

Estate No.: 51-2324788  
Court No.: 23369  
District No.: 04

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK  
IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF  
MARATHON FLUID SYSTEMS LTD.

**Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* ("BIA")**

*Introduction and Background*

1. Marathon Fluid Systems Ltd., is a body corporate existing under the laws of the Province of Nova Scotia and maintains its Registered Office at 14 Electric Street, Amherst, Nova Scotia ("Marathon").
2. Marathon maintained operations in the City of Moncton and Province of New Brunswick, from which it was involved in the sale and maintenance of industrial pumps, mixers, and fluid processing equipment.
3. On December 12, 2017, BDO Canada Inc. was appointed as the Proposal Trustee for Marathon (the "Proposal Trustee"). A copy of the Certificate of Filing a Notice of Intention to Make a Proposal is attached hereto and marked as Exhibit "A" (the "NOI").
4. Following the issuance of the NOI, a number of extensions were granted, specifically on:
  - a. January 11, 2018;
  - b. February 23, 2018;
  - c. April 9, 2018; and
  - d. April 16, 2018
5. On or about May 24, 2018, Marathon filed its proposal with the Official Receiver. The amended proposal was later amended on June 4, 2018 (the "Amended Proposal"). A copy of the amended proposal is attached hereto and marked as Exhibit "B".
6. On June 4, 2018, I gave notice to Marathon, the division office and to every known creditor affected by the Amended Proposal, whose names and addresses are shown in Exhibit "C" to this report, of the calling of a meeting of creditors to be held on June 14, 2018 to consider the Amended Proposal (the "Notice").
7. The Notice included a condensed statement of the assets and liabilities of Marathon, a list of the creditors affected by the Amended Proposal who have claims of \$250 (as shown in Exhibit

“C”), the Proposal Trustee’s analysis of the Amended Proposal, the Statement of Affairs (Business Proposal), the Proposal Trustee’s Report on Cash-Flow Statement, a form of proof of claim and proxy in blank and a voting letter. A copy of Marathon’s Statement of Affairs is attached hereto and marked as Exhibit “D-1”, a copy of the Proposal Trustee’s Report on Cash-Flow Statement is attached hereto and marked as Exhibit D-2”, a copy of the Proposal Trustee’s analysis of the Amended Proposal is attached hereto and Marked as Exhibit “D-3”, a copy of the blank Proof of Claim Form is attached hereto and marked as Exhibit “D-4” and a copy of the blank form of voting letter is attached hereto and marked as Exhibit “D-5”.

8. Prior to the meeting of creditors that was held on June 14, 2018 (the “Meeting”), I made detailed and careful inquiries into the liabilities of Marathon, Marathon’s assets and their value, the debtor’s conduct and the causes of Marathon’s insolvency.

9. A copy of the minutes of the Meeting is attached hereto and marked as Exhibit “E”.

*Material Adverse Change*

10. A meeting of Marathon’s creditors was held on June 14, 2018 in order to permit the creditors of Marathon with the opportunity to cast their vote with respect to the Amended Proposal (the “Meeting”). I, in my capacity as the Representative of the Official Receiver, presided over the Meeting.

11. At the Meeting, as noted above, Marathon’s secured creditors rejected the Amended Proposal; however, Marathon’s unsecured creditors approved the Amended Proposal. As a result, the Amended Proposal was approved, but it was not binding on Marathon’s secured creditors.

12. On or about June 25, 2018, the Toronto Dominion Bank, a secured creditor, filed a Notice of Application seeking to have PricewaterhouseCoopers Inc. appointed as Receiver over all of Marathon’s real property, personal property and undertakings (the “Application”). A copy of the Application is attached hereto and marked as Exhibit “F”.

13. On July 11, 2018, the Court of Queen’s Bench of New Brunswick appointed PricewaterhouseCoopers Inc. (“PwCI”), as the Court Appointed Receiver over all of the assets, undertakings and properties of Marathon (the “Order”). A copy of the Order is attached hereto and marked as Exhibit “G”.

14. On or about July 11, 2018, Marathon ceased operating, and PwCI, in its capacity as Court Appointed Receiver has taken possession of all of Marathon’s assets and undertakings.

15. PwCI continues to fulfill its role as the Court Appointed Receiver in respect of Marathon.

16. The Proposal Trustee has engaged in several discussions with PwCI since its appointment. The Proposal Trustee has been advised by PwCI that it is in the process of selling the various assets of Marathon.

17. On July 25, 2019, the Proposal Trustee received confirmation from David A. Boyd of PwCI who advised that there will be a shortfall from the sale of the assets in the range of \$300,000. As a result, there will not be any funds available to fund the Amended Proposal.

18. Robert M. Creamer, QC, legal counsel to the Proposal Trustee, has requested a hearing date regarding the Amended Proposal.

*Terms of Reference*

19. In preparing this report (the “Material Adverse Change Report”), the Proposal Trustee has relied upon the Order, discussions with PricewaterhouseCoopers Inc., and discussions with the directors of Marathon.

20. The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of the Material Adverse Change Report. Any use which any party makes of the Material Adverse Change Report, or any reliance or decisions to be made on the Material Adverse Change Report, are the sole responsibility of such party.

21. The purpose of the Material Adverse Change Report is to inform this Court on the status of:

- a. a material adverse change in the operations of Marathon; and
- b. the Proposal Trustee’s intended course of action.

*Opinions*

22. Following the enforcement actions undertaken by PwCI on behalf of the Toronto Dominion Bank, Marathon does not have any assets with a realizable value. Those assets held by Marathon prior to enforcement by PwCI have been listed in Marathon’s Statement of Affairs (see Exhibit “D-1”).

23. Marathon’s liabilities are also detailed in its Statement of Affairs (see Exhibit “D-1”).

24. The causes of Marathon’s insolvency are as follows:

- a. Marathon, although at one time profitable, provided significant loans to insolvent interrelated companies Eastland Industries Limited, Bos Brothers Inc., and Royalty Hardwoods Ltd. As a result of those loans, Marathon experienced cash flow issues; and
- b. Marathon operated a repair division that served the general public. The repair division was unprofitable and Marathon planned to divest itself of it.

*Intended Course of Action*

25. The Proposal Trustee is of the view that the appointment of PwCI as the Court Appointed Receiver of Marathon and the cessation of operations by Marathon represent a material adverse change to the financial circumstances of Marathon.

26. The Proposal Trustee is of the view that the actions undertaken by PwCI on behalf of the Toronto Dominion Bank, coupled with the cessation of Marathon's business activities, has caused the Amended Proposal to be frustrated and therefore no longer reasonable for this Court to approve. For these reasons, the Proposal Trustee recommends that the Proposal should be rejected and Marathon should be adjudged Bankrupt.

27. It is the Proposal Trustee's intention to proceed as follows:

- a. to file this Material Adverse Change Report with the Official Receiver on August 23, 2019; and
- b. to distribute this Material Adverse Change Report to all of the Creditors of Marathon.

All of which is respectfully submitted this 23<sup>rd</sup> day of August, 2019.

~~BDO CANADA LIMITED~~

  
Per: Philip Clarke, CPA, CA, CIRP, LIT  
Position: Senior Vice President

In its capacity as Trustee under the Proposal of Marathon Fluid Systems Ltd. and not in its personal capacity.

**EXHIBIT "A"**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and 50.10(a.1) of the *Bankruptcy and Insolvency Act* ("BIA")**

**Dated August 23, 2019**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

In the Matter of the Notice of Intention to make a  
proposal of:

**Marathon Fluid Systems Ltd**  
Insolvent Person

**BDO CANADA LIMITED / BDO CANADA LIMITÉE**  
Licensed Insolvency Trustee

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Date of the Notice of Intention: December 12, 2017

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: December 12, 2017, 12:34

E-File/Dépôt Electronique

Official Receiver

Maritime Centre, 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

**Canada**

**EXHIBIT “B”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)  
Dated August 23, 2019**

CANADA  
PROVINCE OF NEW BRUNSWICK  
ESTATE NO: 51-2324788  
COURT NO: 23369  
DISTRICT NO: 04 - Moncton

**IN THE MATTER OF THE PROPOSAL OF**

**Marathon Fluid Systems Ltd.  
A Body Corporate with its Head Office in  
Moncton, Province of New Brunswick  
An Insolvent**

**PROPOSAL FOR EXTENSION OF TIME AND COMPOSITION OF DEBT**

Marathon Fluid Systems Ltd. with its head office in Moncton, Province of New Brunswick, the above-named Insolvent (hereinafter referred to as "Marathon"), hereby submits the following Proposal to creditors pursuant to Part III, Division I, Section 50, of the *Bankruptcy and Insolvency Act* ("BIA"):

**1. CONDITIONS PRECEDENT**

- (a) None.

**2. GENERAL PROVISIONS**

- (a) BDO Canada Limited ("BDO") shall be the Trustee under this Proposal and the following provisions shall apply to the Trustee:
- i. BDO, in acting as Trustee, is acting as Trustee and is not in its personal capacity and shall not be responsible or liable for any obligations of Marathon; and
  - ii. All monies and other considerations payable under the terms of this Proposal shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal; and
  - iii. Upon completion of all payments in accordance with the terms of this Proposal, and all other conditions and requirements being fulfilled, the Trustee shall be discharged.
- (b) That the levy payable pursuant to Section 147 of the BIA, if applicable, shall apply and be deducted from dividends paid to creditors under the Proposal and remitted to



the Office of the Superintendent of Bankruptcy ("OSB"), except that no levy shall be deducted from payment on account of deemed trust claims and, further, no levy shall be deducted from payments by Marathon to secured creditors as identified in Paragraph 5 herein.

- (c) That Marathon and its director(s) bind themselves to cooperate in every way with the Trustee in carrying out the terms of this Proposal.
- (d) That failure on the part of Marathon to comply with any or all of the terms of this Proposal shall be deemed to be a default under this Proposal, unless stated otherwise or waived by the creditors or inspector(s), in which event the creditors or any one of them may move to have the Proposal set aside.
- (e) That upon satisfactory performance of this Proposal, a Trustee's Certificate of Full Performance shall be delivered to Marathon.
- (f) That claims arising in respect of goods supplied, services rendered and/or other considerations given after the Notice of Intention to Make a Proposal Filing Date, being December 12, 2017, (hereinafter referred to as the "NOI Filing Date") said payments, as approved by Marathon, shall be paid in full from available funds in the ordinary course of business in priority to the claims of creditors as defined herein.
- (g) That it shall be the express provision of this Proposal that the Trustee shall have the power and right under the Proposal to disallow any claims for security made by creditors who allege that they hold such security. Said disallowance shall be in the same manner, form and effect as if the Trustee was a Trustee in Bankruptcy and therefore empowered as provided by Section 135 of the BIA.
- (h) That the Class 1 (preferred) creditors and Class 2 (unsecured) creditors, both being creditors without security interest, shall vote on this Proposal as one class, but the Class 1 creditors shall have their dividend payment determined as set out in Paragraph 6 herein.
- (i) By acceptance of this Proposal and its approval by the Court, the creditors shall be deemed to have accepted and consented to all matters, things, and procedures provided for herein, including the full and final compromise of their claims in accordance with Section 62(2) of the BIA.
- (j) By this acceptance of this Proposal and its approval by the Court, the creditors shall be deemed to have released all of their claims against any persons who is or was, at any time, a director of Marathon that arose before the NOI Filing Date and that relate to claims where such directors (or any of them) are by law liable in their capacity as directors for such claims. For greater certainty, such current or former directors shall be released and discharged from any and all claims in respect of any

and all potential statutory liabilities as set out in Section 50(13) of the BIA, provided that nothing herein shall release or discharge any current or former director from claims which:

- i. Relate to contractual rights of one or more creditors arising from contracts with one or more directors; or
  - ii. Are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.
- (k) Marathon and the creditors will execute and deliver all such documents and instruments and do all such things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions completed hereby.
- (l) All obligations of Marathon under this Proposal will be fully performed for the purposes of Section 65.3 of the BIA upon Marathon having made all payments to the Trustee as required under the terms of the Proposal.
- (m) The provisions of this Proposal will be binding on the creditors and Marathon and their respective heirs, executors, administrators, successors, and assigns for all purposes.

### **3. EFFECT OF PROPOSAL**

This Proposal restructures the affairs of Marathon and amends the terms of any and all agreements between Marathon and the creditors existing as at the NOI Filing Date, being December 12, 2017, to the extent affected by the Proposal, and provides the essential terms on which all claims will be fully and finally resolved and settled. During the Proposal period, the provisions of Section 69.1(1) of the BIA shall remain in effect. Without limiting the generality of the foregoing, during the Proposal period, all creditors will continue to be stayed from commencing or continuing any proceeding or remedy against Marathon or any of its property or assets in respect of a claim, including, without limitation, any proceeding or remedy to recover payment of any monies owing to creditors, to recover or enforce any judgment against Marathon in respect of a claim or commence any formal proceedings against it in respect of a claim other than as provided under the Proposal, which actions were effectively stayed as of the NOI Filing Date.

### **4. TRUSTEE'S FEES AND EXPENSES**

That provision for payment of all proper fees and expenses of the Trustee, including any accounting, legal fees, and appraisal fees on and incidental to the proceedings arising out of this Proposal, including advice to Marathon in connection therewith and including such

legal advice in connection with the mandate (hereinafter referred to as Administrative Costs), shall be paid in priority to all claims of all creditors or as otherwise arranged between the parties. Subject to final taxation by the Court, on completion of the administration of the Proposal, the fees and expenses of the Trustee plus applicable taxes may be invoiced and paid monthly or at such other intervals as may be agreed to between the Trustee and Marathon and, when due, the Trustee shall be entitled to withdraw the amounts invoiced to Marathon from any funds held by the Trustee. Administrative Costs shall include all professional fees and expenses incurred by the Trustee in relation to the preparation of the NOI and the preparation and filing of this Proposal. Administrative Costs shall include, but are not limited to:

- (a) Court filing fee of One Hundred and Fifty Dollars (\$150.00);
- (b) Superintendent of Bankruptcy filing fee of One Hundred and Fifty Dollars (\$150.00);
- (c) Ascend insolvency license fee of One Hundred and Seventy Dollars (\$170.00);
- (d) Professional fees of the Trustee charged at its normal hourly rates for employees, agents, and contractors in relation to the NOI and Proposal process;
- (e) Other disbursements incurred in the administration of the NOI and Proposal;

All of which are subject to applicable HST, if any; and

- (f) Administrative Costs shall be paid by Marathon to the Trustee in addition to any other amounts payable under this Proposal;
- (g) Administrative Costs are due and billed to Marathon and shall be paid forthwith directly by Marathon to the Trustee, or forthwith from funds paid to the Trustee on account of the NOI and this Proposal, unless otherwise agreed to between Marathon and the Trustee; and
- (h) All Administrative Costs, whether incurred before or after the filing of this Proposal, shall be accounted for in the Final Statement of Receipts and Disbursements to be filed in connection with this Proposal and all such Administrative Costs shall be subject to taxation by the Court.

## 5. SECURED CREDITORS (CLASS 1)

There is one class of secured creditors which includes TD and Merchant Advanced Capital ("MAAC"):

- (a) TD is secured by way of a General Security Agreement ("GSA") and a Collateral Mortgage with a first charge, subject to the Debtor in Possession charge ("DIP Charge") on working capital, equipment and real property.
- (b) For the purpose of this Proposal, TD will vote in the secured creditor class and be paid as follows:
  - a. Marathon will close on financing sufficient to pay out TD with a closing no later than 90 days from court approval;

TD shall NOT participate in the unsecured creditor class.

- (c) MAAC shall vote its claim as a secured creditor and be paid as follows:
  - a. Marathon will make thirty-six (36) monthly payments of Two Hundred Dollars (\$200) beginning the month that is 30 days after court approval, in full and final satisfaction of the debt.

MAAC shall NOT participate in the unsecured creditor class.

- (d) Roynat Capital Inc., CBDC Westmoreland Albert Inc., and M4 Holdings Inc., debts of 680177 NB Inc. and guaranteed/secured by Marathon will not participate in the Proposal in terms of distribution. However, as secured creditors of Marathon, they are entitled to claim their debt and participate in the vote accordingly.

## 6. PREFERRED CREDITORS (CLASS 2)

That preferred creditors, being those creditors with claims provable pursuant to Section 136 of the BIA, shall be paid in full based on any proven claim filed to the NOI Filing Date, net of any offset. These proven claims shall be paid without interest and without penalty within ten months (10) months from the date that this Proposal is ratified by the Court at a rate of one hundred cents (100¢) on the dollar of the proven claims, in full and final satisfaction of all amounts owed by the Insolvent to the date of the NOI Filing Date, and payment shall be from the funds which are the subject matter of this Proposal. Preferred creditors shall be known as Class 1 creditors.

There are no known preferred creditors.

## 7. CANADA REVENUE AGENCY (“CRA”)

- (a) That pursuant to Section 60(1)(1.1) of the BIA, unless Her Majesty in the Right of Canada or Province consents otherwise, funds shall be directed to the Trustee for payment to CRA of all amounts due and owing for payroll deductions outstanding to the NOI Filing Date, being December 12, 2017, and shall be paid to CRA within six (6) months following the granting of an Order of the Supreme Court of Nova Scotia ratifying the creditor-approved Proposal.

There are no known payroll deductions outstanding.

- (b) Marathon covenants and agrees that during the course of the Proposal, it will:
  - i. Remit current period installments of corporate tax and file income tax returns as required by the *Income Tax Act*; and
  - ii. Remit HST payments and file HST returns as required by the *Excise Tax Act* for the post NOI period; and
  - iii. Remit payroll deductions (employment insurance premiums, Canada Pension Plan contributions and income tax deductions) for the post NOI period as required by law.
- (c) CRA covenants and agrees that all debts due to Her Majesty the Queen proved in this Proposal shall be compromised in accordance with the terms of this Proposal only in the event this Proposal is fully performed pursuant to its terms and the BIA. In the event Marathon fails to comply with any of the terms of this Proposal and the Proposal is annulled pursuant to the provisions of the BIA, Marathon agrees that Her Majesty the Queen will be entitled to recover the full amount of all debts to Her Majesty the Queen proved in the Proposal, net of any payments or dividends received.

