IN THE MATTER OF The Receivership of Chester Basin Seafood Group Inc. pursuant to Section 243(1) of the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended, and 43(9) of the Judicature Act, R.S.N.S. 1989, c. 240.

FIRST REPORT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS COURT APPOINTED RECEIVER PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT* OF CHESTER BASIN SEAFOOD GROUP INC.

Hfx. 530600

June 26, 2024

Grant Thornton

Grant Thornton Limited,
Court Appointed Receiver

1675 Grafton Street, Suite 1000,
Halifax, Nova Scotia
B3J 0E9

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Appendices

Introduction

1. By order ("**Receivership Order**") of the Honourable Justice Darlene Jamieson of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency ("**Court**") on February 15, 2024 ("**Date of Receivership**"), Grant Thornton Limited ("**GTL**") was appointed as receiver ("**Receiver**") without security, of all the assets, undertakings, and properties ("**Property**") of Chester Basin Seafood Group Inc. ("**CBSG**" or the "**Company**") pursuant to an application by 4519497 Nova Scotia Limited ("**451**") under both subsection 243(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") and the equitable jurisdiction of the Court as partially codified by s.43(9) of the *Judicature Act*. The appointment of the Receiver and the receivership proceedings of CBSG is referred to herein as the "**Receivership Proceedings**".

2. This is the Receiver's first report to the Court ("**First Report**"), which has been prepared in respect of the Receiver's upcoming Motion to be heard by the Court. The Receiver's Pre-Filing Report, dated February 13, 2024, is available on the Receiver's website at www.grantthornton.ca/chesterbasin.

3. The purpose of this First Report is to advise and update the Court with respect to the following:

   (a) The Receiver's activities since the Date of Receivership;

   (b) The Receiver's statement of receipts and disbursements ("**R&D**") in these Receivership Proceedings to May 31, 2024;

   (c) An offer provided by 451 for the Company's Property, as set out in an asset purchase agreement ("**451 Purchase Agreement**") and proposed sale approval and vesting Order ("**451 Sale Approval and Vesting Order**", together, the "**451 Transaction**");

   (d) The Receiver's views and recommendation with respect to the 451 Transaction; and

   (e) The Receiver's understanding of a Notice of Intention to Apply for Leave to Commence Derivative Action on behalf of the Company and its shareholder, among others, pursuant to a statement of claim filed in the Ontario Superior Court of Justice, Court File No. CV-24-00095214-0000 ("**Directors Action**").

4. The Receiver's Motion will be seeking an Order:

(a) Abridging the time for service of Motion pleadings herein and dispensing with the necessity of further service, if necessary;

(b) Approving the activities of the Receiver as set out in this First Report;

(c) Approving the 451 Transaction and vesting title to the Purchased Assets (as defined in the 451 Sale Approval and Vesting Order) in 451 or its nominee; and

(d) Increasing the Administrative Charge to $150,000.

5. The Receiver will also be seeking a Confidentiality Order with respect to the Receiver's Confidential Supplement to this First Report.

Qualification and Restrictions of this Report

6. In preparing this First Report, the Receiver has relied upon unaudited financial information, the Company's records, financial information and projections, and discussions with the Company's former management, shareholders and directors ("**Management**"). While the Receiver reviewed various documents provided by the Company and believes that the information therein provides a fair summary of the transactions and material, as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**"), International Financial Reporting Standards ("**IFRS**"), or Generally Acceptance Auditing Standards ("**GAAS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, IFRS, or GAAS with respect to such information.

7. To date, nothing has come to the Receiver's attention that would cause it to question the reasonableness of the information and explanations provided to it by the Company, Management or 451. The Receiver has requested that Management and 451 bring to its attention any significant matters which were not addressed in the course of the Receiver's specific inquiries. Accordingly, this First Report is based on the information (financial or otherwise) made available to the Receiver by 451 and Management.

8. This First Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and to assist the Court in determining whether to grant the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The 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.

