

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

B E T W E E N:

TEMISKAMING DEVELOPMENT FUND CORPORATION,

Applicant

- and -

1793082 ONTARIO LTD., o/a K.D. QUALITY PELLETS

Respondent

FIRST REPORT OF THE INTERIM RECEIVER

February 8, 2019



**Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario
M5H 3T4**

TABLE OF CONTENTS

INTRODUCTION AND BACKGROUND	1
Initial Application & January 10 th Order	2
Interim Receivership Order.....	4
PURPOSE OF THIS INTERIM RECEIVER’S REPORT	5
SCOPE AND TERMS OF REFERENCE	5
THE INTERIM RECEIVER’S ACTIVITIES.....	6

APPENDICES

Appendix 1	First Report of the Proposed Receiver dated January 7, 2019
Appendix 2	Court Order and Endorsement dated January 10, 2019
Appendix 3	Endorsement dated January 18, 2019
Appendix 4	Interim Receivership Order and Endorsement dated January 22, 2019

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
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B E T W E E N:

TEMISKAMING DEVELOPMENT FUND CORPORATION,

Applicant

- and -

1793082 ONTARIO LTD., o/a K.D. QUALITY PELLETS

Respondent

FIRST REPORT OF THE INTERIM RECEIVER

February 8, 2019

INTRODUCTION AND BACKGROUND

1. This report (the “**Interim Receiver’s Report**”) is filed in connection with an application made to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) by Temiskaming Development Fund Corporation (“**Temfund**” or the “**Applicant**”) seeking an order pursuant to Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990

c. C.43 (the “**CJA**”) appointing Grant Thornton Limited (“**GTL**”) as the receiver and manager (the “**Proposed Receiver**”) over all of the assets, property, and undertakings of 1793082 Ontario Ltd., o/a K.D. Quality Pellets (“**KD Pellets**” or the “**Company**”), substantially in the form included in Temfund’s Initial Application (as defined below) (the “**Appointment Order**”).

Initial Application & January 10th Order

2. On January 9, 2019, Temfund filed an application with the Court (the “**Initial Application**”) seeking, among other things:
 - (a) an order appointing GTL as monitor, without security, over all of the property, assets, and undertakings of the Company;
 - (b) an order appointing GTL as receiver and manager, without security, over all of the property, assets, and undertakings of the Company, the hearing of which to be made on at least seven (7) days’ notice; and
 - (c) an order approving and authorizing a proposed sale process (the “**Sale Process**”) as outlined in a report issued by the Proposed Receiver dated January 7, 2019 (the “**Proposed Receiver’s Report**”), a copy of which is attached hereto as **Appendix “1”**.
3. On January 10, 2019, the Court issued an order (the “**January 10th Order**”) that, among other things:
 - (a) granted Temfund the right to appoint an authorized representative (in such capacities, the “**Representative**”), with respect to its secured interest in the properties, assets, and undertakings (collectively, the “**Property**”) of the Company;

- (b) granted immediate, reasonable and unrestricted access to the premises of the Company at 999582 Highway 11 north, R.R. #2, in the town of New Liskeard, Ontario (the “**Premises**”);
- (c) permitted the Applicant to appoint GTL as its Representative pursuant to the January 10th Order; and
- (d) directed the Company to maintain the Property and the Premises including paying all utilities and insurance payments in respect of same.

A copy of the January 10th Order and corresponding endorsement are collectively attached hereto as **Appendix “2”**.

- 4. On January 15, 2019, pursuant to an engagement letter between GTL and Temfund, GTL was engaged to act in the capacity of Representative on behalf of Temfund in accordance with the January 10th Order.
- 5. Upon its appointment as Representative, GTL engaged in various discussions with Kenneth Andrew Doupe (“**Mr. Doupe**”), the principal of the Company, Evans Bragagnolo & Sullivan LLP (“**EBS LLP**”), the Company’s counsel, and Frank Benincasa (“**Mr. Benincasa**”), President of Bionorth Technology Holdings Corporation (“**Bionorth**”), a secured creditor of the Company. In its discussions with the aforementioned individuals, GTL was made aware of the following:
 - (a) there was no active insurance coverage over the Premises or the property contained therein, in contravention of the January 10th Order;
 - (b) the Company’s hydro provider, Hydro One Networks Inc. (“**Hydro One**”), had repeatedly contacted Mr. Doupe threatening to disconnect and discontinue the hydro services in the absence of payment to Hydro One;