## 8. UNSECURED CREDITORS (CLASS 2)

- (a) Dividends shall be paid to the Class 2 unsecured creditors without interest or penalty, on a pro rata basis, and as set out in the Realization Schedule attached as Schedule “A” to this Proposal, in full and final satisfaction of all unsecured provable claims out of the proceeds set out in Paragraph 9 and the claims of unsecured creditors (known as Class 2 unsecured creditors) are to include claims of every nature and kind whatsoever, whether contingent or unliquidated, arising out of transactions entered into by Marathon prior to the NOI Filing Date.

- (b) That dividends to proven unsecured creditors will be paid semi annually following receipt of funds as set out in Paragraph 9 of the Proposal, said funds to be deposited with the Trustee monthly commencing in the month 60 days after court approval.
- (c) That all unsecured creditors shall form a class of creditors to be known as Class 2 unsecured creditors. Class 1 preferred and Class 2 unsecured creditors shall vote as one class.
- (d) That where any Class 2 unsecured creditors are related to Marathon as set out in the provisions of the BIA, such creditors shall be deferred creditors and payment of their claims shall be deferred until all other creditors are paid their respective dividends in accordance with the terms of this Proposal and the deferred creditors shall not vote accepting the Proposal unless a Court orders otherwise.

#### **9. SUBJECT MATTER OF PROPOSAL**

That Marathon shall deposit or shall ensure the deposit of the following funds from its cash flow from operations, from related entities and/or third parties, or as otherwise may be arranged from new financing, which funds shall vest with the Trustee for distribution amongst CRA (property claim), Class 1 preferred and Class 2 unsecured creditors who are subject to this Proposal, and for the payment of Administrative Costs of the Trustee as referred to in Paragraph 4 herein and for payment of the levy pursuant to S.147 of the BIA:

- (a) In addition to the Administrative Costs of the Trustee as set out in Paragraph 4, payment of secured creditor claims as set out in Paragraph 5 and the property claim of CRA set out in Paragraph 7, payments totaling Forty Eight Thousand Dollars (\$48,000.00) shall be deposited with the Trustee, with payments commencing in the month 60 days after court approval at a rate of One Thousand Dollars (\$1,00.00) for a period of forty eight (48) months or such earlier period as necessary to deposit the full amount required.

These funds shall be directed to the Trustee as a payment of the dividend to Class 2 unsecured creditors as noted in the Realization Schedule attached hereto, said funds to be distributed as set out in Paragraph 8(b) herein.

- (b) Such other funds from operations of Marathon as necessary to pay the balance of the Administrative Costs of the Trustee as required to complete the administration of the Proposal, if any, and as taxed by the Court.

## 10. INSPECTORS

At the statutory meeting of creditors to consider this Proposal, such creditors may appoint up to five (5) inspectors, and such inspectors shall have the power as set out in the BIA and for greater certainty, these powers include but are not limited to the following:

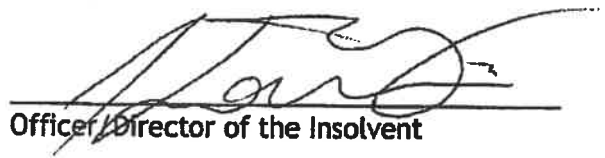
- (a) To extend the dates of payments under this Proposal; and
- (b) To advise the Trustee from time to time on any matter the Trustee may refer to them; and
- (c) To advise the Trustee regarding the admission or disallowance of creditors' Proofs of Claim where the Trustee requests such assistance; and
- (d) To approve on behalf of the creditors any decision of the Trustee relating to any matter not contained in this Proposal which the Trustee may refer to them from time to time, including any extension of time for payment required under this Proposal; and
- (e) To waive any default in the performance of this Proposal. The Trustee shall notify the inspectors of any default of which the Trustee becomes aware and the Trustee shall hold a meeting of inspectors following such notice for the purpose of obtaining the instructions of the inspectors with respect to such a default and the steps to be taken; and
- (f) Any decision, direction, or act of the inspectors may be referred to the Court by the Trustee, and the Court may confirm, revoke, or vary the decision, direction, or act of the inspectors and make such other order as it deems just.

Dated at Moncton, in the Province of New Brunswick, this 04 day of June, 2018.

Witness



Officer/Director of the Insolvent



**Estimated Realization Schedule  
In the matter of the Proposal of  
Marathon Fluid Systems Ltd.**

<u>Receipts:</u>	Total
1 Payments Pursuant to Paragraph 4 of Proposal	15,000
2 Payments Pursuant to Paragraph 5 of Proposal	0
3 Payments Pursuant to Paragraph 6 of Proposal	0
4 Payments Pursuant to Paragraph 7 of Proposal	0
5 Payments Pursuant to Paragraph 9 of Proposal	<u>48,000</u>
<b>Total Receipts</b>	<b>63,000</b>
<u>Disbursements:</u>	
1 Total Administrative Fees and Disbursements, including HST	15,000
<b>Balance to Distribute to CRA, Secured Creditors, and Unsecured Creditors</b>	<b>48,000</b>
Payment of Priority Claims	
2 CRA - Arrears Source Deductions	0
Payments to Secured Creditors	
3 TD Bank	0
4 Merchant Advanced Capital	
<b>Total Payments Priority / Secured Creditors</b>	<b>0</b>
<b>Payment to Unsecured Creditors</b>	<b>48,000</b>

<u>Balance to Distribute to Unsecured Creditors</u>	<u>Amount of Claim</u>	<u>First \$250 of Claim</u>	<u>Balance of Claim</u>	<u>Pro-Rata Share of Balance</u>	<u>Total Dividend</u>	<u>Dividend %</u>
1 679515 NB Ltd.	50,000	250	49,750	1,315	1,565	3%
2 Abba Parts	13,526	250	13,276	351	601	4%
3 Acme Electric (Port Hope) Ltd.	545	250	295	8	258	47%
4 ACO Container Systems, Division of Rotoplast Inc.	208	208	0	0	208	100%
5 Advocate Media Inc.	604	250	354	9	259	43%
6 Atlantic Valve & Fitting Co.	3,374	250	3,124	83	333	10%
7 Air Pump Valve Corp.	408	250	158	4	254	62%
8 All Prime Pumps	6,212	250	5,962	158	408	7%
9 Allsco	47,481	250	47,231	1,248	1,498	3%
10 Ampco Pumps	6,212	250	5,962	158	408	7%
11 APEGNB	658	250	408	11	261	40%
12 APM Limited	366	250	116	3	253	69%
13 Armour Transportation Systems	72	72	0	0	72	100%
14 Armstrong's Communication Ltd	238	238	0	0	238	100%
15 A-T Controls Inc.	12,515	250	12,265	324	574	5%
16 Aztech Lab Inc.	215	215	0	0	215	100%
17 BFAL HVAC Equipment Sales	215	215	0	0	215	100%
18 Blue-White Industries	4,348	250	4,098	108	358	8%
19 Brunswick Fire and Safety Acc Ltd.	80	80	0	0	80	100%
20 C&B Industrial Supplies Ltd.	4,253	250	4,003	106	356	8%
21 Canadian Linen and Uniform	316	250	66	2	252	80%
22 Carter's Sports Creting Limited	97	97	0	0	97	100%
23 Central Spa and Pool Supply	235	235	0	0	235	100%
24 Certified Lock and Alarm	79	79	0	0	79	100%
25 Construction Association of NS	1,863	250	1,613	43	293	16%
26 Cox and Palmer	3,671	250	3,421	90	340	9%
27 CRA - Tax Atlantic - RP	1	1	0	0	1	100%
28 CRA - Tax Atlantic - RT	112,009	250	111,759	2,953	3,203	3%
29 Craig Kelman & Associates	1,150	250	900	24	274	24%
30 Crane Supply	111	111	0	0	111	100%
31 CTH Instruments	665	250	415	11	261	39%
32 DR Recycling	133	133	0	0	133	100%
33 Day & Ross Inc.	4,858	250	4,608	122	372	8%
34 DB Group Consulting Inc.	78	78	0	0	78	100%
35 Dynamic Rubber Inc.	350	250	100	3	253	72%
36 Dynapompe	982	250	732	19	269	27%
37 East Coast Trophy	50	50	0	0	50	101%
38 Emco Corporation	79	79	0	0	79	99%
39 Environmental Pumping Stations	2,310	250	2,060	54	304	13%
40 eVolution Hosting Solutions Inc.	3,084	250	2,834	75	325	11%



41	Fero Waste & Recycling Inc.	91	91	0	0	91	100%
42	Festo Inc.	5,772	250	5,522	146	396	7%
43	Francotyp-Postalia Canada Inc.	170	170	0	0	170	100%
44	Fristam Pumps	1,073	250	823	22	272	25%
45	Fundy Bearings Inc.	290	250	40	1	251	86%
46	Georges Leger Building Maintenance	1,766	250	1,516	40	290	16%
47	Grant Thornton	16,919	250	16,669	441	691	4%
48	Gratec Limited	1	1	0	0	1	100%
49	Griffin Accounting Inc.	9,069	250	8,819	233	483	5%
50	Griswold Pump Company	1,657	250	1,407	37	287	17%
51	Iron Pump	25,921	250	25,671	678	928	4%
52	Jaguar Crane Canada Inc.	5,650	250	5,400	143	393	7%
53	John Crane Canada Inc.	71	71	0	0	71	100%
54	Kebechem	619	250	369	10	260	42%
55	Kemtag Enterprises Ltd.	44,140	250	43,890	1,160	1,410	3%
56	Livingston International Inc.	13,864	250	13,614	360	610	4%
57	Maritime Fastening Systems Ltd.	279	250	29	1	251	90%
58	McSheffery Industries Ltd.	30,537	250	30,287	800	1,050	3%
59	Minister of Finance	20,605	250	20,355	538	788	4%
60	Mistral	322	250	72	2	252	78%
61	Moncton Northeast Construction	1,058	250	808	21	271	26%
62	Moncton Pallet	211	211	0	0	211	100%
63	MTH Pumps	2,028	250	1,778	47	297	15%
64	Neptune Chemical Pump Company	847	250	597	16	266	31%
65	Netzsch Canada Inc.	37,968	250	37,718	997	1,247	3%
66	Northeast Equipment Ltd.	1,439	250	1,189	31	281	20%
67	Oakes Enterprises	18,334	250	18,084	478	728	4%
68	Omnitech Inc.	7,529	250	7,279	192	442	6%
69	On Target Courier	238	238	0	0	238	100%
70	Pentair Canada Inc.	4,395	250	4,145	110	360	8%
71	Pentair Water Quality	12,042	250	11,792	312	562	5%
72	Pinnacle Stainless Steel	107	107	0	0	107	100%
73	Pioneer Enterprise Ltd.	3,158	250	2,908	77	327	10%
74	Pompco Inc.	8,635	250	8,385	222	472	5%
75	Prospec Technologies Inc.	973	250	723	19	269	28%
76	PSG Eurocenter	608	250	358	9	259	43%
77	Purolator Courier	7,711	250	7,461	197	447	6%
78	RAE Industrial Electronics	834	250	584	15	265	32%
79	Rains-Flo	476	250	226	6	256	54%
80	Receiver General	89,549	250	89,299	2,360	2,610	3%
81	Rexel Atlantic	237	237	0	0	237	100%
82	Ric's Equipment and Supplies	1,943	250	1,693	45	295	15%
83	Rome Transportation Inc.	2,095	250	1,845	49	299	14%
84	Rotech Pumps and Systems	2,257	250	2,007	53	303	13%
85	Saf-T-Flo Water Services	962	250	712	19	269	28%
86	Sansom Equipment Limited	817	250	567	15	265	32%
87	Solls (Netherlocks)	920	250	670	18	268	29%
88	Southampton Computer	723	250	473	12	262	36%
89	Specified Solutions	453	250	203	5	255	56%
90	SPX Flow Europe Limited	21,101	250	20,851	551	801	4%
91	SPX Flow Technology (Lightnin)	21,100	250	20,850	551	801	4%
92	SPXFLOW	1	1	0	0	1	100%
93	Stellar Industrial Sales Ltd.	681	250	431	11	261	38%
94	Sterling Power Systems Inc.	604	250	354	9	259	43%
95	The Panel Shop	67,435	250	67,185	1,775	2,025	3%
96	The Rideau Group Inc.	8,256	250	8,006	212	462	6%
97	TRC Hydraulics Inc.	149	149	0	0	149	100%
98	Trident Pump & Filtration Ltd.	14,127	250	13,877	367	617	4%
99	Tsurumi Canada	4,278	250	4,028	106	356	8%
100	TTL Supply Ltd.	4,075	250	3,825	101	351	9%
101	Unitrak Corporation Limited	585	250	335	9	259	44%
102	VJ Pamensky Canada Inc.	513	250	263	7	257	50%
103	Versa Fittings & Mfg. Inc.	75	75	0	0	75	99%
104	Vertiflo Pump Company	34,240	250	33,990	898	1,148	3%
105	Wajax Industrial Components	2,046	250	1,796	47	297	15%
106	Wilden	51,371	250	51,121	1,351	1,601	3%
107	Xylem Canada Company (ITT Ind G&L)	49,257	250	49,007	1,295	1,545	3%

Total Estimated Unsecured Creditors

950,904      23,492      927,412      24,508      **48,000**

**EXHIBIT “C”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)  
Dated August 23, 2019**

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

FORM 92  
Notice of Proposal to Creditors  
(Section 51 of the Act)

In the matter of the proposal of  
Marathon Fluid Systems Ltd  
of the of Moncton, in the Province of New Brunswick

Take notice that Marathon Fluid Systems Ltd of the of Moncton in the Province of New Brunswick has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 26 Marriot Drive, Moncton, NB on the 14th day of June 2018 at 10:30 AM. *AST*

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of Halifax in the Province of Nova Scotia, this 4th day of June 2018.

  
BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

Suite 201, 255 Lacewood Drive  
Halifax NS B3M 4G2  
Phone: (902) 425-3100 Fax: (902) 425-3777

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

## FORM 92 — Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
679515 NB Ltd.	265 Edinburgh Drive Moncton NB E1E 2K9		50,000.00
Abba Parts	N/A 5370 Munro Court Burlington ON L7L 5N8		13,526.30
Acme Electric (Port Hope) Ltd.	N/A PO Box 215 Port Hope ON L1A 3W3		545.40
Advocate Media Inc.	N/A PO Box 1000 Pictou NS B0K 1H0	9024851990	603.75
Air Pump Valve Corp.	N/A PO Box 806 Grand Blanc MI 48480-0806 USA	8106556444	408.00
All Prime Pumps	N/A 803 N. Myrtle Ave. Jacksonville FL 32204-1033 USA	9043559671	14,753.78
Allsco	615 St. George Blvd Moncton NB E1E 2C2		47,480.66
Ampco Pumps	N/A 2045 W Mill Road Glendale WI 53209 USA	8007378671	6,212.05
APEGNB	N/A 183 Hanwell Road Fredericton NB E3B 2R2	5064588083	657.80
APM Limited	N/A 96 King St Moncton NB E1C4M6		366.32
A-T Controls, Inc.	N/A PO Box 934100 Atlanta GA 31193-4100 USA	5132475465	12,515.20
Blue-White Industries	N/A 5300 Business Drive Huntington Beach CA 92649-1224 USA	7148938529 X 315	4,348.26
BOS BROTHERS	N/A 73 John Eagles Road Monteagle NB E4J 1S6		370.25
C&B Industrial Supplies Ltd.	N/A 61 Raddall Ave Dartmouth NS B3B 1T4		4,253.25

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Canadian Linen and Uniform	N/A PO Box 51065 RPO Tyndall Winnipeg MB R2X 3C6	5068571016	316.09
Construction Association of NS	N/A 260 Brownlow Ave., Unit #3 Dartmouth NS B3B 1V9	9024682267	1,863.00
Cox & Palmer	N/A 644 Main St Moncton NB E1C1E2		3,670.63
CRA - Tax - Atlantic Pacific Insolvency Intake Centre	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	889792172 RT0001	112,008.75
Craig Kelman & Associates	N/A 2020 Portage Ave Winnipeg MB R3J 0K4		1,150.00
CTH Instruments Ltd.	N/A 10 Akerley Blvd., Suite 36 Dartmouth NS B3B 1J4	9024686832	665.34
Day & Ross Inc.	N/A 398 Main Street Hardand NB E7P 1C6	5063755103	4,857.74
Dynamic Rubber Inc.	N/A 70 Rawls Road Des Plaines IL 60018	8477580241	350.00
Dynapompe	N/A 5420 Pare street Montreal PQ H4P 1R3	5143423030	982.10
Environmental Pumping Solutions	N/A Exchange Point Derby UK United Kingdom		2,309.83
eVolution Hosting Solutions Inc	N/A 5816 St. Margarets Bay Rd. Halifax NS B3Z 2E4		3,063.91
Festo Inc.	N/A 5300 Explorer Drive Mississauga ON L4W 5G4		5,772.31
Fristam Pumps	N/A PO Box 686611 Chicago IL 60695-6611 USA	6082032047	1,072.80

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Fundy Bearings Inc.	N/A 286 Acadia Avenue Dieppe NB E1C 9S2	506 859-9311	290.40
Georges Leger Building Maintenance Inc.	N/A 298 Highfield Street Moncton NB E1C 5R6	5068742882	1,766.40
Grant Thornton	N/A 2000 Barrington Street Halifax NS B3J3K1		16,919.39
Griffin Accounting Inc.	214 Wedgewood Ave Riverview NB E1B 2E2		9,068.81
Griswold Pump Company	N/A 24169 Network Place Chicago IL 60673-1241 USA	2292265255	1,657.20
Iron Pump	N/A A/S Generatorvej 10 DK-2730 Herlev DENMARK	+45 4491 6788	25,921.00
Jaguar Capital Inc.	1200 Bay Street, Suite 202-20 Toronto ON M5R 2A5	29	5,650.00
Kebechem	N/A 4240 Boulevard de Portland Sherbrooke QC J1L 0A3	8193480999	619.34
Kerntag Enterprises Ltd	N/A PO Box 7323 Riverview NB E1B 4T9	5068524004	44,139.88
Livingston International Inc.	N/A 6700 Chemin de la Cote-de-Liesse Bureau 300 St. Laurent QC H4T 2B5	5068573026	13,863.91
Maritime Fastening Systems Ltd.	N/A 245 Collishaw Street Moncton NB E1C 9P9	5068580678	278.56
McSheffery Industries Ltd.	N/A PO Box 13 Moncton NB E1C 8R9	5068570723	30,536.59
Minister of Finance, Government of New Brunswick	N/A n/A Fredericton NB E3B 1E9		20,604.55
Misc CAD	N/A Address Unknown Address Unknown NB		1,550.13