9. All references to dollars are in Canadian currency unless otherwise noted. Capitalized terms not otherwise defined herein are as defined in 451's materials filed in conjunction with the application for the Receivership Order.

10. Background information with respect to the Company, its previous insolvency proceedings and the within Receivership Proceedings are included in the Receiver's Pre-Filing Report of February 13, 2024, available on the Receiver's case website along with all other materials in relation to the Company's insolvency proceedings at www.grantthornton.ca/chesterbasin. The Receiver encourages readers to review the Pre-Filing Report and associated materials for additional information.

Activities of the Receiver

11. The Receiver's activities since the date of the Pre-Filing Report have included, among other things:

(a) Prepared and sent statutory notices of the Receivership Proceedings on February 26, 2004 in accordance with section 245(1) of the BIA, in the prescribed form, and the first report pursuant to 246(1) of the BIA to all known creditors of the Company, the Office of the Superintendent of Bankruptcy, and the Company, attached at **Appendix "A"**;

(b) Opened separate bank accounts for the Receiver to facilitate the Receivership Proceedings;

(c) Negotiated and executed an operating agreement ("**Operating Agreement**"), on February 18, 2024, attached at **Appendix "B"**, with 451 that allows for the use and operation of the Company's Property by 451 as operator throughout these Receivership Proceedings. As noted in the Pre-Filing Report, the Receiver did not take possession and control of the Company's Property at the Date of Receivership, which remained with 451 pursuant to its security and as previously released by the Trustee in the Bankruptcy Proceedings. However, 451 was unable to use the Property until such time as an Operating Agreement was executed with the Receiver.

Key features negotiated by the Receiver with respect to the Operating Agreement include:

i. Monthly fee of $5,000 plus HST paid by 451 to the Receiver for use and operation of the Assets, as defined in the Operating Agreement;

ii. 451 retains the risks and rewards of operations, being solely responsible for all costs and expenses for use of the Property during the term of the Operating Agreement, including maintenance, remuneration of crew and insurance. 451 as operator is also entitled to retain net proceeds, if any, after payment of its costs and expenses pursuant to the Operating Agreement;

iii. 451 as operator is obliged to properly maintain the assets, may only use them for the purposes as outlined in the Operating Agreement, and shall provide reporting to the Receiver with respect to the Property upon the Receiver's request; and

iv. 451 as operator is responsible for, and shall release, indemnify and hold the Receiver harmless, from and against all damages, expenses, costs, losses, injuries, liabilities, claims, judgments and debts, of any nature incurred or suffered by the Receiver in connection with the provision of the Services pursuant to the Operating Agreement, except for any claims arising from the negligence of the Receiver or for which the Receiver is liable or responsible for at law.

v. As at the date of this First Report, 451 as operator has complied with its obligations pursuant to the Operating Agreement.

(d) Corresponded with the Company's customers to assist the collection of certain accounts receivable and the transfer thereof to 451 pursuant to its security. The Receiver notes that $50,000 of the collected accounts receivable in the Receivership Proceedings was used to pay outstanding fees of the Proposal Trustee and its counsel, pursuant to the Administration Charge in the NOI Proceedings, as more fully described in the Pre-Filing Report.

(e) Corresponded and worked with the Canada Revenue Agency ("**CRA**") in respect of its request to complete a trust examination for the Company's payroll accounts, and provided amended T4's and associated correspondence to the Company's former employees where required;

(f) Facilitated the collection of information and submission of claims to Service Canada on behalf of the Company's former employees pursuant to the Wage Earners Protection Program ("**WEPP**"). The Receiver notes that because over 10 employees were terminated, pursuant to the Nova Scotia Labour Standards Code this qualified as a "Group Notice" event. This fact, combined with the unique employment aspects of fisherman and truck drivers employed by the Company, resulted in additional time incurred by the Receiver to facilitate claims under WEPP.

  i. The Receiver notes the super-priority pursuant to Section 81.3 related to payments under WEPP is approximately $18,000. As at the date of this First Report, Service Canada has not finalized its claim.

