

Estate File No. 31-2587191

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF TRADE SECRET WEB PRINTING INC.

FIRST REPORT OF CROWE SOBERMAN INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF TRADE SECRET WEB PRINTING INC.

December 13, 2019

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(COMMERCIAL LIST)

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PROPOSAL OF TRADE SECRET WEB PRINTING INC.

FIRST REPORT OF CROWE SOBERMAN INC. IN ITS CAPACITY AS TRUSTEE
UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF TRADE SECRET
WEB PRINTING INC.

December 13, 2019

1. This report (the "**First Report**") is filed by Crowe Soberman Inc. ("**Crowe**") in its capacity as proposal trustee (the "**Proposal Trustee**"), in connection with the Notice of Intention to Make a Proposal ("**NOIs**") filed by Trade Secret Web Printing Inc. ("**TSWP**" or the "**Company**").
2. On November 22, 2019 (the "**Filing Date**"), the Company filed an NOI pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B.-3, as amended (the "**BIA**") and Crowe was appointed as Proposal Trustee under the NOI. A copy of the Certificate of Filing issued by the Superintendent of Bankruptcy for the Company is attached hereto as **Appendix "A"**.
3. The primary purpose of the NOI proceeding is to create a stabilized environment to allow the Company to enter into a transaction in respect of the Company's assets and in conjunction with the Proposal Trustee, run a "stalking horse" sale process (the "**Sale Process**" or "**SISP**") to solicit bids for the Company's assets.
4. The purpose of this First Report is to provide the Ontario Superior Court of Justice (Commercial List) (the "**Court**") with information pertaining to the following:
 - a. a limited summary of certain background information about the Company;

- b. summarizing the Stalking Horse Agreement (defined below), between the Company and B&Y Property Holdings Inc. (“**B & Y**” or the “**Stalking Horse Bidder**”)
- c. summarizing the proposed Sales Process and Bidding Procedures;
- d. the Company’s application seeking an order pursuant to section 50.6 of the BIA authorizing the borrowing of interim financing and providing a charge in priority for such financing (“**DIP Lender’s Charge**”);
- e. the proposed charges (the “**Charges**”) sought by the Companies;
- f. report on the Company’s cash flow for the period commencing the week of November 25, 2019 and ending the week of February 17, 2020 (the “**Cash Flow**”);
- g. the Companies’ request for an extension of the stay initiated on the Filing Date (the “**Stay Period**”) to February 5, 2020; and
- h. recommend the Court make an order, inter alia
 - i. approving a priority administration charge in favour of the Professional Group (defined below) (“the **Administration Charge**”);
 - ii. approving the interim financing (the “**DIP Term Sheet**”) from B&Y Property Holdings Inc. (“**B & Y**” or the “**DIP Lender**”) for the purpose of funding the Company’s activities;
 - iii. approving the DIP Lender’s Charge;
 - iv. approving the Sale Process and Bidding Procedures;
 - v. approving the terms of the purchase agreement between the Stalking Horse Bidder and the Company (the “**Stalking Horse Agreement**”); and
 - vi. extending the date to file a proposal from December 19, 2019 to February 5, 2020.

I. TERMS OF REFERENCE

5. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.
6. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited internal financial information prepared by the Company's representatives, the Company's books and records and discussions with their management, staff, agents and consultants (collectively, the "**Information**"). The Proposal Trustee has not performed an audit or other verification of the Information in a manner that would comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook (the "**CPA Handbook**") and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

II. GENERAL BACKGROUND INFORMATION ON THE COMPANY

7. The Company's business, affairs, financial performance and position, as well as the causes of its insolvency are detailed in the affidavit of Mr. Bashir Harb sworn December 11, 2019 (the "**Harb Affidavit**") in support of the Company's December 16, 2019 motion and are, therefore, not repeated herein. The Proposal Trustee has reviewed the Harb Affidavit and discussed the business and affairs of the Company with senior management personnel of the Company and advisors and is of the view that the Harb Affidavit provides a fair summary thereof.
8. The Proposal Trustee understands the Company is an Ontario corporation that carries on the business of custom printing which provides catalogues, magazines, packaging, and commercial printing services. Based on an Ontario Corporate Profile Report dated November 21, 2019, attached as an exhibit to the Harb Affidavit, the sole director and officer of the Company is Mr. Bashir Harb.
9. The Company operates out of a 100,000 sf. ft. leased premises municipally known as 40 Horner Ave, Etobicoke, Ontario, (the "**Real Property**"). The Real Property

is owned by B & Y which is a related party. The Company has been in operations since November 2006 and presently employs 57 persons on a full-time basis. The Company retains contractors on an as needed basis for certain large-scale printing contracts.

III. THE COMPANY'S CREDITORS

10. Copies of the creditor list included in the Company's proposal proceedings are attached hereto as **Appendix "B"**. The creditor list details both unsecured and certain creditors who appear on a Personal Property Security Act ("**PPSA**") search dated December 10, 2019. The creditor lists includes estimated creditor liabilities of approximately \$11.9 million.
11. Below is a chart summarizing the estimated secured indebtedness owing by the Company based on the PPSA search, and information provided by the Company.

1	Ministry of Finance- EHT	\$68,329
2	B & Y Property Holdings Inc.	\$2,792,558
3	Heidelberg Canada Graphic Equipment	\$359,777
4	Zeinarb Inc.	Unknown
5	Zeinab Harb	Unknown
6	Bashir Harb	\$2,998,771
7	Faisal Chehab	Unknown
8	Axiom Leasing Inc.	\$96,159
9	CWB Maxium Financial Inc.	\$167,203
10	CLE Leasing Enterprises Ltd.	\$11,773
11	Bank of Montreal	\$0
12	Blueshore Leasing Ltd.	\$268,197
13	Honda Canada	Unknown
14	2227560 Ontario Inc	Unknown
15	Royal Bank of Canada	Unknown
	Total	\$6,762,767

12. The Proposal Trustee understands that B & Y provided funding to the Company to facilitate the repayment of a debt owing to the Bank of Montreal. The Proposal Trustee is advised that B & Y secured the advance by filing a financial statement under the PPSA reflecting a General Security Agreement.
13. The Proposal Trustee has not yet obtained a legal opinion from its independent legal counsel on the validity of the B & Y security or security held by 2227560 Ontario Inc., but security opinions will be completed in advance of the Bid Deadline discussed later in this First Report.
14. In addition, the Proposal Trustee understands that the Company owes more than \$1.2 million on a priority basis to the Canada Revenue Agency (“**CRA**”) as it relates to unpaid source deductions.

Equipment Lessors

15. The Company is a party to several equipment leases, which are in default. The Proposal Trustee understands that various equipment lessors and creditors have commenced enforcement proceedings, including CWB Maxium Financial Inc. (“**CWB**”) and CLE Leasing Enterprises (“**CLE**”).

IV. THE NOI PROCEEDINGS

Overview of the Trustee’s Activities

16. Since the Filing Date, the Proposal Trustee’s activities have included, *inter alia*, the following:
 - a) Reviewing the Company’s current financial position;
 - b) Together with counsel, advising the Company with regards to the restructuring options available to the Company;

- c) Preparation of the NOI filing documents and assisting in the preparation of the Cash Flow and associated reports on the Cash Flow as required by Section 50.4(2) of the BIA;
- d) File NOI documents with the OSB and various correspondence and discussion thereto;
- e) Issuing a notice to the Company's creditors with respect to the NOI proceeding and establishing a section on the Proposal Trustee's website as it relates to the NOI proceeding; and
- f) Working with the Company and its advisors in reviewing the proposed DIP Term Sheet and DIP facility, Stalking Horse Agreement and Bidding Procedures.

V. STALKING HORSE SALE PROCESS

17. The restructuring of the Company under the NOI proceedings involves a sale of the assets of the Company ("**Stalking Horse Assets**") which includes equipment and the Company's accounts receivable, subject to Court approval. The proposed Sale Process aims to obtain the best possible price for the Stalking Horse Assets. It is anticipated that the Sale Process, which is to run over an eight (8) week period will provide sufficient time to expose the Stalking Horse Assets to the market and maximize value.

Stalking Horse Agreement

18. The Company is seeking authorization and approval from the Court to enter into the Stalking Horse Agreement pursuant to which the Stalking Horse Bidder will act as the stalking horse bidder in the Sale Process. The Stalking Horse Agreement sets a floor purchase price for the Stalking Horse Assets and encourages interested parties to submit qualified bids. A copy of the redacted Stalking Horse Agreement is attached hereto as **Appendix "C"**.

