

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondent

**MOTION RECORD**

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## SERVICE LIST

### ROYAL BANK OF CANADA V. MARA TECH AVIATION FUELS LTD. ET AL COURT FILE NO. 56184/15

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondent

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**TAB 1**  
**NOTICE OF MOTION**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA-TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**NOTICE OF MOTION**

BDO Canada Limited (“the Receiver”), in its capacity as Court-Appointed Receiver, without security, of all the assets, undertakings and properties (the “Property”) of Mara Tech Aviation Fuels Ltd. (“Fuels”), Mara-Tech Aviation Services Ltd. (“Services”), Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (“Sudbury”) (collectively, the “Debtors” or “Mara Tech”), will make a Motion before the presiding Judge on Thursday, November 2, 2017 at 10:00 a.m., or as soon after that time as the Motion can be heard at the Courthouse, 59 Church Street, St. Catharines, Ontario.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard:

- in writing under subrule 37.12.1(1);
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

**THE MOTION IS FOR**

- (1) An order abridging and validating the time for and manner of service of this Notice of Motion, the Fourth Report of the Receiver dated October 25, 2017 (the "Fourth Report") and the Motion Record herein and directing any further service of this Notice of Motion, Fourth Report and Motion Record be dispensed with such that this motion is properly returnable on November 2, 2017.
- (2) An order approving the Fourth Report of the Receiver and the activities and conduct of the Receiver detailed therein.
- (3) An order that the Receiver's Statement of Receipts and Disbursements as detailed in the Fourth Report be approved save and except with respect to the Receiver's fees and disbursements.
- (4) An order authorizing the Receiver to make a distribution from the proceeds available as directed by the Court to:
  - (a) Canada Revenue Agency ("CRA") on account of employee source deductions in the amount of \$132,246.56;
  - (b) CRA on account of GST/HST in the amount of \$98,348.58;
  - (c) the Applicant, Royal Bank of Canada ("Royal Bank") in the amount of \$578,212.27;
  - (d) L.A.K.E.S. Leasing Corporation ("Lakes Leasing") in the amount of \$79,356.16;
  - (e) Kubota Canada Ltd. ("Kubota Canada") in the amount of \$64,124.89,

Plus interest that may accrue on the aforesaid amounts to the date of payment.



- (5) An order that the surplus funds from the proceeds of realization from the property and assets of Fuels, Services and Sudbury be distributed on a consolidated basis to the unsecured creditors of Fuels, Services and Sudbury, on a prorated basis, based upon the amount of the creditor's unsecured claim owing to it by a Mara Tech company and regardless from which Mara Tech company the claim is owing.
- (6) An order authorizing the Receiver to conduct a claims bar process with respect to the unsecured creditors of Fuels, Services and Sudbury.
- (7) An order scheduling a long motion date for the approval of the fees and disbursements of the Receiver and its independent legal counsel.
- (8) Such further and other Relief as counsel may advise and this Honourable Court may permit.

## THE GROUNDS FOR THE MOTION ARE

### Background

- (1) On August 4, 2016, and pursuant to section 243(1) of the Bankruptcy and Insolvency Act and section 101 of the Courts of Justice Act, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited ("**BDO**") was appointed as Receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively "Mara Tech" or the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").
- (2) Mara Tech provided fueling and ground support services to various airlines. Airlines serviced include Air Canada/Jazz, Porter Airlines, SunWing Airlines, and Bearskin Airlines. Other customers were private aircrafts and charters,

including: Canada Post, Ministry of Natural Resources, and the Canadian Department of National Defense. Mara Tech maintained fixed base operations at public airports located in Sault Ste. Marie, Sudbury, North Bay, and Windsor. Mara Tech had approximately 95 employees (the "Services").

- (3) Mara Tech Aviation Services Ltd. ("Services") was the entity which provided ground handling services including baggage handling, de-icing of aircraft with glycol, heating and cooling of airplane cabins when parked, supply of electricity to aircraft while parked, and local deliveries of air freight. Services formerly operated at public airports located in Windsor, North Bay, Sudbury, and Sault Ste. Marie
- (4) Mara Tech Aviation Fuels Ltd. ("Fuels") formerly operated as a World Fuel Services Canada, ULC aviation fuel dealer servicing airlines in Sault Ste. Marie
- (5) Mara Tech Aviation Fuels (Sudbury) Ltd. ("Sudbury") formerly operated as a World Fuel Services Canada, ULC aviation fuel dealer servicing airlines in Sudbury
- (6) Following its appointment, the Receiver was advised that the operations of Mara Tech Aviation Fuels (Thompson) Ltd. had ceased during September 2015 (with no remaining assets).
- (7) Pursuant to the Approval and Vesting Order of the Honourable Justice Lococo dated Friday, December 16, 2016, the equipment and inventory of Mara Tech located at the Sault Ste. Marie, North Bay and Sudbury Airports was duly sold and transferred to Executive Aviation Fuels Ltd. and to Executive Aviation Fuels (Sudbury) Ltd. for the global sum of \$1,000,000.00 plus \$103,461.00 for fuel.
- (8) Pursuant to the Approval and Vesting Order of the Honourable Justice Reid dated Thursday, January 19, 2017, the equipment of Mara Tech located at the Windsor International Airport were duly sold and transferred to Your Quick Gateway (Windsor) Inc. for \$48,000.00.

- (9) The Mara Tech companies operated much of their business on a consolidated basis.
- (10) The Mara Tech companies comingled assets and utilized one bank account to deposit all of their respective receipts.
- (11) The Receiver recovered \$339,787.00 from the aforesaid bank account of the Mara Tech companies and it is not possible to reasonably allocate the deposits to the bank account between each of the Mara Tech companies and in any event, at law, it is impossible to trace the deposits to the Mara Tech entities to determine their respective entitlement to the same.
- (12) The Receiver has information that the unsecured claim of Mara Tech's creditors may be in the approximate amount of \$394,386.00.
- (13) To the extent that any of the deposits in the bank account can be traced, the expense of the same would be unwarranted particularly given that the surplus funds available for distribution between all of the unsecured creditors of Mara Tech will be materially less than \$173,936.20. The tracing exercise would not effectively determine the allocation of the proceeds of the bank account between the Mara Tech companies.
- (14) The assets of Fuels, Services and Sudbury save and except the equipment of Services (located in Windsor), gross sale proceeds of \$48,000.00 were sold on a global basis to Executive Aviation pursuant to an Agreement of Purchase and Sale ("Executive APS") for a sale price of \$1,000,000.00 (the "Purchase Price").
- (15) The Purchased Assets were the equipment of Fuels, Services and Sudbury which had a liquidation value of approximately \$54,580.00. In addition to the equipment, the Purchased Assets were airport location leases, service contracts and supply agreements of Fuels, Services and Sudbury ("Goodwill").

- (16) The sale to Executive Aviation was a global sale of all of the assets of Fuels, Services and Sudbury and Executive Aviation was not prepared to purchase the assets of just one of the Mara Tech entities. **In effect**, the sale was conditional upon all of the assets of Fuels, Services and Sudbury being acquired by Executive Aviation.
- (17) There was no allocation by Executive Aviation of the **Purchase Price under the Executive APS** between the assets of Fuels, Services and Sudbury. The Receiver is not in a position to reasonably allocate the \$1,000,000.00 Purchase Price proceeds between Fuels, Services and Sudbury.
- (18) The services provided by the Receiver with respect to realizing on the assets of Fuels, Services and Sudbury in order to generate the proceeds of realization was provided on a global basis to Mara Tech and it is not possible to allocate the expense of the receivership between Fuels, Services and Sudbury.
- (19) Surplus net proceeds of realization from all of the assets of Mara Tech are \$173,936.20 after payment of such things as Receiver's fees and disbursements, priority payables to Canada Revenue Agency and the claims of Mara Tech's secured creditors.
- (20) After aforesaid estimated future surplus available for distribution to unsecured creditors of Fuels, Services and Sudbury excludes the Receiver's future fees and disbursements with respect to the completion of the receivership including:
- (a) the Receiver's motion with respect to the approval of the Receiver's fees and disbursements;
  - (b) the completion of the Claims Bar Process with respect to unsecured creditors; and
  - (c) the Receiver's motion to approve the Receiver's proposed distribution to the unsecured creditors, further to the Claims Bar Process and with respect to the Receiver's discharge as Receiver.
- (21) In the circumstance, the fairest and most practical way to distribute the net proceeds of realization from the assets of Fuels, Services and Sudbury to the

unsecured creditors of Fuels, Services and Sudbury is on a consolidated prorated basis based upon the amount of each creditor's claim, regardless against which Mara Tech entity is liable for the claim.

- (22) The Receiver requires a Claims Procedure in order to accurately determine, on a consolidated basis, the amount of the unsecured claims owing by Mara Tech in order that the Receiver be able to recommend to the court the dividend to be paid to the unsecured creditors of Mara Tech from the surplus net proceeds of realization.

### **Receipts and Disbursements**

- (23) The Receiver has concluded its' recovery efforts relative to Mara Tech's former operations in North Bay, Sudbury, and Sault Ste. Marie (by way of going concern sale) and the Property of Mara Tech formerly located at the Windsor International Airport (by way of liquidation).
- (24) The Receiver has concluded its's recovery efforts relative to Mara Tech's accounts receivable and remaining asset classes save and except for resolution of remaining corporate tax and GST/HST matters with CRA.
- (25) Cash receipts for the period August 4, 2016 to October 16, 2017 is in the total amount of \$1,782,667 primarily related to the sale of assets, cash on hand in Mara Tech's former bank account, and collection of accounts receivable.
- (26) Cash disbursements in the total amount of \$533,580 primarily related to fees and disbursements of the Receiver, its independent legal counsel, and funding of Mara Tech payroll in connection with the going concern sale to Executive Aviation coupled with temporary continued operation of Services in Windsor.
- (27) There is a resulting cash surplus of \$1,249,087.51 available for distribution to creditors before accrued future costs of the receivership.

**Secured Creditors**

- (28) The secured creditors of the Debtors are Royal Bank, Lakes Leasing and Kubota Canada.
- (29) Royal Bank and Lakes Leasing are holders of General Security Agreements which provide them with, subject to any government priority claims, a secured interest in, among other things, all of the Debtors' property including equipment, inventory and accounts receivables.
- (30) Kubota Canada held a security interest in certain equipment of Mara Tech and claims payment of the sum of \$64,124.89 on a secured basis. The subject equipment was valued on a liquidated basis in the amount of \$54,580.00. The equipment was sold on an "in place" or "going concern" basis and the Receiver is of the opinion that the subject equipment generated proceed of realization in excess of \$64,124.89.
- (31) Counsel to the Receiver has provided an opinion to the Receiver concluding that, subject to the customary qualifications, the General Security Agreements held by Royal Bank, Lakes Leasing and Kubota Canada provide them with a valid security interest against the Debtors' property subject only to Canada Revenue Agency's deemed trust claims for employee source deductions and GST/HST.
- (32) The following table sets out the amounts owing to Mara Tech's secured creditors Royal Bank, Lakes Leasing and Kubota Canada:

	<b>Former Operating Locations</b>	<b>Royal Bank (November 2, 2017)</b>	<b>Lakes Leasing (October 31, 2017)</b>	<b>Kubota Canada (November 2, 2017)</b>
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$84,313.42	\$79,356.16	N/A

Mara Tech Aviation Services Ltd.	Sault Ste. Marie, Sudbury, North Bay, & Windsor, ON	\$300,537.41	As above	\$64,124.89
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$81,565.23	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$193,361.50	As above	N/A
Totals		\$659,777.56	\$79,356.16	\$64,124.89

### **Priority Payables**

- (33) The following table sets out the deemed trust component of amounts owing to Canada Revenue Agency (“CRA”), by respective entity:

<b>Company:</b>	<b>Source Deductions:</b>	<b>GST/HST:</b>
MARA TECH AVIATION FUELS LTD.	\$6,229.31	\$16,661.70
MARA-TECH AVIATION SERVICES LTD.	\$126,017.25	\$81,686.88
MARA TECH AVIATION FUELS (THOMPSON) LTD.	\$NIL	\$NIL
MARA TECH AVIATION FUELS (SUDBURY) LTD.	\$NIL	\$NIL
Totals	\$132,246.56	\$98,348.58

### **Proposed Distribution**

- (34) The Receiver propose the following distribution:
- (a) the priority claims of CRA with respect to employee source deductions which on a consolidated basis total \$132,246.56;
  - (b) the priority claims of CRA with respect to GST/HST which on a consolidated basis total \$98,348.58;

- (c) the secured claims of Royal Bank which on a consolidated basis total \$578,212.27 (including principal, interest, and professional costs);
  - (d) the secured claims of Lakes Leasing which on a consolidated basis total \$79,356.16; and
  - (e) the secured claim of Kubota Canada, as against Services, to the extent of \$64,124.89 representing the proceeds of realization generated from the equipment sold to Executive Aviation and Windsor International Airport.
- (35) Surplus net proceeds of realization from all of the assets of Mara Tech are \$173,936.20 after payment of such things as Receiver's fees and disbursements, priority payables to Canada Revenue Agency and the claims of Mara Tech's secured creditors.

#### **Approval of Receiver's Accounts**

- (36) Mara Tech requests a review of the Receiver's fees and disbursements and those of its independent counsel. The Receiver requests that the court schedule a long motion date with respect to the approval of the Receiver's fees and disbursements and that of its independent counsel.
- (37) Section 243 of the *Bankruptcy and Insolvency Act*.
- (38) Sections 101 and 141 of the *Courts of Justice Act*.
- (39) Rules 2, 3, 37 and 38 of the *Rules of Civil Procedure*.
- (40) The grounds as detailed in the Fourth Report.
- (41) Such further and other grounds as counsel may advise and this Honourable Court permit.



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

- (1) The Fourth Report of the Receiver, dated October 25, 2017;
- (2) Such further and other evidence as counsel may advise and this Honourable Court may permit.

DATED: October 25, 2017

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TO: THE SERVICE LIST

**TAB 2**

**FOURTH REPORT**

**OF THE RECEIVER**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

**Respondents**

**FOURTH REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED  
AS RECEIVER**

October 25, 2017

## *Listing of Appendices*

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- Appendix A - Initial Order dated August 4, 2016
- Appendix B - Receiver's First Report (Without Exhibits), dated November 14, 2016
- Appendix C - Receiver's Second Report (Without Exhibits), dated December 5, 2016
- Appendix D - Receiver's Third Report (Without Exhibits), dated January 16, 2017
- Appendix E - Appraisal Report dated August 26, 2016
- Appendix F - Receiver's correspondence with Canada Revenue Agency
- Appendix G - Payout statements of Royal Bank of Canada, L.A.K.E.S. Leasing Corporation, and Kubota Canada Ltd.
- Appendix H - Fax received from Canada Revenue Agency dated October 6, 2017
- Appendix I - Affidavit of John Marandola sworn January 16, 2017
- Appendix J - The Receiver's reconciliation of potential unsecured creditor claims dated October 24, 2017
- Appendix K - The Receiver's Interim Statement of Receipts and Disbursements dated October 24, 2017
- Appendix L - The Receiver's proposed form of Proof of Claim
- Appendix M - Solicitor's opinion on security dated September 16, 2016.
- Appendix N - Summary of Royal Bank of Canada cross guarantees
- Appendix O - Solicitor's update relative to the above referenced opinion on security in concert with updated PPSA searches
- Appendix P - Letter received from counsel to Mara Tech dated September 20, 2017

## ***1.0 Introduction and Purpose of Report***

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### **1.1 Introduction**

**1.1.1** On August 4, 2016, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited was appointed as Receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively “**Mara Tech**” or the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”). A copy of the August 4, 2016 Order (the “**Initial Order**”) is attached as **Appendix A**.

### **1.2 Background**

**1.2.1** Mara Tech provided fueling and ground support services to various airlines. Airlines serviced included Air Canada/Jazz, Porter Airlines, SunWing Airlines, and Bearskin Airlines. Other customers included private aircrafts and charters, including: Canada Post, Ministry of Natural Resources, and the Canadian Department of National Defense. Mara Tech formerly maintained fixed base operations at public airports located in Windsor, North Bay, Sudbury, and Sault Ste. Marie.

**1.2.2** Mara Tech Aviation Services Ltd. (“**Services**”) was the entity which provided ground handling services including baggage handling, de-icing of aircraft with glycol, heating and cooling of airplane cabins when parked, supply of electricity to aircraft while parked, and local deliveries of air freight. Services formerly operated at public airports located in Windsor, North Bay, Sudbury, and Sault Ste. Marie.

**1.2.3** Mara Tech Aviation Fuels Ltd. (“**Fuels**”) formerly operated as a World Fuel Services Canada, ULC aviation fuel dealer servicing airlines in Sault Ste. Marie.

**1.2.4** Mara Tech Aviation Fuels (Sudbury) Ltd. (“**Sudbury**”) formerly operated as a World Fuel Services Canada, ULC aviation fuel dealer servicing airlines in Sudbury.

**1.2.5** Following its appointment, the Receiver was advised that the operations of Mara Tech Aviation Fuels (Thompson) Ltd. (“**Thompson**”) had ceased during September 2015 (with no remaining assets).

### **1.3 Purpose of this Report**

**1.3.1** This constitutes the Receiver’s **Fourth Report** to the Court in this matter and it is filed to:

- supplement the Receiver’s First, Second, and Third Reports dated November 14, 2016, December 5, 2016, and January 16, 2017 attached as **Appendices B, C, and D** respectively, without Exhibits;

- report on the Receiver's activities since its Third Report and seek this Honourable Court's approval of the conduct of the Receiver and its agents as outlined in this Fourth Report;
- seek approval of the Receiver's proposed interim distribution of funds to the priority and secured creditors as outlined in this Fourth Report;
- seek approval that the surplus funds from the proceeds of realization from the property and assets of Services, Fuels, and Sudbury be distributed on a consolidated basis to the unsecured creditors of Services, Fuels, and Sudbury, on a pro-rated basis, based upon the amount of the creditor's unsecured claim owing to it by a Mara Tech company and regardless from which Mara Tech company the claim is owing;
- obtain authorization to conduct a claims bar process with respect to the unsecured creditors of Services, Fuels, and Sudbury; and
- schedule a long motion Court date with respect to the approval of the fees and disbursements of the Receiver and its independent legal counsel.

## **2.0 Receiver's Activities**

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### **2.1 Marketing of Property**

**2.1.1** Pursuant to the Initial Order, the Receiver is authorized, among other things, to do the following:

- 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;
- sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court; and
- 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.

### **2.2 Going Concern Sale**

**2.2.1** Pursuant to the terms and conditions of the Executive APS (as hereinafter defined) dated November 4, 2016, and the Approval and Vesting Order of the Honourable Justice Lococo dated December 16, 2016 (the "**Executive Order**"), the Property of Mara Tech located at the North Bay, Sudbury, and Sault Ste. Marie airports was duly sold on a going concern basis and transferred to Executive Aviation Fuels Ltd. and to Executive Aviation Fuels (Sudbury) Ltd. (collectively "**Executive Aviation**") for proceeds of \$1,000,000 (plus an additional \$300,000, subject to adjustment, with respect to existing fuel reserves on hand). Closing of the sale transaction was completed on December 17, 2016.

**2.2.2** The Agreement of Purchase and Sale entered into between the Receiver and Executive Aviation, dated November 4, 2016 (the "**Executive APS**"), originally envisioned that Executive Aviation would also acquire the Property of Mara Tech located at the Windsor International Airport, which is owned by Your Quick Gateway (Windsor) Inc. ("**Your Quick Gateway**"). As detailed in the Receiver's Confidential Supplement to its Second Report, Your Quick Gateway was not supportive of the sale to Executive Aviation on the basis of its intention to provide ground handling services itself. As a result, pursuant to the Executive Order, the Property of Mara Tech located at the Windsor International Airport was carved out from the Executive APS resulting in a purchase price reduction of \$200,000.

### **2.3 Sale of Remaining Property**

**2.3.1** Following the sale to Executive Aviation detailed above, Services continued to operate from the Windsor International Airport where the balance of Mara Tech's equipment assets were located. In order to realize on the balance of Mara Tech's equipment assets, located at the Windsor International Airport, the Receiver canvassed both John Marandola (Mara Tech's principal) and Your Quick Gateway to assess interest.

- 2.3.2 On December 23, 2016, the Receiver, by its lawyers, wrote to both John Marandola and Your Quick Gateway, provided the Receiver's form of Agreement of Purchase and Sale and accompanying Terms and Conditions of Sale, and invited both parties to make an offer with respect to the remaining equipment of Mara Tech that was located at the Windsor International Airport.
- 2.3.3 Your Quick Gateway advised the Receiver that it intended to take Mara Tech's ground handling services in house and directly service the relevant airlines. Further, Your Quick Gateway advised the Receiver that it was not prepared to enter into any long term arrangement with Services to permit Services to have occupation and access to the Windsor International Airport relative to it providing continued ground handling services.
- 2.3.4 By way of Agreement of Purchase and Sale dated December 29, 2016 (the "**Windsor APS**"), the Receiver was supplied with an offer from Your Quick Gateway with respect to it purchasing from the Receiver the remaining equipment of Mara Tech that was located at the Windsor International Airport.
- 2.3.5 By way of Court Order dated January 5, 2017 (the "**Windsor Order**"), Justice Arrell authorized that the Receiver accept the Windsor APS, subject to further Court approval.
- 2.3.6 The offer received from Your Quick Gateway provided for greater proceeds of realization from the sale of the remaining equipment of Mara Tech than if such equipment was sold by the Receiver on a liquidation basis, as evidenced by the appraisal report dated August 26, 2016 completed by Canam-Appraiz Inc. that was set out in the Receiver's Confidential Supplement to the Second Report, dated December 7, 2016.
- 2.3.7 Mara Tech took the position that the Receiver should not realize upon any further assets of Mara Tech on the basis that the Receiver had generated sufficient proceeds of realization to pay all of Mara Tech's liabilities and obligations.
- 2.3.8 Mara Tech further requested the Receiver to make payment of certain liabilities and obligations of Services relative to its continued operation at the Windsor International Airport. In the absence of proceeds of realization sufficient to pay all of the obligations and liabilities of Mara Tech, payment to an unsecured creditor of Services might have been preferential.
- 2.3.9 Pursuant to the Windsor Order, Justice Arrell authorized that the Receiver pay for certain liabilities relating to the continued operations of Services at the Windsor International Airport, to a cumulative maximum of \$15,000. These liabilities related to fuel purchases, rent, vehicle leases, insurance, and miscellaneous office expenses. In January 2017, the Receiver made a payment of \$12,029.40 to Your Quick Gateway with respect to rent at the Windsor International Airport.
- 2.3.10 In addition, pursuant to the Windsor Order, John Marandola was to provide to the Receiver the following books and records of Mara Tech by the following dates:
- (i) Complete and final customer invoicing and copies of all invoices and supporting documentation – by January 13, 2017;



- (ii) Current accounts receivable listing – by January 13, 2017; and
- (iii) Current accounts payable listing – by January 10, 2017.

**2.3.11** As detailed in the Receiver’s Third Report, John Marandola supplied the above noted items by the respective due dates. The Receiver used this financial information to prepare a Schedule of Estimated Net Realization to determine whether realizing upon Mara Tech’s assets at the Windsor International Airport would allow for a surplus of funds after the payment of the liabilities of all of Mara Tech’s creditors and related receivership costs. The analysis demonstrated a shortfall of \$60,572 to the unsecured creditors of Mara Tech if the Receiver were to realize upon the remaining assets of Mara Tech located at the Windsor International Airport by way of completion of the Windsor APS.

**2.3.12** Accordingly, the Receiver recommended that the Court authorize the Receiver to complete its mandate to realize upon all of the remaining assets of Mara Tech, approve the Windsor APS, and authorize the Receiver to complete the transaction contemplated thereby.

**2.3.13** To address concerns raised by John Marandola relative to the Receiver’s Schedule of Estimated Net Realization, primarily with respect to the collectability of accounts receivable, the Receiver prepared an amended Schedule of Estimated Net Realization dated January 18, 2017 which demonstrated a shortfall of \$21,210 to the unsecured creditors of Mara Tech if the Receiver were to realize upon the remaining assets of Mara Tech located at the Windsor International Airport by way of completion of the Windsor APS. The Receiver’s amended Schedule of Estimated Net Realization forms Schedule C of the Approval and Vesting Order of the Honourable Justice Reid dated January 19, 2017 further discussed below.

**2.3.14** Pursuant to the Approval and Vesting Order of the Honourable Justice Reid dated January 19, 2017, the Property of Mara Tech located at the Windsor International Airport was duly sold and transferred to Your Quick Gateway for proceeds of \$48,000 plus HST. Closing of the sale transaction was completed on January 20, 2017.

**2.3.15** The above referenced appraisal report, provided a gross liquidation value of \$166,750 with respect to the Property of Mara Tech located in Windsor, North Bay, Sudbury, and Sault Ste. Marie. Of this amount, \$18,665 represented the gross liquidation value of Mara Tech’s remaining equipment that was located at the Windsor International Airport. A copy of the appraisal report is attached as **Appendix E**.

**2.4 Additional Realizations**

**2.4.1** The Receiver has concluded its recovery efforts relative to Mara Tech's former operations in North Bay, Sudbury, and Sault Ste. Marie (by way of going concern sale) and the Property of Mara Tech formerly located at the Windsor International Airport (by way of private sale) which generated gross realizations totaling \$1,048,000.

2.4.2 The Receiver has concluded its realization of the Property of Mara Tech save and except for pursuing recovery of GST/HST refunds for the post-appointment receivership period. A summary of gross realizations is set out below:

Sale of assets	1,048,000
Cash received from Mara Tech's bank account	339,787
Accounts receivable	276,005
Fuel adjustment on sale of assets	103,461
Investment funds	7,467

**2.5 Existing Litigation**

2.5.1 In Ontario Superior Court of Justice action numbers SR10662/15, SR10663/15, SR10664/15 and SR10665/15 Mara Tech and its principals have initiated counterclaims against Royal Bank of Canada. The Receiver is not in a position to comment upon the merits of the counterclaims. The Receiver understands that pleadings have been completed and production between the parties has not commenced.

**2.6 The Claims of Canada Revenue Agency**

2.6.1 In order to quantify priority claim amounts relative to employee source deductions and GST/HST, the Receiver corresponded with Canada Revenue Agency (“CRA”) on December 29, 2016, January 24, 2017, and February 2, 2017 with respect to scheduling final trust examinations. John Marandola also had direct involvement/communication with CRA regarding the scheduling of final trust examinations (as early as February 2, 2017). Copies of the Receiver’s referenced correspondence with CRA are attached as **Appendix F**.

2.6.2 The Receiver retained the services of Mara Tech’s former bookkeeper (Ms. Rita Fish) through her new employer, Tony DiPaola Professional Corporation (“**Tony DiPaola**”), to assist with various accounting matters including CRA final trust examinations. CRA attended the office of Tony DiPaola on March 1, 2017 for the purpose of completing final trust examinations. It was contemplated that Ms. Fish’, given pre-existing knowledge of Mara Tech’s financial affairs and accounting systems, would provide the most expeditious and cost effective means to facilitate the CRA final trust examinations.

2.6.3 By letters dated March 24, March 28, and April 3, 2017, CRA requested additional information/documentation relative to certain of Mara Tech’s GST/HST and corporate tax filings. Tony DiPaola was further retained to compile the information/documentation requested by CRA with such materials submitted by Tony DiPaola to CRA on or about May 1, 2017 (GST/HST) and May 11, 2017 (corporate taxes).