(g) Negotiated a commercially reasonable settlement for the release of the Company's property, a trailer used in the Company's trucking business, held by a creditor under a purported mechanics lien. The Receiver worked with its counsel to understand the facts and circumstances in respect of the purported lien, completed research on the potential market value of the subject trailer, and negotiated a commercial settlement as a proportion of outstanding invoices for repair work completed to bring the trailer into operating condition, to have the Trailer released;

(h) Corresponded with the Company's creditors, former employees, directors and other stakeholders as to the status of the Receivership proceedings;

(i) Through the Receiver's counsel, in respect of the Directors Action (discussed further below), responded to the counsel for Jacques Chabot ("**Chabot**") and Herbert Breau ("**Breau**") in their capacity as Directors of CBSG, Directors of Newbec Capital Laurentian Inc. ("**Newbec**"), majority shareholders of the Company's sole shareholder, Sustainable Oceans Capital Inc. ("**SOC**"), and in their capacity as creditor of the Company via Securi Interional Inc. ("**Securi**", and together, the "**Intended Applicants**") in respect of a Notice of Intention to Apply for Leave to Commence Derivative Action on behalf of CBSG and SOC. The Receiver notes that the named Defendants in the Directors Action include, among others, Jose Teixeira

("**Teixeira**") in his personal capacity and in his capacity as Trustee of various family trusts, Daniel Gaudet ("**Gaudet**") as well as Gaudet's holding company, and 451;

(j) Responded to queries submitted to the Receiver's website, hotline and e-mail address at chesterbasin@ca.gt.com;

(k) Completed research with respect to the potential market value of the Company's Property, including reviewing recent and historical transactions for unique aspects of the Property such as the Company's fishing licenses ("**Licenses**") and silver hake quota ("**Quota**"), and prepared for a potential sales process of the Company's Property;

(l) Reviewed the 451 Purchase Agreement with counsel relative to the Receiver's research on potential market value for the Company's Property, and proceeded to negotiate the 451 Purchase Agreement and the draft 451 Sale Approval and Vesting Order, as more fully described below; and

(m) Prepared this First Report.

Bankruptcy Proceedings

12. The Receiver noted in its Pre-Filing Report that Grant Thornton Limited is also the Trustee in Bankruptcy of CBSG. The First Meeting of Creditors ("**FMOC**") in the bankruptcy proceedings was held on February 28, 2024, the meeting minutes of which are attached at **Appendix "C".**

13. As noted in the meeting minutes, a motion to confirm the creditor's approval of GTL to continue to act as Court Appointed Receiver was unanimously carried at the FMOC, pursuant to the Canadian Association of Insolvency and Restructuring Professionals rules of professional conduct.

14. As no nominations for inspectors of the estate were received at the FMOC, the Trustee called a motion to direct the Trustee to finalize all outstanding matters in relation to the administration of the bankrupt estate and take steps to proceed to the Trustee's discharge. This motion was unanimously carried, and as at the date of this First Report, GTL in its capacity as Trustee in Bankruptcy of CBSG has is in the process of finalizing its discharge.

The 451 Transaction

15. At Paragraph 34 of the Pre-Filing Report, the Receiver outlined its proposed Receivership plan indicating its intention to implement a sales process for the Company's Property should the Receivership Order be granted.

16. At the outset of the Receivership Proceedings, 451 as the senior secured creditor advised the Receiver that 451 intended to submit a bid to the Receiver which would include a credit bid component representing 451's secured debt, which totalled approximately $7.6 million as of the Receivership Date, and upon which additional interest has since accrued.

17. The Receiver thereafter entered into further negotiations with 451 and its counsel, which resulted in the 451 Purchase Agreement, a copy of which is appended to the Receiver's Confidential Supplement to this First Report.

