Court File No.: CV-16-11369-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and –

1299746 ONTARIO INC. o/a COMPUQUEST2000
AND 2252709 ONTARIO INC.

Respondent

FIRST REPORT OF THE INTERIM RECEIVER
MAY 13, 2016

Grant Thornton

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

TABLE OF CONTENTS

INDEX OF APPENDICES

Court File No.: CV-15-11046-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

1299746 ONTARIO INC. o/a COMPUQUEST2000
AND 2252709 ONTARIO INC.

Respondent

FIRST REPORT OF THE INTERIM RECEIVER

MAY 13, 2016

INTRODUCTION AND BACKGROUND

1. This report (the "**First Report**") is being filed by Grant Thornton Limited ("**GTL**") in its capacity as the Interim Receiver (the "**Interim Receiver**") of 1299746 Ontario Inc. o/a Compuquest2000 ("**Compuquest**") and 2252709 Ontario Inc. ("**225**") (collectively, the "**Debtors**"). The Interim Receiver was appointed pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated April 29, 2016, (the "**IR**

Order") upon application by Canadian Imperial Bank of Commerce ("**CIBC**"). A copy of the IR Order is attached hereto as **Appendix "A"**.

PURPOSE OF THE FIRST REPORT

2. The purpose of the First Report is to update the Court on the status of the Debtors' business and the Interim Receiver's actions to date.

SCOPE AND TERMS OF REFERENCE

3. In preparing this First Report, the Interim Receiver has relied upon certain unaudited financial information, the limited available records of the Debtors and emails exchanged with Gary Bodimeade ("**Management**"). While the Interim Receiver has reviewed various documents provided by the Debtors, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Interim Receiver expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

4. This First Report has been prepared for the use of this Court and the Debtors' stakeholders as general information relating to the Debtors. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Interim Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

5. Capitalized terms not defined in this First Report are as defined in the IR Order. All references to dollars are in Canadian currency unless otherwise noted.

6. Copies of this First Report and all Orders and Endorsements issued in these proceedings will be available on the Interim Receiver's website at: http://www.grantthornton.ca/Compuquest.

THE INTERIM RECEIVER'S ACTIVITIES

7. Since the IR Order, the Interim Receiver has performed the following activities with respect to the interim receivership proceedings (the "**IR Proceedings**"):

(a) attended at 1935 Silicone Drive, Pickering, the premises of the Debtors (the "**Premises**"). Since the Interim Receivership Order, no representative of the Debtors has returned to the premises, nor have they requested access to the Premises by the Interim Receiver, despite the Interim Receiver's offer to do so;

(b) secured the Premises by changing the locks;

(c) reviewed Compuquest's books and records at the Premises on April 29, 2016;

(d) sent a request for bank accounts to be frozen at TD Bank ("**TD Bank**") which accounts were opened by the Debtors in March 2016;

(e) sent various information requests to Management, including a request to disclose the whereabouts of over twenty-five vehicles and heavy equipment not found on the Premises that were purchased or leased as identified in PPSA searches;

(f) requested three employees/contractors to return company vehicles in their possession;

(g) sent requests to the secured parties listed on the PPSA to provide details of the purchase or lease of the respective assets over which they had registered security;

(h) advised tenants of 225 of the IR Order and instructed them to send future rental payments for their units to the Interim Receiver, care of 225;

(i) engaged in discussions with the Debtors' employees relating to the status of unpaid wages that were owing;

(j) contacted the Debtors' insurer to determine the status of coverage in effect and to obtain a list of the Debtors assets being insured;

(k) arranged access to a tenant so they could ship their inventory stored within Compuquest's warehouse; and,

(l) responded to numerous inquiries and requests for information from stakeholders of the Debtors, including CIBC and employees.

INFORMATION RECEIVED TO DATE

8. Prior to its appointment as Interim Receiver, GTL was engaged by CIBC to act as a consultant to review the Debtors' financial affairs. GTL, as consultant, requested of Management a site meeting, which eventually took place on April 15, 2016 although Management did not attend. On April 18, 2016 an email was sent by GTL to Management with a document request list of seventeen items, a copy of which is attached as **Appendix "B"**. Prior to the appointment of the Interim Receiver, Management had only provided information on five items. Since the appointment of the Interim Receiver, no further information has been provided.

9. The Interim Receiver has requested information relating to the whereabouts of the Debtors' assets. The majority of the assets have, according to Management, either been sold or returned to the respective secured creditors prior to the IR Order. Attached as **Appendix "C"** are responses from Management relating to the whereabouts of those assets.