2.6.4 In response to the materials submitted by Tony DiPaola, CRA advanced additional inquiries by way of letters dated June 1, 2017 pertaining to GST/HST (Services) and June 9, 2017 pertaining to corporate taxes (Fuels). Further, the Receiver was contacted by

CRA relative to Sudbury who verbally requested explanation and documentation in support of GST/HST reported for the period 2016-11-01 to 2017-01-31.

- 2.6.5** The inquiries advanced by CRA, if unresolved, had the potential to increase corresponding liabilities by way of reassessment exceeding \$250,000. Through communication with John Marandola, the Receiver was advised that John Marandola did not have material or accounting background to provide the information/documentation requested by CRA.
- 2.6.6** In order to resolve the CRA inquiries, and to avoid CRA proceeding with reassessment, the Receiver obtained extensions from CRA in order to address the issues referenced in 2.6.4 above, and further retained tax expert (Rino Bellavia CPA, CA) of BDO Canada LLP to provide assistance to the Receiver.
- 2.6.7** The Receiver, along with Rino Bellavia, attended at the office of Tony DiPaola on July 5, 2017 to obtain, to the extent that it was available, the balance of information requested by CRA in advance of the deadlines extended by CRA. Tony DiPaola was further retained by the Receiver to assist in the compilation of same.
- 2.6.8** Following its review of the materials supplied by Tony DiPaola, the Receiver responded to CRA directly on July 7, 2017 with respect to the issues pertaining to Fuels and on July 12, 2017 with respect to the issues pertaining to Services and Sudbury. The respective claims of CRA were subsequently finalized on or about August 21, 2017.
- 2.6.9** As a result of the Receiver's direct involvement, CRA elected not to reassess corporate taxes with respect to Fuels, withdrew claims totaling \$26,684.74 with respect to Sudbury, elected not to reassess GST/HST returns from prior periods (2014 & 2015) with respect to Services to which CRA had identified a potential liability of \$45,788.41, and reduced its GST/HST reassessment on Services from \$182,712.91 to \$46,472.91 for the period 2016-11-01 to 2017-01-31.

### ***3.0 Creditor Obligations***

#### **3.1 Secured Creditors**

**3.1.2** The following table sets out the amounts owing to Mara Tech's secured creditors, Royal Bank of Canada ("**Royal Bank**"), inclusive of professional costs incurred by Royal Bank to June 30, 2017, L.A.K.E.S. Leasing Corporation ("**Lakes Leasing**"), and Kubota Canada Ltd. ("**Kubota Canada**"), by respective entity:

	<b>Former Operating Locations</b>	<b>Royal Bank (November 2, 2017)</b>	<b>Lakes Leasing (October 31, 2017)</b>	<b>Kubota Canada (November 2, 2017)</b>
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$84,313.42	\$79,356.16	N/A
Mara Tech Aviation Services Ltd.	Sault Ste. Marie, Sudbury, North Bay, & Windsor, ON	\$300,537.41	As above	\$64,124.89
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$81,565.23	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$193,361.50	As above	N/A
<b>Totals</b>		<b>\$659,777.56</b>	<b>\$79,356.16</b>	<b>\$64,124.89</b>

**3.1.3** Copies of the respective payout statements of the aforesaid secured creditors are attached as **Appendix G**.

**3.1.4** A further breakdown of the indebtedness to Royal Bank, on the basis of principal and interest to November 2, 2017, and professional costs incurred by Royal Bank to June 30, 2017, is set out in the below table:

	<b>Principal &amp; Interest (November 2, 2017)</b>	<b>BDO Canada Limited (Pre- Receivership)</b>	<b>Flett Beccario (Counsel to Royal Bank)</b>	<b>Total Indebtedness to Royal Bank</b>
Mara Tech Group	\$530,355.26	\$47,396.51	\$82,025.79	\$659,777.56

**3.2 Priority Payables**

**3.2.1** The following table sets out the deemed trust component of amounts owing to CRA, by respective entity:

<b>Company:</b>	<b>Employee Source Deductions:</b>	<b>GST/HST:</b>
MARA TECH AVIATION FUELS LTD.	\$6,229.31	\$16,661.70
MARA-TECH AVIATION SERVICES LTD.	\$126,017.25	\$81,686.88
MARA TECH AVIATION FUELS (THOMPSON) LTD.	\$NIL	\$NIL
MARA TECH AVIATION FUELS (SUDBURY) LTD.	\$NIL	\$NIL
<b>Totals</b>	<b>\$132,246.56</b>	<b>\$98,348.58</b>

**3.2.2** A copy of a fax received from CRA dated October 6, 2017, confirming deemed trust claim amounts by respective entity, is attached as **Appendix H**.

**3.3 Unsecured Creditors**

**3.3.1** By way of Affidavit sworn January 16, 2017, John Marandola reported outstanding trade payables totaling \$311,234.05 on a consolidated basis as at January 10, 2017. There was no creditor distinction as between the respective Mara Tech entities. A copy of the referenced Affidavit is attached as **Appendix I**.

**3.3.2** The following table sets out the unsecured component of amounts owing to CRA, over and above the deemed trust claim amounts set out above, plus penalty and interest accrued to the date of payment, by respective entity:

<b>Company:</b>	<b>Employee Source Deductions:</b>	<b>GST/HST:</b>
MARA TECH AVIATION FUELS LTD.	\$1,077.03	\$534.24
MARA-TECH AVIATION SERVICES LTD.	\$70,873.16	\$4,135.36
MARA TECH AVIATION FUELS (THOMPSON) LTD.	\$24.43	\$NIL

MARA TECH AVIATION FUELS (SUDBURY) LTD.	\$NIL	\$NIL
Totals	\$71,974.62	\$4,669.60

- 3.3.3** Through various means, including a review of redirected mail, communications with known creditors, and unsolicited contact with numerous third parties alleging to be creditors of Mara Tech, the Receiver has identified numerous additional potential unsecured creditors.
- 3.3.4** The Receiver has adjusted the above referenced schedule supplied by John Marandola on January 16, 2017 to account for the additional potential unsecured creditors identified and to reflect the amended/finalized unsecured claim amounts of CRA as presented above. A copy of the Receiver's comparative analysis is attached as **Appendix J**.
- 3.3.5** As detailed in the Receiver's Third Report, based on the information supplied by John Marandola, the Receiver previously calculated the unsecured claims of Mara Tech to approximate \$209,299. The Receiver's updated comparative analysis, which includes potential unsecured creditors subsequently identified, has increased the quantum of potential unsecured claims to \$394,386.
- 3.3.6** In the circumstances, to determine if there are any claims over and above those to which it is presently aware, the Receiver is of the view the most efficient and cost effective means to identify, validate, and otherwise administer the claims of unsecured creditors is to proceed by way of claims bar process discussed in more detail below.
- 3.3.7** Given there were no recoveries directly attributable to Thompson, with operations having ceased during September 2015, and by extension no ability for creditors to share in distribution vis a vis receivership recoveries, the Receiver proposes to exclude Thompson from the claims bar process.

## ***4.0 Receipts and Disbursements***

### **4.1 Receipts and Disbursements**

- 4.1.1** The Receiver's Statement of Receipts and Disbursements for the period August 4, 2016 to October 24, 2017 is attached as **Appendix K**. Cash receipts total \$1,782,667 primarily related to the sale of assets, cash on hand in Mara Tech's former bank account, and collection of accounts receivable.
- 4.1.2** Cash disbursements total \$533,580 primarily related to fees and disbursements of the Receiver, its independent legal counsel, and funding of Mara Tech payroll in connection with the going concern sale to Executive Aviation coupled with temporary continued operation of Services in Windsor.

- 4.1.3 Based on the foregoing, there are resulting net proceeds of realization of \$1,249,088 available for distribution to creditors (before accrued and future costs of the receivership administration).

## ***5.0 Proposed Claims Bar Process***

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### **5.1 Unsecured Creditor Claims Process**

5.1.1 The Receiver anticipates a surplus of funds once all priority and secured claims are paid. As an Officer of the Court, the Receiver is responsible to all creditors. As such, the Receiver proposes to implement the following claims bar process for unsecured creditors to determine if there are any claims over and above those to which it is presently aware (the “**Claims Bar Process**”):

- (i) The Receiver will send a Proof of Claim form to all known creditors setting out information the creditor will have to supply to prove that they have a valid claim. A copy of the proposed Proof of Claim form is attached as **Appendix L**;
- (ii) The Receiver will, as soon as reasonably possible should this Honourable Court approve the proposed Claims Bar Process, post advertisements in local newspapers in the cities to which Mara Tech formerly operated (Windsor, North Bay, Sudbury, and Sault Ste. Marie), informing any possible creditors of the Claims Bar Process;
- (iii) A publically advertised claims bar date will be set providing creditors with a reasonable period to file their claims. The Receiver proposes 60 days from the date of the newspaper advertisement, after which time the creditor’s claim will be forever barred;
- (iv) If the Receiver disputes the creditor’s claim, then the Receiver will issue a disallowance letter to the creditor disallowing the claim in whole or in part;
- (v) The creditor will then have 30 days to dispute the disallowance, failing which the claim will be disallowed as set out in the Receiver’s disallowance letter;
- (vi) Any disputed disallowances will either be settled by the Receiver, with the assistance of counsel, or there will be an application to Court to make a determination; and
- (vii) Subject to approval of the Court, the Receiver will distribute the funds remaining after the payment of all priority claims, secured claims, and professional fees to the proven unsecured creditors on a pro-rata basis.

## ***6.0 Proposed Distribution***

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### **6.1 Proposed Consolidation**

- 6.1.1** As set out in the Receiver's Statement of Receipts of Disbursements, gross realizations of \$1,782,677 have been generated to date. The Receiver has concluded its recovery efforts relative to Mara Tech save and except for pursuing recovery of GST/HST refunds for the post-appointment receivership period.
- 6.1.2** The primary realization generated by the Receiver was the going concern sale to Executive Aviation which resulted in gross sale proceeds of \$1,103,461.29 (\$1,000,000 purchase price + \$103,461.29 representing the fuel adjustment on closing).
- 6.1.3** The Executive APS (as amended to exclude Windsor) was conditional upon acquisition of all of the Property of Mara Tech located in North Bay, Sudbury, and Sault Ste. Marie on a going concern basis. More specifically, the key conditions of the Executive APS, aside from Court approval, included the following:
- (i) Approval and Vesting Order: the Vendor shall not have received notice of appeal in respect to of the Approval and Vesting Order and the Approval and Vesting Order shall not have been stayed, varied or vacated and shall be in full force and effect and no Order restraining or prohibiting Closing shall have been made by the Court;
  - (ii) Assignments: the Purchaser shall have obtained, to its satisfaction in its sole discretion, all consents or approvals for the assumption of, or shall have entered into new agreements to supersede and replace the agreements entered into with Mara Tech, with respect to all contracts or agreements that the Purchaser deems critical to the operation of the businesses of Mara Tech, including, but not limited to the Dealer Contracts, Service and Supply Contracts and Leases;
  - (iii) Environmental Matters: The Purchaser shall have obtained, to its satisfaction in its sole discretion, from any third parties or landlords pursuant to the Leases, written confirmation that the Purchaser will not be responsible for any pre-existing conditions as at the Date of Closing and shall be indemnified for any such matters; and
  - (iv) Employees: On the Date of Closing, the Vendor shall have terminated all of the employees of Mara Tech and the Purchaser shall have made satisfactory arrangements with those employees of Mara Tech that it, in its sole discretion, it determines to offer employment to for the purposes of continuing the operation of the business of Mara Tech post-closing.
- 6.1.4** Executive Aviation was able to satisfy itself with respect to the foregoing conditions and pursuant to the Executive Order the Property of Mara Tech located at the North Bay, Sudbury, and Sault Ste. Marie airports was duly sold on a going concern basis and transferred to Executive Aviation on December 17, 2016.



- 6.1.5** The Executive APS provided the Receiver and Executive Aviation with the ability to each make their own allocations of the purchase price as between the purchased assets. Given the sale was completed on a going concern basis, with a significant goodwill component far exceeding liquidation value of the Property of Mara Tech purchased by Executive Aviation, the Receiver has not allocated recoveries amongst the respective Mara Tech entities but rather on a global recovery basis.
- 6.1.6** As detailed above, the appraisal commissioned by the Receiver provided a gross liquidation value of \$166,750 with respect to the Property of Mara Tech located in Windsor, North Bay, Sudbury, and Sault Ste. Marie. Of this amount, \$148,085 represented the gross liquidation value of the Property of Mara Tech purchased by Executive Aviation (purchase price of \$1,000,000) and \$18,665 represented the gross liquidation value of Mara Tech's remaining equipment that was purchased by Your Quick Gateway (purchase price of \$48,000).
- 6.1.7** The Receiver has treated realizations, associated costs, and its proposed interim distribution to the priority and secured creditors on a global/consolidated basis for the following reasons:
- (i) Executive Aviation has not disclosed to the Receiver the basis of its valuation and resulting purchase price allocation with respect to the Property and goodwill of Services, Fuels, and Sudbury purchased by it;
  - (ii) In reference to the Affidavit of John Marandola sworn January 16, 2017, the accompanying trade payables schedule dated January 10, 2017 was presented to the Receiver on a consolidated basis, without creditor distinction as between the respective Mara Tech entities;
  - (iii) Mara Tech maintained a single operating bank account with TD Bank resulting in comingling of receipts and disbursements for each respective entity. Without incurring significant time and expense, the Receiver is unable to allocate cash seized from Mara Tech's former operating account with TD Bank as between the respective Mara Tech entities and in any event the Receiver would be unable, at law, to trace the deposits to Services, Fuels, and Sudbury and accordingly determine their respective entitlement to proceeds of the bank account in the amount of \$339,786.76; and
  - (iv) The books and records of Mara Tech are not up to date as evidenced by the quantum of additional potential unsecured creditors identified by the Receiver. Without incurring significant time and expense, the Receiver would be unable to allocate respective unsecured creditor claims, and in any event would be unable to do so with certainty.

## **6.2 Security Interests**

- 6.2.1** The Receiver previously obtained an independent legal opinion regarding the Royal Bank, Lakes Leasing, and Kubota Canada security registered in Ontario. It confirmed that corresponding Loan Agreements, Security Agreements, Postponement and Assignment of Claim Agreements, and Guarantee and Postponement of Claims were

properly executed and good and enforceable in accordance with their terms and that the security interests provided therein were perfected by registration pursuant to provisions of the PPSA. Attached as **Appendix M** is a true copy of the independent legal opinion dated September 16, 2016.

**6.2.2** In reference to the Royal Bank security, there are cross guarantees amongst certain of the Mara Tech entities in favour of Fuels and Sudbury. A summary of the Royal Bank cross guarantees is attached as **Appendix N**.

**6.2.3** By letter dated July 24, 2017, the Receiver’s independent counsel provided an update relative to the above referenced independent legal opinion in concert with updated PPSA searches. A copy of this letter is attached as **Appendix O**.

**6.2.4** The claim of Kubota Canada is for the sum of \$64,124.89. As a secured creditor, it has a security interest in certain specified equipment of Services. The subject equipment has a gross liquidation value of \$54,580. The subject equipment was sold on a going concern basis and based upon the Receiver’s experience, equipment has a materially greater value if sold “in place” or on a “going concern basis” than if sold on a liquidation basis. Pursuant to the negotiations which the Receiver had with Executive Aviation, the Receiver is satisfied that the Kubota Canada equipment was material to the going concern purchase by Executive Aviation. Accordingly, the Receiver is of the opinion that the equipment which is the subject of the Kubota Canada security interest generated proceeds of realization in excess of \$64,124.89.

**6.3 Proposed Distribution**

**6.3.1** Based on the foregoing, in order of priority, the Receiver’s proposed interim distribution is as follows:

- (i) the priority claims of CRA with respect to employee source deductions which on a consolidated basis total \$132,246.56;
- (ii) the priority claims of CRA with respect to GST/HST which on a consolidated basis total \$98,348.58;
- (iii) the secured claims of Royal Bank (excluding Thompson) which on a consolidated basis total \$578,212.33 (including principal and interest to November 2, 2017 and professional costs incurred by Royal Bank to June 30, 2017);
- (iv) the secured claims of Lakes Leasing which on a consolidated basis total \$79,356.16; and
- (v) the secured claim of Kubota Canada, as against Services, in the amount of \$64,124.89.

**6.3.2** Given there were no recoveries directly attributable to Thompson, there will not be any distribution to creditors of Thompson, including Royal Bank.

**6.3.3** Following payment of the above noted priority and secured claims, which total \$952,288.52, the remaining gross surplus held by the Receiver will approximate \$173,936.20 (before accrued and future costs of the receivership administration).

**6.3.4** Set out below is an estimate of the surplus available for distribution to unsecured creditors, by way of the proposed Claims Bar Process:

**Mara Tech Group**

**Estimated Future Surplus Available For Distribution To Unsecured Creditors**

**24-Oct-17**

	\$	\$
Cash On Hand (Net Receipts After Disbursements)		1,249,087.51
Less:		
Priority Claim Of CRA (Employee Source Deductions)	(132,246.56)	
Priority Claim Of CRA (GST/HST)	(98,348.58)	
Secured Claim Of Royal Bank Of Canada	(578,212.33)	
Secured Claim Of Lakes Leasing Corporation	(79,356.16)	
Secured Claim Of Kubota Canada Ltd.	<u>(64,124.89)</u>	
Subtotal		<u>(952,288.52)</u>
Available Surplus Following Payment Of Priority And Secured Creditors		296,798.99
Less:		
Accrued (Unpaid) Fees Of The Receiver	(111,557.89)	
Accrued (Unpaid) Fees Of The Receiver's Counsel	<u>(11,304.90)</u>	
Subtotal		<u>(122,862.79)</u>
Estimated Future Surplus Available For Distribution To Unsecured Creditors Before Future Costs Of The Receivership Administration		<u><u>173,936.20</u></u>

**6.3.5** The aforesaid estimated future surplus available for distribution to unsecured creditors of Services, Fuels, and Sudbury excludes the Receiver's future fees and disbursements with respect to the completion of the receivership administration including:

- (i) the Receiver's motion with respect to the approval of the fees and disbursements of the Receiver and its independent legal counsel;
- (ii) the completion of the proposed Claims Bar Process with respect to the unsecured creditors; and
- (iii) the Receiver's motion to approve the Receiver's proposed distribution to the unsecured creditors, further to the Claims Bar Process, and with respect to the Receiver's discharge as Receiver.

## ***7.0 Professional Fees***

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### **7.1 Fees of the Receiver and the Receiver's Independent Legal Counsel**

- 7.1.1** Pursuant to Paragraph 18 of the Initial Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and those of its legal counsel, shall be allowed on a passing of accounts and constitute the Receiver's Charge.
- 7.1.2** For the period commencing August 2, 2016 and ending October 20, 2017, the Receiver has incurred fees and disbursements of \$337,557.89, inclusive of disbursements and HST.
- 7.1.3** For the period commencing July 20, 2016 and ending October 23, 2017, the Receiver's independent counsel, SimpsonWigle LAW LLP, has incurred fees and disbursements of \$116,376.69, inclusive of disbursements and HST.
- 7.1.4** The Approval and Vesting Order of the Honourable Justice Reid dated January 19, 2017 included the following conditional Endorsement, as requested by counsel to Mara Tech:
- “provided that the issue of the Receiver's fees and disbursements and those of its lawyers as set out in the Receiver's “Estimated Net Realization” as of January 18, 2017 being Schedule C hereto remain in issue.”
- 7.1.5** By letter dated September 20, 2017, counsel to Mara Tech have expressed a further desire to review the Receiver's accounts and those of its independent legal counsel. A copy of this letter is attached as **Appendix P**.
- 7.1.6** We understand counsel to Mara Tech also wish to review the accounts of Flett Beccario who act as counsel to Royal Bank.
- 7.1.7** In order to facilitate such a review, a process which is likely to exceed duration of the existing short motion list Court date, the Receiver requests scheduling of a long motion Court date to seek approval of the fees and disbursements of the Receiver and its independent legal counsel.

## ***8.0 Order Sought***

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### **8.1 Order Sought**

**8.1.1** The Receiver submits this Fourth Report to this Honourable Court in support of its motion requesting, *inter alia*, this Honourable Court:

- a) grant an Order approving the Fourth Report of the Receiver and the conduct of the Receiver and its agents as outlined in this Fourth Report;
- b) grant an Order approving the Receiver's Statement of Receipts and Disbursements as at October 24, 2017;
- c) grant an Order approving the Receiver's proposed interim distribution to the priority and secured creditors as outlined in this Fourth Report;
- d) grant an order approving that the surplus funds from the proceeds of realization from the property and assets of Services, Fuels, and Sudbury be distributed on a consolidated basis to the unsecured creditors of Services, Fuels, and Sudbury on a pro-rated basis, based upon the amount of the creditor's unsecured claim owing to it by a Mara Tech company and regardless from which Mara Tech company the claim is owing;
- e) grant an Order authorizing the Receiver to conduct a claims bar process with respect to the creditors of Services, Fuels, and Sudbury as outlined in this Fourth Report; and
- f) schedule a long motion Court date with respect to the approval of the fees and disbursements of the Receiver and its independent legal counsel.

All of which is respectfully submitted this 25<sup>th</sup> day of October, 2017.

**BDO CANADA LIMITED  
COURT APPOINTED RECEIVER OF THE PROPERTY OF  
MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

  
Per: Christopher Mazur, CIRP, LIT  
Partner/Senior Vice President

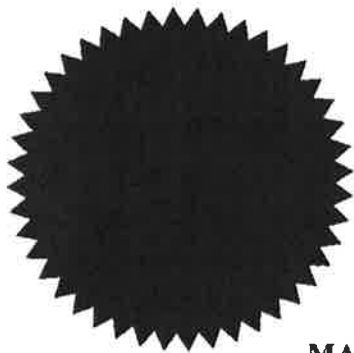
# APPENDIX “A”

Court File No. 56184/15

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )  
JUSTICE *LOCOCO* )

THURSDAY, THE 4<sup>TH</sup>  
DAY OF AUGUST, 2016



**ROYAL BANK OF CANADA**

Applicant

- and -

**MARA TECH AVIATION FUELS LTD.,  
MARA-TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**ORDER  
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO CANADA LIMITED as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of MARA TECH AVIATION FUELS LTD., MARA-TECH AVIATION SERVICES LTD., MARA TECH AVIATION FUELS (THOMPSON) LTD., and MARA TECH AVIATION FUELS (SUDBURY) LTD. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 59 Church Street, St. Catharines, Ontario.

ON READING the affidavit of JASON ZOMOK sworn October 22, 2015 and the Exhibits thereto and on hearing the submissions of counsel for ROYAL BANK OF CANADA, no one

appearing for the debtors although duly served as appears from the affidavits of service of CASSANDRA OSBORNE sworn October 28, 2015 and July 19, 2016 and on reading the consent of BDO CANADA LIMITED to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO CANADA LIMITED is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to monitor the Property and business of the Debtor;



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- (d) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (e) 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;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors;
- (i) 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 Debtors, for any purpose pursuant to this Order;
- (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 Debtors, 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 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;
  - (l) 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; and
    - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*. [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (m) 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;
  - (n) 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;
  - (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
  - (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

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

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

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

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

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

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

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

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

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' 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 Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

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

#### **EMPLOYEES**

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

**PIPEDA**

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

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

### **LIMITATION ON THE RECEIVER'S LIABILITY**

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

### **RECEIVER'S ACCOUNTS**

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

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

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

### **FUNDING OF THE RECEIVERSHIP**

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



consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

#### **SERVICE AND NOTICE**

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

orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.extranets.bdo.ca/MaraTechAviation/index.cfm>'.

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

#### **GENERAL**

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

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

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

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

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

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

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

*Roberts*

Entered at ST. CATHARINES
Inscrit à ST. CATHARINES
in BOOK No.
au REGISTRE N° 16
as Document No. 452
comme Document N°
on / le AUG 04 2016
By / Par BF

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that BDO CANADA LIMITED, the receiver (the "Receiver") of the assets, undertakings and properties MARA TECH AVIATION FUELS LTD., MARA-TECH AVIATION SERVICES LTD., MARA TECH AVIATION FUELS (THOMPSON) LTD., and MARA TECH AVIATION FUELS (SUDBURY) LTD. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BDO CANADA LIMITED, solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name:

Title:

**ROYAL BANK OF CANADA**  
Applicant

-and-  
**MARA TECH AVIATION FUELS LTD., ET AL.**  
Respondents

Court File No. 56184/15

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at  
ST. CATHARINES

**ORDER**

**CLARK PEDDLE**  
**FLETT BECCARIO**  
Barristers & Solicitors  
190 Division Street, Box 340  
Welland, Ontario  
L3B 5P9  
Tel # (905) 732-4481  
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Lawyers for the Applicant

LSUC #32002M  
CP\*co

# APPENDIX “B”

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.

Respondents

**FIRST REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED  
AS RECEIVER**

November 14, 2016



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## ***1.0 Introduction and Purpose of Report***

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### **1.1 Introduction**

**1.1.1** On August 4, 2016, and pursuant to section 243(1) of the Bankruptcy and Insolvency Act and section 101 of the Courts of Justice Act, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited (“**BDO**”) was appointed as Receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively “**Mara Tech**” or the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”). A copy of the August 4, 2016 Order (the “**Initial Order**”) is attached as **Appendix A**.

**1.1.2** Without obligating the Receiver, the Initial Order authorized the Receiver to, among other things, do the following:

- take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- monitor the Property and business of the Debtors;
- 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;
- sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court; and
- 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.

### **1.2 Purpose of Receiver’s First Report**

**1.2.1** This constitutes the Receiver’s **First Report** to the Court in this matter and it is filed to:

- report on the Receiver’s activities since its appointment and seek this Honourable Court’s approval of the conduct of the Receiver and its agents as outlined in this First Report; and
- to provide information to the Court relevant to the Debtor’s motion to, among other things, seek an Order rescinding and/or discharging the appointment of the Receiver.

