

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

and

12411300 CANADA INC.

Respondent

APPLICATION UNDER Section 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 Returnable OCTOBER 14, 2022)

OCTOBER 7, 2022

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(as of October 7, 2022)

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

and

12411300 CANADA INC.

Respondent

APPLICATION UNDER Section 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

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TAB	DOCUMENT
1.	Notice of Motion Returnable October 14, 2022
2.	Second Report of the Receiver dated October 7, 2022
A.	Receivership Order, dated July 22, 2022
B.	First Report of the Receiver, dated August 8, 2022 (with appendices)
C.	Correspondence between Receiver and Debtor's Counsel dated September 26, 2022 and 27, 2022
3.	Draft Sale Process Approval Order
A.	Schedule "A" – Sale Process

TAB 1

Court File No. CV-22-00684372-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

and

12411300 CANADA INC.

Respondent

APPLICATION UNDER Section 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
(Returnable October 14, 2022)**

Crowe Soberman Inc. in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of Real Property and Personal Property of 12411300 Canada Inc. (the “**Debtor**”), will make a motion to the Court on October 14, 2022 at 12:00 p.m. or as soon after that time as the motion can be heard,

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

- In writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location

[Zoom link to be uploaded on Caselines.](#)

THE MOTION IS FOR:

An order (“**Sale Process Approval Order**”), substantially in the form included at **Tab “3”** to the Motion Record,

- (a) Approving the proposed sale process (the “**Sale Process**”) attached at Schedule “A” to the draft Sale Process Approval Order, and as described in the Second Report of the Receiver to the Court, dated October 7, 2022 (the “**Second Report**”);
- (b) Approving the First Report of the Receiver to the Court, dated August 8, 2022 (the “**First Report**”) and the activities set out therein;
- (c) Approving the Second Report and the activities set out therein;
- (d) sealing the Confidential Appendix to the Second Report; and
- (e) Such further and other relief as the Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- (f) Pursuant to an Order of the Honourable Justice Cavanagh dated July 22, 2022 (the “**Receivership Order**”) made on application by Triple-I Capital Partners Limited (the “**Applicant**”), Crowe Soberman Inc. was appointed as Receiver over the Real Property and Personal Property of the Debtor (as such terms are defined in the Receivership Order).
- (g) The Receivership Order authorizes the Receiver to market and, with the approval of this Court, sell the Real Property.
- (h) The Real Property consists of a 0.85 parcel of industrial land located at the property municipally known as 237B Advance Blvd., Brampton ON

L6T 4TJ, as well as the 18,201 square foot commercial building located thereon (the “**Real Property**”).

Sale Process

- (i) Since the date of the Receivership Order, the Receiver has familiarized itself with the Real Property and engaged with a representative of Avison Young (“AY” or the “**Realtor**”) to understand the background on, and market for, the Real Property.
- (j) AY was previously involved with the listing of the Real Property approximately two years ago and has previously conducted extensive diligence and research on the market for the Real Property. As part of these efforts, AY has developed an extensive network of relationships for potential purchasers for the Real Property.
- (k) Having engaged the Realtor, the Receiver now seeks Court approval of the Sale Process.
- (l) The elements of the Sale Process and the Receiver’s views of them are discussed in detail in the Second Report.
- (m) The proposed Sale Process provides for the solicitation of potential purchasers, marketing and advertising the Real Property, procedure and deadlines for the submission of bids, and the procedure for accepting a successful bid.
- (n) The Sale Process is necessary to facilitate a transparent and efficient disposition of the Real Property and to maximize value for creditors by effective marketing by both the Realtor and the Receiver.
- (o) The intended Sale Process, with the assistance of the Realtor, contemplates a process whereby the Receiver will identify and solicit prospective purchasers to submit a binding offer for the purchase of the Real Property.

- (p) The deadline for submitting bids for the Real Property is November 10, 2022, although it is contemplated in the Sale Process that deadlines may be revised by the Receiver in consultation with the Realtor, based on feedback from the market after the launch of the Sale Process.
- (q) The Sale Process has been prepared in consultation and over discussions with the secured lenders.
- (r) The Sale Process does not require the Receiver to accept an offer that is not in the best interest of the stakeholders of the Real Property.
- (s) The terms of the Sale Process are fair and reasonable in the circumstances, and the Receiver's view and position on the Sale Process are detailed further within the Second Report.
- (t) The Receiver will return to Court to seek approval of any transaction generated throughout the Sale Process and approval of definitive documentation with respect to same, or, if no qualified bids are received or if the Receiver concludes that none of the bids will result in a consummated transaction, the Receiver will seek further instruction from this Court.

Approval of the First Report and the Second Report

- (u) The Receiver's actions and activities, as described in the First Report and the Second Report, are lawful and proper, and consistent with its powers and duties under the Receivership Order.

Sealing Order

- (v) The Receiver requests that certain confidential information in the Confidential Appendix to the Second Report, being the listing agreement with the Realtor, be sealed pending the closing of a transaction in respect of the Real Property, or until further Order of the Court.

Generally

- (w) The circumstances exist to make the Order sought by the Receiver appropriate.
- (x) The terms of the Receivership Order.
- (y) The reasons set out in the First Report and the Second Report.
- (z) The provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, including section 243.
- (aa) The provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, including section 137(2).
- (bb) Rules 1.04, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure* (Ontario).
- (cc) Such further and other grounds as counsel may advise and this Court may permit.

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

- (dd) The Receivership Order;
- (ee) The First Report of the Receiver to this Court dated August 8, 2022.
- (ff) The Second Report of the Receiver to this Court dated October 7, 2022.
- (gg) Such further and other material as counsel may submit and this Court may permit.

OCTOBER 7, 2022

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TO: SERVICE LIST

TRIPLE-I CAPITAL PARTNERS LIMITED
Applicant

and

12411300 CANADA INC.
Respondent

Court File No.: CV-22-00684372-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**NOTICE OF MOTION
(Returnable October 14, 2022)**

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Crowe Soberman Inc.

TAB 2

Court File No. 22-00684372-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

- and -

12411300 CANADA INC.

Respondents

SECOND REPORT OF THE RECEIVER

OCTOBER 7, 2022

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APPENDICES

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APPENDIX “B” – First Report of the Receiver, dated August 8, 2022

APPENDIX “C” – Correspondence between Receiver’s Counsel and Debtor’s Counsel
dated September 26, 2022 and 27, 2022

CONFIDENTIAL APPENDIX “A” – Fully Executed Listing Agreement with Avison Young, dated October 6, 2022

Court File No. 22-00684372-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

- and -

12411300 CANADA INC.

Respondents

SECOND REPORT OF THE RECEIVER

OCTOBER 7, 2022

I. INTRODUCTION

1. Pursuant to an Order of the Honourable Justice Cavanagh dated July 22, 2022 (the “**Receivership Order**”), made on an application by Triple-I Capital Partners Limited (the “**Applicant**”), Crowe Soberman Inc. (“**Crowe**”) was appointed as receiver and manager (in this capacity, the “**Receiver**”) over the Real Property and Personal Property of 12411300 Canada Inc (the “**Debtor**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.

2. A principal purpose of these receivership proceedings is to allow the Receiver to take possession and control of the Property and Assets and to maximize recoveries for the Respondent’s stakeholders through the sale of the property and assets located at 237B Advance Blvd. Brampton, ON L6T 4TJ (the “**Real Property**”).

