

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

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondent

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

MOTION RECORD OF THE RECEIVER

(motion for discharge and ancillary relief)
(returnable February 24, 2021)

February 12, 2021

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Court-appointed Receiver**

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E.	Receiver's Final Statement of Receipts and Disbursements
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- G. Affidavit of Jason Spetter sworn February 4, 2021
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TAB 1

Court File No. CV-19-00630665-00CL

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

B E T W E E N :

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondent

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

NOTICE OF MOTION OF THE RECEIVER
(motion for discharge and ancillary relief)
(returnable February 24, 2021)

BDO CANADA LIMITED (“BDO”), in its capacity as Court-appointed receiver (the “**Receiver**”) of the property, assets and undertaking of the Respondent, will make a motion to a Judge of the Commercial List on Wednesday February 24, 2021 at 10:00 a.m., or as soon after that time as the motion can be heard, by judicial teleconference via Zoom at Toronto, Ontario. Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by e-mailing Sam Rappos at samr@chaitons.com.

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

THE MOTION IS FOR:

- (a) an order:
 - (i) approving the activities of BDO in its capacity as proposed receiver as set out in its report dated November 7, 2019 (the “**Pre-appointment Report**”) and the Receiver as set out in the first and final report of the Receiver dated February 11, 2021 (the “**Report**”);
 - (ii) approving the fees and disbursements of the Receiver and its counsel as detailed in the Report and the fee affidavits appended thereto;
 - (iii) approving the Receiver’s Final Statement of Receipts and Disbursements dated February 4, 2021;
- (b) authorizing and approving a final distribution of the remaining proceeds available in the estate of the Respondent to Canada Revenue Agency;
 - (i) discharging BDO as Receiver of the undertaking, property and assets of the Respondent and releasing BDO from any and all liability; and
- (c) such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

1. 6396763 Canada Inc. operating as The Installation Group (the “**Debtor**”), was engaged in the installation of telecommunications systems across Northern Ontario, Northern Quebec, Manitoba and Saskatchewan. The Debtor was a vendor of Bell Canada and had a contract to provide exclusive installation services in those regions.

2. The Debtor initially filed a proposal on December 28, 2018 that contemplated a refinancing of the business. BDO acted as the proposal trustee (the “**Proposal Trustee**”). The Debtor’s proposal was approved by its creditors on April 24, 2019 and by the Court on May 13, 2019.

3. Following court approval of the proposal, the Debtor was not able to secure the financing required to fund the proposal and therefore there was a default in the terms of the proposal. The default was not waived by the creditors and no further action was taken by the Proposal Trustee or creditors to annul the proposal.

4. At the meeting of creditors to consider the default, one of the parties who was approached for financing advised the Proposal Trustee that they were interested in purchasing the Debtor’s business and assets on a going concern basis. BDO was subsequently approached by The Bank of Nova Scotia, the Debtor’s secured lender, to act as a proposed receiver to seek approval for a “pre-pack” sale of the business and assets of the Debtor.

5. On November 12, 2019, The Honourable Justice McEwen appointed BDO as Receiver and approved the “pre-pack” sale transaction.

6. On November 13, 2019, the Receiver closed the sale transaction.

7. As detailed in the Report, the Receiver has substantially completed the administration of the Debtor’s receivership estate, and is seeking its discharge, subject to completing all outstanding activities, which includes distributing remaining funds to Canada Revenue Agency, which has a deemed trust claim for employee source deductions.

8. The Report.

9. Rules 1.04, 1.05, 2.01, 2.03, and 37 of the *Rules of Civil Procedure* (Ontario).
10. The inherent jurisdiction of the Court.
11. Such other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Report and the appendices annexed thereto; and
2. such further and other material as counsel may advise and this Honourable Court may permit.

February 12, 2021

CHAITONS LLP
5000 Yonge Street, 10th Floor
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**Lawyers for BDO Canada Limited,
Court-appointed Receiver**

SCHEDULE “A”**Zoom Meeting**

<https://us02web.zoom.us/j/84619134400?pwd=cXh2cTNkMG5qMnpBUFFqWW13R05BUT09>

Meeting ID: 846 1913 4400

Passcode: 458231

One tap mobile

+13126266799,,84619134400#,,,,*458231# US (Chicago)

+13462487799,,84619134400#,,,,*458231# US (Houston)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 646 558 8656 US (New York)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington D.C)

Meeting ID: 846 1913 4400

Passcode: 458231

Find your local number: <https://us02web.zoom.us/j/84619134400?pwd=cXh2cTNkMG5qMnpBUFFqWW13R05BUT09>

-and-

Court File No. CV-19-00630665-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
PROCEEDING COMMENCED AT
TORONTO, ONTARIO

NOTICE OF MOTION OF THE RECEIVER
(motion for discharge and ancillary relief)
(returnable February 24, 2021)

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**Lawyers for BDO Canada Limited,
Court-appointed Receiver**

TAB 2

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

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Respondents

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

**FIRST AND FINAL REPORT TO THE COURT
SUBMITTED BY BDO CANADA LIMITED
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
6396763 CANADA INC.**

February 11, 2021

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Appendix H	Affidavit of Sam Rappos sworn February 11, 2021

Court File No. CV-19-00630665-00CL

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FIRST AND FINAL REPORT TO THE COURT
SUBMITTED BY BDO CANADA LIMITED
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
6396763 CANADA INC.
February 11, 2021

INTRODUCTION

1. By Order of the Honourable Justice McEwen dated November 12, 2019 (the “**Receivership Order**”), BDO Canada Limited (“**BDO**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of 6396763 Canada Inc. (the “**Debtor**”). The Receivership Order was obtained on an application brought by The Bank of Nova Scotia (“**BNS**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.
2. The Debtor was engaged in the installation of telecommunications systems across Northern Ontario, Northern Quebec, Manitoba and Saskatchewan. The Debtor was a vendor of Bell Canada and had a contract to provide exclusive installation services (the “**Bell Service Agreement**”) in the aforementioned regions.

3. The Debtor initially filed a proposal on December 28, 2018 that contemplated a refinancing of business. BDO acted as the Proposal Trustee. The Debtor's proposal was approved by creditors on April 24, 2019 and by the Court on May 13, 2019. Following court approval of the proposal, the Debtor was not able to secure the financing required to fund the proposal and therefore there was a default in the terms of the proposal. The default was not waived by the creditors and no further action was taken by the Proposal Trustee or creditors to annul the proposal. At the meeting of creditors to consider the default, one of the parties who was approached for financing advised the Proposal Trustee that they were interested in purchasing the Debtor's business and assets on a going concern basis. BDO was subsequently approached by BNS to act as a proposed receiver to seek approval for a "pre-pack" sale of the business and assets of the Debtor. BDO spent considerable time negotiating the terms and conditions of a "pre-pack" sale of the business and assets prior to its appointment as Receiver.
4. As part of its application, BNS requested that, if BDO was appointed Receiver, it be authorized by the Court to enter into and carry out the terms of an asset purchase agreement for the sale of substantially all of the Debtor's assets (the "**Assets**") to 2722703 Ontario Inc. (the "**Purchaser**"). In BDO's report to the Court as proposed receiver dated November 7, 2019 (the "**Pre-Appointment Report**"), BDO described the process that resulted in the proposed sale transaction with the Purchaser. A copy of the Pre-Appointment Report without appendices is attached hereto as **Appendix "B"**.
5. On November 12, 2019, the Honourable Justice McEwen made an order approving the sale of the Assets and vesting title to the Assets in the Purchaser free and clear of any encumbrances (the "**Approval and Vesting Order**"). A copy of the Approval and Vesting Order is attached hereto as **Appendix "C"**.
6. On November 13, 2019, the Receiver closed the transaction with the Purchaser. The Receiver has filed with the Court a Receiver's Certificate in accordance with paragraph 2 of the Approval and Vesting Order. A copy of the Receiver's Certificate is attached hereto as **Appendix "D"**.

PURPOSE OF THIS REPORT

7. The purpose of this first and final report to the Court of the Receiver dated February 11, 2021 (the "**Final Report**") is to:

- Report on the activities of the Receiver since November 12, 2019;
- Report on the closing of the transaction providing for the sale of the Assets;
- Provide information to the Court to support the granting of an Order (the “**Distribution and Discharge Order**”):
 - i. approving the Pre-Appointment Report and the Final Report and the activities of BDO and the Receiver as set out therein and herein;
 - ii. approving the Receiver’s Final Statement of Receipts and Disbursements dated February 4, 2021 (the “**Final R&D**”);
 - iii. approving and authorizing a final distribution of the funds remaining in the Receiver’s possession, as set out in the Final R&D, to Canada Revenue Agency (“**CRA**”) following the payment of the Professional Fees (as defined herein) and the Holdback (as defined herein), on account of the indebtedness owing by the Debtor to CRA’s in respect of its property claim (the “**Final Distribution**”);
 - iv. approving the fees and disbursements of the Receiver and its respective legal counsel, Lipman, Zener & Waxman LLP (“**LZW**”) and Chaitons LLP (“**Chaitons**”) as reflected herein and in the appended fee affidavits, including the Remaining Fees (as defined herein) as set out in Final Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements;
 - v. discharging and releasing the Receiver upon the filing by the Receiver of the Receiver’s discharge certificate, substantially in the form attached as Schedule “A” to the Distribution and Discharge Order (the “**Receiver’s Discharge Certificate**”), certifying that the Remaining Activities (as defined herein) have been completed to the satisfaction of the Receiver.

DISCLAIMER

8. This Final Report is prepared for the use of the Ontario Superior Court of Justice (Commercial List) in the proceedings and for the information and use of stakeholders. In preparing this Final Report, the Receiver has relied upon certain unaudited, draft and/or internal financial information, the Debtor’s books and records, discussions with Management, and information obtained from

other third party sources. The Receiver assumes no responsibility or liability for the loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of this Final Report or for any use which any party makes of this Final Report, or any reliance on, or a decision to be made, based upon it, other than for the express purposes set out in this Final Report.