## **2.0 Initial Receiver Activities**

### **2.1 Background**

- 2.1.1 Mara Tech provides fueling and ground support services to various airlines. Airlines serviced include Air Canada/Jazz, Porter Airlines, SunWing Airlines, and Bearskin Airlines. Other customers are private aircrafts and charters, including: Canada Post, Ministry of Natural Resources, and the Canadian Department of National Defense. At present, Mara Tech maintains fixed base operations at public airports located in Sault Ste. Marie, Sudbury, North Bay, and Windsor.
- 2.1.2 Services provided include baggage handling, de-icing of aircraft with glycol, heating and cooling of airplane cabins when parked, supply of electricity to aircraft while parked, and local deliveries of air freight. Mara Tech is also a World Fuel Services Canada, ULC (formerly Imperial Oil) aviation fuel dealer servicing airlines in Sault Ste. Marie and Sudbury.
- 2.1.3 Following its' appointment, the Receiver was advised that the operations of Mara Tech Aviation Fuels (Thompson) Ltd. had ceased during September 2015 (with no remaining assets).
- 2.1.4 The Receiver has obtained an independent legal opinion regarding the Royal Bank of Canada ("**RBC**"), L.A.K.E.S. Leasing Corporation ("**LAKES**"), and Kubota Canada Ltd. ("**Kubota**") security registered in Ontario. It confirms that corresponding Loan Agreements, Security Agreements, Postponement and Assignment of Claim Agreements, and Guarantee and Postponement of Claims are properly executed and good and enforceable in accordance with their terms and that the security interests provided therein were perfected by registration pursuant to the provisions of the PPSA. Attached as **Appendix B** is a true copy of the independent legal opinion dated September 16, 2016.
- 2.1.5 In reference to the RBC security, there are cross guarantees amongst certain of the Mara Tech entities in favour of Mara Tech Aviation Fuels (Sudbury) Ltd. and Mara Tech Aviation Fuels Ltd. (as further detailed in Appendix B).
- 2.1.6 The following table sets out the approximate amounts owing to RBC (inclusive of professional costs incurred by RBC to November 3, 2016), LAKES, and Kubota, by respective entity:

	<b>Operating Location</b>	<b>RBC</b>	<b>LAKES</b>	<b>Kubota</b>
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$84,168.63	\$78,081.15	N/A
Mara Tech Aviation	Sault Ste. Marie, Sudbury, North	\$258,199.09	As above	\$66,136.80

Services Ltd.	Bay, & Windsor, ON			
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$82,048.30	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$188,074.77	As above	N/A
Totals		\$612,490.79	\$78,081.15	\$66,136.80

## 2.2 Initial Activities

- 2.2.1** Immediately following its' appointment, the Receiver attended the personal residence of John and Sheila Marandola, Principals of Mara Tech (the "**Principals**"), and served them with a copy of the Initial Order (the "**Initial Meeting**"). Given the nature of Mara Tech's operations (fueling and servicing of commercial airlines), and its' inherent risks, the Receiver had predetermined that it would not operate the business.
- 2.2.2** During the Initial Meeting, the Receiver was presented with a Commitment Letter dated June 24, 2016 (the "**Commitment Letter**") from a private lender Baron Finance ("**Baron**") indicating that Mara Tech was on the cusp of completing a refinancing (envisioned in the amount of up to \$850,000) with such financing reportedly sufficient to satisfy all creditors, as advised by John Marandola. A copy of the Commitment Letter dated June 24, 2016 is attached as **Appendix C**.
- 2.2.3** Based on the content of the Commitment Letter, and representations made by John Marandola in terms of the quantum of envisioned financing vs. creditor obligations, and by reason of the inherent operating risks noted above, the Receiver elected to not take possession or exercise control over the Property, thereby permitting the Debtors to remain in possession and control of their respective businesses and day to day operations.
- 2.2.4** Given its' mandate pursuant to the Initial Order, to evaluate both liquidation value and the refinancing as envisioned by the Commitment Letter (in particular the quantum of envisioned financing vs. creditor obligations), the Receiver supplied Mara Tech with a list of Information Requirements on August 5, 2016. A copy of the Receiver's list of Information Requirements is attached as **Appendix D**.
- 2.2.5** On August 15, 2016, the Receiver issued its' Notice and Statement of Receiver (each respective entity) as required under the Bankruptcy and Insolvency Act. Consolidated trade creditor exposure (as advised by the Debtors) totaled \$8,267.94. Copies of the respective Notices are attached as **Appendix E**.

## **2.3 Refinancing Initiative**

- 2.3.1** Following its' appointment, with the consent of Mara Tech, the Receiver initiated contact with Baron to discuss the terms and quantum of available financing (originally envisioned in the amount of up to \$850,000 supported by a combination of an accounts receivable factoring facility, an inventory facility, and an equipment facility). Baron advised the Receiver that it was in the process of completing associated due diligence and that a further Commitment Letter would follow.
- 2.3.2** On August 9, 2016, a revised proposal was received from Baron envisioning financing of up to \$1,150,000 (combination of an accounts receivable factoring facility, an equipment facility, and a real estate facility). A copy of the Commitment Letter dated August 9, 2016 is attached as **Appendix F**.
- 2.3.3** On August 30, 2016, a further revised proposal was received from Baron envisioning financing of up to \$812,000 (limited to an accounts receivable factoring facility and a real estate facility). The primary form of security required by Baron was in the form of mortgages over real estate owned by the Principals' personally. A copy of the Commitment Letter dated August 30, 2016 is attached as **Appendix G**.
- 2.3.4** In connection with the Commitment Letter dated August 30, 2016, and through subsequent discussion with Baron and Mara Tech, the Receiver was advised that Baron were prepared to provide an initial advance of \$512,000 given collateral limitations (in particular accounts receivable in support of the factoring facility). Based on the foregoing, the quantum of available financing was insufficient to satisfy Mara Tech's creditors.
- 2.3.5** As noted above, the primary form of security required by Baron was in the form of mortgages over real estate owned by the Principals' personally. On September 14, 2016, RBC obtained Summary Judgment against Mara Tech and the Principals' personally (with Writs subsequently filed) effectively encumbering the properties over which Baron intended to take as security. The quantum of the Judgment's (on a consolidated basis) approximated \$494,000 plus interest. As a result, the Baron financing proposal did not move forward on the terms envisioned.

## **2.4 Monitoring of Operations**

- 2.4.1** Paragraph 3 (c) of the Initial Order empowers and authorizes the Receiver to monitor the Property and business of Debtors. The Receiver, to a large extent, has been unable to effectively monitor the business and in particular cash flow from operations.
- 2.4.2** As noted above, the Receiver supplied Mara Tech with a list of Information Requirements on August 5, 2016. Despite repeated follow up, much of this information remains outstanding. In particular, the Debtors have not provided forecasted cash flows or otherwise produced current financial reporting following the Receiver's appointment.
- 2.4.3** Given the lack of cooperation, or otherwise the inability to produce the requested financial information, the Receiver attended Mara Tech's accounting office in St. Catharines on August 31, 2016 and provided the Debtor's bookkeeper with a cash flow

template for monitoring purposes (to be populated by Mara Tech). To date, the Receiver has not been provided with a populated cash flow template.

- 2.4.4** By letter dated September 27, 2016, the Receiver's counsel wrote to Mara Tech's counsel regarding the outstanding Information Requirements. A copy of this letter, along with the response of Mara Tech's counsel, are attached as **Appendices H** and **I** respectively.
- 2.4.5** At present, Mara Tech remain in possession and control of their respective businesses and day to day operations (including the accounting function). On October 18, 2016, the Receiver was advised by Mara Tech's bookkeeper that there had been no bookkeeping completed since July 31, 2016 and that the May 31, 2016 bank reconciliation was still in process.
- 2.4.6** Following the appointment of the Receiver, on or about August 30, 2016, Imperial Oil switched to a prepayment system whereby Mara Tech was required to prepay for fuel deliveries. Based on the Receiver's communications with John Marandola and Mara Tech's bookkeeper, this has severely constricted cash flow to the point where Mara Tech are struggling to fund current obligations including payroll.
- 2.4.7** The Receiver understands that Mara Tech maintains a single operating bank account with TD Bank resulting in comingling of receipts and disbursements for each respective entity (making a determination of respective cash flow and profitability difficult). The Receiver is aware that on at least one occasion the Principals' injected (and subsequently withdrew) personal funds to cover payroll. Further, the Receiver has received several notifications from Canada Revenue Agency ("**CRA**") of returned (NSF) cheques intended as payment towards GST/HST and employee source deduction obligations.
- 2.4.8** The Receiver understands that the Debtors have not made any principal or interest payments to RBC (the primary secured creditor) for a period of 12 months or more.
- 2.4.9** The Receiver has not been provided with any updated financial information or bank account activity since October 12, 2016. A copy of the Receiver's most recent information request, dated October 31, 2016, is attached as **Appendix J** (which remains outstanding).
- 2.4.10** Based on the foregoing, the Receiver has been unable to determine with certainty the current financial position, cash flow from operations, or financial viability of Mara Tech. Based on known information, the Receiver is concerned regarding Mara Tech's ability to fund its' current obligations or otherwise continue operating given cash flow constraints (with creditor exposure increasing in the interim).

## **2.5 Appraisals**

- 2.5.1** To evaluate prospects of realization in a liquidation scenario, with the consent of Mara Tech, the Receiver commissioned an appraisal of equipment and operating assets located at each of the four airport facilities. The appraised value of equipment and operating assets is not sufficient to satisfy Mara Tech's outstanding creditor obligations and liabilities.

## 2.6 Independent Counsel

2.6.1 The Receiver has retained SimpsonWigle LAW LLP as independent counsel to provide advice and assistance with respect to receivership matters.

## 2.7 Potential Priority Claims

2.7.1 The following table summarizes reported priority payable exposure as at August 9, 2016 (based upon online CRA statements supplied by Mara Tech's bookkeeper):

Company:	Source Deductions:	GST/HST:
MARA TECH AVIATION FUELS LTD.	\$25.59	NIL
MARA-TECH AVIATION SERVICES LTD.	\$100,760.11	\$235.45
MARA TECH AVIATION FUELS (THOMPSON) LTD.	\$6,340.41 (cheque previously issued to CRA which remains outstanding)	NIL
MARA TECH AVIATION FUELS (SUDBURY) LTD.	\$117.74	\$124.76
Totals	\$107,243.85	\$360.21

2.7.2 On or about September 7, 2016, the Receiver was provided with CRA Notices of Assessment with respect to GST/HST totaling \$79,656.78 indicating a significant deterioration to amounts outstanding as of August 9, 2016.

2.7.3 Further, on October 24, 2016, the Receiver received notification from CRA of returned payments from Mara Tech totaling \$32,448.95 (GST/HST) and \$15,045.00 (employee source deductions) indicating a further deterioration.

2.7.4 Following its appointment, the Receiver coordinated scheduling of trust examinations with CRA and Mara Tech with such examinations being conducted on or about September 27, 2016. At present, the Receiver awaits results of the aforementioned trust examinations to confirm priority payable obligations.

2.7.5 Any possible claim by CRA for unpaid GST/HST or unpaid employee source deductions would be deemed to be held in trust for the Crown separate and apart from the property of the Debtors and from property held by any secured creditor of the Debtors that, but for a security interest, would be property of the Debtors, pursuant to section 227(4) of the Income Tax Act (Canada) and section 221(1) of the Excise Tax Act (Canada).

2.7.6 Mara Tech employs approximately 95 employees. Certain of these employees are party to a collective bargaining agreement. In the event operations cease, Mara Tech's employees may be entitled to make claims under the Wage Earner Protection Program for



wages, salaries, commissions or compensation for services rendered during the six month period prior to the date of receivership. Such claims are secured to the extent of \$2,000 per employee over Mara Tech's current assets. Service Canada, as the administrator of the Wage Earner Protection Program, are included on the service list for this motion.

### ***3.0 Marketing and Sale of the Property***

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#### **3.1 Unsolicited Expression of Interest**

- 3.1.1** Following its' appointment, the Receiver was contacted by a competitor in the industry who expressed an interest in acquiring Mara Tech as a going concern (the "**Prospective Purchaser**") including the re-hiring of most if not all of the Debtors' current employees. On September 2, 2016, the Prospective Purchaser entered into a "Confidentiality and Non-Disclosure Agreement" with the Receiver and was provided with certain historical financial information obtained from Mara Tech in order to complete due diligence.
- 3.1.2** On September 12, 2016, by way of e-mail, the Prospective Purchaser submitted a written "Expression of Interest" in an amount greatly exceeding liquidation value. The "Expression of Interest" was communicated to Mara Tech and their counsel (in general terms) who were not receptive to a going concern sale of the business.
- 3.1.3** Given the status of the Baron financing proposal (effectively no longer an option), in the interest of maximizing realization for the stakeholders (the alternative being liquidation), the Receiver was of the view that a going concern sale of the business would generate the best possible recovery. In order to further canvass the market, the Receiver implemented the following marketing strategy.

#### **3.2 The Receiver's Marketing Strategy**

- 3.2.1** Pursuant to the Initial Order, the Receiver is authorized to market for sale any or all of the Property and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.2.2** In recognition that the Property is a unique asset, with a specific and limited pool of potential purchasers, the Receiver concluded that it would undertake a focused marketing program targeting the existing Imperial Oil dealer network (consisting of 15 targets).
- 3.2.3** In connection with its marketing strategy, to assist potential purchasers in their evaluation of the purchase opportunity, the Receiver implemented an online data room providing particulars of the Property, operations, and historical financial information.
- 3.2.4** Commencement of the Receiver's marketing program (and further negotiation with the Prospective Purchaser) was delayed due to the timing of receipt of certain contracts from Mara Tech (originally requested on August 5, 2016). Specifically, fuel contracts, airline contracts, and the union contract were not received until September 28, 2016. The

Receiver was ultimately required to contact the various airport facilities directly to obtain occupancy lease agreements (received throughout the month of October 2016).

- 3.2.5** On October 13, 2016, the Receiver wrote to Mara Tech and Mara Tech's counsel providing notification of its' intention to market the Property of Mara Tech for sale effective immediately. Mara Tech was invited to participate in the sales process and was also asked to provide the names and contact information for anyone who may have an interest in the property of Mara Tech. Mara Tech elected not to participate in the sales process or otherwise identify any potential purchasers. A copy of the Receiver's letter is attached as **Appendix K**.
- 3.2.6** The Receiver's focused marketing program commenced October 13, 2016 and concluded on November 4, 2016. Potential purchasers were contacted by way of an e-mail teaser and were invited to contact the Receiver in order to be provided with access to the online data room to evaluate the opportunity. A copy of the Receiver's e-mail teaser is attached as **Appendix L**.

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## ***4.0 Offer Received***

### **4.1 Marketing Results**

- 4.1.1** As a result of its marketing efforts, the Receiver was contacted by a total of 4 potential purchasers. Signed confidentiality agreements were received from each of these potential purchasers who were then provided with access to the Receiver's online data room.
- 4.1.2** A single offer with deposit was received on November 4, 2016 utilizing the Receiver's form of Agreement of Purchase and Sale ("**APS**"). The offer contains certain terms and conditions and the Receiver is presently in negotiation with the potential purchaser in order to establish terms and conditions agreeable to both parties. Based on negotiations to date, the Receiver contemplates that the Receiver and potential purchaser will reach agreement with respect to an APS. The APS will be conditional on court approval. Once the terms and conditions of the APS are finalized, and prior to court approval, the Receiver independently, or in conjunction with the potential purchaser, will communicate with Mara Tech's customers, suppliers, landlords, and employees with a view to furthering the transaction which is the subject of the APS.
- 4.1.3** The offer provides a purchase price which greatly exceeds liquidation value, envisions the re-hiring of most if not all of the Debtor's current employees, and is the best prospect of realization for the stakeholders.

## ***5.0 Professional Fees***

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### **5.1 Fees of the Receiver and the Receiver's Independent Legal Counsel**

- 5.1.1** Pursuant to Paragraph 18 of the Initial Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and those of its legal counsel, shall be allowed on a passing of accounts and constitute the Receiver's Charge.
- 5.1.2** For the period ended November 4, 2016, the Receiver has incurred fees and disbursements of \$93,698.21, inclusive of disbursements and HST.
- 5.1.3** For the period ended November 4, 2016, the Receiver's counsel, SimpsonWigle LAW LLP, has incurred fees and disbursements of \$29,780.00, inclusive of disbursements and HST.

## ***6.0 Order Sought***

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- 6.1** The Receiver submits this First Report to this Honourable Court in support of its motion requesting this Honourable Court to grant:
- a) an Order approving the First Report of the Receiver and the conduct of the Receiver and its agents as outlined in this First Report.

All of which is respectfully submitted this 14<sup>th</sup> day of November, 2016.

**BDO CANADA LIMITED  
COURT APPOINTED RECEIVER OF THE PROPERTY OF  
MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**



Per: Christopher Mazur, CIRP, LIT  
Partner/Senior Vice President

# APPENDIX "C"

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

**Respondents**

**SECOND REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED  
AS RECEIVER**

December 5, 2016

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## *Listing of Appendices*

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- Appendix A - Initial Order dated August 4, 2016
- Appendix B - Receiver's First Report (Without Exhibits), dated November 14, 2016
- Appendix C - Baron Finance Commitment Letter, dated November 7, 2016
- Appendix D - Corporate search with respect to Marandola Holdings Ltd. dated October 18, 2016

## ***1.0 Introduction and Purpose of Report***

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### **1.1 Introduction**

- 1.1.1** On August 4, 2016, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited was appointed as Receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively “**Mara Tech**” or the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”). A copy of the August 4, 2016 Order (the “**Initial Order**”) is attached as **Appendix A**.

### **1.2 Purpose of this Report**

- 1.2.1** This constitutes the Receiver’s **Second Report** to the Court in this matter and it is filed to:

- supplement the Receiver’s First Report dated November 14, 2016, attached as **Appendix B** without Exhibits;
- report on the Receiver’s activities since its’ First Report and seek this Honourable Court’s approval of the conduct of the Receiver and its agents as outlined in this Second Report; and
- provide background in support of the Receiver’s recommendation that the Agreement of Purchase and Sale entered into between the Receiver and Executive Aviation Fuels Ltd. (“**Executive Aviation**”) be approved as further detailed in the Receiver’s Confidential Supplement to this Second Report.



## ***2.0 Marketing and Sale of the Property***

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### **2.1 Agreement of Purchase and Sale**

**2.1.1** Pursuant to the Initial Order, the Receiver is authorized, among other things, to do the following:

- 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;
- sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court; and
- 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.

**2.1.2** The Receiver's focused marketing program (detailed in the Receiver's First Report) concluded on November 4, 2016 resulting in a single offer with deposit utilizing the Receiver's form of Agreement of Purchase and Sale ("**APS**"), subject to certain conditions requested by the offeror, namely Executive Aviation.

**2.1.3** Executive Aviation presently carries on a business from the London airport that is similar to that of Mara Tech. The APS envisions that Executive Aviation will acquire the Property of Mara Tech that is located at the Windsor, North Bay, Sudbury, and Sault Ste. Marie airports on a going concern basis and for it to continue to carry on the business of Mara Tech from each of the respective airports. The APS further envisions the re-hiring of most if not all of Mara Tech's employees.

**2.1.4** Through subsequent negotiation, the APS was finalized on November 18, 2016 on terms and conditions agreeable to the Receiver and Executive Aviation. The APS is conditional upon, among other things, Court approval. At present, the principals of Mara Tech, John and Sheila Marandola (the "**Principals**"), continue to operate the business of Mara Tech and do not support a going concern sale of the business. Details of the APS are included in the Receiver's Confidential Supplement to this Second Report.

**2.1.5** The Receiver is of the opinion that it is in the best interest of the stakeholders of Mara Tech that the APS with Executive Aviation be approved and completed and will be strongly recommending the same to the presiding judge.

### ***3.0 Existing Refinancing Efforts***

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#### **3.1 Baron Finance**

- 3.1.1** Details of Mara Tech's efforts to refinance post receivership are set out in the Receiver's First Report.
- 3.1.2** Mara Tech continues its efforts to refinance as evidenced by an updated Commitment Letter advanced by Baron Finance ("**Baron**") dated November 7, 2016 (supplied to the Receiver by John Marandola on November 17, 2016).
- 3.1.3** The updated Commitment Letter is on the same terms as the August 30, 2016 Commitment Letter envisioning financing of up to \$812,000 (secured by an accounts receivable factoring facility of up to \$500,000 and a real estate facility of up to \$312,000). The primary form of security required by Baron with respect to the real estate facility is again in the form of mortgages over real estate owned by the Principals' personally. A copy of the Commitment Letter dated November 7, 2016 is attached as **Appendix C**.
- 3.1.4** At present, to the Receiver's knowledge, the quantum of available financing envisioned by the updated Commitment Letter is unknown (initial advance presumably contingent on the level of eligible accounts receivable in support of the factoring facility). Further, as noted above and in the Receiver's First Report, the primary form of security required by Baron is in the form of mortgages over real estate owned by the Principals' personally. The Receiver understands the subject real estate is encumbered by way of existing mortgages and subsequent Writs registered on title in favour of the Royal Bank of Canada ("**RBC**").
- 3.1.5** Given the existing real estate encumbrances, the quantum of available financing envisioned by the updated Commitment Letter may be limited to an accounts receivable factoring facility of up to \$500,000 (presumably requiring the consent of RBC given its' existing security over Mara Tech's accounts receivable by way of General Security Agreement). At present, the Receiver has no information pertaining to the level of accounts receivable which may be available to support the envisioned factoring facility.
- 3.1.6** The Receiver is aware that John Marandola, through legal counsel, is in direct contact with RBC regarding a possible assignment of security in connection with the updated Commitment Letter. At present, the Receiver is not aware of the status of these negotiations or Mara Tech's intentions regarding Mara Tech's additional creditors.

## 4.0 Creditor Obligations

### 4.1 Indebtedness

4.1.1 The following table sets out the approximate amounts owing to Mara Tech's secured creditors, by respective entity:

	Operating Location	Royal Bank (December 1, 2016)	LAKES Leasing (December 5, 2016)	Kubota Canada (December 5, 2016)
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$85,102.63	\$78,081.15	N/A
Mara Tech Aviation Services Ltd.	Sault Ste. Marie, Sudbury, North Bay, & Windsor, ON	\$259,889.75	As above	\$62,677.54
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$82,936.98	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$189,391.12	As above	N/A
Totals		\$617,320.48	\$78,081.15	\$62,677.54

4.1.2 The following table sets out the approximate amounts owing to Canada Revenue Agency ("CRA"), by respective entity (based on verbal communication with CRA held on December 5, 2016):

Company:	Source Deductions:	GST/HST:
MARA TECH AVIATION FUELS LTD.	NIL	NIL
MARA-TECH AVIATION SERVICES LTD.	\$147,414.07	\$28,707.43
MARA TECH AVIATION FUELS (THOMPSON) LTD.	\$6,537.42	NIL
MARA TECH AVIATION FUELS (SUDBURY) LTD.	\$119.57	\$12,204.91
Totals	\$154,071.06	\$40,912.34

- 4.1.3 Current amounts owing to CRA, as presented in the above table, have increased by approximately \$87,379 when compared to amounts owing as of August 9, 2016 as detailed in the Receiver's First Report (\$194,983 vs. \$107,604).
- 4.1.4 The Receiver has been in direct contact with the airports from which Mara Tech operates and understands there are rent arrears in Sudbury totaling \$14,406.39 (as of November 1, 2016) and in Windsor totaling \$13,503.64 (as of October 31, 2016). Through discussion with the Windsor airport, the Receiver understands that Mara Tech has not paid any rent since prior to the receivership and as a result the Windsor airport is considering bringing a Motion to have the receivership Stay of Proceedings lifted so it may terminate Mara Tech's existing month to month occupancy leases.
- 4.1.5 As noted in the Receiver's First Report, the Receiver has not been provided with any updated financial information or bank account activity since October 12, 2016. On October 18, 2016, the Receiver was advised by Mara Tech's bookkeeper that there had been no bookkeeping completed since July 31, 2016 and that the May 31, 2016 bank reconciliation was still in process. Accordingly, the Receiver is unable to quantify amounts which may be outstanding to unsecured creditors.
- 4.1.6 Based on the foregoing, Mara Tech's known creditor exposure exceeds \$980,000 before costs of the receivership. The maximum borrowing availability envisioned by Baron's updated Commitment Letter, in the event such financing is available, will be insufficient to satisfy Mara Tech's outstanding creditor obligations.
- 4.1.7 As detailed in the Receiver's First Report, the Receiver remains concerned regarding Mara Tech's ability to fund its' current obligations or otherwise continue operating given cash flow constraints (with creditor exposure increasing in the interim).
- 4.1.8 The APS entered into between the Receiver and Executive Aviation provides a purchase price which greatly exceeds liquidation value, exceeds the maximum borrowing availability envisioned by Baron's updated Commitment Letter, envisions the re-hiring of most if not all of Mara Tech's current employees, and is the best prospect of realization for the stakeholders.

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## ***5.0 Professional Fees***

### **5.1 Fees of the Receiver and the Receiver's Independent Legal Counsel**

- 5.1.1 Pursuant to Paragraph 18 of the Initial Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and those of its legal counsel, shall be allowed on a passing of accounts and constitute the Receiver's Charge.
- 5.1.2 For the period ended November 30, 2016, the Receiver has incurred fees and disbursements of \$124,351.19, inclusive of disbursements and HST.

- 5.1.3 For the period ended November 30, 2016, the Receiver's counsel, SimpsonWigle LAW LLP, has incurred fees and disbursements of \$37,717.30, inclusive of disbursements and HST.

## ***6.0 Sault Ste. Marie Leased Property***

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- 6.1 The Debtors, Mara-Tech Aviation Services Ltd. ("**Aviation Services**") and Mara Tech Aviation Fuels Ltd. ("**Aviation Fuels**") are, on behalf of Mara Tech, the sole provider of the Services to the Sault Ste. Marie Airport.
- 6.2 Aviation Services and Aviation Fuels operate from premises at the Sault Ste. Marie Airport that is described in four leases between Sault Ste. Marie Airport Development Corporation ("**Sault Ste. Marie Airport**"), as landlord and Marandola Holdings Ltd., the named tenant in the four leases.
- 6.3 Marandola Holdings Ltd. is related to all of the Debtors and carries on no business.
- 6.4 Marandola Holdings Ltd. is a dissolved corporation and in fact, it was dissolved on December 22, 2008 by order of the Director under the provisions of the *Ontario Business Corporations Act* by reason of default under the *Corporation Tax Act* and Marandola Holdings Ltd.'s Articles of Incorporation have not been revived. A copy of a Corporation Search Report as at October 18, 2016 respecting Marandola Holdings Ltd. is attached as **Appendix D**.
- 6.5 The four leases predate the dissolution of Marandola Holdings Ltd. and all renewals thereof were made subsequent to the dissolution of Marandola Holdings Ltd.
- 6.6 The Receiver has been in communication with the Sault Ste. Marie Airport and is advised that Sault Ste. Marie Airport would not have entered into leases with a dissolved corporation.
- 6.7 By reason of its dissolution, any right or entitlement that Marandola Holdings Ltd. may have had in the four leases, if any, has escheated to the Crown.
- 6.8 Marandola Holdings Ltd. is not in possession of any of the lands, buildings or premises that are described in the four leases.
- 6.9 Sault Ste. Marie Airport has advised the Receiver that its rent for the premises occupied by Aviation Fuels and Aviation Services is in good standing and has historically been paid by Aviation Services and is currently being paid by Aviation Services.
- 6.10 The Receiver has been advised by Sault Ste. Marie Airport that Marandola Holdings Ltd. is not in occupation of Sault Ste. Marie Airport and Sault Ste. Marie Airport at no time

consented to Sault Ste. Marie Airport assigning or subletting the four leases to Aviation Services or Aviation Fuels or either of them.

- 6.11 Aviation Services and Aviation Fuels are in fact the de facto tenants with respect to the premises that are the subject of the four leases.
- 6.12 Sault Ste. Marie Airport agrees to the Court terminating or providing the Receiver with the right to terminate any lease rights that Marandola Holdings Ltd. might have with respect to the four leases at the Sault Ste. Marie Airport, if any, in the context of and conditional upon the completion of the APS between the Receiver and Executive Aviation and Sault Ste. Marie Airport entering into a new lease with Executive Aviation on terms and conditions satisfactory to Sault Ste. Marie Airport.

**7.0 Order Sought**

- 7.1 The Receiver submits this Second Report to this Honourable Court in support of its motion requesting, *inter alia*, this Honourable Court to grant:
  - a) an Order approving the Second Report of the Receiver and the conduct of the Receiver and its agents as outlined in this Second Report; and
  - b) an Order approving the APS as further detailed in the Receiver’s Confidential Supplement to this Second Report.

All of which is respectfully submitted this 5<sup>th</sup> day of December, 2016.