II. PURPOSE OF THE SECOND REPORT

3. This Second Report is prepared and filed to:

- (a) update the Court on the Receiver’s activities since the date of the First Report of the Receiver to the Court, dated August 8, 2022 (“**First Report**”). A copy of the First Report is attached hereto as **Appendix “B”**;
- (b) summarize the proposed sale process for the Real Property (the “**Sale Process**”);

- (c) summarize the Receiver's activities related to the marketing of the Real Property; and
- (d) recommend that this Court issue an Order:
 - (i) approving the Sale Process;
 - (ii) approving the First Report, this Second Report and the Receiver's activities as set out in both the First Report and this Second Report; and
 - (iii) sealing the Confidential Appendix to this Second Report until the closing of a sale transaction in respect of the Real Property, or until further order of this Court.

III. TERMS OF REFERENCE

- 4. In preparing this Second Report, the Receiver has received and relied on certain books and records, financial information, e-mails, correspondence and discussions from the Applicant and its counsel and the Debtor and its counsel (collectively, the "**Information**").
- 5. Except as described in this Second Report, the Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy and completeness of the Information in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information is required to perform its own diligence.
- 6. A copy of this Second Report and related documents will be made available on the Receiver's website at <https://www.crowe.com/ca/crowesoberman/insolvency-engagements/12411300-canada-inc> (the "**Website**").
- 7. Unless otherwise noted, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

IV. BACKGROUND

The Real Property

8. The Respondent operates two medical clinics located in Mississauga and Brampton, Ontario called Erin Miller Health & Wellness Centre. The Respondent's primary business is the production and distribution of medical supplies, specifically cannabis-related products.

9. The Respondent's primary asset is the Real Property which consists of a 0.85 acre parcel of industrial land, as well as the 18,201 square foot building located thereon. Within the building, there are specialized equipment and extensive leasehold improvements for the production of medical supplies and cannabis-related products

Secured Debt

10. As of the date of the Receivership Order, amounts owing by the Debtor to each creditor who holds a security over the Real Property consists of the following,

- (a) Triple-I Capital Partners Limited in the amount of \$6,865,154 plus additional interest and accrued expenses; and
- (b) Second Mortgagees: Elena Narskaia, Evguenia Provad, Yury Goltsman, Tatyana Bershak, Svetlana Sheiman, Elena Nalbandyan, Elena Kotliarenko, and Ilya Avrutov in the amount of \$2,000,000.

11. The Receiver notes that legal counsel to the Debtor has advised that there are no other significant creditors, whether secured or unsecured.

V. SALE PROCESS

Selection of Broker

12. Since the date of the Receivership Order, the Receiver has familiarized itself with the Real Property and engaged with a representative of Avison Young ("AY" or the "Realtor") to understand the background on, and market for, the Real Property. The Receiver understands that AY was previously involved with the listing of the Real Property in the year 2020 and has previously conducted extensive diligence and research on the market for the Real Property. The Receiver understands that in the course of this previous sale of the Real Property, AY has developed an extensive network of relationships for potential purchasers for the Real Property.

13. The Receiver has discussed with AY, among other things, their current knowledge of the Real Property, their familiarity with the applicable market, their proposed approach to market the Real Property, and the experience of its team in the relevant market.

14. After a number of discussions and negotiations with AY, the Receiver signed a listing agreement with AY in respect of the Real Property on October 6, 2022 (the “**Broker Agreement**”). The Broker Agreement is attached hereto as **Confidential Appendix “A”** to this Second Report. The Receiver seeks to seal the Broker Agreement from the public record until the closing of a sale transaction in respect of the Real Property, or until further Order of this Court.

15. In the Receiver’s view, the involvement of AY in the sale of the Real Property is reasonable and beneficial to the stakeholders of the Real Property, because, among other things, the significant background and due diligence already completed by AY will assist in the Receiver’s ability to obtain the maximum possible price for the Real Property. The Receiver also believes that the engagement of AY will minimize costs associated with the marketing and sale of the Real Property. In the event the Receiver would retain another broker, it would be necessary to begin preliminary assessments and diligence on the Real Property which would create an added expense to the Sale Process.

Sale Process Description

16. The Realtor has established an extensive list of prospective purchasers for the Real Property. The Receiver and AY have also developed marketing materials, including a teaser document to be shared with interested parties (the “**Teaser**”), a non-disclosure agreement (“**NDA**”), and a virtual data room with relevant information has been established.

17. It is intended that in the proposed Sale Process, the Teaser will be circulated to all prospective purchasers identified by the Realtor and the Receiver. Parties that execute an NDA will receive access to the virtual data room, which will contain information which a potential purchaser may require to assess the Real Property. The Receiver will also coordinate and attend tours of the Real Property as well as respond to due diligence questions.

18. Given the costs of the receivership and the continuing accrual of interest on the secured debt owing by the Respondent, the Receiver recommends a process that spans approximately 30 days from start to finish. The Receiver is of the view that the proposed Sale Process (as

described herein) achieves a balance between providing potential purchasers with sufficient time to assess the opportunity, and minimizing the costs associated with an extended process.

19. The recommended Sale Process is summarized in the table below. The timelines are based on the Receiver's significant experience in selling real estate in court-supervised proceedings and reflect guidance from the Realtor.

20. To the extent that the Sale Process commences earlier or later than the date for one or more of the Projects, the deadline will be correspondingly adjusted.

	Event	Deadline
1.	Deadline to establish data room with all required financial and other information to support the Sale Process	October 14, 2022 at 5:00 PM Toronto time
2.	Deadline to deliver Teaser Letter and NDA to those identified as Interested Parties	October 14, 2022 at 5:00 PM Toronto time
3.	Plan and provide tours of the Real Property	Immediately and up until - November 9, 2022
4.	Deadline for submission of offers	November 10, 2022 at 5:00 PM Toronto time ("Offer Deadline")
5.	Acceptance of successful Offer	Up to 5 days following Deadline
6.	Hearing of motion for Approval and Vesting Order (if no Auction) (Depending on Court availability)	Within ten (10) days of acceptance of successful Offer
7.	Closing of the transaction	Within five (5) days after issuance of Approval and Vesting Order (subject to Court availability)

21. Additional terms of the Sale Process include:

- (a) the Real Property will be marketed and sold on an "as-is, where-is" basis, with standard representations and warranties for a receivership transaction;
- (b) to the extent permitted by law, all of the right, title and interest of the Respondent in the Real Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to an approval and vesting order to be sought by the Receiver;

- (c) if, in the Receiver's sole discretion, it will assist to maximize recoveries, the Receiver will have the right to: (i) waive strict compliance with the terms or timelines of the Sale Process; and (ii) modify and adopt such other procedures that will better promote the sale of the Real Property or increase the aggregate recoveries from same for the stakeholders; and
- (d) any transaction by the Receiver for the Real Property shall be subject to Court approval.

VI. COMMUNICATIONS BETWEEN RECEIVER AND DEBTOR

22. Counsel for the Debtor at Atkinson Law Firm wrote to the Receiver's counsel on September 26, 2022 requesting, among other things, cooperation from the Receiver to permit the Debtor with additional time to obtain certain refinancing. Counsel to the Debtor also references a cannabis license purportedly issued by Health Canada after the time the Receivership Order came into effect (and after the Receiver took possession of the Debtor's property on September 20, 2022).

23. Receiver's counsel responded to Debtor's counsel advising that, among other things, Health Canada should be advised of the ongoing receivership proceeding in respect of the Debtor's property. The Receiver requested the information for the contact at Health Canada and advised that the Receiver will proceed with its mandate under the Receivership Order.

24. No response was received by the Receiver from the Debtor's counsel as of the date of this Second Report. Attached hereto as **Appendix "C"** is a copy of the applicable email correspondence between counsel to the Debtor and counsel to the Receiver.