9. Capitalized terms not defined in this Final Report are as defined in the Receivership Order.
10. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

RECEIVER'S ACTIVITIES

11. Since its appointment, the Receiver's activities have included, among other things:
 - closing the sale transaction with the Purchaser as described below.
 - monitoring receipts and disbursements and liaising with various stakeholders, as appropriate;
 - collecting accounts receivable;
 - addressing sale post-closing issues;
 - attending to the updating of the books and records of the Debtor in order to prepare and file HST returns and WSIB returns for 2019;
 - corresponding by email and telephone with creditors and a key customer;
 - addressing various Ministry of Labour claims;
 - liaising with legal counsel on various matters; and
 - drafting the Final Report.

BOOKS AND RECORDS

12. The Receiver has obtained certain Books and Records of the Debtor and has prepared company financial information in order to prepare and file HST returns for the Debtor for October 2019 and the stub period from November 1 to November 13, 2019.
13. The Receiver does not intend to file outstanding income tax returns for the Debtor for 2018 or 2019 as the Debtor reported losses for these years. Any tax refund produced would reduce the current income tax balance owing but would not change the CRA's deemed trust claim. As the

receipts received do not fully satisfy CRA's deemed trust claim, filing the outstanding income tax returns would result in more expense being incurred in the estate with no benefit to the Debtor's creditors and other stakeholders.

SALE TRANSACTION

14. As outlined in the Pre-Appointment Report, the Debtor undertook a thorough sale and marketing process canvassing interest through financial institutions, investment groups, private investors and Bell Canada's vendor network and investors. The Company's marketing process exposed the investment opportunity and the Debtor's Assets to the market for in excess of 15 months.
15. The Receiver closed the sale transaction for the Assets with the Purchaser on November 13, 2019. The purchase price received for the Assets was \$275,000. The sale transaction included the capital assets and the assignment of the Bell Service Agreement but excluded the accounts receivable, which were collected by the Receiver. The Debtor's business and Assets were sold on a going concern basis thereby preserving the employment of approximately 100 employees. Additionally, the sale preserved a tenant for the parent company 6756051 Canada Inc. for which BNS held a first mortgage over the real property.
16. The sale transaction was approved by BNS and CRA, the key stakeholders with an economic interest in the Debtor's Assets as detailed in the Pre-Appointment Report.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

17. The Receiver has prepared the Final R&D reflecting the activity in the receivership from November 12, 2019 to February 4, 2021. The Final R&D reports net receipts over disbursements at February 4, 2021 of \$722,613.88, subject to the provision for unpaid Professional Fees, the Holdback (defined below) and the proposed final distribution to CRA (discussed below). The Final R&D is attached hereto as **Appendix "E"**.

PRIORITY CLAIMS/DEEMED TRUSTS

18. The Receiver received a priority secured claim from Service Canada totaling \$6,931 pursuant to the *Wage Earner Protection Program Act* (“**WEPPA**”) and the *Bankruptcy and Insolvency Act* in respect of amounts paid out to the Debtor’s former employees for outstanding wages and vacation pay (the “**WEPPA Claim**”). In a receivership, this claim has priority over the Debtor’s current assets ahead of all other secured claims and the deemed trust claim of CRA for unremitted payroll source deductions pursuant to section 81.4(4) of the *Bankruptcy and Insolvency Act*. Accordingly, this claim has been paid by the Receiver as reflected in the Final R&D.
19. As discussed in the Pre-Appointment Report, CRA conducted audits of the Debtor’s Payroll and HST accounts. Claims from CRA have been submitted to the Receiver for outstanding payroll deductions and HST in the amounts of \$1,140,917 and \$986,872, respectively (the “**CRA Claims**”). CRA has submitted a property claim totaling \$774,405 for the unremitted portion of the employee payroll deduction withholdings which is a deemed trust claim that has priority over all other secured claims, except the WEPPA Claim as described above.

PROPOSED DISTRIBUTION

20. As indicated in the Pre-Appointment Report, BDO obtained an independent legal opinion from Chaitons advising that subject to the usual qualifications, BNS holds a validly perfected security interest in the Debtors’ Assets. At the commencement of the receivership proceeding, the loan outstanding to BNS totaled \$598,980.87 according to the affidavit of Bronwyn Nelson sworn November 6, 2019. BNS’s secured claim is subordinate to the WEPPA Claim and the CRA Claims.
21. A search of registrations filed against the Debtor pursuant to the *Personal Property Security Act* (Ontario) (“**PPSA**”) indicate that in addition to BNS’s PPSA registration against the Debtor, Enterprise Fleet Management Inc. has registered against the Debtor under the PPSA with respect to certain leased vehicles. The leased vehicles were not subject to the Receiver’s sale transaction with the Purchaser.
22. The Receiver proposes to distribute to CRA, on account of its deemed trust claim for collected and unremitted employee source deductions, all funds remaining in the Receiver’s trust account, after

payment of the Professional Fees and the Holdback (defined below). The Receiver estimates that the final payment to CRA will total \$656,731.07 as reflected in the Final R&D.

23. As the Receiver may collect nominal additional amounts prior to its discharge, the Receiver is requesting that it be authorized, without further order of the Court, to make subsequent distributions to CRA up to the amount of the CRA Claims.

PROFESSIONAL FEES AND DISBURSEMENTS

24. BDO, in its capacity as proposed receiver and Receiver, has provided services and incurred disbursements during the period of August 13, 2019 to February 5, 2021, which are described in the Affidavit of Gary Cerrato sworn February 8, 2021 (the “**Cerrato Affidavit**”), attached herein as **Appendix “F”**.
25. The detailed narratives contained in the invoice provides a fair and accurate description of the services provided and the amounts charged by BDO. Included with the invoices is a summary of the time charges of partners and staff, whose services are reflected in the invoices, including the total fees and hours billed.
26. Additionally, the Receiver has incurred legal fees of its respective legal counsel, LZW and Chaitons in respect of these proceedings, as more particularly set out in the Affidavits of Jason Spetter sworn February 4, 2021 (the “**Spetter Affidavit**”) and Sam Rappos sworn February 11, 2021 (the “**Rappos Affidavit**”) appended hereto as **Appendices “G” and “H”**, respectively.
27. The Receiver requests that the Court approve its interim accounts for the period of August 13, 2019 to February 5, 2021 of \$51,893.37 plus HST of \$6,746.14, for a total of \$58,639.51. The Receiver request that the Court approve the interim accounts of its legal counsel LZW from August 22, 2019 to November 12, 2019 for fees and disbursements of \$39,495.40 plus HST of \$5,104.63, totaling \$44,600.03. Additionally, the Receiver requests that the Court approve the interim accounts of its legal counsel Chaitons for the period August 14, 2019 to December 31, 2020 for fees and disbursements of \$11,074.67 plus HST of \$1,439.71, totaling \$12,514.38 (collectively the “**Professional Fees**”).
28. The Receiver estimates additional professional fees of \$3,000, plus HST, to complete the administration of the estate, together with estimated legal costs of \$3,000, plus HST (collectively,

the “**Remaining Fees**”). The Receiver is therefore proposing to hold back the total amount of \$6,000, plus HST (the “**Holdback**”) on account of the Remaining Fees. The Receiver requests that the Court approve the Holdback, for which the Receiver and the Receiver’s counsel will only draw upon based on actual time and disbursements incurred.

29. The Receiver respectfully submits that the Professional Fees, as set out in the Cerrato, Spetter and Rappos Affidavits (collectively, the “**Fee Affidavits**”), together with Remaining Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order.

RECEIVER’S DISCHARGE

30. All of the Receiver’s duties as set out in the Receivership Order will be completed upon (collectively, the “**Remaining Duties**”): (i) filing the final estate HST return(s) to recover any unclaimed input tax credits, (ii) payment of the Professional Fees and the Remaining Fees, (iii) making the Final Distribution, (iv) filing the Receiver’s final report pursuant to s. 246(3) of the *Bankruptcy and Insolvency Act* with the Office of the Superintendent of Bankruptcy, and (v) closing of the Receiver’s trust account.
31. To the best of the Receiver’s knowledge, following the completion of the Remaining Activities, the Receiver will have completed its administration of the receivership estate in accordance with the terms of the Receivership Order.

SUMMARY AND RECOMMENDATIONS

32. Based on the foregoing, the Receiver respectfully recommends that the Court:
- i. approve the Pre-Appointment Report and the Final Report and the activities and conduct of BDO outlined therein and herein;
 - ii. approve the Receiver’s Final R&D;
 - iii. approve and authorize the Final Distribution to CRA, following the payment of the Professional Fees and the Holdback;

- iv. approve the Professional Fees, as outlined in the Fee Affidavits and this Final Report, and the Remaining Fees;
- v. discharge the Receiver, subject to the Receiver completing the Remaining Activities and the filing of the Receiver's Discharge Certificate;
- vi. that upon the filing of the Receiver's Discharge Certificate, substantially in the form set out in Schedule "A" of the Distribution and Discharge Order, discharging BDO as Receiver of all of the assets, undertakings and properties of the Debtor; and
- vii. that upon the filing of the Receiver's Discharge Certificate, releasing BDO from any and all liability it now has or may have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or willful misconduct on the Receiver's part.

All of which is respectfully submitted this 11th day of February, 2021

BDO CANADA LIMITED
In its capacity as Court Appointed Receiver of
6396763 Canada Inc.

Per:



Gary Cerrato, CIRP, LIT
Senior Vice President

APPENDIX A

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

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TUESDAY, THE 12TH DAY

JUSTICE

)

OF NOVEMBER, 2019

)



THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondent

**ORDER
(appointing Receiver)**

THIS APPLICATION made by The Bank of Nova Scotia 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 ("**BDO**") as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of 6396763 Canada Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Bronwyn Nelson sworn November 6, 2019 and the Exhibits thereto, the Report of BDO as the proposed receiver dated November 7, 2019 and the appendices thereto, and on hearing the submissions of counsel who appear on the counsel list and on the consent of BDO 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 application 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 is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

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

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

- 3 -

- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) 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;
- (f) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court and in 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;
- (g) 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;
- (h) 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;
- (i) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property; and
- (j) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. **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

13. **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

14. **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.