19. The Stalking Horse Agreement contemplates the purchase of the Stalking Horse Assets is on an "as is, where is" basis. It contains standard and limited conditions to closing and is subject to the issuance of an approval and vesting order ("**AVO**"), and the Proposal Trustee declaring the Stalking Horse Bidder the Successful Bidder in the Bidding Procedures referred to herein.
20. As consideration for the Stalking Horse Assets, the purchase price contained in the Stalking Horse Asset Purchase Agreement includes a cash component ("**Cash Purchase Price**") as well as assumption of various liabilities in respect of rent arrears, assumption of current Real Property lease and liabilities owing to B&Y Property Holdings Inc. ("**Total Consideration**"). The Cash Purchase Price is not being disclosed in this Report, however will be disclosed should Court approval of the Bidding Procedures be granted. The Total Consideration is estimated to be in the amount of \$1,800,000.
21. The Stalking Horse Agreement provides that, at the Stalking Horse Bidder's discretion, and Proposal Trustee's consent, some of the Purchase Price may be satisfied by way of set-off of the outstanding DIP financing.
22. The Stalking Horse Agreement also contemplates the assumption of all employees and the assumption of certain equipment leases and contracts to be identified by the Bid Deadline.
23. The Stalking Horse Agreement provides for an initial deposit to be made.
24. The Stalking Horse Asset Purchase Agreement provides that, in the event that a Successful Bid other than the bid from the Stalking Horse Bidder is accepted by the Proposal Trustee, approved by the Court and completed, the Company shall pay to the Stalking Horse Bidder an expense reimbursement of up to \$50,000. There is no break fee as is traditionally common place for these type of transactions.

VI. SALE PROCESS AND BIDDING PROCEDURES

25. The proposed Sales Process and Bidding Procedures is contemplated in the Stalking Horse Agreement and attached at **Appendix “C”** hereto. A summary of the milestones of the Sales Process are:

Date	Sales Process Milestone
<i>December 16, 2019- February 6, 2020.</i>	The Proposal Trustee to prepare Notice and teaser information in advance of commencement of SISP, and identify potential bidders. The Proposal Trustee shall prepare a data room for the sales process. An advertisement will run in the national Globe & Mail print edition. The Proposal Trustee shall contact potentially interested parties regarding the sale process and opportunity. Subject to a signed NDA, due diligence information to be provided to interested parties
<i>February 7, 2020</i>	Bid Deadline
<i>February 11, 2020</i>	Review of Bids and determination of Qualified Bids; announcement of Qualified Bidders and circulation of Opening Bid.
<i>February 13, 2020</i>	Auction (if necessary)
<i>February 20, 2020</i>	Company and Proposal Trustee to seek Court Approval of Successful Bid
<i>March 11, 2020</i>	Outside Date for Closing of Successful Bid.

26. A summary of the key terms of the Sales Process are:

- a) the Proposal Trustee with the assistance of its advisors shall conduct the Sales Process in accordance with the Bidding Procedures;
- b) following Court Approval of the Sale Process, the Proposal Trustee will prepare a teaser and list of potentially interested parties, and prepare a virtual data room for parties to complete their due diligence;
- c) the Proposal Trustee shall have a notice published in the Globe & Mail, in the form attached as **Appendix "D"**;
- d) the Proposal Trustee shall canvas potential interest in respect of some or all of the Stalking Horse Assets;
- e) interested parties that wish to commence due diligence will be required to sign a form of non-disclosure agreement;
- f) the Proposal Trustee will provide potential bidders with a copy of the Stalking Horse Agreement;
- g) potential purchasers must submit bids, via an executed mark-up of the Stalking Horse Agreement, with a binding commitment to close on the terms and conditions of the bid, by no later than February 7, 2020 ("**Bid Deadline**");
- h) for a potential bidder to qualify to participate in an auction the bid submitted must identify the actual Bidder and parent company and contain written evidence that the Bidder has necessary financial ability to close the transaction and assumed liabilities; be unconditional and irrevocable, and accompanied by a 10% deposit;
- i) the minimum bid must exceed the Cash Purchase Price in the Stalking Horse Bid, plus a Minimum Overbid Increment in the amount of \$25,000.

27. The Proposal Trustee will review all offers received by the Bid Deadline and determine whether the bids are Qualified Bids, and whether an auction is necessary. If an auction is necessary, the Proposal Trustee will follow the auction guidelines as are described in the Bidding Procedures, which shall include the disclosure of Qualified Bids to all other bidders in advance of the commencement of the Auction, the identification of the Opening Bid and Overbid at each round of the Auction; with each Overbid being a minimum cash increment of at least \$25,000 or such lower amount as the Proposal Trustee may determine.

28. The determination of which Qualified Bid constitutes the Opening Bid shall take into account any factors that the Proposal Trustee with the assistance of their advisors reasonably deem relevant to the value of the Qualified Bid to Trade Secret, including, among other things, the following:

- (i) the amount and nature of the consideration;
- (ii) the proposed assumption of any liabilities, if any;
- (iii) the conditions to the Bid;
- (iv) the ability of the Qualified Bidder to close the proposed transaction;
- (v) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (vi) any purchase-price adjustments;
- (vi) the impact of the contemplated transaction on any actual or potential litigation;
- (vii) potential increased liabilities arising as a result of the transaction; and
- (viii) such other considerations as the Proposal Trustee deems relevant in its reasonable business judgment (collectively, the "**Bid Assessment Criteria**").

29. The Proposal Trustee with the assistance of its advisors shall determine who is the Successful Bid upon the completion of the Auction. If no qualified bids are received by the Bid Deadline (other than the Stalking Horse Agreement), the Auction will not be held and the Stalking Horse Agreement will be the Successful Bid.

30. The Proposal Trustee is of the view that the Sale Process timeline is adequate for the Proposal Trustee to provide interested parties with sufficient time to complete due diligence to consider purchasing some or all of the Stalking Horse Assets. The Proposal Trustee will report back to the Court if facts or circumstances require the Proposal Trustee to re-evaluate the time periods or the Bidding Procedures.

Proposal Trustee Recommends Approval of Stalking Horse Agreement

31. In light of the Company's financial difficulties, in the Proposal Trustee's opinion, the Stalking Horse Agreement is the best option for the Company to preserve the value of the Stalking Horse Assets.

32. The terms of the Stalking Horse Agreement are fair and reasonable given the circumstances, and promotes the prospect of a competitive Sale Process.

VII. DIP FACILITY

33. On December 12, 2019 the Company executed a financing agreement with the DIP Lender ("**DIP Term Facility**"), subject to Court approval. The DIP Term Facility provides for the following:

- Advances of up to \$250,000 in the aggregate, including a retroactive first advance of \$90,000 for urgent funding towards the ongoing operations of the Company;
- Interest calculated at the rate of 5% annually, calculated monthly; and
- It is conditional on the Company obtaining a charge ("**DIP Charge**") over all of the Stalking Horse Assets, ranking subordinate only to the Administration Charge, in respect of the full DIP Facility including the First Advance of \$90,000.

A copy of the DIP Term Facility is attached as Exhibit G to the Harb Affidavit.

Recommendation for the DIP Term Facility

34. The Proposal Trustee has considered the factors described in section 50.6(5) of the BIA with respect to the granting of a Court order for interim financing and a charge related thereto. The Proposal Trustee respectfully recommends that the Court make the order sought by the Company for the DIP Term Facility for the following reasons:

- The Company is continuing to operate with a view to canvassing a sales transaction;
- The Company is facing an imminent liquidity crisis. Cash on hand was projected to be depleted by the week of December 9th, 2019. The first advance of \$90,000 has been used towards the ongoing operations of the Company, including payroll;
- The Company has a significant annual contract scheduled for production during the first quarter of 2020. This contract will generate a considerable receivable for the Company but requires that the raw materials be purchased for by the Company, which is repaid in due course once the contract is completed;
- The Company will not be able to fund the raw materials required to complete the contract based on the anticipated funds on hand;
- The Company's net realizable value is essentially only achievable through its sale or parts thereof if it remains a going-concern business;
- The Company's ability to locate financing other than that contemplated by the DIP Term Facility, particularly given the timing constraints, the need for a cash injection, and the nature of the Company's assets, are remote;
- The terms of the DIP Term Facility appear to be reasonable and consistent with the terms of the debtor-in-possession financing facilities in similar proceedings; and
- In the Proposal Trustee's view, no creditor would appear to be materially prejudiced as a result of the granting the DIP Charge. The risks of material prejudice to creditors are outweighed by the potential benefits that would

be derived for the Company's stakeholders generally from a successful restructuring.

VIII. COURT ORDERED CHARGES

35. The Companies are seeking an order providing for the following Administration Charge (as hereinafter defined).

Administration Charge

36. The Company is seeking an order granting, among other things, a charge against all of the assets of the Company, to secure the fees and disbursements incurred in connection with professional services rendered to the Company in connection with the NOI Proceeding. The professional group consists of Blaney McMurtry LLP ("**Blaney's**", counsel to the Debtor), the Proposal Trustee and Stikeman Elliot LLP ("**Stikeman**", counsel to the Proposal Trustee) (collectively the "**Professional Group**"). The amount of the charge sought is the maximum aggregate amount of \$250,000 against all the assets of the Company ("**Administration Charge**").