- (c) the hydro account had accumulated approximately six (6) months of arrears in excess of \$50,000, a contravention of the January 10th Order; and
 - (d) the hydro account was in the name of Bionorth, not KD Pellets.
- 6. Furthermore, Mr. Doupe, EBS LLP, and Mr. Benincasa each advised GTL that KD Pellets did not have the funding required to secure the required insurance nor pay the arrears owing to Hydro One. As a result of this information, the Applicant became concerned with the Company's non-compliance with the January 10th Order and the absence of a timeline for which the Company may become compliant.
- 7. As a result of the non-compliance with the January 10th Court Order, specifically the threat of Hydro One disconnecting services, Temfund's counsel, accompanied by a representative from GTL, attended Court on January 18, 2019 on an emergency basis. On that day, the Honourable Justice Mr. McEwen issued an endorsement (the "**Hydro Endorsement**") that, among other things:
 - (a) scheduled a hearing on January 22, 2019 to hear arguments for potential interim relief to be granted to Temfund; and
 - (b) ordered Hydro One to continue to provide ongoing services to the Premises pending the hearing scheduled on January 22, 2019.

A copy of the Hydro Endorsement is attached hereto as **Appendix "3"**.

Interim Receivership Order

- 8. On January 22, 2019, the Court issued an Order (the "**Interim Receivership Order**") that, among other things, appointed GTL as the interim receiver and manager (in such capacities, the "**Interim Receiver**") of the Property. As outlined in paragraph three (3) of the Interim Receivership Order, the Interim Receiver was authorized to take possession

of and exercise control over the Property and perform reasonable steps to protect and preserve same. A copy of the Interim Receivership Order and supporting endorsement is attached hereto as **Appendix “4”**.

9. Additional information regarding the background of the Company are included in the Initial Application and the Proposed Receiver’s Report.

PURPOSE OF THIS INTERIM RECEIVER’S REPORT

10. The purpose of this Interim Receiver’s Report is to provide this Court with an overview of the activities of GTL in its role as Interim Receiver in these proceedings (the “**IR Proceedings**”).

SCOPE AND TERMS OF REFERENCE

11. Certain information contained in this Interim Receiver’s Report has been obtained from the records of the Company, publicly available information, and/or is based on discussions with, and representations made by, Mr. Doupe, EBS LLP, Mr. Benincasa, other creditors of the Company, and professional advisors retained in this matter. The information has not been audited by the Interim Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”) and the reader is therefore cautioned that this Interim Receiver’s Report may not disclose all significant matters about the Company.
12. This Interim Receiver’s Report has been prepared for the use of this Court and the Company’ stakeholders as general information relating to the Company and to assist the Court in making a determination of whether to approve the relief sought by the Applicant. Accordingly, the reader is cautioned that this Interim Receiver’s Report may not be

appropriate for any other purpose. The Interim Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction or use of this Interim Receiver's Report. Any use that a party makes of this Interim Receiver's Report, or any reliance on or decisions to be made based on it, is the responsibility of such party.

13. A copy of this Interim Receiver's Report and other relevant documents with respect to these IR Proceedings are available on the Interim Receiver's case website: www.GrantThornton.ca/KDQP (the "**Case Website**").
14. Capitalized terms not defined in this Interim Receiver's Report have the meanings ascribed to them in the Initial Application and/or the Proposed Receiver's Report.
15. All references to dollars are in Canadian currency unless otherwise noted.