15. **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.

16. **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.

SERVICE AND NOTICE

17. **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.

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

GENERAL

19. **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.

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

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.

22. **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.

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

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



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

NOV 12 2019

PER / PAR: 

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

-and-

6396763 CANADA INC.
Respondent

Court File No. CV-19-00630665-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
TORONTO

ORDER
(appointing Receiver)

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Lawyers for the Applicant

APPENDIX B

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN :

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondent

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

**REPORT TO THE COURT SUBMITTED BY
BDO CANADA LIMITED,
IN ITS CAPACITY AS PROPOSED RECEIVER
OF 6396763 CANADA INC.**

November 7, 2019

APPENDICES

Appendix A	NOI dated November 29, 2018
Appendix B	Proposal dated December 28, 2018
Appendix C	Redacted APA
Appendix D	TIG PPSA Certificate
Appendix E	TWA PPSA Certificate
Confidential Appendix 1	Confidential Supplemental Report

INTRODUCTION

1. By motion within these court proceedings returnable on November 12, 2019 (the "**Appointment Motion**") in the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), the Bank of Nova Scotia ("**BNS**") is seeking, *inter alia*, an Order of this Honourable Court (the "**Appointment Order**") appointing BDO Canada Limited ("**BDO**") as receiver ("**Receiver**") of all of the assets, undertakings and property of 6396763 Canada Inc. (the "**Company**" or "**TIG**"), and an order approving a sale of substantially all of the Company's assets to the Purchaser (as defined below) and vesting such assets in the Purchaser free and clear of all claims and encumbrances.
2. This report is submitted by BDO in its capacity as proposed Receiver of the Company (the "**Proposed Receiver**").
3. In preparing this report the Proposed Receiver has reviewed the affidavit of Bronwyn Nelson of BNS sworn in support of BNS' application.
4. In the event BDO is appointed by the Court as Receiver, it will not be operating TIG's business. It is the intention of the parties that BDO is appointed by the Court as Receiver to complete the sale of substantially all of TIG's assets to the Purchaser in accordance with the terms of the APA (as defined below), as described below, with a subsequent motion seeking approval of the distribution of the net sale proceeds and the discharge of BDO as Receiver.

PURPOSE OF THIS REPORT

5. The purpose of this report to the Court (the "**Report**") is to:

- a) Summarize the details of the proposed sale of substantially all of the Company's assets to the Purchaser and the Proposed Receiver's recommendation with respect thereto;
- b) Provide information related to the Company's secured creditors;
- c) Provide support for BNS' request for an Order:
 - (i) authorizing the Receiver to enter into the Asset Purchase Agreement dated November 7, 2019 (the "APA") between BDO as Proposed Receiver and 2722703 Ontario Inc. (the "Purchaser");
 - (ii) approving the APA and directing the Receiver to complete the sale transaction contemplated by the APA (the "Transaction").
 - (iii) vesting in the Purchaser all of TIG's right, title and interest in and to the TIG Purchased Assets (as defined in the APA) free and clear of any and all claims and encumbrances; and
 - (iv) sealing the Confidential Supplement to this Report until completion of the Transaction or until further Order of this Court.

SCOPE AND TERMS OF REFERENCE

6. The Report of BDO in its capacity as the Proposed Receiver has been prepared for the use of the Court in the proceedings and for the information and use of the stakeholders, as general information relating to the Company and to assist the Court in making a determination on whether to grant the relief sought herein.
7. In preparing this Report, the Proposed Receiver has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records,

discussions with management, and information obtained from other third-party sources.

8. Accordingly, the Proposed Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND

10. The Company operating as The Installation Group was incorporated on May 25, 2005. The sole officer and Director is Robert Lefebvre. The Company is a wholly owned subsidiary of 6756051 Canada Inc. ("**Holdings**").
11. At all material times, TIG was engaged in the installation of telecommunications systems across Northern Ontario, Northern Quebec, Manitoba and Saskatchewan.
12. The Company operates from leased premises, owned by Holdings, located at 10 Bulmer Avenue, Sudbury, Ontario (the "**Bulmer Property**"). TIG is a partner of Bell Canada ("**Bell**") since 2009, Robert Lefebvre has been a vendor of Bell since 1991. The contract between the Company and Bell provides exclusive installation services (the "**Bell Service Agreement**") in the specific regions noted above.
13. The Company currently employs 86 full time employees plus an additional 20 independent contractors who are engaged to service geographic gaps in the service territory.
14. On or about July 23, 2015, BNS entered into a credit facility agreement with TIG that provided for an operating line of credit in the amount of \$650,000 (the "**TIG Credit Facility**").

15. As security for the TIG Credit Facility, BNS was granted, among other security, a first ranking general security agreement over the personal property of TIG as well as guarantees from Holdings and Robert Lefebvre.
16. On or about August 28, 2015, BNS entered into a Non-Revolving Demand Term Loan Agreement with Holdings in the amount of \$706,250 (the "**Holdings Term Loan**").
17. As security for the Holdings Term Loan, BNS was granted, a first mortgage over the Bulmer Property, a first ranking general security agreement over the personal property of Holdings and guarantees by TIG and Robert Lefebvre.
18. On or around 2016, TIG expanded its operations to include services and installations in new service line sectors. The expansion focused on installation of satellite/internet services with new partners in rural areas.
19. In June 2017, the Company acquired two new businesses in order to address the growth and service the contracts.
20. The expansion did not prove successful due to several factors including increased carrying costs associated with delays in launching the new service line, increased scope and diminished profit margins.
21. By early 2018, the Company had exhausted all of its financial resources used for the acquisition and start-up costs associated with the expansion including funding ongoing operating losses.
22. In or around May 2018, Management discovered that (i) proper financial records for each company and their respective expenses were not being maintained by the internal accountant; (ii) filings for payroll source deductions and harmonized sales tax ("**HST**") had not been remitted since March 2017; and (iii) the Company had defaulted

in respect of various financial and other covenants with BNS, its primary secured lender.

23. As a result of the default and breach of financial covenants, BNS made demand for repayment of the obligations due under the TIG Credit Facility and Holdings Term Loan.
24. On or about July 5, 2018, BNS agreed to forbear on a day to day basis while the Company sourced refinancing for both the TIG Credit Facility and the Holdings Term Loan (the "**Forbearance Agreement**"). The terms of the Forbearance Agreement included the consent of TIG and Holdings to the appointment of a receiver.
25. Management determined that the revenue required to support the non-core TIG operations was not sufficient to maintain ongoing financial obligations and to address the legacy tax issues. As a result, it was determined that the best course of action would be to wind down the operations from the new business ventures that were straining TIG's cash flow.
26. In or about September 2018, a trust examination was completed by Canada Revenue Agency ("**CRA**") which resulted in \$1,117,000 and \$616,000 owing for payroll source deductions ("**Payroll**") and HST, respectively.
27. As a result of the foregoing, the Company hired a CFO to assist with the restructuring process and to assist with a marketing process. Over several months following, a Confidential Information Memorandum ("**CIM**") was prepared and distributed to 23 potential investors and interested parties with a view of raising capital to address the legacy tax issue and reposition the Company for growth. Only one of those parties showed an interest, however a successful transaction was not completed.

28. As a result of the above, and lack of both liquid and working capital to address the legacy tax arrears and service current financial obligations, the Company filed a Notice of Intention to file a Proposal (the "NOI") under the Bankruptcy and Insolvency Act ("BIA") on November 29, 2018 with BDO as proposal trustee (the "Proposal Trustee"). A copy of the NOI is attached hereto as **Appendix A**.
29. As a result of the NOI filing, on December 5, 2018, BNS provided TIG with formal notice of default under the loan agreements. BNS was prepared to delay enforcement proceedings up to March 31, 2019, subject to additional provisions in the Forbearance Agreement, which included, among other things reduction of the TIG Credit Facility, to allow the Company an opportunity to file a successful proposal under the BIA.
30. On December 28, 2018, TIG filed a proposal under the BIA (the "Proposal"), which was approved by the requisite majority of creditors on April 24, 2019 and subsequently approved by the Court on May 13, 2019. A copy of the Proposal is attached hereto as **Appendix B**.
31. The key terms of the Proposal provided for payout to BNS for the TIG Credit Facility and the Holdings Term Loan, payment of CRA's deemed trust claim within 6 months and approximately 20 cents on the dollar for unsecured creditors claims.
32. On or about August 20, 2019, the Proposal Trustee was advised by the Company that the financing and third-party equity injection required to fund the Proposal was not sufficient to satisfy the terms of the Proposal.
33. In consultation with the Company and the key stakeholders, it was determined that continuing the operations of TIG and allowing the Company additional time to source

alternative options was in the best interest of all parties as it would: (i) maintain employment for over 100 people in Northern Ontario, (ii) retain a tenant for the Bulmer Property, (iii) reduce the impact to Bell in transitioning the installation service area to an alternative vendor, and (iv) maximize realization for affected stakeholders.

34. Accordingly, the Proposal Trustee began discussions with third party lenders to source financing required to fund the terms of the Proposal. Over the course of several weeks, these parties conducted a due diligence review process, which did not result in the required financing needed to complete the terms of the Proposal.
35. In addition, Management engaged several interested parties and private lenders with a view to obtaining additional financing and/or equity injection into the Company, which efforts were unsuccessful.
36. On or about August 20, 2019, as a result of the failed funding for the Proposal, the Proposal Trustee advised the Company's creditors of the material adverse change and called a meeting of creditors to be held on September 3, 2019.
37. Prior to the meeting of creditors, one of the parties who was approached for financing advised the Proposal Trustee that, in the alternative, they would be interested in purchasing the Company's assets as a going concern sale.
38. At the meeting of creditors, there was a discussion on alternative courses of actions for the Company, which included a proposed sale of the business to the interested party and the restructuring process to be undertaken in order to complete the sale. The conditions that would be required to complete the Transaction, among other things, is (i) BNS and CRA's approval of BNS' proposed application as they were the key stakeholders with an economic benefit resulting from the Transaction, (ii)

approval of the purchase price and other conditions, and (iii) approval from Bell would be required for the assignment of the Bell Service Agreement.

