

Court File No. 31-2587191  
Estate File No. 31-2587191

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

**IN BANKRUPTCY AND INSOLVENCY**

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

**MOTION RECORD OF TRADE SECRET WEB PRINTING**  
**(Sale Approval)**  
**(Returnable February 20, 2020)**

**Dated:** February 14, 2020

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 - 2 Queen Street East  
Toronto, ON M5C 3G5

**David Ullmann** (LSO #423571)  
Tel: (416) 596-4289  
Fax: (416) 594-2437  
[dullmann@blaney.com](mailto:dullmann@blaney.com)

**Mervyn D. Abramowitz** (LSO #28325R)  
Tel: (416) 597-4887  
Fax: (416) 593-3396  
[mabramowitz@blaney.com](mailto:mabramowitz@blaney.com)

**Alex Fernet Brochu** (LSO # 77644D)  
Tel: (416) 593-3937  
Fax: (416) 596-2140  
[afernetbrochu@blaney.com](mailto:afernetbrochu@blaney.com)

Counsel for Trade Secret Web Printing Inc.

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

**SERVICE LIST**

<b>TO:</b>	<p><b>TRADE SECRET WEB PRINTING INC.</b> 40 Horner Avenue Etobicoke, ON, M8Z 4X3</p> <p><b>Bashir Harb</b> F: (416) 231-5214 E: bashir@tsprinting.ca</p> <p>Applicant</p>
<b>AND TO:</b>	<p><b>BLANEY McMURTRY LLP</b> Barristers and Solicitors 1500 - 2 Queen Street East Toronto, ON M5C 3G5</p> <p><b>Mervyn D. Abramowitz (LSO #28325R)</b> T: (416) 597-4887 F: (416) 593-3396 E: mabramowitz@blaney.com</p> <p><b>David Ullmann (LSO #423571)</b> T: (416) 596-4289 F: (416) 594-2437 E: dullmann@blaney.com</p> <p><b>Alex Fernet Brochu (LSO # 77644D)</b> T (416) 593-3937 F: (416) 596-2140 E: afernethbrochu@blaney.com</p> <p>Counsel for Trade Secret Web Printing Inc.</p>
<b>AND TO:</b>	<p><b>CROWE SOBERMAN INC.</b> 2 St. Clair Avenue East Suite 1100 Toronto, ON, M4T 2T5</p> <p><b>Hans Rizarri</b> T: (416) 963-7175 F: (416) 929-2555 E: Hans.Rizarri@CroweSoberman.com</p>

	<p><b>Graeme Hamilton</b>  T: (416) 963-7140  F: (416) 929-2555  E: Graeme.Hamilton@CroweSoberman.com</p> <p>The Proposal Trustee</p>
<b>AND TO:</b>	<p><b>STIKEMAN ELLIOT</b>  Barristers &amp; Solicitors  5300 Commerce Court West  199 Bay Street  Toronto, ON, M5L 1B9</p> <p><b>Sanja Sopic</b>  T: (416) 272-7557 ext. 1  F: (416) 901-9454  E: ssopic@stikeman.com</p> <p><b>Elizabeth Pillon</b>  T: (416) 869-5623  E: lpillon@stikeman.com</p> <p>Counsel for Crowe Soberman Inc., The Proposal Trustee</p>
<b>PSA REGISTRANTS AND ASSOCIATED COUNSEL</b>	
<b>AND TO:</b>	<p><b>GLG LLP</b>  65 Queen Street West  Suite 1210  Toronto, ON, M5H 2M5</p> <p><b>Elie Ghannoum</b>  T: (416) 272-7557 ext. 1  F: (416) 901-9454  E: elie.ghannoum@glgllp.ca</p> <p>Counsel for B &amp; Y Holdings Inc.</p>
<b>AND TO:</b>	<p><b>HEIDELBERG CANADA GRAPHIC EQUIPMENT LIMITED</b>  5900 Keaton Crescent  Mississauga, ON L5R 3K2</p>
<b>AND TO:</b>	<p><b>ZEINARB INC.</b>  40 Horner Avenue  Etobicoke, ON, M8Z 4X3</p>

<b>AND TO:</b>	<b>ZEINAB HARB</b> 598 Shenandoah Drive Mississauga, ON L5H 1V9 F: 416.231.5214 E: harb_zeinab71@hotmail.com
<b>AND TO:</b>	<b>BASHIR HARB</b> 598 Shenandoah Drive Mississauga, ON L5H 1V9 F: 416.231.5214 E: bashir@tsprinting.ca
<b>AND TO:</b>	<b>FAISAL CHEHAB</b> 28 Farmstead Road Toronto, ON, M2L 2G2
<b>AND TO:</b>	<b>AXIOM LEASING INC.</b> 2370 Cawthra Road Mississauga, ON, L5A 2X1  <b>Kurt Walter</b> E: kurt@axiomleasing.com
<b>AND TO:</b>	<b>STEPHEN WALTERS PROFESSIONAL CORPORATION</b> 6509B Mississauga Road Mississauga, ON, L5N 1A6  <b>Stephen Walters</b> T: (905) 826-0651 F: (905) 826-3001 E: sdw@business-law.biz  Counsel to Axiom Leasing Inc.
<b>AND TO:</b>	<b>MACDONALD ASSOCIATES PC</b> Lawyers 15 Wertheim Court, Suite 702 Richmond Hill, On L4B 3H7  <b>Jamie M. Sanderson</b> T: (905) 695-5041 F: (905) 731-7989 E: jsanderson@maclawyers.ca  <b>Jason R. Allingham</b> T: (905) 731-6564 F: (905) 731-7989 E: jallingham@maclawyers.ca  <b>Brendan T. MacDonald</b>

	<p>T: (905) 731-9251  F: (905) 731-7989  E: bmacdonald@maclawyers.ca</p> <p>Counsel for CWB Maxium Financial Inc.</p>
	<p><b>CLE CAPITAL</b>  2200, de la Sidbec Sud  Trois-Rivieres, Quebec, G8Z 4H1</p> <p>AND</p> <p><b>CLE LEASING ENTERPRISE LTD.</b>  3390 South Service Road, Suite 104  Burlington, ON L7N 3J5</p> <p><b>Sylvie Bouchard</b>  Senior Collector at CLE Capital  T: 1 (800) 373-7393 ext 2425  F: 1 (800) 373-7394  E: sbouchard@clecapital.ca</p>
<b>AND TO:</b>	<p><b>CHAITONS LLP</b>  500 Yonge Street  10<sup>th</sup> Floor  Toronto, ON, M2N 7E9</p> <p><b>Christopher Staples</b>  T: (416) 218-1147  F: (416) 218-1847  E: Chris@chaitons.com</p> <p>Counsel for Blueshore Leasing Ltd. and Blueshore Credit Union</p>
<b>AND TO:</b>	<p><b>HONDA CANADA FINANCE INC.</b>  180 Honda Blvd.  Markham, ON L6C 0H9</p>
<b>AND TO:</b>	<p><b>2227560 ONTARIO INC.</b>  598 Shenandoah Drive  Mississauga, ON, L5H 1V9</p>
<b>AND TO:</b>	<p><b>2227560 ONTARIO INC.</b>  206-3100 Steeles Ave. W.  Concord, ON L4K 3R1</p>
<b>AND TO:</b>	<p><b>MERCEDES-BENZ FINANCIAL SERVICES CANADA CORPORATION</b>  2680 Matheson Blvd. E, STE 500  Mississauga, ON L4W 0A5</p>