THE INTERIM RECEIVER'S ACTIVITIES

16. Since the date upon which the Interim Receiver was appointed, the Interim Receiver's activities, in addition to those discussed throughout this Interim Receiver's Report, have included, among other things:
 - (a) corresponding with Hydro One and opening a new account under the Interim Receiver's name for the payment of services for the period after the Interim Receivership Order;
 - (b) obtaining sufficient insurance coverage for the Premises, effective the date of the Interim Receivership Order;
 - (c) gaining entry to the Premises and engaging a locksmith to have the locks changed on the buildings to secure the assets contained therein;

- (d) contacting a licensed plumber to repair a pipe that fed the sprinkler systems in the main building that had burst on the morning of January 23, 2019;
- (e) placing notices of the on all access points to the Premises notifying the public of the IR Proceedings;
- (f) confirming the presence of an alarm system and ensuring that such alarms were switched into the Interim Receiver's name and all prior access codes were deregistered;
- (g) identifying all bank accounts held by the Company, providing such institutions with a copy of the Interim Receivership Order, and advising same to freeze accounts;
- (h) securing snow plow services to ensure the Premises remains accessible;
- (i) engaging a third party to attend the Premises on a daily basis for the purposes of maintaining the Property, involving, among other things: (i) checking the electrical breakers that keep the sprinkler system active; (ii) monitoring the pressure of the fire suppression system; (iii) ensuring the surrounding temperature of the buildings are above freezing; and (iv) running a diesel operated floor heater to assist in temperature regulation as required.
- (j) corresponding with stakeholders of KD Pellets regarding various matters with respect to these IR Proceedings;
- (k) maintaining a public website (i.e. the Case Website) for the IR Proceedings in accordance with the Commercial List E-Service Protocol, including, copies of motion materials, reports, orders, notices, etc.; and
- (l) preparing this Interim Receiver's Report.

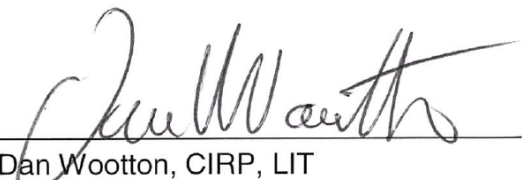
17. The Interim Receiver's primary focus, as outlined in the Interim Receivership Order, has been to take possession of, and exercise control over, the Property and any and all proceeds, receipts, and disbursements arising out of or from the Property. With a view to maintaining this limited role, the Interim Receiver has:
- (a) not employed any of KD Pellets' previous employees;
 - (b) not carried on or made any decisions with respect to the Company's business operations;
 - (c) not terminated, abandoned or disclaimed any of the Company's contracts; and
 - (d) not settled, extended or compromised any indebtedness owing to KD Pellets.
18. Since the issuance of the Interim Receivership Order, the Interim Receiver has been contacted by various parties in connection with a potential purchase of the Company and/or settlement of certain debt owed to certain of the Company's creditors. The Interim Receiver has advised such parties of its limited capacity as Interim Receiver and has encouraged them to reach out directly to the Applicant's counsel with any proposals.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 8th day of February, 2019.

GRANT THORNTON LIMITED,

*solely in its capacity as the Court-appointed interim receiver
and manager of 1793082 Ontario Ltd., o/a K.D. Quality Pellets
and not in its personal or corporate capacity*

Per: _____


Dan Wootton, CIRP, LIT
Senior Vice-President

APPENDIX 1

[ATTACHED]

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

BETWEEN:

TEMISKAMING DEVELOPMENT FUND CORPORATION,

Applicant

- and -

1793082 ONTARIO LTD., o/a K.D. QUALITY PELLETS

Respondent

**REPORT OF GRANT THORNTON LIMITED,
THE PROPOSED RECEIVER**

January 7, 2019



**Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario
M5H 3T4**

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE OF THIS REPORT.....	1
SCOPE AND TERMS OF REFERENCE	2
BACKGROUND	3
PROPOSED SALES PROCESS	3
Phase 1: Preparation – Time Frame: 1-2 weeks	5
Phase 2: Marketing – Time Frame: 4-6 weeks.....	5
Phase 3: Entering into APA – Time Frame: 2-3 weeks	6
CONCLUSION AND RECOMMENDATION	7

