

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

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) MONDAY, THE 16TH DAY
)
JUSTICE *HAINET*) OF DECEMBER, 2019



**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**

**ORDER
(DIP LOAN, SISP)**

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:

- a) granting an Administration Charge (as defined below) in respect of the fees and expenses of legal counsel to the Debtor, Crowe Soberman Inc. in its capacity as Licensed Insolvency Trustee with respect to the Debtor ("Proposal Trustee"), and Proposal Trustee's legal counsel;
- b) approving certain interim financing for the Debtor in accordance with the DIP Term Sheet (defined below) and granting the DIP Lender's Charge (as defined below);

- c) approving bidding procedures with respect to the sale of the assets and business of the Debtor, including the Stalking Horse Agreement with the Stalking Horse Bidder as both of those terms are defined in the bidding procedures; and,
- d) extending the time within which a Proposal must be filed to and including February 5, 2020,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Bashir Harb, sworn December 11, 2020, and the First Report of the Proposal Trustee, dated December 13, 2019 (“**First Report**”), 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 duly served as appears of 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.

ADMINISTRATION CHARGE

2. **THIS COURT ORDERS** that legal counsel to the Debtor, the Proposal Trustee and legal counsel to the Proposal Trustee (“**Administrative Parties**”) shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on all property, assets and undertakings of the Debtor (“**Property**”), which charge shall not exceed an aggregate amount of \$250,000, as security for the fees and disbursements of the Administrative Parties, incurred at

their standard rates and charges both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraph 5 hereof.

DIP FINANCING

3. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow under a credit facility pursuant to the Debtor-in-Possession Term Sheet (“**DIP Term Sheet**”) between the Debtor and the lender (“**DIP Lender**”) in the form attached hereto as Schedule “A”, provided that the borrowings by the Debtor under the DIP Term Sheet shall not exceed \$250,000 unless permitted by further Order of this Court.

4. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (“**DIP Lender’s Charge**”) on the Property as security for any and all obligations, including on account of principal, interest, fees, expenses and other liabilities, under the DIP Term Sheet (“**DIP Obligations**”), which DIP Lender’s Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the DIP Term Sheet.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

5. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender’s Charge (collectively, the “**Charges**”), as among them, shall be as follows:
 - First - the Administration Charge; and
 - Second - the DIP Lender’s Charge

6. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as

against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

7. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise.

BIDDING PROCEDURES

8. **THIS COURT ORDERS** that the Bidding Procedures, as set out and described in the First Report, are hereby approved and that the Proposal Trustee be and is hereby authorized and directed to carry out the Bidding Procedures in accordance with their terms. The Proposal Trustee is hereby authorized and directed to perform its obligations under the Bidding Procedures and to do all things reasonably necessary in relation to such obligations, subject to the terms of the Bidding Procedures.

9. **THIS COURT ORDERS** that in each case where the Proposal Trustee takes such actions or steps under paragraph 8 of this Order, it shall be exclusively authorized and empowered to do so, to the exclusion of any other individual, firm, corporation, governmental body or agency or any other entity (each being a “**Person**”) including the Debtor, and without interference from any other Person.

10. **THIS COURT ORDERS** that the Proposal Trustee and its affiliates, partners, directors, employees, counsel, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of engaging any professionals as set out in paragraph 8 of this Order, except to the

extent such losses, claims, damages or liabilities result from gross negligence or willful misconduct on the Proposal Trustee in performing its obligations hereunder, as determined by this Court.

STALKING HORSE AGREEMENT

11. **THIS COURT ORDERS** that the Debtor is hereby authorized to execute the Stalking Horse Agreement, provided that nothing herein approves the sale and vesting of the Debtors' assets in the Stalking Horse Bidder pursuant to the Stalking Horse Agreement, and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion made to this Court following the completion of the sale process pursuant to the Bidding Procedures.

12. **THIS COURT ORDERS** that, in connection with the Bidding Procedures and pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Debtor, and the Proposal Trustee are authorized and permitted to disclose personal information of identifiable individuals to prospective, purchasers or bidders of the Debtors' assets and to their advisors, including the Stalking Horse Bidder, but only to the extent desirable or required to negotiate and attempt to complete a sale transactions (each, a "**Transaction**"). Each prospective purchaser, or bidder to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Debtor or the Proposal Trustee; or (ii) destroy all such information that is not electronically stored and, in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser in any

Transaction 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 Debtor or the Proposal Trustee, or ensure that all other personal information is destroyed.

EXTENSION OF TIME TO FILE PROPOSAL

13. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal is hereby extended to and including February 5, 2020.