VII. ACTIVITIES OF THE RECEIVER

25. In addition to the activities described above, the Receiver's activities since the date of the First Report have included, among other things, the following:

- (a) in accordance with Paragraph 31(b) of the Receivership Order, on September 20, 2022, the Receiver attended the Real Property for the purpose of gaining control thereof, including, amongst other things, changing the locks and taking inventory;

- (b) arranging for a bailiff to attend the Real Property on September 20, 2022, for the purpose of assisting the Receiver in gaining access to the Real Property and changing the locks;
- (c) arranging for David Ordon of Solid Asset Solutions LLC (“**Mr. Ordon**”), to conduct an appraisal of the equipment located at the Real Property (the Receiver notes that Mr. Ordon has specific knowledge of the equipment located at the Real Property);
- (d) arranging for Rob Purdy of Colliers International (“**Mr. Purdy**”), to conduct an appraisal of the Real Property (the Receiver notes that Mr. Purdy has specific knowledge of the Real Property);
- (e) communicating with NFP Insurance to determine whether the existing Insurance Policy on the Real Property is sufficient and whether it satisfies the Receiver’s requirements during these proceedings;
- (f) communicating with Firstbrook Cassie & Anderson Ltd. and making arrangements for insurance on the Real Property, in the event that the Receiver determines that the Real Property’s current Insurance Policy with respect to NFP Insurance is not sufficient;
- (g) corresponding with representatives of the Respondent and their counsel regarding the Receiver’s information requests;
- (h) speaking and corresponding with various mortgagees on the Real Property and their counsel;
- (i) interviewing, corresponding with AY and thereafter engaging AY to assist the Receiver with the marketing and sale of the Real Property;
- (j) working with AY to assemble and finalize marketing materials for the data room to be made available to prospective purchasers;
- (k) reviewing information from AY relating to the Real Property in preparation for the Sale Process, including prospective purchaser lists and diligence information;

- (l) engaging with representatives of the Respondent, the Applicant, and the second mortgagee of the Real Property and/or their legal counsel to facilitate cooperation throughout these proceedings;
- (m) preparing and sending out the Notice and Statement of Receiver per subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- (n) reviewing the books and records of the Respondent in order to understand the full complement of creditors affected by these proceedings;
- (o) preparing this Second Report; and
- (p) maintaining the Receiver's Website during these proceedings.

VIII. RECOMMENDATIONS

Sale Process Recommendation

26. The Receiver recommends that the Court issue an order approving the Sale Process for the following reasons:

- (a) the Sale Process is reasonable and appropriate at this time and balances the objectives of minimizing the costs of this receivership process and maximizing value of the Real Property for the benefit of stakeholders;
- (b) the Sale Process is a fair, open and transparent process developed with input from the Realtor, and is intended to canvass the market broadly and efficiently to obtain the highest and best price;
- (c) the Sale Process is flexible and provides the Receiver with the deadlines, procedures and flexibility that it believes are necessary to maximize value; and
- (d) there will be no delay to the Sale Process as the marketing materials are being prepared and the prospect lists and diligence information are being finalized.

27. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court issue an order:

- (a) approving the Sale Process;

- (b) approving the First Report and the Second Report and the activities of the Receiver set out therein; and
- (c) sealing Confidential Appendix "A" to this Second Report.

All of which is respectfully submitted this 7th day of October, 2022.

CROWE SOBERMAN INC.

**IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
12411300 CANADA INC.**



APPENDIX “A”

Court File No. CV-22-00684372-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR. JUSTICE) FRIDAY, THE
)
P. CAVANAGH) 22 DAY OF JULY, 2022

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

- and -

12411300 CANADA INC.

Respondent

APPLICATION UNDER Section 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

**ORDER
(appointing Receiver)**

THIS MOTION made by Triple-I Capital Partners Limited 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 Crowe Soberman Inc. as receiver and manager (in such capacities, the “**Receiver**”) without security, of the Real Property and Personal Property (each as defined below) of 12411300 Canada Inc. (the “**Debtor**”) was heard this day by video conference.

ON READING the affidavit of Alfred Tong sworn July 21, 2022, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, counsel for the Debtor, counsel for the second mortgagee, and such other parties listed on the counsel slip, no one else appearing although duly

served as appears from the affidavit of service of Aram Simovonian sworn July 21, 2022, and on reading the consent of Crowe Soberman Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Crowe Soberman Inc. 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 manage, operate, and carry on the business of the Debtor (the "**Business**") including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Business of the Debtor or any part or parts thereof;
- (f) 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;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or

applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) 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;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under 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;

(l) 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;

(m) 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;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property, or otherwise related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **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

10. **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

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the 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.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post

Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the 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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a

charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

SERVICE AND NOTICE

21. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (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 <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) 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

22. **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

23. **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.

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

25. **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.

26. **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.

27. **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.

28. **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.

29. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the creditors or any other stakeholders or interested parties of the Debtor and its advisors (if any). 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. 8100-2-175 (SOR/DORS).

THE STAY OF THIS ORDER

30. **THIS COURT ORDERS** that the exercise of the Receiver's powers as set out above are stayed for sixty (60) days from the date of this Order ("Stay Period"), provided that, the following terms are met:

- (a) On or before August 1, 2022, the Debtor shall pay all arrears of mortgage interest being the sum of \$189,247.32;
- (b) On or before August 1, 2022, the Debtor shall repay the Applicant/Moving Party the sum of \$53,173.86 plus simple interest of 12.5% calculated from May 10, 2022 to August 1, 2022;

- (c) On or before August 1, 2022, the Debtor shall pay to the Applicant/Moving Party \$25,000 as a partial payment for the legal fees, expenses and costs of the Applicant, the Receiver, and counsel for the Receiver;
- (d) The Debtor shall allow the Applicant/Moving Party, and its consultants, servants and employees, to attend the mortgaged premises located at 237B Advance Blvd. Brampton, ON L6T 4TJ between the hours of 9:00 a.m. and 5:00 p.m. on July 25, 2022 to inspect the premises and the chattels and equipment located therein;
- (e) The Debtor shall redeem the mortgage and pay to the Applicant/Moving Party its allowable fees, charges and expenses.

31. **THIS COURT ORDERS** that the Stay Period shall terminate and shall be lifted and this Order shall have full force and effect on the earlier of:

- (a) A breach of or noncompliance with the terms set out in paragraph 30 during the Stay Period; or
- (b) The sixty-days day (60) day of the Stay Period, being September 20, 2022.

A digital signature in blue ink, appearing to read "Cavanagh", is enclosed in a light gray rectangular box.

Digitally signed by
Mr. Justice Cavanagh

TRIPLE-I CAPITAL PARTNERS LIMITED
Applicant

12411300 CANADA INC
and Respondent

Court File No.: CV-22-00684372-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(appointing Receiver)**

SCALZI PROFESSIONAL CORPORATION

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Agents for Scalzi PC

APPENDIX “B”

Court File No. 22-00684372-00CL

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

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

- and -

12411300 CANADA INC.

Respondents

FIRST REPORT OF THE RECEIVER

AUGUST 8, 2022

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APPENDICES

APPENDIX "A" – Receivership Order, dated July 22, 2022

APPENDIX "B" – Emails sent from the Applicant and Receiver to Atkinson Law Firm

APPENDIX "C" – Emails sent from Mr. Ryan Atkinson to the Applicant and the Receiver

Court File No. 22-00684372-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

- and -

12411300 CANADA INC.

Respondents

FIRST REPORT OF THE RECEIVER

AUGUST 8, 2022

I. INTRODUCTION

1. Pursuant to an Order of the Honourable Justice Cavanagh dated July 22, 2022 (the “**Receivership Order**”), made on an application by Triple-I Capital Partners Limited (the “**Applicant**”), Crowe Soberman Inc. (“**Crowe**”) was appointed as receiver and manager (in this capacity, the “**Receiver**”) over the Real Property and Personal Property of 12411300 Canada Inc (the “**Debtor**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.