**BDO CANADA LIMITED  
COURT APPOINTED RECEIVER OF THE PROPERTY OF  
MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**



Per: Christopher Mazur, CIRP, LIT  
Partner/Senior Vice President

# APPENDIX “D”

Court File No. – 56184/15

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**ROYAL BANK OF CANADA**

**Applicant**

**- and -**

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

**Respondents**

**THIRD REPORT TO THE COURT  
SUBMITTED BY BDO CANADA LIMITED  
AS RECEIVER**

**January 16, 2017**



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**APPENDICES:**

- Appendix A** - Initial Order, dated August 4, 2016
- Appendix B** - Receiver's First Report (Without Exhibits), dated November 14, 2016
- Appendix C** - Receiver's Second Report (Without Exhibits), dated December 5, 2016
- Appendix D** - Agreement of Purchase and Sale with Your Quick Gateway (Windsor) Inc., dated December 29, 2016 (Price Redacted)
- Appendix E** - Receiver's Schedule of Estimated Net Realization, dated January 13, 2017
- Appendix F** - Accounts Receivable Listing provided by Mara Tech, as at January 13, 2017
- Appendix G** - Accounts Payable Listing provided by Mara Tech, as at January 10, 2017
- Appendix H** - Schedule of Receipts and Disbursements, dated January 13, 2017

**1.0**

***Introduction and Purpose of Report***

**1.1 Introduction**

**1.1.1** On August 4, 2016, by way of the Order of the Honourable Mr. Justice Lococo, BDO Canada Limited was appointed as Receiver (in such capacities, the “Receiver”) without security, of all of the assets, undertakings and properties of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (collectively “Mara Tech” or the “Debtors”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “Property”). A copy of the August 4, 2016 Order (the “Initial Order”) is attached as **Appendix A**.

**1.2 Purpose of this Report**

**1.2.1** This constitutes the Receiver’s **Third Report** to the Court in this matter and it is filed to:

- supplement the Receiver’s First and Second Reports dated November 14, 2016 and December 5, 2016, attached as **Appendix B** and **Appendix C** respectively, without Exhibits;
- report on the Receiver’s activities since its’ Second Report and seek this Honourable Court’s approval of the conduct of the Receiver and its agents as outlined in this Third Report;
- support the Receiver’s Motion for an Order approving the Agreement of Purchase and Sale between the Receiver, as vendor, and Your Quick Gateway (Windsor) Inc., dated December 29, 2016, (the “Windsor APS”) and authorizing the Receiver to complete the transaction contemplated thereby;
- support the Receiver’s Motion for an Order that with respect to the completion of the Windsor APS that the Purchased Assets, as defined in the Windsor APS (primarily equipment) be vested in the Purchaser, Your Quick Gateway (Windsor) Inc.;
- support the Receiver’s Motion for an Order that in conjunction with the completion of the Windsor APS that the Receiver be at liberty to terminate all of the employees of Mara Tech that work at the Windsor International Airport; and
- respond to the Respondents’ Motion for, *inter alia*, injunctive relief returnable before the Court on Thursday, January 19, 2017.

**1.2.2** Should this Court not approve the Windsor APS and it not be completed, then this Report is to support the Receiver’s Motion for an Order, **in the alternative:**

- i. directing the Receiver to discontinue any further steps, actions or proceedings with respect to it realizing on the equipment of Mara Tech that

is located at the Windsor International Airport and directing that the Receiver not have any involvement with respect to the operation or with respect to future operations of Mara Tech at the Windsor International Airport;

- ii. that the Receiver shall be entitled to collect or enforce payment of only those accounts of Mara Tech generated with respect to services provided by Mara Tech at the Windsor International Airport to and including January 13, 2017; and
- iii. that subject to further order of the Court, directing that for the purposes of the distribution of proceeds of realization to unsecured creditors of Mara Tech, that liabilities and obligations of Mara Tech shall not include those incurred post January 13, 2017.

**2.0**

***Marketing and Sale of the Property***

**2.1 Agreement of Purchase and Sale**

**2.1.1** Pursuant to the Initial Order, the Receiver is authorized, among other things, to do the following:

- 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;
- sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court; and
- 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.

**2.1.2** Pursuant to the terms and conditions of the APS (as hereinafter defined) dated November 4, 2016, and the Approval and Vesting Order of the Honourable Justice Lococo dated December 16, 2016 (the “**Executive Order**”), the Property of Mara Tech located at the North Bay, Sudbury, and Sault Ste. Marie airports was duly sold and transferred to Executive Aviation Fuels Ltd. and to Executive Aviation Fuels (Sudbury) Ltd. (collectively “**Executive Aviation**”) for proceeds of \$1,000,000 (plus an additional \$300,000, subject to adjustment, with respect to existing fuel reserves on hand). Closing of the sale transaction was completed on December 17, 2016.

**2.1.3** The Agreement of Purchase and Sale entered into between the Receiver and Executive Aviation, dated November 4, 2016, (the “**APS**”) originally envisioned that Executive Aviation would also acquire the Property of Mara Tech located at the Windsor International Airport, which is owned by Your Quick Gateway (Windsor) Inc. (“**Your Quick Gateway**”). As detailed in the Receiver’s Confidential Supplement to its Second Report, Your Quick Gateway was not supportive of the sale to Executive Aviation on the basis of its intention to provide ground handling services itself. As a result, pursuant to the Executive Order, the Property of Mara Tech located at the Windsor International Airport was carved out from the APS resulting in a purchase price reduction of \$200,000.

**2.1.4** At present, Mara Tech continues to operate from the Windsor International Airport where the balance of Mara Tech’s equipment assets are located. The Receiver understands that the operation of Mara Tech at the Windsor International Airport is the provision of ground handling services to primarily Jazz Airline which includes such services by way of sub contract to Sunwing Airlines.

- 2.1.5 In order to realize on the balance of Mara Tech's equipment assets located in Windsor the Receiver canvassed both John Marandola (Mara Tech's principal) and Your Quick Gateway to assess interest.
- 2.1.6 The aforesaid operation of Mara Tech at the Windsor International Airport requires Mara Tech, by way of agreement between the owner of the Windsor International Airport, Your Quick Gateway (Windsor) Inc. ("Your Quick") and Mara Tech, to have access or occupancy of certain facilities at the Windsor International Airport.
- 2.1.7 The Receiver understands that the agreement between Mara Tech and Your Quick which provides Mara Tech with access and occupancy to the requisite facilities at the Windsor International Airport is presently on a month-to-month basis.
- 2.1.8 On December 23, 2016, the Receiver (via counsel) wrote to both John Marandola and Your Quick Getaway, provided the Receiver's form of Agreement of Purchase and Sale and accompanying Terms and Conditions of Sale, and invited both parties to make an offer with respect to the remaining equipment of Mara Tech that is located at the Windsor International Airport.
- 2.1.9 Your Quick Gateway advised the Receiver that it intends to take Mara Tech's ground handling services in house and directly service the relevant airlines. Further, Your Quick Gateway has indicated that it is not prepared to enter into any long term arrangement with Mara Tech to permit Mara Tech to have occupation and access to the Windsor International Airport relative to it providing continued ground handling services.
- 2.1.10 By way of Agreement of Purchase and Sale dated December 29, 2016 (the "Windsor APS"), the Receiver has received an offer from Your Quick Gateway with respect to it purchasing from the Receiver the remaining equipment of Mara Tech that is located at the Windsor International Airport. A copy of the Windsor APS is attached as Appendix D.
- 2.1.11 By way of Court Order dated January 5, 2017 (the "Windsor Order"), Justice Arrell authorized that the Receiver accept the Windsor APS, subject to further Court approval.
- 2.1.12 The offer received from Your Quick Gateway provides for greater proceeds of realization from the sale of the remaining equipment of Mara Tech than if such equipment was sold by the Receiver on a liquidation basis, as evidenced by the appraisal dated August 26, 2016 that is set out in the Confidential Supplement to the Second Report, dated December 7, 2016.
- 2.1.13 Mara Tech has taken the position that the Receiver should not realize upon any further assets of Mara Tech on the basis that the Receiver has generated sufficient proceeds of realization to pay all of Mara Tech's liabilities and obligations.
- 2.1.14 Mara Tech has further requested the Receiver to make payment of certain liabilities and obligations of Mara Tech relative to its continued operation at the Windsor International Airport. In the absence of proceeds of realization sufficient to pay all of the obligations and liabilities of Mara Tech, payment to an unsecured creditor of Mara Tech may be preferential.

- 2.1.15** Pursuant to the Windsor Order, Justice Arrell authorized that the Receiver pay for certain liabilities relating to the continued operations at the Windsor International Airport, to a cumulative maximum of \$15,000. These liabilities related to fuel purchases, rent, vehicle leases, insurance, and miscellaneous office expenses. In January 2017, the Receiver made a payment of \$12,029.40 to Your Quick Gateway with respect to rent at the Windsor International Airport.
- 2.1.16** In addition, pursuant to the Windsor Order, John Marandola was to provide the following books and records of Mara Tech by the following dates:
- (i) Complete and final customer invoicing and copies of all invoices and supporting documentation – by January 13, 2017;
  - (ii) Current accounts receivable listing – by January 13, 2017; and
  - (iii) Current accounts payable listing – by January 10, 2017.
- 2.1.17** As of the date of this report, the Receiver has received all of the above-noted items. The Receiver has used this financial information to prepare a Schedule of Estimated Net Realization, which is attached as **Appendix E**, to determine whether realizing upon Mara Tech's assets at the Windsor International Airport would allow for a surplus of funds after the payment of the liabilities of all of Mara Tech's creditors and related receivership costs.
- 2.1.18** The accounts receivable listing provided by Mara Tech on January 13, 2017, a copy of which is attached as **Appendix F**, showed total receivables of \$358,917.03. The Receiver noted that the accounts receivable listing included receivables from October and November 2016. As the Receiver was advised by Rita Fish (Mara Tech's bookkeeper) that essentially without exception customers typically pay within 30 days, the Receiver has excluded these receivables (totaling \$4,562.15 and \$120,042.68, respectively) in its analysis, as it is likely that related payment has been deposited in Mara Tech's bank account which has been frozen upon the Receiver's request. As of the date of this report, the Receiver was unable to obtain bank statements for the account to verify the collections. In addition, the accounts receivable listing provided by Mara Tech included a receivable of \$60,000 from World Fuel Services Corporation ("WFS"). The Receiver has confirmed with WFS that the amount is actually \$55,587.99. As Mara Tech owes \$183,161.98 to WFS, the Receiver has excluded this receivable in its analysis, and off-set the payable to WFS in its analysis by \$55,587.99. Accordingly, the total accounts receivable number used by the Receiver in its analysis was \$174,312.20.
- 2.1.19** The accounts payable listing provided by Mara Tech on January 10, 2017, a copy of which is attached as **Appendix G**, showed total payables of \$311,234.05. The Receiver noted that the accounts payable listing included amounts owing to Canada Revenue Agency with respect to source deductions and Harmonized Sales tax. The Receiver has deducted these amounts in calculating the amount of Mara Tech's unsecured creditors. In addition, as discussed in the next section of this report, the Receiver has been in direct contact with the airports from which Mara Tech operated/operates, and requested the amounts owed by the Mara Tech. Mara Tech has advised they do not agree with some of the amounts; however,

the Receiver has used the amount confirmed by the airports in its analysis. Accordingly, the total unsecured creditors number used by the Receiver in its analysis was \$209,299.02.

- 2.1.20** The quantum of Mara Tech's secured and priority liabilities are discussed in the subsequent section of this report.
- 2.1.21** As shown in the analysis in **Appendix E**, the Receiver estimates that there would be a short-fall of \$60,572 to the unsecured creditors of Mara Tech if the Receiver were to realize upon the remaining assets of Mara Tech which are located in Windsor by way of the completion of the Windsor APS. Accordingly, the Receiver recommends that the Court authorize the Receiver to complete its mandate to realize upon all of the remaining assets of Mara Tech, approve the Windsor APS, and authorize the Receiver to complete the transaction contemplated thereby.
- 2.1.22** In the opinion of the Receiver, if the Windsor APS is not approved by this Court or completed then it is not in the best interest of the creditors that the Receiver take any further steps, actions or proceedings to realize upon the equipment of Mara Tech that is located at the Windsor International Airport as the expense of the same would exceed gross proceeds of realization.

## **2.2 Termination of the Receiver's Duties at Windsor International Airport**

- 2.2.1** The Receiver has been advised by Your Quick Gateway that if the Windsor APS is not approved or completed it will make other arrangements to acquire the requisite equipment and will in any event take the ground handling services in house and provide the ground handling services directly to the subject airlines (primarily Jazz Airline).
- 2.2.2** The Receiver has been advised by Your Quick Gateway that it has made exigency plans to immediately take over ground handling services should Mara Tech discontinue same.
- 2.2.3** Upon completion of the Windsor APS by the Receiver and Your Quick Gateway, the Receiver intends to immediately terminate the Mara Tech employees at the Windsor International Airport, as the ground handling service is the sole business of Mara Tech at the Windsor International Airport.
- 2.2.4** Mara Tech has approximately 11 employees at the Windsor International Airport operations, and the Receiver has been advised by Your Quick Gateway that its intention is to hire 5 or 6 employees relative to taking the ground handling services in house.
- 2.2.5** Upon termination by the Receiver, it is contemplated that Mara Tech may have additional obligations to terminated employees relating to severance and termination pay.
- 2.2.6** If the Windsor APS is not approved or completed, then the Receiver would intent to discontinue any services relative to a sale of the equipment at the Windsor International Airport, and seeks the Court's approval in that regard.
- 2.2.7** Additionally, if the Windsor APS is not approved or completed, it is the Receiver's understanding that John Marandola intends to continue ground handling services at the Windsor International Airport. Accordingly, the Receiver requests an Order that the Receiver shall not have any duty or obligation relative to the equipment (including its sale and realization), employees, and operations

of the business of Mara Tech at the Windsor International Airport, save and except for the collection of accounts receivables of Mara Tech owing with respect to the operation of business at the Windsor International Airport up to and including January 13, 2017.

- 2.2.8** Further, for the purposes of distribution, in the event that the Court does not approve the Windsor APS or if it is not completed, the Receiver requests an Order that the Receiver shall not consider any accounts payables of Mara Tech relating to the Windsor International Airport operation for the period subsequent to January 13, 2017, provided the Receiver, in such circumstance, will pay the payroll of Mara Tech to and including January 13, 2017. Regarding the period of January 1 to 13, 2017, Rita Fish has advised the following:
- a) It is estimated that \$25,000 in sales (before HST) was generated;
  - b) It is estimated that \$1,847 in expenses were incurred, excluding any payrolls costs; and
  - c) The total receipts collected during the period is unknown as she does not have copies of Mara Tech's bank statements for the period.

### **3.0**

### ***Creditor Obligations***

#### **3.1 Indebtedness**

- 3.1.2** The following table sets out the approximate amounts owing to Mara Tech's secured creditors, by respective entity:

	<b>Operating Location</b>	<b>Royal Bank of Canada</b>  (as at January 12, 2017)	<b>LAKES Leasing</b>  (as at January 12, 2017)	<b>Kubota Canada</b>  (as at January 12, 2017)
Mara Tech Aviation Fuels Ltd.	Sault Ste. Marie, ON	\$ 92,382.74	\$ 78,081.16	N/A
Mara Tech Aviation Services Ltd.	Sault Ste. Marie, Sudbury, North Bay, & Windsor, ON	\$ 268,578.13	As above	\$ 62,125.92
Mara Tech Aviation Fuels (Thompson) Ltd.	Operations Ceased September 2015	\$ 90,149.77	N/A	N/A
Mara Tech Aviation Fuels (Sudbury) Ltd.	Sudbury, ON	\$ 197,233.08	As above	N/A
<b>Totals</b>		<b>\$ 648,343.72</b>	<b>\$ 78,081.16</b>	<b>\$ 62,125.92</b>



- 3.1.3 The following table sets out the approximate amounts owing to Canada Revenue Agency (“CRA”), by respective entity (based on verbal communication with CRA held on January 11, 2017, and based on discussions with Mara Tech):

Company	Source Deductions			HST
	Balance per CRA	Unreported Amounts	Total	Total
Mara Tech Aviation Fuels Ltd.	-	5,595.88	5,595.88	-
Mara Tech Aviation Services Ltd.	99,226.28	51,575.83	150,802.11	35,719.40
Mara Tech Aviation Fuels (Thompson) Ltd.	7,192.30	-	7,192.30	-
Mara Tech Aviation Fuels (Sudbury) Ltd.	319.17	6,795.21	7,114.38	78.96
	\$ 106,737.75	\$ 63,966.92	\$ 170,704.67	\$ 35,798.36

- 3.1.4 It is noted that management of Mara Tech has advised that they do not agree that Mara Tech Aviation Fuels (Thompson) Ltd. owes \$7,192.30 in source deductions, as stated by CRA.
- 3.1.5 The Receiver has requested a final trust examinations of Mara Tech from CRA.
- 3.1.6 As discussed in the previous section of this report, based on the information provided by Mara Tech, the unsecured liabilities of Mara Tech total \$209,299.02. A summary of this amount is attached as Schedule A in **Appendix H**.
- 3.1.7 As previously discussed, the Receiver has been in direct contact with the airports from which Mara Tech operated/operates and understands there are unpaid rents in North Bay totaling \$1,128.62 (as of December 19, 2016), in Sudbury totaling \$12,315.79 (as of January 10, 2017), and in Sault Ste. Marie totaling approximately \$1,781.95 (as of January 3, 2017). These amounts are included in the unsecured liabilities amount of \$209,299.02 noted above.

## 4.0

## *Receipts and Disbursements*

### 4.1 Receipts and Disbursements

- 4.1.1 As of the date of this report, the Receiver has obtained receipts of \$1,103,485, with additional funds of \$310,947 to be received from Mara Tech’s bank account which has been frozen. Additional funds are also expected to be collected in relation to Mara Tech’s accounts receivables.

- 4.1.2 The Receiver has paid for \$221,712 in disbursements, and has incurred an additional \$335,246 in expenses which have yet to be paid.
- 4.1.3 A Schedule of Receipts and Disbursements, dated January 13, 2017, is attached as **Appendix H** hereto.

## **5.0**

### ***Professional Fees***

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- 5.1 **Fees of the Receiver and the Receiver's Independent Legal Counsel**
- 5.1.1 Pursuant to Paragraph 18 of the Initial Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and those of its legal counsel, shall be allowed on a passing of accounts and constitute the Receiver's Charge.
- 5.1.2 For the period ended December 31, 2016, the Receiver has incurred fees and disbursements of \$194,068.27, inclusive of disbursements and HST.
- 5.1.3 For the period ended January 11, 2017, the Receiver's counsel, SimpsonWigle LAW LLP, has incurred fees and disbursements of \$92,276.06, inclusive of disbursements and HST.

## **6.0**

### ***Order Sought***

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- 6.1 The Receiver submits this Third Report to this Honourable Court in support of its motion requesting, *inter alia*, this Honourable Court to grant:
- a) an Order approving the Third Report of the Receiver and the conduct of the Receiver and its agents as outlined in this Third Report;
  - b) an Order approving the Agreement of Purchase and Sale between the Receiver, as vendor, and Your Quick Gateway (Windsor) Inc., dated December 29, 2016, and authorizing the Receiver to complete the transaction contemplated thereby;
  - c) an Order that with respect to the completion of the Windsor APS that the Purchased Assets, as defined in the Windsor APS (primarily equipment) be vested in the Purchaser, Your Quick Gateway (Windsor) Inc.;
  - d) an Order that in conjunction with the completion of the Windsor APS that the Receiver be at liberty to terminate all of the employees of Mara Tech that work at the Windsor International Airport;

6.2 **Should this Court not approve the Windsor APS or it not be completed, then, the Receiver requests this Honourable Court to grant, in the alternative to an Order described in paragraph 6.1 (d) that it grant:**

- i. an order directing the Receiver to discontinue any further steps, actions or proceedings with respect to it realizing on the equipment of Mara Tech that is located at the Windsor International Airport and directing that the Receiver not have any involvement with respect to the operation or with respect to future operations of Mara Tech at the Windsor International Airport;
- ii. an order that the Receiver shall be entitled to collect or enforce payment of only those accounts of Mara Tech generated with respect to services provided by Mara Tech at the Windsor International Airport to and including January 13, 2017; and
- iii. an order, subject to further order of the Court, directing that for the purposes of the distribution of proceeds of realization to unsecured creditors of Mara Tech, that liabilities and obligations of Mara Tech shall not include those incurred post January 13, 2017.

All of which is respectfully submitted this 16<sup>th</sup> day of January, 2017.

**BDO CANADA LIMITED  
COURT APPOINTED RECEIVER OF THE PROPERTY OF  
MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**



Per: Christopher Mazur, CIRP, LIT  
Partner/Senior Vice President

# APPENDIX "E"

# CANAM - APPRAIZ INC.

APPRAISERS • VALUATORS • STOCK TAKERS • LIQUIDATORS

# APPRAISAL REPORT

## MARA TECH AVIATION SERVICES

**Prepared for:**  
BDO CANADA LIMITED  
25 Main St. W. Ste 805  
HAMILTON, ONTARIO  
L8P 1H1

**Attention: MR. Darren Griffiths**

**Prepared by:**

Sia Mizrahi - CPPA

**August 26th, 2016**

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# CANAM - APPRAIZ INC.

APPRAISERS • VALUATORS • STOCK TAKERS • LIQUIDATORS

August 26th, 2016

BDO CANADA LIMITED  
25 Main St. W. Ste 805  
HAMILTON, ONTARIO  
L8P 1H1

Attention: Mr. Darren Griffiths

**Re.: MARA TECH AVIATION SERVICES**

Dear Ms. Griffiths:

Further to your instructions Sia Mizrahi attended the premises of the above captioned company to appraise the assets based on Forced Liquidation Values.

Enclosed please find our detailed appraisal of the assets.

Our invoice will be mailed to you along with the original of this letter. Thank you for retaining our services in this matter, which we trust you have found satisfactory. Please do not hesitate to contact the undersigned if we could be of further service to you. We remain,

Yours very truly,

  
Sia Mizrahi

# Summary

On August 18<sup>th</sup> and 19<sup>th</sup>, 2016, at the request of Mr. Darren Griffiths of BDO CANADA LIMITED, Sia Mizrahi personally inspected the assets of Mara Tech Aviation Services located at 50 Terminal Street in North Bay; 475 Airport Road in Sault Ste Marie; 5000 Air Terminal Drive in Garson and 3200 Country Road 42 in Windsor, Ontario.

## Values

### The Liquidation Values are:

Approximately \$ 166,750.00

\*Please note that the liquidation value is the estimated gross selling price and cost of sale has to be deducted. Please refer to the "Analysis" for recommendations and cost of sale, if required.

## Method of Valuation

The definition of Liquidation Value is:

The price at which the property changes hands when there is a financial situation or other circumstances existing at the time of the sale so as to require a sacrifice, where the assets are sold on an "AS IS, WHERE IS" basis by means of a professionally arranged and conducted on-site auction sale. The purchasers would be responsible for the dismantling and removal of all assets at their sole expense and risk while being closely monitored by auction staff to ensure no damages occur during the removal process.



## Conditions of Appraisal

The value stated in this appraisal Report is based on the judgment of the appraisers given the facts and conditions available at the date of the valuation and does not represent a guarantee of the sale results. **Our appraisal fee is in no way contingent upon the values at which our appraiser has arrived.**

The use of this report is limited to the purpose of determining the value of the assets of, in . This report is to be used in its entirety only. The cost to purchase repair parts has not been taken into consideration.

The values in this appraisal are based on asset values only. They do not rely on any financial information from the company.

The question of titles, liens, encumbrances, rental or lease agreements that may pertain to any or all of the subject assets in question have not been investigated in this report unless otherwise specifically outlined.

## Certification of Report

The values stated are valid for 45 days from the date of the appraisal. Values beyond the time frame indicated should be reviewed & updated.

Neither Sia Mizrahi, Canam-Appraiz Inc. nor any of its employees have any present or future interest in the subject property. At such time as any of this property is available for liquidation, Canam-Appraiz Inc. would like to be considered.

Sia Mizrahi personally examined the subject property. The statements of facts contained in this report are true and correct to the best knowledge and belief of the appraisers.



---

Canam-Appraiz Inc.

Per: Sia Mizrahi

## Description

Airport equipment and accessories. For a complete listing of the fixed assets please refer to Schedule 'A'.

## Equipment Analysis

The equipment is in fair condition. The buildings are on leased property and they have no liquidation value. However, if the business is sold as a going concern, the buildings would have great value.

## Comments & Recommendations

Our values are based on comparative sales of similar or same equipment in the past year, at various auctions, and dealers in North America. General market conditions and trends were discussed with various equipment suppliers in this field. I have taken into account the age, visual physical condition, quality and useful life of the assets in arriving at the appraised values. The following values are subject to operative conditions, hidden or otherwise, which could cause a decrease in the value of the assets. The information obtained whether through documentation or other means, is deemed to be correct and reliable and Canam-Appraiz Inc. will not be held liable in any way whatsoever for any errors and/or omissions.

The best results are achieved if sold en bloc.

## Schedule "A"

<u>Sault Ste. Marie</u>		
<u>Qty</u>	<u>Item</u>	<u>Value</u>
5	Individual Locker	\$ 50.00
1	4 Drawer Filing Cabinet	\$ 10.00
1	Office Desk	\$ -
2	Chairs	\$ 10.00
1	Bell Howel Director Series Binoculars	\$ 30.00
1	Grandstream VOIP Phone	\$ 20.00

CANAM - APPRAIZ INC.