APPENDICES

Appendix 1 GTL's Consent to act as receiver dated December 20, 2018

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
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B E T W E E N:

TEMISKAMING DEVELOPMENT FUND CORPORATION,

Applicant

- and -

1793082 ONTARIO LTD., o/a K.D. QUALITY PELLETS

Respondent

**REPORT OF GRANT THORNTON LIMITED,
THE PROPOSED RECEIVER**

January 7, 2018

INTRODUCTION AND PURPOSE OF THIS REPORT

1. This report (the “**Proposed Receiver’s Report**”) is filed in connection with an application made to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) by Temiskaming Development Fund Corporation. (“**Temfund**”) seeking an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act (Canada)* (the “**BIA**”) and section 101 of the *Courts of Justice Act (Ontario)* (the “**CJA**”) appointing Grant Thornton Limited (“**GTL**”) as the receiver (the “**Proposed Receiver**”) over all of the assets, property and

undertaking of 1793082 Ontario Ltd., o/a K.D. Quality Pellets (“**KD Pellets**” or the “**Company**”), substantially in the form included in Temfund’s application record (the “**Appointment Order**”).

2. The purpose of this Proposed Receiver’s Report is to seek the approval of a sale process should the Appointment Order be granted.

SCOPE AND TERMS OF REFERENCE

3. Certain information contained in this Proposed Receiver’s Report has been obtained from the records of the Company, publicly available information, and/or is based upon discussions with, and representations made by, other creditors of the Company and professional advisors retained in this matter. The information has not been audited by the Proposed Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally acceptable accounting principles and the reader is therefore cautioned that this Proposed Receiver’s Report may not disclose all significant matters about the Company.
4. This Proposed Receiver’s Report has been prepared for the use of this Court and the Companies’ stakeholders as general information relating to the Company and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Proposed Receiver’s Report may not be appropriate for any other purpose. The Proposed Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction or use of this Proposed Receiver’s Report. Any use that a party makes of this Proposed Receiver’s Report, or any reliance on or decisions to be made based on it, is the responsibility of such party.

5. A copy of this Proposed Receiver's Report and other relevant documents with respect to these proceedings will be made available on the Proposed Receiver's website at: www.GrantThornton.ca/kdgp, if appointed.
6. Capitalized terms not defined in this Proposed Receiver's Report have the meanings ascribed to them in the application record filed by Temfund.
7. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

8. The Company's business is in the manufacture and wholesale of wood pellets, which are sold to commercial and residential customers for heat and power generation. The Company operated from a Company-owned facility in New Liskeard, Ontario. The Proposed Receiver understands that the Company has not been operating for some time, has little to no active employees and significant debts relative to the size of the business and asset values.
9. The Proposed Receiver, if appointed, would seek to implement an immediate sale process so as to reduce the amount of time before a sale transaction could be completed and in order to make distributions to creditors with proven claims pursuant to the legal priority of claims. In addition, the Proposed Receiver understands that there may be challenges with respect to current insurance coverage and utility services. A further reason to consider approving a sale process would be to take advantage of any Court appearances and reduce the overall administrative costs of a receivership proceeding.

PROPOSED SALE PROCESS

10. Pursuant to the Appointment Order, the Proposed Receiver (if appointed, the **"Receiver"**) would be authorized to, among other things, market and sell the Property (as defined

herein) of the Company. In an effort to manage time and costs, the Proposed Receiver is seeking approval of its proposed sale process ("**Sale Process**") at the same time as the Appointment Order, if granted.