37. The Administration Charge is proposed to rank ahead of all secured and unsecured creditors.

38. The quantum of the Administration Charge sought by the Company was determined in consultation with the Proposal Trustee. The creation of the Administration Charge is typical in similar proceedings as is the proposed priority of the Administration Charge.

IX. EXTENSION OF THE STAY PERIOD TO FEBRUARY 5, 2020 AND CASHFLOWS

39. The initial 30-day stay period granted upon the filing of the NOI expires on December 19, 2019. The Company is seeking an extension of the Stay Period to February 5, 2020 (the "**Stay Extension**").

40. In support of the request for the Stay Extension, the Company, with the assistance of the Proposal Trustee, had prepared a forecast of the receipts and disbursements for the period of the week commencing November 27, 2019 to the week of February 17, 2020 (the “Cash Flow Forecast”). A copy of the Cash Flow Forecast is attached hereto as **Appendix “E”** and is summarized below.

TRADE SECRET WEB PRINTING INC. CASH FLOW FORECAST FOR THE PERIOD November 27, 2019 to February 17, 2020	
Receipts	
A/R Collections	1,777,890
	1,777,890
Disbursements	
Payroll (incl. Deductions)	-326,657
Utilities	-94,000
Insurance	-23,100
Material Purchases	-1,167,561
Subcontractors	-45,000
Warehouse, Shipping	-49,436
Misc Expenses	-25,800
Debtor's Counsel	-90,000
Proposal Trustee	-75,000
Counsel for Proposal Trustee	-80,000
	-1,971,055
Net Cash Flow	-193,165
Opening Cash	45,000
Ending Cash	-148,165

41. The Cash Flow Forecasts indicate that the Companies will have not have sufficient liquidity to fund both operating costs and the costs of these NOI proceedings for the period of the Stay Extension, without the approval of the DIP Term Facility.

42. The Proposal Trustee has been advised that the Company will not be remitting monthly rent to B & Y during the restructuring proceeding.

43. The Proposal Trustee notes that the Cashflows do not contemplate the payment of monthly lease payments in respect of Real Property Lease or Equipment leases.

44. The Proposal Trustee supports the Company's request for the Stay Extension for the following reasons:

- a. More than thirty (30) days will be required to complete the Sales Process;
- b. The Stay Extension is necessary to provide the Company sufficient time to advance the Sale Process and complete the sale of the Stalking Horse Assets;
- c. The Company is acting in good faith and with due diligence in taking steps to monetize their assets for the benefit of their stakeholders; and
- d. It is the Proposal Trustee's view that the Stay Extension will not prejudice or adversely affect any group of creditors.

X. CONCLUSION AND RECOMMENDATIONS

45. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court issue the Order, as requested by the Company:

- a. approving the Stalking Horse Agreement;
- b. approving the SISP and Bidding Procedures;
- c. approving the DIP Term Sheet;
- d. approving the DIP Lenders Charge;
- e. approving the Administration Charge; and

f. approving the extension of the Stay Period to February 5, 2020.

All of which is respectfully submitted this 13th day of December 2019.

CROWE SOBERMAN INC.

Trustee acting under a Notice of Intention to Make a Proposal of
Trade Secret Web Printing Inc.

Per:



Graeme Hamilton, CIRP, LIT

APPENDIX

‘A’



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2587191
Estate No. 31-2587191

In the Matter of the Notice of Intention to make a
proposal of:

TRADE SECRET WEB PRINTING INC.

Insolvent Person

CROWE SOBERMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: November 22, 2019

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 22, 2019, 16:16

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX

‘B’

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 TRADE SECRET WEB PRINTING INC.
 of the City of ETOBICOKE
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ABC Fire Door Marnie MacCallum	920 Lakeshore Road E Mississauga ON L5E 1E1		1,293.85
AM Transport Irina	135 Walline Avenue Mississauga ON L4Z 1P2		15,480.38
Amazing Electric Motors	430 Passmore Ave, Unit 19 Toronto ON M1V 5G4		3,192.89
ARIVA - 114081 Sharon - 46149	P.O. BOX 9798 TORONTO ON M5W 1R6		150,336.54
ASL Global Logistics Brian Spencer	200 Ronson Drive, Suite 200 Etobicoke ON L6S 5N8		2,650.00
Axiom Leasing	2370 Cawthra Rd Mississauga ON L5A 2X1		96,159.69
B & Y Property Holdings Inc.			2,792,258.00
Bashir Harb	40 Horner Avenue ETOBICOKE ON M8Z 4X3		2,998,771.14
Bell Mobility c/o FCT Default Solutions	PO Box 2514, Stn B London ON N6A 4G9	416 252 9660	1,126.35
Bell Mobility c/o FCT Default Solutions	PO Box 2514, Stn B London ON N6A 4G9	416 231 9660	452.27
Bell Mobility c/o FCT Default Solutions	PO Box 2514, Stn B London ON N6A 4G9	512657927	6,343.99
Berg Chilling Systems Inc.	171 Ambassador Dr., Unit 1 Mississauga ON L5T 2J1		3,130.50
Blueshore Financial Credit Union	1250 Lonsdale Avenue North Vancouver BC V7M 2H6		268,197.84
CASE PAPER CO. INC. Ken	499 EAST TIOGA STREET PHILADELPHIA PA 19134		81,323.35
CLE Leasing Collections Department	301 - 3390 South Service Road Burlington ON L7N 3J5		11,773.35

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 TRADE SECRET WEB PRINTING INC.
 of the City of ETOBICOKE
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Clifford Paper Canada Inc	PO Box 56208, Station A Toronto ON M5W 4L1		1,425,235.00
Comairco Compressed Air Specialists Chanttel	110 Norfinch Drive #10 Downsview ON M3N 1X1		1,872.14
CompreVac Inc.	3067 Jarrow Ave. Mississauga ON L4X 2C6		21,018.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	RP Account	1,250,875.22
D&B Companies of Canada C753507	P.O. Box 57770, Station "A" TORONTO ON M5W 5M5	C753507	3,853.64
Desjardins Card Services	c/o FCT Default Solutions PO Box 2514 Stn B London ON N6A 4G9	4530 9412 9282 5003	2,137.45
Dominion Haulage & Sons Ltd.	245 Kingsbridge Garden Circle Mississauga ON L5R 1L4		466.41
DR Foil & Embossing Ltd.	1365 Fewster Drive, North Building Mississauga ON L4W 1A2		46,654.28
EDPRO Energy Group Inc.	5 Cuddy Blvd. London ON N5V 3Y3	782TRASEC	459.04
EFI Print	P.O. Box 742366 Los Angeles CA 90074-2366	30469	47,606.33
Enbridge Gas Distribution - Ontario Back Office Collections Department	3401 Schmon Pkwy, PO Box 1051 Thorold ON L2V 5A8	80 16 34 53999 4	13,260.39
Excel Transportation	300 Pendant Dr. Mississauga ON L5T 2W6		1,073.20
Get Freight Rates Inc.	83 Kennedy Road South, Unit 22 Brampton ON L6W 3P3		1,285.00

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 TRADE SECRET WEB PRINTING INC.
 of the City of ETOBICOKE
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Heidelberg Canada Graphic Equipment Ltd. Denise Green	C/O TH1079 P.O. Box 4283, Station A Toronto ON M5W 5W6		359,777.20
HI-LITE LAMINATIONS INC Roy	1565 Britania Rd. Units 24-25 MISSISSAUGA ON L4W 2V6		770.38
Horizon Express Canada	1744 Meyerside Dr., Unit # 103 Mississauga ON L5T 1A3		10,254.50
Hubergroup Canada Limited	2150 Drew Road Mississauga ON L5S 1B1		143,903.25
Idealliance Inc.	1800 Diagonal Road, Suite 320 Alexandria VA 22314		900.00
International Freight Forwarders	16-286 Attwell Drive Toronto ON M9W 5B2		50,895.00
Kwiksave Logistics Inc.	3100 Harvester Rd., Unit 4 Burlington ON L7N 3W8		742.41
Laminating Choice Canada Ian Campbell	1235B Aerowood Dr Mississauga ON L4W 1B9		12,876.09
Lion Law Daniel A. Freiheit	120 Eglinton Ave E, Suite 800 Toronto ON M4P 1E2		565.00
Little Guys Delivery Service	620 Alden Road, Unit 105 Markham ON L3R 9R7		1,192.66
Maneuver Freight	P.O. Box # 68640 Great Lakes Brampton ON L6R 0J8		37,440.00
Manroland Goss Web Systems Americas LLC Jean L. St. Laurent	121 Technology Drive Durham NH 03824		2,819.09
MAS Recycling	32 Topaz Cr. Maple ON L6A 4X3		2,296.16
Maxium Financial Services Inc.	1 - 30 Vogell Road Richmond Hill ON L4B 3K6		167,203.62