The 451 Purchase Agreement

18. Key components of the 451 Purchase Agreement between the Receiver and 451 (in such capacity, **"Purchaser"**), include the following:

    (a) The purchase of all of the Company's Property on an "as-is, where is" basis;

    (b) Purchase price comprising a cash payment sufficient to pay out all unpaid Court-ordered and statutory priority charges against the Purchased Assets as of the Closing Date, together with the settlement and satisfaction of the Company's secured debt obligations to 451;

    (c) The continuation of the Operating Agreement until such time as the 451 Transaction has closed;

    (d) Limited representations and warranties, consistent with transactions of this nature in insolvency proceedings;

    (e) Conditions precedent to closing including:

        i. Approval of the 451 Transaction by this Honourable Court, and the issuance of the 451 Sale Approval and Vesting Order;

ii. The approval of and issuance by the Department of Fisheries and Oceans ("**DFO**") of replacement licenses in respect of the Company's fishing Licenses and Quota to 451 or its nominee ("**Replacement Fish Licenses**");

iii. Receipt of all other consents or approvals required to complete the purchase and sale of the Property;

iv. There having been no material adverse changes in the condition (financial or otherwise) of the Property; and

v. Other customary closing conditions in respect of access to the Property and representations by the Receiver being true and correct at closing.

(f) Closing will be within 5 business days of DFO granting the Replacement Fish Licenses, or such later date as the Receiver and 451 may agree to in writing.

Receiver's View on Estimated Value of the Property

<u>Data Points for Estimated Value</u>

19. As part of planning for a potential sales process in these Receivership Proceedings, the Receiver gathered and reviewed documentation in respect of the Company's Property, focusing on those key assets to which the Receiver expects will drive value in any sales process: the Company's three fishing vessels, the Licenses and Quota. Such information included, among other things:

(a) Recent appraisals for each of the Company's three fishing vessels, dated November, 2023 and attached to the Confidential Supplement;

(b) Publicly available transaction data for silver hake quota and fishing licenses; and

(c) Transaction values for the completed sale of silver hake quota and fishing licenses in November, 2023, which were previously sealed by this Court in a November 17, 2023 Confidentiality Order in the receivership proceedings of Meridien Atlantic Fishing Ltd., Rocky Coast Seafoods Ltd., and 9514228 Canada Inc, ("**Meridian**"), HFX No. 521470. The Confidentiality Order in Meridian expired on March 17, 2024.

20. Based on the Receiver's experience monitoring the Company from the outset of the NOI Proceedings and subsequent research as part of these Receivership Proceedings, the Receiver notes that the market for silver hake quota and associated fishing licenses is

stagnant. Based on the Receiver's research, only three transactions were found since 2013 from which to gather comparative data on the Licenses and Quota.

(a) The most recent transaction, in Meridian, resulted from an extensive six-month sales process by a Court appointed Receiver and industry sales agent, whereby the market was thoroughly canvassed for potential purchasers through a Court approved sales and investment solicitation process and one transaction was advanced that maximized value for the Meridian licenses and quota. The transaction approved by this Court in Meridian, while the best available in the circumstances, still resulted in a significant shortfall to Meridian's secured creditors.

(b) As the Meridian transaction is the most recent data point available to the Receiver, and it resulted from a Court approved insolvency sales process that met the parameters outlined in the *Royal Bank of Canada vs. SoundAir Corp.*, the Receiver is of the view Meridian represents a reasonable proxy with respect to current market value for the Company's Licenses and Quota. The Receiver is of the view, based on its own research and from discussions with Grant Thornton's industry experts with recent and relevant experience in the seafood industry in Atlantic Canada, that the market value of the Company's Property would not have materially increased since the date of the Meridian transaction, if at all, given the prevailing industry conditions.

(c) At the outset of the Receivership Proceedings, the estimated market value of the Company's Licenses and Quota was unknown because so few transactions for similar assets existed. However, as a result of the expiration of the Confidentiality Order in Meridian, the Receiver now has a direct comparison for the Company's Property from which to estimate realizable value if the Receiver were to initiate a sales process for the Licenses and Quota today.