11. The proposed Sale Process has been designed to market the Company's right, title and interest, if any, in the inventory, manufacturing equipment, warehouse equipment, real property, books and records, and intellectual property including any Company owned patents, web site, and customer lists, among other things (collectively, the "**Property**"). The Receiver's objective would be to seek a buyer who will consider operating the business as a turnkey investment opportunity as opposed to a liquidation of the equipment assets, where possible. In the Proposed Receiver's view, this would provide for the highest value and recovery to the Company's creditors.
12. In summary, the proposed Sale Process would be a public sale and will be conducted in the following manner:
 - (a) The Property will be marketed for sale on an "as is, where is" basis.
 - (b) The Receiver shall be under no obligation to accept the highest or best offer and the acceptance of any offer shall be in the discretion of the Receiver however the Receiver may consult with the Company's senior secured creditors.
 - (c) The Receiver may, in its discretion, extend the deadline for offers if it considers it to be appropriate or necessary in the circumstances.
 - (d) Offers must be accompanied with a deposit equal to at least 10% of the offer price.
 - (e) If deemed appropriate, the Receiver may prepare a form of an agreement of purchase and sale (the "**APS**") to be used by all prospective bidders. Bidders will then be able to submit their offers in the form of the APS and be able to provide a blackline to the APS with any proposed changes or conditions.

- (f) The final sale agreement will be subject to Court approval.

Phase 1: Preparation – Time Frame: 1-2 weeks

13. During Phase 1 the Receiver will:

- (a) Finalize its review and assessment of the Company's Property for the purposes of preparing an information memorandum for prospective purchasers.
- (b) Prepare a form of solicitation letter or email summarizing the Sale Process and soliciting parties to express their interest in same.
- (c) Prepare a form of non-disclosure agreement (the "**NDA**") to be executed in order to obtain information that is not included in the information memorandum and to further participate in the Sale Process.
- (d) Prepare a data room, if deemed appropriate, (the "**Data Room**") containing, among other things, financial information, any relevant agreements, customer information, real property information, and any other information to be shared with prospective purchasers subsequent to receiving an executed NDA.
- (e) Identify and prepare a list of potential purchasers for the Company's Property ("**Potential Purchasers**").

Phase 2: Marketing – Time Frame: 4-6 weeks

14. During Phase 2 the Receiver will:

- (a) Circulate the solicitation Letter/email and NDA to the Potential Purchasers where such Potential Purchasers will include both regional and national buyers. The solicitation letter may indicate that offers which provide for the continued operation

of the Company's Property at its current premises will be viewed as a positive term within their offer.

- (b) Directly communicate with industry participants who have expressed an interest in or who the Receiver believes may have an interest in the Company's Property/operations.
- (c) Advertise the sale of the Company's Property in a Canadian national newspaper.
- (d) Allow any Potential Purchasers who execute the NDA to access the Data Room.
- (e) Coordinate site visits for Potential Purchasers to inspect the Property and facilitate Potential Purchaser's due diligence generally.
- (f) Maintain the Data Room.
- (g) Collect offers from Potential Purchasers by a bid deadline date (which will be set upon the completion of Phase I but will at a minimum provide for at least a 30 day due diligence period from when the first solicitation letters are sent to Prospective Purchasers.

Phase 3: Entering into APA – Time Frame: 2-3 weeks

15. During Phase 3 the Receiver will:

- (a) Review all offers submitted in Phase 2 and, where appropriate, discuss the results of the initial sale process with the senior secured creditors of the Company.
- (b) The Receiver may ask some or all of the offerors to re-submit offers for subsequent rounds of offers. In such a case, the Receiver will, where appropriate, discuss the results of the sale process with the senior secured creditors of the Company.

- (c) The receiver will select the offer that represents the best offer and will negotiate the terms of a final sale agreement which will be subject to Court approval.
 - (d) Once a sale agreement is approved by the Court, the Receiver will work to efficiently close the transaction as soon as possible and based on the terms of the sale agreement.
16. It is likely that the Receiver will not be operating the Company's business and as a result, a longer sale process may not provide for any greater net recovery to the Company's creditors.
17. The Proposed Receiver has shared its proposed Sale Process with Temfund who is supportive of the Sale Process steps and timeline.
18. The Proposed Receiver has engaged Cassels Brock and Blackwell LLP ("**Cassels**") as its independent counsel, and if appointed as receiver, Cassels will provide an independent opinion on the validity of the security of any of the senior secured creditors who will receive a portion of the net sale proceeds.