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 TRADE SECRET WEB PRINTING INC.
 of the City of ETOBICOKE
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Metro Transportation Services Inc.	56 Strathburn Blvd. Toronto ON M9M 2K7		3,858.42
Mezi International Trade and Services Ltd.	5883 Rayshaw Cres. Mississauga ON L5M 2P1		1,627.20
Mixto Ltd.	294 Watline Avenue ON ON L4Z 1P4		19,729.48
MLS PALLET INC. Lana	168 Rexdale Blvd., Unit #3 Toronto ON M9W 1P6		3,135.75
Near North Customs Brokers Inc.	20 Elliott Avenue Barrie ON L4N 4V7		968.78
NORTHERN CUSTOMS SERVICES	PO BOX 331 LEWISTON NY 14092		1,500.00
Over The Road Logistics Inc. Richard Meyers	5617 McAdam Road Mississauga ON L4Z 1N4		9,782.50
PAPER 4 U Inc. Danny	913 Brock Road Pickering ON L1W 2X9		284,040.57
Peter's Steel Rule Dies	1440 Graham's Lane, Unit6-7 Burlington ON L7S 1W3		37,735.22
PILLAR TAPES	163 Jardin Dr. Concord ON L4K 1X5		6,927.24
PRINTACTION	PO Box 530, 105 Donly Srive S Simcoe ON N3Y 4N5		3,390.00
QuadTech Inc.	PO Box 644996 Pittsburgh PA 15264-4996		6,042.95
Reliable Waste Management	140 Planchet Road Concord ON L4K 2C7		2,793.36
Riteway Solutions	10-8550 Torbram Road, Suite 402 Brampton ON L6T 0H7		1,900.00

District of: Ontario
 Division No. 09 - Toronto
 Court No.
 Estate No.

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 TRADE SECRET WEB PRINTING INC.
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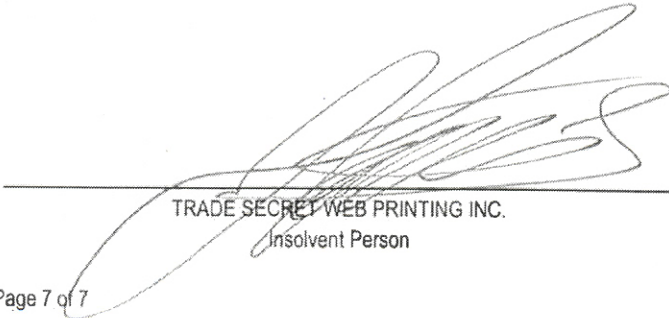
List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Rogers Communications / CBV Collection	c/o FCT Default Solutions PO Box 2514 Station B London ON N6A 4G9	48054	318.26
Rogers Communications / CBV Collection	c/o FCT Default Solutions PO Box 2514 Station B London ON N6A 4G9	764066	4,297.46
ROOSEVELT PAPER CO	1 ROOSEVELT DRIVE MT. LAUREL NJ 08054-6312		872,358.53
Siddiqi CPA Professional Corporation	55 Marcrill Road Markham ON L6C 1W7		2,260.00
Smits Tank Maintenance Inc.	2329 Royal Windsor Drive Oakville ON L6J 7X7		5,265.58
SNZ Trading Inc.	61 Rayette Rd. Concord ON L4K 2E8		248,836.25
Speedy Transport	265 Rutherford Rd. S. Brampton ON L6W 1V9		11,013.66
Taniguchi Ink Ltd.	1005 Westport Crescent Mississauga ON L5T 1E8		118,269.91
The Fax Engineer	4801 Steeles Ave. W, Unit 24 Toronto ON M9L 2W1		335.61
The Receiver General for Canada - EHT	PO Box 3800 Stn A Sudbury ON P3A 0C3		96,234.00
TONI'S PACKAGING SUPPLIES LTD.	482 MILLWAY AVE., CONCORD ON L4K 3V5		7,087.70
Toronto Hydro-Electric Systems Limited Josephine Pemarell / Mary Degroot	500 Commissioners St, 2nd fl Toronto ON M4M 3N7	7494301000 7494301587	80,932.88
Treasurer, City of Toronto George Charocopos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7	000250707	3,426.88

District of: Ontario
Division No. 09 - Toronto
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
TRADE SECRET WEB PRINTING INC.
of the City of ETOBICOKE
in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
U.S. Traffic	TRASEC 37761 6645 Kitimat Road, Unit 18 Mississauga ON L5N 6J4		2,840.00
ULINE Canada	60 Hereford Street Brampton ON L6Y 0N3	9040372	8,398.37
UPS Canada c/o Credit Department Attention accounting (bankruptcy)	200-1 Factory Lane Moncton NB E1C 9M3	9R1F91	26,938.29
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1		62,345.58
Total			11,974,512.03


TRADE SECRET WEB PRINTING INC.
Insolvent Person

APPENDIX

‘C’

STALKING HORSE AGREEMENT

This Stalking Horse Agreement (this "**Agreement**"), dated as of December 13, 2019 is entered into between Trade Secret Web Printing Inc., an Ontario corporation ("**Vendor**") and B&Y Property Holdings Inc., an Ontario corporation, in trust for a company to be incorporated ("**Purchaser**").

Recitals

WHEREAS on November 22, 2019 the Vendor filed a Notice of Intention to Make a Proposal ("NOI") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**" or the "**Act**"), and Crower Soberman Inc. was named as trustee under the NOI (in such capacity, the "**Proposal Trustee**");

AND WHEREAS, subject to the Court's approval, the Vendor wishes to sell and assign to the Purchaser, and the Purchaser wishes to purchase and assume from Vendor the rights and obligations of Vendor to the Stalking Horse Assets and the Assumed Liabilities (as defined herein), subject to the terms and conditions set forth herein and the Bidding Procedures (defined below);

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Purchase and Sale

Section 1.01 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, the Vendor shall sell, assign, transfer, convey and deliver to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the assets of the business known as Trade Secret Web Printing Inc., more specifically outlined at outlined at **Schedule "A"** to this Agreement (the "**Stalking Horse Assets**").

Section 1.02 Assumption of Liabilities. Subject to the terms and conditions set forth herein, Purchaser shall assume and agree to pay, perform and discharge the liabilities and obligations set forth at **Schedule "B"** (collectively, the "**Assumed Liabilities**"). Other than the Assumed Liabilities, the Purchaser shall not assume any liabilities or obligations of Vendor of any kind, whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created.

Section 1.03 Assigned Contracts. **Schedule "C"** to this Agreement includes each of the contracts and leases included in the Stalking Horse Assets that are being assigned to, and assumed by, the Purchaser (the "**Assigned Contracts**").

Section 1.04 Deposit. The sum of Seventy-Five Thousand (\$75,000.00) Dollars (the "**Deposit**") shall be paid by the Purchaser to the Vendor within three (3) days of the Court's approval of this Agreement. The Deposit shall be held by the Vendor's Solicitors, in trust, as a refundable deposit. In the event this transaction does not close for any reason whatsoever, then the Deposit shall be returned to the Purchaser forthwith, without any deduction.

Section 1.05 Purchase Price. The aggregate purchase price for the Stalking Horse Assets shall be [REDACTED] (the "**Closing Amount**"), plus the assumption of the Assumed Liabilities (the "**Purchase Price**"). Purchaser shall pay the Closing Amount to Vendor at the Closing (as defined herein) by certified cheque or bank draft or by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth at **Schedule "D"**.

Section 1.06 Allocation of Purchase Price. The Vendor and Purchaser agree that the Purchase Price and the Assumed Liabilities shall be allocated among the Stalking Horse Assets for all purposes (including tax and financial account) as determined by the Purchaser, acting reasonably, prior to the Bid Deadline (as defined in the Bidding Procedures).

Section 1.07 Set-off of DIP Financing. At the Purchaser's discretion, and with the consent of the Proposal Trustee, the Closing Amount shall be reduced by the outstanding amount of the court-approved Term Credit Facility ("**DIP Facility**") advanced by B&Y Property Holdings Inc., including but not limited to, outstanding principal, interest, fees and other administrative charges.

Section 1.08 Bidding Procedures. The Parties acknowledge and agree that this Agreement shall act as Stalking Horse and be subject to Bidding Procedures attached as Exhibit E. The parties acknowledge their respective participation in the Auction and the Bidding Procedures, and their agreement to comply therewith.