39. Accordingly, it was agreed that the meeting be adjourned so that the parties could continue to negotiate terms and conditions under a letter of intent (the “LOI”) and to seek approval from the key stakeholders affected by the Transaction.
40. At the subsequent meeting of creditors held on September 24, 2019, the following information was reported:
- (i) Terms and conditions of the LOI, acceptable to the key stakeholders, have been completed;
 - (ii) CRA provided their approval of the purchase price contained in the LOI and approval for the costs associated with the receivership application as described herein;
 - (iii) Legal counsel for Bell advised that a meeting was scheduled on September 26, 2019 with the Company’s Management and the prospective Purchaser, to approve the Purchaser and provide its consent for the assignment of the Bell Service Agreement, which was subsequently confirmed; and
 - (iv) BDO as proposed Receiver was authorized to enter into negotiations with the Purchaser to complete the APA.
41. As a result of the above, BNS terminated the TIG Credit Facility under the terms of the Forbearance Agreement. Formal demands were issued to TIG and Holdings on October 24, 2019.

42. The cancellation of the TIG Credit Facility and lack of working capital has put an extreme strain on the Company's cash flow and its ability to meeting ongoing obligations.

PROPOSED RECEIVER'S ACTIVITIES

43. BNS seeks the appointment of BDO as Receiver and Court approval for the Receiver to enter into and complete the Transaction as part of its anticipated mandate to facilitate the sale of substantially all of the Company's assets to the Purchaser and payment of the net proceeds to the Company's secured and priority creditors.
44. The Receiver and the Purchaser entered into the APA on November 7, 2019. A redacted copy of the APA is attached hereto as **Appendix "C"**. An unredacted copy of the APA will be attached to the Confidential Supplement to this Report.
45. TIG and a related company 6622828 Canada Inc. ("**TWA**"), are also parties in the APA, as it contemplates the purchase of TWA's intellectual property and software (the "**TWA Assets**") vital to the operations of TIG.
46. The APA was entered into by the Proposed Receiver in order to facilitate the Transaction and sale to the Purchaser without further delay due to the Company's cash flow constraints. TIG is concerned with its ability to meet ongoing financial obligations, including its payroll obligations to in excess of 100 employees and contractors employed by the Company.

SECURED CREDITORS AND PRIORITY CLAIMS

47. Copies of search results under the *Personal Property Security Act* ("**PPSA**") as against the TIG and TWA are respectively attached hereto as **Appendices "D"** and

“E”. All parties that have registered a financing statement against TIG and TWA have been served with the BNS’ application.

48. As at October 24, 2019, the amount outstanding to BNS was in the amount of \$598,980.87 based on the Bronwyn Affidavit in support of the within application.
49. CRA has conducted audits of TIG’s Payroll and HST accounts. A claim by CRA has been submitted for the Payroll and HST accounts in the amount of \$1,140,917 and \$986,872, respectively.
50. The search under the PPSA for TWA reveals a registration in favour of Caisse Populaire Alliance Limitee (“**Caisse**”). As noted above, the APA contemplates the sale of TWA Assets to the Purchaser, which amount shall be paid directly to Caisse in exchange for a discharge of the financing statement.
51. Should the Court approve the proposed Transaction contemplated in the APA, the net sale proceeds from the TIG Assets will be paid to CRA in priority to BNS.

RECEIVER’S SALE OF ASSETS

52. As noted above, TIG filed a Proposal under the BIA. The Company was not successful in obtaining the required financing and equity injection required to fund the terms of the Proposal.
53. In an effort to satisfy its indebtedness to BNS and its legacy tax issues, TIG and the Proposal Trustee canvassed the market for potential investors and alternative lenders for refinancing of TIG’s debt. No offer or combination of offers that was received was acceptable.

54. As outlined above, the Proposed Receiver negotiated the sale of substantially all of the Company's assets to the Purchaser, the terms of which have been incorporated into the APA. The Proposed Receiver's analysis of the Transaction is contained in the Confidential Supplement.
55. It is the Proposed Receiver's view that the Transaction is appropriate in the circumstances, represents fair market value for the Company's assets, and should be approved by the Court as:
- a) the market was extensively canvassed for alternative sources of financing and investors solicited by the Company;
 - b) the Transaction provides for the ongoing employment of in excess of 100 employees and contractors employed by the Company;
 - c) the purchaser has provided a \$50,000 non-refundable deposit;
 - d) the Transaction provides for a quick closing, one business day following Court approval of the appointment of the Receiver and the issuance of an approval and vesting order;
 - e) the sale to the Purchaser is the only offer received on terms acceptable to the Company, and the purchaser has been approved by Bell; who has the ability to revoke the Bell Service Agreement with TIG;
 - f) it is unlikely that a further marketing process will generate a better offer and TIG does not have funds available to conduct such a process; and
 - g) BNS, being the Company's primary secured lender, and CRA, who is the party with the economic interest in the Company's assets, support the Proposed Receiver entering into and completing the Transaction; and

- h) Information regarding the proposed Transaction with the Purchaser was available and presented to the Company's unsecured creditors at meetings held in the proposal proceeding.
56. The Proposed Receiver is of the view that the Transaction is commercially reasonable in all respects and is in the best interests of the creditors and other stakeholders of the Company.
57. Consistent with other transactions where court approval is being sought, the Proposed Receiver requests that this Court seal the Confidential Supplement pending the earlier of the completion of the Transaction or further Order of the Court. The Confidential Supplement contains commercially sensitive information, the release of which would have a negative impact and detrimentally affect the return to stakeholders should the Transaction fail to close for any reason.

RECOMMENDATIONS

58. For the reasons set out above and in the Confidential Supplement, the Proposed Receiver recommends that this Court approves the completion of the Transaction and issue the orders requested by BNS.

All of which is Respectfully Submitted this 7th day of November, 2019.

**BDO CANADA LIMITED in its capacity as
Proposed Court Appointed Receiver of 6396763 Canada Inc.
and not in its personal or corporate capacity**

Per:



Stella Millis, CIRP, LIT
Vice President

APPENDIX C

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

TUESDAY, THE 12TH DAY

)

JUSTICE

)

OF NOVEMBER, 2019



THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondent

APPROVAL AND VESTING ORDER

THIS APPLICATION, made by The Bank of Nova Scotia (“**BNS**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of 6396763 Canada Inc. (the “**Debtor**”), the Debtor, 6622828 Canada Inc. (“**TWA**”), and 2722703 Ontario Inc. (the “**Purchaser**”), as purchaser, dated November 7, 2019 (the “**Sale Agreement**”), and appended to the Report of BDO as proposed Receiver dated November 7, 2019 (the “**Report**”), and vesting in the Purchaser all the Debtor’s and TWA’s right, title and interest,

as applicable, in and to the property described as the “Purchased Assets” in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Bronwyn Nelson sworn November 6, 2019 and the exhibits thereto, the Report and appendices thereto, and on hearing the submissions of counsel for BNS, the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Nyssa Malfara sworn November 7, 2019, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the TIG Purchased Assets (as defined in the Sale Agreement) to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule “A”** hereto (the “**Receiver’s Certificate**”), all the Debtor’s and TWA’s right, title, benefit and interest in and to the Purchased Assets described in the Sale Agreement, as applicable, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, pledges, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of

the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice dated November 12, 2019; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "D" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal

information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

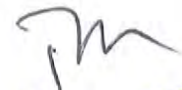
6. **THIS COURT ORDERS** that, notwithstanding:


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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.



8. THIS COURT ORDERS that the Confidential Supplemental Report of the Receiver dated November 7, 2019 be and is hereby sealed pending delivery of a Receiver's Certificate to the Purchaser substantially in the form attached as Schedule "A" hereto, or further order of this Honourable Court. 

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

NOV 12 2019

PER / PAR: 

Schedule "A" – Form of Receiver's Certificate

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC

Respondent

RECEIVER'S CERTIFICATE

RECITALS

1. Pursuant to an Order of the Honourable _____ of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 12, 2019, BDO Canada Limited was appointed as the receiver and manager (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties of 6396763 Canada Inc. (the "**Debtor**").

2. Pursuant to an Order of the Court dated November 12, 2019, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and 2722703 Ontario Inc. (the "**Purchaser**"), as purchaser, dated November 7, 2019 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser of all the Debtor's and TWA's right, title, benefit and interest in and to the Purchased Assets (as defined in the Sale Agreement), as applicable, which vesting is to be

effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. this Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver and manager of all the assets, undertakings and properties of 6396763 Canada Inc.

Per: _____

Name:

Title:

IN THE MATTER OF SECTION 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C.1985, c.B-3 AS AMENDED;

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED

THE BANK OF NOVA SCOTIA
Applicant

6396763 CANADA INC.
Respondent

-and-

Court File No. CV-19-00630665-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
TORONTO

APPROVAL AND VESTING ORDER

LIPMAN, ZENER & WAXMAN PC
Barristers and Solicitors
1220 Eglinton Avenue West
Toronto, Ontario
M6C 2E3

JASON D. SPETTER
Law Society Registration No. 46105S
IAN KLAIMAN
Law Society Registration No. 58955G

Tel: (416) 789-0652
Fax: (416) 789-9015
Emails: jspetter@lzwlaw.com ;
iklaiman@lzwlaw.com

Lawyers for the Applicant

APPENDIX D

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC

Respondent

RECEIVER'S CERTIFICATE

RECITALS

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of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at 6:45 pm on Wednesday November 13, 2019.

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver and manager of all the assets, undertakings and properties of 6396763 Canada Inc.