21. The Receiver further understands that silver hake is a relatively niche market, representing approximately 2.7% of the total landed groundfish value by commercial landings in Atlantic Canada in the Department of Fisheries and Oceans ("**DFO**") most

recent data[1]. Because the Licenses and Quota are regulated by the Fisheries Act, any purchaser must also be eligible to hold the Licenses and Quota, which limits the universe of potential buyers.

Estimated Property Value Relative to 451 Transaction

22. The Receiver has prepared a realization analysis of the Company's Property to project a range of anticipated market values based on the above data points, attached in the Receiver's Confidential Supplement to the First Report ("**Confidential Supplement**"). The Confidential Supplement demonstrates that at the highest range of potential market values for the Company's Property, the consideration in the 451 Transaction is still significantly higher.

Receiver's View on the 451 Transaction

23. In the Receiver's view, it is highly unlikely that a commercially reasonable offer would be generated from marketing the Property that would be superior to the consideration included in the 451 Transaction. The value of consideration included in the 451 Transaction includes the settlement and satisfaction of a significant level of secured debt, for which the Receiver has obtained an independent legal opinion as to its validity and enforceability, as discussed in the Pre-Filing Report.

24. The Receiver is of the view that the 451 Transaction represents the highest executable offer for the Company's Property which is likely to be received in the circumstances, is commercially reasonable, and that the acceptance of the offer is not improvident. Based on the analysis in the Confidential Supplement and the details outlined above, the Receiver does not expect that a marketing process for the Company's property would yield a higher recovery for creditors than the 451 Transaction. The costs of proceeding with a sales process would ultimately be paid by 451 as the sole economic interested party, resulting in an increased credit bid for the Property.

[1] DFO website, "Seafisheries landed value by province, 2022", sourced May 28, 2024.

25. Therefore, the Receiver respectfully recommends the Court approve the 451 Transaction.

26. For certainty, the Receiver confirms that it has not shared the Confidential Supplement with 451, its counsel, or any related person, and that it has likewise not shared the data gathered to support the Confidential Supplement. While the Receiver is of the view that realizable value of the Property is below the Company's secured debt and therefore unsecured creditors have no realistic prospect of recovery in these Receivership Proceedings, for transparency and completeness the Receiver intends to widely serve all known creditors of the Company in advance of its application to approve the 451 Transaction.

Confidentiality Order

27. The Receiver respectfully requests that the Court grant a Confidentiality Order with respect to the Confidential Supplement for the shorter of four months, or when the 451 Transaction closes.

28. The Receiver is of the view that the requested Confidentiality Order for a set time frame is the least restrictive method of protecting an important public interest. The Confidential Supplement contains confidential and commercially sensitive financial information, and the Receiver is concerned that if such information became public in advance of closing the proposed 451 Transaction, that it could negatively impact the integrity of any sale process which might be ordered by the Court or which might become necessary if the proposed 451 Transaction does not close.

Receiver's Understanding of Directors Action

29. On March 28, 2024, counsel for the Intended Applicants sent by e-mail to the Receiver a Notice of Intention to Apply for Leave to Commence Derivative Action, attached at **Appendix "D"**, pursuant to a Statement of Claim filed in the Ontario Superior Court of Justice, Court File No. CV-24-00095214-0000. While Grant Thornton Limited in its capacity as Receiver is named in the Notice, the Receiver is advised by counsel for the Intended Applicants that the Receiver was named solely for the purpose of seeking to lift the Stay of Proceedings, such that the Intended Applicants can proceed with the Directors Action.

30. The Receiver understands the Directors Action is intended to be on behalf of the Company and its sole shareholder, SOC, as against 451, Teixeira, Gaudet, and their associated entities and trusts as Defendants.

31. The Receiver reviewed the Directors Action with its counsel. On April 9, 2024, counsel for the Receiver advised counsel for the Intended Applicants that the Receiver intends to oppose the proposed derivative action because (1) Stays of Proceedings are in place pursuant to both the BIA and the Receivership Order and (2) the appropriate forum for the claim is Nova Scotia, and not Ontario.