Section 1.09 Conditions to Closing. This Agreement shall be conditional upon:

- (a) The Court's approval of the Stalking Horse Process and this Agreement;
- (b) This Agreement being accepted as the Successful Bid as contemplated in the Bidding Procedures;
- (c) The Court granting a vesting order transferring title to the Stalking Horse Assets to the Purchaser, as the Successful Bidder;
- (d) The successful assignment and transfer of the Assigned Contracts to the Purchaser; and
- (e) There being no appeals of the Court's approval of this Agreement as the Successful Bid as contemplated in the Bidding Procedures and the vesting order granted by the Court during the 10-day appeal period provided for under section 30(2) of the BIA.

Section 1.10 Expense Reimbursement. In consideration for the Purchaser's expenditure of time and money in acting as the initial bidder in the Stalking Horse Bid and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, the Bidding Procedures will provide for expense reimbursement, up to an aggregate amount of Fifty Thousand Dollars (\$50,000.00), payable by the Vendors to the Purchaser in the event that a Successful Bid, other than the Stalking Horse Bid, is accepted and the transaction contemplated thereby completed, and will be payable upon consummation of the Successful Bid, provided that the Purchaser shall provide satisfactory records or receipts of such incurred expenses. The Purchaser agrees that the Expense Reimbursement will be the sole and exclusive remedy of the Purchaser pursuant to this Agreement in the event that a Successful Bid, other than the Stalking Horse Bid, is accepted and the transaction contemplated thereby is completed.

Section 1.11 HST

- (a) If applicable, the Purchaser and the Vendor shall jointly make the elections provided for under section 167(1.1) of the *Excise Tax Act* (Canada) (the "**HST Act**") so that no harmonized sales tax ("**HST**") will be payable in respect of the transactions contemplated by this Agreement.
- (b) Purchaser and Vendor complete the election forms in respect of such elections.
- (c) Purchaser shall file such elections no later than the due date for Purchaser's HST return for the first reporting period in which the HST would, in the absence of filing such elections, become payable in connection with the transactions contemplated by this Agreement.

Section 1.12 Employees Provisions. The Purchaser intends on extending employment offers to all, or substantially all, of the Vendors' employees on terms that are comparable to those with the Vendor.

ARTICLE II Closing

Section 2.01 Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place (the "**Closing Date**") at the offices of Goldberg, Lamba & Ghannoum LLP, 65 Queen Street West, Suite 1210, Toronto, Ontario. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m., Eastern Time on the Closing Date.

Section 2.02 Closing Deliverables

- (a) At the Closing, Vendor shall deliver to Purchaser the following:
 - (i) a vesting order from the Court transferring title to the Stalking Horse Assets to the Purchaser;
 - (ii) a bill of sale and general conveyance in in form and substance satisfactory to Purchaser (the "**Bill of Sale and General Conveyance**") duly executed by Vendor, transferring the Stalking Horse Assets to Purchaser;
 - (iii) an assignment and assumption agreement in the form and substance satisfactory to Purchaser (the "**Assignment and Assumption Agreement**") duly executed by Vendor, effecting the assignment to and assumption by Purchaser of the Stalking Horse Assets and the Assumed Liabilities;
 - (iv) an Assignment and Assumption of Lease in form and substance satisfactory to Purchaser (the "**Assignment and Assumption of Lease**") duly executed by Vendor; and
 - (v) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Vendor certifying as to (A) the resolutions of the board of directors of Vendor, duly passed or consented to and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby; and (B) the names and signatures of the officers of Vendor authorized to sign this Agreement and the documents to be delivered hereunder.

- (b) At the Closing, Purchaser shall deliver to Vendor the following:
 - (i) the Closing Amount;
 - (ii) the Assignment and Assumption Agreement duly executed by Purchaser;
 - (iii) the Assignment and Assumption of Lease duly executed by Purchaser;
 - (iv) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Purchaser certifying as to (A) the resolutions of the board of directors of Purchaser, duly passed or consented to and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby; and (B) the names and signatures of the officers of Purchaser authorized to sign this Agreement and the documents to be delivered hereunder.

ARTICLE III
"As Is, Where Is"

Except as specifically set forth in this Agreement, the sale of the Stalking Horse Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Vendor. The Purchaser shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Stalking Horse Assets prior to entering into this Agreement, that it has relied solely on its own independent review, investigation, and/or inspection of any documents

and/or the Assets in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Stalking Horse Assets, or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement or the Bidding Procedures.

ARTICLE IV Representations and Warranties of Vendor

Vendor represents and warrants to Purchaser that the statements contained in this ARTICLE IV are true and correct as of the date hereof. For the purposes of this ARTICLE IV, "Vendor's Knowledge", "Knowledge of the Vendor" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of the Vendor, after due inquiry.

Section 4.01 Incorporation and Authorization of Vendor; Enforceability. Vendor is a corporation incorporated and validly existing under the laws of the province of Ontario and has not been discontinued or dissolved under such law. Vendor has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Vendor. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Vendor, and (assuming due authorization, execution and delivery by Purchaser), this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Vendor, enforceable against Vendor in accordance with their respective terms.

Section 4.02 Taxes

- (a) Vendor is not a non-resident of Canada within the meaning of the Tax Act and is duly registered for purposes of the HST Act.

ARTICLE V Representations and Warranties of Purchaser

Purchaser represents and warrants to Vendor that the statements contained in this ARTICLE V are true and correct as of the date hereof. For the purposes of this ARTICLE V, "Purchaser's Knowledge" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of the Purchaser, after due inquiry.

Section 5.01 Incorporation and Authority of Purchaser; Enforceability. Purchaser is a corporation incorporated and validly existing under the law of the province of Ontario. The Purchaser has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Purchaser of this Agreement and the documents to be delivered hereunder and the consummation of the transactions hereby have been duly authorized by all requisite corporate action on the part of Purchaser. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by Vendor) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms.

Section 5.02 No Conflicts; Consents. The execution, delivery and performance by Purchaser of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not:

- (a) violate or conflict with the articles of incorporation, by-laws or any unanimous shareholder agreement of Purchaser; or
- (b) violate or conflict with or result in any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Purchaser.

No consent, approval, waiver or authorization is required to be obtained by Purchaser from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby.

Section 5.03 Legal Proceedings. There is no action of any nature pending or, to Purchaser's Knowledge, threatened against or by Purchaser that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred, or circumstances exist that may give rise to, or serve as a basis for, any such action.

Section 5.04 HST Registration

- (a) Purchaser is duly registered for purposes of the HST Act.
- (b) Purchaser is acquiring under this Agreement all or substantially all of the property that can reasonably be regarded as being necessary for it to carry on the Business as a business.

Section 5.05 Investment Canada Act. Purchaser is not a "non-Canadian" within the meaning of the *Investment Canada Act*.

**ARTICLE VI
Covenants**

Section 6.01 Transfer Taxes

- (a) If applicable, the Purchaser and the Vendor shall jointly make the election provided for under section 167(1) of the HST Act so that no HST will be payable in respect of the transactions contemplated by this Agreement. Purchaser and Vendor shall jointly complete the election form (more particularly described as GST 44 GST/HST Election Concerning Acquisition of a Business or Part of a Business) in respect of such election, and the Purchaser shall file the completed election form no later than the due date for the Purchaser's HST return for the first reporting period in which HST would, in the absence of this election, become payable in connection with the transactions contemplated by this Agreement.
- (b) On the Closing Date, Vendor shall deliver to Purchaser a duplicate copy of a clearance certificate issued under section 6 of the *Retail Sales Tax Act* (Ontario) that all Taxes exigible under the *Retail Sales Tax Act* (Ontario) have been paid.

Section 6.02 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

**ARTICLE VII
Miscellaneous**

Section 7.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 7.02 Risk of Loss Provisions. Risk of loss to the Stalking Horse Assets passes to the Purchaser upon delivery of all of the deliverables set out at Section 2.02(a).

Section 7.03 Termination. This Agreement may be terminated at any time before the Closing:

- (a) By the Purchaser, in its sole discretion, by written notice to the Vendor if after thirty (30) days of execution of this Agreement, the Court has not yet approved the Stalking Horse Process and this Agreement; or
- (b) By the Purchaser, in its sole discretion, if any of the conditions set forth at Section 1.09 (b) – (e) shall have not been fulfilled by February [x], 2020, unless such failure shall be due to the failure of the Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing.

