

District: Ontario
Division No. 09-Toronto
Court No. 31-2675583
Estate No. 31-2675583

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CONFORTI HOLDINGS LIMITED**

**MOTION RECORD
(returnable May 17, 2021)**

May 7, 2021

MILLER THOMSON LLP

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TO: Service List

District: Ontario
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
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TAB DESCRIPTION

- 1 Notice of Motion, returnable May 17, 2021
- 2 Affidavit of Antonio Conforti, sworn May 7, 2021

Exhibits

- A. Government of Ontario Press Release, "Ontario Enacts Provincial
Emergency and Stay-at-Home Order", dated April 7, 2021
 - B. Corporate Profile Report for Cicaplus Ltd.
- 3 Draft Order

TAB 1

District: Ontario
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**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CONFORTI HOLDINGS LIMITED**

**NOTICE OF MOTION
(returnable May 17, 2021)**

Conforti Holdings Limited (“**Conforti**” or the “**Company**”) will make a motion to the court on May 17, 2021 at 11:00 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by video conference.

at the following location

Zoom Meeting

<https://us02web.zoom.us/j/85065736467?pwd=NEwwKzRVdEFISUQrb29BVTQ0ejhOU T09>

Meeting ID: 850 6573 6467

Passcode: S9PcWc

THE MOTION IS FOR:

- (a) an order substantially in the form at Tab 3 of Conforti’s motion record:
 - (i) if necessary, abridging the time for service and filing of this notice of motion and the motion record and dispensing with further service thereof;

- (ii) approving the Stalking Horse Asset Purchase Agreement between Conforti and Cicaplus Ltd. (the “**Stalking Horse Purchaser**”), dated May 5, 2021 (the “**Stalking Horse APA**”);
 - (iii) approving a stalking horse sales process with the Stalking Horse APA acting as the stalking horse bid (the “**Stalking Horse Sales Process**”);
 - (iv) approving the fourth report of Crowe Soberman Inc., in its capacity as proposal trustee in these proceedings (the “**Proposal Trustee**”), to be filed (the “**Fourth Report**”), and the conduct and activities of the Proposal Trustee as described therein; and
- (b) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

- (a) Conforti filed a notice of intention to make a proposal, dated September 28, 2020 (the “**NOI**”) under which the Proposal Trustee was appointed.
- (b) Conforti is an Ontario corporation that, as at the date of the NOI filing, operated 51 beauty salons under 10 different trade names in Southern Ontario. All but one of Conforti’s beauty salons are located inside shopping malls of varying sizes including ones such as the Eaton Centre in Toronto.
- (c) Conforti initiated NOI proceedings on account of the financial pressure arising from the COVID-19 pandemic and demands from one of its landlords. The COVID-19 pandemic, including the closure of all shopping malls for approximately five months and the otherwise reduced foot traffic

in the shopping malls when they were open, has negatively impacted Conforti's liquidity and its ability to fund business operations.

- (d) The stay of proceedings afforded by Conforti's NOI filing was extended three times by orders of the Court, including most recently by order of the Honourable Mr. Justice Hainey, dated January 27, 2021.
- (e) On March 12, 2021, Conforti filed a holding proposal to its unsecured creditors.

Stalking Horse APA and Stalking Horse Sales Process

- (f) Conforti's operations have been curtailed or halted by the various public health measures implemented by the Government of Ontario in response to the COVID-19 pandemic. This has caused Conforti to increasingly deplete the cash reserves it had on hand at the time it filed the NOI.
- (g) In order to reduce its overall debt load and attempt to improve the position of its creditors, Conforti, in consultation with the Proposal Trustee, decided to sell its head office premises located at the property municipally known as 7755 Warden Avenue, unit 2, level 1, Markham, Ontario, L3R 0N3 (the "**Purchased Assets**").
- (h) To this end, Conforti and the Stalking Horse Purchaser entered into the Stalking Horse APA for the sale of the Purchased Assets.
- (i) The Stalking Horse APA is conditional on, among other things:
 - (i) court-approval of the Stalking Horse Sales Process and Stalking Horse APA; and

- (ii) the Stalking Horse APA being the successful transaction at the end of the Stalking Horse Sales Process.
- (j) The Stalking Horse APA and the Stalking Horse Sales Process are designed to encourage as many bidders as possible to make their best offers for the Purchased Assets.
- (k) The Stalking Horse Purchaser is related to Conforti for purposes of section 65.13(5) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985., c. B-3, as amended (the “**BIA**”).
- (l) Accordingly, the Proposal Trustee has agreed to oversee and run the Stalking Horse Sales Process to ensure that the sale process is independent and maximizes realizations for the benefit of Conforti’s creditors.

General

- (m) The provisions of the BIA, including section 65.13, and the statutory, inherent and equitable jurisdiction of this Court;
- (n) Rules 1.04, 2.01, 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O, 1990, Reg. 194, as amended; and
- (o) Such further and other grounds as the lawyers may advise.