<b>AND TO:</b>	<b>FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY</b> PO Box 2400 Edmonton, AB T5J 5C7
<b>AND TO:</b>	<b>MARWA HARB</b> 865 Lakeshore Road Mississauga, ON L5E 1E2
<b>AND TO:</b>	<b>FOREMOST MORTGAGE HOLDING CORPORATION</b> 26 Lesmill Road, Unit 1A Toronto, ON M3B 2T5
<b>AND TO:</b>	<b>MILLER THOMSON LLP</b> Scotia Plaza 40 King Street West Suite 5800 Toronto, ON, M5H 3S1  <b>Eric Sherkin</b> T: (416) 595-8599 F: (416) 595-8695 E: esherkin@millerthomson.com  Counsel for Roosevelt Paper Claim, Creditor
<b>AND TO:</b>	<b>ANDRIESSEN &amp; ASSOCIATES, PROFESSIONAL CORPORATION</b> Business Lawyers 703 Evans Avenue, Suite 101 Toronto, ON, M9C 5E9  <b>Robin Mann</b> T: (416) 620-7020 ext. 23 F: (416) 620-1398 E: rmann@andriessen.ca  Counsel to Clifford Paper Canada Inc., Creditor
<b>FEDERAL AND PROVINCIAL CROWN OFFICES</b>	
<b>AND TO:</b>	<b>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE</b> Legal Services Branch 777 Bay Street, 11 <sup>th</sup> Floor Toronto, ON M5G 2C8  <b>Kevin J. O'Hara</b>

	<p>T: 416.327.8463 F: 416.325.1460 E: kevin.ohara@ontario.ca</p> <p>Counsel for the Ministry of Finance</p>
<b>AND TO:</b>	<p><b>ATTORNEY GENERAL OF CANADA</b> Department of Justice Canada 120 Adelaide Street West Suite 400 Toronto, ON</p> <p><b>Diane Winters</b> T: (647) 256-7459 E: diane.winters@justice.gc.ca</p> <p>Counsel for the Attorney General of Canada</p>

# INDEX



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

**IN BANKRUPTCY AND INSOLVENCY**

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

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**TAB 1**

Court File No. 31-2587191  
Estate File No. 31-2587191

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

**IN BANKRUPTCY AND INSOLVENCY**

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

**NOTICE OF MOTION  
(Sale Approval)**

**TRADE SECRET WEB PRINTING INC.** (“**Printing**” or the “**Company**”), will make a motion to a Judge presiding over the Commercial List, on Thursday, February 20, 2020, at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An Order substantially in the form attached at Tab 3 of the Motion Record:
  - a) if necessary, abridging the time for and validating the service of the Notice of Motion and the Motion Record, so that this motion is properly returnable on February 20, 2020;
  - b) approving a transaction of purchase and sale (“**Transaction**”) for the sale of certain assets (“**Assets**”), as contemplated by the Stalking Horse Agreement (as defined below), dated December 13, 2019;
  - c) permitting B & Y (as defined below) to apply the funds previously loaned to the Company pursuant to a DIP Loan (as defined below) toward, and which funds shall then constitute partial payment of, the Purchase Price (as defined in the Stalking Horse Agreement) for the

Assets;

- d) sealing the Stalking Horse Agreement, attached as a confidential exhibit to the Affidavit of Bashir Harb, sworn February 14, 2020;
  - e) upon completion of the transaction herein, and the filing of a certificate by the Proposal Trustee certifying that the Transaction has been completed to its satisfaction, vesting all right, title and interest of the Company in the Assets to B & Y, free and clear of any encumbrances, other than certain permitted encumbrances; and,
2. Such further and other relief as to this Court may seem just.

**THE GROUNDS FOR THE MOTION ARE:**

3. On November 22, 2019, Printing commenced restructuring proceedings under the *Bankruptcy and Insolvency Act* (“**BIA**”) by filing a Notice of Intention to Make a Proposal (“**NOI**”).
4. Crowe Soberman Inc. was appointed to act as the Proposal Trustee under the NOI (“**Proposal Trustee**”);
5. On December 16, 2019, the Honourable Justice Haaney granted an Order (“**Haaney Order**”) that, among other things, approved a Sale and Investment Solicitation Process (“**SISP**”) with respect to the sale of the assets and business of Printing, including a Stalking Horse Agreement (defined below), and extended the initial stay of proceedings (“**Stay Period**”) to and including February 5, 2020.
6. The Stay Period was subsequently extended further such that it is currently set to expire on March 20, 2020.
7. The Haaney Order authorized Printing to execute the Stalking Horse Agreement (“**Stalking Horse**

**Agreement**”), pursuant to which B & Y Property Holdings Inc. (“**B & Y**”) was to submit a stalking horse bid (the “**Stalking Horse Bid**”) for the purchase of substantially all of Printing’s assets on an “as is, where is” basis.

8. The Company worked with the Proposal Trustee in carrying out the SISP, the assets were marketed and offered for sale, and bids were accepted until the bid deadline of February 7, 2020.
9. As of the bid deadline date, no bid superior to the Stalking Horse Bid was received.
10. In the circumstances, the Company believes that the proposed Transaction, as set out in the Stalking Horse Agreement, represents the best option for the Company.
11. The Proposal Trustee supports the Transaction.
12. The Company wishes to conclude the Transaction, based on the Stalking Horse Agreement, with any necessary non-substantive amendments.
13. The Hainey Order also authorized Printing to obtain further funding and in that regard, borrow under a credit facility established pursuant to a Debtor-in-Possession Term Sheet between Printing and B & Y (“DIP Loan”).
14. Printing did obtain the funds authorized under the DIP Loan and has put them to use so that Printing could continue operating. The full amount authorized under the DIP Loan has now been extended to Printing.
15. B & Y may wish to apply the funds advanced to the Company pursuant to the DIP Loan to, and have them constitute payment of part of, the Purchase Price (as defined in the Stalking Horse Agreement), which is acceptable to the Company.
16. Upon completion of the Transaction, the Company wishes to utilize the net proceeds of the

Transaction to repay the DIP Loan, if the amounts loaned thereunder are not used to form part of the Purchase Price, and to distribute any surplus proceeds to its creditors in accordance with the relevant priorities.

17. The Company intends to bring a Distribution Motion dealing with the distribution of the balance of any sale proceeds at a later date, following the completion of the Transaction.
18. The Stalking Horse Agreement contains sensitive commercial information. In the event that the proposed transaction of purchase and sale is not approved, or is not completed, the Company may need to expand the SISP and seek further offers. Disclosure of this information could prejudice this process, and the Company therefore wishes to have the Stalking Horse Agreement sealed until the Transaction referenced herein is completed.
19. No creditors would be materially prejudiced if the relief sought in the within motion is granted.
20. The Proposal Trustee supports the relief sought in the within motion.
21. Such further and other grounds as counsel may advise and this Court deem just.