SERVICE AND NOTICE

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

15. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtor and the Proposal Trustee are 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.

16. **THIS COURT ORDERS** that the Debtor and the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, Bidding Procedures 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).

GENERAL

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

18. **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.

A handwritten signature in blue ink, appearing to read "Haidy J.", is positioned in the upper right area of the page.

19. THIS COURT ORDERS that the orders herein are without prejudice to any and all rights of CWB Maximum Financial Inc., Blue Shore Leasing Ltd., Blue Shore Financial Credit Union and any ~~related~~ related corporation (collectively, the "Lessors") in and to any equipment in which these entities have an interest, which does not include the Heidelberg Speedmaster Model SM-102-10-P6 (the "Leased Assets"). For greater particularity:

(a) The DIP financing approved herein shall not apply to the Leased Assets unless further ordered by the Court; and

(b) Nothing herein shall preclude the lessors from exercising any rights under leases and/or security agreements held by them in the Leased Assets on notice of three (3) business days to the Proposal Trustee and the debtor, or as may be ordered by the Court.

20. THIS COURT ORDERS that the issue of priority of the \$90,000 previously advanced under the DIP shall be adjourned to a future date, ~~unless~~ agreed to by the parties in attendance here today.

SCHEDULE “A”**DIP Term Sheet – See Attached**

December 9, 2019

Trade Secret Web Printing Inc.

40 Horner Avenue, Etobicoke ON, M8Z 4X3
Attention: Mr. Bashir Harb

Dear Mr. Harb::

RE: Debtor in Possession funding of the Proposal of Trade Secret Web Printing Inc. (the "Borrower" in the amount of up to CAD \$250,000.00

We understand that Trade Secret Web Printing Inc. (the "Borrower") has filed for protection from its creditors by filing a notice of intention to make a proposal in accordance with the Bankruptcy and Insolvency Act (the "NOI Process").

In connection with the NOI Process, effective December 2, 2019 (the "Effective Date"), B&Y Property Holdings Inc., in its capacity as lender (the "Lender") is prepared to advance funds up to the amount of CAD \$250,000.00 to the Borrower, by way of a court-approved Term Credit Facility (as hereinafter defined), provided that the funds advanced are secured by a court-ordered charge as set out in the draft order attached hereto as Appendix "A" (the "Approval Order"), which loan shall in any event be in priority to all other entities and subject to the other terms set out herein (the "DIP Term Sheet").

The terms of the DIP Facility are as follows:

Borrower:	Trade Secret Web Printing Inc.
DIP Lender:	B&Y Property Holdings Inc. as lender (the "Lender") with a mailing address at 40 Horner Avenue, Etobicoke, Ontario, M8Z 4X3.
Facility Type:	Term Credit Facility (the "DIP Facility")
Minimum Amount:	CAD \$90,000.00 (the "First Advance")
Amount:	As approved by the court, up to a maximum principal amount of CAD \$250,000.00
Interest Rate:	<p>Five (5%) percent per annum, calculated monthly, not in advance.</p> <p>Interest calculated as aforesaid shall be payable:</p> <ul style="list-style-type: none"> i. accruing monthly, in arrears, on the first (1st) business day (in Toronto, Ontario) of each month until the full amount outstanding hereunder on account of the DIP Facility has been paid in full; ii. in accordance with the "Repayment" section below; and iii. upon Maturity (as hereinafter defined). The first monthly payment of interest hereunder shall be payable on the first (1st) business day of the month immediately following the month in which the initial advance of the DIP Facility occurs, computed from the date of such advance.
Closing Fee:	The Borrower shall pay to the Lender a closing fee equal to 2.00% of the maximum principal amount of the DIP Facility (the "Closing Fee"), which Closing Fee shall be earned and payable.
Purpose:	The purposes set out in the cash flows filed by the Proposal Trustee on December 2, 2019 (the "Cash Flows"), including, without limitation: (i) for ordinary course working capital and other general corporate purposes of the Borrower in accordance