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

- (a) The Affidavit of Antonio Conforti, sworn May 7, 2021;

- (b) The Fourth Report, together with the appendices thereto; and
- (c) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 7, 2021

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IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CONFORTI HOLDINGS LIMITED

District: Ontario
Division No. 09-Toronto
Court No. 31-2675583
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ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE MAY 17, 2021)

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Lawyers for Conforti Holdings Limited

TAB 2

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CONFORTI HOLDINGS LIMITED**

**AFFIDAVIT OF ANTONIO CONFORTI
(sworn May 7, 2021)**

I, Antonio Conforti, of the City of Richmond Hill, Province of Ontario, MAKE OATH AND SAY:

1. I am the President and a director of Conforti Holdings Limited (“**Conforti**” or the “**Company**”). As such, I have knowledge of the matters to which I hereinafter depose, which knowledge is personal to me, obtained from a review of the documents referred to or, where indicated, I am advised by others in which case I believe such information to be true.

A. Overview

2. This affidavit is made in the context of Conforti’s notice of intention to make a proposal (“**NOI**”) proceedings (the “**Proposal Proceedings**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and in support of a motion by Conforti for an order:

- a. approving the Stalking Horse Asset Purchase Agreement between Conforti and Cicaplus Ltd., dated May 5, 2021 (the “**Stalking Horse APA**”);
- b. approving a stalking horse sales process with the Stalking Horse APA acting as the stalking horse bid (the “**Stalking Horse Sales Process**”);
and
- c. approving the fourth report of Crowe Soberman Inc., in its capacity as proposal trustee in these proceedings (the “**Proposal Trustee**”), to be filed (the “**Fourth Report**”), and the conduct and activities of the Proposal Trustee as described therein.

B. Background: Conforti’s Business and Operations

3. Conforti is a privately-held corporation that, as at the date of Conforti’s NOI filing, operated 51 beauty salons under 10 different trade names in Southern Ontario.
4. Conforti has been a family owned and operated business for more than 44 years. I started the business in 1977.
5. Conforti’s salons, save and except for a location in Collingwood, Ontario, are located in rental units in shopping malls and commercial office buildings across Southern Ontario. The Collingwood property is located in an outdoor shopping plaza.
6. Conforti owns and operates its head office from a 11,000 square foot commercial property municipally known as 7755 Warden Avenue, Unit 2, Markham, Ontario (the “**Property**”). In addition to serving as its head office, Conforti also stores inventory it

purchases for use and re-sale at its salons from a related company, Beauty Experts Inc. (“**Beauty Experts**”), at the Property.

C. Proposal Proceedings

7. On September 28, 2020, Conforti filed the NOI and Crowe Soberman Inc. was appointed Proposal Trustee.

8. Conforti initiated the Proposal Proceedings on account of the financial pressure arising from the COVID-19 pandemic and demands from one of its landlords. The COVID-19 pandemic, including the closure of all shopping malls for approximately five months and the otherwise reduced foot traffic in the shopping malls when they were open, has negatively impacted Conforti’s liquidity and its ability to fund business operations.

9. The stay of proceedings afforded by Conforti’s NOI filing was extended three times by orders of the Court, including most recently by order of the Honourable Mr. Justice Haaney, dated January 27, 2021.

10. Before the stay of proceedings expired, Conforti filed a holding proposal to its unsecured creditors on March 12, 2021.

11. The Proposal Trustee held the first meeting of Conforti’s creditors on April 1, 2021. The meeting was adjourned to October 29, 2021, or such earlier time as the Proposal Trustee determines is appropriate given Conforti’s business operations and the Company’s ability to make a substantive proposal to its creditors.

D. Decision to Sell Property

12. As described in my affidavit, sworn January 21, 2021, Conforti's operations have been curtailed or halted by the various public health measures implemented by the Government of Ontario in response to the COVID-19 pandemic.

13. For more than five months at least a third of Conforti's salons have been closed as a result of provincial public health orders.

14. Most recently, on April 8, 2021, the Government of Ontario enacted a second stay-at-home order that requires all persons in Ontario to stay home unless traveling for an essential purpose. The order is set to expire on May 20, 2021. Attached as **Exhibit "A"** is a copy of the Government of Ontario Press Release, "Ontario Enacts Provincial Emergency and Stay-at-Home Order", dated April 7, 2021.

15. Accordingly, all of Conforti's salons are closed and will remain closed until at least May 20, 2021. While the stay-at-home order expires on May 20, 2021, it is unclear when the Government of Ontario will permit companies that provide personal services to re-open.

16. The prolonged closures of Conforti's salons have caused the Company to increasingly deplete the cash reserves it had on hand at the time it filed the NOI.

17. In order to conserve cash resources and reduce its overall debt load for the benefit of its creditors, Conforti, in consultation with the Proposal Trustee, has decided to sell the Property.

18. Although Conforti considered other options to reduce its expenses and debt obligations, including leasing the Property to third parties, Conforti determined that this was unfeasible.