1	Bell Astra 390 Phone	\$	10.00
2	Shelves	\$	-
1	Engenius EGS5212FP Network Router	\$	25.00
2	Vending Machines (LEASED)	\$	-
1	Round Table	\$	10.00
2	Chair	\$	10.00
1	Office Desk	\$	10.00
1	Office Chair	\$	-
1	Brother DCP-L2540DW	\$	20.00
1	HP Pavilion p7-1418 Computer Tower	\$	30.00
1	Acer AL1715 17" Display	\$	10.00
1	Green Leather Sofa	\$	-
1	Brown Leather Sofa	\$	40.00
1	White Leather Chair	\$	30.00
1	Brown Leather Chair	\$	30.00
1	TV Wall Unit	\$	-
1	Toshiba Projection TV	\$	-
1	Daytron VCR	\$	10.00
1	Yamaha RX-V396 Media Reciever	\$	25.00
1	Bell ExpressView Reciver + Dish	\$	25.00
1	Black & Decker Coffee Machine	\$	-
1	frigidaire Fridge	\$	40.00
1	Danby Microwave	\$	-
1	Black & Decker Toaster	\$	-
1	Panasonic Cordless Phone	\$	10.00
1	Sunbeam Kettle	\$	-
1	Leather Office Chair	\$	-
1	Lot of misc tools	\$	100.00
4	Icom Walkie Talkies + Receiver	\$	300.00
1	Canon Imageclass MF4450	\$	40.00
1	Parker Velcon Spill Kit	\$	50.00
1	Lot of misc shovels + Supplies	\$	30.00
1	Mop + Mop Bucket	\$	10.00
2	Tables	\$	-
2	Chairs	\$	-
1	Office Chair	\$	-
1	Samsung CRT TV	\$	-
1	Black & Decker Toaster	\$	-
1	Magnasonic Microwave	\$	10.00
2	Techsonic T11-91-DE RF Receiver w/ Sinclair SG238-SFISNM Radio Frequency Antenna	\$	500.00
4	Individual Locker	\$	40.00

## CANAM - APPRAIZ INC.

1	Coat Rack	\$ 10.00
1	Metal Storage Chest	\$ 10.00
1	Samsung Plasma TV	\$ 40.00
1	Bell 4100 Reciever	\$ 25.00
1	Lot of Testing Materials	\$ 100.00
2	Kubota Hitches	\$ 80.00
6	Spare Tires (4 Small, 2 Large)	\$ 60.00
20	Protective Goggle	\$ 100.00
4	Wiper Blades	\$ 20.00
1	Box of Misc Wires	\$ -
2	Fire Extinguisher	\$ 80.00
1	4 Drawer Cabinet	\$ -
2	Office Desks	\$ 60.00
2	Chairs	\$ 20.00
1	2 Drawer Cabinet	\$ 10.00
1	Vtech Cordless Phone	\$ 10.00
1	Acer Aspire N15Q6 Laptop	\$ 40.00
1	Grandstream GXP2135 VOIP Phone	\$ 30.00
1	Brother HL-2270DW Printer	\$ 40.00
4	Feul Transfer Nozzel OPW 295	\$ 400.00
1	Lot of Rakes/Shovels/Extension Cords/Air Hose	\$ 50.00
3	Fire Extinguisher	\$ 75.00
1	Carter Transfer Nozzle	\$ 100.00
3	Jet Fuel Filter 1-633MMT3	\$ 75.00
3	Large Funnel	\$ 30.00
2	6' Ladder	\$ 40.00
2	4' Ladder	\$ 20.00
1	Trolley Cart	\$ 30.00
10	Wheel Chalk	\$ 100.00
1	Kubota B3300-SUHSDP Tractor - SN#57049 - 1305Hr	\$ 8,000.00
1	Luggage Cart	\$ 50.00
1	1971 Ford 800 - FMC De-Icer	\$ 4,000.00
1	Wheelchair Lift	\$ 400.00
1	Sky Check Cart	\$ 50.00
1	Hobart Ground Power Unit GPU-400 w Yellow Cart	\$ 4,000.00
1	Hobart Ground Power Unit GPU-400 w White Cart	\$ 3,000.00
2	GPU 60Amp Connection Wire	\$ 200.00
1	White Sky Check Cart	\$ 50.00
1	Black Sky Check Cart	\$ 50.00
1	Air Canada Passenger Step - Air Stair	
1	Godfrey Aerospace Mobile Diesel Ground Power Unit 2284Hr	\$ 7,500.00

**CANAM - APPRAIZ INC.**

1	Blue Sky Check Cart	\$ 50.00
1	Cargo Loader - 6634Hr (not in use)	\$ 1,000.00
1	Trilectron Mobile Ground Power Unit model T400 9725Hr	\$ 1,000.00
2	Winter Baggage Cart	\$ 500.00
1	Lavatory Cart w/RTS Plastic Container	\$ 250.00
1	Brick Confinement Tank w/ Type 1 Glycol De-Icing Tank	\$ 500.00
1	Kubat B7800 HSD-F tractor Hrs unknown	\$ 2,500.00
1	Kubota B2301 Tractor SN#	\$ 7,000.00
2	Luggage Cart (Connected)	\$ 100.00
3	Chairs	\$ -
1	Desk	\$ -
2	Motorolla Walkie Talkie	\$ 40.00
5	Black Wheel Chalk	\$ 50.00
2	Tank Hoses	\$ 80.00
1	Locker	\$ 10.00
2	Cabinets	\$ -
1	Sylvania Microwave	\$ -
<b><u>TankFarm</u></b>		
1	2011 DTE Industries Storage Tank - NO-D-453109 w/30,000L Capacity	\$ 15,000.00
1	2011 DTE Industries Storage Tank - NO-D-453110 w/60,000L Capacity	\$ 30,000.00
1	Conversion Vessel NO-HV-1633 - SN# 522741	\$ 300.00
1	3L Filters LTD HV1633B-1 Filter Reservoir	\$ 200.00
1	3L Filters LTD CRN-K616.51 Filter Reservoir	\$ 200.00
2	Crouse-Hinds FLS 30364 133 (3 Poles Total)	\$ 100.00
1	3L Filters WAV-150p Filter Separator SN# 8314-2	\$ 200.00
1	Lectro Count 820654-1 Meter SN# 18199097	\$ 200.00
1	Lectro Count E26064 Meter SN# 46100758	\$ 200.00
1	Utility Shed	\$ 500.00
1	Fire Extinguisher	\$ 10.00
1	Power Supply Unit w/Epson Printer	\$ 50.00
1	Club Cadet Snow Blower	\$ 150.00
1	Wooden Shop Bench	\$ -
3	Feul Transfer Adapter	\$ 150.00
1	Feul Transfer Hose	\$ 50.00
1	Spill Kit	\$ 50.00
1	Lot of Steel Buckets	\$ 10.00
<b><u>North Bay</u></b>		

**CANAM - APPRAIZ INC.**

1	Ford Econoline De-Icing Van w/ Glycol Tank, Pump Teletlift & Reels	\$ 4,000.00
4	Luggage Cart	\$ 200.00
1	Kubota L2501 Tractor SN#56481	\$ 6,000.00
1	Wheel Chair Lift - WLL-4060	\$ 150.00
1	OfficeJet 660 Printer	\$ 40.00
4	Chairs	\$ -
1	Metal Desk	\$ -
1	Vtech Phone	\$ 10.00
1	HP AMD Office Computer	\$ 30.00
1	HP 2009m 20" Display	\$ 10.00
1	Fridge	\$ 40.00
1	Hobart 6T28-400CL GPU- 400 Ground Power Unit	\$ 4,000.00
1	Kubota B2301 Tractor SN# 50308 - 456Hr	\$ 7,000.00
1	Ford Freestar Vin# 2FMZA572227BA31361 w/153,035km (Damaged Windsheid)	\$ 500.00
<b><i>Sudbury</i></b>		
3	OPC Jet Fuel Nozzle	\$ 300.00
2	Beige Metal Storage Cabinets	\$ 40.00
3	Individual Lockers	\$ 30.00
1	Testing Bench	\$ -
1	Testing Apparatus + Tools	\$ 100.00
1	First Aid Kit	\$ 20.00
1	Eye Wash Station	\$ 20.00
1	Reception Desk + Hutch	\$ 100.00
1	Samsung Xpress M2885FW printer	\$ 40.00
2	Icon Walkie Talkie + Icon RF Reciever	\$ 200.00
1	HP Pavilion Office Computer	\$ 40.00
1	Acer H213H Monitor	\$ 10.00
1	ATT Phone DECT 6.0	\$ 10.00
1	Veriphone POS (LEASED)	\$ -
1	Desk Lamp	\$ 10.00
1	Wireless Router	\$ 10.00
1	Office Chair	\$ 10.00
4	Chairs	\$ 20.00
1	L Shape Desk	\$ 25.00
2	Black Chair	\$ 10.00
1	2 Drawer File Cabinet	\$ 10.00
1	HP Pavilion Office Computer	\$ 40.00
1	Acer2016W Display	\$ 10.00

**CANAM - APPRAIZ INC.**

2	White Bookshelf	\$	10.00
1	Black File Cabinet	\$	10.00
1	Lettag Label Machine	\$	10.00
1	HP Envy 5530 All in one Printer	\$	40.00
1	Vtech Phone	\$	10.00
1	Acer All in one Computer	\$	40.00
1	L Shape Desk	\$	20.00
1	Office Chair	\$	10.00
2	Reception Chair	\$	10.00
2	Black Leather Sofa	\$	150.00
2	Black Leather Chair	\$	100.00
2	Side Tables	\$	20.00
1	Honeywell Air Purifier	\$	10.00
1	ATT Cordless Phone	\$	10.00
3	Wall Art	\$	15.00
1	Sony KDL-32NL140 Television + Stand	\$	50.00
1	Bell HDTV 6131 Receiver	\$	25.00
2	Folding Chairs	\$	10.00
1	Panasonic Microwave	\$	10.00
1	Sanyo Fridge	\$	30.00
1	Hamilton Beach Toaster	\$	10.00
1	Black & Decker Coffee Machine	\$	-
1	Coat Rack	\$	10.00
1	Proctor Silex Kettle	\$	-
1	Fire Extinguisher	\$	10.00
	<b><u>Shed</u></b>		
1	Fire Extinguisher	\$	10.00
3	Jet Feul Filter 1-633MMTB	\$	75.00
1	Large Tank Dolly	\$	25.00
1	Troybuilt Snow Blower	\$	150.00
1	Rack Metal Shelving	\$	10.00
1	Yellow Salt Storage bin	\$	10.00
1	4' Step Ladder	\$	10.00
1	Bard A/C + Heating Unit	\$	300.00
1	Arctic Snow Plow	\$	500.00
1	2001 Dodge Ram 1500 Vin#1D74V16N92J181277 (Manifold Issue)	\$	500.00
	<b><u>Ramp Area</u></b>		

**CANAM - APPRAIZ INC.**

1	Kubota B2920 Tractor SN# 58267 1216Hr	\$ 6,000.00
1	Kubota B2920 Tractor SN# 62797 364Hr	\$ 7,000.00
4	Baggage Cart	\$ 200.00
1	Wheel Chair Lift	\$ 150.00
1	Moody Luggage Cart BCT-50108 SN# 97-11-271	\$ 50.00
1	4 Drawer File Cabinet	\$ -
1	DND Canada EMU-5001/M Mobile Power Unit SN# 840010 1908Hr	\$ 3,000.00
1	Kubota RTV900 SN# D9877	\$ 7,500.00
1	1989 Ford De-Icing Truck Vin#2FDKF38M1KCB04052 w/Boom Lift, Reels Superior Ground Support System Model # M5000E SN# 89C504	\$ 3,000.00
1	Hobart Jet-EX 4D Ground Power Unit SN#195p501181 9258Hr (New Ends Required)	\$ 3,000.00
1	Wollard 896D Belt Loader	\$ 2,000.00
<u>Windsor</u>		
1	Kubota RTV500 SN# 21001 (Not on Site - Out for Repair)	\$ 4,000.00
3	Moody BCT501508 5'x10' Open V Luggage Cart	\$ 150.00
1	Kubota B2620 Tractor SN# 62798 280Hr	\$ 6,000.00
1	2011 KCI WCL-4060 Wheelchair Lift SN# WCL0019	\$ 150.00
1	Manual Hydraulic Lift 14-Step	\$ 2,000.00
3	4'x12' Baggage Cart	\$ 225.00
4	4'x8' Baggage Cart	\$ 200.00
1	2011 GMC Sierra Vin#1GTPCTEX1AZ161483 w/279714	
1	Lavatory Cart	\$ 250.00
1	Wollard TC485GF-047 Belt Loader 449Hr	\$ 4,000.00
1	Custom Water Cart	\$ 150.00
1	Pro Inc - Diesel Mobile Ground Power Unit	\$ 1,000.00
11	Individual Locker	\$ 110.00
1	Black Leather Sofa	\$ 40.00
1	47" Samsung Wall Mounted Television	\$ 50.00
1	Lot of Office Furniture	\$ 300.00
1	HP C3180 Printer	\$ 40.00
<b>TOTAL VALUE</b>		<b>\$ 166,750.00</b>



# APPENDIX “F”

**Griffiths, Darren**

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**From:** Griffiths, Darren  
**Sent:** Thursday, December 29, 2016 5:22 PM  
**To:** Davey, Penny  
**Subject:** Mara Tech

Hi Penny,

Sale of Mara Tech's property and assets in North Bay, Sudbury, and Sault Ste. Marie was approved by the Court on Dec. 16 and completed on Dec. 17 (on a going concern basis).

At present, Mara Tech continues to operate in Windsor although this may come to an end as early as next week.

We need to schedule updated/final trust examinations for each respective entity, as follows:

1. MARA-TECH AVIATION SERVICES LTD. - AT PRESENT, OPERATIONS CONTINUE IN WINDSOR ONLY
2. MARA TECH AVIATION FUELS LTD. - FINAL
3. MARA TECH AVIATION FUELS (SUDBURY) LTD. - FINAL
4. MARA TECH AVIATION FUELS (THOMPSON) LTD. - FINAL

Please contact me at your earliest convenience to coordinate scheduling of same.

Thank you,

**Darren Griffiths**  
**Senior Manager**

BDO Canada Limited  
Direct: 905 524 1008  
[dgriffiths@bdo.ca](mailto:dgriffiths@bdo.ca)

25 Main Street West, Suite 805  
Hamilton Ontario L8P 1H1  
Canada  
Tel: 905 524 1008  
Fax: 905 570 0249  
[www.bdo.ca](http://www.bdo.ca)

 Before you print think about the environment

**Griffiths, Darren**

---

**From:** Griffiths, Darren  
**Sent:** Tuesday, January 24, 2017 10:01 AM  
**To:** Davey, Penny  
**Subject:** Mara Tech

Hi Penny,

Sale of Mara Tech’s remaining assets in Windsor was approved by the Court last Thursday and completed on Friday.

Mara Tech have ceased operating (all entities) and we need to schedule final trust examinations for:

- 1. MARA TECH AVIATION FUELS (THOMPSON) LTD.
- 2. MARA-TECH AVIATION SERVICES LTD.
- 3. MARA TECH AVIATION FUELS (SUDBURY) LTD.
- 4. MARA TECH AVIATION FUELS LTD.

Final trust examinations for employee source deductions and GST/HST are required.


Please contact me at your earliest convenience to discuss scheduling (there is urgency as Mara Tech's accountant has accepted new employment and is only available to assist in the short term).

Thank you,

**Darren Griffiths**  
**Senior Manager**

BDO Canada Limited  
Direct: 905 524 1008  
[dgriffiths@bdo.ca](mailto:dgriffiths@bdo.ca)

25 Main Street West, Suite 805  
Hamilton Ontario L8P 1H1  
Canada  
Tel: 905 524 1008  
Fax: 905 570 0249  
[www.bdo.ca](http://www.bdo.ca)

 Before you print think about the environment

**Griffiths, Darren**

---

**From:** Griffiths, Darren  
**Sent:** Thursday, February 02, 2017 4:39 PM  
**To:** Penny.Davey@cra-arc.gc.ca  
**Cc:** jmarandola@maratech.org; rita.dimaurizio.com; Tony DiPaola; Luigi Delisio; David J. H. Jackson  
**Subject:** Mara Tech Group - Final Trust Examinations

Hi Penny,

As a follow up to our recent communications, please advise regarding scheduling of final trust examinations on the following entities:

1. MARA TECH AVIATION FUELS (THOMPSON) LTD.
2. MARA-TECH AVIATION SERVICES LTD.
3. MARA TECH AVIATION FUELS (SUDBURY) LTD.
4. MARA TECH AVIATION FUELS LTD.

Mara Tech have ceased operating (all entities) and establishing final source deduction and GST/HST obligations is critical in order for BDO (as Receiver) to proceed with a distribution to Mara Tech's creditors (CRA included).

I have copied Mara Tech's principal (John Marandola) and bookkeeper (Rita Fish) on this e-mail so you may coordinate scheduling with them directly.

John can be reached at 1-289-228-0212 and Rita can be reached at 1-905-401-4861.

The books and records of Mara Tech are located in St. Catharines (John or Rita will confirm location as Mara Tech are in the process of vacating current office premises).

I would appreciate you confirming with all of us once the final trust examinations are scheduled and please let me know if I can be of assistance.

Thank you,

**Darren Griffiths**  
**Senior Manager**

BDO Canada Limited  
Direct: 905 524 1008  
[dgriffiths@bdo.ca](mailto:dgriffiths@bdo.ca)

25 Main Street West, Suite 805  
Hamilton Ontario L8P 1H1  
Canada  
Tel: 905 524 1008  
Fax: 905 570 0249  
[www.bdo.ca](http://www.bdo.ca)

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# APPENDIX “G”

### Close Inquiry

2017 / 10 / 18

ⓘ OLB014I - Reply messages completed

⚠ W994 PRIVATE/COMMERCIAL BANKING LOAN

^ - Required Information

#### Transaction 230 - Close Inquiry

^ Loan Account Number: 91218974	Print: <input type="radio"/> Yes <input checked="" type="radio"/> No
^ Loan Number: 001	
BackDate Code: <input type="checkbox"/> <input checked="" type="checkbox"/>	
Effective date (YYYY / MM / DD): 2017 / 11 / 02	
^ Inquiry Purpose: Close Inquiry only	

#### Results

Inquiry Type: CLOSE INQ      Inquiry Date: OCT 18/17      Inquiry Time: 09:43:22

Loan Account Number - Segment: 91218974-001

Short Name: MARA TECH AVIAT	Deferred Indicator: N
Loan Officer Number: 596	Fees Owng: 0.00
Loan Description: ROYAL CR LINE	Uncollected Interest: 7,372.53
Status: RI	Net Capitalization: 7,372.53
Inquiry Effective Date: NOV 02/17	Deferred Income: 0.00
Outstanding Loan: 57,372.53	Exess Kilometer Charge: N/A
Interest to Date: 398.39	Student Interest: 0.00
Insurance to Date: 0.00	Interest Relief Months:
Loan Closing Amount: 57,770.92	PSED: N/A
Amort Term Remaining: N/A	
Per Dlem Interest: 10.77	
Payment / Maturity Date: N/A	

MARA TECH AVIATION FUELS  
(THOMPSON) LTD.

TOP ▲

OLN23000 OLBB - Online Branch Banking	Card: 84844149 Level: 060 Transit: 10030
▶ <a href="#">Main Menu</a>	<a href="#">Print</a>   <a href="#">Help</a>   <a href="#">Exit</a>

### Close Inquiry

2017 / 10 / 18

Ⓜ OLB014 | - Reply messages completed

⚠ W994 PRIVATE/COMMERCIAL BANKING LOAN

^ - Required Information

#### Transaction 230 - Close Inquiry

^ Loan Account Number:	<input type="text" value="01949957"/>	Print: <input type="radio"/> Yes <input checked="" type="radio"/> No
^ Loan Number:	<input type="text" value="001"/>	
BackDate Code:	<input type="checkbox"/>	
Effective date (YYYY / MM / DD):	<input type="text" value="2017 / 11 / 02"/>	
^ Inquiry Purpose:	<input type="text" value="Close Inquiry only"/>	

#### Results

Inquiry Type: CLOSE INQ      Inquiry Date: OCT 18/17      Inquiry Time: 09:43:52

Loan Account Number - Segment: 1949957-001

Short Name:	MARA-TECH AVIA*	Deferred Indicator:	N
Loan Officer Number:	596	Fees Owning:	0.00
Loan Description:	ROYAL CR LINE	Uncollected Interest:	25,137.01
Status:	RI	Net Capitalization:	25,137.01
Inquiry Effective Date:	NOV 02/17	Deferred Income:	0.00
Outstanding Loan:	225,137.01	Excess Kilometer Charge:	N/A
Interest to Date:	1,357.92	Student Interest:	0.00
Insurance to Date:	0.00	Interest Relief Months:	
Loan Closing Amount:	226,494.93	PSED:	N/A
Amort Term Remaining:	N/A		
Per Diem Interest:	36.70		
Payment / Maturity Date:	N/A		

MARA TECH AVIATION SERVICES LTD.

TOP ▲

### Close Inquiry

2017 / 10 / 18

Ⓜ OLB014I - Reply messages completed

⚠ W994 PRIVATE/COMMERCIAL BANKING LOAN

^ - Required Information

#### Transaction 230 - Close Inquiry

^ Loan Account Number:	01949957	Print: <input type="radio"/> Yes <input checked="" type="radio"/> No
^ Loan Number:	006	
BackDate Code:	<input type="checkbox"/> <input checked="" type="checkbox"/>	
Effective date (YYYY / MM / DD):	2017 / 11 / 02 <input type="checkbox"/>	
^ Inquiry Purpose:	Close Inquiry only <input type="checkbox"/>	

#### Results

Inquiry Type: CLOSE INQ      Inquiry Date: OCT 18/17      Inquiry Time: 09:43:58

Loan Account Number - Segment: 1949957-006

Short Name:	MARA-TECH AV VI	Deferred Indicator:	
Loan Officer Number:	598	Fees Owning:	0.00
Loan Description:	DEMAND LOAN	Uncollected Interest:	4,360.00
Status:	RI	Net Capitalization:	0.00
Inquiry Effective Date:	NOV 02/17	Deferred Income:	0.00
Outstanding Loan:	10,298.66	Excess Kilometer Charge:	N/A
Interest to Date:	4,568.69	Student Interest:	0.00
Insurance to Date:	0.00	Interest Relief Months:	
Loan Closing Amount:	14,867.35	PSED:	N/A
Amort Term Remaining:	N/A		
Per Diem Interest:	5.64		
Payment / Maturity Date:	N/A		

MARA TECH AVIATION SERVICES LTD.

TOP ▲



OLN23000 OLBB - Online Branch Banking	Card: 84844149 Level: 060 Transit: 10030
▶ <a href="#">Main Menu</a>	<a href="#">Print</a>   <a href="#">Help</a>   <a href="#">Exit</a>

### Close Inquiry

2017 / 10 / 18

OLB014I - Reply messages completed

W994 PRIVATE/COMMERCIAL BANKING LOAN

^ - Required Information

#### Transaction 230 - Close Inquiry

^ Loan Account Number:	01949957	Print: <input type="radio"/> Yes <input checked="" type="radio"/> No
^ Loan Number:	007	
BackDate Code:	<input type="checkbox"/>	
Effective date (YYYY / MM / DD):	2017 / 11 / 02	
^ Inquiry Purpose:	Close Inquiry only <input type="button" value="v"/>	

#### Results

<b>Inquiry Type:</b>	CLOSE INQ	<b>Inquiry Date:</b>	OCT 18/17	<b>Inquiry Time:</b>	09:44:02
<b>Loan Account Number - Segment:</b> 1949957-007					
<b>Short Name:</b>	MARA-TECH A*OD	<b>Deferred Indicator:</b>			
<b>Loan Officer Number:</b>	596	<b>Fees Owing:</b>	0.00		
<b>Loan Description:</b>	DEMAND LOAN	<b>Uncollected Interest:</b>	328.93		
<b>Status:</b>	RI	<b>Net Capitalization:</b>	0.00		
<b>Inquiry Effective Date:</b>	NOV 02/17	<b>Deferred Income:</b>	0.00		
<b>Outstanding Loan:</b>	2,098.42	<b>Excess Kilometer Charge:</b>	N/A		
<b>Interest to Date:</b>	346.38	<b>Student Interest:</b>	0.00		
<b>Insurance to Date:</b>	0.00	<b>Interest Relief Months:</b>			
<b>Loan Closing Amount:</b>	2,444.80	<b>PSED:</b>	N/A		
<b>Amort Term Remaining:</b>	N/A				
<b>Per Diem Interest:</b>	0.47				
<b>Payment / Maturity Date:</b>	N/A				

MARA TECH AVIATION SERVICES LTD.

TOP ▲

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Close Inquiry

2017 / 10 / 18

OLB014I - Reply messages completed

W994 PRIVATE/COMMERCIAL BANKING LOAN

^ - Required Information

Transaction 230 - Close Inquiry

^ Loan Account Number: 11776960      Print:  Yes     No

^ Loan Number: 001

BackDate Code:  AA

Effective date (YYYY / MM / DD): 2017 / 11 / 02

^ Inquiry Purpose: Close Inquiry only

Results

Inquiry Type: CLOSE INQ      Inquiry Date: OCT 18/17      Inquiry Time: 09:44:26

Loan Account Number - Segment: 11776960-001

Short Name:	MARA TECH AVIAT	Deferred Indicator:	N
Loan Officer Number:	596	Fees Owning:	0.00
Loan Description:	ROYAL CR LINE	Uncollected Interest:	16,284.54
Status:	II	Net Capitalization:	16,284.54
Inquiry Effective Date:	NOV 02/17	Deferred Income:	578.59
Outstanding Loan:	141,267.29	Excess Kilometer Charge:	N/A
Interest to Date:	909.33	Student Interest:	0.00
Insurance to Date:	0.00	Interest Relief Months:	
Loan Closing Amount:	142,176.62	PSED:	N/A
Amort Term Remaining:	N/A		
Per Diem Interest:	24.58		
Payment / Maturity Date:	N/A		

MARA TECH AVIATION FUELS  
(SUDBURY) LTD.

TOP ▲

OLN23000 OLBB - Online Branch Banking	Card: 84844149 Level: 060 Transit: 10030
<a href="#">Main Menu</a>	<a href="#">Print</a>   <a href="#">Help</a>   <a href="#">Exit</a>

### Close Inquiry

2017/10/18

**OLB014I - Reply messages completed**

**W994 PRIVATE/COMMERCIAL BANKING LOAN**

^ - Required Information

#### Transaction 230 - Close Inquiry

^ Loan Account Number:	11776960	Print: <input type="radio"/> Yes <input checked="" type="radio"/> No
^ Loan Number:	002	
BackDate Code:	<input type="checkbox"/>	
Effective date (YYYY/MM/DD):	2017 / 11 / 02	
^ Inquiry Purpose:	Close Inquiry only <input type="button" value="v"/>	

#### Results

Inquiry Type: CLOSE INQ Inquiry Date: OCT 18/17 Inquiry Time: 09:44:32

Loan Account Number - Segment: 11776960-002

Short Name:	MARA TECH AVIAT	Deferred Indicator:
Loan Officer Number:	596	
Loan Description:	DEMAND LOAN	
Status:	II	
Inquiry Effective Date:	NOV 02/17	
Outstanding Loan:	24,784.62	
Interest to Date:	2,737.66	
Insurance to Date:	0.00	
Loan Closing Amount:	27,522.28	
Amort Term Remaining:	001	
Per Diem Interest:	3.23	
Payment / Maturity Date:	AUG 09/15	

*MARA TECH AVIATION FINES (SUBSIDIARY) LTD.*

TOP ▲

OLN23000: OLBB - Online Branch Banking	Card: 84844149 Level: 060 Transit: 10030
<a href="#">Main Menu</a>	<a href="#">Print</a>   <a href="#">Help</a>   <a href="#">Exit</a>

2017 / 10 / 18

### Close Inquiry

OLB0141 - Reply messages completed

W994 PRIVATE/COMMERCIAL BANKING LOAN

^ - Required Information

#### Transaction 230 - Close Inquiry

^ Loan Account Number: <input type="text" value="69126134"/>	Print: <input type="radio"/> Yes <input checked="" type="radio"/> No
^ Loan Number: <input type="text" value="001"/>	
BackDate Code: <input type="checkbox"/>	
Effective date (YYYY / MM / DD): <input type="text" value="2017 / 11 / 02"/>	
^ Inquiry Purpose: <input type="text" value="Close Inquiry only"/>	

#### Results

Inquiry Type: CLOSE INQ      Inquiry Date: OCT 18/17      Inquiry Time: 09:45:02

Loan Account Number - Segment: 69126134-001

Short Name: MARA TECH AVIAT	Deferred Indicator: N	
Loan Officer Number: 596	Fees Owng: 0.00	
Loan Description: ROYAL CR LINE	Uncollected Interest: 8,611.95	
Status: RI	Net Capitalization: 8,611.95	
Inquiry Effective Date: NOV 02/17	Deferred Income: 0.00	
Outstanding Loan: 58,611.95	Exess Kilometer Charge: N/A	
Interest to Date: 466.41	Student Interest: 0.00	
Insurance to Date: 0.00	Interest Relief Months:	
Loan Closing Amount: 59,078.36	PSED: N/A	
Amort Term Remalning: N/A		
Per Diem Interest: 12.61		
Payment / Maturity Date: N/A		

MARA TECH AVIATION  
FUELS LTD.