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Mistral	260 rue Champlain Street. Suite 201 Dieppe NB E1A 1P3		322.00
Moncton Northeast Construction Association Inc.	N/A 297 Collishaw Street Moncton NB E1C 9R2	5068574039	1,058.00
MTH Pumps	N/A 401 West Main Street Plano IL 60545 USA	6305524115	2,027.60
Neptune Chemical Pump Company	N/A 24308 Network Place Chicago IL 60673-1243 USA		847.05
Netsch Canada, Inc.	N/A 500 Welham Rd Barrie ON L4N 8Z7	7057978426	37,968.40
Northeast Equipment Ltd., Saint John	N/A 135 Joseph Zatzman Drive Dartmouth NS B3B 1W1	9024687473	1,438.73
Oakes Enterprises	N/A 263 Gibson Street Fredericton NB E3A 4E5	5064704664	18,333.75
Omnitech Inc.	N/A 10 Akerly Boulevard, Suite 1 Dartmouth NS B3B 1J4	9024685911	7,529.05
Pentair Canada Inc.	N/A PO Box 57462 Toronto ON M5W 5M5	5196234353	4,395.44
Pentair Water Quality	N/A 400 Regency Forest Drive Cary NC 27518 USA	5592660516	12,042.16
Pioneer Enterprise Ltd.	N/A 26 Glencoe Drive Mount Pearl NF A1N 4S8	7093643581	3,157.56
Pompco Inc.	N/A 345 Labbe Blvd. North Victoriaville QC G6P 1B1		8,634.59
ProSpec Technologies Inc.	N/A 3235 Wharton Way Mississauga ON L4X 2B6	9056293100	973.42

## FORM 92 — Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PSG Eurocenter	N/A 22866 Network Place Chicago IL 60673-1228 USA	9095121224	607.75
Purolator Courier	N/A PO Box 1100 Etobicoke Postal Stn A Etobicoke ON M9C 5K2		7,710.93
RAE Industrial Electronics	N/A 11 Morris Drive Suite 103 Dartmouth NS B3B 1M2	8002468885	833.77
Rains-Flo	N/A 820 South Lipan Street Denver CO 80223-2744 USA	8002314209	476.00
Receiver General	N/A 11A2-11 Laurier Street Gatineau QC K1A 0S5		89,548.59
Ric's Equipment and Supplies	N/A 80 Albert Street Sussex NB E4E 1K5	5064334333	1,942.76
Rome Transportation Inc.	N/A 100 Campbell Ave Kitchener ON N2H 4X8	8668357663 EXT 200	2,095.00
Rotech Pumps & Systems	N/A 1320 Britannia Rd. East Mississauga ON L4W 1C8	9054619617	2,256.61
Saf-T-Flo Water Services	N/A 091-U East La Palma Avenue Anaheim CA 92807-1720 USA	7146323013	961.95
Sansom Equipment Limited	N/A 100 Upham Drive Truro NS B2N 6W8		816.50
Sofis (Netherlocks)	N/A J. Keplerweg 14, Alphen aan den Rijn The Netherlands		920.00
Southampton Computers	N/A 555 Edinburgh Drive Moncton NB E1E 4E3		722.75
Specified Solutions	N/A 107 Bruce Drive Sackville NS B4C 3V2	9028641117	452.71



## FORM 92 — Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SPX Flow Europe Limited	Ocean House, Towers Business Park Manchester M20 2LY United Kingdom	1014994	21,100.64
SPX Flow Technology (Lightnin)	N/A PO Box 4526 Toronto ON M5W 5Z9	9053265666 EXT. 22	21,100.64
Stellar Industrial Sales Ltd.	N/A 520 Windmill Road Dartmouth NS B3B 1B3		680.80
Sterling Power Systems Inc.	799 Rennie Street Hamilton ON L8H 3R5	1171216	603.75
TD Canada Trust c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2		371,000.00
TD Canada Trust c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2		198,293.00
The Panel Shop	N/A 1925 Hanwell Rd Fredericton NB E3C 1M4		67,434.77
The Rideau Group Inc.	N/A PO Box 354 Perth ON K7H 3E4		8,255.89
Trident Pump & Filtration Ltd.	N/A 725 Champlain St Unit 200 Dieppe NB E1A 1P6	5063836931	14,127.03
Tsurumi Canada	N/A 149 J.A Bombardier, Suite 9 Boucherville QC J4B 8P1	8664496484	4,278.30
TTL Supply Ltd.	N/A 78 Burbridge Ave Dartmouth NS B3B 0G7	9024685202	4,074.94
Unitrak Corporation Limited	299 Ward Street Port Hope ON L1A 4A4	11388	585.18
V.J. Pamensky Canada Inc.	N/A 64 Samor Road Toronto ON M6A 1J7	5143415950	513.36
Vertiflo Pump Company	N/A 7807 Redsky Drive Cincinnati OH 45249 USA	5135300888	34,239.60
Wajax Industrial Components M9079C/U	N/A PO Box 11790 Montreal PQ H3C 0C4	9024684455	2,046.48

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Wilden	N/A 22866 Network Place Chicago IL 60673-1228 USA	9095121219	51,370.73
Xylem Canada Company (ITT Ind G&L)	N/A PO Box 15529, Station A Toronto ON M5W 1C1	3152392410	49,256.95
<b>Total</b>			1,524,044.81

**EXHIBIT “D-1”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)  
Dated August 23, 2019**

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

Original  Amended

- Form 78 -  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)  
 In the matter of the proposal of  
 Marathon Fluid Systems Ltd  
 of the of Moncton, in the Province of New Brunswick

To the debtor:  
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 12th day of December 2017. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" .....	1. Inventory .....
957,970.49	181,000.00
Balance of secured claims as per list "B" .....	2. Trade fixtures, etc. ....
0.00	23,000.00
Total unsecured creditors .....	3. Accounts receivable and other receivables, as per list "E"
957,970.49	Good .....
2. Secured creditors as per list "B" .....	70,000.00
569,293.00	Doubtful .....
3. Preferred creditors as per list "C" .....	20,000.00
0.00	Bad .....
4. Contingent, trust claims or other liabilities as per list "D"	10,000.00
estimated to be reclaimable for .....	Estimated to produce .....
0.00	85,000.00
Total liabilities .....	4. Bills of exchange, promissory note, etc., as per list "F" ...
1,527,263.49	0.00
Surplus .....	5. Deposits in financial institutions .....
NIL	0.00
	6. Cash .....
	146,500.00
	7. Livestock .....
	0.00
	8. Machinery, equipment and plant .....
	0.00
	9. Real property or immovable as per list "G" .....
	650,000.00
	10. Furniture .....
	0.00
	11. RRSPs, RRIAs, life insurance, etc. ....
	0.00
	12. Securities (shares, bonds, debentures, etc.) .....
	0.00
	13. Interests under wills .....
	0.00
	14. Vehicles .....
	0.00
	15. Other property, as per list "H" .....
	0.00
	If debtor is a corporation, add
	Amount of subscribed capital .....
	0.00
	Amount paid on capital .....
	0.00
	Balance subscribed and unpaid .....
	0.00
	Estimated to produce .....
	0.00
	Total assets .....
	985,500.00
	Deficiency .....
	541,763.49

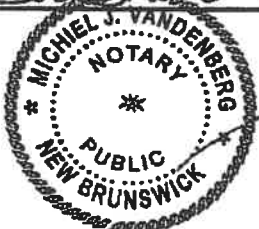
I, Karim Shihab, of the City of Moncton in the Province of New Brunswick, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 12th day of December 2017 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) before me at the City of Moncton in the Province of New Brunswick, on this 24th day of May 2018.

*New Brunswick*

*11/18*

*Karim Shihab*  
 Karim Shihab



District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	679515 NB Ltd.	265 Edinburgh Drive Moncton NB E1E 2K9	50,000.00	0.00	50,000.00
2	Abba Paris	N/A 5370 Munro Court Burlington ON L7L 5N8	13,526.30	0.00	13,526.30
3	Acme Electric (Port Hope) Ltd.	N/A PO Box 215 Port Hope ON L1A 3W3	545.40	0.00	545.40
4	ACO Container Systems, Division of Rotoplast Inc. 8005429942	N/A 784 McKay Road Pickering ON L1W 2Y4	207.92	0.00	207.92
5	Advocate Media Inc. 9024851990	N/A PO Box 1000 Pictou NS B0K 1H0	803.75	0.00	803.75
6	Air Pump Valve Corp. 8106556444	N/A PO Box 806 Grand Blanc MI 48480-0808 USA	408.00	0.00	408.00
7	All Prime Pumps 9043558671	N/A 803 N. Myrtle Ave. Jacksonville FL 32204-1033 USA	14,753.78	0.00	14,753.78
8	Alisco	615 St. George Blvd Moncton NB E1E 2C2	47,480.66	0.00	47,480.66
9	Ampco Pumps 8007378671	N/A 2045 W Mill Road Glendale WI 53209 USA	6,212.05	0.00	6,212.05
10	APEGNB 508458083	N/A 183 Hamwell Road Fredericton NB E3B 2R2	657.80	0.00	657.80
11	APM Limited	N/A 96 King St Moncton NB E1C4M8	368.32	0.00	368.32
12	Armour Transportation Systems	N/A 350 English Drive Moncton NB E1E 3Y9	72.21	0.00	72.21
13	Armstrong's Communication Ltd. 8006860000	N/A 380 Salmon River Mouth Road Coal Creek NB E4A 2T7	237.54	0.00	237.54
14	A-T Controls, Inc. 5132475465	N/A PO Box 934100 Atlanta GA 31183-4100 USA	12,515.20	0.00	12,515.20
15	Aztech Lab Inc.	N/A 1 Pleasant Avenue Quispamsis NB E2E 1A7	214.90	0.00	214.90
16	BFAL HVAC Equipment Sales 9024840794	N/A 164 Alkerley Blvd Dartmouth NS B3B 1Z5	192.05	0.00	192.05
17	Blue-White Industries 7148938529 X 315	N/A 5300 Business Drive Huntington Beach CA 92648-1224 USA	4,348.26	0.00	4,348.26

24-May-2018

Date

  
 Karim Bhibah

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

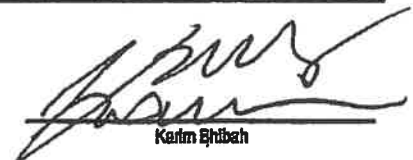
List "A"  
 Unsecured Creditors

Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
18	BOS BROTHERS	N/A 73 John Eagles Road Monteagle NB E4J 1S8	370.25	0.00	370.25
19	Brunswick Fyr & Safety Acc Ltd 5068573191	N/A 231 Edinburgh Drive Moncton NB E1E 2K9	79.93	0.00	79.93
20	C&B Industrial Supplies Ltd.	N/A 61 Raddall Ave Dartmouth NS B3B 1T4	4,253.25	0.00	4,253.25
21	Canadian Linen and Uniform 5068571018	N/A PO Box 51066 RPO Tyndall Winnipeg MB R2X 3C8	316.09	0.00	316.09
22	Cartier's Sports Cresting Limited 9028672525	N/A Victoria Court 141 Victoria Street Amherst NS B4H 1X9	96.60	0.00	96.60
23	Central Spa & Pool Supply	N/A 201 Bay Street Midland ON L4R 1M9	235.11	0.00	235.11
24	Certified Lock & Alarm	N/A PO Box 26015 Moncton NB E1E 4H9	79.18	0.00	79.18
25	Construction Association of NS 9024682267	N/A 260 Brownlow Ave., Unit #3 Dartmouth NS B3B 1V9	1,863.00	0.00	1,863.00
26	Cox & Palmer	N/A 644 Main St Moncton NB E1C1E2	3,670.63	0.00	3,670.63
27	CRA - Tax - Atlantic Attn: Pacific Insolvency Intake Centre 869792172 RP0001	Shawinigan-Sud National Verification and Collection Centre 4685 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	1.00	0.00	1.00
28	CRA - Tax - Atlantic Attn: Pacific Insolvency Intake Centre 869792172 RT0001	Shawinigan-Sud National Verification and Collection Centre 4685 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	112,008.75	0.00	112,008.75
29	Craig Kelman & Associates	N/A 2020 Portage Ave Winnipeg MB R3J 0K4	1,150.00	0.00	1,150.00
30	Crane Supply (Moncton) 5068530150	N/A 145 English Dr. Moncton NB E1E 3X3	110.88	0.00	110.88
31	CTH Instruments Ltd. 9024686832	N/A 10 Akerley Blvd., Suite 36 Dartmouth NS B3B 1J4	665.34	0.00	665.34
32	D.R. Recycling Ltd. 5068573105	N/A 212 Edinburgh Dr. Moncton NB E1E 2K7	132.84	0.00	132.84
33	Day & Ross Inc. 5063755103	N/A 398 Main Street Hartland NB E7P 1C8	4,857.74	0.00	4,857.74

24-May-2018

Date

  
 Karim Bhabha

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23389  
 Estate No. 51-2324788

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
34	DB Group Consulting Inc.	N/A 185 Nepisiquit Drive Dieppe NB E1A 7N1	77.63	0.00	77.63
35	Dynamic Rubber Inc. 6477560241	N/A 70 Rawls Road Des Plaines IL 60018	350.00	0.00	350.00
36	Dynapompe 6143423030	N/A 5420 Pare street Montreal PQ H4P 1R3	982.10	0.00	982.10
37	East Coast Trophy 5068569303	N/A 33 Cabot Drive Moncton NB E1A 6K8	49.51	0.00	49.51
38	Emco Corporation	N/A 1160 St. George Blvd. Moncton NB E1E 4K7	79.48	0.00	79.48
39	Environmental Pumping Solutions	N/A Exchange Point Derby UK United Kingdom	2,309.83	0.00	2,309.83
40	eVolution Hosting Solutions Inc	N/A 6816 St. Margarets Bay Rd. Halifax NS B3Z 2E4	3,083.91	0.00	3,083.91
41	Fero Waste & Recycling Inc. 6068553378	N/A 203 Desbrisay Ave Moncton NB E1E 0G7	90.85	0.00	90.85
42	Festo Inc.	N/A 5300 Explorer Drive Mississauga ON L4W 5G4	5,772.31	0.00	5,772.31
43	FrancoTyp-Postalia Canada Inc.	N/A 82 Corstata Avenue Concord ON L4K 4X2	170.25	0.00	170.25
44	Fristam Pumps 6062032047	N/A PO Box 666611 Chicago IL 60695-6611 USA	1,072.80	0.00	1,072.80
45	Fundy Bearings Inc. 506 859-9311	N/A 286 Acadia Avenue Dieppe NB E1C 9S2	290.40	0.00	290.40
46	Georges Leger Building Maintenance Inc. 5068742882	N/A 298 Highfield Street Moncton NB E1C 5R6	1,766.40	0.00	1,766.40
47	Grant Thomson	N/A 2000 Barrington Street Halifax NS B3JGK1	16,919.39	0.00	16,919.39
48	Gratoc Limited	30 Riilin Lane, Unit 1 Concord ON L4K 4C5	1.00	0.00	1.00
49	Griffin Accounting Inc.	214 Wedgewood Ave Riverview NB E1B 2E2	9,068.81	0.00	9,068.81
50	Griswold Pump Company 2292285255	N/A 24169 Network Place Chicago IL 60673-1241 USA	1,657.20	0.00	1,657.20

24-May-2018

Date

  
 Karim Ghibah

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
51	Iron Pump +45 4491 6788	N/A A/S Generatorvej 10 DK-2730 Hørlev DENMARK	25,921.00	0.00	25,921.00
52	Jaguar Capital Inc. 29	1200 Bay Street, Suite 202-20 Toronto ON M5R 2A5	5,650.00	0.00	5,650.00
53	John Crane Canada Inc. 9059826191	N/A 423 Green Road North Stoney Creek ON L3E 3A1	71.28	0.00	71.28
54	Kebechem 8193480999	N/A 4240 Boulevard de Portland Sherbrooke QC J1L 0A3	619.34	0.00	619.34
55	Kemtag Enterprises Ltd 5068524004	N/A PO Box 7323 Riverview NB E1B 4T9	44,139.88	0.00	44,139.88
56	Livingston International Inc. 5068573028	N/A 6700 Chemin de la Côte-de-Nease Bureau 300 St. Laurent QC H4T 2B5	13,863.91	0.00	13,863.91
57	Maritime Fastening Systems Ltd 5068580678	N/A 245 Collishaw Street Moncton NB E1C 9P9	278.56	0.00	278.56
58	McShelley Industries Ltd. 5068570723	N/A PO Box 13 Moncton NB E1C 8R9	30,536.59	0.00	30,536.59
59	Minister of Finance, Government of New Brunswick	N/A Fredericton NB E3B 1E9	20,604.55	0.00	20,604.55
60	Misc CAD	N/A	1,550.13	0.00	1,550.13
61	Mistral	260 rue Champain Street, Suite 201 Dieppe NB E1A 1P3	322.00	0.00	322.00
62	Moncton Northeast Construction Association Inc, 5068574039	N/A 297 Collishaw Street Moncton NB E1C 9R2	1,058.00	0.00	1,058.00
63	Moncton Pallet 5068583826 EXT 206	N/A 1250 St. George Blvd. Moncton NB E1E 3S1	211.21	0.00	211.21
64	MTH Pumps 6305524115	N/A 401 West Main Street Piano IL 60645 USA	2,027.50	0.00	2,027.50
65	Neptune Chemical Pump Company	N/A 24308 Network Place Chicago IL 60673-1243 USA	847.05	0.00	847.05
66	Netzsch Canada, Inc. 7057978428	N/A 500 Welham Rd Barrie ON L4N 6Z7	37,968.40	0.00	37,968.40
67	Northeast Equipment Ltd., Saint John 9024687473	N/A 135 Joseph Zatzman Drive Dartmouth NS B3B 1W1	1,438.73	0.00	1,438.73
68	Oakes Enterprises 5064704884	N/A 263 Gibson Street Fredericton NB E3A 4E5	18,333.75	0.00	18,333.75