19. Leasing the Property to third parties is not a viable option because there is currently limited demand for leased commercial space, in light of the stay-at-home order, and numerous businesses requiring their employees to work from home.

20. Further, given its constrained cash flow, Conforti will not have sufficient cash on hand over the coming months to continue to pay its extensive Property-related expenses including property tax, insurance, maintenance fees, and utilities. These costs are in addition to the interest and mortgage payments Conforti makes to its mortgagee.

21. Finally, it is unclear when Conforti will be permitted to re-open its salons and generate operating cash flow. Even when the salons can re-open, it is impossible to predict when the salons will be permitted to open without some form of capacity limits in place to preserve physical distancing.

22. Conforti anticipates that the sale of the Property will result in a total net savings (after anticipated rental payments) of \$177,723 to the Company in the seven months after the sale is completed.

23. In all of the above circumstances Conforti decided, in consultation with the Proposal Trustee, that it was in the best interests of its creditors to sell the Property.

E. Proposed Stalking Horse Sales Process

24. Cicaplus Ltd. is related to Conforti. As a result, the Company has asked the Proposal Trustee to conduct the proposed Stalking Horse Sales Process. Attached as **Exhibit “B”** is a copy of the corporate profile report for Cicaplus Ltd.

25. If the transaction contemplated by the Stalking Horse APA closes, Conforti also intends to revise the timing of its inventory purchases to further conserve its cash flow. Currently, Conforti purchases inventory from Beauty Experts when the inventory arrives at the Property. After the Stalking Horse APA closes, Conforti will purchase inventory from Beauty Experts at the time inventory is sent to Conforti’s salons. This will reduce the amount of space Conforti requires at the Property to only office space.

26. Given Conforti’s reduced space requirements, the Company has arranged with Cicaplus Ltd. to pay \$5,000 a month in rent after the transaction closes.

27. Further details regarding the Stalking Horse APA and the Stalking Horse Sales Process are contained in the Fourth Report.

SWORN BEFORE ME via video-conference with the deponent in the City of Markham, Ontario, and the Commissioner in the City of Toronto, Ontario this 7th day of May, 2021

DocuSigned by:
Erin Craddock

F1990E7178FF432...
A Commissioner for taking Affidavits (or as may be)

DocuSigned by:
Antonio Conforti
12142F8BF46474A6...

Antonio Conforti

Note: This affidavit was commissioned via simultaneous video-conference in accordance with the *Commissioners for taking Affidavits Act*, R.S.O. 1990, CHAPTER C.17, and the Law Society of Ontario: COVID-19 Response Statement interpretation of that Act, under which (i) the identity of the deponent was confirmed from government issued identification, (ii) the commissioner administered the oath or affirmation, (iii) the deponent affixed their electronic signature to the affidavit and transmitted the full electronic affidavit, as sworn or affirmed, including exhibits to the

commissioner, (iv) the deponent confirmed their electronic signature to the commissioner, (v) the commissioner affixed their electronic signature to the affidavit including exhibits.

This is **Exhibit “A”** to the
Affidavit of **ANTONIO CONFORTI**
Sworn on May 7, 2021

DocuSigned by:

Erin Craddock

F1990E7178EE432...

A Commissioner, etc.

NEWS RELEASE

Ontario Enacts Provincial Emergency and Stay-at-Home Order

Additional measures needed to protect health system capacity and save lives during third wave of COVID-19

April 07, 2021

[Office of the Premier](#)

TORONTO — The Ontario government, in consultation with the Chief Medical Officer of Health and other health experts, is immediately declaring a third [provincial emergency](#) under s 7.0.1 (1) of the *Emergency Management and Civil Protection Act* (EMPCA). These measures are being taken in response to the rapid increase in COVID-19 transmission, the threat on the province's hospital system capacity, and the increasing risks posed to the public by COVID-19 variants.

Details were provided today by Premier Doug Ford, Christine Elliott, Deputy Premier and Minister of Health, Solicitor General Sylvia Jones, and Dr. David Williams, Chief Medical Officer of Health.

"The COVID-19 situation is at a critical stage and we must act quickly and decisively to stay ahead of these deadly new variants," said Premier Ford. "By imposing these strict new measures we will keep people safe while allowing our vaccination program to reach more people, starting with our high risk population and identified hot spots. Although this is difficult, I urge everyone to follow these public health measures and together we will defeat this deadly virus."

Case rates, hospitalizations, and ICU occupancy are increasing rapidly, threatening to overwhelm the health care system. The number of COVID-19 hospitalizations in the province have increased by 28.2 per cent between the period of March 28 and April 5, 2021. In addition, between March 28 and April 5, 2021, Ontario has seen the number of COVID-19 patients in intensive care escalate by 25 per cent. While every action possible is being taken to increase capacity and continue daily surgeries and procedures, the province is reaching a tipping point.