TOP ▲



VISIT OUR WEBSITE AT WWW.LAKESLEASING.CA

September 27, 2017

TO: BDO Canada Limited  
Darren Griffiths, Senior Manager  
dgriffiths@bdo.ca

**RE: LEASE BUYOUT**

Lease No. 1209 ("Lease")  
Lessee(s): Mara Tech Aviation Fuels (Sudbury) Ltd., Mara Tech Aviation Fuels Ltd.,  
Mara Tech Aviation Services Ltd. & Johnny Marino Marandola

Description	Amount
Buyout	28,216.53
HST	3,668.15
Arrears	46,196.48
Outstanding Fees	1,275.00
<b>TOTAL BUYOUT</b>	<b>\$ 79,356.16</b>

This buyout is effective until **October 31, 2017**. Payment must be received by our head office, 2158 Armstrong Street, Sudbury, Ontario P3E 5G9, on or before the expiry date. A fourteen (14) day wait period, from the date of receipt of funds, will apply unless funds are received in the form of a certified cheque or bank draft.

Upon receipt of full payment and the expiration of the waiting period, if any, L.A.K.E.S. Leasing Corporation will have no further interest in the leased asset(s) and a discharge will be processed accordingly.

E.&O.E.

Consolidated Future Payout

<b>Consolidated Future Payout Date:</b> 2017-11-02 <input type="button" value="Calculate"/>		Residual:		0.00	
<b>Contract #:</b> <input type="text"/>		<input checked="" type="checkbox"/> Include Admin Fee			
Future Repayments:	42154.80	<b>Basic Payout:</b>	<b>63101.56</b>	Full Payout:	<b>64124.89</b>
Payout Interest:	388.76	Current Repayments:	1023.33	Future Taxes:	0.00
Admin Fees:	175.00	Current Taxes:	0.00		
Overdue Amount:	20383.00	Current Charges:	0.00		
Future Charges:	0.00				
Physical Damage Insurance:	0.00				
Basic Payout:	63101.56	<b>Full Payout:</b>	<b>64124.89</b>	<b>Tax Payout:</b>	<b>64124.89</b>

Sharon Novalski  
 Kubota Canada Ltd.  
 Legal Credit & Recovery Specialist

Telephone:  
 905 294-6535 ext 2262  
 800 268-9836 ext 2262  
 Fax:  
 905 294-6651




# APPENDIX “H”

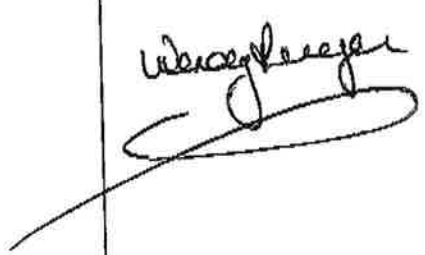
**FACSIMILE MESSAGE**

Secure

Unsecure

 Le Canada / Agence Agence du revenu / du Canada

<b>FROM:</b>	<b>Originals will follow in the mail</b>	
	<b>X Please respond accordingly</b>	
<b>WENDY RUEGER</b>		
A RO/CCO Insolvency Unit, Revenue Collections	<b>To Facsimile No:</b>	<b>(905) 570-0249</b> <b>*00</b>
Ph: (519) 570-5438	<b>No. of Pages:</b> (including cover sheet)	<b>2</b>
(or if there are any problems with the transmission)		

<b>TO:</b>	<b>DATE:</b>	<b>October 6, 2017</b>
<b>ATTENTION</b>	<b>DARREN GRIFFITHS</b>	
<b>COMPANY</b>	BDO Canada Limited	
<b>SUBJECT</b>	Mara Tech group of accounts	
<b>MESSAGE</b>	<p>Please see attached; I've checked each balance you have indicated &amp; they're all correct.</p> <p>If you have any questions or concerns, please call.</p> <p><b>Thanks</b></p> 	

**Kitchener / Waterloo Tax Services Office**  
 166 Frederick Street  
 Kitchener, Ontario  
 N2G 4N1  
 Facs: (855) 875-3635



**BDO  
CANADA LIMITED**

Date 05/10/17 18:24  
Number of pages including cover sheet 1

**TO:** Canada Revenue Agency

**Attn:** Wendy Rueger

**Fax:** 1-855-875-3635

**RE:** Mara Tech Aviation Services Ltd., et. al.

**FROM:** Darren Griffiths  
dgriffiths@bdo.ca

BDO CANADA LTD.  
Trustee in Bankruptcy  
25 MAIN STREET WEST,  
SUITE 805  
HAMILTON, ONTARIO  
L8P 1H1

**Phone** (905) 524-1008  
**Fax Phone** (905) 570-0249

**REMARKS:** Urgent X For your review Reply ASAP Please Comment

Hi Wendy,

Further to our telephone discussion of this afternoon, in connection with our pending distribution Motion scheduled October 26, 2017, I would be obliged if you are able to confirm the CRA deemed trust claim amounts set out in the below table by respective entity.

Company Name/Account No:	Source Deductions (RP0001/2):	GST/HST (RT0001):
MARA TECH AVIATION FUELS LTD. - 87130 4408	\$6,229.31 ✓	\$16,661.70 ✓
MARA-TECH AVIATION SERVICES LTD. - 87522 6698	\$106,307.60 ✓ + \$19,709.65 ✓ = \$126,017.25 ✓	\$81,686.88 ✓
MARA TECH AVIATION FUELS (THOMPSON) LTD. - 82871 1804	\$NIL ✓	\$NIL ✓
MARA TECH AVIATION FUELS (SUDBURY) LTD. - 84226 0044	\$NIL ✓	\$NIL ✓
Totals	\$132,246.56 ✓	\$98,348.58 ✓

Thank you, Darren Griffiths



# APPENDIX “I”

Court File No. 56184/15

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

- and -

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
-MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**AFFIDAVIT OF JOHN MARANDOLA  
SWORN JANUARY 16, 2017**

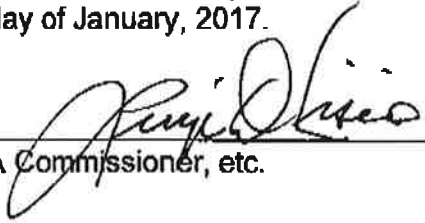
I, John Marandola, of the Town of Niagara-on-the-Lake, in the Regional Municipality of Niagara, make oath and say as follows:

1. I am the President and owner of 50% of the shares in the above-named companies and as such have knowledge of the matters hereinafter deposed to.
2. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a listing I prepared on the afternoon of January 10, 2017, of the payables based on our full and encompassing calculations at this time. The attached listing includes invoices we have on hand and the amounts owing to government based on arrears and current amounts owing up to and including December 31, 2016.
3. Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a copy of our accounts receivable dated December 31, 2016 for the Mara Tech Group companies. An amount has been included for the World Fuels, however, I am not privy as to what has been electronically transferred into the bank account currently

under the control of the Receiver.

4. This Affidavit is made for no improper purpose.

**SWORN BEFORE ME** at the City of St. Catharines in the Regional Municipality of Niagara this 16<sup>th</sup> day of January, 2017.

  
A Commissioner, etc.

)  
)  
)  
)  
)  
)  
)  
)  
)  
)

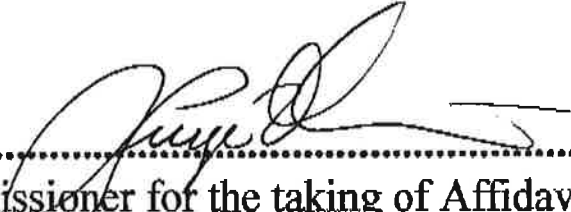
  
John Marandola

These are Exhibits marked "A" and "B" referred to in

the Affidavit of

**John Marandola**

Sworn before me this 16<sup>th</sup> day  
of **January, 2017**

  
.....  
A Commissioner for the taking of Affidavits, etc.  
LUIGI DE LISIO

" A "

**Payables at January 10, 2017**

Bell - acct #7057793278 (396)	\$ 1,289.10
Bell - acct #251565825	182.38
Bell - acct #705 693 7029 (686)	763.50
Bell - acct #705 693 5346 (323)	445.24
Bell - acct #522 077 189	253.99
Bell - acct #506030154	394.77
Bell - acct #8455200600114770	270.21
Bell - acct #8455200600179633	116.32
Bell - acct #508667712	342.43
Bell - acct #300335960	576.58
Bell - acct #705 699 1324 (999)	815.64
Telus - acct #04119066	319.23
TD Visa - acct #4520709001814432	1,029.36
Evans Electric - Inv #3670	207.32
Sudbury Lease - December 2016	2,232.90
Sudbury Lease - December 2016	325.24
Heavy Equipment Technicians	8,468.45
Hydro One - acct #20086803045	965.29
Your Quick Getaway - inv #19187	
Windsor Lease December 2016	899.17
Your Quick Getaway - inv #19188	
Property taxes for December 2016	44.36
Your Quick Getaway - inv #19189	
employee parking	293.80
Sault Ste Marie airport - inv #7504	276.49
Sault Ste Marie airport - inv #7510	1,152.55
Sault Ste Marie airport - inv #7664	468.50
Sault Ste Marie airport - inv #7827	669.00
Sault Ste Marie airport - interest charges	102.97
Fedex - acct #309755510	3,268.12
American Express member # 3790-655403-41001	11,257.69
Bell - acct #905 682 8686 (452)	320.73
2345221 Ontario Inc - St Catharines office rent Jan 2017	565.00
Maxima Holdings - parking St Catharines office Jan 2017	73.45
Office phone - St Catharines (did not clear end of Dec/16)	114.18
Beatties	68.56
WSIB December 2016 Services	1,933.15
WSIB November 2016 Services	2,457.34
WSIB Oct/Nov/Dec Soo Fuels	600.95
WSIB Oct/Nov/Dec Sudbury Fuels	787.50
EHT Services	18,913.74
EHT Soo Fuels	788.46

EHT Sudbury Fuels	3,245.04
EDP Services Nov 16-30/16	15,413.88
EDP Services Dec 1-15/16	13,739.30
EDP Services Dec 16-31/16	14,856.64
EDP Soo Fuels November 2016	2,937.10
EDP Soo Fuels December 2016	2,658.78
EDP Sudbury Fuels November 2016	3,682.03
EDP Sudbury Fuels December 2016	3,113.18
Services HST Aug 5 - Oct 31/16	50,047.33
Soo Fuels HST Aug 5 - Oct 31/16	12,433.40
Sudbury Fuels HST Aug 5 - Oct 31/16	7,898.42
CRA Services EDP arrears from Dec 16	98,769.06
CRA Services HST arrears from Dec 16	16,800.72
CRA Soo Fuels EDP arrears	-
CRA Soo Fuels HST arrears from Dec 16	(111.25)
CRA Sudbury Fuels EDP arrears from Dec 16	316.89
CRA Sudbury Fuels HST arrears from Dec 16	78.95
World Fuels ??? No idea where this stands	
Union Dues - Sept 16	437.64
Union Dues - Oct 16	287.76
Union Dues - Nov 16	287.76
Union Dues - Dec 16	287.76

\$ 311,234.05

**Bell bills - must be prorated** These bills represent amounts past Dec 16/16

Not included on this list is any debt from our bank account that did not clear in Dec/16. I am not privy to items cleared and/or still owing at this particular time.

Sudbury lease amounts included here would have to be prorated. These figures are for all of December and our expense would only be to Dec 16/16.

Previously paid bills to SSM airport and North Bay airport would also have to be prorated as we paid for the full month but should receive a credit for Dec 17-31/16

CRA arrears - numbers gathered from last communication in Dec 2016 prior to court on Dec 16/16. and interest to current as per the CRA website.

There is one Telus bill that we would likely owe at this date and it may have been received in the mail delivered to BDO. We do not have it in our possession at this time.

There may be other items that should be credited to us as we have paid for all of December 2016 and would be reimbursed for the dates of Dec 17-31/16

These numbers represent the payables we can determine to the best of our ability at the date of January 10, 2017 taking into consideration notes from above.

"B"

112

**Mara Tech Aviation Group Receivables**

<u>Customer</u>	<u>Invoice</u>	<u>Amount</u>
<b>October 2016</b>		
Jazz	221066	\$ 4,336.15
Windsor Airport	221078	226.00
		<u>4,562.15</u>
<b>November 2016</b>		
Jazz	222040	23,340.06
Jazz	222047	18,293.50
Jazz	222055	5,234.27
Jazz	222025	3,175.75
Bearskin	222033	7,345.00
Bearskin	222037	6,875.49
Porter	222088	29,481.14
Porter	222079	10,366.56
Porter	222089	15,704.91
Windsor Airport	222091	226.00
		<u>120,042.68</u>
<b>December 2016</b>		
Jazz	223088	17,586.80
Jazz	223087	11,148.22
Jazz	223048	23,895.70
Jazz	223051	12,531.18
Jazz	223057	9,226.34
Jazz	223065	2,723.64
Jazz	223062	730.64
Jazz	223063	10,576.24
Jazz	109025	(13,475.48)
Jazz	109026	(33,770.36)
Air Canada Cargo	223064	80.89
Bearskin	223070	3,790.96
Bearskin	223022	7,521.28
Porter	223052	43,828.75
Porter	223080	34,096.85
Porter	223054	16,948.87
Sunwing	223041	14,125.57
Air Canada	223048	3,118.80
Windsor Airport	223077	226.00
Bearskin	223079	915.30
World Fuels		60,000.00
		<u>225,826.19</u>



**Retail Sales YAM**

Horizon Air - Dec 4/16	3,974.21
GOGC Sale (8557) Dec 8/16	733.98
FATR Sale (1204) Dec 13/16	277.89
FATR Sale (858-) Dec 14/16	114.55
	<u>5,100.63</u>

**Retail Sales YYB**

FedEx Dec 14/16	973.50
FedEx Dec 7/16	738.46
Skylink Dec 16/16	1,111.36
FedEx Dec 16/16	562.06
	<u>3,385.38</u>

**Total Receivables up to December 31/16**

\$ 358,917.03

**ROYAL BANK OF CANADA**  
Applicant

- and -

**MARA TECH ET AL**  
Respondents

Court File No. 58184/15

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

**SUPPLEMENTARY MOTION RECORD**

***LUIGI DE LISIO***

Barriater and Solicitor  
16-261 Martindale Road  
St. Catharines, Ontario  
L2W 1A2  
Law Society Registration No. 022682M

(905) 687-4885 (Tel)  
(905) 687-3311 (Fax)

Lawyers for the Respondents

# APPENDIX “J”

**MARA TECH GROUP**  
**RECONCILIATION OF UNSECURED LIABILITIES**  
**10/24/2017**

Accounts Payables at Jan. 10, 2017, as per Mara Tech's listing

\$

\$

311,234.05

**Additions:**

Payable to World Fuel Services Corp.	127,573.99
Payable to Canada Revenue Agency	71,974.62
Payable to Luigi De Lisio	34,917.14
Payable to Tony DiPaola Professional Corp.	34,223.75
Payable to Stefanizzi Professional Corp.	22,831.65
Payable to Greater Sudbury Airport	12,315.79
Payable to Your Quick Gateway	5,094.51
Payable to National Leasing	4,864.04
Payable to Canada Revenue Agency	4,669.60
Payable to Incentex of Vero Beach, LLC	3,203.70
Payable to Topline Electric Ltd.	3,032.26
Payable to Wells Fargo Equipment Finance	1,943.18
Payable to Sault Ste. Marie Airport	1,781.95
Payable to North Bay Airport	1,128.62
Payable to Weaver Simmons LLP	938.99
Payable to Champion Commercial Products	903.89
Payable to Hydro One	863.34
Payable to Young Fitness	590.99
Payable to SPI Health and Safety	264.75
Payable to OK Tire Store (Santing)	52.91
Payable to Reliance Home Comfort	47.12
Payable to John and Sheila Marandola	Unknown
Payable to Former Mara Tech Employees	Unknown
Payable to Michel Boulard (Contingent Claim)	Unknown

333,216.79

**Deductions:**

EDP Services Nov 16-30/16	15,413.88
EDP Services Dec 1-15/16	13,739.30
EDP Services Dec 16-31/16	14,856.64
EDP Soo Fuels November 2016	2,937.10
EDP Soo Fuels December 2016	2,658.78
EDP Sudbury Fuels November 2016	3,682.03
EDP Sudbury Fuels December 2016	3,113.18
Services HST Aug 5 - Oct 31/16	50,047.33
Soo Fuels HST Aug 5 - Oct 31/16	12,433.40
Sudbury Fuels HST Aug 5 - Oct 31/16	7,898.42
CRA Services EDP arrears from Dec 16	98,769.06
CRA Services HST arrears from Dec 16	16,800.72
CRA Soo Fuels HST arrears from Dec 16	(111.25)
CRA Sudbury Fuels EDP arrears from Dec 16	316.89
CRA Sudbury Fuels HST arrears from Dec 16	78.95
Sudbury Lease - December 2016	2,232.90
Sudbury Lease - December 2016	325.24
Your Quick Getaway	899.17
Your Quick Getaway	44.36
Your Quick Getaway	293.80
Sault Ste Marie airport - inv #7504	276.49
Sault Ste Marie airport - inv #7510	1,152.55
Sault Ste Marie airport - inv #7664	468.50
Sault Ste Marie airport - inv #7827	669.00
Sault Ste Marie airport - interest charges	102.97
Hydro One	965.29

(250,064.70)

Unsecured creditors balance, as per Receiver's calculations

394,386.14

# APPENDIX "K"

IN THE MATTER OF THE RECEIVERSHIP OF  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION FUELS (SUDBURY) LTD., and  
MARA TECH AVIATION FUELS (THOMPSON) LTD.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
AS AT OCTOBER 24, 2017

<b>RECEIPTS:</b>	\$
Sale of assets	1,048,000
Cash in Mara Tech's bank accounts	339,787
Accounts receivable	276,005
Fuel adjustment on sale of assets	103,461
Investment funds	7,467
HST collected	6,240
Interest earned	1,707
<b>TOTAL RECEIPTS</b>	<u>1,782,667</u>
<b>DISBURSEMENTS:</b>	
Receiver fees (interim draws)	200,000
Payroll (Nov. 27, 2016 - Jan. 19, 2017)	157,448
Legal fees (to May 31, 2017)	93,061
HST paid	41,466
Accounting services	22,042
Rent (Windsor Airport)	12,029
Appraisal	7,000
Courier	534
<b>TOTAL DISBURSEMENTS</b>	<u>533,580</u>
<b>NET RECEIPTS AFTER DISBURSEMENTS</b>	<u><u>1,249,088</u></u>

# APPENDIX “L”

FORM 31

Proof of Claim  
(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and paragraphs 51(1)(e) and 66.14(b) of the Act)

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

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

In the matter of the bankruptcy (or the proposal, or the receivership) of \_\_\_\_\_ (name of debtor) of \_\_\_\_\_ (city and province) and the claim of \_\_\_\_\_, creditor.

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

1. That I am a creditor of the above-named debtor (or that I am \_\_\_\_\_ (state position or title) of \_\_\_\_\_ (name of creditor or representative of the 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 bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) 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.)



FORM 31 -- Continued

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 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.)*

G. 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 (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

FORM 31 -- Concluded

6. That the following are the payments that I have received from, 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 subsection 2(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)

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

- 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

\_\_\_\_\_  
Creditor

Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

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 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

NOTE: If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

# APPENDIX “M”



1 Hunter Street East, Suite 200  
Hamilton, Ontario L8N 3W1  
P.O. Box 990, Hamilton, Ontario L8N 3R1  
Tel: 905-528-8411 Fax: 905-528-9008  
www.simpsonwigle.com

David J. Jackson  
Ext. 304  
jacksond@simpsonwigle.com

September 16, 2016

VIA EMAIL

Mr. Darren Griffiths  
BDO Canada Limited  
805 – 25 Main Street West  
Hamilton, ON  
L8P 1H1

Dear Sir:

**RE: Mara Tech Aviation Fuels Ltd. ("Fuels"), Mara-Tech Aviation Services Ltd. ("Services"), Mara Tech Aviation Fuels (Thompson) Ltd. ("Thompson"), and Mara Tech Aviation Fuels (Sudbury) Ltd. ("Sudbury")(hereinafter collectively "Mara-Tech")**

Further to your instructions, we have vetted the following with respect to the borrowings of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd.:

1. **Royal Bank of Canada Loan Agreements and Security**

MARA TECH AVIATION FUELS LTD.		
1.	May 6, 2014	Royal Bank of Canada Loan Agreement dated April 9, 2014 from Royal Bank of Canada executed by John Marandola and Sheila Marandola on behalf of Mara Tech Aviation Fuels Ltd. for a: <ul style="list-style-type: none"> <li>Revolving demand facility #1 in the amount of \$50,000.00</li> </ul>
2.	May 6, 2014	General Security Agreement in favour of Royal Bank of Canada (identifying the Debtor as Mara Tech Aviation Fuels Ltd.), granting Royal Bank of Canada a security interest in the undertaking of the Debtor and in all of the Debtor's present and after acquired personal property ( <i>unidentified signing parties appear to be John Marandola and Sheila Marandola</i> )
3.	May 6, 2014	Guarantee and Postponement of Claim of Mara Tech Aviation Services Ltd. ( <i>unidentified signing party appears to be John</i>

- |              |               |                  |              |                |                       |
|--------------|---------------|------------------|--------------|----------------|-----------------------|
| P.D. MILNE   | L.W. MATTHEWS | J.N. ROSENBLATT  | J.C. BROWN   | D.J.H. JACKSON | M.C. MORGAN           |
| J.M. WIGLE   | T. BULLOCK    | D.A. SCHMUCK*    | J.C. MONACO* | B.J. FOREMAN   | R.S.DANKS (1957-2012) |
| K.I. OSBORNE | R.A. FISHER   | P.A. RAMACIERI** | S.M. LAW     | B.C. LANGLOTZ  | C.A. OLSIAK           |
| S.R. LEE     | H.A. HAMDANI  | E. SAVAS**       | G. NALSOK    | K.G. HYLAND    | K. WYSYNSKI           |
| M. DURDAN    | B. SARSH      | J.R. FLETCHER    | S. KHAN      | M.L. DEKENS    | J.E. PINEDA           |
| A. KNUDSEN   |               |                  |              |                |                       |

\*Professional Corporation    \*\* Member of the Ontario and New York Bar  
Burlington Office: 390 Brant Street, Suite 501, Burlington, Ontario L7R 4J4 Tel: 905-639-1052 Fax: 905-333-3960

		<p><b>Marandola</b>), limited to the sum of \$50,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum with attached Resolution of the Directors executed by the secretary of Mara Tech Aviation Services Ltd., who is identified in the resolution to be Sheila Marandola.</p> <p><i>The resolution is only executed by John Marandola; however, it calls for execution by both Sheila and John Marandola. The resolution also indicates that the guarantee is provided by Mara-Tech Aviation Services (SOO) Ltd.</i></p>
4.	May 6, 2014	<p>Guarantee and Postponement of Claim of Mara Tech Aviation Fuels (Thompson) Ltd. (<b>unidentified signing party appears to be John Marandola</b>), limited to the sum of \$50,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum with attached Resolution of the Directors executed by the secretary of Mara Tech Aviation Services Ltd., who is identified in the resolution to be Sheila Marandola.</p> <p><i>The resolution is only executed by John Marandola; however, it calls for execution by both Sheila and John Marandola.</i></p>
5.	May 6, 2014	<p>Guarantee and Postponement of Claim of Mara Tech Aviation Fuels (Sudbury) Ltd. (<b>unidentified signing party appears to be John Marandola</b>), limited to the sum of \$50,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum with attached Resolution of the Directors executed by the secretary of Mara Tech Aviation Services Ltd., who is identified in the resolution to be Sheila Marandola.</p> <p><i>The resolution is only executed by John Marandola; however, it calls for execution by both Sheila and John Marandola.</i></p>
6.	May 6, 2014	<p>Guarantee and Postponement of Claim of John Marandola and Sheila Marandola, limited to the sum of \$50,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum (<b>identified signing parties are Sheila Marandola and John Marandola</b>).</p>
7.	May 6, 2014	<p>Postponement and Assignment of Claim of Sheila Marandola (<b>identified signing party is Sheila Marandola</b>) to RBC with respect to all debts and liabilities, present and future of Mara Tech Aviation Fuels Ltd. (<b>identified signing parties on behalf of Mara Tech Aviation Fuels are Sheila Marandola and John Marandola</b>).</p>
8.	May 6, 2014	<p>Postponement and Assignment of Claim of John Marandola (<b>identified signing party is John Marandola</b>) to RBC with respect to all debts and liabilities, present and future of Mara Tech Aviation Fuels Ltd. (<b>identified signing parties on behalf of Mara Tech Aviation Fuels are Sheila Marandola and John Marandola</b>).</p>

<b>MARA-TECH AVIATION SERVICES LTD.</b>		
9.	January 30, 2009	<p>Credit Facilities Agreement from Royal Bank of Canada executed by Mara-Tech Aviation Services Ltd. for a:</p> <ul style="list-style-type: none"> <li>• revolving demand facility #1 in the amount of \$150,000.00;</li> <li>• non-revolving term facility #2 in the amount of \$35,000.00; and</li> <li>• visa business to a maximum of \$10,000.00.</li> </ul> <p><i>(identified signing parties by first name only are John and Sheila. The signatories last name appears to be Marandola)</i></p>
10.	February 17, 2012	<p>Amended Facilities Agreement from Royal Bank of Canada executed by Mara-Tech Aviation Services Ltd.:</p> <ul style="list-style-type: none"> <li>• increasing the credit facilities agreement dated January 30, 2009 to \$200,000.00;</li> <li>• Increasing the guarantee and postponement of the claims of Sheila and John Marandola \$225,000.00.</li> </ul> <p><i>(identified signing parties are John Marandola and Sheila Marandola in their capacities as President and Secretary Treasurer, respectively, of Mara Tech Aviation Services Ltd.).</i></p>
11.	September 19, 2001	<p>General Security Agreement in favour Royal Bank of Canada (identifying the Debtor as Mara-Tech Aviation Services (SOO) Ltd., granting Royal Bank of Canada a security interest in the undertaking of the Debtor and in all the Debtor's present and after acquired personal property (<i>unidentified signing party appears to be Sheila Marandola</i>).</p>
12.	September 19, 2001	<p>General Security Agreement in favour Royal Bank of Canada (identifying the Debtor as Mara-Tech Aviation Services (WINDSOR) Ltd., granting Royal Bank of Canada a security interest in the undertaking of the Debtor and in all the Debtor's present and after acquired personal property (<i>unidentified signing party appears to be John Marandola</i>).</p>
13.	February 17, 2012	<p>Guarantee and Postponement of Claim of John Marandola and Sheila Marandola, limited to the sum of \$225,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum (<i>identified signing parties are Sheila Clair Marandola and John Marino Marandola</i>).</p>

<b>MARA TECH AVIATION FUELS (THOMPSON) LTD.</b>		
14.	February 18, 2011	<p>Credit Facilities Agreement from Royal Bank of Canada executed by Mara Tech Aviation Fuels (Thompson) Ltd. for a:</p> <ul style="list-style-type: none"> <li>• revolving demand facility #1 in the amount of \$50,000.00</li> </ul> <p><b>(identified signing party is John Marandola)</b></p>
15.	July 29, 2013	<p>Amending Agreement to the credit facilities agreement dated February 18, 2011 to:</p> <ul style="list-style-type: none"> <li>• Increase the interest rate applied to Facility #1 to 3.65% per annum.</li> </ul> <p><b>(identified signing parties are John Marandola and Sharon Marandola)</b></p>
16.	February 18, 2011	<p>General Security Agreement in favour of Royal Bank of Canada (identifying the Debtor as Mara Tech Aviation Fuels (Thompson) Ltd.), granting Royal Bank of Canada a security interest in the undertaking of the Debtor and in all of the Debtor's present and after acquired personal property (<b>unidentified signing party appears to be John Marandola</b>).</p>
17.	February 18, 2011	<p>Guarantee and Postponement of Claim of John Marandola and Sheila Marandola, limited to the sum of \$50,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum (<b>identified signing parties are Sheila Marandola and John Marandola</b>).</p>
<b>MARA TECH AVIATION FUELS (SUDBURY) LTD.</b>		
18.	November 8, 2012	<p>Credit Facilities Agreement from Royal Bank of Canada executed by Mara-Tech Aviation Fuels (Sudbury) Ltd. for a:</p> <ul style="list-style-type: none"> <li>• revolving demand facility #1 in the amount of \$75,000.00;</li> <li>• non-revolving term facility #2 in the amount of \$50,000.00.</li> </ul> <p><b>(identified signing parties are John Marandola and Sheila Marandola)</b>.</p>
19.	February 4, 2013	<p>Amending Agreement to the credit facilities agreement dated February 18, 2011 executed by Mara Tech Aviation Fuels (Sudbury) Ltd. to:</p> <ul style="list-style-type: none"> <li>• increasing the revolving demand facility #1 to \$125,000.00;</li> </ul> <p><b>(identified signing parties are John Marandola and Sheila Marandola)</b>.</p>

21.	November 8, 2012	General Security Agreement in favour of Royal Bank of Canada (identifying the Debtor as Mara Tech Aviation Fuels (Sudbury) Ltd.), granting Royal Bank of Canada a security interest in the undertaking of the Debtor and in all of the Debtor's present and after acquired personal property ( <b>unidentified signing parties appear to be John Marandola and Sheila Marandola</b> )
22.	February 4, 2013	Guarantee and Postponement of Claim of John Marandola and Sheila Marandola, limited to the sum of \$175,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum ( <b>identified signing parties are Sheila Clair Marandola and John Marino Marandola</b> ).
23.	February 4, 2013	Guarantee and Postponement of Claim of Mara Tech Aviation Services Ltd. ( <b>unidentified signing parties appear to be Sheila Marandola and John Marandola</b> ), limited to the sum of \$175,000.00 plus interest at RBC's prime rate of interest plus 5.00% per annum with attached Resolution of the Directors executed by the secretary of Mara Tech Aviation Services Ltd., who appears to be Sheila Marandola.