Section 7.04 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given:

- (a) when delivered by hand (with written confirmation of receipt);
- (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested);
- (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or
- (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7.04):

If to Vendor: **Trade Secret Web Printing Inc.**
Facsimile: 416-231-5214
Email: bashir@tsprinting.ca
Attention: Mr. Bashir Harb, President

with a copy to: **Blaney McMurtry LLP**
Facsimile: 416-594-2437
Email: dullmann@blaney.com
Attention: Mr. David T. Ullmann

If to Purchaser: **B&Y Property Holdings Inc.**

Facsimile: 416-231-5214
Email: harb_zeinab71@hotmail.com
Attention: Mrs. Zeinab Harb, President

with a copy to:

Goldberg, Lamba & Ghannoum LLP

Facsimile: 416-901-9454
Email: elie.ghannoum@glgllp.ca
Attention: Mr. Elie Ghannoum

Section 7.05 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 7.06 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 7.07 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and documents to be delivered hereunder, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 7.08 Assignment. The Purchaser shall be entitled to assign its rights and obligations under this Agreement to any related person and the assignee shall thereafter be deemed for all purposes to have been the Purchaser named herein and shall have the full right to enforce this Agreement as it were the Purchaser named. No assignment of this Agreement shall relieve the Purchaser of any obligations to be performed by the Purchaser under this Agreement.

Section 7.09 Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto, with consent of Proposed Trustee.

Section 7.10 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 7.11 Governing Law. This Agreement shall be governed and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Any reference in this Agreement to any statute or any section thereof, shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section, as amended, restated or re-enacted from time to time.

Section 7.12 Choice of Language. The parties confirm that it is their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn in the English language only.

Section 7.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

Trade Secret Web Printing Inc.

Per: Mr. Bashir Harb
Title: President
I have authority to bind the Corporation

B&Y Property Holdings Inc.

Per: Mrs. Zeinab Harb
Title: President
I have authority to bind the Corporation

Schedule "A" – Stalking Horse Assets

1. Heidelberg Speedmaster Model SM102-10-P6

Serial Number: 547216, Age: 2006

Impressions: 283, 497, 191

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

2. MBO Signature Folder

Main Unit B30-L

Serial Number: R12/20

8 page B30-2-30/4

Serial Number: S11/115

3. MBO Signature Folder

Main Unit B26-L

Serial Number: T06/11

8 page B26-2-26/4

Serial Number: S05/18

4. Pump Trucks

5. All office furniture

6. Accounts Receivables outstanding as at the Closing Date.

Schedule "B" – Assumption of Liabilities

- Assumption of all rent arrears owed by Trade Secret Web Printing Inc., to B&Y Property Holdings Inc., with respect to the lease concerning 40 Horner Avenue, Etobicoke ON, M8Z 4X3 (the "**Leased Property**") and additional debts in the aggregate amount of CAD [REDACTED] (inclusive of rent arrears); and
- Assumption of the current lease between Trade Secret Web Printing Inc. and B&Y Property Holdings Inc., concerning the Leased Property; and
- Assumption of debt owed by Trade Secret Web Printing Inc. to 2227560 Ontario Limited in the aggregate amount of CAD [REDACTED].

Schedule "C" – Assigned Contracts

Schedule "D" – Wire Transfer Instructions

Schedule "E" – Bidding Procedures

Bidding Procedures

WHEREAS on November 22, 2019, Trade Secret Web Printing Inc. ("**Trade Secret**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**" or the "**Act**"), and Crowe Soberman Inc. was named as trustee under the NOI (in such capacity, the "**Proposal Trustee**");

AND WHEREAS Trade Secret has entered into an agreement of purchase and sale for certain of its assets (the "**Stalking Horse Assets**") between Trade Secret and B&Y Property Holdings Inc. (the "**Stalking Horse Bidder**") dated December [date], 2019 (the "**Stalking Horse Agreement**"), which is subject to these bidding procedures;

AND WHEREAS the Stalking Horse Agreement and the within bidding procedures were approved by an order of the Court dated December [date], 2019 (the "**Approval Order**"), so as to (a) set a minimum floor price in respect of the Stalking Horse Assets; and (b) permit Trade Secret's assets to be sold on an expedited timeline to the Successful Bidder (as defined below) and allow Trade Secret's business to continue in the ordinary course with minimum disruption to Trade Secret's customers and other stakeholders;

NOW THEREFORE the following procedures (the "**Bidding Procedures**") shall govern the proposed sale of all or substantially all of Trade Secret's property, assets and undertakings (the "**Assets**"), including the Stalking Horse Assets, pursuant to one or more bids (each, a "**Bid**"). These Bidding Procedures govern Trade Secret's sales process relating to the solicitation by the Proposal Trustee, on behalf of Trade Secret, of one or more Bids for the Assets, including the Stalking Horse Assets.

1. Assets for Sale

The Proposal Trustee, on behalf of Trade Secret is soliciting competing offers for all or a portion of the Stalking Horse Assets. Bids may include Assets that are not Stalking Horse Assets.

2. Bidding Deadlines

All Bids must be submitted in accordance with the terms of these Bidding Procedures so that they are actually received by the Proposal Trustee c/o Stikeman Elliott LLP ("**Stikeman Elliott**") no later than 12:00 p.m. (Toronto time) on February 7, 2020 at noon ET (the "**Bid Deadline**").

Written copies of the Bids shall be delivered by the Bid Deadline to:

- a) The Proposal Trustee c/o Stikeman Elliott LLP, 199 Bay Street, 5300 Commerce Course West, Toronto, Ontario, M5L 1B9, Attn: Sanja Sopic, Email: ssopic@stikeman.com, (416) 869-6825, Fax: (416) 947-0866; and
- b) (b) Crowe Soberman Inc., ("**Crowe**"), 2 St Clair Ave E Suite 1100, Toronto, ON M4T 2T5, Attn: Hans Rizarri, Email: hans.rizarri@crowesoberman.com, Tel: (416) 964-7633, Fax: * (collectively, the "**Notice Parties**").

A Bid received after the Bid Deadline shall not constitute a Qualified Bid (as defined below). A Bid shall be delivered to all Notice Parties contemporaneously.

3. Confidentiality

Bids may only be made if an interested party has executed a non-disclosure agreement (the "**NDA**") in form and substance acceptable to the Proposal Trustee and its counsel. Interested bidders requesting information about the qualification and due diligence process, including a copy of the NDA, should contact Crowe, Attn: Hans Rizarri.

4. Access to Due Diligence Materials

Only parties that execute the NDA are eligible to receive due-diligence access or additional non-public information. The Proposal Trustee, with the assistance of its advisors and in consultation with Trade Secret will establish a data room containing information relevant to the Sales Process and will make a representative available to respond to additional information requests from bidders. The data room will contain a copy of the Stalking Horse Agreement. The Proposal Trustee, Trade Secret and their advisors are not responsible for, and bear no liability with respect to, any information obtained by any party in connection with the sale of the Assets. The Stalking Horse Bidder shall have access to the data room at all times.

A party's access to the data room and eligibility to receive due diligence or non-public information shall terminate when the earliest of the following events occur: (a) such party does not submit a Bid by the Bid Deadline; (b) such party is determined not to be a Qualified Bidder; (c) such party does not participate in the Auction; or (d) at the conclusion of the Auction. Notwithstanding that a party's access to such information may continue until the end of the Auction, neither the Proposal Trustee nor Trade Secret shall be obligated to furnish any further due diligence information after the Bid Deadline.

5. Determination of Qualified Bids

To participate in the Auction (as defined below) a party submitting a Bid (a "**Bidder**") must submit a Bid, prior to the Bid Deadline, to the Notice Parties, that is determined by the Proposal Trustee with the assistance of its advisors, to satisfy each of the following conditions (a "**Qualified Bid**" and the entity or entities submitting a Qualified Bid, a "**Qualified Bidder**"):

- a) Identification of Bidder. Identification of the Bidder and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction.
- b) Written Submission of Modified APA and Commitment to Close. Qualified Bidders (other than the Stalking Horse Bidder) must submit a Bid by the Bid Deadline in the form of an executed mark-up of the Stalking Horse Agreement (each a "**Modified APA**") reflecting such Bidder's proposed changes to the Stalking Horse Agreement (together with a blackline of the Modified APA against the Stalking Horse Agreement), and a written and binding commitment to close on the terms and conditions set forth therein. The Proposal Trustee and Trade Secret may discuss the Modified APA of any Bidder after submission (including for clarification of its terms and conditions) with such Bidder.
- c) Irrevocable. A Bid must be irrevocable until:
 - (i) if such Bid is not selected as the Successful Bid (as defined below), the day following the completion of the Auction; or
 - (ii) if such Bid is selected as the Successful Bid, through to the Closing Date;
- d) Contingencies. A Bid may not be conditional on obtaining financing or any internal approval or on

the outcome or review of due diligence.