24-May-2018

Date

  
 Karim Bhabha



District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

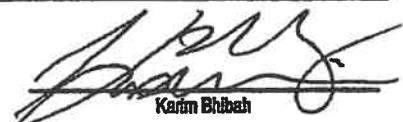
List "A"  
 Unsecured Creditors

Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
69	Omnitech Inc. 9024685911	N/A 10 Akery Boulevard, Suite 1 Dartmouth NS B3B 1J4	7,529.05	0.00	7,529.05
70	On Target Courier 5088728728	N/A & Cargo Ltd. 385 Frenette Ave Moncton NB E1H 3S5	238.26	0.00	238.26
71	Pentair Canada Inc. 5186234353	N/A PO Box 57462 Toronto ON M5W 6M5	4,395.44	0.00	4,395.44
72	Pentair Water Quality 5592660516	N/A 400 Regency Forest Drive Cary NC 27518 USA	12,042.16	0.00	12,042.16
73	Pinacle Stainless Steel 8883843875	N/A 4685 Cousens St-Laurant QC H8S1X5	106.77	0.00	106.77
74	Pioneer Enterprise Ltd. 7083843581	N/A 26 Glencoe Drive Mount Pearl NF A1N 4S8	3,167.56	0.00	3,167.56
75	Pompeo Inc.	N/A 345 Labite Blvd North Victoriaville QC G8P 1B1	8,634.59	0.00	8,634.59
76	ProSpec Technologies Inc. 9058293100	N/A 3235 Wharton Way Mississauga ON L4X 2B8	973.42	0.00	973.42
77	PSG Eurocenter 8095121224	N/A 22866 Network Place Chicago IL 60673-1228 USA	607.75	0.00	607.75
78	Puroator Courier	N/A PO Box 1100 Etobicoke Postal Stn A Etobicoke ON M9C 5K2	7,710.93	0.00	7,710.93
79	RAE Industrial Electronics 8002468885	N/A 11 Morris Drive Suite 103 Dartmouth NS B3B 1M2	833.77	0.00	833.77
80	Rabns-Flo 8002314209	N/A 820 South Lipan Street Denver CO 80223-2744 USA	476.00	0.00	476.00
81	Recever General	N/A 11A2-11 Laurier Street Gatineau QC K1A 0S5	89,548.59	0.00	89,548.59
82	Ravel Atlantic 9068574171	N/A PO Box 38202 Dartmouth NS B3B 1X2	236.57	0.00	236.57
83	Ric's Equipment and Supplies 5084334333	N/A 80 Albert Street Sussex NB E4E 1K5	1,942.76	0.00	1,942.76
84	Rome Transportation Inc. 8668357663 EXT 200	N/A 100 Campbell Ave Kitchener ON N2H 4X8	2,085.00	0.00	2,085.00
85	Rotech Pumps & Systems 9054619817	N/A 1320 Britannia Rd. East Mississauga ON L4W 1C8	2,256.61	0.00	2,256.61

24-May-2018

Date

  
 Karim Bhūbah

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

List 'A'  
 Unsecured Creditors  
 Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
86	Saf-T-Flu Water Services 7146323013	N/A 09141 East La Palma Avenue Anaheim CA 92807-1720 USA	981.95	0.00	981.95
87	Sensom Equipment Limited	N/A 100 Upham Drive Truro NS-B2N 6W8	816.50	0.00	816.50
88	Sofis (Netherlocks)	N/A J. Keplensweg 14, Alphen aan den Rijn The Netherlands	920.00	0.00	920.00
89	Southampton Computers	N/A 555 Edinburgh Drive Moncton NB E1E 4E3	722.75	0.00	722.75
90	Specified Solutions 9026841117	N/A 107 Bruce Drive Sackville NS B4C 3V2	452.71	0.00	452.71
91	SPX Flow Europe Limited 1014994	Ocean House, Towers Business Park Manchester M20 2LY United Kingdom	21,100.64	0.00	21,100.64
92	SPX Flow Technology (Lightnin) 8053265686 EXT. 22	N/A PO Box 4526 Toronto ON M5W 5Z9	21,100.64	0.00	21,100.64
93	SPXFLOW	13320 Ballantyne Corporate Place Charlotte NC 28277 USA	1.00	0.00	1.00
94	Stellar Industrial Sales Ltd.	N/A 520 Windmill Road Dartmouth NS B3B 1B3	680.80	0.00	680.80
95	Sterling Power Systems Inc. 1171216	799 Remble Street Hamilton ON L8H 3R5	603.75	0.00	603.75
96	The Panel Shop	N/A 1925 Hamwell Rd Fredericton NB E3C 1M4	67,434.77	0.00	67,434.77
97	The Rideau Group Inc.	N/A PO Box 354 Perth ON K7H 3E4	8,255.89	0.00	8,255.89
98	TRC Hydraulics Inc. 5068531986	N/A 855 Champlain St. Dieppe NB E1A 1P6	149.29	0.00	149.29
99	Trident Pump & Filtration Ltd. 5063836931	N/A 725 Champlain St Unit 200 Dieppe NB E1A 1P6	14,127.03	0.00	14,127.03
100	Tauroni Canada 8684498484	N/A 148 J.A. Bombardier, Suite 9 Boucherville QC J4B 8P1	4,278.30	0.00	4,278.30
101	TTL Supply Ltd. 9024685202	N/A 78 Burbridge Ave Dartmouth NS B3B 0G7	4,074.94	0.00	4,074.94
102	Unitrak Corporation Limited 11388	289 Ward Street Port Hope ON L1A 4A4	585.18	0.00	585.18
103	V.J. Pamansky Canada Inc. 5143415950	N/A 84 Samor Road Toronto ON M6A 1J7	513.36	0.00	513.36

24-May-2018

Date

  
 Karim Bhalah

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23389  
 Estate No. 51-2324788

FORM 78 -- Continued

List "A"  
 Unsecured Creditors  
 Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
104	Versa Fittings & Mfg. Inc. 9055642600	N/A 290 Courtnesypark Dr. East Mississauga ON L5T 2S5	75.42	0.00	75.42
105	Vertflo Pump Company 5135300888	N/A 7807 Redsky Drive Cincinnati OH 45249 USA	34,239.60	0.00	34,239.60
108	Wajax Industrial Components MB079CAJ 9024684455	N/A PO Box 11790 Montreal PQ H3C 0C4	2,046.48	0.00	2,046.48
107	Widen 9086121219	N/A 22886 Network Place Chicago IL 60673-1228 USA	51,370.73	0.00	51,370.73
108	Xytem Canada Company (ITT Ind G&L) 3152392410	N/A PO Box 15529, Station A Toronto ON M9W 1C1	49,256.95	0.00	49,256.95
<b>Total</b>			<b>957,970.49</b>	<b>0.00</b>	<b>957,970.49</b>

24-May-2018

Date

  
 Karim Bhibah

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

List "B"  
 Secured Creditors

Marathon Fluid Systems Ltd

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	TD Canada Trust c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	371,000.00	Business Assets - Stock In Trade - Inventory Debts Due - Business - Various Accounts Receivable Cash on Hand - The Toronto Dominion Bank Business Assets - Trade Fixtures - Office Equipment Business Assets - Trade Fixtures - Software Business Assets - Trade Fixtures - Computer Equipment Cash on Hand - The Toronto Dominion Bank (USD) Real Property or Immovable - Building and Land		181,000.00 85,000.00 82,000.00 10,000.00 10,000.00 3,000.00 0.00 0.00		
2	TD Canada Trust c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	198,293.00	Real Property or Immovable - Building and Land Cash on Hand - The Toronto Dominion Bank Cash on Hand - The Toronto Dominion Bank (USD) Debts Due - Business - Various Accounts Receivable Business Assets - Stock In Trade - Inventory Business Assets - Trade Fixtures - Computer Equipment Business Assets - Trade Fixtures - Office Equipment Business Assets - Trade Fixtures - Software		133,793.00 58,000.00 6,500.00 0.00 0.00 0.00 0.00 0.00	416,207.00	
<b>Total:</b>			<b>569,293.00</b>			<b>569,293.00</b>	<b>416,207.00</b>	<b>0.00</b>

24-May-2018

Date

  
 Karim Bhaibeh

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

FORM 78 - Continued

List "C"  
Preferred Creditors for Wages, Rent, etc.

Marathon Fluid Systems Ltd

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
<b>Total:</b>					0.00	0.00	0.00

24-May-2018

Date



Karim Bhabha

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

FORM 76 -- Continued

List "D"  
Contingent or Other Liabilities

Marathon Fluid Systems Ltd

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
<b>Total:</b>			0.00	0.00		

24-May-2018

Date



Karim Bhabha

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 -- Continued

List "E"  
 Debts Due to the Debtor  
 Marathon Fluid Systems Ltd

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Various Accounts Receivable			70,000.00 20,000.00 10,000.00			85,000.00	
			Total	70,000.00 20,000.00 10,000.00			85,000.00	

24-May-2018

Date



Karim Bhabah

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
 Mortgages, etc., Available as Assets

Marathon Fluid Systems Ltd

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
<b>Total</b>				<b>0.00</b>		<b>0.00</b>	

24-May-2018

Date



Karim Bhibah



District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Continued

List "G"  
 Real Property or Immovables Owned by Debtor  
 Marathon Fluid Systems Ltd

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Building and Land			550,000.00	TD Canada Trust c/o Bankruptcy/Highway.com PO Box 57100 Etobicoke ON M9Y 3Y2 371,000.00 TD Canada Trust c/o Bankruptcy/Highway.com PO Box 57100 Etobicoke ON M9Y 3Y2 198,293.00	416,207.00
<b>Total:</b>			<b>550,000.00</b>		<b>416,207.00</b>

24-May-2018

Date



Karim Ghazal

District of: New Brunswick  
 Division No. 04 - Moncton  
 Court No. 23369  
 Estate No. 51-2324788

FORM 78 - Concluded

List "F"  
 Property

Marathon Fluid Systems Ltd  
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	0.00	181,000.00
(b) Trade fixtures, etc.		Computer Equipment	0.00	3,000.00
		Office Equipment	0.00	10,000.00
		Software	0.00	10,000.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	140,000.00	140,000.00
		Cash on hand	6,500.00	6,500.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			<b>Total</b>	<b>350,500.00</b>

24-May-2018

Date



Karim Bhabah

**EXHIBIT “D-2”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)**

**Dated August 23, 2019**

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

– FORM 29 –  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of  
Marathon Fluid Systems Ltd  
of the of Moncton, in the Province of New Brunswick

The attached statement of projected cash flow of Marathon Fluid Systems Ltd, as of the 24th day of May 2018, consisting of the cash flow statement and cash flow assumptions, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Halifax in the Province of Nova Scotia, this 24th day of May 2018.

  
BBO Canada Limited / BBO Canada Limitée - Licensed Insolvency Trustee

Suite 201, 255 Lacewood Drive  
Halifax NS B3M 4G2  
Phone: (902) 425-3100 Fax: (902) 425-3777

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

**\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

**In the matter of the proposal of  
Marathon Fluid Systems Ltd  
of the of Moncton, in the Province of New Brunswick**

**Purpose:**

These projections are based on assumptions regarding the present situation and future events and actual results may vary. These projections have been prepared solely in support of the Proposal filed pursuant to Division I of the Bankruptcy and Insolvency Act, using hypothetical assumptions set out in Notes "B" through "H".

**Projection Notes:**

"B" The income and expenses are based on the financial information contained in the insolvents books and records, circumstances may change from month to month during the Proposal period;

**Assumptions:**

"C" Inflows predicted are based on current orders we have now placed plus expectations for January-February-March based on historical activity analysis of 2015-2016 years;

"D" Payroll is based on the average for employees we will have during the covered period;

"E" Raw materials purchase based on our immediate assessed need of materials plus estimate need based on historical materials usage for the last fiscal year;

"F" Although the initial retainers for trustee/legal fees have already been made, an additional \$7,500 is allocated to cover ongoing expenses;

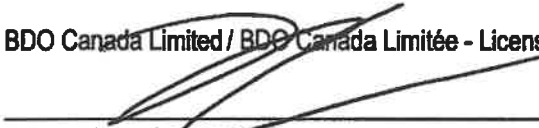
"G" Repayment on DIP financing is based on the actual term sheet;

"H" Other operational payments are estimated based on average normal out of pocket expenses, the cash flow projection assumes these expenses will not vary significantly;

"G" 680177 NB Inc. is non-operational and has no cash receipts, the cash flow projection assumes that this company will not incur any operating expenses and, if it does, these expenses will be paid by Marathon Fluid Systems Ltd.

Dated at the City of Halifax in the Province of Nova Scotia, this 24th day of May 2018.

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

  
Suite 201, 255 Lacewood Drive  
Halifax NS B3M 4G2  
Phone: (902) 425-3100 Fax: (902) 425-3777

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of  
Marathon Fluid Systems Ltd  
of the of Moncton, in the Province of New Brunswick


The management of Marathon Fluid Systems Ltd, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 24th day of May 2018, consisting of the cash flow statement and cash flow assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Moncton in the Province of New Brunswick, this 24th day of May 2018.

  
Marathon Fluid Systems Ltd  
Debtor

  
Name and title of signing officer

\_\_\_\_\_  
Name and title of signing officer

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of  
Marathon Fluid Systems Ltd  
of the of Moncton, in the Province of New Brunswick

**Purpose:**

These projections are based on assumptions regarding the present situation and future events and actual results may vary. These projections have been prepared solely in support of the Proposal filed pursuant to Division I of the Bankruptcy and Insolvency Act, using hypothetical assumptions set out in Notes "B" through "H".

**Projection Notes:**

"B" The income and expenses are based on the financial information contained in the insolvents books and records, circumstances may change from month to month during the Proposal period;

**Assumptions:**

"C" Inflows predicted are based on current orders we have now placed plus expectations for January-February-March based on historical activity analysis of 2015-2016 years;

"D" Payroll is based on the average for employees we will have during the covered period;

"E" Raw materials purchase based on our immediate assessed need of materials plus estimate need based on historical materials usage for the last fiscal year;

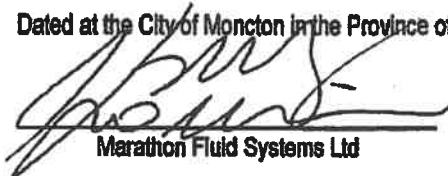
"F" Although the initial retainers for trustee/legal fees have already been made, an additional \$7,500 is allocated to cover ongoing expenses;

"G" Repayment on DIP financing is based on the actual term sheet;

"H" Other operational payments are estimated based on average normal out of pocket expenses, the cash flow projection assumes these expenses will not vary significantly;

"G" 680177 NB Inc. is non-operational and has no cash receipts, the cash flow projection assumes that this company will not incur any operating expenses and, if it does, these expenses will be paid by Marathon Fluid Systems Ltd.

Dated at the City of Moncton in the Province of New Brunswick, this 24th day of May 2018.



Marathon Fluid Systems Ltd

**Marathon Fluid Systems Limited and 680177 NB Inc. (B)**  
**Cash Flow Projection**  
**For the 12 Month Period Ending December 2018**

	01-Jan-18	01-Feb-18	01-Mar-18	01-Apr-18	01-May-18	01-Jun-18	01-Jul-18	01-Aug-18	01-Sep-18	01-Oct-18	01-Nov-18	01-Dec-18	Total
<b>Income (1) (2)</b>													
Gross Income	\$240,482	\$150,000	\$180,000	\$200,000	\$220,000	\$240,000	\$250,000	\$240,000	\$220,000	\$180,000	\$160,000	\$120,000	\$2,400,482
<b>Total</b>	<b>\$240,482</b>	<b>\$150,000</b>	<b>\$180,000</b>	<b>\$200,000</b>	<b>\$220,000</b>	<b>\$240,000</b>	<b>\$250,000</b>	<b>\$240,000</b>	<b>\$220,000</b>	<b>\$180,000</b>	<b>\$160,000</b>	<b>\$120,000</b>	<b>\$2,400,482</b>
<b>Expenses (1) (2)</b>													
Raw materials purchase	\$146,500	\$90,000	\$108,000	\$120,000	\$132,000	\$144,000	\$150,000	\$144,000	\$132,000	\$108,000	\$96,000	\$72,000	\$1,442,500
Transportation expenses	\$2,500	\$4,500	\$5,400	\$6,000	\$6,600	\$7,200	\$7,500	\$7,200	\$6,600	\$5,400	\$4,800	\$3,600	\$67,800
Trustee/legal/accounting fees	\$20,388												\$20,388
Other operational expenses	\$13,672	\$14,000	\$14,500	\$15,000	\$16,000	\$16,000	\$16,000	\$16,000	\$14,000	\$14,000	\$13,000	\$13,000	\$179,172
Utilities (phones, internet included)	\$6,693	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$50,693
HST Paid (Net of Input Tax Credits)		\$10,000			\$20,000			\$27,000			\$20,000		\$77,000
Group Insurance	\$2,216	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$29,716
Payroll	\$31,190	\$33,000	\$33,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$412,190
Insurance	\$813	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,813
<b>Total Expenses</b>	<b>\$223,972</b>	<b>\$159,000</b>	<b>\$168,400</b>	<b>\$183,500</b>	<b>\$217,100</b>	<b>\$209,700</b>	<b>\$216,000</b>	<b>\$236,700</b>	<b>\$195,100</b>	<b>\$169,900</b>	<b>\$176,300</b>	<b>\$131,100</b>	<b>\$2,288,772</b>
<b>Net Income from Operations</b>	<b>\$16,510</b>	<b>(\$9,000)</b>	<b>\$11,600</b>	<b>\$16,500</b>	<b>\$2,900</b>	<b>\$30,300</b>	<b>\$34,000</b>	<b>\$3,300</b>	<b>\$24,900</b>	<b>\$10,100</b>	<b>(\$16,300)</b>	<b>(\$11,100)</b>	<b>\$113,710</b>

**Notes:**

(1) All transactions include HST, if applicable.

(2) Intercompany sales are included in income and expenses.

(3) 680177 ("680177") holds 100% of the shares of Marathon Fluid Systems Limited ("Marathon"), however the company has no income or assets other than these shares. 680177 NB Inc. has been included in this cash flow as funds to satisfy 680 obligations normally originate in Marathon

Dated at Noroton, New Brunswick, this 24 day of May, 2018.

Marathon Fluid Systems Limited & 680177 NB Inc.