10. The Interim Receiver also has made a request and received passwords to Compuquest's computer network and accounting software.

OVERVIEW OF THE DEBTOR'S ASSETS AND BUSINESS OPERATIONS

11. 225 owns the Premises. It leases space to Compuquest and three other tenants, however, we have not seen an intercompany lease between Compuquest and 225.

12. Compuquest engages in the purchase of second hand computer and electronic hardware and resells product as either refurbished complete units or cannibalises key parts for resale to end users or other distributors and retailers.

13. Management has confirmed to the Interim Receiver that Compuquest has no product to ship. Furthermore, there are no material funds in any of the Debtors' bank accounts. This information, together with the fact that no one has returned to work since the IR Order would indicate that there does not appear to be any prospect of Compuquest carrying on ongoing business operations.

OVERVIEW OF DEBTORS' FINANCIAL POSITION

14. The financial information provided by the Debtors to the Interim Receiver has been very limited. Based on the information found and made available, the Interim Receiver believes there has been limited business operations of Compuquest for several months as there has been limited inventory received or sold. In what appears to be mid-March 2016, the Company opened bank accounts at TD Bank (Contrary to its credit agreement with CIBC) and diverted at least one account receivable and other deposits which would otherwise have been subject to the security of CIBC. The funds in the TD accounts were largely depleted by Compuquest prior to the IR Order.

15. The declining performance of Compuquest, together with the diversion of proceeds to the TD Bank account, has eroded CIBC's security position dramatically. Accounts receivable reported by Compuquest on December 31, 2015 was approximately $3.5 million. As at April 26, 2016, the balance was approximately $282,000. The Debtors were delinquent in their reporting to CIBC since December 2015.

16. We have not yet obtained sufficient detail supporting the decline in accounts receivable from January 1, 2016 to April 29, 2016. We are currently awaiting receipt of bank statements from TD Bank to reconcile the balances. At this stage, we have obtained from the Debtors' records a copy of a TD Bank slip evidencing $88,084.63 USD was collected and deposited on April 28, 2016 and on April 28, 2016, an outgoing

wire transfer in the amount of $52,350 USD was made to one of Compuquest's suppliers. Attached as **Appendices "D & E"** are copies of the deposit and wire transfers made on April 28, 2016.

17. The inventory on site when the Interim Receiver secured the Premises on April 29, 2016 does not appear to have materially changed since GTL's initial visit as consultant on April 15, 2016. GTL was advised by Compuquest staff on April 15, 2016 that inventory had a value of less than $50,000. According to the Debtors' accounting system, the inventory has a value of approximately $1,063,000, and there are approximately $34 million in undeposited funds. The Interim Receiver has no evidence with respect to the claimed inventory balance or the undeposited funds. Attached as **Appendix "F"** is a copy of the internal balance sheet generated from the Compuquest accounting system.

18. There does not appear to be any material fixed assets at the Debtors' Premises.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
in its capacity as Court-appointed
Interim Receiver of the Debtors
and not in its personal or corporate capacity

Per:

Jonathan Krieger, CPA, CA, CIRP
Senior Vice-President

Appendix A

Court File No. CV-16-11369-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 29TH
	)	
JUSTICE MESBUR	)	DAY OF APRIL, 2016

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

1299746 ONTARIO INC. o/a COMPUQUEST2000 and
2252709 ONTARIO INC.

Respondents

ORDER
(appointing Interim Receiver)

THIS APPLICATION made by Canadian Imperial Bank of Commerce ("**CIBC**") for an Order pursuant to subsection 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Grant Thornton Limited ("**GTL**") as interim receiver (in such capacity, the "**Interim Receiver**") without security, of all the assets, undertakings and properties of 1299746 Ontario Inc. o/a CompuQuest2000 (the "**Debtor**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Douglas MacLaine sworn April 28, 2016 and the exhibits thereto, the consent of GTL to act as the Interim Receiver, and on hearing the submissions of counsel for CIBC, no one appearing for the respondents although properly served as shown in the affidavit of service of Miranda Spence sworn April 28, 2016,

SERVICE

1. **THIS COURT ORDERS** that the time for service 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.