- e) Proof of Financial Ability to Perform. A Bid must identify the actual Bidder and parent company of the Bidder and contain written evidence upon which the Proposal Trustee may reasonably conclude that the Bidder has the necessary financial ability to close the contemplated transaction and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction. Such information should include, among other things, the Bidder's current financial statements, provided, however, that the Proposal Trustee with the assistance of its advisors shall determine, in their reasonable discretion, whether the written evidence of such financial wherewithal is reasonably acceptable, and shall not unreasonably withhold acceptance of a Bidder's financial qualifications.
- f) No Fees Payable to Qualified Bidder. A Bid may not request, be conditioned on or otherwise entitle the Bidder (other than the Stalking Horse Bidder) to any break up fee, expense reimbursement, or similar type of payment.
- g) Good Faith Deposit. Each Bid must be accompanied by a cash deposit (the "**Good Faith Deposit**") in an amount equal to at least 10% of cash purchase price being the deposit of the Stalking Horse Bidder under the Stalking Horse Agreement, which shall be paid to Stikeman Elliott to be held in trust in accordance with these Bidding Procedures.
- h) Minimum Bid. The aggregate consideration in a Bid, or aggregate bids where less than all of the Stalking Horse Assets are dealt with in a single Bid, must have a cash purchase price of at least the Cash Purchase Price in the Stalking Horse Agreement plus expense reimbursement amount at a cap of \$50,000, plus Minimum Overbid Increment (as defined here).

6. **Stalking Horse Bidder**

For greater certainty, the Stalking Horse Bidder is and is deemed to be a Qualified Bidder and the Stalking Horse Agreement is and is deemed to be a Qualified Bid for all purposes in connection with these Bidding Procedures, the Auction and the Sale.

7. **Due Diligence from Bidders**

Each Qualified Bidder shall comply with all reasonable requests for additional information by the Proposal Trustee regarding such Bidder and its contemplated transaction. Failure by a Bidder to comply with requests for additional information will be a basis for the Proposal Trustee with the assistance of its advisors to determine that the Bidder is not a Qualified Bidder.

8. **Determination of Qualified Bidder**

The Proposal Trustee with the assistance of its advisors shall review all Bids submitted in accordance with these Bidding Procedures and shall notify all Bidders with respect to whether they are a Qualified Bidder as soon as practicable after the Bid Deadline, and in any event within two (2) Business Days of the commencement of the Auction. The identity of all Bidders will be kept confidential by the Proposal Trustee, Trade Secret and their advisors until one (1) day prior to the commencement of the Auction, at which time the identity of all Qualified Bidders will be revealed to all other Qualified Bidders. At this time, copies of all Bids determined to be Qualified Bids shall be provided to each of the Stalking Horse Bidder and any other Qualified Bidders.

9. **Bidding Procedures**

The Proposal Trustee with the assistance of its advisors shall:

- a) coordinate the efforts of Bidders in conducting their due-diligence investigations;
- b) receive Bids and determine whether a Bidder is a Qualified Bidder as permitted by the provisions herein; and
- c) negotiate offers made in accordance with these Bidding Procedures to purchase Assets.

10. **Auction**

Only if at least one Qualified Bid (other than the Stalking Horse Bid) is received by the Bid Deadline shall the Proposal Trustee conduct an auction (the "**Auction**") to determine the highest and/or best Bid with respect to the Assets.

If no such Qualified Bid is received by the Bid Deadline, then the Auction shall not take place, the Stalking Horse Bidder shall be declared the Successful Bidder (as defined below), and Trade Secret and the Proposal Trustee shall promptly seek Court approval of, and authority to consummate, the Stalking Horse Agreement and the transactions provided for therein.

If at least one Qualified Bid (other than the Stalking Horse Bid) is received in accordance with these Bidding Procedures, the Auction shall be conducted according to the following procedures:

- (a) The Auction shall commence on February 13, 2020, at 10:00 a.m. (Toronto Time) at the offices of the Proposal Trustee. The Proposal Trustee with the assistance of its advisors shall direct and preside over the Auction.
- (b) Only a Qualified Bidder that has submitted a Qualified Bid is eligible to participate at the Auction. For greater certainty, the Stalking Horse Bidder is a Qualified Bidder and eligible to participate at the Auction.
- (c) On or before 2:00 p.m. (Toronto time) on February 11, 2020, the Proposal Trustee shall (i) advise all parties who submitted Bids if they have been selected as Qualified Bidders or not and (ii) provide a copy of the Opening Bid (as defined below) and all Qualified Bids to all Qualified Bidders (which will include the identity of such Bidder).
- (d) Only the authorized representatives and their counsel of each of the Qualified Bidders, the Proposal Trustee and Trade Secret shall be permitted to attend at the Auction.
- (e) All representatives of Qualified Bidders shall represent that they have authority to submit binding Bids at the Auction.
- (f) During the Auction, the bidding shall begin with the highest and/or best Qualified Bid (the "**Opening Bid**") and each subsequent round of bidding shall continue in minimum increments of at least the Minimum Overbid Increment (as defined below).
- (g) The determination of which Qualified Bid constitutes the Opening Bid shall take into account any factors that the Proposal Trustee with the assistance of their advisors reasonably deem relevant to

the value of the Qualified Bid to Trade Secret, including, among other things, the following: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities, if any; (iii) the conditions to the Bid; (iv) the ability of the Qualified Bidder to close the proposed transaction; (v) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (vi) any purchase-price adjustments; (vii) the impact of the contemplated transaction on any actual or potential litigation; (viii) potential increased liabilities arising as a result of the transaction; and (ix) such other considerations as the Proposal Trustee deems relevant in its reasonable business judgment (collectively, the "**Bid Assessment Criteria**").

(h) All Bids made after the Opening Bid shall be Overbids (as defined below), and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction.

(i) The Proposal Trustee shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid.

(j) An "**Overbid**" is any Bid made at the Auction subsequent to the Proposal Trustee's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:

(i) *Minimum Overbid Increment*

Any Overbid shall be made in cash increments of at least \$25,000 or such lower amount as the Proposal Trustee may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**").

(ii) *Remaining terms are the same as for Qualified Bids*

Except as modified herein, an Overbid must comply with the conditions for a Qualified Bid set forth above, provided, however, that the Bid Deadline shall not apply.

(k) To the extent not previously provided (which shall be determined by the Proposal Trustee with the assistance of its advisors), a Qualified Bidder submitting an Overbid must, at the request of the Proposal Trustee submit, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement acceptable to the Proposal Trustee in its reasonable business judgment) demonstrating such Qualified Bidder's ability to close the transaction proposed by such Overbid.

(l) Announcing Overbids. At the end of each round of bidding, the Proposal Trustee shall announce the identity of the leading Qualified Bidder and provide details of the material terms of the then highest and/or best Overbid, including the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to Trade Secret based on, among other things, the Bid Assessment Criteria.

(m) Consideration of Overbids. The Proposal Trustee reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things: (i) facilitate discussions between the Proposal Trustee and individual Qualified Bidders; (ii) allow individual Qualified Bidders to consider how they wish to proceed; and (iii) consider and determine the current highest and/or best Overbid at any given time during the Auction.

- (n) Failure to Bid. If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the leading Overbid for that round of the Auction) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (o) Additional Procedures. The Proposal Trustee may, with the assistance of its advisors, adopt other procedural rules for the conduct of the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any of the provisions of these Bidding Procedures, provided that all such other rules are communicated to each Qualified Bidder simultaneously and as soon as practicable and that no such other procedural rules shall (i) change the requirement that all Qualified Bidders (that have not failed to make an Overbid in a prior round of bidding) shall be entitled to be present for all bidding, or (ii) waive the requirement that all Bids and Qualified Bids must comply with the requirements of section 5 in order to become or remain a Qualified Bid.
- (p) Closing the Auction. Upon conclusion of the bidding, the Auction shall be closed, and the Proposal Trustee shall, with the assistance of its advisors, (i) immediately review the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale, and (ii) identify the highest and/or best Overbid or Opening Bid (the "**Successful Bid**" and the entity or entities submitting such Successful Bid, the "**Successful Bidder**"), and advise the Qualified Bidders of such determination.

11. **Acceptance of Successful Bid**

Trade Secret shall complete the sale transaction with the Successful Bidder following approval of the Successful Bid by the Court. Trade Secret will be deemed to have accepted a Successful Bid only when the Successful Bid has been approved by the Court.

12. **Expense Reimbursement**

In the event the Stalking Horse Bidder is not the Successful Bidder or the Back-Up Bidder, the Stalking Horse Agreement shall be terminated, and the Expense Reimbursement contemplated by section 1.10 of the Stalking Horse Agreement shall be paid to the Stalking Horse Bidder from the proceeds received upon closing the Successful Bid. No other expense shall be paid to the Stalking Horse Bidder.