2. The Receivership Order provided for a stay of the Receiver’s powers for a period of 60 days from the date of the Receivership Order (the “**Stay Period**”), provided that the Debtor complied with specific terms as set out in Paragraph 30 therein. These terms, amongst others, included that the following payments were to be made by the Debtor to the Applicant on or before August 1, 2022 (given that August 1, 2022 was Civic Holiday, these payments were to be made on or before August 2, 2022) (the “**Payment Terms**”):

- (a) arrears of mortgage interest in the amount of \$189,247.32;
- (b) repayment to the Applicant in the amount of \$53,173.86 plus simple interest of 12.5% calculated from May 10 to August 1, 2022; and
- (c) payment in the amount of \$25,000 towards legal fees, expenses and costs of the Applicant, the Receiver and the Receiver’s counsel.

II. PURPOSE OF THE FIRST REPORT

3. This First Report is prepared and filed to:
 - (a) update the court on the Receiver's activities since the date of the Receivership Order;
 - (b) update the court on the Debtor's breach or noncompliance of the Payment Terms;
 - (c) seek an order approving the activities of the Receiver as described in the First Report; and
 - (d) look to the court for instructions on a going forward basis with respect to these Receivership Proceedings.

III. TERMS OF REFERENCE

4. In preparing this First Report, and in making the comments herein, the Receiver has received and relied on certain books and records, financial information, e-mails, correspondence and discussions from the Applicant and its counsel and the Debtor and its counsel.
5. Except as described in this First Report, the Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy and completeness of information provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
6. The Receiver has prepared this First Report in connection with the relief sought herein. This First Report should not be relied upon for any other purpose.
7. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.

IV. ACTIVITIES OF THE RECEIVER

8. In accordance with Paragraph 30(d) of the Receivership Order, on July 25, 2022, the Receiver attended the premises located at 237B Advance Blvd. Brampton, ON L6T 4TJ (the "**Real Property**") for the purpose of inspecting the premises and the chattels and equipment located therein (the "**Inspection**").

9. A representative of the Debtor, Partheepan Balasubramaniam (“**Parth**”), provided the Receiver with access to the Real Property and the individual rooms contained therein. As well, Parth accompanied the Receiver throughout the Inspection.

10. The Receiver arranged for David Ordon of Solid Asset Solutions LLC (“**Mr. Ordon**”), to take part in the Inspection. Mr. Ordon specializes in conducting equipment appraisals and has specific knowledge of the equipment located at the Real Property.

11. As well, the Receiver arranged for Ben Sykes of Avison Young (“**Mr. Sykes**”), to take part in the Inspection. Mr. Sykes specializes in conducting real property appraisals and has specific knowledge of the land and the building located at the Real Property.

12. In accordance with Paragraph 31(a) of the Receivership Order, and as a result of the Debtor’s breach of or noncompliance with the Payment Terms (further discussed below), on August 3, 2022, the Receiver attended the Real Property for the purpose of gaining control thereof, including, amongst other things, changing the locks and taking inventory.

13. The Receiver arranged for a bailiff to attend the Real Property on August 3, 2022, for the purpose of assisting the Receiver in gaining access to the Real Property and changing the locks.

14. On August 4, 2022, the Receiver contacted Firstbrook Cassie & Anderson Ltd. (“**FCA**”) and made arrangements for insurance on the Real Property.

15. As of the date of this Report, the Receiver has not yet had a chance to review the books and records to determine the full complement of creditors affected from these Receivership Proceedings.

V. DEBTOR’S BREACH OF OR NONCOMPLIANCE OF THE PAYMENT TERMS

16. As previously noted, the Receivership Order provided for a stay of the Receiver’s powers for a period of 60 days, provided that the Debtor complied with the Payment Terms as set out in Paragraph 30 therein.

17. As stated above, payments with respect to the Payment Terms, were to be made by the Debtor and received by the Applicant, no later than August 1, 2022. Given that August 1, 2022 was Civic Holiday, these payments were to be made no later than August 2, 2022, in order for the Stay Period to remain in effect.

18. On August 2, 2022, Mr. Aram Simovonian of Scalzi Professional Corporation, counsel to the Applicant (“**Mr. Simovonian**”), emailed Mr. Ryan Atkinson of Atkinson Law Firm, counsel to the Debtor (“**Mr. Atkinson**”), to advise that the payments with respect to the Payments Terms have not yet been received by the Applicant. In addition, Mr. Simovonian emailed Mr. Avi Freedland of Atkinson Law Firm (“**Mr. Freedland**”) regarding the Payment Terms.

19. Mr. Simovonian did not receive a response from Atkinson Law Firm before the end of the day, August 2, 2022. Accordingly, given the clear terms of the Receivership Order and the failure to make payment, the stay of the Receiver’s powers was lifted.

20. On August 3, 2022, Mr. Simovonian sent emails to Atkinson Law Firm advising that the Debtor has failed to comply with the Payment Terms and accordingly, the Stay Period was terminated, and the Receivership Order was in full force and effect.

21. As well, On August 3, 2022, the Receiver’s counsel sent emails requesting that the Debtor co-operate and provide it with access to the Real Property. In addition, the Receiver advised the Debtor that on the same day, it will be attending the Real Property with the assistance of a bailiff for the purpose of gaining control of the Real Property, including changing the locks, etc.

22. No response from the Debtor with respect to the above was received on August 3, 2022.

23. A copy of the emails mentioned above are attached hereto as **Appendix “B”**.

24. On August 4, 2022, Mr. Atkinson notified the Applicant’s counsel, and not counsel to the Receiver, by way of an email, that funds in the amount of \$267,421.18 in connection with the Payment Terms, were released from a trust account and paid to Scalzi Professional Corporation counsel to the Applicant. Mr. Atkinson did not state when the funds were received in the trust account and whether the Debtor complied with the date (August 1, 2022 or even August 2, 2022) as per the Payments Terms, that was reflected in Paragraph 30 of the Receivership Order.

25. A copy of emails sent by Mr. Atkinson are attached hereto as **Appendix “C”**.

VI. RECOMMENDATIONS

26. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court issue an order:

(a) approving the activities of the Receiver to date; and

(b) providing instructions to the Receiver on a going forward basis with respect to these Receivership Proceedings.

All of which is respectfully submitted this 8th day of August, 2022.

CROWE SOBERMAN INC.

**IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
12411300 CANADA INC.**

A handwritten signature in blue ink, appearing to read "CROWE SOBERMAN INC." followed by a date.

Appendix “A”

Court File No. CV-22-00684372-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR. JUSTICE) FRIDAY, THE
P. CAVANAGH) 22 DAY OF JULY, 2022

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

- and -

12411300 CANADA INC.

Respondent

APPLICATION UNDER Section 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

ORDER (appointing Receiver)

THIS MOTION made by Triple-I Capital Partners Limited 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 Crowe Soberman Inc. as receiver and manager (in such capacities, the “**Receiver**”) without security, of the Real Property and Personal Property (each as defined below) of 12411300 Canada Inc. (the “**Debtor**”) was heard this day by video conference.

ON READING the affidavit of Alfred Tong sworn July 21, 2022, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, counsel for the Debtor, counsel for the second mortgagee, and such other parties listed on the counsel slip, no one else appearing although duly

served as appears from the affidavit of service of Aram Simovonian sworn July 21, 2022, and on reading the consent of Crowe Soberman Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Crowe Soberman Inc. 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 manage, operate, and carry on the business of the Debtor (the "**Business**") including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Business of the Debtor or any part or parts thereof;
- (f) 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;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or

applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) 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;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under 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;

(l) 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;

(m) 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;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property, or otherwise related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **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

10. **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

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the 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.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post

Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the 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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a

charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

SERVICE AND NOTICE

21. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (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 <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) 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

22. **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

23. **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.

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

25. **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.

26. **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.

27. **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.

28. **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.

29. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the creditors or any other stakeholders or interested parties of the Debtor and its advisors (if any). 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. 8100-2-175 (SOR/DORS).

THE STAY OF THIS ORDER

30. **THIS COURT ORDERS** that the exercise of the Receiver's powers as set out above are stayed for sixty (60) days from the date of this Order ("Stay Period"), provided that, the following terms are met:

- (a) On or before August 1, 2022, the Debtor shall pay all arrears of mortgage interest being the sum of \$189,247.32;
- (b) On or before August 1, 2022, the Debtor shall repay the Applicant/Moving Party the sum of \$53,173.86 plus simple interest of 12.5% calculated from May 10, 2022 to August 1, 2022;

- (c) On or before August 1, 2022, the Debtor shall pay to the Applicant/Moving Party \$25,000 as a partial payment for the legal fees, expenses and costs of the Applicant, the Receiver, and counsel for the Receiver;
- (d) The Debtor shall allow the Applicant/Moving Party, and its consultants, servants and employees, to attend the mortgaged premises located at 237B Advance Blvd. Brampton, ON L6T 4TJ between the hours of 9:00 a.m. and 5:00 p.m. on July 25, 2022 to inspect the premises and the chattels and equipment located therein;
- (e) The Debtor shall redeem the mortgage and pay to the Applicant/Moving Party its allowable fees, charges and expenses.

31. **THIS COURT ORDERS** that the Stay Period shall terminate and shall be lifted and this Order shall have full force and effect on the earlier of:

- (a) A breach of or noncompliance with the terms set out in paragraph 30 during the Stay Period; or
- (b) The sixty-days day (60) day of the Stay Period, being September 20, 2022.

TRIPLE-I CAPITAL PARTNERS LIMITED
Applicant

and **12411300 CANADA INC**
Respondent

Court File No.: CV-22-00684372-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(appointing Receiver)**

SCALZI PROFESSIONAL CORPORATION
868A Eglinton Avenue West
Toronto, Ontario M6C 2B6
Carmine Scalzi (LSO #: 52379S)
Tel: (416)-548-7989
Fax: (416) 548-7969
cscalzi@scalzilaw.com

Lawyers for the Applicant

MASON CAPLAN ROTI LLP
123 Front Street West, Suite 1204
Toronto, Ontario M5J 2M2
Gary M. Caplan (LSO #: 19805G)
Tel: (416) 596-7796
gcaplan@mcr.law

Agents for Scalzi PC

Appendix “B”

Daniel Posner

From: Sherkin, Kevin <ksherkin@millerthomson.com>
Sent: Wednesday, August 3, 2022 4:06 PM
To: ryan@atkinsonlaw.ca
Cc: Hans Rizarri <Hans.Rizarri@CroweSoberman.com>; gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; Martins, Michelle <mmartins@millerthomson.com>; Faheim, Monica <mfaheim@millerthomson.com>; Daniel Posner <Daniel.Posner@CroweSoberman.com>; aram.simovonian@scalzilaw.com
Subject: 237B Advance Blvd Brampton //RE: Triple-I Capita1 v. 12411300 [MTDMS-Legal.FID11474081]

CAUTION : This email originated from outside of the Crowe Soberman organization. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Counsel as a result of your clients failure to reply we had to take matters into our own hands and we now have possession of the premises . we still require keycards and punch codes for the security system. I again remind your clients of a duty to co-operate..

KEVIN D. SHERKIN

Providing services on behalf of a Professional Corporation
Partner

Miller Thomson LLP
 Scotia Plaza
 40 King Street West, Suite 5800
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 Toronto, Ontario M5H 3S1
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Daniel Posner

From: Sherkin, Kevin <ksherkin@millerthomson.com>
Sent: August 3, 2022 11:31 AM
To: aram.simovonian@scalzilaw.com; avi@atkinsonlaw.ca; kate@atkinsonlaw.ca; jenn@atkinsonlaw.ca
Cc: gcaplan@mcr.law; 'Carmine Scalzi'; ryan@atkinsonlaw.ca
Subject: RE: [**EXT**] Triple-I Capita1 v. 12411300 Canada In- endorsement / 01898 [MTDMS-Legal.FID11474081]

Mr. Atkinson

Having heard nothing regarding peacefully handing over the premises, my client has a duty to take steps to secure the assets,, as of noon we are arranging a bailiff to secure the premises. I remind you that under the order your clients have a positive duty to co-operate and the failure to do so would be contempt of the order

KEVIN D. SHERKIN

Providing services on behalf of a Professional Corporation
Partner

Miller Thomson LLP

Scotia Plaza
 40 King Street West, Suite 5800
 P.O. Box 1011
 Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6028
Fax: +1 416.595.8695
Email: ksherkin@millerthomson.com
millerthomson.com



Please consider the environment before printing this email.

From: Sherkin, Kevin <ksherkin@millerthomson.com>
Sent: Wednesday, August 3, 2022 9:34 AM
To: aram.simovonian@scalzilaw.com; avi@atkinsonlaw.ca; kate@atkinsonlaw.ca; jenn@atkinsonlaw.ca
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; ryan@atkinsonlaw.ca
Subject: RE: [**EXT**] Triple-I Capita1 v. 12411300 Canada In- endorsement / 01898 [MTDMS-Legal.FID11474081]

Mr. Atkinson

As you know we are counsel to the receiver. Your client failed to make the payments under the order of Justice Cavarnaugh, as a result the company is now in receivership. Please arrange to have all the company information pass cards and all other information turned over to the receiver immediately

KEVIN D. SHERKIN

Providing services on behalf of a Professional Corporation
Partner

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 Scotia Plaza
 40 King Street West, Suite 5800
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 Toronto, Ontario M5H 3S1
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Fax: +1 416.595.8695
Email: ksherkin@millerthomson.com
millerthomson.com



Please consider the environment before printing this email.

From: aram.simovonian@scalzilaw.com <aram.simovonian@scalzilaw.com>
Sent: Wednesday, August 3, 2022 9:29 AM
To: avi@atkinsonlaw.ca; kate@atkinsonlaw.ca; jenn@atkinsonlaw.ca
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; ryan@atkinsonlaw.ca
Subject: [**EXT**] RE: Triple-I Capital v. 12411300 Canada In- endorsement / 01898

Good Morning:

It has almost been three hours since my below e-mail – although I did not expect a reply immediately, I would please ask that you now reply as soon as possible.

Thank you,

Aram Simovonian
 Lawyer



20 Caldari Road, Unit #2
 Concord, ON L4K 4N8
 E: aram.simovonian@scalzilaw.com
 P: 416.548.7989
 F: 416.548.7969

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From: aram.simovonian@scalzilaw.com <aram.simovonian@scalzilaw.com>
Sent: August 3, 2022 6:42 AM
To: avi@atkinsonlaw.ca; kate@atkinsonlaw.ca; jenn@atkinsonlaw.ca
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; ryan@atkinsonlaw.ca
Subject: RE: Triple-I Capital v. 12411300 Canada In- endorsement / 01898

Good Morning:

We require your client to provide us with pass cards, codes and keys to the property.

On Tuesday, July 26, 2022, Mr. Rizarri met with an IT person who has knowledge with respect to the electronic security of the property – we need to please meet this person at the property as soon as possible. Please advise on their availability to meet today, August 3, 2022.

Thank you,

--
Aram Simovonian
Lawyer



20 Caldari Road, Unit #2
Concord, ON L4K 4N8
E: aram.simovonian@scalzilaw.com
P: 416.548.7989
F: 416.548.7969

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From: aram.simovonian@scalzilaw.com <aram.simovonian@scalzilaw.com>
Sent: August 3, 2022 5:58 AM
To: avi@atkinsonlaw.ca; kate@atkinsonlaw.ca; jenn@atkinsonlaw.ca
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; ryan@atkinsonlaw.ca
Subject: RE: Triple-I Capita1 v. 12411300 Canada In- endorsement / 01898

Good Morning:

Your client has failed to comply with the payment obligations pursuant to clause 30 of the attached Order. Consequently, the Stay Period is terminated, and the Order is now in full force and effect.