Per:


Name: *STELLA MILLIS*
Title: *VICE PRESIDENT*

APPENDIX E

IN THE MATTER OF THE RECEIVERSHIP OF
6396763 CANADA INC.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period November 12, 2019 to February 4, 2021

FINAL

RECEIPTS:	04-Feb-21	Future	FINAL
1. Asset Realization:			
Cash in bank	\$ 213,031.18		
Accounts receivable	1,022,253.39		
Sale of assets en bloc	275,000.00		
Post-sale closing adjustment	<u>(145,664.29)</u>	\$1,364,620.28	\$ 1,364,620.28
2. Operating Receipts		32,565.97	32,565.97
3. Miscellaneous			
Other receipts	341.16		
Insurance refund	2,831.74		
Interest	2,192.95		
WCB refund	1,397.57	6,763.42	6,763.42
Total Receipts	<u>\$1,403,949.67</u>	<u>\$ -</u>	<u>\$ 1,403,949.67</u>
DISBURSEMENTS:			
4 Filing fees		70.00	70.00
5 Insurance		3,184.50	3,184.50
6 Bank Charges		343.03	343.03
7 Operational Expenses			
Wages	302,449.94		
Casual labour	110,228.32		
Consulting fee	15,000.00		
Vacation Pay	96,863.26		
Group insurance	3,024.74		
Transport	44,959.85		
Equipment lease	<u>41,629.94</u>	614,156.05	614,156.05
8 WEPPA Priority		6,931.10	6,931.10
9 Deemed Trust - CRA payroll deductions		656,731.07	656,731.07
10 Receiver's Fees			
Receiver's Fees		54,893.37	54,893.37
HST on Receiver's fees		7,136.14	7,136.14
11 Legal Fees			
Lipman, Zener & Waxman LLP		39,495.40	39,495.40
Chaitons LLP		10,664.67	14,074.67
HST on Legal Fees		6,491.04	6,934.34
Total Disbursements		<u>681,335.79</u>	<u>1,403,949.67</u>
RECEIPTS OVER DISBURSEMENTS		<u>\$ 722,613.88</u>	<u>\$ -</u>

NOTES:

[1] Lipman, Zener & Waxman LLP acted as counsel to the Bank of Nova Scotia and the proposed Receiver to close the sale transaction for the Debtor's business and assets closed the day following the appointment of the receiver and the legal fees were approved by CRA for payment from the sale proceeds received in the receivership proceeding.

[2] Chaitons LLP acted as independent counsel to the Receiver.

APPENDIX F

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondents

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

AFFIDAVIT OF GARY CERRATO

I, **GARY CERRATO**, of the Town of Newmarket, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Vice President of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. By Order of the Honourable Justice McEwen, dated November 12, 2029 (the “**Receivership Order**”), BDO Canada Limited was Receiver (in such capacity the “**Receiver**”) of 6396763 Canada Inc.

3. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as **Exhibit "A"**.
4. The time shown in the detailed accounts attached as **Exhibit "A"** are a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
5. The Receiver requests that the Court approve its fees and disbursements for the period from August 13, 2019 to February 5, 2021 in the amount of \$51,893.37 plus HST of \$6,746.14 for a total of \$58,639.51, for the services set out in **Exhibit "A"** plus the Receiver's estimate of additional time to finalize the receivership administration estimated to be \$3,000.00 plus HST.
6. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.
7. I am swearing this Affidavit by way of video conference in the virtual presence of a commissioner for taking oaths/notary public.

SWORN BEFORE ME at the City of)
 Barrie, in the Province of Ontario, this)
 8th day of February 2021)



Commissioner for Taking Affidavits, etc)


 Gary Cerrato, CIRP

This is **Exhibit "A"** referred to in the affidavit of
Gary Cerrato

Sworn before me this 8th day of February 2021

A handwritten signature in black ink, appearing to read 'B.A. Bone', written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS

Beth Ann Bone, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited and their subsidiaries,
associates and affiliates.
Expires June 27, 2022.



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

BDO Canada Limited
 300 Lakeshore Drive
 Barrie ON L4N 0B4 Canada

 INVOICE

The Estate of 6396763 Canada Inc.
 Estate # 31-458800
 c/o BDO Canada Limited
 300 Lakeshore Drive
 Barrie, ON
 L4N 0B4

Attention:

Date

Invoice No.

February 5, 2021

draft

Re: Estate of 6396763 Canada Inc.

FOR PROFESSIONAL SERVICES in relation to the receivership of 6396763 Canada Inc. for the period ending February 5, 2021.

For Professional Services		\$	51,695.00
Disbursements			
Expenses	198.37		198.37
			<u>51,893.37</u>
HST - 13.0% (#R101518124)			<u>6,746.14</u>
Total Due		\$	<u><u>58,639.51</u></u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
G.Cerrato, Partner	7.50	465.00	3,487.50
S.Millis, Senior Manager	86.00	355.00	30,530.00
Administrators	117.85	150.00	17,677.50
			-
TOTAL	<u>211.35</u>		<u>\$ 51,695.00</u>

Date	Professional	Description	Hrs
08/13/2019	Matthew Moran	Call with FirePower Capital	1
08/13/2019	Stella Millis	Firepower Call to discuss TIG	1
08/14/2019	Matthew Moran	Conference Call	0.75
08/15/2019	Matthew Moran	Gathering info for FirePower Capital	2
08/21/2019	Matthew Moran	Info gathering for FirePower	0.25
08/22/2019	Matthew Moran	Call with Tunde and Uday at FirePower Capital re: 2018/19 normalized EBITDA numbers	0.5
08/23/2019	Matthew Moran	Call with Robert re: adverse change report, current conditions of company	0.75
08/23/2019	Matthew Moran	Emails to Wendi re: FirePower capital and information requests they have.	0.25
08/27/2019	Stella Millis	Newmarket to Pearson Airport (Sudbury Meeting)	3
08/29/2019	Matthew Moran	Calls with Uday and going through line items in the normalization - explaining differences between normalized EBITDA numbers and cash flows; starting to send more material and requesting some from Wendi	1.5
08/30/2019	Matthew Moran	Call with Jeff Martin and Stella; Call with Uday at FirePower wanting clarification on several line items of the normalization of EBITDA, questions to Wendi to confirm which g/l accounts some of the numbers are coming from in the normalization	2.25
09/03/2019	Stella Millis	Meeting with Robert to discuss offer to purchase, call with legal counsel, BNS, CRA and Firepower.	2.5
09/04/2019	Stella Millis	Calls with purchaser and TIG management	1
09/06/2019	Stella Millis	Sales Process, calls and discussion	2
09/09/2019	Matthew Moran	Changes to CRA letter, going through with Stella, sending to CRA, calling Mark Marchan to discuss	1.25
09/09/2019	Stella Millis	Draft/amend Administrative agreement with CRA	1.5
09/10/2019	Stella Millis	Call with Fire Power	1
09/11/2019	Matthew Moran	Discussion with Stella, requesting info from TIG for properties and employees to start building file for receivership, start pulling info together from what we already have	1.25
09/20/2019	Matthew Moran	Answering Uday's questions re: duties Wendi and Judy perform in the accounting department. Sending Wendi an email to clarify a few things; Email to Robert to discuss why inventory has historically been so high and helping Stella proof her calculations why a receivership is a better option than bankruptcy for CRA; sending CRA comparison and following up with call to Mark Marchan, attending creditors meeting and draft minutes of meeting, follow ups with Mark Marchan (CRA) to see if approval has been received.	4.8

09/23/2019	Matthew Moran	Call with Wendi re: cash flows, questions from FirePower Capital; Call with Uday from FirePower Capital as well as Ryan Zysman from Future Balance re: processes performed by members of TIGs finance department; Call with Golda at BDC providing an update on CRA; Call with Mark Marchan of CRA getting confirmation of approval; organizing reconvening meeting of creditors	2.25
09/25/2019	Stella Millis	Matters relating to Minutes, Letter of Intent, email correspondence with LZW and Fire Power. Engaged in various email correspondence.	2
10/01/2019	Stella Millis	Review of file and notes to date	0.5
10/02/2019	Stella Millis	Call with Fire Power - next steps	1
10/03/2019	Stella Millis	Call with Fire Power sale process, LOI, Due Diligence, info o/s.	2
10/11/2019	Stella Millis	APA/LOI negotiations	2
10/15/2019	Matthew Moran	Drafting Proposed Receivers Report	3
10/18/2019	Matthew Moran	Various calls and emails with purchasers, CRA, creditors	1
10/18/2019	Matthew Moran	Provided an update to Golda at BDC per her request	0.25
10/21/2019	Matthew Moran	Information to FirePower re: APA and support schedules	1
10/22/2019	Matthew Moran	Updated Proposed Receivers report for no receivership to be filed for Holdco. Drafted teh Supplemental report	3
10/23/2019	Matthew Moran	Calls with purchaser, gathering information for APA	3
10/23/2019	Stella Millis	Call with Fire Power re sale closing and apa schedules	1
10/24/2019	Stella Millis	Conference call with Legal Counsel re: Motion; Call with Fred T re: Corp representation matters relating to APA; work on draft report	2.5
10/29/2019	Matthew Moran	Status meeting with FirePower, working on schedules for APA, connecting with BDO counsel to review info, sending Bell contracts to relevant parties, lease agreement, questions and follow up for BDO counsel re: post closing adjustments	5
10/30/2019	Matthew Moran	Reviewing lease agreement, analysing market rent and conditions, review APA, calls with lawyers, discussions with Proposed Receiver, sending Robert's lawyer information, various emails to BDO's counsel	6
10/30/2019	Stella Millis	Receivership conference call and report	8
10/31/2019	Matthew Moran	Working on supplementary report after conversation with Stella, emails to lawyers re: various agreements	2
11/01/2019	Matthew Moran	APA, Bell Assignment, building lease	0.75
11/05/2019	Matthew Moran	APA adjustments	0.75
11/05/2019	Stella Millis	Work on draft report to Court and Conf supp	8
11/06/2019	Stella Millis	Engaged in various conference call with Purchaser and Legal Counsel re o/s issues and APA. Review of lease, amendments, draft APA, bell assignment and revisions of same	6