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

22. The Affidavit of Bashir Harb, sworn February 14, 2020.
23. The Third Report of the Proposal Trustee, to be filed.

24. Such further and other evidence as counsel may advise and this Court may permit.

**Dated:** February 14, 2020

**BLANEY McMURTRY LLP**

Barristers and Solicitors  
1500 - 2 Queen Street East  
Toronto, ON M5C 3G5

**David Ullmann (LSO #423571)**

Tel: (416) 596-4289  
Fax: (416) 594-2437  
[dullmann@blaney.com](mailto:dullmann@blaney.com)

**Mervyn D. Abramowitz (LSO #28325R)**

Tel: (416) 597-4887  
Fax: (416) 593-3396  
[mabramowitz@blaney.com](mailto:mabramowitz@blaney.com)

**Alex Fernet Brochu (LSO # 77644D)**

Tel: (416) 593-3937  
Fax: (416) 596-2140  
[afernetbrochu@blaney.com](mailto:afernetbrochu@blaney.com)

Counsel for Trade Secret Web Printing Inc.

**TAB 2**



Court File No. 31-2587191  
Estate File No. 31-2587191

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

**IN BANKRUPTCY AND INSOLVENCY**

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

**AFFIDAVIT OF BASHIR HARB**  
**(Sworn February 14, 2020)**

I, **BASHIR HARB**, of the City of Mississauga, in the Regional Municipality of Peel, in the Province of Ontario, make oath and say:

1. I am the President and CEO, as well as the sole director, of Trade Secret Web Printing Inc. (“**Printing**” or the “**Company**”), and as such have knowledge and information of the matters to which I depose to herein. Where this affidavit is based upon information received from others, I have identified the source of that information, and verily believe that information to be true.

2. I swear this affidavit in support of a motion for an Approval and Vesting Order, substantially in the form attached to the Motion Record, approving a transaction of purchase and sale (“**Transaction**”), based on the Stalking Horse Agreement (as defined below) and, upon completion of the Transaction, vesting in and to B & Y (as defined below) all right, title and interest of the Company in and to the Assets (as defined below).

**Background**

3. This matter was last before this Court on February 3, 2020, when the Honourable Justice Dietrich granted an order extending the time within which a Proposal must be filed to and including March 20, 2020 (“**Dietrich Order**”). A copy of the Dietrich Order is attached hereto and marked as **Exhibit “A”**.

4. On December 16, 2019, the Honourable Justice Hainey granted an order (“**Hainey Order**”) that, among other things, approved a Sale and Investment Solicitation Process (“**SISP**”), including a Stalking Horse Agreement (as defined below), and certain Bidding Procedures, as identified in the Proposal Trustee’s First Report. A copy of the Hainey Order is attached hereto and marked as **Exhibit “B”**.

5. The background that led the Company to commence this proceeding is set out in my earlier affidavits sworn in support of both prior motions (respectively, “**January Affidavit**” and “**December Affidavit**”). Copies of the January and December Affidavits (without exhibits) are attached hereto and marked as **Exhibit “C”** and **Exhibit “D”**, respectively.

6. However, for the sake of convenience and expediency, I will set out some of those facts again in the affidavit herein.

7. The Company was incorporated in 2006 pursuant to the laws of the province of Ontario. Its registered office and location from which it carries on its business is 40 Horner Avenue, Etobicoke, Ontario. I am the sole officer and director of Printing.

8. Printing operates as a commercial printer, performing and producing specialty printing, catalogs, magazines, commercial printing and packaging.

9. B & Y Holdings Inc. (“**B & Y**”) is a related entity. It is the landlord of the premises from which Printing operates. B & Y’s registered office address is also 40 Horner Avenue, Etobicoke, Ontario.

10. B & Y is also a secured creditor of Printing, having previously advanced to it the sum of approximately \$2 million to permit the repayment of Printing’s debt owed to the Bank of Montreal. B & Y secured this advance by filing a financial statement under the *Personal Property Security Act* reflecting its General Security Agreement with Printing.

11. Printing currently owes approximately \$12 million to its creditors, including more than \$1 million

on a priority basis to Canada Revenue Agency (“CRA”) for source deductions, approximately \$6 million to its secured creditors, and the balance to its unsecured creditors.

### **Equipment Leases**

12. As described in further detail in the December Affidavit, Printing leases various pieces of equipment in its printing business, several of which are essential to Printing continuing to operate (“**Equipment**”).

13. Printing’s principal Equipment leases are with CWB Maxium Financial Inc., Blueshore Leasing Ltd., CLE Capital Inc., and Axiom Leasing Inc. (collectively, “**Lessors**”). Copies of those leases were attached as exhibits to the December Affidavit.

14. As previously set out in the January Affidavit, Printing is currently in communications with a number of the Lessors, either directly or through their counsel. The objective is to try to negotiate either the purchase of certain equipment that the Company sees as being necessary in its future operations, or in the case where it is not necessary, either now or in the future, arrange for its return to the Lessors.

15. The negotiations between Printing and the Lessors are still ongoing. Printing hopes and expects that the negotiations will be completed, and its equipment needs fully addressed, by the date set for the closing of the Transaction within.

16. In the event that any of the aforementioned negotiations results in a change to the Purchased Assets (defined below), this information will be provided to the Court at the time of the herein motion.

### **SISP**

17. As part of the SISP, and in the hope of securing additional offers beyond the Stalking Horse Bid, the Proposal Trustee solicited offers and carried out marketing efforts to that end, including print and online advertisement and circulation of a teaser to various companies in the commercial printing industry. These

efforts are more fully outlined in the Proposal Trustee's Third Report, a copy of which is to be filed by the Proposal Trustee.

18. The Company and I cooperated with the Proposal Trustee in that regard, and in the hope of securing additional and better offers.

19. Pursuant to the Bidding Procedures authorized by the Hainey Order, bids under the SISP were accepted until February 7, 2020. The bid deadline was to be followed by a review of the bids, and an auction if applicable. Printing and the Proposal Trustee were then to seek Court Approval of the successful bid on February 20, 2020. The outside date for the closing of the successful bid is March 11, 2020.

20. I have been advised by the Proposal Trustee that no superior bids were received.

21. Accordingly, the Stalking Horse Bid was selected as the successful bid under the Bidding Procedures, and the Company and Proposal Trustee now seek the approval of the transaction of purchase and sale, as represented by the Stalking Horse Bid and the Stalking Horse Agreement.

### **Stalking Horse Agreement**

22. The Hainey Order authorized the Company to execute the Stalking Horse Agreement. However it was always contemplated that the approval of any sale and the vesting of the Assets would be considered by the Court on a subsequent motion following the completion of the SISP.

23. As previously set out in the December Affidavit, the Stalking Horse Agreement provides for a reasonable purchase price, as determined by the parties herein, and which was agreed to by the Proposal Trustee (the "**Purchase Price**"). This price includes a cash payment plus the assumption of certain secured debt owing to B & Y in the amount of \$1,800,000.

24. The Hainey Order also authorized Printing to obtain further funding and in that regard, borrow under a credit facility established pursuant to a Debtor-in-Possession Term Sheet between Printing and B

& Y (“**DIP Loan**”).

25. B &Y did advance to Printing, and Printing did receive the funds authorized pursuant to the DIP Loan, and has put them to use so that Printing could continue operating. The full amount authorized under the DIP Loan has now been extended to Printing.

26. We have been advised that B & Y may wish to have the funds advanced to the Company pursuant to the DIP Loan constitute payment of part of the Purchase Price, rather than having B & Y pay an additional sum to the Company, and have the DIP Loan, in same amount, repaid by the Company to B &Y immediately thereafter. This is acceptable to the Company.