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to subsection 47(1) of the BIA and section 101 of the CJA, GTL is hereby appointed 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

2. **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 monitor the Debtor's receipts and disbursements, including, without limitation, the right to access all information relating to the Debtor's accounts or finance activities at any financial institution;

   (b) to 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 investigate and prepare a financial report as to the operations of the Debtor which will include the assets, liabilities and disposition of all Property for the twelve (12) month period preceding the date of this Order;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to summarily dispose of the Property that is perishable or likely to depreciate rapidly in value;

(f) to establish a separate bank account for the benefit of the Debtor, for the deposit of funds received by the Debtor after the date of this Order;

(g) to conduct examinations, if deemed necessary, including, without limitation, an examination of Gary Wayne Bodimeade;

(h) 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; and

(i) 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

3. **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.

4. **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, 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 4 or in paragraph 5 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.

5. **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.

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

7. **THIS COURT ORDERS** that any tenants of the Debtor are hereby directed to make payments of rent directly to the Debtor's deposit account at CIBC, or alternatively, to the Interim Receiver, in trust.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the 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

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the 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

10. **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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on; (ii) exempt 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

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtor 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 Debtor, or as may be ordered by this Court.

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

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act.*

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the 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

17. **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

18. **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.

19. **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.

20. **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.

SERVICE AND NOTICE

21. **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/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.grantthornton.ca/compuquest2000.

22. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any

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

GENERAL

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

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

25. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the 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.

26. **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.

27. **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.

28. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the 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.

Mesbur J.

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

APR 2 9 2016

PER / PAR: RW

CANADIAN IMPERIAL BANK OF COMMERCE - and - 1299746 ONTARIO INC. O/A COMPUQUEST2000 ET AL.

Court File No. ____________________

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)
Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

Lawyers for Canadian Imperial Bank of Commerce

25755755.3

Appendix B

Oros, Jan

From: Krieger, Jonathan
Sent: Monday, April 18, 2016 3:55 PM
To: Gary Bodimeade
Cc: Alan Hogan; Oros, Jan
Subject: Compuquest

Hi Gary,

We will require the following preliminary documents as soon as possible:

1. Current detailed aged accounts receivable list (previously requested)
2. Current detailed aged inventory list (previously requested)
3. Current aged A/P list (previously requested)
4. Last filed tax return for each company and Notice of Assessment
5. External financial statements for each of the companies subject to our appointment
6. Interim financial statements for first three months of 2016
7. Last HST return for each company
8. Statement of Account from CRA on status of taxes paid
9. Details of the leases to tenants on the building and copies of the leases
10. Any appraisals on the building and equipment
11. Details of any litigation where the companies are acting as either a plaintiff or defendant
12. Confirmation of payroll remittances for employees
13. List of employees and position
14. Details of leases of vehicles/equipment and copies of the leases
15. Cash flows for each of the companies over the next three months
16. List of any bank accounts or investments held outside of CIBC
17. Copies of any supply or customer contracts or master agreements

While there are some items on the list which may take some time to compile, please provide the A/R, inventory and A/P information as an urgency. Thank you for your assistance. Please copy my associate Jan Oros on any information forwarded.

Jon

From: Gary Bodimeade [mailto:garyb@compuquest2000.com]
Sent: Monday, April 18, 2016 12:36 PM
To: Krieger, Jonathan
Cc: Alan Hogan
Subject: Reports

Hi Jonathon,

I was in the office yesterday getting some paper work caught up, I should be able to provide the requested documents by tomorrow at the latest. Please let me know if there is anything else you require?

Thank you

Gary Bodimeade

CQ2K

1935 Silicone Drive

Pickering, Ontario, Canada

Email: garyb@compuquest2000.com

Im: garyb@compuquest2000.com

"Celebrating our 17th year in business"

Appendix C

Oros, Jan

From: Gary Bodimeade <garyb@compuquest2000.com>
Sent: Wednesday, May 11, 2016 1:01 PM
To: Oros, Jan
Subject: Re: New Holland Tractor

Hi Jan,

the tractor was picked up 2 weeks ago by the financing company.

On Tue, May 10, 2016 at 11:56 AM, Oros, Jan <Jan.Oros@ca.gt.com> wrote:

Hi Gary,

Can you advise the whereabouts of this piece of equipment? See attached.

Thanks

Jan Oros | Manager
Grant Thornton Limited
11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4
T +1 416 360 5023 | **C** +1 416 899 2717 | **F** +1 416 360 4949
E Jan.Oros@ca.gt.com | **W** http://www.grantthornton.ca/

GrantThornton
An instinct for growth

email by persons or entities other than the addressee is prohibited. If you have received this email in error, please contact the sender immediately and delete the material from any computer.