11/07/2019	Matthew Moran	Proposed receivers report - gathering all appendices, compiling, scanning and sending to LZW	1
11/07/2019	Stella Millis	Engaged in conference call re Statement of Adjustments and transition issues. Finalize Motion material and report.	4
11/08/2019	Stella Millis	Conference calls re Motion	2
11/11/2019	Matthew Moran	Transition adjustments, gathering info to update Ascend to send notices out	4
11/11/2019	Stella Millis	Call with legal counsel, purchaser re Motion and closing	2
11/12/2019	Matthew Moran	Preparing notice, various matters on receivership day	4
11/12/2019	Stella Millis	Motion for Receivership	3
11/12/2019	Stella Millis	Meeting with Principle re closing issues	1.5
11/13/2019	Matthew Moran	Setting up extranet site	0.25
11/13/2019	Matthew Moran	Various matters concerning sale closing	4.5
11/13/2019	Stella Millis	Engaged in call re closing docs, review and execution of same, various calls with purchaser re closing adjustments and transition issues	4
11/14/2019	Stella Millis	Conference call with staff and purchaser re closing transition	1
11/15/2019	Matthew Moran	phone call with Uday re: transition adjustments, getting information from Wendi following meeting; call with BDC	2.5
11/15/2019	Stella Millis	Conference call	2
11/18/2019	Stella Millis	Conference calls	1
11/18/2019	Stella Millis	Transition issues	1.5
11/21/2019	Matthew Moran	Reviewing receivership emails, saving info to the K drive,	0.5
11/22/2019	Stella Millis	Engage in various calls and correspondence re Motion, APA and outstanding issues.	4
11/25/2019	Bridget Chiasson	Setting up client in workday	0.5
11/25/2019	Matthew Moran	Various matters - gas advances, Bell payments, cheque req for LZW, scheduling call with CRA	1.75
11/25/2019	Shannon Jackson	Nov 15/19 - conference call w/Wendi, review of statement of adjustments, general admin	8
11/26/2019	Matthew Moran	Asking Wendi for backup for amounts paid since receivership and reviewing. Getting BNS to put a stop on all future payments until BDO authorizes; touching base with Stella to see if she needs help	1
11/27/2019	Matthew Moran	Call with Robert re: terminated employees; talking to BNS re: authorizing payments	0.5
11/28/2019	Matthew Moran	Call with CRA to provide an update, adding actuals to date to distribution listing btw old TIG and new TIG in preparation of adjustment	1.5
11/28/2019	Stella Millis	CRA update	0.5
11/29/2019	Matthew Moran	Drafting WEPP letters, summary of estimated actual recoveries for CRA, talking to BNS to allow contractor payments to go through, getting loan exception fee reversed, emailing with a creditor, discussions with Wendi Hollmer	3.5
12/04/2019	Stella Millis	Call with Rosemary Fisher re BDC claim follow up on o/s closing adjustments.	0.5

12/05/2019	Matthew Moran	Monitoring the bank	0.5
12/06/2019	Matthew Moran	Drafting WEPP letters, setting up WEPP site, emailing letters to employees	1.25
12/06/2019	Matthew Moran	Bank monitoring, confirming with Bronwyn transfers to be made from Caisse to BNS accounts, confirming with Wendi the receivership will receive a refund from WCB Manitoba	0.5
12/09/2019	Matthew Moran	Call with Richard Robinson (former employee) re: WEPP claim	0.25
12/09/2019	Matthew Moran	Cash flows, bank monitoring, review of transactions	1
12/09/2019	Stella Millis	Calls and correspondence re statement of adjustments, o/s returns etc.	2
12/10/2019	Matthew Moran	Cash flows, bank monitoring, review of transactions	1
12/12/2019	Matthew Moran	Bank monitoring, getting Caisse money transferred to BNS, reviewing statement of adjustments and sending copy to Stella	1.5
12/13/2019	Matthew Moran	Cash flows, bank monitoring, review of transactions	1
12/16/2019	Matthew Moran	Reviewed statement of adjustments ahead of the call; Call with Uday, Wendi, new bookkeepers to review final adjustments, follow up call with Stella	1.75
12/16/2019	Stella Millis	Conference call with purchaser, call with Wendi re Statement of Adjustments. Revise statement and review o/s items for closing	3.5
12/17/2019	Matthew Moran	WEPP proof of claims	0.25
12/17/2019	Stella Millis	Call and correspondence re final statement of adjustments, obtain funds from BNS and Caisse Bank accounts.	1.5
12/18/2019	Matthew Moran	Monitoring bank accounts	0.25
12/19/2019	Matthew Moran	Arranging wire transfer to purchaser	0.5
12/20/2019	Matthew Moran	Arranging wire transfer to purchaser	0.25
12/30/2019	Stella Millis	Finalization of costs, SRD	2
02/11/2020	Matthew Moran	Wendi cheque requisition	0.25
02/13/2020	Matthew Moran	Bookkeeping questions from Wendi	0.25
03/19/2020	Matthew Moran	Email to past employee/creditor re: delay in receiving money and closure of courts	0.5
03/20/2020	Stella Millis	Finalization call with legal counsel	0.5
03/26/2020	Matthew Moran	Call with Wendi re: wrapping up tax filings	0.25
04/02/2020	Matthew Moran	Getting QuickBooks file to complete tax returns. PDFing relevant reports to complete. Sending HST info to controller to efile. Reviewing material we have to see which years we have to file, gathering backup already on network, reviewing emails from KPMG, reaching out to Robert, starting a tax prep file	2.5
04/03/2020	Matthew Moran	Call with team re: transition of Trustee	0.25
04/03/2020	Matthew Moran	Summary for Trustee on where file stands. Reaching out to Robert for tax returns. Troubles with getting HST returns efiled.	1
04/06/2020	Matthew Moran	TIG HST and T2 tax returns	1.5
04/07/2020	Matthew Moran	HST/T2 returns	0.75

04/08/2020	Matthew Moran	HST and transferring money from 3rd party account	0.5
04/15/2020	Stella Millis	Holdco Proposal filing and drafting - call with Robert/LZW	3
04/17/2020	Matthew Moran	Sending Receivership order and proof of claim to lawyer for Canadian Fuelman MasterCard. Call with lawyer	0.5
04/22/2020	Stella Millis	File Admin, review outstanding, send email to M Moran and D Jones on items to follow up and finalize Proposal and Receivership	1.5
04/27/2020	Matthew Moran	SRD, court report, 246, g/l, following up on tax return from KPMG or Robert Lefebvre	8.75
04/28/2020	Matthew Moran	cleaning up WIP, updating court report, reviewing claims, reviewing g/l and finishing SRD	6
04/29/2020	Matthew Moran	SRD, call w Stella	2
05/06/2020	Matthew Moran	SRD	0.5
05/07/2020	Matthew Moran	SRD	0.5
05/08/2020	Matthew Moran	SRD	0.7
05/11/2020	Matthew Moran	SRD	0.5
05/12/2020	Matthew Moran	SRD - updating for WIP, moving WEPP to proper code	0.5
05/13/2020	Matthew Moran	SRD - updating court report	0.5
10/19/2020	Gary Cerrato	review of amendments to court report; review of workday account;	0.8
10/26/2020	Gary Cerrato	review of GL to prepare updated R&D; review of workday account to prepare updated invoicing for report;	1.5
12/03/2020	Matthew Moran	Call with Revenu Quebec; draft letter to close QST account and send to representative;	0.5
01/05/2021	Matthew Moran	Final changes to receiver's report and adjusting SRD, sending to counsel for final review and to book court date;	1.1
01/07/2021	Gary Cerrato	Review of updated report;	0.7
02/04/2021	Gary Cerrato	Final update to report, R&D; review of invoice; finalize exhibits; email to LZW re affidavit required; call with S. Rappos re motion; calls with M. Moran re report;	4.5
			211.35

APPENDIX G

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondent

AFFIDAVIT OF JASON D. SPETTER

I, **JASON D. SPETTER**, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a lawyer with the law firm of Lipman, Zener & Waxman PC (“**LZW**”), lawyers for the Applicant in this proceeding and as such have knowledge of the matters to which I hereinafter depose.
2. BDO Canada Limited (“**BDO**”) was appointed receiver of the assets, undertaking and properties of the Respondent by Order dated November 12, 2019.
3. Now produced and shown to me and marked as **Exhibit “A”** to this my Affidavit is a true copy of an account issued by LZW to BDO dated November 15, 2019 in the amount of \$44,600.03 for the period between August, 2019 and November, 2019 broken down as follows:
 - fees in the amount of \$38,965.00,
 - disbursements in the amount of \$530.40; and,
 - HST in the amount of \$5,104.63.

4. I confirm that the account described above accurately reflects the services provided by LZW in this matter and the fees and disbursements claimed by it during the period described above.

5. Additionally, attached hereto and marked as **Exhibit "B"** to this my Affidavit is a summary of additional information with respect to the said account indicating all members of LZW who worked on this matter during the period described above, including their year of call to the bar.

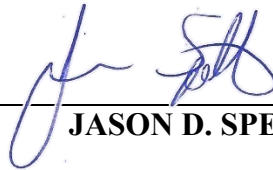
6. This Affidavit is sworn in support of the motion to discharge the Receiver and for no other or improper purpose.

SWORN BEFORE ME by video
teleconference at the City of Toronto,
in the Province of Ontario
on the 4th day of February, 2021.