32. On April 10, 2024, the Receiver’s counsel was copied on correspondence from 451 to counsel for the Intended Applicants, confirming that 451 intended to initiate a Motion asking for an order of the Court to strike the claims as (1) the claims are in substance claims of Chester Basin Seafood Group Inc., which is under the direction of Grant Thornton Limited as Receiver and Trustee in Bankruptcy at this time, and (2) a stay of all remaining claims on the basis that the Nova Scotia Supreme Court is the proper forum for adjudicating any such claims.

33. On April 29, 2024, the Receiver and its counsel connected with counsel to the Intended Applicants and understands:

    (a) the Intended Applicants intend to bring their application for Leave to Commence a Derivative Action in the Nova Scotia Supreme Court, instead of the Ontario Superior Court of Justice. The Intended Applicants have not yet finalized their materials in resect of same;

    (b) Counsel for the Intended Applicants confirmed that the Receiver will be served with the notice of Application for Leave to Commence a Derivative Action. However, given the derivative nature of the application and the anticipated timing of GTL being discharged as Trustee and Receiver, a lifting of the Stay of Proceedings may not be necessary and, as such, may not form part of the Intended Applicants application materials; and

    (c) The Receiver has been advised by the Intended Applicants that if relief from the Stay of Proceedings was sought it would be to a) permit the Intended Applicants to duly file their application materials and b) include the Receiver as an appropriate party to the proceeding, not to seek any actual relief from the Receiver. As such, the

Intended Applicants may seek the Receiver's consent to lift the stay on such grounds, if necessary. To date, that consent has not yet been sought.

34. For certainty, the Receiver is of the view that the Directors Action and Notice of Intention to Apply for Leave to Commence Derivative Action should not impede or delay the 451 Transaction. The Receiver's mandate, pursuant to the Receivership Order, includes the liquidation of the Company's assets to maximize value for stakeholders, subject to the supervision and approval of the Court. The Receiver is of the view that the Directors Action is a collateral proceeding and should not impede or deter the Receiver from fulfilling its mandate. Counsel for the Intended Applicants have been included on the Service List.

Statement of Receipts and Disbursements

35. The Receiver's Statement of Receipts and Disbursements from the date of Receivership through May 31, 2024 is summarized below.

Chester Basin Seafood Group Inc.- in Receivership
Statement of Receipts and Disbursements: February 15, 2024 to May 31st, 2024
$CAD

Cash Receipts	
Advance from Secured Creditor	3,000
Collection of Accounts Receivable	91,334
Interest	173
Fees Collected Pursuant to Operating Agreement	15,000
Total Cash Receipts	**109,507**
Cash Disbursements	
Settlement	3,000
Filing Fees	75
Distribution to 4519497 Nova Scotia Limited	159,735
Total Cash Disbursements	**162,810**
Net Change in Cash	**(53,304)**
Opening Cash Position	69,499
Ending Cash Position	**16,195**

36. Key receipts and disbursements include the following:

(a) The collection of the Company's accounts receivable, as well as the Company's available cash at the Date of Receivership, and distribution of same to 451;

(b) The collection of fees pursuant to the Operating Agreement noted in paragraph 11 c) above; and

(c) The settlement of for the release of the Company's property, a trailer used in the Company's trucking business, as outlined in paragraph 11 g) above.

Increase to Administration Charge

37. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its legal counsel shall be paid their reasonable fees and disbursements at their standard rates and charge, incurred both before and after the making of the Receivership Order. Pursuant to paragraph 21 of the Receivership Order, the Receiver and its counsel shall pass their accounts from time to time.

