-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

1599285 ONTARIO LIMITED, RICK BERWICK, 2702749 ONTARIO INC., PETER ADAMO, CROCETTA ADAMO, ANJAY LIMITED, A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, DONALD IERFINO, PIERINA PIZZARDI, PIZZARDI INVESTMENTS, AMOND MANAGEMENT INC., SALISI INVESTMENTS LTD., LORENZO ANTONINI, CARMEN ANTONINI, TINA BETTI, ANTHONY BONDI, GIUSEPPA BONDI, C.P.M.C MARQUEZ HOLDINGS INC., FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, M ANTONINI HOLDINGS INC., GABRIELE PIZZARDI, IMPERIO SA HOLDINGS INC., RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, and TAXMART INC.

Applicants

- and –

1000195736 ONTARIO LTD., 1000193772 ONTARIO LTD., and MORGIS CORPORATION

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

AFFIDAVIT OF FRANCESCA SGAMBELLURI
SWORN MAY 24, 2024

I, FRANCESCA SGAMBELLURI, of the Town of Bolton, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an articling student with the law firm of RAR Litigation Lawyers, counsel for the Applicants. As such, I have knowledge of the facts to which I herein depose, save and

except for those matters which are stated to be based upon information and belief, all of which I verily believe to be true.

2. On or about May 16, 2024, Ms. Sara Mosadeq, counsel for the Applicants, sent an email to Mr. Jason Wadden, counsel for the Respondents, asking if the Respondents had paid the required deposit and the commitment fee. A copy of the email is attached as Exhibit B in the Affidavit of Donald Ierfino, sworn on May 16, 2024 (**the "Second Ierfino Affidavit").**

3. Following the signing of the Second Ierfino Affidavit, Mr. Shimon Sherrington, counsel for the Respondents, advised by email a that the commitment fee was paid but that the proposed lender and the Debtors agreed to postpone the payment of the $12 Million. No supporting documentation (despite request) was provided to support these assertions. Attached hereto and marked as **Exhibit "A"** to my Affidavit is a copy of the Shimon Sherrington's email dated May 16, 2024.

SWORN BEFORE ME at the Town of **Oakville** in the Province of **ONTARIO** on this the 24th day of May, 2024,

Commissioner for taking Affidavits, etc.

FRANCESCA SGAMBELLURI

Sara Mosadeq
RAR Litigation Lawyers
LSO No.: 67864K

This is **Exhibit "A"** referred to
in the Affidavit of Francesca Sgambelluri
sworn before me, the 24nd day of May, 2024

A Commissioner etc.

Sara Mosadeq
LSO No.: 67864K

RE: [EXT]: RE: Morgis / Trilend

Shimon Sherrington <ssherrington@tyrllp.com>

Thu 5/16/2024 4:33 PM

To:Sara Mosadeq <Sara@rarlitigation.com>
Cc:Jason Wadden <jwadden@tyrllp.com>;Danielle St-Louis <dstlouis@tyrllp.com>;Ian Cantor <icantor@rarlitigation.com>; Francesca Sgambelluri <Francesca@rarlitigation.com>

Hi Sara,

In response to your questions below, please be advised as follows:

(1) Our clients have paid the commitment fee that was due to Caerphilly Capital Ltd.

(2) Our client has discussed the $12 million amount with Caerphilly Capital Ltd., and they are in agreement that the amount will not be paid until closer to the funding date. The commitment remains on track.

(3) Our client will not be seeking a DIP on the initial hearing of the CCAA Order, and if we seek a DIP Order at the 10-day comeback or thereafter, our client will only be doing so on the basis that the DIP will be subordinate to the Trilend Lenders' charge, so they would be unaffected by any DIP Order.

Our timetable provides that the parties' initial facta will be exchanged tomorrow. We have ours well advanced and we are proceeding on the basis that we will be exchanging them tomorrow. If that is not the case, please let us know.

Best,
Shimon

Tyr LLP

Shimon Sherrington

T. +1 587 777 0367

E. ssherrington@tyrllp.com

488 Wellington Street West, Suite 300-302

Toronto, ON M5V 1E3

From: Sara Mosadeq <Sara@rarlitigation.com>
Sent: Thursday, May 16, 2024 11:35 AM
To: Shimon Sherrington <ssherrington@tyrllp.com>
Cc: Jason Wadden <jwadden@tyrllp.com>; Danielle St-Louis <dstlouis@tyrllp.com>; Ian Cantor <icantor@rarlitigation.com>; Francesca Sgambelluri <Francesca@rarlitigation.com>
Subject: [EXT]: RE: Morgis / Trilend

CAUTION: This e-mail originated from outside of the firm. Do not click links or open attachments unless you recognize the sender and know that the content is safe.

Hi Shimon and Jason:

In accordance with paragraph 6 of the commitment letter dated May 3, 2024 issued by Caerphilly Capital Ltd., your clients were to deposit $12 Million into an interest-bearing GIC by May 15, 2024. Please advise whether the deposit was made and if so, please provide the supporting documentation. Please also advise whether your clients have paid the commitment fee due May 15, 2024 in accordance with paragraph 13.2, and if so, please provide the supporting documentation.

Lastly, I appreciate you have not issued your Notice of Application yet for the CCAA application, please advise whether your clients will be seeking DIP financing.

I would appreciate a response by end of day today.

Regards,
Sara

Sara Mosadeq
Lawyer
T: 905 731 8100 x213
D: 647 951 9487
F: 866 751 5134

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From: Shimon Sherrington <ssherrington@tyrllp.com>
Sent: Friday, May 10, 2024 12:22 PM
To: Sara Mosadeq <Sara@rarlitigation.com>; Ian Cantor <icantor@rarlitigation.com>
Cc: Jason Wadden <jwadden@tyrllp.com>; Danielle St-Louis <dstlouis@tyrllp.com>
Subject: Morgis / Trilend

Sara and Ian:

The Sharefile link below contains Chris Morgis' affidavits including schedules attached to the confidential affidavit:

https://tyrllp.sharefile.com/d-s518acc70484e41858ef33249e1da40c2

As Jason indicated, we will be applying for a sealing order with respect to the confidential materials. These materials are being shared with you on the understanding that they will not be distributed by your client to outside parties.

Regarding your response to our settlement offer, we will consider your position and provide a response next week.

Best,
Shimon

Shimon Sherrington

T. +1 587 777 0367

E. ssherrington@tyrllp.com

488 Wellington Street West, Suite 300-302

Toronto, ON M5V 1E3

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Applicants

- and-

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(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF FRANCESCA SGAMBELLURI
SWORN MAY 24, 2024

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