Commissioner for Taking Affidavits
(or as may be)

}



JASON D. SPETTER

This is **Exhibit "A"** referred to in the
Affidavit of **Jason D. Spetter** sworn

This **4th** day of **February, 2021**



*Commissioner for Taking Affidavits (or as may be)**

virtually commissioned by **Ian Klaiman (LSO #58955G),
as per LSO Corporate Statement re COVID-19*

INVOICE

BDO Canada Limited

300 Lakeshore Drive, Suite 202
Barrie, Ontario L4N 0B4

Attention: Stella Millis

Invoice Date: Nov 15, 2019
Invoice No.: 80953
Billing Through: Nov 15, 2019
Matter: 66930

RE: **6396763 CANADA INC. (THE INSTALLATION GROUP)/6756051 CANADA INC.**

Professional Fees:

<u>Date</u>	<u>Provider</u>	<u>Description</u>	<u>Hours</u>
8/22/2019	ALL	attending to initial telephone at tendances with FirePower and BDO with FirePower being purchaser of the assets	0.50
	ALL	attending to communications with solicitors at Chaitons as solicitors for BDO with respect to proposed alternative paths to follow for sale of assets including vesting order for bankruptcy, vesting order for proposal and court appointed receivership and determining only proper path is court appointed receivership	0.60
8/26/2019	ALL	attending to discussing matter with Bank to proceed with Appointment of Receiver and confirming proposed course action and correspondence	0.80
8/28/2019	ALL	attending to clarification letters prepared and sent to Bank and discussing need to issue letters of demand	0.50
	ALL	attending to further discussions with Bank and BDO to discuss manner to protect Bank from exposure to fees and issued detailed letter to BDO	0.90
8/29/2019	ALL	attending to reviewing matter in detail with Stella Millis and Bank and receiving additional documentation and reviewing same	1.40
8/30/2019	ALL	attending to reviewing matter with BDO	0.30
9/3/2019	ALL	attending to telephone attendance with Bank and participating in meeting of creditors to secure proceeding to receivership and sale	0.50
9/9/2019	ALL	attending to ongoing review of matter with Bank with respect to the issuance of demands and proceeding with Application and requesting additional documentation and material	0.40
9/16/2019	ALL	attending to further telephone attendance with Neel Chopra and Bronwyn Nelson of the Bank to discuss proceeding with Application for Receivership and issuance of demands notwithstanding the Installation Group had no direct debt to the Bank	0.60
9/17/2019	JDS	correspondence with Stella Millis	0.20
9/19/2019	JDS	correspondence with Shannon Jackson; reporting to bank	0.40
9/20/2019	JDS	reviewing estimated realization schedule; correspondence with Stella Millis; correspondence and communications with client; participating in meeting of creditors	2.10

BDO Canada Limited
300 Lakeshore Drive, Suite 202
Barrie, Ontario L4N 0B4

Invoice Date: Nov 15, 2019
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Stella Millis

	ALL	attending to reviewing a submitted realization and discussing same with Bank and with FirePower as potential purchaser	0.70
9/25/2019	ALL	attending to receiving and reviewing draft letter of intent from FirePower and minutes of fourth meeting of creditors an providing comments thereon	0.80
	ALL	attending to discussing alternative mechanisms to receivership with Bank and BDO	0.40
9/26/2019	ALL	attending to reviewing file and commenting on status	0.30
9/27/2019	JDS	reviewing Letter of Intent from Firepower; correspondence with client; correspondence with Stella Millis	0.80
	ALL	attending to reviewing amended letter of intent and commenting thereon	0.40
10/8/2019	JDS	correspondence with client; correspondence with Stella Millis	0.50
	ALL	attending to receipt of advise that any potential refinancing has ended and reviewing with BDO and Bank and proceeding with Receivership	0.50
10/10/2019	ALL	attending to a detailed telephone conversation with BDO as to manner in which to proceed and receiving and reviewing letter of intent and issues related to software	0.70
10/11/2019	JDS	correspondence with Stella Millis	0.30
	ALL	attending to email exchange with representatives of FirePower and issuing comments on LOI	0.40
10/15/2019	ALL	attending to issuing correspondence to BDO related to issues surrounding assets to be sold in receivership and discussing same with BDO	0.60
10/16/2019	JDS	correspondence and communications with client	1.60
10/17/2019	JDS	correspondence with Stella Millis; reporting to client	0.40
	ALL	attending to receiving detailed response from BDO as the outstanding issues, discussion and resolution of each item	0.80
10/18/2019	JDS	correspondence with client	0.30
	ALL	attending to telephone attendance to Bank with respect to issuance of demands and proceeding with Receivership and receiving authorization	0.60
10/20/2019	JDS	correspondence with client	0.40
10/21/2019	JDS	correspondence and communications with Stella Millis; correspondence with client	1.60
	ALL	attending to further exchange of communications with Bank	0.40
10/23/2019	JDS	correspondence with call counsel re scheduling receivership motion; reviewing initial draft of lease; reviewing rate calculation sheet re Bulmer provided by Mr. Lefebvre	1.40

BDO Canada Limited
300 Lakeshore Drive, Suite 202
Barrie, Ontario L4N 0B4

Invoice Date: Nov 15, 2019
Invoice No.: 80953
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Matter: 66930

Stella Millis

	IJK	obtain relevant authorities on quick flip transactions in receivership orders;	0.50
10/24/2019	JDS	correspondence with bank; preparing and issuing demands and NITES; correspondence with Stella Millis	2.40
10/25/2019	JDS	correspondence with Fred Tayar; correspondence with Service List	0.50
10/29/2019	JDS	reviewing draft APS; correspondence with client; correspondence with solicitors for Firepower	2.50
10/30/2019	JDS	correspondence and communications with receiver and receiver's counsel; communications with borrower's counsel; correspondence with client; reviewing draft lease agreement	2.40
	JDS	conference call re receivership; reporting to client	1.20
	JDS	preparing materials in support of receivership motion	2.40
	JDS	correspondence with Stella Millis re file update; correspondence with client; reviewing list of purchased assets; telephone discussion with Fred Tayar; correspondence from Firepower; conference call with counsel re file status	3.10
10/31/2019	JDS	correspondence with proposed service list re motion scheduling; correspondence with commercial list	0.80
	JDS	correspondence with Stella Millis re lease agreement; reporting to client; coordinating new application date with court	0.90
11/5/2019	JDS	correspondence with proposed receiver and counsel; reporting to client; reviewing proposed receiver's report	2.40
	JDS	reviewing proposed receiver's draft report and confidential supplement; correspondence with Sam Rappos	1.90
	PS	review file; draft notice of application	2.00
11/6/2019	JDS	correspondence with client re draft lease; correspondence with Stella Millis; reporting to client; reviewing Firepower's comments re lease	1.30
	ALL	attending to reviewing and commenting upon draft Application and supporting Affidavit	1.90
	ALL	attending to reviewing draft report and commenting upon same and ongoing discussions with BDO	1.70
	IJK	review draft report and confidential report; review motion material; review law on quick flip transactions; begin drafting factum; discussions with S. Millis	3.60
	JCM	Email from and to J. Spetter; review of instructions from J. Spetter; discussion with J. Spetter regarding matter; review of draft lease; revisions to draft lease; discussion with J. Spetter; email to B. Nelson; emails from and to J. Spetter following comments on the draft Lease from J. Thrower.	2.60
	PS	draft Notice of Application and Affidavit	3.50

BDO Canada Limited
300 Lakeshore Drive, Suite 202
Barrie, Ontario L4N 0B4

Invoice Date: Nov 15, 2019
Invoice No.: 80953
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Matter: 66930

Stella Millis

	PS	attend at client office to commission affidavit	1.80
11/7/2019	JDS	ongoing work relating to receivership application; correspondence with various parties related to application; correspondence and communications with client	4.80
	JDS	finalizing materials in support of application; drafting order; correspondence with client	2.40
	IJK	continue drafting factum	2.10
	JCM	Emails from and to J. Spetter; further revisions to draft Lease; emails to and from J. Thrower; further revisions to draft Lease; emails from and to B. Nelson; further revisions to draft lease; finalizing lease; emails related to finalizing lease.	2.70
11/8/2019	JDS	ongoing correspondence and communications with counsel re finalizing materials; serving and filing application record	1.40
	JDS	correspondence with client re receivership order	0.20
	IJK	continue drafting and editing factum; prepare brief of authorities; instructions re: service and filing factum on an expedited basis	4.60
11/11/2019	JDS	call with proposed receiver	0.30
	IJK	emails with S. Rappos; review draft orders; review all motion material and prepare for motion;	3.20
11/12/2019	JDS	attending to all correspondence with trustee and service list re issued and entered Orders, serving Orders and Endorsement on Service List	0.60
	IJK	attend on motion to appoint receiver and for sale approval and vesting order; attend to having orders issued and entered	3.50

Our Fee:	\$38,965.00
HST on Fees:	\$5,065.45

Summary by Provider:

JDS	Jason D. Spetter	41.50	450.00	\$18,675.00
ALL	Allan L. Lipman	16.70	500.00	\$8,350.00
IJK	Ian J. Klaiman	17.50	400.00	\$7,000.00
JCM	Jeysa Martinez	5.30	450.00	\$2,385.00
PS	Paul Siciliano	7.30	350.00	\$2,555.00
Totals:		88.30		\$38,965.00

Disbursements - Taxable

To issue Notice of Application Inv#34141	50.00
Registered mail	42.92
Printing/scanning	125.00

BDO Canada Limited
300 Lakeshore Drive, Suite 202
Barrie, Ontario L4N 0B4

Invoice Date: Nov 15, 2019
Invoice No.: 80953
Billing Through: Nov 15, 2019
Matter: 66930

Stella Millis

Postage	3.48
To file Application Record Inv#34158	80.00
	<hr/>
Total Taxable Disbursements	\$301.40
HST on Disbursements:	\$39.18
 <u>Disbursements - Non-Taxable</u>	
Court Fee - Notice of Application	229.00
	<hr/>
Total Non-Taxable Disbursements	\$229.00
	<hr/>
Total Fees, Disbursements and HST:	\$44,600.03
	<hr/>
Amount Due This Invoice:	<u>\$44,600.03</u>

LIPMAN ZENER & WAXMAN PC


Jason D. Spetter

Total HST: \$5,104.63
HST No.: 720773514

Payment of this account is due on receipt.

NOTE: This account bears interest from one month after delivery in accordance with the rate prescribed by Section 128 of the Courts of Justice.