38. As at the date of this First Report, outstanding professional fees for the Receiver and its counsel incurred before and after the making of the Receivership Order with respect to the Company's insolvency proceedings is approximately $101,000, inclusive of GST/HST. As noted in the R&D and the Receiver's description of its activities above, minimal cash receipts exist to offset the costs of the Receivership Proceedings in the ordinary course. Given the uncertainty with respect to the Director's Action, and the expected timeframe for DFO to approve the Replacement Fish Licenses before the 451 Transaction can close, the Receiver is respectfully requesting the Administration Charge be increased to $150,000.

39. The Administration Charge is customary in insolvency proceedings of this nature and is required to provide security to the professionals engaged, including the Receiver and its counsel, to protect them if circumstances arise where the Company's accounts have insufficient funds to pay professional fees and costs during the Receivership Proceedings.

40. The Receiver is of the view that the increase to the Administration Charge is reasonable and appropriate in the circumstances, given the expected matters to be completed prior to the Receivership Proceedings being complete and the estate's lack of liquidity. The

Receiver will provide an accounting of its fees and disbursements to this Court and request approval of same at the hearing for the Receiver's discharge.

Conclusion and Recommendations

41. The Receiver respectfully recommends this Honourable Court grant Orders:

(a) Abridging the time for service of the Motion pleadings herein, if required, and dispensing with the necessity of further service;

(b) Approving the activities of the Receiver as set out in this First Report;

(c) Approving the 451 Transaction and the 451 Vesting Order;

(d) Increasing the Administrative Charge to $150,000; and

(e) Granting a Confidentiality Order with respect to the Receiver's Confidential Supplement to this First Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 26th day of June, 2024.

GRANT THORNTON LIMITED,
In its capacity as Court Appointed Receiver of
Chester Basin Seafood Group Inc.,
And not in its personal or corporate capacity.

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

Notice and Statement of the Receiver- 245/246

NOTICE AND STATEMENT OF THE RECEIVER
(Subsection 245(1) and 246(1) of the Act)

IN THE MATTER OF THE RECEIVERSHIP OF
Chester Basin Seafood Group Inc.
(the "COMPANY")

The Receiver gives notice and declares that:

1. On February 15th, 2024, Grant Thornton Limited became Court Appointed Receiver (the "Receiver") of Chester Basin Seafood Group Inc., an insolvent business, in respect of the property described below:

   - Commercial Fishing Vessel – Seaman's Toy I
   - Commercial Fishing Vessel – Fortune Pride
   - Commercial Fishing Vessel – Atlantic Sea Clipper
   - Fishing Licenses
   - Groundfish Quota
   - Associated equipment and vehicles to the Company's seafood harvesting operations

2. Grant Thornton Limited became the Receiver by virtue of an order issued by the Supreme Court of Nova Scotia on February 15, 2024 ("Receivership Order")

3. The Receiver has <u>not</u> taken possession and control of the property, which is under the possession and control of the.

4. The following information relates to the receivership:

(a) Addresses of insolvent business:

201-129 Aberdeen Rd.
Bridgewater, NS B4V 2S7

(b) Principal line of business: Fishing & Transportation

(c) Location(s) of business:

201-129 Aberdeen Rd., Bridgewater, Nova Scotia

(d) Amount owed by the Company to each creditor who holds a security on the property described above, pursuant to the Company's books and records:

Name of Creditor	Amount ($)
4519497 Nova Scotia Limited	$7,626,856.51
Bank of Nova Scotia	1.00

BMW Canada Inc.	1.00
Canada Revenue Agency	1.00
CWB National Leasing	10,274.91
Penske Truck Leasing Co., LP	210,205.43
Royal Bank of Canada	1.00
Wells Fargo Equipment Finance	44,469.22

(e) The list of other creditors of the insolvent company and the amount owed to each creditor and the total amount due by the insolvent company is as follows:

See Appendix "A"

(f) The intended plan of action of the Receiver during the receivership is to realize on that property by way of a public sale process. The Receiver has not taken possession and control of the assets, which are in the possession of 4519497 Nova Scotia Limited pursuant to an operating agreement entered into by the Receiver.