Effective Thursday, April 8, 2021 at 12:01 a.m., the government is issuing a province-wide Stay-at-Home order requiring everyone to remain at home except for essential purposes, such as going to the grocery store or pharmacy, accessing health care services (including getting vaccinated), for outdoor exercise, or for work that cannot be done remotely. As Ontario's health care capacity is threatened, the Stay-at-Home order, and other new and existing public health and workplace safety measures will work to preserve public health system capacity, safeguard vulnerable populations, allow for progress to be made with vaccinations and save lives.

Retail

In addition, the province is also strengthening public health and workplace safety measures for non-essential retail under the [provincewide emergency brake](#). Measures include, but are not limited to:

- Limiting the majority of non-essential retailers to only operate for curbside pick-up and delivery, via appointment, between the hours of 7 a.m. and 8 p.m., with delivery of goods to patrons permitted between 6:00 am and 9:00 pm, and other restrictions;
- Restricting access to shopping malls to limited specified purposes, including access for curbside pick-up and delivery, via appointment, with one single designated location inside the shopping mall, and any number of designated locations outside the shopping mall, along with other restrictions;
- Restricting discount and big box stores in-person retail sales to grocery items, pet care supplies, household cleaning supplies, pharmaceutical items, health care items, and personal care items only;
- Permitting the following stores to operate for in-person retail by appointment only and subject to a 25 per cent capacity limit and restricting allowable hours of operation to between 7 a.m. and 8 p.m. with the delivery of goods to patrons permitted between 6 a.m. and 9 p.m.:
 - Safety supply stores;
 - Businesses that primarily sell, rent or repair assistive devices, aids or supplies, mobility devices, aids or supplies or medical devices, aids or supplies;

- Rental and leasing services including automobile, commercial and light industrial machinery and equipment rental;
 - Optical stores that sell prescription eyewear to the public;
 - Businesses that sell motor vehicles, boats and other watercraft;
 - Vehicle and equipment repair and essential maintenance and vehicle and equipment rental services; and
 - Retail stores operated by a telecommunications provider or service, which may only permit members of the public to enter the premises to purchase a cellphone or for repairs or technical support.
- Permitting outdoor garden centres and plant nurseries, and indoor greenhouses that engage in sales to the public, to operate with a 25 per cent capacity limit and a restriction on hours of operation to between 7 a.m. and 8 p.m.

These additional and strengthened public health and workplace safety measures will be in effect as of Thursday, April 8, 2021 at 12:01 a.m.

Education

Keeping schools and child care open is critical to the mental health and well-being of Ontario children and youth. Schools and child care will remain open for in-person care and learning in public health regions where it is permitted, with strict safety measures in place.

In addition, beginning next week, education workers who provide direct support to students with special education needs across the province, and all education workers in select hot spot areas, will be eligible to register for vaccination. Vaccinations will commence during the April break starting with priority neighborhoods in Toronto and Peel, then rolling out to priority neighborhoods in other hot spot regions, including York, Ottawa, Hamilton, Halton and Durham. This will be followed by a rollout across the province as supply allows.

"While our government took decisive action by implementing the provincewide emergency brake, more needs to be done to protect against the threats to our health system resources and the continued health and safety of individuals and families across the province," said Christine Elliott, Deputy Premier and Minister of Health. "By further strengthening public health and workplace safety measures, we can work to reduce transmission of the virus while we work to rollout Phase 2 of our vaccine distribution plan, and put more needles in the arms of Ontarians."

"The rapid and increasing spread of COVID-19 and the variants of concern pose significant threats to our health care system and the well-being of Ontarians, requiring immediate and decisive action," said Solicitor General Sylvia Jones. "The declaration of a third provincial emergency is necessary to provide the government with the tools needed to help protect the public, reduce the spread of the virus and save lives."

Vaccinations

As part of Phase Two of its COVID-19 vaccine distribution plan, people living in regions with the highest rates of transmission will be prioritized to receive a vaccine, starting with the most at-risk in the Peel and Toronto public health regions. This initiative will be expanded to additional "hot spot" regions based on established patterns of transmission, severe illness, and mortality.

To support this expanded vaccination effort, mobile teams are being organized to administer vaccines in high-risk congregate settings, residential buildings, faith-based locations, and locations occupied by large employers in hot spot neighbourhoods to individuals aged 18 or over. Pop-up clinics will also be set-up in highly impacted neighborhoods, including at faith-based locations and community centres in those hot spots, in collaboration with public health units and community organizations within those communities. The province will provide additional resources to support these mobile and pop-up clinics in the hardest-hit neighbourhoods.

The government will also extend booking for COVID-19 vaccination appointments to more age groups through its [provincial booking system](#), for public health regions with highly impacted neighbourhoods, on Friday, April 9, 2021. Booking eligibility will be extended to include individuals aged 50 and over for COVID-19 vaccination appointments at mass immunization clinics in high-risk areas as identified by postal code, using the provincial booking system.