This is **Exhibit "B"** referred to in the
Affidavit of **Jason D. Spetter** sworn

This **4th** day of **February, 2021**



*Commissioner for Taking Affidavits (or as may be)**

virtually commissioned by **Ian Klaiman (LSO #58955G),
as per LSO Corporate Statement re COVID-19*

SUMMARY OF ADDITIONAL INFORMATION
REGARDING ACCOUNT OF LIPMAN, ZENER & WAXMAN PC
DATED NOVEMBER 15, 2019

LAWYER	YEAR OF CALL	COMMERCIAL RATE
Jason D. Spetter	2002	\$450.00
Allan L. Lipman	1975	\$500.00
Ian J. Klaiman	2010	\$400.00
Jeysa Martinez	2007	\$450.00
Paul Siciliano	2018	\$350.00

THE BANK OF NOVA SCOTIA

-and-

6396763 CANADA INC.

Applicant

Respondent

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at

TORONTO

AFFIDAVIT OF JASON D. SPETTER

LIPMAN, ZENER & WAXMAN PC
Barristers and Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5

JASON D. SPETTER (LSO No. 46105S)
IAN KLAIMAN (LSO No. 58955G)

Tel: (416) 789-0652

Fax: (416) 789-9015

Emails: jspetter@lzwlaw.com ;
iklaiman@lzwlaw.com

Lawyers for the Applicant

APPENDIX H

Court File No. CV-19-00630665-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE BANK OF NOVA SCOTIA

Applicant

- and -

6396763 CANADA INC.

Respondent

AFFIDAVIT OF SAM RAPPOS
(sworn February 11, 2021)

I, **SAM RAPPOS**, of the City of Markham, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner with the law firm of Chaitons LLP ("**Chaitons**"), lawyers for BDO Canada Limited as Court-Appointed Receiver without security, of all the assets, undertakings and properties of the Respondent acquired for, or used in relation to a business carried on by the Respondent and as such have knowledge of the matters to which I hereinafter depose.
2. Attached hereto as the following exhibits are copies of the following accounts issued by Chaitons to the Receiver for the time period commencing April 1, 2019 and ending December 31, 2020, totalling \$12,514.38 (comprised of fees of \$11,032.50, disbursements of \$42.17 and HST of \$1,439.71) with respect to this proceeding:

- (a) **Exhibit "A"** – account for the period up to and including November 30, 2019;

(b) **Exhibit "B"** – account for the period up to and including December 31, 2020; and

3. Attached hereto as **Exhibit "C"** is a summary of additional information with respect to the accounts referred to in paragraph 2 above, indicating all members of Chaitons who have worked on this matter, their year of call to the bar, total time charged and hourly rates, and I hereby confirm that this list represents an accurate account of such information.

4. I confirm that the accounts described in paragraph 2 above accurately reflect the services provided by Chaitons in this matter and the fees and disbursements claimed by it from April 1, 2019 to December 31, 2020.

SWORN before me at the City)
of Toronto, in the Province of)
Ontario, this 11th day of)
February, 2021)
_____)
A Commissioner, etc.)



SAM RAPPOS

**THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 11th
DAY OF FEBRUARY, 2021**



A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com



INVOICE NUMBER: 273850

November 30, 2019

BDO CANADA LIMITED
300 LAKESHORE DRIVE, SUITE 202
BARRIE, ONTARIO, L4N0B4

Re: 6396763 CANADA INC. O/A THE INSTALLATION GROUP
Our file: 007456-32027

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including November 30, 2019:

PROFESSIONAL FEES		
SUBJECT TO HST	\$10,657.50	\$10,657.50
SUB-TOTAL		
 DISBURSEMENTS		
SUBJECT TO HST	\$7.17	\$7.17
SUB-TOTAL		\$1,386.41
HST at 13.00%		
		<u>\$12,051.08</u>
GRAND TOTAL		

Amount payable on the current invoice	\$12,051.08
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$12,051.08</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 273850

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

2.



PROFESSIONAL FEES:

Apr 17, 19	SPR	Reviewed correspondence and documentation and attended creditors meeting;
Aug 14, 19	SPR	Reviewed file documents and attended conference calls to discuss status of proposal and next steps;
Aug 21, 19	SPR	Discussed matters with H. Chaiton and drafted correspondence regarding same to client;
Aug 22, 19	SPR	Reviewed and drafted correspondence regarding proposal matters;
Sep 3, 19	SPR	Discussed matters with client; attended creditors meeting via conference call;
Oct 22, 19	SPR	Discussed matters with client;
Oct 24, 19	SPR	Reviewed and drafted correspondence regarding transaction documents;
Oct 29, 19	SPR	Reviewed and drafted correspondence; reviewed draft documents;
Oct 30, 19	SPR	Discussed matters with client; reviewed and drafted correspondence; reviewed documents; attended conference call with all parties;
Oct 31, 19	SPR	Reviewed and drafted correspondence; reviewed and revised draft sale transaction documents;
Nov 1, 19	SPR	Reviewed and drafted correspondence regarding closing documents and matters;
Nov 4, 19	SPR	Reviewed and drafted correspondence regarding sale transaction matters;
Nov 5, 19	SPR	Reviewed and revised draft APA; reviewed and drafted draft report; reviewed and drafted correspondence; considered various matters regarding sale transaction; discussed matters with client;
Nov 6, 19	SPR	Reviewed and drafted correspondence regarding sale matters;
Nov 7, 19	SPR	Reviewed and drafted correspondence and reviewed various documents regarding the sale transaction and upcoming court hearing;

HST No R124110933

INVOICE NUMBER: 273850

E. & O.E. Payment due on receipt of this account. In accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4650220v1

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

3.



Nov 8, 19	SPR	Reviewed application record and reviewed and drafted correspondence;
Nov 11, 19	SPR	Reviewed and drafted correspondence regarding receivership hearing; drafted court orders;
Nov 12, 19	SPR	Prepared for and attended hearing of receivership application; reviewed and drafted correspondence regarding closing matters; discussed matters with client;
Nov 13, 19	SPR	Attended to matters related to closing of sale transaction;
Nov 14, 19	SPR	Reviewed correspondence;
Nov 15, 19	SPR	Drafted receiver's certificate; reviewed and drafted correspondence;
Nov 18, 19	SPR	Reviewed and drafted correspondence regarding closing matters;
Nov 22, 19	SPR	Attended to arranging for filing of Receiver's Certificate with Court;

TOTAL PROFESSIONAL FEES
HST at 13.00%

\$10,657.50
1,385.48

DISBURSEMENTS:

Subject to HST:

Long Distance Telephone Taxable \$7.17

\$7.17

TOTAL DISBURSEMENTS
HST at 13.00%

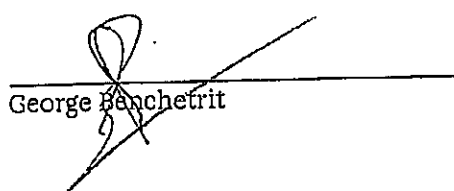
\$7.17
0.93

GRAND TOTAL

\$12,051.08

CHAITONS LLP

per:


George Banchevrit

HST No R124110939

INVOICE NUMBER: 273850

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
 www.chaitons.com

4.



LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
SAM RAPPOS	\$525.00	20.30	\$10,657.50
Total:		20.30	\$10,657.50

HST No R124110933

INVOICE NUMBER: 273850

B. & O.E. Payment due on receipt of the account. In accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4650220v1

**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 11th
DAY OF FEBRUARY, 2021**



A Commissioner Etc.

Chaitons^{LLP}

INVOICE NUMBER: 279519

January 31, 2021

BDO CANADA LIMITED
300 LAKESHORE DRIVE, SUITE 202
BARRIE, ONTARIO, L4N0B4

Re: **6396763 CANADA INC. O/A THE INSTALLATION GROUP**
Our file: 007456-32027

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including December 31, 2020:

PROFESSIONAL FEES		
SUBJECT TO HST	\$375.00	\$375.00
SUB-TOTAL		
DISBURSEMENTS		
SUBJECT TO HST	\$35.00	\$35.00
SUB-TOTAL		\$53.30
HST at 13.00%		
		<u>\$463.30</u>
GRAND TOTAL		

Amount payable on the current invoice	\$463.30
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$463.30</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 279519

E. & O.E. Payment due on receipt of the account. In accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

PROFESSIONAL FEES:

Jan 6, 20 SPR Reviewed and drafted correspondence regarding statement of adjustments;

Oct 6, 20 SPR Reviewed and drafted correspondence;

Oct 9, 20 SPR Provided comments on draft report;

TOTAL PROFESSIONAL FEES
HST at 13.00%

\$375.00
48.75

DISBURSEMENTS:**Subject to HST:**

Kap Litigation Services Taxable

\$35.00

\$35.00

TOTAL DISBURSEMENTS
HST at 13.00%

\$35.00
4.55

GRAND TOTAL**\$463.30****CHAITONS LLP**

per:



 Sam Rappos

HST No R124110933

INVOICE NUMBER: 279519

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
SAM RAPPOS	\$540.00	0.50	\$270.00
SAM RAPPOS	\$525.00	0.20	\$105.00
Total:		0.70	\$375.00

HST No R124110933

INVOICE NUMBER: 279519

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4999847v1

**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 11th
DAY OF FEBRUARY, 2021**



A Commissioner Etc.

SUMMARY

Lawyer	Year of Call	Hours Billed	Hourly Rate	Amount Billed
Sam Rappos	2005	20.50	\$525.00	\$10,762.50
Sam Rappos	2005	0.50	\$540.00	\$270.00
Total Hours and Amounts Billed		21.00		\$11,032.50
Average Hourly Rate			\$525.35	
Total Disbursements				\$42.17
Total Taxes (HST)				\$1,439.71
TOTAL				\$12,514.38

THE BANK OF NOVA SCOTIA
Applicant

-and- 6369763 CANADA INC.
Respondent

Court File No. CV-19-00630665-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO, ONTARIO

FEE AFFIDAVIT

CHAITONS LLP
Barristers & Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Sam Rappos (51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837

Lawyers for the Applicant

THE BANK OF NOVA SCOTIA
Applicant

-and-

6369763 CANADA INC.
Respondent

Court File No. CV-19-00630665-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
PROCEEDING COMMENCED AT
TORONTO, ONTARIO

MOTION RECORD OF THE RECEIVER
(motion for discharge and ancillary relief)
(returnable February 24, 2021)

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Sam Rappos (LSO # 51399S)
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Fax: (416) 218-1837
E-mail: samr@chaitons.com

**Lawyers for BDO Canada Limited,
Court-appointed Receiver**