27. The Stalking Horse Agreement also provides for the assumption by B & Y of all of the Company’s employees, the assumption of certain of its equipment leases, and the purchase of all of the Company’s accounts receivable (the “**Purchased Assets**”). A more detailed description of the Purchased Assets is set out in the Stalking Horse Agreement. A copy of the Stalking Horse Agreement is attached hereto and marked as **Confidential Exhibit “A”**.

28. The Stalking Horse Agreement contains sensitive commercial information. In the event that the current transaction of purchase and sale is not approved, or is not completed for some reason, the Company may need to seek to continue the SISP and seek out further offers.

29. As a result, the Company is seeking a sealing order for the Stalking Horse Agreement to ensure that this information remains confidential, at least until the Transaction referenced herein is completed.

### **Sale Approval**

30. Since the granting of the Dietrich Order, the Company has continued to operate its business in the ordinary course, and in that regard has continued its relationships with its employees and its suppliers.

31. However, some of its customers have been reluctant to place orders with the Company due to the

uncertainty created by the NOI process.

32. The Company expects that this will remain the case up and until such time as the Transaction is completed.

33. Further, the Cash Flow statement filed with the January Affidavit projects negative cash opening positions for the weeks of March 23, April 6, April 13, and April 20, 2020.

34. The Company therefore is counting on receipt of the sale proceeds from the Transaction to be able to continue its operations. Without a timely closing of the Transaction herein, and the receipt of the proceeds therefrom, the Company is likely to experience significant cash flow issues.

35. For these reasons, the Company wishes to proceed with the completion of the Transaction as soon as possible.

36. The Company fully considered the benefits and risks of pursuing the Stalking Horse Agreement, in consultation with the Proposal Trustee, at the very outset of this proceeding.

37. It is the Company's view, with the support of the Proposal Trustee, that the sale of the Assets through the Stalking Horse Agreement provides the best opportunity to maximize value for the Assets for the benefit of all stakeholders of the Company, and that the consideration that the Company will receive under the Stalking Horse Agreement is fair and reasonable.

38. Further, as there were no competing bids at all, it is clear to the Company that without the Transaction, the business and the Company itself will be in serious jeopardy.

39. As such, the Company is seeking an Order approving the Transaction, as set out in the Stalking Horse Agreement, with any non-substantive amendments that the Company and / or the Proposal Trustee deems appropriate, and upon completion of the Transaction, vesting in and to B & Y all right, title and interest of the Company in and to the Assets.

40. Upon the completion of the Transaction, depending on whether the funds advanced via the DIP Loan are applied to the Purchase Price, the Company wishes to repay the DIP Loan, and to then distribute any additional proceeds to its various creditors in accordance with the relevant priorities.

41. The Company intends to bring a Distribution Motion dealing with the distribution of the sale proceeds at a later date, following the completion of the Transaction.

42. The Company continues to operate, to the benefit of its employees and suppliers, and other stakeholders, while pursuing a sale of the Assets and a restructuring plan.

43. I am not aware of any creditor that would be materially prejudiced if the relief sought is granted. I am also not aware of anyone at this point who objects to the relief sought.

**SWORN BEFORE ME** at the City of Mississauga, in the Regional Municipality of Peel, in the Province of Ontario, on this 14<sup>th</sup> day of February, 2020.



*A Commissioner for Taking Affidavits, etc.*



**BASHIR HARB**

**Natasha Devi Rambaran, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law,  
Expires April 17, 2021.**

This is Exhibit "A" referred to in the Affidavit of Bashir Harb sworn on the 14<sup>th</sup> day of February, 2020.



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*Commissioner for Taking Affidavits (or as may be)*

**Natasha Devi Rambaran, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law,  
Expires April 17, 2021.**



Court File No.: 31-2587191

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

THE HONOURABLE ) MONDAY, THE 3<sup>rd</sup> DAY  
)  
JUSTICE *DIETRICH* ) OF FEBRUARY, 2020



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

**ORDER  
(Stay Extension)**

**THIS MOTION** made by Trade Secret Web Printing Inc. (“**Debtor**”) for an Order in the form set out in the Notice of Motion, and in particular, extending the time within which a Proposal must be filed to and including March <sup>*25*</sup> 20, 2020, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Affidavit of Bashir Harb, sworn January 30, 2020, the Second Report of the Proposal Trustee, to be filed (“**Second Report**”), and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Ariyana Botejue, filed,

## SERVICE

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

## EXTENSION OF TIME TO FILE PROPOSAL

2. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal is hereby extended to and including March 20, 2020 and that the terms of paragraphs 19 and 20 of the order dated December 16, 2019, shall remain in effect, *and that for the purposes of paragraph 19, Axiom Leasing Inc. be added as a "Lessor".*

## GENERAL

3. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

4. **THIS COURT ORDERS** that the Debtor and the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and any other materials and orders in these proceedings, any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Company's creditors or other interested parties and their advisors. For

greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

A handwritten signature in blue ink, appearing to read "Dietrich J.", is written above a horizontal line.

**IN BANKRUPTCY AND INSOLVENCY**

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

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

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

**ORDER  
(Stay Extension)**

**BLANEY MCMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

**David T. Ullmann (LSO #423571)**  
Tel: (416) 596-4289  
Fax: (416) 594-2437  
Email: [dullmann@blaney.com](mailto:dullmann@blaney.com)

**Mervyn D. Abramowitz (LSO #28325R)**  
Tel: (416) 597-4887  
Fax: (416) 593-3396  
Email: [mabramowitz@blaney.com](mailto:mabramowitz@blaney.com)

**Alex Fernet Brochu (LSO # 77644D)**  
Tel: (416) 593-3937 Fax: (416) 596-2140  
Email: [afernetbrochu@blaney.com](mailto:afernetbrochu@blaney.com)

Counsel for Trade Secret Web Printing Inc.

This is Exhibit "B" referred to in the Affidavit of Bashir Harb sworn on the 14<sup>th</sup> day of February, 2020.



---

*Commissioner for Taking Affidavits (or as may be)*

**Natasha Devi Rambaran, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law,  
Expires April 17, 2021.**

Court File No. 31-2587191

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

THE HONOURABLE ) MONDAY, THE 16<sup>TH</sup> DAY  
)  
JUSTICE *HAINES* ) OF DECEMBER, 2019



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

**ORDER  
(DIP LOAN, SISP)**

**THIS MOTION** made by Trade Secret Web Printing Inc. (“**Debtor**”) for an Order in the form set out in the Notice of Motion, and in particular:

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

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

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

**ON READING** the Affidavit of Bashir Harb, sworn December 11, 2020, and the First Report of the Proposal Trustee, dated December 13, 2019 (“**First Report**”), and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears of the affidavit of service of Ariyana Botejue, filed,

#### **SERVICE**

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

#### **ADMINISTRATION CHARGE**

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

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

### **DIP FINANCING**

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

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

### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

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

First - the Administration Charge; and

Second - the DIP Lender’s Charge

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



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

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

### **BIDDING PROCEDURES**

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

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

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

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

### **STALKING HORSE AGREEMENT**

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

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

Transaction shall be entitled to continue to use the personal information provided to it, and related to the property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Debtor or the Proposal Trustee, or ensure that all other personal information is destroyed.