Workplace Inspections

Health and safety inspectors and provincial offenses officers will increase inspections and enforcement at essential businesses in regional hot zones to continue protecting essential workers while on the job. There have been 19,500 COVID-related workplace inspections and investigations across the province since the beginning of 2021. During those visits, over 450 COVID-19 related tickets have been issued and OHS inspectors have issued over 14,446 OHS orders and stopped unsafe work related to COVID-19 a total of 24 times.

Rapid Testing

Rapid testing continues to be deployed in workplaces for asymptomatic staff in key sectors such as manufacturing, warehousing, supply chain, mining, construction and food processing. Approximately 5.4 million rapid antigen tests have been sent to over 1,150 workplaces, including 100 essential industry sites, under the Provincial Antigen Screening Program. To encourage the use of these tests under the program, additional outreach will occur to employers in regions with highest rates of transmission to increase access to testing, and the process for enrollment in the screening program will be streamlined to allow for quick access to these supports.

"As we continue to see COVID-19 variants of concern drive this third wave of COVID-19, it is evident stronger public health and workplace measures are needed to help interrupt the spread of the virus," said Dr. David Williams, Chief Medical Officer of Health. "By all of us staying at home, while still taking some time to enjoy the outdoors with the people we live with in our local neighbourhoods and maintaining two metres physical distance from others, we can reduce our mobility, minimize transmission, protect our loved ones and our communities, safeguard health system capacity, and save lives."

Quick Facts

- Over the past week, the province's positivity rate is 5.1 per cent, well above the high-alert threshold of 2.5 per cent, and as of April 6, 2021, there has been a total of 2,483 cases with one of the three variants of concern (VoC). The percent of cases in the last week that tested positive for a mutation or VOC was 63.1 per cent.
 - On Saturday April 3, 2021, in response to an alarming surge in case numbers and COVID-19 hospitalizations across the province and in consultation with the Chief Medical Officer of Health, the government imposed a [provincewide emergency brake](#), implementing additional time-limited public health and workplace safety measures, including encouraging remote work in all industries to the greatest extent possible and the closure of additional workplaces, further capacity limits on some essential businesses which are able to remain open, and strengthened advice on limiting trips outside of the home for essential reasons.
 - On the advice of the Chief Medical Officer of Health, all Ontarians are asked to limit trips outside the home to necessities such as food, medication, medical appointments, supporting vulnerable community members, or exercising outdoors with members of their household in our their communities. Individuals should remain in their local communities and avoid all non-essential travel – even within the province – and to stay home when ill even with mild symptoms. Employers in all industries should make every effort to allow employees to work from home.
 - To ensure that every person who requires care in a hospital can access a bed, the government has invested more than \$5.1 billion to support hospitals since the start of the pandemic, creating more than 3,100 additional hospital beds and 500 critical care and high intensity medicine beds. This includes \$1.8 billion in 2021–22 to continue providing care for COVID-19 patients, addressing surgical backlogs and keeping pace with patient needs through its [Ontario's Action Plan: Protecting People's Health and Our Economy](#).
 - The Ontario government continues to implement its [High Priority Communities Strategy](#) to provide targeted supports to communities hardest hit by COVID-19. In these communities 1,000 Community Ambassadors have been mobilized, 30 community testing sites have been opened and nearly 36,000 PPE kits have been distributed to community members.
 - Get tested if you have COVID-19 symptoms, or if you have been advised of exposure by your local public health unit or through the COVID Alert App. Visit [Ontario.ca/covidtest](https://ontario.ca/covidtest) to find the nearest testing location.
-

Additional Resources

- [Ontario Implements Provincewide Emergency Brake](#)
 - [Ontario Moving to Phase Two of COVID-19 Vaccine Distribution Plan](#)
 - [2021 Budget - Ontario's Action Plan: Protecting People's Health and Our Economy](#)
 - The [Digital Main Street program](#) helps main street businesses build their online presence and reach more customers.
 - [Property Tax and Energy Cost Rebates](#)
 - Visit Ontario's [COVID-19 communications resources web page](#) for resources in multiple languages to help local communication efforts.
 - Visit Ontario's [COVID-19 vaccine web page](#) to view the latest provincial data and information on COVID-19 vaccines.
 - Visit Ontario's COVID-19 information [website](#) to learn more about how the province continues to protect the people of Ontario from the virus.
 - For public inquiries call ServiceOntario, INFOLine at 1-866-532-3161 (Toll-free in Ontario only).
-

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Alexandra Hilkene


Minister Elliott's Office

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This is **Exhibit “B”** to the
Affidavit of **ANTONIO CONFORTI**
Sworn on May 7, 2021

DocuSigned by:

Erin Craddock

F4990E7478EE432...

A Commissioner, etc.