## 2. L.A.K.E.S. Leasing Corporation Lease Agreement and Security

<b>MARA TECH AVIATION FUELS (SUDBURY) LTD., MARA TECH AVIATION FUELS LTD. and MARA-TECH AVIATION SERVICES LTD.</b>		
24.	October 20, 2014	Lease Agreement ( <b>identified signing party on behalf of Mara Tech Aviation Fuels (Sudbury) Ltd. is John Marandola. Unidentified signing parties of Mara Tech Aviation Fuels Ltd. and Mara-Tech Aviation Services Ltd. appears to be John Marandola</b> ) dated October 20, 2014 with respect to equipment provided by L.A.K.E.S. Leasing Corporation to Mara Tech.
25.	October 20, 2014	General Security Agreement in favour of L.A.K.E.S. Leasing Corporation (identifying the Debtor as Mara Tech Aviation Fuels (Sudbury) Ltd., <i>Mara Tech Aviation Fuels Ltd. and Mara-Tech Aviation Services Ltd.</i> ), granting L.A.K.E.S. Leasing Corporation a security interest in all the property, assets and undertakings of the Debtor ( <b>unidentified signing party on behalf of the four (4) Mara Tech Companies appear to be John Marandola</b> ).

## 3. Kubota Canada Ltd.

<b>Mara Tech Aviation Services Ltd.</b>		
26.	November 15, 2014	Conditional Sales Contract ( <b>executed by an individual who appears to John Marandola on behalf of <u>Maratech Aviation Services Ltd.</u></b> ) with respect to the purchase of equipment from



		Northshore Tractor Ltd. by Maratech Aviation Services Ltd.  We note, the corporate name Mara Tech Aviation Services Ltd. has been misspelled in the Conditional Sales Contract.
<b>Mara-Tech Aviation Services (SOO) Ltd</b>		
27.	April 12, 2014	Conditional Sales Contract ( <i>executed by John Marandola on behalf of Mara-Tech Aviation Services (SOO) Ltd.</i> ) dated April 12, 2014 with respect to the purchase of equipment from Northshore Tractor Ltd. by Mara-Tech Aviation Services (SOO) Ltd.
28.	August 23, 2013	Conditional Sales Contract ( <i>executed by John Marandola on behalf of Mara-Tech Aviation Services (SOO) Ltd.</i> ) dated August 23, 2013 with respect to the purchase of equipment from Northshore Tractor Ltd. by Mara-Tech Aviation Services (SOO) Ltd.  We note, the corporate name has been misspelled.
29.	August 23, 2013	Conditional Sales Contract ( <i>executed by John Marandola on behalf of Mara-Tech Aviation Services (SOO) Ltd.</i> ) dated August 23, 2013 with respect to the purchase of equipment from Northshore Tractor Ltd. by Mara-Tech Aviation Services (SOO) Ltd.  We note, the corporate name has been misspelled.
30.	August 20, 2015	Conditional Sales Contract ( <i>executed by John Marandola on behalf of Mara-Tech Aviation Services (SOO) Ltd.</i> ) dated July 31, 2015 with respect to the purchase of equipment from Northshore Tractor Ltd. by Mara-Tech Aviation Services (SOO) Ltd.

### Opinion

Save and except as provided herein, we are of the opinion that the aforesaid Loan Agreements, Security Agreements, Postponement and Assignment of Claim Agreements and Guarantee and Postponement of Claims are properly executed and good and enforceable in accordance with their terms and that the security interests provided therein were perfected by registration pursuant to the provisions of the PPSA.

#### I. Corporate Searches

We have reviewed the corporate profile reports of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd., which were included in the Application Record provided to us by Mr. Clark Peddle's office and the corporate profile reports of Mara Tech Aviation Services (SOO) Ltd. and Mara-Tech Aviation Services (Windsor) Ltd., which we obtained on September 15, 2016.

Based upon our review of the corporate profile reports and the Affidavit of John Marandola given in support of Mara-Tech's motion to discharge BDO as receiver, we are of the opinion that all of the security agreements have been duly authorized and executed subject to the unidentified signatures on the security documents belonging to either John Marandola or Sheila Marandola.

## **II. Mara Tech Aviation Services Ltd.**

On July 31, 2007 Mara-Tech Aviation Services (SOO) Ltd. and Mara-Tech Aviation Services (Windsor) Ltd. amalgamated and continued under the name Mara-Tech Aviation Services Ltd.

### **(a) Kubota Canada Inc. Conditional Sales Contracts**

We note that the Conditional Sales Agreements (items 27-30) were entered into by Mara-Tech Aviation Services (SOO) Ltd. after the aforementioned amalgamation occurred and therefore when Mara-Tech Aviation Services (SOO) Ltd. was no longer an active corporation. We are, however, of the opinion that these agreements are likely enforceable against Mara-Tech Aviation Services by reason of parol evidence as we have little doubt that Kubota Canada Ltd. intended to enter into a contract with Mara-Tech Aviation Services Ltd. and that Mara-Tech Aviation Services Ltd. intended to enter into a contract Kubota Canada Ltd. The writer notes that evidence to resolve ambiguities in formation of a contract is admissible pursuant to exceptions to the parol evidence rule.

We further note that Kubota Canada Inc.'s security interests have not been properly perfected by reason of Kubota Canada Inc. registering its security interests against an inactive corporation. Therefore, any security interest that Kubota Canada Inc. has in Mara-Tech Aviation Services Ltd. will be subsequent in priority to the Royal Bank of Canada and L.A.K.E.S. Leasing Corporation's security interests.

### **(b) RBC – General Security Agreement Mara Tech Aviation Services Ltd.**

The writer notes that Royal Bank of Canada registered a security interest in the property of Mara Tech Aviation Services Ltd. on January 30, 2009, however, no general security agreement was provided to the writer with respect to this security interest. We have reviewed correspondence sent by Mr. Peddle to BDO and understand that the general security agreement cannot be located by the Royal Bank of Canada. Therefore the enforceability of its security interest, pursuant to the general security agreement, is in issue. In order to enforce for RBC to enforce its security interest, it must be evidenced in writing.

We are however of the opinion that the security agreements provided by the amalgamating companies, Mara-Tech Aviation Services (SOO) Ltd. and Mara-Tech Aviation Services (Windsor) Ltd., provide Royal Bank of Canada with a good and enforceable security interest in the property of Mara Tech Aviation Services Ltd.

## **III. Mara Tech Aviation Services (Thompson) Ltd.**

We note that the Royal Bank of Canada's General Security Agreement with respect to the property of Mara Tech Aviation Fuels (Thompson) Ltd. dated February 18, 2011 (item 16) was not registered pursuant to the provisions of the Ontario PPSA. In this regard, we attach for your ease of reference the search results from the Ontario PPSA search conducted on "Mara Tech

Aviation Fuels (Thompson) Ltd.". The writer understands that Mara Tech Aviation Fuels (Thompson) Ltd. is a company incorporated pursuant to the laws of the Province of Manitoba and that its equipment was located in Manitoba, which would explain why no security interests appears to be registered in the Ontario PPSA Registry with respect to Mara Tech Aviation Fuels (Thompson) Ltd. We understand that Mara Tech Aviation Fuels (Thompson) Ltd. has no exigible assets and therefore we have not conducted a personal property security act search in Manitoba.

The opinions that we have expressed in this letter are subject to the following general assumptions and qualifications:

- 1) That any photocopies were true copies of the executed original documents;
- 2) That the documents were executed by the persons whose signatures appear thereon and were delivered on the date that they bear or as otherwise indicated on the documents;
- 3) The persons who executed the various documents were duly authorized to do so;
- 4) The persons who executed the documents were the legal and beneficial owners of the property described therein;
- 5) That all enabling corporate resolutions and other proceedings in respect of the granting of the security were taken and that any corporation or partnership entity that signed the documents was properly named and validly in existence and capable of entering into the given agreements and granting security at the time that same were signed or granted;
- 6) That there are no other agreements or extraneous facts not disclosed in the documents that would or might affect the validity and enforceability of the security;
- 7) That advances were duly made or other valuable consideration was provided;
- 8) That unless otherwise indicated herein, the enforceability of the security relates only to assets and property located in the Province of Ontario; and
- 9) Any equitable or legal defence which is not apparent from a review of the documents themselves.

#### **Personal Property Security Act Search**

We have reviewed the PPSA search results obtained by our office on August 16, 2016 with respect to "Mara Tech Aviation Fuels Ltd.", "Mara-Tech Aviation Services Ltd.", "Mara Tech Aviation Fuels (Thompson) Ltd." and "Mara Tech Aviation Fuels (Sudbury) Ltd", and the PPSA search results obtained by our office on September 13, 2016 with respect to "Mara-Tech Aviation Services (SOO) Ltd." and "Mara-Tech Aviation Services (WINDSOR) Ltd.". We note the following registrations as of the dates that the respective search results were obtained:

<b>Mara Tech Aviation Fuels Ltd.</b>		
September 6, 2013	Bodkin Capital Corporation (expiring September 6, 2017)	Equipment and Other
April 17, 2014	Royal Bank of Canada (expiring April 17, 2019)	Inventory, Equipment, Accounts, Other and MV Included.
June 6, 2014	Royal Bank of Canada (expiring June 6, 2019)	Other and MV Included.
October 21, 2014	L.A.K.E.S. Leasing corporation (expiring October 21, 2018)	Inventory, Equipment, Accounts and Other.
<b>Mara-Tech Aviation Services Ltd.</b>		
September 6, 2013	Bodkin Capital Corporation (expiring September 6, 2017)	Equipment and Other
January 30, 2009	Royal Bank of Canada (expiring January 30, 2019)	Inventory, Equipment, Accounts, Other and MV Included.
October 21, 2014	L.A.K.E.S. Leasing corporation (expiring October 21, 2018)	Inventory, Equipment, Accounts and Other.
<b>Mara Tech Aviation Fuels (Thompson) Ltd.</b>		
NO MATCHES FOUND		
<b>Mara Tech Aviation Fuels (Sudbury) Ltd.</b>		
November 8, 2011	Royal Bank of Canada (expiring November 8, 2017)	Inventory, Equipment, Accounts, Other and MV Included.
October 21, 2014	L.A.K.E.S. Leasing corporation (expiring October 21, 2018)	Inventory, Equipment, Accounts and Other.
<b>Mara-Tech Aviation Services (Windsor) Ltd.</b>		
NO MATCHES FOUND		
<b>Mara-Tech Aviation Services (SOO) Ltd.</b>		
August 28, 2013	Kubota Canada Ltd. (expiring August 28, 2019)	Equipment, Other, MV Included
August 28, 2013	Kubota Canada Ltd. (expiring August 28, 2019)	Equipment, Other, MV Included
November 24, 2012	Kubota Canada Ltd. (expiring November 24, 2019)	Equipment, Other, MV Included
August 5, 2015	Kubota Canada Ltd. (expiring August 5, 2020)	Equipment, Other, MV Included

Notwithstanding that the PPSA search results indicate that Bodkin Capital Corporation has a security interest in Mara-Tech Aviation Services Ltd. and Mara Tech Aviation Fuels Ltd., we understand that Mara-Tech Aviation Services is no longer indebted to Bodkin Capital Corporation. In that regard, we attach for your reference correspondence from Bodkin Capital Corporation dated September 2, 2016.

Yours very truly,

**SimpsonWigle LAW LLP**

**David J. Jackson**

DJJ/tpi

Encl.

cc. Chris Mazur, BDO



Shannon Nigalis  
Law Clerk  
Direct: 905-901-6232  
shannonn@benningtonfsc.com

102 - 1465 North Service Road East  
Oakville, ON L6H 1A7  
Toll Free: 844-223-2372 Ext. 6232 | Fax: 866-405-4869

**\*\* VIA FAX ONLY - 905-528-9008 \*\***

September 2, 2016

Simpson Wigle Law LLP  
1 Hunter Street East, Suite 200  
Hamilton, ON L8N 3R1

Dear Sirs and Madams

**RE: Receivership of Mara Tech Aviation Services Ltd. ("Mara Tech")**


---

We are in receipt of your letter of August 22, 2016.

Please be advised that Bodkin Capital Corporation's lease agreement with Mara Tech has reached its end.

Accordingly, Mara Tech is no longer indebted to Bodkin Capital Corporation.

Yours very truly,  
**BODKIN CAPITAL CORPORATION**

  
Per: Shannon Nigalis  
Law Clerk



PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 08/16/2016  
TIP73518 ENQUIRY REQUEST 09:50:14

FILE CURRENCY 15AUG 2016  
CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) :  
SEARCH CRITERIA :

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :  
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :

RESPONSE MAILING ADDRESS

NAME :  
:  
ADDRESS :  
CITY : PROV :  
POSTAL CODE :

PRINT RESPONSE LOCALLY (Y/N) : N  
ENQUIRY FOR "MARA TECH AVIATION FUELS (THOMPSON) LTD." ENDED

NO MATCH



# APPENDIX “N”

**Mara Tech Cross Guarantees**

<b>Debtor: Mara-Tech Aviation Fuels Ltd.</b>	
<b>Guarantor</b>	<b>Quantum of Guarantee</b>
Mara-Tech Aviation Services Ltd.	\$50,000.00 plus interest at RBC's prime rate of 5.00% per annum
Mara-Tech Aviation Fuels (Thompson) Ltd.	\$50,000.00 plus interest at RBC's prime rate of 5.00% per annum
Mara-Tech Aviation Fuels (Sudbury) Ltd.	\$50,000.00 plus interest at RBC's prime rate of 5.00% per annum
<b>Debtor: Mara Tech Aviation Fuels (Sudbury) Ltd.</b>	
<b>Guarantor</b>	<b>Quantum of Guarantee</b>
Mara Tech Aviation Services Ltd.	\$175,000.00 plus interest at RBC's prime rate of 5.00% per annum

# APPENDIX “O”



1 Hunter Street East, Suite 200  
Hamilton, Ontario L8N 3W1  
P.O. Box 990, Hamilton, Ontario L8N 3R1  
Tel: 905-528-8411 Fax: 905-528-9008  
www.simpsonwigle.com

David J. Jackson  
Ext. 304  
[jaeksond@simpsonwigle.com](mailto:jaeksond@simpsonwigle.com)

July 24, 2017

**VIA EMAIL**

Mr. Darren Griffiths  
BDO Canada Limited  
805 – 25 Main Street West  
Hamilton, ON  
L8P 1H1

Dear Darren:

**RE: PPSA Search Results for Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., Mara Tech Aviation Fuels (Sudbury) Ltd., Mara-Tech Aviation Services (Windsor) Ltd. and Mara-Tech Aviation Services (SOO) Ltd. (hereinafter collectively referred to as "Mara-Tech")**

Per your request, we have conducted updated PPSA searches on the six corporate entities referred to above, which we attach for your review. The updated search results disclose that on September 14, 2016, Kubota Canada registered an additional security interest against the property on Mara-Tech Aviation Services (SOO) Ltd., which registration occurred by way of an amendment to an existing security interest registered on April 16, 2013 by Kubota Canada against "Mara-Tech Aviation Services (SOO) Ltd." Please note the incorrect spelling of "Aviation". The amendment relates to the correction of the incorrectly spelled word "Aviation".

You will recall that Mara-Tech Aviation Services (Windsor) Ltd. and Mara-Tech Aviation Services (SOO) Ltd., amalgamated on July 31, 2007 to form Mara-Tech Aviation Services Ltd. The additional registration does not affect our earlier opinion with respect to priority of the various registrations.

We note the following registrations as of July 7, 2017 with respect to the six Mara-Tech corporate entities:

<b>Mara Tech Aviation Fuels Ltd.</b>		
<b>September 6, 2013</b>	<b>Bodkin Capital Corporation (expiring September 6,</b>	<b>Equipment and Other</b>

- |              |               |                  |              |                |                       |
|--------------|---------------|------------------|--------------|----------------|-----------------------|
| P.D. MILNE   | L.W. MATTHEWS | J.N. ROSENBLATT  | J.C. BROWN   | D.J.H. JACKSON | M.C. MORGAN           |
| J.M. WIGLE   | T. BULLOCK    | D.A. SCHMUCK*    | J.C. MONACO* | B.J. FOREMAN   | R.S.DANKS (1957-2012) |
| K.I. OSBORNE | R.A. FISHER   | P.A. RAMACIERI** | S.M. LAW     | B.C. LANGLOTZ  | C.A. OLSIAK           |
| S.R. LEE     | H.A. HAMDANI  | E. SAVAS**       | G. NALSOK    | K.G. HYLAND    | K. WYSYNSKI           |
| M. DURDAN    | B. SARSH      | J.R. FLETCHER    | S. KHAN      | M.L. DEKENS    | J.E. PINEDA           |
| A. KNUDSEN   |               |                  |              |                |                       |

\*Professional Corporation    \*\* Member of the Ontario and New York Bar  
Burlington Office: 390 Brant Street, Suite 501, Burlington, Ontario L7R 4J4 Tel: 905-639-1052 Fax: 905-333-3960

	2017)	
April 17, 2014	Royal Bank of Canada (expiring on April 17, 2019)	Inventory, Equipment, Accounts, Other and MV Included
June 6, 2014	Royal Bank of Canada (expiring June 6, 2019)	Other
October 21, 2014	L.A.K.E.S. Leasing Corporation (expiring October 21, 2018)	Inventory, Equipment, Accounts and Other

<b>Mara-Tech Aviation Fuels (Thompson) Ltd.</b>
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NO MATCHES FOUND
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<b>Mara-Tech Aviation Fuels (Sudbury) Ltd.</b>
--

November 8, 2012	Royal Bank of Canada (expiring November 8, 2017)	Inventory, Equipment, Accounts, Other and MV Included
October 21, 2014	L.A.K.E.S. Leasing Corporation (expiring October 21, 2018)	Inventory, Equipment, Accounts and Other

<b>Mara-Tech Aviation Services Ltd.</b>
---

January 30, 2009	Royal Bank of Canada (expiring January 30, 2019)	Inventory, Equipment, Accounts, Other and MV Included
September 6, 2013	Bodkin Capital Corporation (expiring September 6, 2017)	Equipment and Other
October 21, 2014	L.A.K.E.S. Leasing Corporation (expiring October 21, 2018)	Inventory, Equipment, Accounts and Other

<b>Mara-Tech Aviation Services (SOO) Ltd.</b>
---

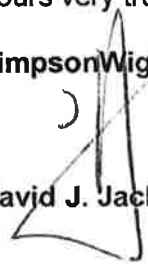
April 16, 2013 ( <i>disclosed by amendment on September 14, 2016</i> )	Kubota Canada Ltd. (expiring April 16, 2019)	Equipment, Other, MV Included
August 28, 2013	Kubota Canada Ltd. (expiring August 28, 2019)	Equipment, Other, MV Included
August 28, 2013	Kubota Canada Ltd. (expiring August 28, 2019)	Equipment, Other, MV Included
November 24, 2014	Kubota Canada Ltd. (expiring November 24,	Equipment, Other, MV Included

	2019)	
August 5, 2015	Kubota Canada Ltd. (expiring August 5, 2020)	Equipment, Other, MV Included

<b>Mara-Tech Aviation Services (Windsor) Ltd.</b>
NO MATCHES FOUND

Notwithstanding that the PPSA search results indicate that Bodkin Capital Corporation has a security interest in Mara-Tech Aviation Services Ltd. and Mara Tech Aviation Fuels Ltd., we confirm that Bodkin Capital Corporation delivered correspondence to the writer on September 2, 2016 advising that it had been paid in full and was no longer a creditor of Mara Tech.

Attached to this correspondence as Schedule "A" is a list of Mara-Tech's secured creditors and their respective addresses.

Yours very truly,  
  
**SimpsonWigle LAW LLP**  
**David J. Jackson**

Encl.

cc. Chris Mazur, BDO

**SCHEDULE "A"****Secured Creditors of Mara Tech Aviation Fuels Ltd.**

1. Bodkin Capital Corporation  
700 Dorval Drive, Unit 304  
Oakville, Ontario  
L6K 3V3

Registration Number: 20130906 1308 1616 2706

2. Royal Bank of Canada  
36 York Mills Road, 4<sup>th</sup> Floor  
Toronto, Ontario  
M2P 0A4

Registration Number: 20140417 1947 1531 0996

3. Royal Bank of Canada  
36 York Mills Road, 4<sup>th</sup> Floor  
Toronto, Ontario  
M2P 0A4

Registration Number: 20140606 1438 1530 6752

4. L.A.K.E.S. Leasing Corporation  
2158 Armstrong Street  
Sudbury, Ontario  
P3E 5G9

Registration Number: 20141021 1130 1793 9699

**Secured Creditors of Mara-Tech Aviation Services Ltd.**

1. Royal Bank of Canada  
180 Wellington Street West, 3<sup>rd</sup> Floor  
Toronto, Ontario  
M5J 1J1

Registration Number: 20090130 1448 1530 2761

2. Bodkin Capital Corporation  
700 Dorval Drive, Unit 304  
Oakville, Ontario  
L6K 3V3

Registration Number: 20130906 1308 1616 2706

3. L.A.K.E.S. Leasing Corporation  
2158 Armstrong Street  
Sudbury, Ontario  
P3E 5G9

Registration Number: 20141021 1130 1793 9699

Secured Creditors of Mara Tech Aviation Fuels (Thompson) Ltd.

The PPSA search conducted indicates that there are no registered security interest in the Personal Property Security Registration System with respect to the property of Mara-Tech Aviation Fuels (Thompson) Ltd.

Secured Creditors of Mara Tech Aviation Fuels (Sudbury) Ltd.

1. Royal Bank of Canada  
36 York Mills Road, 4<sup>th</sup> Floor  
Toronto, Ontario  
M2P 0A4

Registration Number: 20121108 1946 1531 0270

2. L.A.K.E.S. Leasing Corporation  
2158 Armstrong Street  
Sudbury, Ontario  
P3E 5G9

Registration Number: 20141021 1130 1793 9699

Secured Creditors of Mara-Tech Aviation Services (Windsor) Ltd.

The PPSA search conducted indicates that there are no registered security interest in the Personal Property Security Registration System with respect to the property of Mara-Tech Aviation Services (Windsor) Ltd.

Secured Creditors of Mara-Tech Aviation Services (SOO) Ltd.

1. Kubota Canada Ltd.  
5900 14<sup>th</sup> Avenue  
Markham, Ontario  
L3S 4K4

Registration Number: 20130416 1012 1462 2838



- 2. Kubota Canada Ltd.  
5900 14<sup>th</sup> Avenue  
Markham, Ontario  
L3S 4K4

Registration Number: 20130828 1002 1462 2065

- 3. Kubota Canada Ltd.  
5900 14<sup>th</sup> Avenue  
Markham, Ontario  
L3S 4K4

Registration Number: 20130828 1002 1462 2066

- 4. Kubota Canada Ltd.  
5900 14<sup>th</sup> Avenue  
Markham, Ontario  
L3S 4K4

Registration Number: 20141124 1006 1462 6247

- 5. Kubota Canada Ltd.  
5900 14<sup>th</sup> Avenue  
Markham, Ontario  
L3S 4K4

Registration Number: 20150805 1002 1462 8401

# APPENDIX “P”

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# LUIGI DE LISIO

Barrister & Solicitor

16-261 Martindale Road, St. Catharines, Ontario L2W 1A2

PHONE (905) 687-4885 FAX (905) 687-3311

*THIS TELECOPY IS PRIVILEGED ATTORNEY/CLIENT INFORMATION AND CONTAINS CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE PERSON(S) NAMED ABOVE. ANY OTHER DISTRIBUTION, COPYING OR DISCLOSURE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS TELECOPY IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL TRANSMISSION TO US BY MAIL WITHOUT MAKING A COPY.*

## FACSIMILE CORRESPONDENCE

Date: September 20, 2017

Time: 11:45 a.m./p.m. (approx.)

**RE: MARA TECH at ROYAL BANK  
COURT FILE NO. 56184/15**

---

From: **LUIGI DE LISIO**

***PLEASE DELIVER THE FOLLOWING PAGES TO:***

Name: **CLARK PEDDLE**  
City: **Welland, ONTARIO**  
Fax No.: **(905) 732-2020**

Name: **DAVID J. JACKSON**  
City: **HAMILTON, ONTARIO**  
Fax No.: **(905) 528 9008**

Gentlemen:

I hope this fax finds both of you well.

Unfortunately the same cannot be said for my clients, the Marandola's. This matter has gone on far longer than it should. The monies are gathered, taxes determined and all is in place for final pay-outs certainly to the creditors. All that remains it would appear, subject to a review of the accounts which we have not yet received, is a determination of what should be paid to the Receiver and counsel by way of costs.