#### **EXTENSION OF TIME TO FILE PROPOSAL**

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

#### **SERVICE AND NOTICE**

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

15. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtor and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other

correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

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

#### **GENERAL**

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

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the

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



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

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

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

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

**SCHEDULE "A"**

**DIP Term Sheet – See Attached**

December 9, 2019

Trade Secret Web Printing Inc.

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

Dear Mr. Harb:

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

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

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

The terms of the DIP Facility are as follows:

Borrower:	Trade Secret Web Printing Inc.
DIP Lender:	B&Y Property Holdings Inc. as lender (the "Lender") with a mailing address at 40 Horner Avenue, Etobicoke, Ontario, M8Z 4X3.
Facility Type:	Term Credit Facility (the "DIP Facility").
Minimum Amount:	CAD \$90,000.00 (the "First Advance")
Amount:	As approved by the court, up to a maximum principal amount of CAD \$250,000.00
Interest Rate:	Five (5%) percent per annum, calculated monthly, not in advance.  Interest calculated as aforesaid shall be payable:  i. accruing monthly, in arrears, on the first (1 <sup>st</sup> ) business day (in Toronto, Ontario) of each month until the full amount outstanding hereunder on account of the DIP Facility has been paid in full;  ii. in accordance with the "Repayment" section below; and  iii. upon Maturity (as hereinafter defined). The first monthly payment of interest hereunder shall be payable on the first (1 <sup>st</sup> ) business day of the month immediately following the month in which the initial advance of the DIP Facility occurs, computed from the date of such advance.
Closing Fee:	The Borrower shall pay to the Lender a closing fee equal to 2.00% of the maximum principal amount of the DIP Facility (the "Closing Fee"), which Closing Fee shall be earned and payable.
Purpose:	The purposes set out in the cash flows filed by the Proposal Trustee on December 2, 2019 (the "Cash Flows"), including, without limitation: (i) for ordinary course working capital and other general corporate purposes of the Borrower in accordance



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

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

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

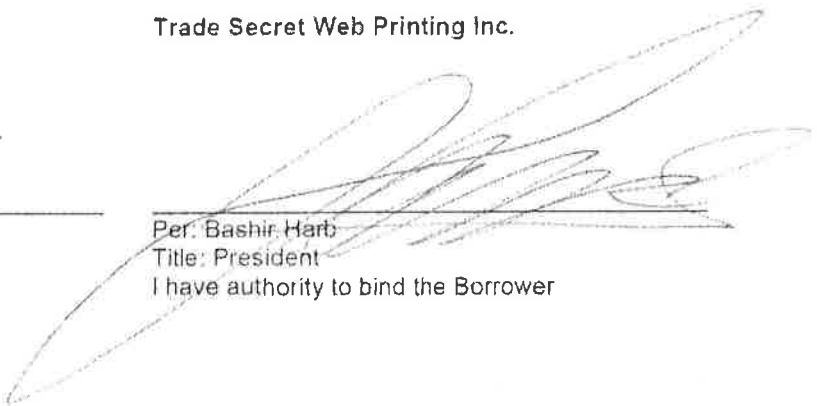
	DIP Charge including, without limitation, all court attendances in connection therewith. All such fees and expenses shall be added to the DIP Facility and be secured by the DIP Charge.
Counterparts:	This DIP Term Sheet may be executed in counterparts, each of which is deemed an original, but all of which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

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

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

**B&Y Property Holdings Inc.**

**Trade Secret Web Printing Inc.**



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

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

**IN BANKRUPTCY AND INSOLVENCY**

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

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

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

*Proceeding commenced at **TORONTO***

**ORDER**

**BLANEY MCMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

**David T. Ullmann (LSO #423571)**  
Tel: (416) 596-4289  
Fax: (416) 594-2437  
Email: [dullmann@blaney.com](mailto:dullmann@blaney.com)

**Mervyn D. Abramowitz (LSO #28325R)**  
Tel: (416) 597-4887  
Fax: (416) 593-3396  
Email: [mabramowitz@blaney.com](mailto:mabramowitz@blaney.com)

**Alex Fernet Brochu (LSO # 77644D)**  
Tel: (416) 593-3937 Fax: (416) 596-2140  
Email: [afernetbrochu@blaney.com](mailto:afernetbrochu@blaney.com)

Counsel for Trade Secret Web Printing Inc.

This is Exhibit "C" referred to in the Affidavit of Bashir Harb sworn on  
the 14<sup>th</sup> day of February, 2020.



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*Commissioner for Taking Affidavits (or as may be)*

**Natasha Devi Rambaran, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law,  
Expires April 17, 2021.**

Court File No. 31-2587191  
Estate File No. 31-2587191

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

**IN BANKRUPTCY AND INSOLVENCY**

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

**AFFIDAVIT OF BASHIR HARB**  
**(Sworn January 30, 2020)**

I, **BASHIR HARB**, of the City of Mississauga, in the Regional Municipality of Peel, in the Province of Ontario, make oath and say:

1. I am the President and CEO, as well as the sole director, of Trade Secret Web Printing Inc. (“**Printing**” or the “**Company**”), and as such have knowledge and information of the matters to which I depose to herein. Where this affidavit is based upon information received from others, I have identified the source of that information, and verily believe that information to be true.
2. I swear this affidavit in support of a motion extending the current stay of proceedings in this matter to March 21, 2020.

**Background**

3. This matter was last before this Court on December 16, 2019, when the Honourable Justice Hainey granted an order (“**Hainey Order**”) that, among other things, approved a Sale and Investment Solicitation Process (“**SISP**”), including a Stalking Horse Agreement (defined below), certain Bidding Procedures, as identified in the Proposal Trustee’s First Report, and extended the

initial stay of proceedings to and including February 5, 2020. A copy of the Hainey Order is attached hereto and marked as **Exhibit “A”**.

4. The background that led the Company to commence this proceeding is set out in my earlier affidavit sworn in support of the prior motion (“**December Affidavit**”). For the sake of convenience, I will set out some of those facts again in the affidavit herein. A copy of my December Affidavit (without exhibits) is attached hereto and marked as **Exhibit “B”**.

5. The Company was incorporated in 2006 pursuant to the laws of the province of Ontario. Its registered office and location from which it carries on its business is 40 Horner Avenue, Etobicoke, Ontario. I am the sole officer and director of Printing.

6. Printing operates as a commercial printer, performing and producing specialty printing, catalogs, magazines, commercial printing and packaging.

7. B & Y Holdings Inc. (“**B & Y**”) is a related entity. It is the landlord of the premises from which Printing operates. B & Y’s registered office address is also 40 Horner Avenue, Etobicoke, Ontario.

8. B & Y is also a secured creditor of Printing, having previously advanced to it the sum of approximately \$2 million to permit the repayment of Printing’s debt owed to the Bank of Montreal. B & Y secured this advance by filing a financial statement under the *Personal Property Security Act* reflecting its General Security Agreement with Printing.

9. Printing currently owes approximately \$12 million to its creditors, including more than \$1 million on a priority basis to Canada Revenue Agency (“**CRA**”) for source deductions, approximately \$6 million to its secured creditors, and the balance to its unsecured creditors.



## **Proposal Process and SISP**

10. On November 22, 2019, Printing filed a Notice of Intention to Make a Proposal (“**NOI**”) and Crowe Soberman Inc. was appointed as proposal trustee (“**Proposal Trustee**”).