Per: Kerira Bhibeh

Witness



**Combined - Marathon Group of Companies  
Balance Sheet  
March 31, 2018**

	<u>Marathon</u>
<b>Assets</b>	
<b>Current</b>	
Cash	64,526
Receivables	141,572
Inventory	178,332
Prepaid expenses	26,298
Due from Director/Shareholder	42,708
	<u>0</u>
	453,434
Due from companies under common control	612,020
Investment in Sub	0
Fixed Assets	566,669
Intangibles	<u>2,691</u>
	<u>1,635,014</u>
<b>Liabilities</b>	
<b>Current</b>	
Bank Indebtedness	181,137
Payables and accruals	840,154
Unearned Revenue	0
Income Tax Payable	0
Other Short Term Debt	249,723
Merchant Capital Loans	0
DIP Loans	0
Current portion of LTD	<u>14,114</u>
	1,285,128
<b>Long Term</b>	
TD	349,467
CBDC	
Roynat	
M4 Holdings	
BDC 082175-01	
BDC 082175-03	
BDC 082175-04	
Ralph BOS-Promissory Note	
Vehicle/Truck Loans/Leases	
Loan - John Breau	
Finance PEI	
ACOA	
Other Long Term Debt	
Deferred Grants/Govt Assst	33,253
Deferred Taxes	2,000
	<u>384,720</u>
	<u>1,669,848</u>
<b>Shareholders' equity</b>	
Common Shares	10
Preferred Shares	76
Retained Earnings Adj for Sub/Parent	
Retained Earnings	<u>-34,920</u>
	<u>-34,834</u>
	<u>1,635,014</u>
	0

**Elimination Entries Notes:**

The investment that 680177 has in Marathon and the investment that Bhibah Investments has in BOS needs to be eliminated upon combining the statements. Retained Earnings is first reduced by the amount of retained earnings that existed at the time the companies were purchased. The amount remaining was booked to intangibles.

**Combined - Marathon Group of Companies  
Statements of Earnings and Retained Earnings  
For the 3 months Ending March 31, 2018**

	<u>Marathon</u>
Gross Sales	366,792
Rental Income	
	<u>366,792</u>
Materials	216,626
Manufacturing overhead	
Direct Labour	0
Freight	<u>8,528</u>
	<u>225,154</u>
Gross Profit	141,638
Expenses	
Advertising and promotion	
Amortization	4,000
Automobile	5,429
Bad Debts	
Bank Charges and interest	22,481
Dues, fees and license	9,971
Equipment & Building Repair & Maintenance	1,299
Expense Recovery	
Insurance	1,233
Interest on LTD	8,173
Management fees	
Marketing expenses	
Office supplies/Miscellaneous	3,358
Professional development	
Professional fees	1,240
Property taxes	5,258
Selling expenses	
Supplies	
Telephone	2,746
Travel, Meals & Entertainment	4,025
Utilities	16,840
Wages and benefits	<u>87,240</u>
	<u>183,293</u>
(Loss) income before other income and taxes	-41,655
Other income/expenses	
Rebates & Discounts	0
Dividend income	0
Exchange Gain/(Loss)	
Other income	
	<u>0</u>
(Loss) income before income taxes	-41,655
Income taxes	<u>0</u>
Net (loss) income	<u>-41,655</u>
Retained Earnings, beginning of year	26,735
Net (loss) income	-41,655
Dividends paid	<u>-20,000</u>
Retained Earnings, end of year	<u>-34,920</u>

Extraordinary Items:  
Legal fees

**Elimination Entries Notes:**

Dividend income and Dividends Paid were eliminated between companies

	Week Ending 23-Dec-17			Week Ending 30-Dec-17		
	Plan	Actual	Difference	Plan	Actual	Difference
<b>Income (1) (2)</b>						
Gross Income	\$25,000	\$32,857	\$7,857	\$40,000	\$15,033	(\$24,967)
<b>Total</b>	<b>\$25,000</b>	<b>\$32,857</b>	<b>\$7,857</b>	<b>\$40,000</b>	<b>\$15,033</b>	<b>(\$24,967)</b>
<b>Expenses (1) (2)</b>						
Raw materials purchase	\$20,000	\$5,892	(\$14,108)	\$25,000	\$658	(\$24,342)
Transportation expenses	\$1,000		(\$1,000)			
Trustee/legal/accounting fees				\$2,500		(\$2,500)
Other operational expenses	\$2,500	\$6,616	\$4,116	\$3,500	\$968	(\$2,532)
Utilities (phones, internet included)		\$439				
HST Paid (Net of Input Tax Credits)						
Group insurance						
Payroll	\$14,000	\$22,295	\$8,295			
Insurance						
<b>Total Expenses</b>	<b>\$37,500</b>	<b>\$35,242</b>	<b>(\$2,697)</b>	<b>\$31,000</b>	<b>\$1,626</b>	<b>(\$29,374)</b>
<b>Net Income from Operations</b>	<b>(\$12,500)</b>	<b>(\$2,385)</b>	<b>\$10,554</b>	<b>\$9,000</b>	<b>\$13,407</b>	<b>\$4,407</b>
Balance Forward	\$0	(\$23,784)	(\$23,784)	\$137,500	\$123,831	(\$13,669)
DIP Financing (Payments)	\$150,000	\$150,000	\$0	\$0	\$0	\$0
<b>Cash Available</b>	<b>\$137,500</b>	<b>\$123,831</b>	<b>(\$13,669)</b>	<b>\$146,500</b>	<b>\$137,238</b>	<b>(\$9,262)</b>

Week Ending 06-Jan-18			Week Ending 13-Jan-18			Week Ending 20-Jan-18			Plan
Plan	Actual	Difference	Plan	Actual	Difference	Plan	Actual	Difference	Plan
\$35,000	\$79,012	\$44,012	\$25,000	\$73,479	\$48,479	\$75,000	\$52,981	(\$22,019)	\$25,000
<b>\$35,000</b>	<b>\$79,012</b>	<b>\$44,012</b>	<b>\$25,000</b>	<b>\$73,479</b>	<b>\$48,479</b>	<b>\$75,000</b>	<b>\$52,981</b>	<b>(\$22,019)</b>	<b>\$25,000</b>
\$25,000	\$129	(\$24,871)	\$15,000	\$36,916	\$21,916	\$25,000	\$62,883	\$37,883	\$15,000
\$1,000		(\$1,000)				\$1,000		(\$1,000)	
	\$10,000	\$10,000	\$2,500		(\$2,500)				\$2,500
\$3,500	\$451	(\$3,049)	\$3,500	\$4,082	\$582	\$3,500	\$1,086	(\$2,414)	\$3,500
\$2,500	\$2,300	(\$200)		\$681	\$681		\$3,712	\$3,712	
		\$0							
\$1,750	\$2,216	\$466							
\$14,000	\$15,109	\$1,109				\$14,000	\$16,223	\$2,223	
\$1,000		(\$1,000)		\$617	\$617		\$196	\$196	
<b>\$48,750</b>	<b>\$30,205</b>	<b>(\$18,545)</b>	<b>\$21,000</b>	<b>\$42,295</b>	<b>\$21,295</b>	<b>\$43,500</b>	<b>\$84,101</b>	<b>\$40,601</b>	<b>\$21,000</b>
<b>(\$13,750)</b>	<b>\$48,807</b>	<b>\$62,557</b>	<b>\$4,000</b>	<b>\$31,183</b>	<b>\$27,183</b>	<b>\$31,500</b>	<b>(\$31,120)</b>	<b>(\$62,620)</b>	<b>\$4,000</b>
\$146,500	\$137,238	(\$9,262)	\$132,750	\$186,045	\$53,295	\$136,750	\$217,229	\$80,479	\$159,375
\$0	\$0	\$0	\$0	\$0	\$0	(\$8,875)	\$0	\$8,875	\$0
<b>\$132,750</b>	<b>\$186,045</b>	<b>\$53,295</b>	<b>\$136,750</b>	<b>\$217,229</b>	<b>\$80,479</b>	<b>\$159,375</b>	<b>\$186,109</b>	<b>\$26,734</b>	<b>\$163,375</b>

Week Ending 27-Jan-18		Week Ending 03-Feb-18			Week Ending 10-Feb-18			Week Ending 17-Feb-18	
Actual	Difference	Plan	Actual	Difference	Plan	Actual	Difference		
\$26,627	\$1,627	\$45,000	\$24,132	(\$20,869)	\$45,000	\$21,341	(\$23,659)	\$50,000	\$6,676
<b>\$26,627</b>	<b>\$1,627</b>	<b>\$45,000</b>	<b>\$24,132</b>	<b>(\$20,869)</b>	<b>\$45,000</b>	<b>\$21,341</b>	<b>(\$23,659)</b>	<b>\$50,000</b>	<b>\$6,676</b>
\$41,887	\$26,887	\$27,000	\$42,334	\$15,334	\$27,000	\$27,622	\$622	\$30,000	\$4,651
\$1,733	\$1,733	\$1,000		(\$1,000)	\$1,000		(\$1,000)	\$1,000	
	(\$2,500)		\$10,388	\$10,388			\$0		\$10,000
\$3,629	\$129	\$3,500	\$5,609	\$2,109	\$3,500	\$6,735	\$3,235	\$3,500	\$1,937
	\$0	\$2,500		(\$2,500)	\$2,500	\$616	(\$1,884)		\$1,480
		\$1,750	\$2,311	\$561	\$1,750		(\$1,750)		
		\$14,000	\$15,168	\$1,168	\$14,000		(\$14,000)	\$14,000	\$15,348
	\$0	\$1,000		(\$1,000)	\$1,000	\$813	(\$187)		
<b>\$47,248</b>	<b>\$26,248</b>	<b>\$50,750</b>	<b>\$75,810</b>	<b>\$25,060</b>	<b>\$50,750</b>	<b>\$35,786</b>	<b>(\$14,964)</b>	<b>\$48,500</b>	<b>\$33,416</b>
<b>(\$20,621)</b>	<b>(\$24,621)</b>	<b>(\$5,750)</b>	<b>(\$51,679)</b>	<b>(\$45,929)</b>	<b>(\$5,750)</b>	<b>(\$14,445)</b>	<b>(\$8,695)</b>	<b>\$1,500</b>	<b>(\$26,740)</b>
\$186,109	\$26,734	\$163,375	\$165,488	\$2,113	\$157,625	\$113,809	(\$43,816)	\$151,875	\$99,364
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>\$165,488</b>	<b>\$2,113</b>	<b>\$157,625</b>	<b>\$113,809</b>	<b>(\$43,816)</b>	<b>\$151,875</b>	<b>\$99,364</b>	<b>(\$52,511)</b>	<b>\$153,375</b>	<b>\$72,625</b>

	Week Ending 24-Feb-18			Week Ending 03-Mar-18			Week Ending 10-Mar-18		
(\$43,324)	\$50,000	\$103,017	\$53,017	\$55,000	\$25,933	(\$29,067)	\$55,000	\$31,259	(\$23,741)
(\$43,324)	\$50,000	\$103,017	\$53,017	\$55,000	\$25,933	(\$29,067)	\$55,000	\$31,259	(\$23,741)
(\$25,349)	\$30,000	\$17,213	(\$12,787)	\$33,000	\$31,184	(\$1,816)	\$33,000	\$43,499	\$10,499
(\$1,000)			\$0	\$1,000		(\$1,000)			\$0
\$10,000			\$0			\$0			\$0
(\$1,563)	\$3,500	\$2,407	(\$1,093)	\$3,500	\$3,652	\$152	\$3,500	\$4,978	\$1,478
\$1,480		\$980	\$980	\$2,500		(\$2,500)		\$690	\$690
								\$21,866	\$21,866
\$0			\$0	\$1,750	\$2,055	\$305			\$0
\$1,348			\$0	\$14,000	\$14,344	\$344			\$0
\$0			\$0	\$1,000		(\$1,000)		\$813	\$813
(\$15,084)	\$33,500	\$20,600	(\$12,900)	\$56,750	\$51,235	(\$5,515)	\$36,500	\$71,847	\$35,347
(\$28,240)	\$16,500	\$82,417	\$65,917	(\$1,750)	(\$25,302)	(\$23,552)	\$18,500	(\$40,588)	(\$59,088)
(\$52,511)	\$153,375	\$72,625	(\$80,750)	\$161,000	\$155,041	(\$5,959)	\$159,250	\$129,739	(\$29,511)
\$0	(\$8,875)	\$0	\$8,875	\$0	\$0	\$0	\$0	\$0	\$0
(\$80,750)	\$161,000	\$155,041	(\$5,959)	\$159,250	\$129,739	(\$29,511)	\$177,750	\$89,151	(\$88,599)

### Cash Flow Projection

Week Ending 17-Mar-18			Week Ending 24-Mar-18			Week Ending 31-Mar-18			
\$55,000	\$43,867	(\$11,133)	\$55,000	\$33,477	(\$21,523)	\$55,000	\$29,044	(\$25,956)	\$35,000
<b>\$55,000</b>	<b>\$43,867</b>	<b>(\$11,133)</b>	<b>\$55,000</b>	<b>\$33,477</b>	<b>(\$21,523)</b>	<b>\$55,000</b>	<b>\$29,044</b>	<b>(\$25,956)</b>	<b>\$35,000</b>
\$33,000	\$10,354	(\$22,646)	\$33,000	\$31,905	(\$1,095)	\$33,000	\$16,245	(\$16,755)	\$21,000
		\$0			\$0			\$0	\$350
		\$0			\$0			\$0	
\$3,500	\$690	(\$2,810)	\$3,500	\$4,529	\$1,029	\$3,500	\$4,124	\$624	\$3,000
	\$40	\$40		\$6,238	\$6,238		\$7,194	\$7,194	\$4,000
		\$0			\$0			\$0	\$2,500
\$14,000	\$17,403	\$3,403			\$0	\$15,000	\$16,801	\$1,801	
		\$0			\$0			\$0	\$1,000
<b>\$50,500</b>	<b>\$28,487</b>	<b>(\$22,013)</b>	<b>\$36,500</b>	<b>\$42,672</b>	<b>\$6,172</b>	<b>\$51,500</b>	<b>\$44,363</b>	<b>(\$7,137)</b>	<b>\$31,850</b>
<b>\$4,500</b>	<b>\$15,380</b>	<b>\$10,880</b>	<b>\$18,500</b>	<b>(\$9,195)</b>	<b>(\$27,695)</b>	<b>\$3,500</b>	<b>(\$15,319)</b>	<b>(\$18,819)</b>	<b>\$3,150</b>
\$177,750	\$89,151	(\$88,599)	\$182,250	\$95,532	(\$86,718)	\$200,750	\$86,337	(\$114,413)	\$71,018
\$0	(\$9,000)	(\$9,000)	\$0		\$0	\$0		\$0	\$0
<b>\$182,250</b>	<b>\$95,532</b>	<b>(\$86,718)</b>	<b>\$200,750</b>	<b>\$86,337</b>	<b>(\$114,413)</b>	<b>\$204,250</b>	<b>\$71,018</b>	<b>(\$133,232)</b>	<b>\$74,168</b>

Week Ending 07-Apr-18		Week Ending 14-Apr-18			Week Ending 21-Apr-18			Week Ending 28-Apr-18	
\$9,288	(\$25,712)	\$35,000	\$10,895	(\$24,105)	\$55,000	\$32,481	(\$22,519)	\$55,000	\$59,869
\$9,288	(\$25,712)	\$35,000	\$10,895	(\$24,105)	\$55,000	\$32,481	(\$22,519)	\$55,000	\$59,869
\$35,765	\$14,765 (\$350)	\$21,000 \$350	\$10,000	(\$14,463) (\$241)	\$33,000 \$550	\$5,936	(\$13,511) (\$225)	\$33,000 \$550	\$20,166
\$10,000	\$10,000			\$0	\$20,000		(\$20,000)		
\$5,720	\$2,720	\$3,500	\$2,474	(\$1,026)	\$3,500	\$3,592	\$92	\$3,500	\$3,143
\$555	(\$3,445)		\$424	\$424		\$894	\$894		\$1,078
\$1,277	(\$1,223) \$0 (\$1,000)	\$17,500	\$13,770 \$781	\$0 (\$3,730) \$781			\$0 \$0 \$0	\$17,500	\$11,053
\$53,316	\$21,466	\$42,350	\$27,449	(\$14,901)	\$57,050	\$10,421	(\$46,629)	\$54,550	\$35,440
(\$44,029)	(\$47,179)	(\$7,350)	(\$16,554)	(\$9,204)	(\$2,050)	\$22,061	\$24,111	\$450	\$24,429
\$71,018	\$0 (\$9,000)	\$74,168 \$0	\$17,989	(\$56,179) \$0	\$66,818 \$0	\$1,436	(\$65,383) \$0	\$64,768 (\$7,000)	\$23,496
\$17,989	(\$56,179)	\$66,818	\$1,436	(\$65,383)	\$64,768	\$23,496	(\$41,272)	\$58,218	\$47,925



	Week Ending 05-May-18			Week Ending 12-May-18			Week Ending 19-May-18		
\$4,869	\$40,000	\$9,542	(\$30,458)	\$40,000	\$36,737	(\$3,263)	\$40,000		(\$40,000)
<b>\$4,869</b>	<b>\$40,000</b>	<b>\$9,542</b>	<b>(\$30,458)</b>	<b>\$40,000</b>	<b>\$36,737</b>	<b>(\$3,263)</b>	<b>\$40,000</b>	<b>\$0</b>	<b>(\$40,000)</b>
\$2,678	\$22,000	\$21,748	(\$16,752)	\$22,000	\$14,785	(\$1,795)	\$22,000		(\$22,000)
\$49	\$400		(\$305)	\$400		(\$33)	\$400		(\$400)
\$0		\$5,000	\$5,000			\$0	\$20,000		(\$20,000)
(\$357)	\$3,500	\$8,431	\$4,931	\$3,500	\$1,137	(\$2,363)	\$3,500		(\$3,500)
\$1,078	\$4,000		(\$4,000)		\$4,272	\$4,272			\$0
\$0	\$2,500	\$686	(\$1,814)			\$0			\$0
(\$6,447)			\$0	\$17,500	\$13,218	(\$4,282)			\$0
\$0	\$1,000		(\$1,000)		\$781	\$781			\$0
<b>(\$19,110)</b>	<b>\$33,400</b>	<b>\$35,865</b>	<b>\$2,465</b>	<b>\$43,400</b>	<b>\$34,194</b>	<b>(\$9,206)</b>	<b>\$45,900</b>	<b>\$0</b>	<b>(\$45,900)</b>
<b>\$23,979</b>	<b>\$6,600</b>	<b>(\$26,322)</b>	<b>(\$32,922)</b>	<b>(\$3,400)</b>	<b>\$2,543</b>	<b>\$5,943</b>	<b>(\$5,900)</b>	<b>\$0</b>	<b>\$5,900</b>
(\$41,272)	\$58,218	\$47,925	(\$10,293)	\$64,818	\$21,603	(\$43,215)	\$61,418	\$24,146	(\$37,272)
\$7,000	\$0		\$0	\$0		\$0	\$0		\$0
<b>(\$10,293)</b>	<b>\$64,818</b>	<b>\$21,603</b>	<b>(\$43,215)</b>	<b>\$61,418</b>	<b>\$24,146</b>	<b>(\$37,272)</b>	<b>\$55,518</b>	<b>\$24,146</b>	<b>(\$31,372)</b>