Thank you,

--
Aram Simovonian
Lawyer



20 Caldari Road, Unit #2
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From: aram.simovonian@scalzilaw.com <aram.simovonian@scalzilaw.com>
Sent: August 2, 2022 4:09 PM
To: avi@atkinsonlaw.ca
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; ryan@atkinsonlaw.ca
Subject: RE: Triple-I Capita1 v. 12411300 Canada In- endorsement / 01898

Hello, Avi:

Please see below as I think Ryan is away this week.

Thanks,

--
Aram Simovonian

Lawyer



20 Caldari Road, Unit #2
Concord, ON L4K 4N8
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From: aram.simovonian@scalzilaw.com <aram.simovonian@scalzilaw.com>
Sent: August 2, 2022 3:23 PM
To: ryan@atkinsonlaw.ca
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>
Subject: RE: Triple-I Capita1 v. 12411300 Canada In- endorsement / 01898

Hi, Ryan:

Please advise if the payment has been made as we have nothing in our trust account as of yet.

The Order and our Trust Account information is attached for ease of reference.

Thank you,

--
Aram Simovonian
Lawyer



20 Caldari Road, Unit #2
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From: Aram Simovonian <aram.simovonian@scalzilaw.com>
Sent: July 25, 2022 5:48 PM
To: ryan@atkinsonlaw.ca
Cc: gcaplan@mcr.law; Carmine Scalzi <cscalzi@scalzilaw.com>
Subject: Re: Triple-I Capita1 v. 12411300 Canada In- endorsement

Hello, Ryan:

I hope you had a good weekend.

The payment, due on Monday, August 1, 2022, may be made to Scalzi PC's trust account (info attached).

Thank you,

Aram Simovonian

On Fri, Jul 22, 2022 at 11:21 AM Costa Singh, Julietta (MAG) <Julietta.CostaSingh@ontario.ca> wrote:

Hello,

Please see the attached endorsement and signed draft order from Justice Cavanagh.

Thank you,

Julietta Costa-Singh

Court Registrar

Ontario Superior Court of Justice

Ministry of Attorney General

330 University Avenue, Toronto, ON.

E: julietta.costasingh@ontario.ca

--
Aram Simovonian

Lawyer



20 Caldari Road, Unit #2

Concord, ON L4K 4N8

Email: aram.simovonian@scalzilaw.com

Phone: 416-548-7989

Fax: 416-548-7969

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Error! Filename not specified.

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Appendix “C”

Daniel Posner

To: Daniel Posner
Subject: FW: Triple-I Capita1 v. 12411300 Canada In- endorsement / 01898
Attachments: Wire Confirmation.pdf

From: Ryan Atkinson <ryan@atkinsonlaw.ca>
Sent: Thursday, August 04, 2022 2:45 PM
To: aram.simovonian@scalzilaw.com; Avi Freedland <avi@atkinsonlaw.ca>
Cc: Gary Caplan <GCaplan@mcr.law>; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; Kate Stavropoltseva <kate@atkinsonlaw.ca>
Subject: RE: Triple-I Capita1 v. 12411300 Canada In- endorsement / 01898

Hello Aram,

Yes I am away from the office this week and have had no access to email. I have now been made aware that the funds were previously paid into our trust account, and therefore I have now released the funds to Scalzi Professional Corporation in Trust in the amount of 267,421.18. Please see attached wire transfer confirmation form.

I trust the foregoing is satisfactory. I will again be without access to email shortly. Thank you for understanding.

All the Best,
Ryan Atkinson

Daniel Posner

From: Ryan Atkinson <ryan@atkinsonlaw.ca>
Sent: Thursday, August 4, 2022 7:35 PM
To: Sherkin, Kevin <ksherkin@millerthomson.com>
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; Hans Rizarri <Hans.Rizarri@crowesoberman.com>; aram.simovonian@scalzilaw.com; Faheim, Monica <mfaheim@millerthomson.com>; Martins, Michelle <mmartins@millerthomson.com>; Avi Freedland <avi@atkinsonlaw.ca>; Kate Stavropolteva <kate@atkinsonlaw.ca>
Subject: [**EXT**] RE: your emails of today [MTDMS-Legal.FID11474081]

I am on vacation, these are the only two weeks of the year that I hope to enjoy with my family without interruption. The funds have been delivered in full. You can attend before Justice Cavanaugh or any other Justice on the Commercial List to advance your position if you so desire.

For now, stay away from our client and his property and do not waste anymore of my time.

Good day.

From: Sherkin, Kevin <ksherkin@millerthomson.com>
Sent: August 4, 2022 6:17 PM
To: Ryan Atkinson <ryan@atkinsonlaw.ca>
Cc: gcaplan@mcr.law; 'Carmine Scalzi' <cscalzi@scalzilaw.com>; Hans Rizarri <Hans.Rizarri@crowesoberman.com>; aram.simovonian@scalzilaw.com; Faheim, Monica <mfaheim@millerthomson.com>; Martins, Michelle <mmartins@millerthomson.com>
Subject: your emails of today [MTDMS-Legal.FID11474081]

Ryan

I have been provided a copy of the correspondence between you and Mr. Caplan..

The order was clear as to what was to happen and by when. We wrote you a number of times without the courtesy of a reply. If you failed to deliver the funds that is on you and your firm and in my view you should be reporting yourself to Lawpro(however that's your call). The receiver as officer of the court as well as I do not have the power to change the clear terms of the Order.. Your client is in receivership. The duties upon a receiver are clear as is the order. We are required to continue to abide by those duties and the order unless and until we are repaid or the varied or changed . I hope we make ourselves clear . Note our client and our firm continue to spend sizable expenses and time to fulfill our obligations

KEVIN D. SHERKIN

Providing services on behalf of a Professional Corporation
Partner

Miller Thomson LLP
 Scotia Plaza
 40 King Street West, Suite 5800
 P.O. Box 1011
 Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6028
Fax: +1 416.595.8695

Email: ksherkin@millerthomson.com
millerthomson.com



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APPENDIX “C”

From: Sherkin, Kevin <ksherkin@millerthomson.com>
Sent: Tuesday, September 27, 2022 4:40 PM
To: Ryan Atkinson <ryan@atkinsonlaw.ca>; Faheim, Monica <mfaheim@millerthomson.com>
Cc: 'Carmine Scalzi' <cscalzi@scalzilaw.com>; gcaplan@mcr.law; Avi Freedland <avi@atkinsonlaw.ca>;
 Kate Stavropoltseva <kate@atkinsonlaw.ca>; Hans.Rizarri@crowesoberman.com
Subject: RE: Triple-I v. 12411300 Canada Inc., 237B Advance Blvd, Brampton [MTDMS-Legal.FID11474081]

Ryan

I had an opportunity to review your email with our client and based upon your email and attachments or lack thereof we disagree. The appraisal you provided to us is 1 year and 9 months old and we are in the midst of commissioning our own appraisal. Based upon the pictures in the equipment appraisal provided a lot of the items would now be fixtures having been installed into the property.. You reference a licence in your email however no "Licence" is attached and based upon our possession, it is clear that the facility was never operating . We also have first charge of the equipment. Your client has had ample time to get their house in order and did not do so and at this point our client will continue forward to recover its money. I disagree that your client has rights to take possession of anything and it certainly does not trump the current receivership order. Was Health Canada advised of the receivership . Please immediately provide the contact name at Health Canada so we can have a discussion with them regarding the current scenario. We will not be changing the order at the present time

KEVIN D. SHERKIN

Providing services on behalf of a Professional Corporation
Partner

Miller Thomson LLP

Scotia Plaza
 40 King Street West, Suite 5800
 P.O. Box 1011
 Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6028
Fax: +1 416.595.8695
Email: ksherkin@millerthomson.com
millerthomson.com



Please consider the environment before printing this email.