13. **"As Is, Where Is"**

The sale of Assets pursuant to these Bidding Procedures shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by Trade Secret or the Proposal Trustee except to the extent set forth in the Stalking Horse Agreement or the purchase agreement of another Successful Bidder. Each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets, or the completeness of any information provided in connection therewith or at the Auction, except as expressly stated in these Bidding Procedures or (a) as to the Stalking Horse Bidder, the terms of the sale of the Assets shall be set forth in the Stalking Horse Agreement, or (b) as to another Successful Bidder, the terms of the sale of the Assets shall be set forth in the

applicable purchase agreement.

14. Free Of Any And All Encumbrances

Except as otherwise provided in the Stalking Horse Agreement or another Successful Bidder's purchase agreement, all of Trade Secret's right, title, and interest in and to the Assets subject thereto shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, and other than any permitted encumbrances under the Stalking Horse Agreement or another Successful Bidder's purchase agreement, the "**Encumbrances**") to the extent and as provided for in a vesting order of the Court.

15. Sale Hearing

A hearing to approve the sale of Assets to the Successful Bidder shall be conducted by the Court within seven (7) business days following the selection of the Successful Bidder, subject to Court availability, at 330 University Avenue, Toronto, Ontario (the "**Sale Hearing**").

16. Return or Application of Good Faith Deposit

Good Faith Deposits of all Bidders shall be held in a separate non-interest bearing account or escrow. Good Faith Deposits of all Bidders who are determined not to be Qualified Bidders shall be returned to such Bidders as soon as practicable following such determination. Good Faith Deposits of all Qualified Bidders, other than the Successful Bidder, shall be returned to such Qualified Bidders two (2) business days after the selection of the Successful Bidder. Good Faith Deposits of the Successful Bidder shall be applied to the purchase price of such transaction at Closing or otherwise dealt with in accordance with the terms of such Bid.

17. Modifications and Reservations

Other than as provided for in section 10(o), these Bidding Procedures may only be modified or amended with the express written consent of the Proposal Trustee.

Schedule A

Bidding Procedures Timeline

Date	Description of Bidding Procedures
December 16, 2019 – January 6, 2020 January 6, 2020	Bidding process: the Proposal Trustee to prepare Notice and teaser information in advance of commencement of SISP, and identify potential bidders. The Proposal Trustee shall prepare a data room for the sales process. Proposal Trustee to publish notice in Globe and Mail The Proposal Trustee shall contact potentially interested parties regarding the sale process and opportunity. Subject to a signed NDA, due diligence information to be provided to interested parties
February 7, 2020	Bid deadline, noon
February 11, 2020	Review of Bids and determination of Qualified Bids; announcement of Qualified Bidders and circulation of Opening Bid.
February 13, 2020	Auction (if necessary)
February 20, 2020	Trade Secrets and Proposal Trustee to seek Court Approval of Successful Bid.
March 11, 2020	Outside Date for Closing of Successful Bid

APPENDIX

‘D’

INVITATION FOR OFFERS
For a Commercial Printing Company

Crowe Soberman Inc., in its capacity as Proposal Trustee (the “**Trustee**”) of Trade Secret Web Printing Inc. (the “**Company**”), is offering for sale all of the Company’s assets (the “**Assets**”).

The Company is an Ontario corporation that carries on the business of custom printing which provides catalogues, magazines, packaging, and commercial printing services

The Company operates through a 100,000 sf. ft. leased location in Toronto, Ontario. The Assets are being sold on an “as is where is” basis and offers will be subject to the approval of the Court.

The Trustee has dedicated a portion of its website to the proceedings involving the Company where bidding procedures are available.

<https://www.crowesobermaninc.com/insolvency/insolvency-cases/trade-secret-web-printing/>

The deadline for submission of offers is February 7, 2020 at 5:00 pm (EST). If you are interested in pursuing this opportunity, please contact Graeme Hamilton at 416-963-7140 or graeme.hamilton@crowesoberman.com



APPENDIX

‘E’

Trade Secret Web Printing, Inc.

Projected Statement of Cash Flows

From November 25, 2019 - (unaudited - CONT)

For the Week Commencing	12-Nov	19-Nov	26-Nov	03-Dec	10-Dec	17-Dec	24-Dec	31-Dec	07-Jan	14-Jan	21-Jan	28-Jan	04-Feb	11-Feb	18-Feb	25-Feb	Total
Operating Cash	\$ 45,000.00	\$ 100,672.00	\$ (90,954.00)	\$ (31,676.50)	\$ (125,397.70)	\$ (112,276.70)	\$ (238,934.70)	\$ (235,254.70)	\$ (240,493.70)	\$ (171,663.70)	\$ (171,663.70)	\$ (189,493.70)	\$ (260,993.70)	\$ (250,000.00)	\$ (230,783.00)	\$ (150,365.00)	\$ (1,587,439.10)
Non-Operating Cash	\$ 120,000.00	\$ 50,000.00	\$ 63,250.00	\$ 45,540.00	\$ 22,300.00	\$ 32,300.00	\$ 34,000.00	\$ 105,000.00	\$ 182,000.00	\$ 160,000.00	\$ 169,000.00	\$ 260,000.00	\$ 260,000.00	\$ 250,000.00	\$ 240,000.00	\$ 177,500.00	\$ 1,777,500.00
Total Cash In	\$ 165,000.00	\$ 150,672.00	\$ (27,704.00)	\$ 13,863.50	\$ (103,097.70)	\$ (79,976.70)	\$ (204,934.70)	\$ (130,254.70)	\$ (58,493.70)	\$ (10,663.70)	\$ (2,663.70)	\$ (29,493.70)	\$ (40,993.70)	\$ (50,000.00)	\$ (90,783.00)	\$ (27,865.00)	\$ 290,060.90
Projected Disbursements:																	
Payroll including Deductions	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00	\$ 30,500.00
Rent	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)	\$ (8,500.00)
Utilities - High	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00
Utilities - Gas	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00	\$ 3,400.00
Utilities - Telephone & Cellular	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00
Insurance	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Material - Paper	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00	\$ 37,950.00
Material Purchases other supplies	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Subcontractor Expenses	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
Washing, Shipping, & Transportation Costs	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00	\$ 2,277.00
Vehicle Expenses	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
Office Supplies	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
General Cards	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Proposal Travel Fees	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Legal Fees (Dobbs)	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Lease Payments	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Total Operating Disbursements	\$ 6,227.00	\$ 213,127.00	\$ 34,872.50	\$ 139,171.20	\$ 144,000.00	\$ 151,798.00	\$ 70,330.00	\$ 175,239.00	\$ 120,170.00	\$ 204,007.00	\$ 233,400.00	\$ 247,212.30	\$ 231,000.00	\$ 1,971,052.00	\$ 1,971,052.00	\$ 1,971,052.00	\$ 1,971,052.00
Net Cash for week	\$ 58,672.00	\$ (162,455.00)	\$ 27,377.50	\$ (95,617.20)	\$ (124,376.70)	\$ (129,798.00)	\$ (130,660.00)	\$ (70,239.00)	\$ (158,483.70)	\$ (184,670.70)	\$ (236,007.00)	\$ (275,693.70)	\$ (272,000.00)	\$ (280,783.00)	\$ (267,818.00)	\$ (177,865.00)	\$ (1,280,991.10)
Change Cash before bank	\$ 103,672.00	\$ (59,954.00)	\$ (31,676.50)	\$ (125,397.70)	\$ (112,276.70)	\$ (103,097.70)	\$ (204,934.70)	\$ (130,254.70)	\$ (58,493.70)	\$ (10,663.70)	\$ (2,663.70)	\$ (29,493.70)	\$ (40,993.70)	\$ (50,000.00)	\$ (90,783.00)	\$ (27,865.00)	\$ 290,060.90
Change Cash	\$ 103,672.00	\$ (59,954.00)	\$ (31,676.50)	\$ (125,397.70)	\$ (112,276.70)	\$ (103,097.70)	\$ (204,934.70)	\$ (130,254.70)	\$ (58,493.70)	\$ (10,663.70)	\$ (2,663.70)	\$ (29,493.70)	\$ (40,993.70)	\$ (50,000.00)	\$ (90,783.00)	\$ (27,865.00)	\$ 290,060.90

Note 1* Payments to Suppliers does take into account certain vendors that will require cash going forward.

CERTIFICATION

THE PURPOSER of this Statement of Projected Cash Flow is to provide readers with sufficient information to make an informed decision regarding the Proposed and to rely thereon in the future and the Official Receiver, the state of Trade Secret Web Printing Inc.'s financial affairs. This Statement of Cash Flow and how is prepared pursuant to the requirements of sections 34(1)(2) and 50(10) of the Bankruptcy and Insolvency Act and strictly for that purpose.

Dated this 2nd day of December, 2019

Per: 

Paul A. Gagnon

President, Trade Secret Web Printing Inc.

Per: 

Paul A. Gagnon

President, Trade Secret Web Printing Inc.