Week Ending 26-May-18			Week Ending 02-Jun-18			Week Ending 09-Jun-18			
\$50,000		(\$50,000)	\$50,000		(\$50,000)	\$60,000		(\$60,000)	\$60,000
\$50,000	\$0	(\$50,000)	\$50,000	\$0	(\$50,000)	\$60,000	\$0	(\$60,000)	\$60,000
\$27,500		(\$27,500)	\$27,500		(\$27,500)	\$33,000		(\$33,000)	\$33,000
\$500		(\$500)	\$500		(\$500)	\$600		(\$600)	\$600
		\$0			\$0			\$0	
\$3,500		(\$3,500)	\$3,500		(\$3,500)	\$4,000		(\$4,000)	\$4,000
		\$0			\$0	\$4,000		(\$4,000)	
\$20,000									
		\$0			\$0	\$2,500		(\$2,500)	
\$17,500		(\$17,500)			\$0	\$17,500		(\$17,500)	
		\$0			\$0	\$1,000		(\$1,000)	
\$69,000	\$0	(\$69,000)	\$31,500	\$0	(\$31,500)	\$62,600	\$0	(\$62,600)	\$37,600
(\$19,000)	\$0	\$19,000	\$18,500	\$0	(\$18,500)	(\$2,600)	\$0	\$2,600	\$22,400
\$55,518	\$24,146	(\$31,372)	\$29,518	\$24,146	(\$5,372)	\$48,018	\$24,146	(\$23,872)	\$45,418
(\$7,000)		\$7,000	\$0		\$0	\$0		\$0	\$0
\$29,518	\$24,146	(\$5,372)	\$48,018	\$24,146	(\$23,872)	\$45,418	\$24,146	(\$21,272)	\$67,818

Week Ending 16-Jun-18		Week Ending 23-Jun-18		Week Ending 30-Jun-18			
	(\$60,000)	\$60,000		(\$60,000)	\$60,000		(\$60,000)
\$0	(\$60,000)	\$60,000	\$0	(\$60,000)	\$60,000	\$0	(\$60,000)
	(\$33,000)	\$33,000		(\$33,000)	\$33,000		(\$33,000)
	(\$600)	\$600		(\$600)	\$600		(\$600)
	\$0			\$0			\$0
	(\$4,000)	\$4,000		(\$4,000)	\$4,000		(\$4,000)
	\$0			\$0			\$0
	\$0			\$0			\$0
	\$0	\$17,500		(\$17,500)			\$0
	\$0			\$0			\$0
\$0	(\$37,600)	\$55,100	\$0	(\$55,100)	\$37,600	\$0	(\$37,600)
\$0	(\$22,400)	\$4,900	\$0	(\$4,900)	\$22,400	\$0	(\$22,400)
\$24,146	(\$21,272)	\$67,818	\$24,146	(\$43,672)	\$65,718	\$24,146	(\$41,572)
	\$0	(\$7,000)		\$7,000	\$0		\$0
\$24,146	(\$43,672)	\$65,718	\$24,146	(\$41,572)	\$88,118	\$24,146	(\$63,972)

**EXHIBIT “D-3”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)**

**Dated August 23, 2019**



Tel: 902 425 3100  
Fax: 902 425 3777  
Toll-Free: 800 337 5764  
debtsolutions-halifax.ca

BDO Canada Limited  
255 Lacewood Drive  
Suite 201  
Halifax NS B3M 4G2 Canada

**To the Creditors of  
Marathon Fluid Systems Ltd.  
An Insolvent**

June 1, 2018

Dear Sir/Madam:

**Re: Marathon Fluid Systems Ltd. - Proposal**

**PRELIMINARY COMMENTS**

This communication to creditors of Marathon Fluid Systems Ltd. (hereinafter referred to as “Marathon” or the “Company”), comprises the Trustee’s report on the Proposal to creditors together with the Proposal documents which have been prepared pursuant to the Superintendent of Bankruptcy’s Directive No. 24.

The Proposal process was commenced with the filing of a Notice of Intention to Make a Proposal (“NOI”) with the Office of the Superintendent of Bankruptcy on December 12, 2017. BDO Canada Limited (“BDO”) of Halifax, Nova Scotia, consented to act as Trustee under the NOI.

Prior to the expiry of the three extensions of time to file a Proposal as granted by the Court, Marathon lodged a Proposal with the Trustee on May 24, 2018, the Trustee filed the Proposal with the Official Receiver on the same day. BDO is the named Trustee in the Proposal.

BDO confirms that prior to having consultations Marathon and its advisors, the Trustee has had no professional relationship with the Company or its principle.

The meeting of creditors called to consider this Proposal is scheduled to be held on June 14, 2018, at the hour of 10:30 o’clock in the morning Atlantic Standard Time. The meeting will be held at the Fairfield Inn & Suites, Acadie A&B - 26 Marriot Drive, Moncton, New Brunswick.



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## **DOCUMENTATION AND ACTION REQUIRED BY CREDITORS**

Enclosed are the following documents for your review and action:

- Notice of Meeting of Creditors to Consider Proposal
- Proposal
- Schedule A to Proposal
- Cash Flow forecast for the year ended December 31, 2018
- Internal unaudited statements to March 31, 2018
- Actual vs forecasted cash flow to May 12, 2018
- Statement of Affairs (“SOA”)
- Proof of Claim, including proxy
- Voting Letter

In order to register your vote on the Proposal, you are required to file with the Trustee a Proof of Claim, supported by a proper Statement of Account and Proxy and/or Voting Letter, prior to the time scheduled for the meeting. If you cannot attend the meeting, you may file a Proxy in favour of anyone you may wish in order to vote at the meeting, or you may vote by completing the Voting Letter and forwarding it to the Trustee. In order for the Voting Letter to be considered by the Trustee, a properly proven Proof of Claim must be filed with the Trustee prior to the meeting. If you wish, and solely at your discretion, you may nominate the Trustee as your proxy, and, in this regard, we advise that any Proxies completed in favor of the Trustee or blank Voting Letters provided to the Trustee will be voted in favor of the Proposal unless the creditor specifically indicates otherwise to the Trustee in writing.

You may file your Proof of Claim, Proxy, and Voting Letter with us by either regular mail, by fax (902-425-3777), or electronically ([claimseast@bdo.ca](mailto:claimseast@bdo.ca)). We encourage you to file these documents with us as soon as possible in order that we may review them before the meeting of creditors and, therefore, where adjustments are necessary, we can contact you to facilitate any corrections or changes in time to enable you to vote at the creditors meeting.

## **TERMS OF PROPOSAL**

The terms of the Proposal are set out in the Proposal document enclosed with this package. Specifically, the Proposal contemplates two classes of creditors who are advised as follows:



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1. Secured creditors (Class 1), TD Bank, Merchant Advanced Capital, and M4 Holdings Inc. will be paid a set out in Paragraph 5 of the Proposal.
2. As noted in Paragraph 8, the unsecured creditors (Class 2) are to be paid from funds deposited with the Trustee pursuant to Paragraph 9 and Schedule "A" of the Proposal;

### **IDENTIFICATION AND VALUATION OF ASSETS**

As noted in the SOA, the property of Marathon, and the value thereof, is as follows:



The assets of Marathon are fully secured by way of a real property mortgage as well as specific and general security agreements between the Company and its secured creditors.

### **CREDITOR CLAIMS**

As at the writing of this report, the Trustee has no knowledge of, nor do we have any reason to believe, that any of the claims of creditors will differ significantly from those amounts as reflected in the SOA. While it is usual for some differences to occur for various reasons, we are unaware of any significant material differences between amounts expected to be filed by creditors and those amounts reflected in the Company's SOA. Any significant differences between the SOA and those claims proven by creditors will be reported on at the first meeting of creditors, and where such material differences exist, Proofs of Claims will be investigated.

### **TRUSTEE COMMENTS**

The information provided for in this report and in the SOA was provided by Marathon and its advisors and has not been audited in any way whatsoever by the Trustee.



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The Company's discussions with creditors are ongoing, and could result in an amended proposal being tabled for consideration.

In addition, it is the Trustee's understanding that the Company is considering seeking a motion for adjournment to provide time for creditors to further consider the proposal.

The Trustee has been advised by the management of Marathon that a transfer of funds has been made by the Company to related entities, these transfers are as follows:

- \$164,000 to related companies (prior to the third extension); and
- \$64,000 subsequent to the third extension to related companies Eastland Industries Limited, Bos Brothers Inc., and Royalty Hardwoods Ltd. This was done by Marathon without Court approval, contrary to the direction given by the Court at the third hearing for an extension of time to file a proposal. The Trustee has been advised by Marathon that these funds have been repaid.

## RECOMMENDATION

We understand that the management of Marathon is committed to the making of a successful Proposal and, as a result, has taken steps to ensure that the funds that are required to be contributed pursuant to the terms of the Proposal will be available at the prescribed time.

The Trustee believes that this Proposal provides an opportunity for unsecured creditors to achieve a substantially larger return than they would otherwise receive in a bankruptcy administration, in which case there is unlikely to be any return to unsecured creditors. As noted in Schedule A to the Proposal, the average return to unsecured creditors is estimated to be approximately forty-one percent (41%).

With a view to the above, the Trustee believes that the Proposal is of benefit to creditors and we recommend to the creditors that they support it by voting in favor of the Proposal. It is important for creditors to understand that if the Proposal does not achieve the required statutory majority of creditors voting at the meeting of creditors to be held on June 14, 2018, or any adjournment thereof, Marathon will automatically be deemed to have made an assignment in bankruptcy and the opportunity for unsecured creditors to recover on their outstanding debt will be lost.





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Should you have any questions with respect to the Proposal or attachment documents, please feel free to contact the undersigned.

Yours very truly

BDO CANADA LIMITED  
Proposal Trustee



Philip Clarke, CPA, CA, CIRP, LIT  
*Senior Vice President*

Enclosures

**EXHIBIT “D-4”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and 50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)**

**Dated August 23, 2019**

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

FORM 31 / 36  
Proof of Claim / Proxy  
In the matter of the proposal of  
Marathon Fluid Systems Ltd  
of the of Moncton, in the Province of New Brunswick

All notices or correspondence regarding this claim must be forwarded to the following address:

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the proposal of Marathon Fluid Systems Ltd of the of Moncton in the Province of New Brunswick and the claim of \_\_\_\_\_ creditor.

I, \_\_\_\_\_ of the city of \_\_\_\_\_, a creditor in the above matter, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, to be my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without) power to appoint another proxyholder in his or her place.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_ do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_ creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 12th day of December 2017, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_.

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_.

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_.

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_.

G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

7. *(Applicable only in the case of the bankruptcy of an individual.)*

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

\_\_\_\_\_  
Suite 201, 255 Lacewood Drive  
Halifax NS B3M 4G2  
Phone: (902) 425-3100 Fax: (902) 425-3777  
E-mail: insol-halifax@bdo.ca

NOTE If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

**EXHIBIT “D-5”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)**

**Dated August 23, 2019**

District of: New Brunswick  
Division No. 04 - Moncton  
Court No. 23369  
Estate No. 51-2324788

FORM 37

Voting Letter  
(Paragraph 5(1)(f) of the Act)

In the matter of the proposal of  
Marathon Fluid Systems Ltd  
of the of Moncton, in the Province of New Brunswick

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of  
Marathon Fluid Systems Ltd, to record my vote \_\_\_\_\_ (for or against) the acceptance of the  
proposal as made on the \_\_\_\_\_ day of \_\_\_\_\_.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee  
Suite 201, 255 Lacewood Drive  
Halifax NS B3M 4G2  
Phone: (902) 425-3100 Fax: (902) 425-3777  
E-mail: insol-halifax@bdo.ca

**EXHIBIT “E”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)**

**Dated August 23, 2019**

CANADA  
PROVINCE OF NEW BRUNSWICK  
ESTATE NO: 51-2324788  
COURT NO: 23369  
DISTRICT NO: 04

IN THE COURT OF QUEENS'S BENCH OF NEW BRUNSWICK  
IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF

MARATHON FLUID SYSTEMS LTD.  
AN INSOLVENT

MINUTES OF MEETING OF CREDITORS TO CONSIDER PROPOSAL

MINUTES OF THE FIRST MEETING OF CREDITORS of the above-noted insolvent, held at the Fairfield Inn & Suites, 26 Marriott Drive, Moncton, New Brunswick, on the 14<sup>th</sup> day of June 2018, at the hour of 10:30 o'clock in the morning Atlantic Standard Time under the chairmanship of Philip Clarke. A quorum was duly constituted.

The creditors were advised that the Official Receiver has appointed the Trustee as Chair of the meeting.

A quorum was duly constituted.

Meeting was called to order at approximately 10:34am.

The Trustee appointed Andrea Marsh of BDO Canada Limited as secretary.

The Trustee tabled the following documents:

- a copy of the Proposal,
- a copy of the mailing affidavit,
- a copy of the creditors package, and
- a copy of the OSB issued certificate of appointment.

The Trustee requested a 5-minute adjournment of the meeting to admit claims that were received just prior to the start of the meeting.

*Motion - Adjourn the meeting to admit claims received just prior to the start of the first meeting of creditors.*

Moved - David Hostetter, proxy for Merchant Advanced Capital  
Second - Paul Cyr, proxy for CBDC Westmoreland Albert Inc.

Result - Unanimous

The Trustee reconvened the meeting at 10:51am



At the request of the debtor, the Trustee requested that the minutes reflect that M4 Holdings Inc. transmitted their proof of claim prior to the meeting but the Trustee had not received it prior to the commencement of the meeting.

The Chairperson reviewed sections 50(2) and 51 of the Bankruptcy and Insolvency Act.

The Trustee responded to all questions on the proposal as posed by creditors. The creditors discussed and commented on the proposal, the conduct of the debtor, and on intercompany transfers made by the debtor.

The Trustee reviewed section 54 and 57 of the Bankruptcy and Insolvency Act.

The Trustee reviewed the claims, proxies, and voting letters, received in advance of the meeting of creditors, in both the secured and unsecured class.

**Motion to Adjourn**

The chairperson called for a motion to adjourn the first meeting of creditors for 14-days to June 28, 2018 contingent upon a list of conditions put forward by the secured creditors - Business Development Bank of Canada, Merchant Advanced Asset Financing, as attached. Those conditions were read aloud to the creditors.

*Motion - Adjourn first Meeting of creditors until June 28, 2018 at a time to be set by the Trustee, in accordance with the attached conditions.*

**Moved by:** Ben Dunford - proxy for the TD Bank

**Seconded by:** Trustee - proxy for Abba Pump Parts and Service

Discussion on the motion was held. Questions posed were answered. The creditors when contemplating the motion for further adjournment discussed the conduct of the debtor, loss of time/money, previous transfers to related parties, etc. A request was made to get further information on how Marathon Fluid Systems Ltd. was purchased.

**Vote**

**Secured Creditors**

	FOR	AGAINST	
TD Bank		589,167	Voting Letter, Proxy - Mr. Ben Dunford
RoyNat Capital			Voting Letter, No proxy
CBDC Westmoreland Albert Inc.		1,000	No voting letter, Proxy - Mr. Paul Cyr
Merchant Advanced Capital	107,130		Voting Letter, Proxy - Mr. David Hostetter
Merchant Advanced Asset Financing	275,000		Voting Letter, Proxy - Mr. David Hostetter
	<u>382,130</u>	<u>590,167</u>	

**Result** - Secured creditors rejected motion. Trustee notes to meeting that an unsecured creditor vote is not required as the motion requires the support of both classes. Motion FAILED.

**Motion to Accept the Proposal**

The Trustee called for a motion to vote for the acceptance of the proposal.

*Motion - Accept the proposal of Marathon Fluid Systems Limited as presented to creditors.*

**Moved by:** Mr. Ben Dunford - proxy for the TD Bank

**Seconded by:** Trustee - proxy for Abba Pump Parts and Service

**Secured Creditors**

	FOR	AGAINST	
TD Bank		589,167	Voting Letter, Proxy - Mr. Ben Dunford
RoyNat Capital	260,735		Voting Letter, No proxy
CBDC Westmoreland Albert Inc.	-	-	No voting letter, Proxy - Mr. Paul Cyr
Merchant Advanced Capital		107,130	Voting Letter, Proxy - Mr. David Hostetter
Merchant Advanced Asset Financing		275,000	Voting Letter, Proxy - Mr. David Hostetter
	<u>260,735</u>	<u>971,297</u>	
	1	3	

**Unsecured Creditors**

	FOR	AGAINST	
Abba Parts	15,526		Voting Letter, Proxy - Trustee
Georges Leger Building Maintenance Inc.	1,766		Voting Letter, No proxy
John Crane Canada Inc.	71		Voting Letter, Proxy - Trustee
Kemtag Enterprises Ltd.	44,140		Voting Letter, Proxy - Karl Elliot
Mercant Advance Asset Financing Ltd.	943,914		Proxy - Mr. David Hostetter
Netsch Canada Inc.		38,482	Voting Letter, Proxy - Trustee
Northeast Equipment Ltd.	1,439		Voting Letter, Proxy - Trustee
Omnitech Inc.	7,529		Voting Letter, Proxy - Trustee
Rexel Atlantic	237		Voting Letter, Trustee as Proxy
The Rideau Group	8,256		Voting Letter, Trustee as Proxy
CBDC Westmoreland Albert Inc.	-	-	No voting letter, Proxy - Mr. Paul Cyr
Canada Revenue Agency		125,992	Voting Letter, Proxy - R Smith
	<u>1,022,878</u>	<u>164,474</u>	
	9	2	

Note: CBDC Westmoreland Inc. Abstained.