	with, and subject to the limitations set forth in, the Cash Flows or any other order of the Court in the NOI Process; (ii) to pay transaction costs, fees and expenses (including the Permitted Fees and Expenses, as defined below, and professional fees and expenses owing to the Lender pursuant to the terms of this DIP Term Sheet or other DIP Facility documentation) incurred in connection with the DIP Facility and the transactions contemplated thereunder; and (iii) professional costs and expenses of the Borrower's counsel and the Proposal Trustee and its counsel incurred in connection with the NOI Process.
Availability of First Advance:	<p>The First Advance shall be available upon the occurrence of the following conditions precedent:</p> <ul style="list-style-type: none"> a) the execution and delivery of this DIP Term Sheet; b) a general security agreement executed by the Borrower in favour of the Lender creating a lien in all present and after-acquired personal property of the Borrower, securing the First Advance and any future advances made pursuant to the DIP Facility (the "GSA"); c) the registration, recording or filing, as applicable, of the GSA, in all jurisdictions and public offices as deemed necessary by the Lender and the Lender's counsel. <p>The Borrower acknowledges that although the First Advance is being made prior to Borrower obtaining the Approval Order, the Borrower must, as soon as commercially reasonable, obtain the Approval Order, on the following terms:</p> <ul style="list-style-type: none"> i. authorizing the Borrower to enter into, and authorizing the Borrower to perform their obligations under, this DIP Term Sheet; and ii. granting the Lender, a first-ranking super priority charge (the "DIP Charge") over all of the present and future real and personal, tangible and intangible property and assets of the Borrower, securing the First Advance and any further advances made under this DIP Facility (the "First Advance Condition Subsequent") <p>A failure to satisfy the First Advance Condition Subsequent shall be deemed an Event of Default (defined below) and the Lender may, in its sole and absolute discretion exercise, exercise any remedies available to it under this DIP Term Sheet.</p>
Conditions Precedent for Further Advances:	<p>No further advances, beyond the First Advance, shall be made under the DIP Facility, until the Borrower obtains the Approval Order containing the following terms:</p> <ul style="list-style-type: none"> iii. authorizing the Borrower to enter into, and authorizing the Borrower to perform its obligations under, this DIP Loan Agreement; and iv. granting the DIP Charge (the "Conditions Precedent")
Availability of Further Advances:	Provided (i) that the Conditions Precedent have been satisfied, (ii) an Event of Default (as defined below) has not occurred and (iii) demand for payment has not been made, further advances under the DIP Facility shall be available by one or, at the option of the Borrower, multiple advances, as required by the Borrower.
Term:	<p>The DIP Facility matures on the earliest of ("Maturity"):</p> <ul style="list-style-type: none"> a) the date that is ninety (90) days from the date of the DIP Term Sheet or such later date as the Lender may agree in writing;

	<p>b) the completion of a sale or sales of all or substantially all of the Borrower's assets, property and undertaking, as approved by the Court;</p> <p>c) the implementation of a proposal within the NOI Process, which has been approved by the requisite majorities of the Borrower's creditors, and the Court;</p> <p>d) the date on which the stay of proceedings in the NOI Process terminates; and</p> <p>e) the occurrence of an Event of Default (as defined below).</p> <p>All amounts outstanding or payable under the DIP Loan Agreement (including the principal and all unpaid accrued interest under the DIP Facility and all fees and other amounts required to be paid by the Borrower) shall be due and payable in full on Maturity.</p>
Repayment:	<p>Any amounts received in repayment of obligations owing under the DIP Loan Agreement shall be paid and applied as follows:</p> <ol style="list-style-type: none"> i. firstly, towards outstanding Permitted Fees and Expenses (as defined below); ii. secondly, towards outstanding interest and costs payable hereunder; and iii. thirdly, towards outstanding principal hereunder.
Prepayment:	The DIP Facility can be permanently repaid in whole or in part at any time, without notice or penalty.
Security:	The DIP Charge shall secure all debts, liabilities, and obligations of the Borrower under the DIP Facility and shall rank in priority to all assignments, security interests, trusts, liens, mortgages, charges and encumbrances whatsoever, statutory or otherwise, other than a charge to secure the fees and expenses of the Borrower, the Proposal Trustee and their respective counsel in the NOI Process (the "Administration Charge").
Permitted Fees and Expenses:	<p>"Permitted Fees and Expenses" means, collectively:</p> <ol style="list-style-type: none"> (a) all reasonable and documented fees and expenses of counsel for the Lender in connection with the DIP Facility; and (b) all reasonable and documented fees and expenses incurred by the Borrower and Crowe Soberman Inc., (including the fees and expenses of its counsel), in its capacity as "Proposal Trustee" under the NOI Process (the "Proposal Trustee").
Default:	<p>The following events shall constitute events of default (each, an "Event of Default"):</p> <ol style="list-style-type: none"> (a) the failure of the Borrower to obtain the Approval Order on or before December 20, 2019: <ol style="list-style-type: none"> i. authorizing the Borrower to enter into, and authorizing the Borrower to perform its obligations under, this DIP Loan Agreement; and ii. granting the DIP Charge, ranking behind the Administration Charge; (b) if the Borrower fails to pay to the Lender when due, any amount of principal, interest or other amounts under the DIP Facility, and this DIP Term Sheet, whether by acceleration or otherwise;