CONCLUSION AND RECOMMENDATION

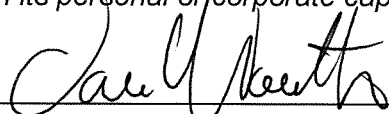
19. The Proposed Receiver respectfully requests that this Court approve of the Sale Process as set out in this Proposed Receiver's Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 7th day of January, 2019.

GRANT THORNTON LIMITED,

*solely as the proposed receiver of the Respondent
and not in its personal or corporate capacity*

Per: _____


Dan Wootton, CIRP, LIT
Senior Vice-President

APPENDIX 2

[ATTACHED]

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE JUSTICE
MCEWEN

)
)
)

THURSDAY, THE 10TH DAY
OF JANUARY, 2019



BETWEEN

TEMISKAMING DEVELOPMENT FUND CORPORATION

Applicant

-and-

1793082 ONTARIO LTD. o/a K.D. Quality Pellets

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

ORDER

THIS APPLICATION made by the Applicant, Temiskaming Development Fund Corporation (“Temfund”), for an Order pursuant to Subsection 243(1) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”), and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended (“CJA”) granting the Applicant the right to appoint an authorized representative (in such capacities, the “Representative”), with respect to its secured interest in the properties, assets and undertakings (the “Property”) of 1793082 Ontario Ltd. o/a K.D. Quality Pellets (the “Debtor”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Dalton Potter sworn January 8, 2019 and the exhibits thereto, and on hearing the submissions of counsel for Temfund and such other parties in attendance at the hearing as indicated on the Counsel Slip, no one appearing for any other party, filed;

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of application and the application record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

MAINTENANCE OF THE PROPERTY AND PREMISES

2. **THE COURT ORDERS** that the Debtor is required to maintain the Property and the Premises (as defined below) including paying all utilities and insurance payments in respect of the Property and the Premises until further order of the Court;

3. **THIS COURT ORDERS** that the Applicant shall have immediate, reasonable and unrestricted access to the premises located at the address municipally known as 999582 Highway 11 North, R.R. #2, in the town of New Liskeard, Ontario, postal code P0J 1P0 (the "Premises").

4. **THE COURT ORDERS** that the Applicant may, at its own cost, appoint Grant Thornton Limited ("GTL") as Representative to gain access and inspect the Premises and the Property.

GENERAL

5. **THIS COURT ORDERS** that the Applicant be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Representative is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

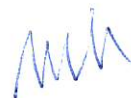
6. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Applicant and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in black ink, appearing to be 'McEwen', written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 10 2019

PER / PAR:

A handwritten signature in blue ink, appearing to be 'Mh', written next to the 'PER / PAR:' label.

TEMISKAMING DEVELOPMENT
FUND CORPORATION

v.

1793082 ONTARIO LTD.

Court File No.: CV- 19-00612265-0000

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

ORDER

GUARDIAN LEGAL CONSULTANTS LLP
133 Richmond Street West, Suite 200
Toronto, Ontario M5H 2L3

Daniel Perlin (64194G)
Tel: 647-983-3310
Fax: 647-499-4307

Jasdeep Bal (62102A)
Tel: 647-983-3309
Fax: 647-499-4307

Lawyers for the Applicant

Court File Number: CV-19-612265-0000

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Temiskaming Delégation
AND

Plaintiff(s)

1793082 Ontario Ltd.

Defendant(s)

Case Management ☐ Yes ☒ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
D. Perlin / T. Bel - Applicant		
M. Sassi - Proposed Monitor		

- ☒ Order ☐ Direction for Registrar (No formal order need be taken out)
☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- ☐ Adjourned to: _____
☐ Time Table approved (as follows): _____

Applicant brings this Application on an ex parte basis seeking the appointment of the Monitor. The ex parte basis is in

The draft order provided seeks fairly wide-ranging relief, some of which seems inapplicable to the Respondent which apparently ceased operations in early 2016.

10 Jan 19

Date

M. Sassi

Judge's Signature

☒ Additional Pages 3

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

The major concern of the Appellant is that the physical plant and equipment could be seriously and permanently damaged if proper heating, maintenance and other services are not maintained over the winter.