**Result** - The secured creditor class has rejected the proposal and is no longer subject to the stay of proceedings. The unsecured creditors have approved the proposal. Motion has PASSED. The Trustee declared that the proposal was been accepted by the unsecured creditors.

The list of creditors present or represented is attached.

There being no further business, the meeting was adjourned. Moved by Paul Cyr, Proxy for CBDC Westmoreland Albert Inc.

Dated at Halifax, Nova Scotia, this 18<sup>th</sup> day of July, 2018.



---

Philip Clarke, Chairman

**Attachments:**

- Attendance List
- Adjournment Motion



BDO Canada Limited

Estate No. 51-232 4788

Name  
Marettan Fluid Systems Limited

### ATTENDANCE LIST

#### DEBTORS AND REPRESENTATIVES

KARIM BHISAV

#### TRUSTEE AND REPRESENTATIVES

Phil Clarke, CPA, CA, CFP, LIT - Char person BDO Canada Limited
Andrew Mersk - Secretary, BDO Canada Limited

#### CREDITORS PRESENT OR REPRESENTED

NAME	REPRESENTING	AMOUNT - PROVEN CLAIM
Phil Clarke	Abbe Thompson & Service	13,526.30
BDO Canada Limited/Trustee	Cox & Palmer	3,670.63
	John Crow Canada	71.28
	Northeast Equipment	1,438.73
	Omni Tech Incorporated	7,529.05
	Level Canada Electrical Inc.	236.59
	Rylee Group Inc	8,255.89
	Netzsch Canada Inc	38,482.45
Fred Welsford	MAC, MAA	
<del>Paul Cyr</del> Paul Cyr	CBDC West	101,000
	TD Bank	589,167
	KeyNet	260,735
David Haskett	Merchant Advanced Capital	107,130
David Moskoff	Merchant Advanced Capital	218,973

Paul Maffett Powell Associates  
 Robert Beall Powell/MAC/MAC  
 Ben Dumford Toronto Dominion Bank  
 Uzun Chikara Foulm BDC

589,167.51 secured

**First Meeting of Creditor's Conditions of Adjournment as set by the Business Development Bank of Canada for the companies Marathon Fluid Systems Ltd., Eastland Industries Limited, BOS brothers Inc., and Royalty Hardwoods Ltd.**

1. No further DIP applications/motions.
2. Written confirmation, within 24 hours, from the DIP Lender to the Trustee (to be disseminated any creditor who requests same) that the DIP loan is paid current and that no enforcement action will be taken by the DIP Lender during the adjournment period and any approved extension thereof.
3. DIP interest payments to be made weekly and confirmed by the Trustee who will confirm same to any credit who requests same.
4. Payroll source deduction arrears to be brought current within one week and kept current. Same to be verified by the Trustee and reported to any creditor who requests same.
5. No sale, disconnection or other adjustments or changes to real estate, equipment assets or shareholdings during the adjournment period and any approved extension thereof.
6. Written confirmation, within 24 hours, from the Company's insurance broker that insurance is paid and in good standing and also providing a summary of the insurance coverages. Confirmation to be made to the Trustee and disseminated to any creditor who requests same. The Debtor shall make such changes as are required by secured creditors to the loss payees, forthwith, to ensure that the secured creditor's interests in collateral are properly protected.
7. Secured creditors shall be allowed to send an agent (or agents) to inspect assets or conduct appraisals within 24 hour's notice by email to the Trustee. The Debtor company and management shall fully cooperate with any such inspection or appraisal.
8. The continuation of the adjourned meeting shall be convened by conference call amongst those creditors who have filed claims prior to the commencement of the meeting held on June 14<sup>th</sup>.
9. Irrevocable confirmation and undertaking by the Debtor that the proposal shall be amended so that secured creditors shall be in separate secured creditor classes with no other secured creditors in those classes AND that secured creditors shall be entitled to vote their estimated deficiency claims in the unsecured class of creditors.
10. Failure to comply/performance/correct any of the foregoing within 24 hours after email notice to the Trustee shall be deemed to be confirmation by the Debtor company that the proposal made to the secured creditors is withdrawn resulting in the immediate lifting of the stay of proceedings and the secured creditors will thereafter be entitled to enforce their security without notice.

**EXHIBIT “F”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)**

**Dated August 23, 2019**

**NOTICE OF APPLICATION  
(FORM 16D)**

**FORMULE 16D  
(AVIS DE REQUÊTE/MULE 16D)**

Court File No. mm 100-2018



**IN THE COURT OF QUEEN'S BENCH OF NEW  
BRUNSWICK**

**IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL DISTRICT OF MONCTON**

**IN THE MATTER OF THE RECEIVERSHIP OF:**

**MARATHON FLUID SYSTEMS LIMITED**

**PURSUANT TO Section 33 of The Judicature Act,  
R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court,  
New Brunswick and Section 243 of the  
Bankruptcy and Insolvency Act, R.S.C. 1985, c.  
B-3**

**BETWEEN:**

**THE TORONTO-DOMINION BANK**

**APPLICANT**

**- and -**

**MARATHON FLUID SYSTEMS LIMITED, carrying  
on business in the Province of New Brunswick**

**RESPONDENT**

TO: Marathon Fluid Systems Limited  
c/o Karim Bhibah, President  
88 Albert Street  
Moncton NB E1C 1B1  
EMAIL: karim@mfsl.com  
kbhibah@marathonfsl.com

and c/o E.G. Ehrhardt, Q.C.  
Bingham Law  
EMAIL: egehrhardt@bingham.ca

AND TO: The Parties listed in Schedule "A".

LEGAL PROCEEDINGS HAVE BEEN  
COMMENCED BY FILING THIS NOTICE OF  
APPLICATION.

The Applicant will make an application before the  
Court at 145 Assomption Blvd, Moncton, New  
Brunswick, on the 11<sup>th</sup> day of July 2018 at 1:30  
a.m. (or p.m.) for an order as set out hereunder.

If you wish to oppose this application you must  
appear at the hearing of the application at the place,  
date and time stated, either in person or by a New  
Brunswick lawyer acting on your behalf.

If you intend to appear on the hearing of the  
application and wish to present to the Court at that  
time affidavit or other documentary evidence to  
support your position, you must serve a copy of such  
evidence on the applicant or his lawyer and, with  
proof of such service, file it in this Court Office prior  
to the hearing of the application.

If you fail to appear on the hearing of the  
application AN ORDER WHICH MAY AFFECT YOU  
MAY BE MADE IN YOUR ABSENCE.

You are advised that:

- (a) you are entitled to issue documents and  
present evidence in the proceeding in  
English or French or both;
- (b) the Applicant intends to proceed  
in the English language; and
- (c) if you require the services of an interpreter  
at the hearing you must advise the clerk at  
least 7 days before the hearing.

THIS NOTICE is signed and sealed for the Court of  
Queen's Bench by the Clerk of the Court of Queen's  
Bench at 145 Assomption Blvd., Moncton, New  
Brunswick, on the 21 day of June, 2018.

Legal Officer / Conseillère juridique

Clerk of Court  
Moncton Law Courts  
145 Assomption Blvd.  
Moncton, NB E1C 0R2

DESTINATAIRE: (l'intimé susmentionné ou autre)

PAR LE DÉPÔT DU PRÉSENT AVIS DE RE-  
QUÊTE, UNE POURSUITE JUDICIAIRE A ÉTÉ EN-  
GAGÉE.

Le requérant présentera une requête à la Cour à ...  
..... (lieu précis) ....., le  
2018 ..... à ..... h ... en vue  
d'obtenir l'ordonnance décrite ci-dessous.

Si vous désirez contester cette requête, vous  
devrez comparaître à l'audition de la requête aux  
lieu, date et heure indiqués, soit en personne ou par  
l'intermédiaire d'un avocat du Nouveau-Brunswick  
chargé de vous représenter.

Si vous prévoyez comparaître à l'audition de la  
requête et désirez présenter à la Cour un affidavit ou  
une autre preuve littérale en votre faveur, vous  
devrez signifier copie de cette preuve au requérant  
ou à son avocat et la déposer, avec une preuve de  
sa signification, au greffe de cette Cour avant  
l'audition de la requête.

Si vous ne comparez pas à l'audition de la  
requête, UNE ORDONNANCE POUVANT VOUS  
CONCERNER POURRA ÊTRE RENDUE EN  
VOTRE ABSENCE.

Sachez que:

- (a) vous avez le droit dans la présente instance,  
d'émettre des documents et de présenter  
votre preuve en français, en anglais ou dans  
les deux langues;
- (b) le requérant a l'intention d'utiliser la langue ..  
..... ; et
- (c) si vous avez besoin des services d'un  
interprète à l'audience, vous devez en aviser  
le greffier au moins 7 jours avant l'audience.



## APPLICATION

On the hearing of this Application, the Applicant intends to apply for the following relief:

1. An Order, if necessary, for the abridgement of time for service of this Application, excusing the lack of service of this Application, or excusing the lack of service of the Applicant's Record on Application pursuant to Rule 1.03, 2.01, 2.02, 3.02 and 41.04 of the Rules of Court;
2. An Order, substantially in the form of the draft Order attached hereto as Schedule "B" (the "**Draft Receivership Order**") appointing PricewaterhouseCoopers Inc. ("**PwC**") as Receiver over all real and personal property of Marathon Fluid Systems Limited, without security, pursuant to Rule 41 of the New Brunswick Rules of Court (the "**Rules**"), section 33 of the *Judicature Act*, R.S.N.B. 1973, c. J-2 (the "**Judicature Act**"), and section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), with power to do such acts and deeds as set forth in the Draft Receivership Order; and
3. Such further and other relief as the Applicant may advise and this Honourable Court may permit.

The capacities of all persons who are parties to the proceeding are as follows:

1. The Applicant is a Canadian chartered bank under the Bank Act, S.C. 1991, c. 46, and is a lending institution established pursuant to the laws of Canada;
2. The Respondent is a body corporate which was incorporated pursuant to the laws of the Province of Nova Scotia, which is registered to do business and carries on business in the Province of New Brunswick at 88 Albert Road, Moncton.

The grounds to be set out are as follows:

1. The Toronto-Dominion Bank (the "**Applicant**") extended credit to Marathon Fluid Systems Limited ("**Marathon**") pursuant to a Loan Agreement dated as of April 28, 2015, as amended on October 21, 2016 (the "**Credit Agreement**")
2. The Applicant's advances of credit to Marathon are secured by direct real and personal property security granted by Marathon in the form of, without limitation, an all indebtedness Collateral Mortgage dated May 9, 2015 recorded against Marathon's real property, and a General Security Agreement dated May 9, 2015 which was registered by the Applicant against Marathon's personal property.
3. The indebtedness of Marathon to the Applicant under the Credit Agreement is further supported by an unlimited personal Guarantee given to the Applicant by Karim Bhibah, President of Marathon.
4. By virtue of four separate Priority Agreements dated May 19, 2015 with other secured creditors of Marathon, the Applicant has a first charge against Marathon's assets, save and except for the security granted by way of an Order for Interim Financing dated December 18, 2017 in favour of 679515 N.B. Ltd.

5. Marathon's indebtedness to the Applicant totaled \$589,167.51 as of December 12, 2017, exclusive of interest, fees and costs yet to be accrued.
6. The Applicant demanded payment from Marathon on December 12, 2017 of \$589,167.51, and also issued to Marathon on even date a Notice of Intention to Enforce Security pursuant to Section 244(1) of the BIA;
7. Marathon filed a Notice of Intention to Make a Proposal pursuant to Section 50.4 of the BIA on December 12, 2017, thereby admitting its insolvency. The initial 30 day stay of proceedings in respect of the Proposal process was extended on each of January 11, 2018, February 21, 2018, April 9, 2018 and April 16, 2018, before a Proposal was filed on May 24, 2018, followed by an Amended Proposal on June 4, 2018;
8. On June 14, 2018, at a meeting called to consider Marathon's Proposal, the secured creditor class voted against the Proposal in sufficient majority numbers to remove secured creditors from the scope of the Proposal's terms, which ended the stay of proceedings in respect of secured creditors of Marathon only;
9. On June 15, 2018, the Applicant wrote to Marathon to advise that it intended to immediately enforce its security, a right availing to the Applicant pursuant to Sections 244(3) and 69.1(6) of the BIA;
10. Moments after this letter was sent on June 15, 2018, the President of Marathon disclosed that Marathon's business premises located at 88 Albert Road, Moncton, is contaminated by asbestos, which condition had been known to Marathon since December 2015 but never shared with the Applicant. Marathon's President advised the Applicant that the subject building "*is not suitable for use*";
11. The right to seek a Court appointed Receiver over Marathon's assets and undertaking is provided in the Applicant's security;
12. Marathon has failed to meet its obligations to the Applicant and other creditors as they become due, and presently owes in excess of \$616,511.70 to the Applicant;
13. Marathon has numerous secured and unsecured creditors;
14. The appointment of a Receiver is necessary and is just and convenient in the circumstances to ensure the orderly handling of Marathon's real and personal property;
15. A Court appointed Receiver is for the benefit of all interested parties, and should be granted a charge against all of the property subject to the receivership as such is just and convenient in the circumstances; and
16. The Applicant relies on the Rules, including Rules 1, 2, 3, 38, 39, 41 and 41.06, the *Judicature Act*, including section 33, and the BIA, including sections 69.1, 243, 244, 247 and 248, along with the *Bankruptcy and Insolvency General Rules*, as applicable.

The documentary evidence to be used at the hearing of the Application are:

1. Affidavit of Gina Polidoro, sworn to on June 22, 2018;

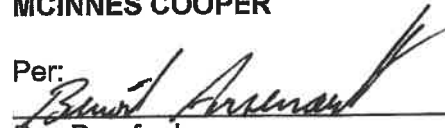
2. Consent of PwC to act as Receiver; and
3. Such further and other documentary evidence as counsel may advise and this Honourable Court may permit.

DATED at Halifax, Nova Scotia, this 25<sup>th</sup> day of June, 2018

**MCINNES COOPER**

Per:

*Fol:*

  
Ben Durnford

Solicitors for the Applicant

McInnes Cooper

1300-1969 Upper Water Street

PO Box 730

Halifax NS B3J 2V1

**SCHEDULE "A"**

Service List

**Roynat Capital Inc.**  
c/o 774 Main Street  
3<sup>rd</sup> Floor  
Moncton NB  
E1C 9Y3

**CBDC Westmorland Albert Inc.**  
c/o Marc-Andre Theriault  
337 Main Street  
Shediac NB  
E4P 2B1

**M4 Holdings Inc.**  
295 Dalton Ave.  
Miramichi NB  
E1V 3C4

**Merchant Advance Capital**  
2207-1367 Alberni Street  
Vancouver BC  
V6E 4R9  
Attn: David Hostetter  
Email: dhostetter@merchantadvance.com  
And c/o Fred Welsford  
Email: faw@gormannason.com

**Merchant Advance Asset Financing Ltd.**  
2000-1500 West Georgia St.  
Vancouver BC  
V6G 2Z6  
Attn: David Hostetter  
Email: dhostetter@merchantadvance.com  
And c/o Fred Welsford  
Email: faw@gormannason.com

**679515 N.B. Ltd.**  
c/o Mark Harris  
Email: Mark@actionfasteners.com  
And c/o Lee McKeigan-Dempsey  
Email: lee@phillipsdempsey.ca

**BDO Canada Limited**  
Attn: Philip Clarke  
By email: PClarke@bdo.ca

**Schedule "B": Draft Receivership Order**

Court File No. \_\_\_\_\_

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK  
IN BANKRUPTCY AND INSOLVENCY  
JUDICIAL DISTRICT OF MONCTON

**IN THE MATTER OF THE RECEIVERSHIP OF:**

**MARATHON FLUID SYSTEMS LIMITED**

**PURSUANT TO Section 33 of The *Judicature Act*, R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3**

**BETWEEN:**

**THE TORONTO-DOMINION BANK**

**APPLICANT**

- and -

**MARATHON FLUID SYSTEMS LIMITED, carrying on business in the Province of New Brunswick**

**RESPONDENT**

**RECEIVERSHIP ORDER**

THIS APPLICATION, made by the Applicant for an Order pursuant to Section 33 of the *Judicature Act*, R.S. N.B. 1973, Ch. J-2, (the "**Judicature Act**"), Rule 41 of the Rules of Court of New Brunswick (the "**Rules**") and Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing PricewaterhouseCoopers Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent acquired for, or used in relation to a business carried on by the Respondent, was heard this day at the Moncton Law Courts, 145 Assumption Boulevard, Moncton, New Brunswick.

ON READING the affidavit of Gina Polidoro sworn June 22, 2018 and the exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the Respondent, and such others who were heard on the Motion, all duly served as appears from the affidavit of service filed in this matter, and on reading the consent of PricewaterhouseCoopers Inc. to act as the Receiver.

**IT IS ORDERED THAT:**

**SERVICE**

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

**APPOINTMENT**

2. Pursuant to section 33 of the Judicature Act, Rule 41 of the Rules and section 243(1) of the BIA, the Receiver is hereby appointed receiver, without security, of all of the assets, undertakings and properties of the Respondent acquired for, or used in relation to the business carried on by the Respondent, including all proceeds thereof (the "**Property**").

**RECEIVER'S POWERS**

3. 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 empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - a. to take possession and control of the Property and any proceeds or receipts arising from the Property but, while the Receiver is in possession of any of the Property, the Receiver must preserve and protect it;
  - b. to change locks and security codes, relocate all or some of the Property to safeguard it, engage independent security personnel, take physical inventories and place insurance coverage;
  - c. to manage, operate, and carry on the business of the Respondent, including the powers to enter into any agreements, incur and pay 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 Respondent;

- 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 Respondent, or any part or parts thereof;
- f. to receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;
- g. to settle, extend or compromise any indebtedness owing to the Respondent;
- 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 Respondent, for any purpose pursuant to this Order;
- i. to undertake environmental or workers' health and safety assessments of the Property and operations of the Respondent;
- j. 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 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;
- k. to make payment of any and all costs, expenses and other amounts that the Receiver determines, in its sole discretion, are necessary or advisable to preserve, protect or maintain the Property, including, without limitation taxes,

municipal taxes, insurance premiums, repair and maintenance costs, costs or charges related to security, management fees, and any costs and disbursements incurred by any manager appointed by the Receiver;

- I. 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;
- m. 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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 section 59 of the Personal Property Security Act (New Brunswick) shall not be required.