--

COMPUQUEST2000
1935 Silicone Drive
Pickering, Ontario, Canada
L1W 3V7
Gary Bodimeade
Office - 905 839 5255
BB- gary-blackberry@compuquest2000.com

Oros, Jan

From:	Gary Bodimeade <garyb@compuquest2000.com>
Sent:	Sunday, May 01, 2016 10:59 PM
To:	Oros, Jan; Azeff, Greg; Alan Hogan
Subject:	Re: Compuquest 2000

Please see below... most of the units were returned at zero equity as they were guaranteed lease and a large amount should have been removed years ago

On Sun, May 1, 2016 at 2:26 PM, Oros, Jan <Jan.Oros@ca.gt.com> wrote:

Hi Gary,

Here is an initial list of the company assets we are seeking information to regarding the whereabouts of these assets. If any of the items are sold, please provide the date of sale, total proceeds received and what bank and where they were deposited to.

Per Pfaff Lease Paperwork

1. 2013 Lamborghini Gallardo, VIN ZHWGC5AU0DLA12958

- lease returned in 2014 to Pfaff

2. 2013 MCLAREN SPIDER, VIN SBM11BAA1DW002189

- lease returned to in 2014 to Pfaff

3. 2015 CAN-AM XDC, TB1000 3JBPDAR2XFJ000188

- picked up by Pfaff on Friday (leased)

4. 2015 BMW X6, 5YMKW8C5XF0G93773

- Picked up by Pfaff on Friday (leased)

5. 2016 PORSCHE CAYENNE DIESEL, WP1AF2A22GLA40490,

- Picked up by pfaff on Friday (leased)

6. 2014 RAM 3500 3C63RRNL0EG271161,

- Picked up by Pfaff on Friday (leased)

7. 2015 GMC SAVANA CUTAWAY 3500, 1GD374CGXF1115504,

_ picked up by Pfaff on Friday (leased)

8. 2015 JEEP WRANGLER, VIN 1C4BJWEG7FL636355,

- Picked up by Pfaff on Friday (leased)

Per PPSA

9. 2016 FREIGHTLINER M2, VIN 1FVHCYCY3GHHA1253

- picked up by Pfaff on Friday (leased)

10. 2014 FORD GREYHAWK, VIN 1FDXE4FS7EDB08627

- picked up Friday by Pfaff (leased)

11. 2015 TOYOTA SIENNA, 5TDXX3DC6FS565521

- employee leased vehicle - in the process of being transferred so the lease can be taken over by the former employee

12. 2015 MERCEDES S63, WDDX27JB1FA003356

- lease return 6 weeks ago

13. 2015 CATERPILLAR 299D1, CAT0299DCJST01087

- returned 6 weeks ago - although paperwork not signed by bank yet

14.

2015 CATERPILLAR SR321, SWX00546

- same as above line

15. 2014 CATERPILLAR 420FIT, CAT0420FPLKH00423

- sold to Jensen trailers 2 months ago -

16. 2015 LEXUS RX350, 2T2BK1BA6FC264610

- employee vehicle - in the process of being transferred so the lease can be taken over by the former employee

17. 2014 AUDI RS7, WUAW2CFC4EN902297

- picked up by pfaff on Friday - lease return

18. 2014 RAM 1500, 1C6RR7MT3ES264326

- employee vehicle - in process of being transferred so the lease can be taken over by the former employee

19. 2014 NEWMAR KING AIRE 4VZVU1E99EC078305

- sold 4 weeks ago, processed were deposited to the TD account and used to purchase product

20. 2013 CROWN FORKLIFT, RM6025-45TT, 1A399354 (THIS MAY BE AT SILICONE DRIVE)

- at location still

21. 2012 CATERPILLAR SKID STEER 242B3, CAT0242BLSRS02116

- sold to Jensen trailers in January at cost - zero equity

22. 2013 KUBOTA RTV110CWXLH, 39649

- sold over 16 months ago - that should have been paid of - will have to look into that one

23. 2012 KUBOTA M110GXDTCC, VIN 50052

- traded in 3 years ago

24. 2012 KUBOTA M46, VIN 7362337

- traded in 2 years ago

25. 2011 KUBOTA M9540DTHSC1, 87744

- traded in 4 years ago

26. 2011 KUBOTA M35, 7335836

- - traded in 4 years ago

27. 2011 FREIGHTLINER M2, 1FVHCYBS0BDAU7393

- this is still at the office I believe?