Request ID: 026117664
 Transaction ID: 79183233
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2021/05/07
 Time Report Produced: 08:49:48
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2826492	CICAPLUS LTD.	2021/03/24
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
7755 WARDEN AVE	NOT APPLICABLE	NOT APPLICABLE
Suite # 2	New Amal. Number	Notice Date
MARKHAM ONTARIO CANADA L3R 0N3	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Letter Date	NOT APPLICABLE
7755 WARDEN AVE	NOT APPLICABLE	NOT APPLICABLE
Suite # 2	Revival Date	Continuation Date
MARKHAM ONTARIO CANADA L3R 0N3	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Transferred Out Date	Cancel/Inactive Date
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00010

Request ID: 026117664
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Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/05/07
Time Report Produced: 08:49:48
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2826492

CICAPLUS LTD.

Corporate Name History

Effective Date

CICAPLUS LTD.

2021/03/24

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

ANTONIO
CONFORTI

91 DUNCAN ROAD

RICHMOND HILL
ONTARIO
CANADA L4C 6J4

Date Began

First Director

2021/03/24

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Request ID: 026117664
Transaction ID: 79183233
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/05/07
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2826492

CICAPLUS LTD.

Administrator:

Name (Individual / Corporation)

Address

SYLVIA
CONFORTI

91 DUNCAN ROAD

RICHMOND HILL
ONTARIO
CANADA L4C 6J4

Date Began

First Director

2021/03/24

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Administrator:

Name (Individual / Corporation)

Address

ANTONIO
CONFORTI

91 DUNCAN ROAD

RICHMOND HILL
ONTARIO
CANADA L4C 6J4

Date Began

First Director

2021/03/24

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 026117664
Transaction ID: 79183233
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Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/05/07
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CORPORATION PROFILE REPORT

Ontario Corp Number

2826492

Corporation Name

CICAPLUS LTD.

Administrator:**Name (Individual / Corporation)**

SYLVIA
CONFORTI

Address

91 DUNCAN ROAD

RICHMOND HILL
ONTARIO
CANADA L4C 6J4

Date Began

2021/03/24

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Administrator:**Name (Individual / Corporation)**

SYLVIA
CONFORTI

Address

91 DUNCAN ROAD

RICHMOND HILL
ONTARIO
CANADA L4C 6J4

Date Began

2021/03/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Request ID: 026117664
Transaction ID: 79183233
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/05/07
Time Report Produced: 08:49:48
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2826492

CICAPLUS LTD.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	1	2021/03/24 (ELECTRONIC FILING)

**THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.**

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CONFORTI HOLDINGS LIMITED

District: Ontario
Division No. 09-Toronto
Court No. 31-2675583
Estate No. 31-2675583

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**AFFIDAVIT OF ANTONIO CONFORTI
(sworn May 7, 2021)**

MILLER THOMSON LLP

Scotia Plaza
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Tel: 416.595.8631
ecraddock@millerthomson.com

Lawyers for Conforti Holdings Limited

TAB 3

parties appearing as indicated by the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

DEFINED TERMS

1. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Stalking Horse APA, and the Stalking Horse Sales Process.

SERVICE

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

STALKING HORSE SALES PROCESS

3. **THIS COURT ORDERS** that the Stalking Horse Sales Process (subject to any amendments thereto that may be made in accordance therewith and as may be agreed to by the Proposal Trustee) is hereby approved.

4. **THIS COURT ORDERS** that the Proposal Trustee and its advisors are hereby authorized and directed to carry out the Stalking Horse Sales Process and to take such steps and execute such documentation as may be necessary or incidental to the Stalking Horse Sales Process, subject to the terms of the Stalking Horse Sales Process and prior approval of this Court being obtained before completion of any transactions under the Stalking Horse Sales Process.

5. **THIS COURT ORDERS** that the Proposal Trustee and Conforti, and their respective assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the Stalking Horse Sales Process, except to the extent of such losses, claims, damages, or liabilities arising or resulting from the gross negligence or wilful misconduct of the Proposal Trustee or Conforti, as applicable, as determined by this Court.

STALKING HORSE APA

6. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by Conforti of the Stalking Horse Asset Purchase Agreement, dated as of May 5, 2021 (the “**Stalking Horse APA**”) between Conforti, as Vendor, and Cicapulus Ltd., as Stalking Horse Bidder, substantially in the form attached as Appendix ● to the Fourth Report is hereby ratified, authorized and approved, provided, however, that nothing herein approves the sale or the vesting of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse APA, and that the approval of the sale and vesting of such assets shall be considered by this Court on a subsequent motion to this Court following completion of the sale process pursuant to the terms of the Stalking Horse Sales Process if the Stalking Horse Bidder is the Successful Bidder.

7. **THIS COURT ORDERS** that the Stalking Horse APA is hereby approved and accepted solely for the purposes of being the Stalking Horse Bid under the Stalking Horse Sales Process and subject to the further Order of the Court referred to in paragraph 6 above.

APPROVAL OF REPORT

8. **THIS COURT ORDERS** that the Fourth Report, together with the conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved.