- n. 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;
- o. 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;
- p. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- q. 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 Respondent;



- r. to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondent including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondent;
- s. to exercise any shareholder, partnership, joint venture or other rights which the Respondent may have; and
- t. 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 Respondent, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

- 4. The Respondent, 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 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. 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 Respondent, 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, subject to their right to seek a variation of this order, 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. 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, subject to their right to seek a variation of this Order, 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.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. 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 RESPONDENT OR THE PROPERTY**

8. No Proceeding against or in respect of the Respondent 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 Respondent or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. All rights and remedies of any individual, firm, corporation, governmental body or agency or any other entity against the Respondent, 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 Respondent to carry on any business which the Respondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondent 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 and the related filing of an action to preserve the right of a lien holder provided that the Applicant shall not be required to file a defence to same as the further prosecution of any such claim is stayed except with the written consent of the Receiver, or leave of this Court.

**PERSONAL PROPERTY LESSORS**

10. All rights and remedies of any Person pursuant to any arrangement or agreement to which the Respondent is a party for the lease or other rental of personal property of any nature or kind are hereby restrained except with consent of the Receiver in writing or leave of this Court. The Receiver is authorized to return any Property which is subject to a lease from a third party to such Person on such terms and conditions as the Receiver, acting reasonably, considers appropriate and upon the Receiver being satisfied as to the interest of such Person in the applicable Property. The return of any item by the Receiver to a Person is without prejudice to the rights or claims of any other Person to the property returned or to an interest therein.

**NO INTERFERENCE WITH THE RECEIVER**

11. Subject to Section 16 of this Order related to the Respondent's employees, 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 Respondent, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. All Persons having oral or written agreements with the Respondent 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 Respondent, 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 the Receiver shall be entitled to the continued use of the Respondent'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 Respondent 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.
13. The Receiver, in its sole discretion, may (but shall not be obligated to) establish accounts or payment on delivery arrangements with suppliers in its name on behalf of the Respondent 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 Respondent, or any of them, if the Receiver determines that the opening of such accounts is appropriate.
14. No creditor of the Respondent shall be under any obligation as a result this Order to advance or re-advance any monies or otherwise extend any credit to the Respondent.

**RECEIVER TO HOLD FUNDS**

15. All funds, monies, cheques, instruments, and other forms of payment 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**

16. All employees of the Respondent shall remain the employees of the Respondent until such time as the Receiver, on the Respondent's behalf, may terminate the employment of such employees or they resign in accordance with their employment contracts. The Receiver shall not be liable as a result of this Order for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, 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), 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.
17. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver may 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") as permitted at law. 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. A prospective purchaser or bidder requesting the disclosure of personal information shall execute such documents to confirm the agreement of such Person to maintain the confidentiality of such information on terms acceptable to the Receiver. The purchaser of any Property shall be entitled to continue to use the personal information provided to it related to the Property purchased in a manner which is in all material respects identical to the permitted prior use of such information by the Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

18. Nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management (separately and/or collectively, "**Possession**") of any of the Property or any part thereof, that may 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 legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, *Canadian Environmental Protection Act, 1999* (Canada), the *Clean Water Act* (New Brunswick), the *Clean Environment Act* (New Brunswick), the *Clean Air Act* (New Brunswick), and *Unsanitary Premises Act* (New Brunswick) (collectively, 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.

## LIMITATION ON LIABILITY

19. PricewaterhouseCoopers Inc., including, without limitation, any director, officer or employee of the Receiver, shall incur no liability or obligation as a result of its appointment as the Receiver or the carrying out the provisions of this Order, or in the case of any party acting as a director, officer or employee of the Receiver so long as acting in such capacity, save and except for any gross negligence, breach of contract or actionable misconduct on the part of such party, or in respect of the Receiver's obligations under sections 81.4(5) and 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

20. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge to a maximum of \$50,000 (the "**Administrative 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 the Administrative 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.

21. The Receiver and its legal counsel shall pass their respective 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 Court of Queen's Bench in New Brunswick in accordance with the Rules.
22. 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, expenses and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved in accordance with the preceding paragraph hereof.

#### **RECEIVER'S INDEMNITY CHARGE**

23. The Receiver shall be entitled to and is hereby granted a charge (the "**Receiver's Indemnity Charge**") upon all of the Property as security for all of the obligations incurred by the Receiver including obligations arising from or incident to the performance of its duties and functions under this Order, including the management, operation and carrying on of all or part of the business of any of the Respondents, the BIA or otherwise, saving only liability arising from negligence or actionable misconduct of the Receiver.
24. The Receiver's Indemnity Charge shall form a second 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 and subordinate in priority to the Administrative Charge.

#### **ALLOCATION OF COSTS**

25. The Receiver shall file with the Court for its approval a report setting out the costs, fees, expenses and liability of the Receiver giving rise to the Administrative Charge, the Receiver's Indemnity Charge and the Receiver's Borrowings Charge (as defined below)

and, unless the Court orders otherwise, all such costs, fees, expenses and liability shall be paid in the following manner:

- a. Firstly, applying the costs incurred in the receivership proceedings specifically attributable to an individual asset or group of assets against the realizations from such asset or group of assets;
- b. Secondly, applying the costs pro rata against all of the assets based on the net realization from such asset or group of assets; and
- c. Thirdly, applying non-specific costs incurred in the receivership proceedings *pro rata* against all of the assets based on the net realization from each asset or group of assets.

#### **FUNDING OF THE RECEIVERSHIP**

26. 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 \$100,000 (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 making payments (including interim payments) required or permitted to be made by this Order (including, without limitation, payments of amounts secured by the Administrative Charge and the Receiver's Indemnity Charge). 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 Indemnity Charge, the Administrative Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
27. 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 on seven days notice to the Receiver and the Applicant.



28. The Receiver is 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.
29. 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.

### **GENERAL**

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent.
32. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States is hereby requested 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
33. The Receiver is hereby authorized and empowered to apply to any court, tribunal, or 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 in a representative capacity in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
34. The Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondent's estate with such priority and at such time as this Court may determine.

35. Any interested party may apply to this Court to vary or amend this Order upon such notice required under the *Rules of the Court*, if any, or on such notice as this Court may order.
36. Any Person affected by this Order which did not receive notice in advance of the hearing of the initial application may apply to this Court to vary or amend this Order within five (5) days of such Person being served with a copy of this Order.
37. In addition to the reports to be filed by the Receiver under the BIA or *New Brunswick Business Corporations Act*, on the application to the Court of any secured creditor, the Receiver shall file a report of its activities with the Court.
38. The Receiver shall not be discharged without notice to such secured creditors and other parties as the Court directs.

Dated at Moncton, New Brunswick, this \_\_\_\_\_ day of July, 2018.

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Justice of the Court of Queen's Bench  
of New Brunswick

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver (the "Receiver") of the assets, undertakings and properties Marathon Fluid Systems Limited acquired for, or used in relation to a business it carried on, including all proceeds thereof (collectively, the "Property") appointed by Order of the Court of Queens Bench of New Brunswick (the "Court") dated the \_\_\_\_ day of July, 2018 (the "Order") made in an action having Court file number \_\_\_\_\_, 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 \$100,000 which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded 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 the Bank of \_\_\_\_\_ from time to time.

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 (as defined in the Order), 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.

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

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.

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

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 \_\_\_\_\_, 2018.

PricewaterhouseCoopers Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

\_\_\_\_\_  
Name:

Title:

**EXHIBIT “G”**

**To the Material Adverse Change Report of the Trustee pursuant to sections 50.10(a)(i) and  
50.10(a.1) of the *Bankruptcy and Insolvency Act* (“BIA”)**

**Dated August 23, 2019**

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK  
IN BANKRUPTCY AND INSOLVENCY  
JUDICIAL DISTRICT OF MONCTON



IN THE MATTER OF THE RECEIVERSHIP OF:  
**MARATHON FLUID SYSTEMS LIMITED**

PURSUANT TO Section 33 of The *Judicature Act*, R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

BETWEEN:

**THE TORONTO-DOMINION BANK**

**APPLICANT**

- and -

**MARATHON FLUID SYSTEMS LIMITED, carrying on  
business in the Province of New Brunswick**

**RESPONDENT**

**RECEIVERSHIP ORDER**

THIS APPLICATION, made by the Applicant for an Order pursuant to Section 33 of the *Judicature Act*, R.S. N.B. 1973, Ch. J-2, (the "**Judicature Act**"), Rule 41 of the Rules of Court of New Brunswick (the "**Rules**") and Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing PricewaterhouseCoopers Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent acquired for, or used in relation to a business carried on by the Respondent, was heard this day at the Moncton Law Courts, 145 Assumption Boulevard, Moncton, New Brunswick.

ON READING the affidavit of Gina Polidoro sworn June 22, 2018 and the exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the Respondent, and such others who were heard on the Motion, all duly served as appears from the affidavit of service

*Z.D.*

filed in this matter, and on reading the consent of PricewaterhouseCoopers Inc. to act as the Receiver.

**IT IS ORDERED THAT:**

**SERVICE**

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

**APPOINTMENT**

2. Pursuant to section 33 of the Judicature Act, Rule 41 of the Rules and section 243(1) of the BIA, the Receiver is hereby appointed receiver, without security, of all of the assets, undertakings and properties of the Respondent acquired for, or used in relation to the business carried on by the Respondent, including all proceeds thereof (the "Property").

**RECEIVER'S POWERS**

3. 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 empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - a. to take possession and control of the Property and any proceeds or receipts arising from the Property but, while the Receiver is in possession of any of the Property, the Receiver must preserve and protect it;
  - b. to change locks and security codes, relocate all or some of the Property to safeguard it, engage independent security personnel, take physical inventories and place insurance coverage;
  - c. to manage, operate, and carry on the business of the Respondent, including the powers to enter into any agreements, incur and pay 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 Respondent;

- 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 Respondent, or any part or parts thereof;
- f. to receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;
- g. to settle, extend or compromise any indebtedness owing to the Respondent;
- 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 Respondent, for any purpose pursuant to this Order;
- i. to undertake environmental or workers' health and safety assessments of the Property and operations of the Respondent;
- j. 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 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;
- k. to make payment of any and all costs, expenses and other amounts that the Receiver determines, in its sole discretion, are necessary or advisable to preserve, protect or maintain the Property, including, without limitation taxes, municipal taxes, insurance premiums, repair and maintenance costs, costs or charges related to security, management fees, and any costs and disbursements

Z.D.



incurred by any manager appointed by the Receiver;

- l. 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;
- m. 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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 section 59 of the Personal Property Security Act (New Brunswick) shall not be required.

- n. 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;
- o. 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;
- p. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- q. 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 Respondent;
- r. to enter into agreements with any trustee in bankruptcy appointed in respect of

2.17.

the Respondent including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondent;

s. to exercise any shareholder, partnership, joint venture or other rights which the Respondent may have; and

~~t. 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 Respondent, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. The Respondent, 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 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. 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 Respondent, 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, subject to their right to seek a variation of this order, 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. 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, subject to their right to seek a variation of this Order, 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.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. 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 RESPONDENT OR THE PROPERTY**

8. No Proceeding against or in respect of the Respondent 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 Respondent or the Property are hereby stayed and suspended pending further Order of this Court.

*Z. D.*

## **NO EXERCISE OF RIGHTS OR REMEDIES**

9. All rights and remedies of any individual, firm, corporation, governmental body or agency or any other entity against the Respondent, 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 Respondent to carry on any business which the Respondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondent 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 and the related filing of an action to preserve the right of a lien holder provided that the Applicant shall not be required to file a defence to same as the further prosecution of any such claim is stayed except with the written consent of the Receiver, or leave of this Court.

## **PERSONAL PROPERTY LESSORS**

10. All rights and remedies of any Person pursuant to any arrangement or agreement to which the Respondent is a party for the lease or other rental of personal property of any nature or kind are hereby restrained except with consent of the Receiver in writing or leave of this Court. The Receiver is authorized to return any Property which is subject to a lease from a third party to such Person on such terms and conditions as the Receiver, acting reasonably, considers appropriate and upon the Receiver being satisfied as to the interest of such Person in the applicable Property. The return of any item by the Receiver to a Person is without prejudice to the rights or claims of any other Person to the property returned or to an interest therein.

*Z. P.*

## NO INTERFERENCE WITH THE RECEIVER

11. Subject to Section 16 of this Order related to the Respondent's employees, 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 Respondent, without written consent of the Receiver or leave of this Court.

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## CONTINUATION OF SERVICES

12. All Persons having oral or written agreements with the Respondent 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 Respondent, 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 the Receiver shall be entitled to the continued use of the Respondent'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 Respondent 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.
13. The Receiver, in its sole discretion, may (but shall not be obligated to) establish accounts or payment on delivery arrangements with suppliers in its name on behalf of the Respondent 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 Respondent, or any of them, if the Receiver determines that the opening of such accounts is appropriate.
14. No creditor of the Respondent shall be under any obligation as a result this Order to advance or re-advance any monies or otherwise extend any credit to the Respondent.

## RECEIVER TO HOLD FUNDS

15. All funds, monies, cheques, instruments, and other forms of payment 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

16. All employees of the Respondent shall remain the employees of the Respondent until such time as the Receiver, on the Respondent's behalf, may terminate the employment of such employees or they resign in accordance with their employment contracts. The Receiver shall not be liable as a result of this Order for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, 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), 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

17. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver may 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**") as permitted at law. 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. A prospective purchaser or bidder requesting the disclosure of personal information shall

execute such documents to confirm the agreement of such Person to maintain the confidentiality of such information on terms acceptable to the Receiver. The purchaser of any Property shall be entitled to continue to use the personal information provided to it related to the Property purchased in a manner which is in all material respects identical to the permitted prior use of such information by the Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

18. Nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management (separately and/or collectively, "**Possession**") of any of the Property or any part thereof, that may 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 legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, *Canadian Environmental Protection Act, 1999* (Canada), the *Clean Water Act* (New Brunswick), the *Clean Environment Act* (New Brunswick), the *Clean Air Act* (New Brunswick), and *Unsightly Premises Act* (New Brunswick) (collectively, 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.

#### LIMITATION ON LIABILITY

19. PricewaterhouseCoopers Inc., including, without limitation, any director, officer or employee of the Receiver, shall incur no liability or obligation as a result of its appointment as the Receiver or the carrying out the provisions of this Order, or in the case of any party acting as a director, officer or employee of the Receiver so long as acting in such capacity, save and except for any gross negligence, breach of contract or actionable misconduct on the part of such party, or in respect of the Receiver's obligations under sections 81.4(5) and 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

20. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge to a maximum of \$50,000 (the "**Administrative 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 the Administrative 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.
21. The Receiver and its legal counsel shall pass their respective 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 Court of Queen's Bench in New Brunswick in accordance with the Rules.
22. 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, expenses and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved in accordance with the preceding paragraph hereof.

## RECEIVER'S INDEMNITY CHARGE

23. The Receiver shall be entitled to and is hereby granted a charge (the "**Receiver's Indemnity Charge**") upon all of the Property as security for all of the obligations incurred by the Receiver including obligations arising from or incident to the performance of its duties and functions under this Order, including the management, operation and carrying on of all or part of the business of any of the Respondents, the BIA or otherwise, saving only liability arising from negligence or actionable misconduct of the Receiver.
24. The Receiver's Indemnity Charge shall form a second 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 and subordinate in priority to the Administrative Charge.

#### ALLOCATION OF COSTS

25. The Receiver shall file with the Court for its approval a report setting out the costs, fees, expenses and liability of the Receiver giving rise to the Administrative Charge, the Receiver's Indemnity Charge and the Receiver's Borrowings Charge (as defined below) and, unless the Court orders otherwise, all such costs, fees, expenses and liability shall be paid in the following manner:

- a. Firstly, applying the costs incurred in the receivership proceedings specifically attributable to an individual asset or group of assets against the realizations from such asset or group of assets;
- b. Secondly, applying the costs pro rata against all of the assets based on the net realization from such asset or group of assets; and
- c. Thirdly, applying non-specific costs incurred in the receivership proceedings *pro rata* against all of the assets based on the net realization from each asset or group of assets.

#### FUNDING OF THE RECEIVERSHIP

26. 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 \$100,000 (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 making payments (including interim payments) required or permitted to be made by this Order (including, without limitation, payments of amounts secured by the Administrative Charge and the Receiver's Indemnity Charge). 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 Indemnity Charge, the Administrative Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

27. 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 on seven days notice to the Receiver and the Applicant.

28. The Receiver is 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.

29. 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.

#### GENERAL

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent.

32. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States is hereby requested 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

33. The Receiver is hereby authorized and empowered to apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and

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for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act in a representative capacity in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

34. The Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondent's estate with such priority and at such time as this Court may determine.
35. Any interested party may apply to this Court to vary or amend this Order upon such notice required under the *Rules of the Court*, if any, or on such notice as this Court may order.
36. Any Person affected by this Order which did not receive notice in advance of the hearing of the initial application may apply to this Court to vary or amend this Order within five (5) days of such Person being served with a copy of this Order.
37. In addition to the reports to be filed by the Receiver under the BIA or *New Brunswick Business Corporations Act*, on the application to the Court of any secured creditor, the Receiver shall file a report of its activities with the Court.
38. The Receiver shall not be discharged without notice to such secured creditors and other parties as the Court directs.

Dated at Moncton, New Brunswick, this 11<sup>th</sup> day of July, 2018.

  
Zoël Dionne  
J.C.B.R. N.-B.

Justice of the Court of Queen's Bench  
of New Brunswick

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver (the "Receiver") of the assets, undertakings and properties Marathon Fluid Systems Limited acquired for or used in relation to a business it carried on, including all proceeds thereof (collectively, the "Property") appointed by Order of the Court of Queens Bench of New Brunswick (the "Court") dated the \_\_\_ day of July, 2018 (the "Order") made in an action having Court file number \_\_\_\_\_, 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 \$100,000 which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded 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 the Bank of \_\_\_\_\_ from time to time.

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 (as defined in the Order), 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.

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

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.

The charge securing this certificate shall operate so as to permit the Receiver to deal with the

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Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

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 \_\_\_\_\_, 2018.

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PricewaterhouseCoopers Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

*Z. J.*