Please also advise the accounting software used to track your business operations including passwords to access company data files and network.

(we currently used QuickBooks for the last 16 years, I will provide all the passwords tomorrow, just need to dig them all up and confirm with my council.

hope this helps somewhat?

Thank you.

Jan Oros | Manager
Grant Thornton Limited
11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4
T +1 416 360 5023 | **C** +1 416 899 2717 | **F** +1 416 360 4949
E Jan.Oros@ca.gt.com | **W** http://www.grantthornton.ca/

GrantThornton
An instinct for growth

From: Krieger, Jonathan
Sent: Friday, April 29, 2016 3:05 PM
To: Gary Bodimeade
Cc: Oros, Jan; Alan Hogan (alan.hogan@on.aibn.com); gazeff@foglers.com; Steve Graff; Miranda Spence
Subject: RE: Compuquest 2000

We require access to all information related to the Companies affairs as set out in my email below. You previously provided us with a number of vehicle and equipment leases. These assets are not at Silicone Drive. There are other vehicles and equipment listed in the Companies' PPSA which are not on site. Please provide a number to reach you and we will contact you to discuss.

From: Gary Bodimeade [mailto:garyb@compuquest2000.com]
Sent: Friday, April 29, 2016 3:01 PM
To: Krieger, Jonathan
Subject: Re: Compuquest 2000

Yes, I am at an offsite meeting... What other information do you require and what assets are you looking for?

On Apr 29, 2016 2:52 PM, "Krieger, Jonathan" <Jonathan.Krieger@ca.gt.com> wrote:

Gary,

The Court granted an order today appointing Grant Thornton Limited as Interim Receiver of 1299746 ONTARIO INC. o/a COMPUQUEST2000 and 2252709 ONTARIO INC. (the "Companies") A copy of the Court order is attached for your reference. I am also copying Alan Hogan on this email, as the Companies' accountant.

Pursuant to Paragraphs 3 and 4 of the Order, please advise us forthwith of the location of all property and assets of the Companies. Further, please advise us of the location and provide us with access to all of the books and records of the Companies, including, but not limited to: invoices, bills of lading, customer and supplier files, bank account details, personnel files and computer passwords.

A personal property search for the Companies has revealed extensive assets subject to security interests. Many of these assets, including vehicles and certain machinery, are not located at the Companies' premises.

A manager with our office, Jan Oros, is on site at Silicone Drive now. Would you please contact him forthwith at 416-360-5023 as we are advised you have recently left the Companies' premises.

Jon

Jonathan Krieger, CPA, CA, CIRP, LIT

Senior Vice-President

National Practice Leader | Recovery & Reorganization
Grant Thornton Limited
11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4
T +1 416 360 5055 | **F** +1 416 360 4948
E Jonathan.Krieger@ca.gt.com | **W** http://www.grantthornton.ca/

Grant Thornton
An instinct for growth

GREAT PLACE TO WORK Best Workplaces 2015 Canada

Grant Thornton LLP is proud to be recognized as one of Canada's best workplaces for our eighth consecutive year!

--

COMPUQUEST2000
1935 Silicone Drive
Pickering, Ontario, Canada
L1W 3V7
Gary Bodimeade
Office - 905 839 5255
BB- gary-blackberry@compuquest2000.com

Appendix D

TD Canada Trust

Branch: 0272 LIVERPOOL
1790 LIVERPOOL RD
PICKERING, ON

Date: Apr 28, 2016, 01:27 PM
Ref #: 00163034/8 - ZSAI

From: Cheque Total
88,084.63 USD

To: 1996-73***26
Deposit
Cash: 0.00
Number of Items: 1
COMPUQUEST
88,084.63 USD

APR 2 [illegible]

17 [illegible]
[illegible] Banking can be this comfortable

Appendix E

Canada Trust

WIRE PAYMENT INSTRUCTIONS

Date: Thursday April 28, 2016

Branch: 272

Wire Payment ID: 1604280416090
Financial Transaction ID: 162619

Wire Payment Amount: $2,350.00 USD
Handling Fees: $0.00 CAD

Sending Customer: 1299746 ONTARIO INC
Street Address: 1935 SILICONE DRIVE
City: PICKERING
Province/State: ON
Country: CANADA (CA)
Sending Customer Reference Account: 1966 7303726

Receiving Customer: NORRIS
Street Address: 2659 NOVA DR
City: DALLAS 75229
Province/State: TX
Country: UNITED STATES (US)
Account#/IBAN: 7004315128
Customer Code:

Settlement Bank: COMERICA BANK
Street Address: 3115 FOREST LN
City: DALLAS 75234
Province/State: TX
Country: UNITED STATES (US)
Bank Code: MNBDUS33
Intermediary Bank Account#:

TERMS AND CONDITIONS

Wire Payment Instructions: By signing below, the customer confirms that (a) the information set out in the Wire Payment Instructions (the "Form") is accurate and complete and (b) authorizes The Toronto-Dominion Bank (the "Bank") to [illegible] payment based on this information. The customer will not have any recourse to the Bank due to the inaccuracy [illegible] information in the Form. If the Form describes an account number for an account held by someone other than [illegible] in the Form, the Bank may execute the wire payment to the account number shown in the Form notwithstanding [illegible]

Bank Handling Fees: The customer agrees to pay to the Bank the Handling Fees shown on the Form.

Other Party Fees: The Bank may use the services of its affiliates, a foreign correspondent and/or another third party (the "Other Parties"), acting in each case, as principal and not as the customer's agent, to send wire payments. The customer agrees [illegible] Parties may charge a fee for their services, and that these fees, together with any fees charged by the beneficiary bank, [illegible] deducted from the Wire Payment Amount resulting in the beneficiary receiving an amount less than the Wire [illegible] fees are not always known to the Bank. In no event shall the Bank be held liable for any fees so deducted. [illegible] that the Bank may receive revenue as a result of the imposition of these fees charged by the Other Parties [illegible]

Foreign Currency Conversion: The customer authorizes the Bank to send the wire payment in the [illegible] Amount shown on the Form. If the customer is paying for the Wire Payment Amount in a currency other than [illegible] Wire Payment Amount, the Bank is authorized to convert such currency into the currency of the Wire [illegible] exchange to be used in any such conversion will be determined by the Bank and the customer acknowledges [illegible] authorizing the rate of exchange. The customer understands that the exchange rate being used may [illegible] conversion by the Bank. The customer acknowledges that the beneficiary bank may (a) reject [illegible] wire payment for any reason, including for the reason that the wire payment was sent in a currency [illegible] beneficiary bank or that the wire payment is not in the currency of the beneficiary's account. [illegible] delays for reasons including time-zone issues, the remote location of the beneficiary bank and [illegible] holidays.

Appendix F

COMPUQUEST2000
Balance Sheet
As of May 5, 2016

	May 5, 16
ASSETS	
Current Assets	
Chequing/Savings	
CIBC - CANADIAN	-3,243,292.47
CIBC - USD	-2,990,652.83
TELPAY CLEARING	-45,934.74
Total Chequing/Savings	-6,279,880.04
Accounts Receivable	
Accounts Receivable	160,120.41
Accounts Receivable - USD	126,778.31
Total Accounts Receivable	286,898.72
Other Current Assets	
Inventory Asset	1,063,367.06
Undeposited Funds	34,024,213.57
Total Other Current Assets	35,087,580.63
Total Current Assets	29,094,599.31
Fixed Assets	
Tractors and Trailers	8,215.03
Warehouse Equipment	4,976.60
Total Fixed Assets	13,191.63
TOTAL ASSETS	**29,107,790.94**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	78,269.21
Accounts Payable - USD	333,329.74
Total Accounts Payable	411,598.95
Credit Cards	
AMERICAN EXPRESS - PLAT	945,237.13
Total Credit Cards	945,237.13
Other Current Liabilities	
GST/HST Payable	1,132,980.81
HST Clearing	-440,362.84
HST PAYABLE	-63,810.41
Payroll Liabilities	71,874.62
Total Other Current Liabilities	700,682.18
Total Current Liabilities	2,057,518.26
Total Liabilities	2,057,518.26
Equity	
Opening Balance Equity	571.00
Retained Earnings	12,237,936.51
Net Income	14,811,765.17
Total Equity	27,050,272.68
TOTAL LIABILITIES & EQUITY	**29,107,790.94**

CANADIAN IMPERIAL BANK OF COMMERCE - and - **1299746 ONTARIO INC. o/a COMPUQUEST2000 et al.**

Applicant / Respondents

Court File No. CV-15-11046-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

FIRST REPORT OF THE INTERIM RECEIVER

MAY 13, 2016

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: mspence@airdberlis.com

Lawyers for Canadian Imperial Bank of Commerce

25757597.1