11. On December 16, 2019, the Court approved a SISP with respect to the Company’s business and assets, and extended the deadline for the Company to file its proposal to and including February 5, 2020.

12. The Hainey Order also authorized Printing to execute a Stalking Horse Agreement, pursuant to which B & Y is to submit a stalking horse bid (“**Stalking Horse Bid**”) for the purchase of substantially all of Printing’s assets (“**Assets**”) on an “as is, where is” basis (“**Stalking Horse Agreement**”).

13. As part of the SISP, the Proposal Trustee continues to solicit superior offers for all or a portion of the Assets.

14. Pursuant to the Hainey Order, bids under the SISP are to be accepted until a bid deadline of February 7, 2020. A review of the bids received and a determination of qualified bids is to take place until February 11, 2020, and an auction, if applicable, is to take place on February 13, 2020. Printing and the Proposal Trustee are to then seek Court Approval of the successful bid on February 20, 2020. The outside date for the closing of the successful bid is March 11, 2020.

15. The timelines proposed to the Court for approval were supported by the Proposal Trustee. It was clear that the Company would be requiring an extension to the initial stay period in order for the SISP to run its course in the manner approved by the Hainey Order.

## Finances and Operation

16. The Hainey Order authorized Printing to obtain further funding and in that regard, borrow under a credit facility established pursuant to a Debtor-in-Possession Term Sheet between Printing and B & Y (“**DIP Loan**”).

17. Printing did obtain the funds authorized under the DIP Loan and has put them to use so that Printing could continue operating.

18. Since the granting of the Hainey Order, the Company has continued to operate its business in the ordinary course, and in that regard, has continued its relationships with its employees and its suppliers.

19. The Company has also continued to work diligently on restructuring its affairs, including by:

- a) assisting the Proposal Trustee with the SISP;
- b) working with the Proposal Trustee in preparing cash flow statements;
- c) communicating with its counsel, the Proposal Trustee and its creditors with respect to the SISP and its proposal proceeding;
- d) negotiating with its equipment lessors in an attempt to streamline its operations, as described below; and,
- e) continuing to operate its business, including by processing orders from its customers.

20. The Company anticipates it will have sufficient funds to operate during the requested extended period for the stay of proceedings, taking into account collection on its accounts. This is

set out in the updated cash flow statement (“**Cash Flow**”), which the Company has prepared, and is attached hereto and marked as **Exhibit “C”**.

21. If faced with any problems such that the Company needs to increase the DIP Loan, the Company will come back to Court to deal with that issue.

22. In my view, the updated Cash Flow is accurate and is based on reasonable assumptions going forward.

### **Equipment Leases**

23. As described in further detail in my first affidavit, Printing leases various pieces of equipment in its printing business, several of which are essential to Printing continuing to operate (“**Equipment**”).

24. Printing’s principal Equipment leases are with CWB Maxium Financial Inc., Blueshore Leasing Ltd., CLE Capital Inc., and Axiom Leasing Inc. (collectively, “**Lessors**”). Copies of those leases were attached as exhibits in my December Affidavit.

25. Printing is currently in communications with a number of the Lessors, either directly or through their counsel. The objective is to try to negotiate either the purchase of certain equipment that the Company sees as being necessary in its future operations, or in the case where it is not necessary, either now or in the future, arrange for its return to the Lessors.

26. The negotiations between Printing and the Lessors are still in progress, and more time is required to properly deal with the Equipment and this aspect of the restructuring.

### **Stay Extension**

27. As noted above, the Company requires additional time to continue its restructuring efforts, to properly deal with the Equipment, to complete the SISP as approved by the Hailey Order, and to formulate and file a proposal for the benefit of its creditors.

28. The stay of proceedings is currently set to expire on February 5, 2020. The Company is requesting that the stay of proceedings be extended a further 45 days, to March 21, 2020.

29. The Company has acted and continues to act in good faith and with due diligence. It continues to operate, to the benefit of its employees and suppliers, and other stakeholders, while pursuing a sale of the Assets and a restructuring plan.

30. In my view, it is more likely that Printing will be able to make a viable proposal if the extension of the stay of proceedings is granted.

31. I am not aware of any creditor that would be materially prejudiced if the stay of proceedings is extended to the requested date. I am also not aware of anyone at this point who objects to the proposed extension.

**SWORN BEFORE ME** at the City of Mississauga, in the Regional Municipality of Peel, in the Province of Ontario, on this 30<sup>th</sup> day of January, 2020.

  
A Commissioner for Taking Affidavits, etc.

Antoine Calleja Kiffin, a Commissioner, etc.,  
Province of Ontario,  
while a Student-at-Law,  
Expires April 17, 2021.

  
BASHIR HARB

This is Exhibit "D" referred to in the Affidavit of Bashir Harb sworn on the 14<sup>th</sup> day of February, 2020.



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*Commissioner for Taking Affidavits (or as may be)*

**Natasha Devi Rambaran, a Commissioner,  
etc., Province of Ontario,  
while a Student-at-Law,  
Expires April 17, 2021.**

Court File No. 31-2587191  
Estate File No. 31-2587191

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

**IN BANKRUPTCY AND INSOLVENCY**

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

**AFFIDAVIT OF BASHIR HARB  
(Sworn December 11, 2019)**

I, **BASHIR HARB**, of the City of Mississauga in the Province of Ontario, make oath and say:

1. I am the President and CEO, as well as the sole director, of Trade Secret Web Printing Inc. ("**Printing**" or the "**Company**"), and as such have knowledge and information of the matters to which I depose to herein. Where this affidavit is based upon information received from others, I have identified the source of that information, and verily believe that information to be true.

2. I swear this affidavit in support of a motion:

- a) Approving a charge in the amount of \$250,000 in respect of the professional fees and expenses of legal counsel to the Company, the Proposal Trustee (as defined below), and legal counsel to the Proposal Trustee ("**Administration Charge**"), in priority to all other creditors;
- b) authorizing Printing to obtain interim financing, in an amount not to exceed \$250,000, and for a charge over the Company's assets, undertaking and property in respect of these borrowings ("**DIP Lender's Charge**"), which will be subordinate to the Administration Charge, but ahead of all other creditors, and retroactively

approving and including the amounts already advanced under the DIP Loan (defined below); and

- c) approving a Sales and Investor Solicitation Process (“SISP”), as described in the First Report of the Proposal Trustee (“**First Report**”), to be filed;
- d) approving the terms of the Stalking Horse Purchase Agreement (defined below) as described in the First Report;
- e) authorizing, directing and empowering the Proposal Trustee to perform its obligations under and in accordance with the SISP, and to take such further steps as it considers necessary or desirable in carrying out the SISP; and,
- f) extending the time for Printing to file a proposal to and including February 5, 2020.

### **Background**

3. Printing was incorporated in 2006 pursuant to the laws of the province of Ontario. Its registered office is located at 40 Horner Avenue, Etobicoke, Ontario. I am the sole officer and director of Printing. A copy of the corporation profile report with respect to Printing is attached hereto and marked as **Exhibit “A”**.

4. Printing operates from the same 40 Horner Avenue location as a commercial printer, performing and producing specialty printing, catalogs, magazines, commercial printing and packaging.