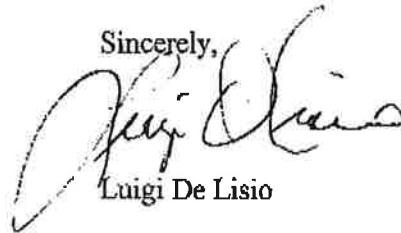
In the meantime, the RBC continues to hold the proceeds from the sale of 2 properties while the trustee continues to hold all the monies derived from the liquidation of Mara-Tech's assets. In total there is more than enough money to cover my clients' indebtedness even if the full amount

claimed in costs by the trustee and counsel is allowed.

My clients need money to survive and it does no one good to have the Receiver and RBC sitting on a sum of money which in total exceeds my clients' indebtedness. My clients are behind in mortgage payments and car payments. They need \$10,000.00 by Friday to satisfy some debt and to live. Both Ford Credit and Home Trust have contacted them with subtle ultimatums with respect to the amounts owed to each.

Please contact me today to discuss the release of funds to my clients as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Luigi De Lisio". The signature is fluid and cursive, with a large initial "L" and "D".

Luigi De Lisio

**TAB 3**  
**DISTRIBUTION**  
**ORDER**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE  
JUSTICE

)  
)  
)

THURSDAY, THE 2<sup>nd</sup>  
DAY OF NOVEMBER, 2017

B E T W E E N:

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA-TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**DISTRIBUTION ORDER**

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver (the "Receiver"), without security, of all the assets, undertakings and properties (the "Property") of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd., Mara Tech Aviation Fuels (Thompson) Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd. (the "Debtors" or "Mara Tech"), was heard this day at 59 Church Street, St. Catharines, Ontario.

ON READING the Fourth Report of the Receiver dated October 25, 2017 (the "Fourth Report") and the Notice of Motion herein and on hearing the submissions of counsel for the Receiver and counsel for the Respondents, no one appearing for any

other person on the service list, although properly served as appears from the affidavit of Sherine Burke, filed,

1. THIS COURT ORDERS that any requirement for service of the Fourth Report, Notice of Motion and the Motion Record be and is hereby abridged, that the Motion is properly returnable today and that all parties requiring notice of this Motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.
2. THIS COURT ORDERS that the Fourth Report of the Receiver and the activities and conduct of the Receiver as detailed in the Fourth Report are hereby approved.
3. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements as detailed in the Fourth Report are hereby approved, save and except with respect to the Receiver's fees and disbursements.
4. THIS COURT ORDERS that the Receiver is authorized to make a distribution from the proceeds available to:
  - a. Canada Revenue Agency on account of employee source deductions in the amount of \$132,246.56;
  - b. Canada Revenue Agency on account of GST/HST in the amount of \$98,348.58;
  - c. the Applicant, Royal Bank of Canada in the amount of \$578,212.27;
  - d. L.A.K.E.S. Leasing Corporation in the amount of \$79,356.16;
  - e. Kubota Canada Ltd. in the amount of \$64,124.89,plus interest that may accrue on the aforesaid amounts to the date of payment.

5. THIS COURT ORDERS that the surplus funds from the proceeds of realization from the property and assets of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd. and Mara Tech Aviation Fuels (Sudbury) Ltd. (a "Mara Tech Company") be consolidated and be distributed to the unsecured creditors of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd. and Mara Tech Aviation Fuels (Sudbury) Ltd., on a prorated basis, based upon the amount of the creditor's unsecured claim owing to it by a Mara Tech Company and regardless from which Mara Tech Company the claim is owing.
  
6. THIS COURT ORDERS that the Receiver is authorized to conduct a claims bar process with respect to the unsecured creditors of Mara Tech Aviation Fuels Ltd., Mara-Tech Aviation Services Ltd. and Mara Tech Aviation Fuels (Sudbury) Ltd.
  
7. THIS COURT ORDERS that a motion with respect to the approval of the fees and disbursements of the Receiver and its independent legal counsel is scheduled to be heard on the long motions' list commencing the week of .....

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**TAB 4**  
**CLAIMS**  
**PROCEDURE**  
**ORDER**

**DRAFT**

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Court File No. 56184/15

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE JUSTICE**

**THURSDAY, THE 2<sup>nd</sup>**

**DAY OF NOVEMBER, 2017**

**BETWEEN:**

**ROYAL BANK OF CANADA**

Applicant

and

**MARA TECH AVIATION FUELS LTD.,  
MARA TECH AVIATION SERVICES LTD.,  
MARA TECH AVIATION FUELS (THOMPSON) LTD., and  
MARA TECH AVIATION FUELS (SUDBURY) LTD.**

Respondents

**CLAIMS PROCEDURE ORDER**

THIS MOTION, made by BDO Canada Inc. in its capacity as the Court-appointed Receiver (the "**Receiver**") of Mara Tech Aviation Fuels Ltd. ("**Fuels**"), Mara Tech Aviation Services Ltd. ("**Services**") and Mara Tech Aviation Fuels (Sudbury) Ltd. ("**Sudbury**"), was heard this day at 59 Church Street, St. Catharines, Ontario.

ON READING the Notice of Motion and the Motion Record of the Receiver and on hearing the submissions of counsel for the Receiver and ....., and no one appearing for any other person on the service list although duly served as appears from the affidavit of service of Carrie Venton sworn October 25, 2017.

## SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record filed in support of this Motion be and it is hereby abridged such that the Motion is properly returnable today and hereby dispenses with further service thereof.

## DEFINITIONS

2. The following terms shall have the following meanings ascribed thereto:
  - (a) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
  - (b) **"Claim"** means any right of any Person against any of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd. and Mara Tech Aviation Fuels (Sudbury) Ltd. (individually a **"Company"** and collectively **"Mara Tech"**) in connection with any indebtedness, liability or obligation of any kind of a Company, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, and including any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement (each a **"Claim"**, and collectively, the **"Claims"**), provided however, that **"Claim"** shall not include an Excluded Claim;
  - (c) **"Claimant"** means any Person asserting a Claim;
  - (d) **"Claims Bar Date"** means 4:00 p.m. (Hamilton Time) on the date that is 60 days from the Claims Notice Date, or such later date as may be ordered by the Court;
  - (e) **"Claims Notice Date"** means the date on which the Receiver sends the Proof of Claim Document Package to the Known Creditors of the applicable Company pursuant to paragraph 5(a) this Order;

- (f) **"Claims Process"** means a process for the purposes of identifying and determining Claims of Creditors of a particular Company against such Company commenced and conducted by the Receiver in accordance with the terms of this Order;
- (g) **"Companies"** are those companies referenced in paragraph 2(b);
- (h) **"Court"** means the Ontario Superior Court of Justice;
- (i) **"Creditor"** means any Person having a Proven Claim;
- (j) **"Dispute Notice"** means a written notice to the Receiver, in substantially the form attached as Schedule "E" hereto, delivered to the Receiver by a Claimant who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance and provide further evidence to support its claim;
- (k) **"Excluded Claim"** means the following claims, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown:
  - (i) claims secured by any court-ordered charge in these proceedings; and
  - (ii) to the extent not already included in (i) above, any claims arising from or relating to an equity interest in the Companies, including but not limited to the ownership of shares issued by the Companies or the right to acquire or receive shares in the capital of the Companies.
- (l) **"Instruction Letter"** means the instruction letter to Claimants, in substantially the form attached as Schedule "B" hereto;
- (m) **"Known Creditors"** means:
  - (i) those Creditors which the books and records of the applicable Company disclose were owed monies by the applicable Company as of five Business Days prior to the Claims Notice Date and which monies remain unpaid in whole or in part; and
  - (ii) any other Creditor actually known to the Receiver as at five

Business Days prior to the Claims Notice Date;

- (o) **"Notice of Disallowance"** means the notice, in substantially the form attached as Schedule "D" hereto, advising a Claimant that the Receiver has revised or rejected all or part of such Claimant's Claim set out in the Proof of Claim;
- (p) **"Notice to Creditors"** means the notice to Creditors for publication in substantially the form attached as Schedule "A" hereto;
- (q) **"Person"** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (r) **"Proof of Claim"** means the form of Proof of Claim in substantially the form attached as Schedule "C" hereto;
- (s) **"Proof of Claim Document Package"** means a document package that includes a copy of the Instruction Letter, a Proof of Claim, and such other materials as the Receiver may consider appropriate or desirable; and
- (t) **"Proven Claim"** means the amount of a Claim of a Creditor against the applicable Company as finally accepted and determined in accordance with the provisions of this Order.
- (u) **"Receiver"** is BDO Canada Inc., Court-appointed Receiver of Fuels, Services and Sudbury;

### RECEIVER'S ROLE

3. THIS COURT ORDERS that the Receiver, in addition to its rights and obligations under the Order of Justice Lococo dated August 4, 2016, as supplemented, amended or varied from time to time, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.

### COMMENCEMENT OF A CLAIMS PROCESS

4. THIS COURT ORDERS that the Receiver is hereby authorized to commence and conduct a Claims Process, without further Order of the Court, in respect of Mara Tech.

## NOTICE TO CREDITORS

- 5 THIS COURT ORDERS that:
- (a) the Receiver shall within fifteen (15) days of this Order post a copy of the Proof of Claim Document Package on:  
<http://www.extranets.bdo.ca/MaraTechAviation/index.cfm>  
and deliver on behalf of the applicable Company to each of the Known Creditors of such Company (for which it has an address) a copy of the Proof of Claim Document Package;
  - (b) the Receiver shall cause the Notice to Creditors to be published in the local newspaper in each of Windsor, Sudbury, North Bay and Sault Ste. Marie once on or before the date that is ten (10) days after the Claims Notice Date; and
  - (c) the Receiver shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request, a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor of a Company and requesting such material.

## CREDITORS' CLAIMS

- 6 THIS COURT ORDERS that Proofs of Claim shall be filed with the Receiver and that any Creditor that does not file a Proof of Claim in respect of all of its Claims as provided for herein such that the Proof of Claim is received by the Receiver on or before the Claims Bar Date (a) shall be and is hereby forever barred from making or enforcing any Claim against Mara Tech; and (b) shall not be entitled to any further notice, or to participate as a creditor in these proceedings.

## DETERMINATION OF CLAIMS

- 7 THIS COURT ORDERS that the amount and status of every Claim of a Creditor as finally determined in accordance with this Order, including any determination as to the nature, amount, value, priority or validity of any Claim shall be final for all purposes, including without limitation for any distribution made to Creditors of Mara Tech pursuant to further Order of the Court.

**PROOFS OF CLAIM**

8 THIS COURT ORDERS that:

- (a) the Receiver may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and
- (b) any Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order and the applicable Claims Process, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Receiver using the Bank of Canada noon spot rate as at the applicable Claims Bar Date.

**REVIEW OF PROOFS OF CLAIM**

9 THIS COURT ORDERS that the Receiver shall review all Proofs of Claim filed on or before the Claims Bar Date and shall accept or disallow (in whole or in part) the amount and/or status of the Claim set out therein. At any time, the Receiver may request additional information with respect to the Claim, and may request that the Creditor file a revised Proof of Claim. The Receiver shall notify each Claimant who has delivered a Proof of Claim by the Claims Bar Date as to whether such Claim has been revised or rejected, and the reasons therefor, by sending a Notice of Disallowance.

10. THIS COURT ORDERS that, where a Claim has been accepted by the Receiver as a Proven Claim, such Claim shall constitute such Creditor's Proven Claim for all purposes, including for the purposes of distribution by the Receiver pursuant to further Order of the Court.

11. THIS COURT ORDERS that, where a Claim has been disallowed (in whole or in part), the disallowed Claim (or disallowed portion thereof) shall not be a Proven Claim unless the Claimant has disputed the disallowance and proven the disallowed Claim (or portion thereof) in accordance with paragraphs 12 to 16 of this Order.

**DISPUTE NOTICE**

12. THIS COURT ORDERS that any Claimant who intends to dispute a Notice of Disallowance shall file a Dispute Notice with the Receiver as soon as reasonably possible but in any event such that the Dispute Notice shall be received by the Receiver on or before 4:00 p.m. (Hamilton Time) on the day that is fourteen (14) days

after the Receiver sends the Notice of Disallowance in accordance with paragraph 19 of this Order. The filing of a Dispute Notice with the Receiver within the time set out in this paragraph shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 14 to 16 of this Order.

13. THIS COURT ORDERS that where a Claimant that receives a Notice of Disallowance fails to file a Dispute Notice with the Receiver within the time limit set out in paragraph 12 of this Order, the amount and status of such Claimant's Claim shall be deemed to be as set out in the Notice of Disallowance and such amount and status, if any, shall constitute such Claimant's Proven Claim.

### **RESOLUTION OF CLAIMS**

14. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice to the Receiver, the Claimant and the Receiver shall attempt to resolve and settle the Claimant's Claim.
15. THIS COURT ORDERS that in the event that the dispute between the Claimant and the Receiver is not settled within a time period or in a manner satisfactory to the Receiver, the Receiver may bring the dispute before the Court for determination.
16. THIS COURT ORDERS that the determination of a Claim by the Court shall be final and binding for all purposes.

### **DISTRIBUTION**

17. THIS COURT ORDERS that the distribution to Creditors of any funds held by the Receiver in respect of the sale of any of the assets or properties of Fuels, Services or Sudbury in these proceedings shall be subject to further Order(s) of the Court.

### **SERVICE AND NOTICE**

19. THIS COURT ORDERS that the Receiver shall be at liberty to deliver the Proof of Claim Document Package, and any letters, notices or other documents to Creditors, Claimants or other interested Persons, by forwarding true copies



thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of a Company and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by mail, on the second Business Day after mailing.

20. THIS COURT ORDERS that any notice or other communication (including, without limitation, Proofs of Claim and Dispute Notices) to be given under this Order by a Claimant or a Creditor to the Receiver shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

BDO Canada Limited, Court-appointed Receiver  
of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd.  
and Mara Tech Aviation Fuels (Sudbury) Ltd.

633 Colborne Street, Suite 100  
London, ON N6B 2V3  
Attention: Brendan T. Hinton  
Telephone: 519-660-6540  
E-mail [bhinton@bdo.ca](mailto:bhinton@bdo.ca)  
Fax: 519-439-4351

Any such notice or other communication by a Claimant or Creditor shall be deemed received only upon actual receipt thereof by the Receiver during normal business hours on a Business Day.

**MISCELLANEOUS**

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

**SCHEDULE A**

**NOTICE TO CREDITORS  
OF MARA TECH AVIATION FUELS LTD., MARA TECH AVIATION SERVICES LTD.,  
AND MARA TECH AVIATION FUELS (SUDBURY) LTD.  
(hereinafter referred to collectively as "Mara Tech")**

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**RE: NOTICE OF CLAIMS PROCESS AND CLAIMS BAR DATE**

**NOTICE IS HEREBY GIVEN** that pursuant to an Order of the Ontario Superior Court of Justice \_\_\_\_\_ made November 2, 2017 (the "**Claims Procedure Order**"), a claims process has been commenced for the purpose of identifying and determining Claims against Mara Tech.

**PLEASE TAKE NOTICE** that the claims process applies only to the Claims described in the Claims Procedure Order. Mara Tech's creditors should have received Proof of Claim Document Packages, if those creditors are known to Mara Tech and if Mara Tech has a current address for such creditors. Any creditor who has not received a Proof of Claim Document Package and who believes that he, she or it has a Claim against Mara Tech under the Claims Procedure Order must contact the Receiver by telephone (905-524-1008) or by fax (905-570-0249) in order to obtain a Proof of Claim form. Creditors may also obtain copies of the Claims Procedure Order and Proof of Claim forms from the Receiver's website: <http://www.extranets.bdo.ca/MaraTechAviation/index.cfm>.

**THE CLAIMS BAR DATE is 4:00 p.m. (Hamilton Time) on [INSERT DATE, being 60 days from the Claims Notice Date pursuant to the Claims Procedure Order].** Completed Proofs of Claim must be received by the Receiver by the Claims Bar Date. It is your responsibility to ensure that the Receiver receives your Proof of Claim by the above-noted time and date.

**CLAIMS OF CREDITORS WHO DO NOT FILE A PROOF OF CLAIM IN RESPECT OF SUCH CLAIMS BY THE CLAIMS BAR DATE SHALL BE FOREVER EXTINGUISHED AND BARRED.**

**DATED** at Hamilton this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**BDO CANADA LIMITED, in its capacity as Court-appointed Receiver of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd.**

**SCHEDULE B****INSTRUCTION LETTER FOR THE CLAIMS PROCESS  
FOR CREDITORS OF MARA TECH AVIATION FUELS LTD., MARA TECH AVIATION  
SERVICES LTD., AND MARA TECH AVIATION FUELS (SUDBURY) LTD.  
(hereinafter referred to collectively as "Mara Tech")****A. CLAIMS PROCESS**

By Order of the Ontario Superior Court of Justice \_\_\_\_\_ made November 2, 2017 (the "**Claims Procedure Order**"), BDO Canada Limited, in its capacity as Court-appointed Receiver, has been authorized to conduct a claims process in respect of Claims against Mara Tech (the "**Claims Process**"). A copy of the Claims Procedure Order and other related information can be obtained from the Receiver's website: <http://www.extranets.bdo.ca/MaraTechAviation/index.cfm>.

This letter provides general instructions for completing a Proof of Claim form in connection with the Claims Process. Capitalized terms not defined within this instruction letter shall have the meaning ascribed thereto in the Claims Procedure Order.

The Claims Process is intended to identify and determine the amount of Claims against the Mara Tech. Please review the Claims Procedure Order for the full terms of the Claims Process.

If you have any questions regarding the Claims Process, please consult the website of the Court-appointed Receiver provided above, or contact the Receiver at the address provided below.

All notices and enquiries with respect to the Claims Process should be addressed to the Court-appointed Receiver by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed at:

BDO Canada Limited, Court-appointed Receiver  
of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd.  
and Mara Tech Aviation Fuels (Sudbury) Ltd.

633 Colborne Street, Suite 100  
London, ON N6B 2V3  
Attention: Brendan T. Hinton  
Telephone: 519-660-6540  
E-mail: [bhinton@bdo.ca](mailto:bhinton@bdo.ca)  
Fax: 519-439-4351

**B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM**

If you believe that you have a Claim against Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd. and Mara Tech Aviation Fuels (Sudbury) Ltd., you must file a Proof of Claim with the Receiver. The Proof of Claim must be received by the Receiver by 4:00 p.m. (Hamilton Time) on [INSERT DATE, being 60 days from the Claims Notice Date pursuant to the Claims Procedure Order], the Claims Bar Date. It is your responsibility to ensure that the Receiver receives your Proof of Claim by the above-noted time and date.

**IF YOU DO NOT FILE A PROOF OF CLAIM IN RESPECT OF ANY SUCH CLAIMS BY THE CLAIMS BAR DATE, YOUR CLAIMS SHALL BE FOREVER EXTINGUISHED AND BARRED.**

All Claims denominated in a currency other than Canadian dollars shall be converted by the Receiver to Canadian dollars at the Bank of Canada noon spot rate as at the Claims Bar Date.

**C. ADDITIONAL PROOF OF CLAIM FORMS**

Additional Proof of Claim forms and other related information, including the Claims Procedure Order establishing the Claims Process, can be obtained from the Receiver's website at <http://www.extranets.bdo.ca/MaraTechAviation/index.cfm>, or by contacting the Receiver at the telephone and fax numbers indicated above.

DATED at Hamilton this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**BDO CANADA LIMITED,**  
in its capacity as Court-appointed Receiver of  
**Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd., and Mara Tech Aviation Fuels (Sudbury) Ltd.**

**SCHEDULE C**

**PROOF OF CLAIM RELATING TO MARA TECH AVIATION FUELS LTD., MARA TECH AVIATION SERVICES LTD., AND MARA TECH AVIATION FUELS (SUDBURY) LTD.**  
(hereinafter referred to collectively as "Mara Tech")

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**A. PARTICULARS OF CREDITOR:**

1. Full Legal Name of Creditor: \_\_\_\_\_

\_\_\_\_\_  
(the "Creditor"). (Full legal name should be the name of the original Creditor of Mara Tech, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred.)

2. Full Mailing Address of the Creditor (the original Creditor not the assignee):

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

3. Telephone Number: \_\_\_\_\_

4. E-Mail Address: \_\_\_\_\_

5. Facsimile Number: \_\_\_\_\_

6. Attention (Contact Person): \_\_\_\_\_

7. Has the Claim been sold or assigned by the Creditor to another party (check one)?

Yes:  No:

**B. PARTICULARS OF ASSIGNEE(S) (IF ANY):**

8. Full Legal Name of Assignee(s): \_\_\_\_\_

\_\_\_\_\_  
(If Claim (or a portion thereof) has been assigned, insert full legal name of assignee(s) of Claim (of portion thereof). If there is more than one assignee, please attach a separate sheet with required information.)

9. Full Mailing Address of Assignee(s):  
\_\_\_\_\_  
\_\_\_\_\_

10. Telephone Number of Assignee(s): \_\_\_\_\_

11. E-Mail Address: \_\_\_\_\_

12. Facsimile Number: \_\_\_\_\_

13. Attention (Contact Person): \_\_\_\_\_

**C. PROOF OF CLAIM:**

I, \_\_\_\_\_ [insert name of Creditor]  
of \_\_\_\_\_ [insert city and province], certify that I am:

**- OR -**

I, \_\_\_\_\_ [insert title/position  
and name of Creditor] of \_\_\_\_\_ [insert city and province], certify  
that \_\_\_\_\_ [insert Creditor name] is:

(a) a Creditor of (check the individual company name if known or alternatively  
Mara Tech):

- Mara Tech Aviation Fuels Ltd.
- Mara Tech Aviation Services Ltd.
- Mara Tech Aviation Fuels (Sudbury) Ltd.; or
- Mara Tech

(b) that I have knowledge of all the circumstances connected with the Claim  
referred to below;

(c) the Creditor asserts its unsecured claim against Mara Tech; and

(d) Mara Tech was and still is indebted to the Creditor for \$\_\_\_\_\_;

(Claims denominated in a currency other than Canadian dollars shall be  
converted by the Manager to Canadian dollars at the Bank of Canada noon  
spot rate as at the Claims Bar Date.)

**D. PARTICULARS OF CLAIM:**

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, date and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Company to the Creditor and estimated value of such security.)

**E. FILING OF CLAIM:**

**This Proof of Claim must be received by the Receiver by no later than 4:00 p.m. (Hamilton Time) on [INSERT DATE, being 60 days from the Claims Notice Date pursuant to the Claims Procedure Order], the Claims Bar Date, by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:**

BDO Canada Limited, Court-appointed Receiver  
of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd.  
and Mara Tech Aviation Fuels (Sudbury) Ltd.

633 Colborne Street, Suite 100  
London, ON N6B 2V3  
Attention: Brendan T. Hinton  
Telephone: 519-660-6540  
E-mail [bhinton@bdo.ca](mailto:bhinton@bdo.ca)  
Fax: 519-439-4351

**FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING BARRED AND IN YOU BEING PREVENTED FROM MAKING OR ENFORCING A CLAIM AGAINST MARA TECH. In addition, you shall not be entitled to further notice, and shall not be entitled to participate as a Creditor, in these proceedings.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Signature of Creditor



**SCHEDULE D**

**NOTICE OF DISALLOWANCE RELATING TO MARA TECH AVIATION FUELS LTD., MARA  
TECH AVIATION SERVICES LTD., AND MARA TECH AVIATION FUELS (SUDBURY) LTD.**

(hereinafter referred to collectively as "the Mara Tech")

**TO: [insert name and address of creditor]**

The Court-appointed Receiver hereby gives you notice that it has reviewed your Claim and has revised or rejected your Claim as follows:

	The Proof of Claim as Submitted	The Proof of Claim as Accepted
Claim		

**A.Reasons for Disallowance or Revision:**

**[insert explanation]**

If you do not agree with this Notice of Disallowance, please take notice of the following:

**If you dispute this Notice of Disallowance, you must, by no later than 4:00 p.m. (Hamilton Time) on [INSERT DATE, being thirty (30) days after the Notice of Disallowance is sent by the Receiver pursuant to the Claims Procedure Order], notify the Receiver by delivery of a Dispute Notice to the following address:**

BDO Canada Limited, Court-appointed Receiver  
of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd.  
and Mara Tech Aviation Fuels (Sudbury) Ltd.

633 Colborne Street, Suite 100  
London, ON N6B 2V3  
Attention: Brendan T. Hinton  
Telephone: 519-660-6540  
E-mail: [bhinton@bdo.ca](mailto:bhinton@bdo.ca)  
Fax: 519-439-4351

The form of Dispute Notice is enclosed. If you do not deliver a Dispute Notice by the above-noted time and date, your Claim shall be deemed to be as set out in this Notice of Disallowance.

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.**

**DATED** at Hamilton, this \_\_\_\_ day of \_\_\_\_\_, 2017.

**BDO CANADA LIMITED,  
in its capacity as Court-appointed Receiver  
of Mara Tech Aviation Fuels Ltd.,  
Mara Tech Aviation Services Ltd., and  
Mara Tech Aviation Fuels (Sudbury) Ltd.**

**SCHEDULE E**

**DISPUTE NOTICE RELATING TO MARA TECH AVIATION FUELS LTD., MARA  
TECH AVIATION SERVICES LTD., AND MARA TECH AVIATION FUELS  
(SUDBURY) LTD.**

(hereinafter referred to collectively as "Mara Tech")

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**A. PARTICULARS OF CREDITOR:**

1. Full Legal Name of Creditor: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Signature of individual completing this Dispute Notice)      Date

2. Full Mailing Address of the Creditor:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Telephone Number: \_\_\_\_\_

4. E-Mail Address: \_\_\_\_\_

5. Facsimile Number: \_\_\_\_\_

**B. REASONS FOR DISPUTE:**

We hereby give you notice of our intention to dispute the Notice of Disallowance dated \_\_\_\_\_, 20\_\_.

(Provide full particulars of the Claim and supporting documentation. Attach additional page if necessary.)

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

This Dispute Notice must be returned by prepaid ordinary mail, courier, personal delivery

or electronic or digital transmission and be received by the Receiver by no later than **4:00 p.m. (Hamilton Time)** on **[Insert Date, being fourteen (14) days after the Notice of Disallowance is sent by the Receiver pursuant to the Claims Procedure Order]** at the following address:

BDO Canada Limited, Court-appointed Receiver  
of Mara Tech Aviation Fuels Ltd., Mara Tech Aviation Services Ltd.  
and Mara Tech Aviation Fuels (Sudbury) Ltd.

633 Colborne Street, Suite 100  
London, ON N6B 2V3  
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Fax: 519-439-4351

**ROYAL BANK OF CANADA**  
Applicant

-AND-

**MARA TECH AVIATION FUELS LTD. ET AL**  
Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

PROCEEDINGS COMMENCED AT  
ST. CATHARINES

**CLAIM PROCEDURE**  
**ORDER**

**SimpsonWigle LAW LLP**  
1 Hunter Street East]  
Suite 200  
Hamilton, Ontario  
L8N 3W1

**David J. Jackson**  
**LSUC No. AO15656-R**

Telephone: (905) 528-8411  
Facsimile: (905) 528-9008

Lawyers for the Receiver, BDO  
Canada Limited

**ROYAL BANK OF CANADA**  
Applicant

-AND-

**MARA TECH AVIATION FUELS LTD. ET AL**  
Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

PROCEEDINGS COMMENCED AT  
ST. CATHARINES

**MOTION RECORD**

**SimpsonWigle LAW LLP**  
1 Hunter Street East]  
Suite 200  
Hamilton, Ontario  
L8N 3W1

**David J. Jackson**  
**LSUC No. AO15656-R**

Telephone: (905) 528-8411  
Facsimile: (905) 528-9008

Lawyers for the Receiver, BDO  
Canada Limited