GENERAL

9. **THIS COURT ORDERS** that the Proposal Trustee or Conforti may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their power and duties under this Order or under the Stalking Horse Sales Process

10. **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 Proposal Trustee, Conforti and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Conforti and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist Conforti and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

SCHEDULE "A"

STALKING HORSE SALES PROCESS

Schedule "A"

STALKING HORSE SALES PROCESS

Bidding Procedures

On September 28, 2020, Conforti Holdings Limited (the "**Vendor**") filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.3, as amended and Crowe Soberman Inc. was appointed proposal trustee (the "**Proposal Trustee**").

Set forth below are the bidding procedures (the "**Bidding Procedures**") to be employed with respect to the solicitation of any sale of the property municipally known as 7755 Warden Avenue, unit 2, level 1, Markham, Ontario L3R 0N3 (the "**Purchased Assets**") pursuant to a Court approved sale process in the Vendor's proposal proceedings.

On May 17, 2021, the Court issued an order (the "**Sale Process Order**"), among other things, (i) authorizing the Proposal Trustee to commence a sale process (the "**Sale Process**") to market and sell the Purchased Assets in accordance with these Bidding Procedures, and (ii) approving the asset purchase agreement dated May 5, 2021 (the "**Stalking Horse APA**") between the Vendor and Cicaplus Ltd. (the "**Stalking Horse Bidder**") as a "stalking horse" bid in the Sales Process (the "**Stalking Horse Bid**").

Subject to Court availability and the terms hereof, within ten (10) business days following the selection of the Successful Bidder (as defined herein), the Vendor shall bring a motion seeking the granting of an order by the Court (the "**Approval and Vesting Order**") authorizing the Vendor to proceed with the sale of the Purchased Assets to the Qualified Bidder (as defined herein) making the highest or otherwise best bid (the "**Successful Bid**") pursuant to these Bidding Procedures (the "**Successful Bidder**").

Opportunity

1. The Sale Process is intended to solicit offers for the Purchased Assets that are superior to the Stalking Horse Bid. The Proposal Trustee will be responsible for conducting the Sale Process and an auction (the "**Auction**"), if applicable.
2. Any sale of the Purchased Assets will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Proposal Trustee, the Vendor, 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 Vendor in and to the Purchased Assets to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.
3. Except as otherwise provided in the Stalking Horse APA or another Successful Bidder's ultimate definitive purchase agreement, and subject to any permitted encumbrances therein, all of the Vendor's right, title and interest in and to the Purchased Assets shall be sold free and clear of all liens and encumbrances pursuant to the Approval and Vesting Order.

Solicitation of Interest: Notice of Sale Process

4. As soon as is reasonably practicable and, in any event, by no later than May 25, 2021:
 - (a) the Proposal Trustee will prepare a list of potential bidders, including: (i) parties that have approached the Vendor or the Proposal Trustee indicating an interest in the Purchased Assets; and (ii) strategic and financial parties who the Proposal Trustee believes may be interested in purchasing the Purchased Assets (the **"Known Potential Bidders"**);
 - (b) the Proposal Trustee shall advertise for sale the Purchased Assets in **The National Post (National Edition)**;
 - (c) the Proposal Trustee will prepare a summary (the **"Teaser"**) describing the Purchased Assets, outlining the Sale Process and inviting recipients of the Teaser to express their interest pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee (**"NDA"**).
5. The Proposal Trustee will send the Teaser to all Known Potential Bidders by no later than May 28, 2021 and to any other party who requests a copy of the Teaser, or who is identified to the Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Due Diligence

6. Any party who wishes to participate in the Sale Process (a **"Prospective Purchaser"**) must provide the Proposal Trustee with an executed NDA and written confirmation of the identity of the Prospective Purchaser, and the contact information for such Prospective Purchaser.
7. The Proposal Trustee shall make available to those Prospective Purchasers who have signed an NDA and provided the requisite written confirmation and contact information access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers, unless the Proposal Trustee determines such person is unlikely, based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the Sale Process. The Stalking Horse Bidder may have access to the data room.
8. Prospective Purchasers must rely solely on their own independent review, investigation and/or inspection of all information and of the Purchased Assets in connection with their participation in the Sale Process and any transaction they enter into with the Vendor.

Qualified Bids

9. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at Crowe Soberman Inc., 2 St. Clair Ave. East, Suite 1100 Toronto, ON M4T 2T5, Attention: Hans Rizarri, or by email at hans.rizarri@crowesoberman.com, by 5:00 p.m. (Toronto time) on June 18, 2021 (the "**Bid Deadline**")
10. The Proposal Trustee in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase the Purchased Assets that is substantially the same or better than the Stalking Horse APA, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
 - (a) the offer is submitted on or before the Bid Deadline by a Prospective Purchaser;
 - (b) the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
 - (c) the offer must be submitted in writing and include a blackline of the offer to the Stalking Horse APA, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
 - (d) the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer ("**Bid Deposit**") which shall be held in trust by the Proposal Trustee's solicitors and disbursed only as follows: (i) if the Prospective Purchaser becomes the Successful Bidder, its Bid Deposit will be applied without interest on Closing to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Prospective Purchaser is not the Successful Bidder, then its Bid Deposit shall be returned without interest to it forthwith following the determination by the Proposal Trustee that its offer was not selected as the Successful Bid;
 - (e) the offer must be open for acceptance by the Vendor until five (5) Business Days after the Auction (as hereinafter defined) or later;
 - (f) the offer must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse APA, in the opinion of the Proposal Trustee, and shall not contain any provisions for a break fee or expense reimbursement;
 - (g) the offer must contemplate purchase of the Purchased Assets on an "as is, where is" basis;
 - (h) the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Stalking Horse APA;
 - (i) the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources;