This may be a valid concern given that the Pesps have failed to honour debt obligations and pay property taxes over a significant period of time.

The Pesp's sol, however, in his Dec 19/18 correspondence has indicated that the Pesp is pursuing financing.

In all of these circumstances I am of the view that it is premature to appoint a monitor. I am prepared however to order that the Pesp ensure that the facilities are properly maintained (including heat, security and other necessary services)

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

at its own expense on an interim basis, pending further order of the Court.

I am further ordering that the Resp immediately provide access to a representative of the Applic to the facility for ~~an~~^{an} reasonable inspections.

If problems are identified the matter can return before me on an expedited basis.

The overarching purpose of these Order is to preserve the integrity of the premises without the necessity of appointing Court officers at this time. This will allow the parties and other stakeholders to be served with the Applicant's materials and either resolve any differences or return to the Court.

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

I will hear any further motions
if available but I am not
seized:

Applicants Counsel are to provide
a copy of this endorsement to
all affected persons.

The order shall be as per
the draft filed & signed. I have
accepted that GTL is a suitable
representative if the Applicant wishes to
engage their services.

McE...

APPENDIX 3

[ATTACHED]

Court File Number: CV-19-612265-0000

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Temiskaming Development
Plaintiff(s)
AND
1793082 Ontario Ltd
Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
D. Pelin - Applicant		

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- ☐ Adjourned to: _____
☐ Time Table approved (as follows): _____

Applicant attends today again on an ex parte basis. Counsel and Mr Jason Knight of Grant Thornton spoke to matter.

I am advised that they have confirmed via Mr Doupe that there is no insurance on the premises and that hydro is in arrears to approximately ~~the~~ \$54,000.00 owing.

18 Jan 19

Date

McEust

Judge's Signature

☒ Additional Pages ✓

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

Hydro¹ is actively threatening to cut off services to the premises. This is of particular concern given the pending weather forecast which predicts extreme cold weather.

In these circumstances I am prepared to hear this matter on Tuesday ~~Jan~~ 22/10th on an urgent basis to deal with issues surrounding premises security, insurance and services.

In the interim I am ordering that Hydro continue to provide ongoing services pending the hearing and further order by me. I am reluctant to do so but given the weather forecast and amount of arrears I see little prejudice and the risk of damage to the premises and equipment as

1. Hydro one Networks Inc

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

real and immediate

I should note that the lot secured² has paid the Hydro expenses in the past, but is not currently doing so and has not committed to do so at this time.

Applicants counsel will put all interested persons on notice of the Jan 22/19 motion date. They will also provide all interested persons with a copy of this endorsement.

Applicants will also serve a Notice of Motion today so that the interested persons are aware of the relief sought.

McEnt

APPENDIX 4

[ATTACHED]

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

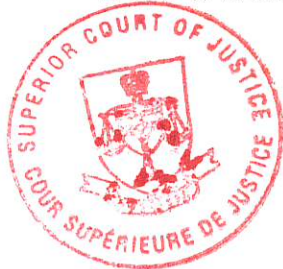
THE HONOURABLE
T. MCEWEN

)
)
)

TUESDAY, THE 22ND DAY

OF JANUARY, 2019

BETWEEN



TEMISKAMING DEVELOPMENT FUND CORPORATION

Applicant

-and-

1793082 ONTARIO LTD. o/a K.D. Quality Pellets

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

ORDER
(Interim Receiver)

THIS APPLICATION made by the Applicant, Temiskaming Development Fund Corporation ("Temfund"), for an Order pursuant to Subsection 243(1) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended ("CJA") appointing Grant Thornton Limited ("GTL") as Interim Receiver and manager (in such capacities, the "Interim Receiver"), without security, of all of the properties, assets and undertakings of 1793082 Ontario Ltd. o/a K.D. Quality Pellets (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Dalton Potter sworn January 8, 2019 and the exhibits thereto, filed, and on reading the Endorsement and Order of the Honourable Justice McEwen made in this proceeding on January 10, 2019 and the Endorsement of Justice McEwen made in this proceeding on January 18, 2019, and on reading the pre-filing report of GTL dated January 7, 2019 and the Affidavit of Dalton Potter sworn on January 21, 2019, and on hearing the submissions of counsel for Temfund and such other parties in attendance at the hearing as indicated on the Counsel Slip;

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, the appointment of GTL as Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

INTERIM RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Interim Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (e) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters relating to the Property and the Interim Receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (f) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (g) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. **THIS COURT ORDERS** that: (i) the Debtor; (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant

immediate and continued access to the Property to the Interim Receiver, and shall deliver all such Property to the Interim Receiver upon the Interim Receiver's request.