	<ul style="list-style-type: none"> (c) if the Borrower defaults, in the observance or performance of any other non-financial term, covenant or condition in this DIP Term Sheet, and such default is not cured within five (5) business days of receiving notice thereof from the Lender; (d) if the Lender determines, in its sole discretion, acting reasonably, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of the Borrower; (e) if (i) the Approval Order is varied without the consent of the Lender of any other order is made which is or may be prejudicial to the Lender's interests, acting reasonably; (ii) the Approval Order is appealed or leave to appeal is granted; or (iii) the stay if proceedings contained in the Approval Order is terminated or lifted; (f) if a receiver is appointed over any property of the Borrower or any judgment or order or process of any court becomes enforceable against the Borrower or any property of the Borrower or any creditor takes possession of any property of the Borrower; (g) if the Borrower ceases to carry on business; or (h) if the Borrower becomes a bankrupt under the bankruptcy laws of Canada.
Remedies:	<p>Upon the occurrence of an Event of Default:</p> <ul style="list-style-type: none"> (a) the Lender may immediately terminate the DIP Facility; and (b) all amounts outstanding under the DIP Facility and this DIP Loan Agreement shall, at the option of the Lender, immediately become due and payable; and (c) upon seeking an Order of the Court on five (5) days prior notice, enforce, without further notice, demand or delay, all of its rights and remedies against the Borrower and its property, assets and undertaking including, without limitation, by way of appointment of a receiver. <p>The Borrower hereby consents to the lifting of the stay in its NOI process, if required, in order to allow the DIP Facility and security to be enforced. The DIP Facility and all amounts due hereunder shall not be compromised in any proposal of the Borrower and the Lender shall be treated as an unaffected creditor in these proceedings.</p>
Conditions Precedent:	<p>The advance of the DIP Facility is conditional upon:</p> <ul style="list-style-type: none"> (b) the Borrower obtaining the Approval Order on terms acceptable to the Lender, including the following terms: <ul style="list-style-type: none"> i. authorizing the Borrower to enter into, and authorizing the Borrower and the Proposal Trustee to perform their obligations under, this DIP Loan Agreement; and ii. granting the Lender, the DIP Charge, ranking behind the Administration Charge.
Fees and Expenses:	The Borrower shall be responsible for all reasonable costs, fees and expenses incurred by the Lender and the Lender's solicitor in connection with the negotiation, preparation and administration of this DIP Term Sheet and any enforcement of the

	DIP Charge including, without limitation, all court attendances in connection therewith. All such fees and expenses shall be added to the DIP Facility and be secured by the DIP Charge.
Counterparts:	This DIP Term Sheet may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Term Sheet delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Term Sheet.

The foregoing constitutes a formal offer to provide financing. Nothing in this DIP Term Sheet shall prevent the Lender from bidding on or funding an entity bidding of the assets of the Borrower in the proposed sale process or otherwise.

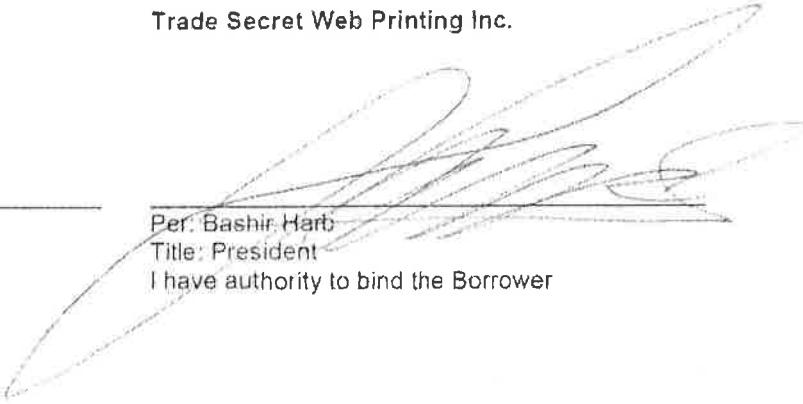
IN WITNESS WHEREOF, the parties have executed this DIP Term Sheet as of the date first above written.

B&Y Property Holdings Inc.



Per: Zeinab Harb
Title: President
I have authority to bind the Lender

Trade Secret Web Printing Inc.



Per: Bashir Harb
Title: President
I have authority to bind the Borrower

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
In Bankruptcy and Insolvency

Proceeding commenced at TORONTO

ORDER

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