- (j) the offer must contain a target closing date that, in the opinion of the Proposal Trustee, is likely to be achieved;
 - (k) the offer must be for a price equal to or greater than the sum of the Purchase Price, and **\$100,000**;
 - (l) unless the written consent of a secured creditor of the Vendor had been obtained for the assumption of the debt owing to such secured creditor and has been provided to the Proposal Trustee, the price of an offer must be comprised solely of cash payable at closing.
11. The Proposal Trustee may waive compliance with any one or more of these requirements and deem such non-compliant bid to be a Qualified Bid.
 12. Following the Bid Deadline, the Proposal Trustee will assess the Qualified Bids. If no Qualified Bids are received or, in the opinion of the Proposal Trustee, no bids constitute Qualified Bids, the Proposal Trustee may determine that an Auction is not required and may select the Stalking Horse Bidder as the Successful Bidder and proceed to bring a motion for an Approval and Vesting Order in respect of the transaction contemplated by the Stalking Horse APA.
 13. If one or more Qualified Bids are received, each bidder who submitted a Qualified Bid will be deemed a "**Qualified Bidder**". The Proposal Trustee shall invite all Qualified Bidders to attend the Auction.
 14. Notwithstanding these bid requirements, the Stalking Horse APA is deemed to be a Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Bidder.

Auction

15. If the Proposal Trustee receives one or more Qualified Bids by the Bid Deadline, the Proposal Trustee shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids and to the Stalking Horse Bidder to attend an auction (the "**Auction**"). The Auction shall be held at 10:00 a.m. on the fifth (5th) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate) at the offices of the Proposal Trustee or virtually by videoconference facility established by the Proposal Trustee.
16. The Proposal Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$100,000, or such other amount as the Proposal Trustee determines to facilitate the Auction (the "**Incremental Amount**"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Proposal Trustee in its sole discretion.

Successful Bid

17. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the

speed and certainty of completing the sale of the Purchased Assets, the Proposal Trustee shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Successful Bid**"), subject to Court approval. The presentation of the Successful Bid to the Court for approval does not obligate the Vendor to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. The Vendor will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing of the motion for the Approval and Vesting Order.

18. Subject to Court availability, the Proposal Trustee shall make a motion to the Court to obtain approval of the Successful Bid and the Approval and Vesting Order as expeditiously as possible after the Auction, but in no event longer than ten (10) Business Days following the Auction.
19. The deposits submitted with all Qualified Bids (except the Successful Bid), shall be held in escrow by the Proposal Trustee until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Successful Bid terminates pursuant to its terms or fails to close because of the Vendor's breach or failure to perform under the terms of the Successful Bid, the Proposal Trustee shall return the deposit submitted with such bid to the bidder that submitted the Successful Bid (the "**Successful Bidder**") forthwith. If the Successful Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Successful Bid, the Proposal Trustee shall not have any obligation to return the deposit submitted with the Successful Bid and such deposit shall be retained by the Proposal Trustee as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Proposal Trustee shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.
20. Subject to the Sale Process Order, the Proposal Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

Miscellaneous

21. The Sale Process and these Bidding Procedures are solely for the benefit of the Proposal Trustee and the Vendor and nothing contained in the Sale Process Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder in the Sale Process and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Sale Process Order. The bid protections incorporated in these Bidding Procedures are solely for the benefit of the Stalking Horse Bidder.
22. Except as otherwise provided in an order of the Court, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Process Order, the Sale Process and the Bidding Procedures

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CONFORTI HOLDINGS LIMITED**

District: Ontario
Division No. 09-Toronto
Court No. 31-2675583
Estate No. 31-2675583

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

Proceeding commenced at Toronto

SALE PROCESS APPROVAL ORDER

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Bobby Sachdeva LSO #: 34454C

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ecraddock@millerthomson.com

Lawyers for Conforti Holdings Inc.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CONFORTI HOLDINGS LIMITED

District: Ontario
Division No. 09-Toronto
Court No. 31-2675583
Estate No. 31-2675583

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**MOTION RECORD
(RETURNABLE MAY 17, 2021)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1101
Toronto, ON M5H 3S1

Bobby Sachdeva LSO #: 34454C

Tel: 905.532.6670
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Lawyers for Conforti Holdings Limited