From: Ryan Atkinson <ryan@atkinsonlaw.ca>
Sent: Monday, September 26, 2022 5:50 PM
To: Sherkin, Kevin <ksherkin@millerthomson.com>; Faheim, Monica <mfaheim@millerthomson.com>
Cc: 'Carmine Scalzi' <cscalzi@scalzilaw.com>; gcaplan@mcr.law; Avi Freedland <avi@atkinsonlaw.ca>;
 Kate Stavropoltseva <kate@atkinsonlaw.ca>; Hans.Rizarri@crowesoberman.com

Subject: [**EXT**] FW: Triple-I v. 12411300 Canada Inc., 237B Advance Blvd, Brampton [MTDMS-Legal.FID11474081]

Kevin,

We have inquired with our client regarding your request. Please be advised that 12411300 Canada Inc. is essentially a holding company for the purpose of holding the real estate. It is a relatively new company, and does not have tax filing or accounts to provide. It also does not have significant creditors, other than your client, the second mortgagee, and property tax. To our knowledge, the property tax was most recently brought up to date in August 2022. We have requested a property tax certificate for current numbers.

We have attached the Equipment Appraisal for the property to provide you with a detailed asset list. Please also find attached the Certificate of Liability Insurance for the property.

Also, we wrote you on September 19th, 2022, regarding the cannabis licence and our client's imminent financing, please confirm you received this email. By way of further update, we can advise that the Health Canada cannabis licence has now been awarded after a lengthy (approximately eight (8) months) application process. In our view, the property is now considerably more valuable to the right party. Ultimately, we believe that our client is the right party, and again request your client's cooperation while our client finalizes and funds a refinance of the property. Please let us know your client's position in regards to our client's request in the September 19th, 2022, email.

In connection with the Health Canada cannabis licence, the licensee is now required by federal law to take possession and control of all the cannabis related assets at the premises, and we are advised that the licensee is taking steps to do so immediately. Any third party attendance on the property, including by the Receiver, must now be coordinated in advance with the "Responsible Person in Charge" (the "RPIC") for the licensee, Parth Balasubramaniam. Our client will continue to work cooperatively with the Receiver in all regards as it discharges its obligations as licensee pursuant to the *Cannabis Act*.

Of course, the Receivership Order must now be varied to account for these changing circumstances. Attached hereto please find a draft Receivership Order that has been used in similar circumstances, and specifically carves out the "excluded" cannabis assets. Please confirm that you agree with or provide your comments on the attached draft order. I am available for a call should you wish to discuss further.

All the Best,
Ryan Atkinson

From: Ryan Atkinson
Sent: September 23, 2022 11:03 AM
To: 'Sherkin, Kevin' <ksherkin@millerthomson.com>
Cc: 'mfaheim@millerthomson.com' <mfaheim@millerthomson.com>; Hans Rizarri <Hans.Rizarri@crowesoberman.com>; Avi Freedland <avi@atkinsonlaw.ca>; Kate Stavropoltseva <kate@atkinsonlaw.ca>
Subject: RE: Triple-I v. 12411300 Canada Inc., 237B Advance Blvd, Brampton [MTDMS-Legal.FID11474081]

Kevin,

I was in Court before Justice Cavanagh on a separate matter yesterday.

We are now reaching out to our client about your request and will be in touch with more information later today.

All the Best,
Ryan Atkinson

From: Sherkin, Kevin <ksherkin@millerthomson.com>
Sent: September 22, 2022 6:20 PM
To: Ryan Atkinson <ryan@atkinsonlaw.ca>
Cc: Hans Rizarri <Hans.Rizarri@CroweSoberman.com>; Faheim, Monica <mfaheim@millerthomson.com>
Subject: RE: Triple-I v. 12411300 Canada Inc., 237B Advance Blvd, Brampton [MTDMS-Legal.FID11474081]

Further to my email of earlier today. I have not had a response. My client has responsibilities as receiver and your client is not in compliance with the order regarding co-operation and records. If we do not have the material by the morning we will have no choice but to bring a contempt motion on an urgent basis against the company and the directors and officers. This is not something we want to do but are mandated by our duties and obligations as officers of the court.

KEVIN D. SHERKIN

Providing services on behalf of a Professional Corporation
Partner

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6028
Fax: +1 416.595.8695
Email: ksherkin@millerthomson.com
millerthomson.com



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From: Sherkin, Kevin <ksherkin@millerthomson.com>
Sent: Thursday, September 22, 2022 12:57 PM
To: Ryan Atkinson <ryan@atkinsonlaw.ca>

Cc: Hans Rizarri <Hans.Rizarri@CroweSoberman.com>

Subject: Triple-I v. 12411300 Canada Inc., 237B Advance Blvd, Brampton [MTDMS-Legal.FID11474081]

Our client looked high and low at the premises and was unable to locate the financial and other records required to do his job.. Your client have a duty to comply under the court order and deliver those records. I attach a List off all the items needed .. Our client needs to send out a 244 notice to all creditors and without the records he can't even determine who the creditors are to even create the list

Please arrange the have the records dropped off immediately at the office of the Receiver

KEVIN D. SHERKIN

Providing services on behalf of a Professional Corporation
Partner

Miller Thomson LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6028
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TAB 3

Court File No.: CV-22-00684372-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 14th
)
)
JUSTICE CAVANAGH) DAY OF OCTOBER, 2022
B E T W E E N :

TRIPLE-I CAPITAL PARTNERS LIMITED

Applicant

and

12411300 CANADA INC.

Respondent

APPLICATION UNDER Section 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

ORDER

THIS MOTION, made by Crowe Soberman Inc. in its capacity as Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of the Property of 12411300 Canada Inc. (the “**Debtor**”) for an order approving the sale process, set out in Schedule “A” hereto (the “**Sale Process**”), was heard this day by video conference.

ON READING the First Report of the Receiver dated August 8, 2022 (“First Report”), the Second Report of the Receiver dated October 7, 2022 (the “**Second Report**”), and on hearing the submissions of counsel to the Receiver, and any 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 Maureen McLaren sworn October 7, 2022, filed;

SERVICE

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

RECEIVER'S ACTIVITIES

2. **THIS COURT ORDERS** that the First Report, the Second Report, and the activities of the Receiver as described therein are hereby approved.

SALE PROCESS

3. **THIS COURT ORDERS** that the Sale Process be and is hereby approved and that the Receiver is authorized and directed to commence the Sale Process for the purpose of soliciting interest in and opportunities for a sale of the property municipally known as 237B Advance Blvd, Brampton, Ontario and the equipment, leaseholds improvements and other related assets at the property (the “**Property**”) of the Debtor.

4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

5. **THIS COURT ORDERS** the Receiver and its respective affiliates, partners, employees and agents 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 the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by the Court).

SEALING

6. **THIS COURT ORDERS** that the Confidential Appendix to the Second Report shall be sealed and kept confidential pending the closing of a transaction in respect of the Real Property (as defined in the Second Report), or until further Order of the Court.

GENERAL

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

SCHEDEULE “A”

SCHEDULE "A"

SALE PROCESS

Introduction

By Order of the Honourable Justice Cavanagh dated July 22, 2022 (the “**Receivership Order**”), Crowe Soberman Inc. was appointed as receiver and manager (in such capacities, the “**Receiver**”) without security, of the Property (as defined in the Receivership Order) of 12411300 Canada Inc. (the “**Debtor**”).