5. Printing currently has 57 employees, many of whom have been with the Company for many years.

6. Printing's efforts herein are intended to try to save the Company and its operations, and importantly, the jobs of the people who work at Printing, along with its supplier and customer relationships.

7. B & Y Holdings Inc. ("**B & Y**") is a related entity. It is the landlord of the premises from which Printing operates its business. B & Y's registered office address is also 40 Horner Avenue, Etobicoke, Ontario. A copy of the corporation profile report with respect to B & Y is attached hereto and marked as **Exhibit "B"**.

8. B & Y is also a secured creditor of Printing, having previously advanced to it the sum of approximately \$2 million to permit the repayment of Printing's debt owed to the Bank of Montreal. B & Y secured this advance by filing a financial statement under the *Personal Property Security Act* reflecting its General Security Agreement with Printing.

9. B & Y is proposing to provide interim financing to Printing to permit Printing to continue operating during the proposal period, providing that B & Y obtains a priority charge for its advances. Indeed, B & Y has already advanced in good faith the sum of \$90,000 to Printing as Printing was in desperate need of cash to be able to make its payroll.

10. B & Y is also proposing to provide a "stalking horse" bid for the assets of Printing that would permit the business and the associated jobs and relationships to be preserved and continued. These two matters are dealt with more fully below.

### **Factors leading to the filing of the NOI**

11. In addition to B & Y, Printing has several other secured and unsecured creditors. In particular, Printing leases various pieces of equipment in its printing business, and several of those



leases are now in default. In fact, some of the lessors had already commenced legal proceedings and made efforts to enforce their security and retake possession of certain of those pieces of equipment.

12. Without that equipment, Printing would not be able to operate its business, and would have to shut down almost immediately.

13. Further, Printing currently owes approximately \$12 million to its creditors, including more than \$1 million on a priority basis to Canada Revenue Agency (“**CRA**”) for source deductions, approximately \$6 million to its secured creditors, and the balance to its unsecured creditors. A copy of the CRA Notice of Assessment for Printing dated November 19, 2019, along with the list of Printing’s creditors appended to its NOI (defined below) are attached hereto and marked as **Exhibit “C”**.

14. Attached as **Exhibit “D”** is a copy of a recent report from a search (“PPSA Search”) conducted of the Personal Property Security Registration System, dated November 1, 2019, current as at October 30, 2019.

15. The PPSA Search lists a number of creditors as having general security interests registered against the assets of Printing, whose interests may be prejudiced by the orders being sought in this motion, and in particular, by the Administration Charge and the DIP Lender’s Charge. Each of these creditors has been provided with notice of this motion.

16. It is notable that the first registration that appears is in favour of 2227560 Ontario Inc., which is another related entity to Printing. It has supported Printing from the outset, advancing funds as necessary, and thus, it is likely the first secured creditor following the prior interest of

CRA as noted above.

17. As a result of its serious financial issues, and the fact that it was not able to restructure its affairs on an informal basis, despite prior discussions and attempts in that regard, on November 22, 2019, Printing commenced restructuring proceedings under the *Bankruptcy and Insolvency Act* (“**BIA**”) by filing a Notice of Intention to Make a Proposal (“**NOI**”). A copy of the NOI is attached hereto and marked as **Exhibit “E”**.

18. Crowe Soberman Inc. was appointed to act as the Proposal Trustee under the NOI.

19. The Company worked in conjunction with the Proposal Trustee to prepare and file a cash flow statement with the Office of the Superintendent of Bankruptcy, as required, within 10 days of filing the NOI. A copy of the cash flow statement is attached hereto and marked as **Exhibit “F”**.

#### **Charge for Professional Fees**

20. The Company is in the process of devising its strategy for its restructuring and hopes to be able to make a viable proposal to its creditors.

21. In that regard, it is now seeking a charge over the assets, undertaking and property of Printing (the “**Property**”) with respect to the professional fees and expenses of its legal counsel, the Proposal Trustee, and Proposal Trustee’s legal counsel (the “**Administration Charge**”), which will rank in priority to all other charges, security interests and encumbrances.

22. Printing has retained Blaney McMurtry LLP (“**Blaney**”) to assist it in the process of restructuring its affairs and making a proposal to its creditors. Blaney will primarily assist Printing in formulating a proposal, which will hopefully be accepted by the creditors, thereby preventing

the bankruptcy of Printing. Blaney will also provide Printing with strategic advice with respect to the operations of its business and the SISP in respect to the Property.

23. It is anticipated that Blaney will continue to liaise with the Proposal Trustee and Printing's creditors in the course of the proposal, just as it has already been doing. Indeed, Blaney has already been in contact with the Proposal Trustee with respect to the herein motion.

24. In my view, Blaney's expertise, advice and guidance to Printing throughout the proposal process will be essential to a successful restructuring, and will ensure that the value of the Property is maximized for the benefit of all stakeholders.

25. Similarly, the participation and input of the Proposal Trustee will be instrumental to the NOI proceeding. The Proposal Trustee will assist the Company in managing its cash flow and maintaining its business operations. The Proposal Trustee will also communicate with and provide information to Printing's creditors, including its secured creditors.

26. For these reasons, the Company requests that the Court grant the Administration Charge which will rank first in the priority ranking.

#### **DIP Financing and DIP Lender's Charge**

27. The cash flow statement filed with and by the Proposal Trustee and attached as Exhibit "F" projects Printing's cash flow to and including February 21, 2020, and demonstrates that the Company is facing a liquidity crisis and will require additional financing in the short term to be able to operate up and until the end of the SISP.

28. Indeed, as of the date of this affidavit, the Company has been suffering liquidity issues and

wasn't even able to meet its current cash needs for this very week.

29. As such, the Company requires interim financing to support its cash needs during this process. B & Y has advised that it is prepared to advance to Printing up to the sum of \$250,000 (“**DIP Loan**”) under a credit facility, pursuant to a Debtor-in-Possession Term Sheet, a copy of which is attached hereto as **Exhibit “G”**.

30. The proposed DIP Loan that is being sought is of a relatively modest size, all things considered, but it should be sufficient, based on current projections, to permit the Company to operate during the proposal proceeding. The funds will be used to assist the Company with its operating expenses and the costs related to the operating its business, and will ensure that there is sufficient flexibility in its cash flow going forward.

31. In my view, the DIP Loan will enhance the prospects of a viable proposal being made by Printing to its creditors because it will be used by the Company to operate its business, and at the same time, manage and maximize the value of the Property and prepare it for sale.

32. It is contemplated that the charge with respect to the DIP Loan will rank behind the Administration Charge, but ahead of all other creditors. Again, the amount is relatively modest and is designed to show that the Company is trying to be careful with its financial planning and that it is not trying to ask for more than is realistically needed.

33. Because of the current urgent liquidity issues, B & Y advanced funds to us last week in the amount of approximately \$90,000, so that we could fund our payroll and make other urgent payments, prior to our being able to get into court. However, it had previously been discussed between us, and we agreed that any such advances are and were intended to be advances under the

DIP Loan, and we ask that the Court approve such advances, including the most recent \$90,000, as being part of the DIP Loan being requested here, and agree that they will benefit from the DIP Lender's Charge and be given the same priority as any future advances under the DIP Loan being sought.

### **SISP and Stalking Horse**

34. The Company also wishes to obtain the approval of the Court for, and move forward with, a SISP, as soon as possible, with a view of finding a new investor or purchaser for all or part of the Company's business and / or assets (collectively, the "**Assets**").