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

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

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor, or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on; (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE INTERIM RECEIVER

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

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor, or statutory or regulatory mandates for the supply of goods and/or services, including,

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

12. The account for hydro with Hydro One Networks Inc. bearing account number 2002 089 29075 presently held in the name of Bionorth Technology Group is hereby ordered to be closed effective January 22, 2019 and Grant Thornton Limited, in its capacity as interim receiver of 1793082 Ontario Ltd. o/a K.D. Quality Pellets shall immediately open a new account with Hydro One Networks Inc. for the premises located at 9560 Pellet Road, Harley Township, New Liskeard, Ontario and shall assume responsibility for the new account effective January 22, 2019.

INTERIM RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Interim Receiver (the "Post Interim Receivership Accounts") and the monies standing to the credit of such Post Interim Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Interim Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

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

INTERIM RECEIVER'S ACCOUNTS

16. **THIS COURT ORDERS** that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "Interim Receiver's Charge") on the Property, as security for such fees and disbursements,

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

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

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

FUNDING OF THE RECEIVERSHIP

19. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Interim Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. **THIS COURT ORDERS** that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Interim Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

22. **THIS COURT ORDERS** that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

23. **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 ~~to be established by the Interim Receiver and provided to all affected persons.~~ *ma*

24. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Interim Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day

following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

27. **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 Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

28. **THIS COURT ORDERS** that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. **THIS COURT ORDERS** that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

30. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 22 2019

PER / PAR: *RW*

SCHEDULE "A"

INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited, the interim receiver and manager (the "Interim Receiver") of the assets, undertakings and properties 1793082 Ontario Ltd. o/a K.D. Quality Pellets (the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of January, 2019 (the "Order") made in an action having Court file number ____-CL-_____, has received as such Interim Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Interim Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

GRANT THORNTON LIMITED, solely in its
capacity as Receiver of the Property, and not in
its personal capacity

Per: _____
Name:
Title:

TEMISKAMING DEVELOPMENT
FUND CORPORATION

v. 1793082 ONTARIO LTD.

Court File No.: CV-19-00612265-0000

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

**ORDER
(Interim Receiver)**

GUARDIAN LEGAL CONSULTANTS LLP
133 Richmond Street West, Suite 200
Toronto, Ontario M5H 2L3

Daniel Perlin (64194G)
Tel: 647-983-3310
Fax: 647-499-4307

Jasdeep Bal (62102A)
Tel: 647-983-3309
Fax: 647-499-4307

Lawyers for the Applicant

TEMISKAMING DEVELOPMENT
FUND CORPORATION

v.

1793082 ONTARIO LTD

Court File No: CV-19-00012265-0000

Applicant

Respondent

Jan. 22/19

22 Jan 19

Order appointing Interim
Receiver to go as per ~~per~~ draft
Filed & signed as amended.
Over the debtor's inability to
ensure the integrity of the premises the
order sought is reasonable. The
Applic. is the first secured creditor
and entitled to ensure the premises
remain secure.

No one opposed today. The
matter will return on Feb 12/19 w
respect to the motion to appoint a
full-blown receivership.

McE

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD

GUARDIAN LEGAL CONSULTANTS LLP

133 Richmond Street West, Suite 200
Toronto, Ontario M5H 2L3

Daniel Perlin (64194G)

Tel: 647-983-3310

Fax: 647-499-4307

Jasdeep Bal (62102A)

Tel: 647-983-3309

Fax: 647-499-4307

Lawyers for the Applicant/Moving Party