Pursuant to the terms of the Receivership Order, the Receiver was empowered and authorized to, among other things, market and sell any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof.

Set forth below are the procedures (the “**Sale Procedures**”) to be employed with respect to the solicitation of the sale of the Property, pursuant to a Court-approved sale process in these receivership proceedings.

On October 14, 2022, the Court issued an order (the “**Sale Process Order**”), among other things, approving these Sale Procedures, and authorizing and directing the Receiver to proceed with a sale process (the “**Sale Process**”) to market and sell the Property in accordance with the Sale Procedures.

Subject to Court availability and the terms hereof, within ten (10) business days following the selection of the Successful Bidder (as defined herein), the Receiver shall bring a motion seeking the granting of an order by the Court (an “**Approval and Vesting Order**”) authorizing the sale of the Property in accordance with these Sale Procedures.

Key Dates

	Event	Deadline
1.	Deadline to deliver Teaser Letter and NDA to those identified as Interested Parties	October 14, 2022 at 5:00 PM Toronto time.
2.	Deadline to establish data room with all required financial and other information to support the Sale Process	October 14, 2022 at 5:00 PM Toronto time.
3.	Plan and provide tours of the Property	Immediately and up until November 9, 2022
4.	Deadline for submission of offers	November 10 2022 at 5:00 PM Toronto time (“ Offer Deadline ”)
5.	Acceptance of successful offer	Up to 5 days following Deadline
6.	Hearing of motion for Approval and Vesting Order (if no Auction) (Depending on Court availability)	Within ten (10) days of acceptance of successful Offer
7.	Closing of the transaction	Within five (5) days after issuance of Approval and Vesting Order (subject to Court availability)

Opportunity / Property for Sale

1. The Sale Process is intended to solicit interest in and opportunities for the sale of substantially all of the Debtor's property (the "**Opportunity**").
2. The Receiver, in consultation with the Broker, will be responsible for conducting the Sale Process, and, if applicable, an auction (the "**Auction**").
3. Any sale of or investment in the Property will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Receiver or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title, and interest of the Debtor in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon conditional on and pursuant to Court orders, except as otherwise provided in such Court orders.
4. Except as otherwise provided in the ultimate definitive purchase agreement(s), and subject to any permitted encumbrances therein, all of the Debtor's right, title and interest in and to the Property shall be sold free and clear of all liens and encumbrances conditional on and pursuant to the Approval and Vesting Order.

Solicitation of Interest

5. As soon as reasonably practicable, but in any event by no later than October 14, 2022, the Receiver and/or the Broker shall:
 - a. enter into listing agreement with reputable brokerage (the "**Broker**") and arrange for listing of Property on Multiple Listing Service ("**MLS**"); and
 - b. prepare: (i) a teaser letter ("**Teaser Letter**") describing the Opportunity, outlining the Sale Process, and inviting recipients of the Teaser Letter to participate in the Sale Process, and (ii) a non-disclosure agreement in form and substance satisfactory to the Receiver ("**NDA**").
6. The Receiver or the Broker will send the Teaser Letter to a list of known potential purchasers ("**Interested Parties**") as soon as possible and in any event by no later than October 14, 2022, and to any other party who requests a copy of the Teaser Letter and NDA, or who is identified by the Receiver and/or the Broker as a potential purchaser, as soon as reasonably practicable after such request or identification, as applicable.

Submission of Offers

7. The Receiver shall seek binding offers and accompanying materials from Interested Parties (a "**Binding Offer**") in accordance with the timeline set out above.
8. Any party who wishes to participate in the Sale Process must provide the Receiver and/or the Broker with an executed NDA and written confirmation of their identity, their contact information, and full disclosure of their direct and indirect principals, if any.
9. All parties must rely solely on their independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the Sale Process and in any transaction related thereto.

10. Every Binding Offer must contain:

- a. the purchase price or price range in Canadian dollars;
- b. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
- c. specific indication of the financial capability of the potential purchaser and expected structure and financing of the transaction satisfactory to the Receiver in its sole discretion;
- d. an acknowledgement that any purchase is made on an "as is, where is" basis and that the prospective purchaser has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid;
- e. a target closing date in accordance with the deadlines set out herein.

11. All Binding Offers are to be accompanied by certified funds payable to the Receiver in an amount equal to at least 12.5% of the total consideration contained in the Binding Offer (the "**Deposit**").

12. A Binding Offer may not contain conditions based upon: (i) the outcome of any further due diligence, (ii) obtaining financing, or (iii) any other conditions to closing, except the usual limited conditions such as the issuance by the Court of an order approving the transaction and vesting title in and to the purchaser.

13. Any party who wishes to pursue the Opportunity must deliver their Binding Offer to the Receiver at the addresses specified below by no later than 5:00 PM (Toronto time) on or before November 10, 2022 ("**Offer Deadline**"): (i) to the Broker by email at kelly.avison@avisonyoung.com (Attention: Kelly J. Avison) (ii) to the Receiver by email at daniel.posner@crowesoberman.com (Attention: Daniel Posner), with a copy to Receiver's counsel at ksherkin@millerthomson.com (Attention: Kevin Sherkin).

14. A Binding Offer will be irrevocable until five (5) days after the Offer Deadline.

Assessment of Offers

15. After assessing each qualified Binding Offer, the Receiver may accept a Binding Offer (the "**Successful Offer**", and the applicable bidder the "**Successful Offeror**") and take such steps as are necessary to finalize and complete an agreement for the Successful Offer with the Successful Offeror.

16. The Receiver may determine whether to explore any Binding Offer for the Property that does not conform to one or more of the requirements specified herein and deem such offer to be a compliant offer for the purpose of the Sale Process.

17. The Receiver shall not be under any obligation to accept the highest or best (or any) qualified Binding Offer and any selection shall be entirely in the discretion of the Receiver, in consultation with the Broker and their legal and other advisors.

18. No one, including any Interested Parties or any other participants in this Sale Process shall be entitled to nor permitted any break, termination or similar fee or reimbursement of any kind. For greater certainty, all such persons shall be responsible for their own fees

and costs of any kind, including those relating to any due diligence they may have performed, and any offers they each may make.

19. In the event a qualified Binding Offer is not selected or accepted by the Receiver, the Deposit shall be returned to the applicable potential purchaser as soon as reasonably practicable.

Other Terms

20. If a Successful Offeror breaches its obligations under the terms of its offer, and if the Receiver chooses not to proceed with the Successful Offeror, any Deposit submitted in connection with the Successful Offer shall be forfeited to the Receiver as liquidated damages and not as a penalty.
21. The Receiver may: (a) determine which Qualified Offer, if any, is the highest or otherwise best offer, (b) reject at any time before the issuance and entry of an order approving a Successful Offer, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Property, acting reasonably.
22. The Receiver shall not have any liability whatsoever to any person or party, including without limitation any participants in this Sale Process, the Debtor, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each offeror shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.
23. Following the acceptance of the Successful Offer, and subject to the timeline set out above, the Receiver shall bring a motion to the Court (the "**Approval Motion**") for an order authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Offer and vest the Debtor's interest in the Property to the Successful Offeror.
24. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer in accordance with the timeline set out above.
25. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Offers will be received, the Receiver, may terminate the Sale Process.
26. This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

TRIPLE-I CAPITAL PARTNERS LIMITED
Applicant

and

12411300 CANADA INC.
Respondent

Court File No.: CV-22-00684372-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at TORONTO

SALE PROCESS ORDER
(RETURNABLE OCTOBER 14, 2022)

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TRIPLE-I CAPITAL PARTNERS LIMITED
Applicant

and

12411300 CANADA INC.
Respondent

Court File No.: CV-22-00684372-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at TORONTO

MOTION RECORD OF THE RECEIVER
(Motion Returnable OCTOBER 14, 2022)

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