35. The Company and B & Y have agreed that B & Y shall also submit a stalking horse bid ("**Stalking Horse Bid**") for the purchase of substantially all of the Assets on an "as is, where is" basis. The Stalking Horse Bid will thereby set a minimum "floor" price in respect of the SISP.

36. The Stalking Horse Bid provides for a reasonable purchase price, as determined by the parties herein, and which we expect will be agreed to by the Proposal Trustee, which will include a cash payment, plus the assumption of certain secured debt owing to B & Y in the amount of \$1,800,000.

37. The proposed Stalking Horse Bid has an expense reimbursement of \$75,000. There will be no "break fee" if the Stalking Horse Bid is not the winning bid in the SISP. This is designed to show that the principals of the Company and the related corporations are not trying to add on various and large fees to take additional funds away from the creditors in this proceeding.

38. An initial incremental bid will have to be in the amount of at least \$100,000 to exceed the Stalking Horse Bid, but all subsequent incremental bids can be in amounts of \$25,000, thereby

making the process more accessible to anyone who wishes to make any further bids.

39. The Stalking Horse Bid also contemplates the assumption by B & Y of all employees, the assumption of certain equipment leases to be specified at time of closing, and the purchase of all of the Company's accounts receivables.

40. These terms are reflected in an agreement of purchase and sale for the Assets between the Proposal Trustee and B & Y, which has also set a notional closing date of February 1, 2020 (the "**Stalking Horse Purchase Agreement**").

41. It is proposed that the SISP be run by the Proposal Trustee, who will solicit superior offers for all or a portion of the Assets.

42. I have reviewed the SISP proposed by the Proposal Trustee. The key features of the SISP are as follows:

- a) in collaboration with the Company, the Proposal Trustee will prepare a "teaser" summarizing the opportunity;
- b) the Proposal Trustee will retain a listing agent, and market and solicit offers for the Assets;
- c) the Proposal Trustee will provide each party that signs a non-disclosure and confidentiality agreement with a confidential information memorandum, a proposed form of agreement of purchase and sale, and the opportunity to perform any due diligence deemed appropriate;
- d) the Proposal Trustee will accept Qualified Offers (as defined in the SISP) until

January 15, 2020 (the “**Deadline**”);

- e) if no Qualified Offer greater than the Stalking Horse Bid is received by the Deadline, the SISP shall be terminated, and B & Y shall be declared the successful bidder under the previously court-approved Stalking Horse Purchase Agreement;
- f) it is expected that the parties will return to the Court to obtain an Approval and Vesting Order – or, if B & Y is successful, a Vesting Order – by February 7, 2020; and
- g) the closing of any transaction is anticipated to take place on or before February 1, 2020.

43. In my view, the SISP will allow for the Property to be marketed and sold in a transparent and open matter within a fairly expedited period of time. It will be run by the Proposal Trustee, and management will not be involved in the selection of Qualified Offers. The SISP provides for the general solicitation of bids which allows for sufficient flexibility to ensure that value is maximized for the benefit of the creditors generally.

44. In addition, the Stalking Horse Purchase Agreement will provide stability to the stakeholder community by ensuring that the outcome of the SISP will be a successful purchase of the Assets.

### **Stay Extension**

45. Since the date of the filing of the NOI, Printing has been acting in good faith and with due diligence, and continues to act in this manner in its relationships with its employees and creditors,

and in pursuing a restructuring plan and a sale of the Property.

46. The Company requires additional time to continue its restructuring efforts in order to market and sell the Property with the assistance of the Proposal Trustee, and to formulate and file a proposal for the benefit of its creditors.

47. If the Court approves the DIP Loan and DIP Lender's Charge, the cash flow statement demonstrates that the Company will have sufficient funds to continue to operate and finance the SISF during the proposed extension period.

48. I am also strongly of the view that it is more likely that Printing will be able to make a viable proposal if the extension of time being requested is granted.

49. I am not aware of any creditor that would be materially prejudiced if the stay of proceedings is extended to the requested date. I am also not aware of any party that objects to the proposed extension.

50. As the Company filed its NOI on November 22, 2019, the stay of proceedings is currently set to expire on December 22, 2019. The Company is requesting that the stay of proceedings be extended a further 45 days out, to February 5, 2020.

**SWORN BEFORE ME** at the City of Toronto, in the Province of Ontario, this 11th day of December, 2019.

  
A Commissioner for Taking Affidavits, etc.

*D. ABRAMOWITZ*

  
BASHIR HARB



**TAB 3**

Court File No.: 31-2587191

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

**IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE	)	THURSDAY, THE 20 <sup>TH</sup> DAY
	)	
JUSTICE	)	OF FEBRUARY, 2020

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

**APPROVAL AND VESTING ORDER**

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

**ON READING** the Affidavit of Bashir Harb, sworn February 14, 2020 (the “**Harb Affidavit**”), the Third Report of Crowe Soberman Inc., in its capacity as proposal trustee of the Company (“**Proposal Trustee**”), filed, and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears of the affidavit of service of Ariyana Botejue, filed,

## **SERVICE**

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

## **APPROVAL OF THE TRANSACTION**

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

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

4. **THIS COURT ORDERS** that upon the delivery of a Trustee's certificate to the Purchaser, all of the Company's right, title and interest in and to the Purchased Assets described in the Stalking Horse Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial and monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), other than permitted encumbrances as set out in the Stalking Horse Agreement.

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

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

#### **SEALING OF CONFIDENTIAL EXHIBIT**

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

#### **GENERAL**

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

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

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

fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

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

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**IN BANKRUPTCY AND INSOLVENCY**

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

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

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

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**APPROVAL AND VESTING ORDER**

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**BLANEY MCMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

**David T. Ullmann** (LSO #423571)  
Tel: (416) 596-4289  
Fax: (416) 594-2437  
Email: [dullmann@blaney.com](mailto:dullmann@blaney.com)

**Mervyn D. Abramowitz** (LSO #28325R)  
Tel: (416) 597-4887  
Fax: (416) 593-3396  
Email: [mabramowitz@blaney.com](mailto:mabramowitz@blaney.com)

**Alex Fernet Brochu** (LSO # 77644D)  
Tel: (416) 593-3937 Fax: (416) 596-2140  
Email: [afernetbrochu@blaney.com](mailto:afernetbrochu@blaney.com)

Counsel for Trade Secret Web Printing Inc.

**IN BANKRUPTCY AND INSOLVENCY**

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

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

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

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**MOTION RECORD OF TRADE SECRET WEB PRINTING**  
(Sale Approval - Returnable February 20, 2020)

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**BLANEY MCMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

**David T. Ullmann** (LSO #423571)  
Tel: (416) 596-4289  
Fax: (416) 594-2437  
Email: [dullmann@blaney.com](mailto:dullmann@blaney.com)

**Mervyn D. Abramowitz** (LSO #28325R)  
Tel: (416) 597-4887  
Fax: (416) 593-3396  
Email: [mabramowitz@blaney.com](mailto:mabramowitz@blaney.com)

**Alex Fernet Brochu** (LSO # 77644D)  
Tel: (416) 593-3937  
Fax: (416) 596-2140  
Email: [afernetbrochu@blaney.com](mailto:afernetbrochu@blaney.com)

Counsel for Trade Secret Web Printing Inc.