

31-2587191

April 5, 2020

Re. TRADE SECRET WEB PRINTINGS

① This Motion was heard in writing in accordance with the change in operations of the Commercial List in view of the Covid-19 Crisis and the Chief Justice's Notice to the Profession dated March 15, 2020

② This Motion is granted on the terms of the attached amended approval and Vesting Order.

③ This order is effective today whether or not it is entered.

Hasty J.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

)

DAY, THE 5TH DAY

)

JUSTICE HAINEY

)

APRIL
OF MARCH, 2020

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF TRADE SECRET WEB PRINTING INC.,
OF THE CITY OF ETOBICOKE, IN THE PROVINCE OF ONTARIO

AMENDED APPROVAL AND VESTING ORDER

THIS MOTION made by Trade Secret Web Printing Inc. (“**Debtor**”) for an Order in the form set out in the Notice of Motion, and in particular, approving the sale transaction (“**Transaction**”) contemplated by an agreement of purchase and sale (“**Stalking Horse Agreement**”) between the Debtor and B & Y Property Holdings Inc. dated December 13, 2019, and vesting in Leaseco 2020 Holdings Inc. (the “**Purchaser**”), the Debtor’s right, title and interest in and to the assets described in the Stalking Horse Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Bashir Harb, sworn February 14, 2020 (the “**Harb Affidavit**”), the Third Report of Crowe Soberman Inc., in its capacity as proposal trustee of the Company (“**Proposal Trustee**”), filed, and on hearing the submissions of counsel for the Debtor

and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Ariyana Botejue, filed,

SERVICE

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

APPROVAL OF THE TRANSACTION

2. **THIS COURT ORDERS** that the Transaction is hereby approved, and the execution of the Stalking Horse Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the Debtor (with the consent of the Proposal Trustee) and the Purchaser may agree to in writing. The Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS** that the funds advanced by the Purchaser to the Debtor pursuant to the Debtor-in-Possession Term Sheet between the Purchaser and the Debtor, as previously authorized by this Court, may be applied to and constitute part of the purchase price, as defined in the Stalking Horse Agreement.

4. **THIS COURT ORDERS** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Stalking Horse Agreement (and listed on Schedule B hereto) shall vest absolutely in the

Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated December 16, 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.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of the 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 Proposal Trustee's certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's certificate, forthwith after delivery thereof.

SEALING OF CONFIDENTIAL EXHIBIT

7. **THIS COURT ORDERS** that Confidential Exhibit "A" to the Harb Affidavit, which is an unredacted copy of the Stalking Horse Agreement, shall be sealed, kept confidential and shall not form part of the public record, pending further Order of this Court or the completion of the Transaction.

GENERAL

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

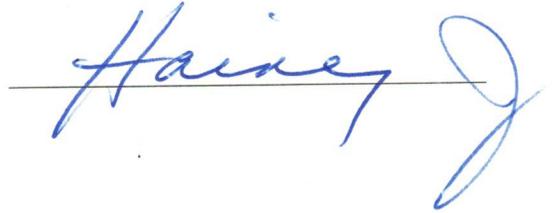
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

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

9. **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 Debtor, the Proposal Trustee and their respective 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 Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that the Debtor and the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and any other materials and orders in these proceedings, any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

A handwritten signature in blue ink, appearing to read "Hainey", is written over a horizontal line. The signature is cursive and extends to the right of the line.

Schedule A – Form of Proposal Trustee’s Certificate

Court File No.: 31-2587191

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

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF TRADE SECRET WEB PRINTING INC.,
OF THE CITY OF ETOBICOKE, IN THE PROVINCE OF ONTARIO**

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Hailey of the Ontario Superior Court of Justice (the "**Court**") dated December 16, 2019, Crowe Soberman Inc. was appointed as the proposal trustee (the "**Proposal Trustee**") of the undertaking, property and assets of Trade Secret Web Printing Inc. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated February 20, 2020, the Court approved the Stalking Horse Agreement made as of December 13, 2019 (the "**Stalking Horse Agreement**") between the Debtor and B&Y Property Holdings Inc. and provided for the vesting in Leaseco 2020 Holdings Inc. (the "**Purchaser**") of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 1.09 of the Stalking Horse Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Stalking Horse Agreement;
2. The conditions to Closing as set out in section 1.09 of the Stalking Horse Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

**CROWE SOBERMAN INC., in its capacity
as Licenced Insolvency Trustee of Trade
Secret Web Printing Inc.**

Per: _____
Name:
Title:

Schedule B – Purchased Assets

1. Heidelberg Speedmaster Model SM102-10-P6

Serial Number: 547216, Age: 2006

Impressions: 283, 497, 191

Ten printing units, in 28" by 40" format, with perfecting 4/4 or 10/10. Complete with CP2000 off-press console with MasterLevel and Tandem wash-up concept (for impression cylinder washing via wet blanket), UTOPLATE with Vario, PRESET PLUS feeder. In addition CutStar (Bielomatik) roll-to-sheet feeder attached to the Preset-Plus feeder (includes pneumatic shaft and unwind stand). Machine number: CutStar 105/190. Age of sheeter: 2007. PRESET PLUS delivery (X1), Technotrans beta c 500 RC for ink temperature control and dampening (inclusive of external roof-top condenser). DryStar infra-red dryer, CleanStar, PowderStar (Grafix), ScrollStar, INKLIN (all ten units).

2. MBO Signature Folder

Main Unit B30-L

Serial Number: R12/20

8 page B30-2-30/4

Serial Number: S11/115

3. MBO Signature Folder

Main Unit B26-L

Serial Number: T06/11

8 page B26-2-26/4

Serial Number: S05/18

4. Pump Trucks

5. All office furniture

6. Accounts Receivables outstanding as at the Closing Date.

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**CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of Trade Secret Web Printing Inc.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
*Proceeding commenced at TORONTO***

AMENDED APPROVAL AND VESTING ORDER

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