(g) Information related to the proceeding can be found on the Receiver's website under the "Receivership" banner: www.GrantThornton.ca/ChesterBasinSeafoods

(h) Contact person for Receiver:

Grant Thornton Limited
Phone: (902) 417-2829
Fax: (902) 420-1068
Email: Ben.Chisholm@ca.gt.com

Dated at Halifax, February 26, 2024

Grant Thornton Limited
Court Appointed Receiver of Chester Basin Seafood Group Inc.

Per: ___________________________

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President
Grant Thornton Limited
Nova Centre, North Tower
Suite 1000, 1675 Grafton St.
Halifax, NS B3J 0E9

Appendix "A"

Unsecured Creditors

Chester Basin Seafood Group Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	A.F. Theriault & Son Limited	1 d'Entremont Road, P.O. Box 10 Meteghan River NS B0W 2L0	308,221.90	0.00	308,221.90
2	Amsterdam Products Ltd.	2 Montreal Road Cornwall ON K6H 6L4	1,488.22	0.00	1,488.22
3	AN Deringer (USD)	PO Box 11349, Succursale Centre-Ville Montreal, QC H3C5H1	112.58	0.00	112.58
4	Antares Computers Limited	740 King Street, Unit 1 Bridgewater, NS B4V1B4	77.62	0.00	77.62
5	Atlantic Carrier	260 Frenette Avenue Moncton NB E1H0E2	3,018.83	0.00	3,018.83
6	Bakers Point Fisheries Ltd.	33 Baker's Point Road East Jeddore NS B0J2L0	124,962.43	0.00	124,962.43
7	Barrington Catch Monitoring Ce	PO Box 293 Barrington Passage NS B0W1G0	517.50	0.00	517.50
8	Bell Aliant - Residential - (NB, NS, PE, NL)	71 Belvedere Ave Charlettetown PE C1A 9K5	247.18	0.00	247.18
9	Bell Mobility	PO Box 5102 Burlington ON L7R4R7	587.46	0.00	587.46
10	BMO Financial Group c/o BankruptcyHighway.com Attn: Mike Timko	PO Box 57100 Etobicoke ON M8Y 3Y2	0.00	0.00	0.00
11	Bookco Virtual Accounting Inc.	PO Box 716 Mahone Bay NS B0J2E0	270.82	0.00	270.82
12	Breaking Waves	7 Brunello Boulevard Tmberlea NS B3T 0J6	1,380.00	0.00	1,380.00
13	C & H Joint Catch Seafood Ltd.	21 Atlantic View Dr Sambro NS B3V1L2	15,978.30	0.00	15,978.30
14	Comeau's Sea Foods Limited	PO Box 7, Suite 9 Lower East Pubnico NS B0W2A0	1,210.00	0.00	1,210.00
15	CRA - Tax - Atlantic	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	250.00	0.00	250.00
16	Culligan Water Store	540 Logan Road Wileville NS B4V 9C7	16.40	0.00	16.40
17	Cummins Canada ULC	50 Simmonds Drive Dartmouth NS B3B1R3	48,932.50	0.00	48,932.50
18	East Coast Mobile Medical Inc	101 Ilsley Ave, Suite 1 Dartmouth NS B3B1S8	293.25	0.00	293.25
19	Eastern Office Supplies Ltd.	136 Logan Road Bridgewater NS B4V3J8	86.25	0.00	86.25
20	Fisheries and Oceans Canada	280 Logan Road. P.O. Box 2500 Bridgewater NS B4V 3X1	250.00	0.00	250.00
21	Fleetworx, Inc.	64 Minas Warehouse Road New Minas NS B4N 5G3	59,293.09	0.00	59,293.09

Appendix "A"

Unsecured Creditors

Chester Basin Seafood Group Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	Forward Focus Consulting	46 Pintail Lane Timberlea NS B3T 0E8	1.00	0.00	1.00
23	Gerhardt's Fleet Tech Service	15321 Hwy 3 Hebbville NS B4V 6X4	560.92	0.00	560.92
24	Global Star Canada	PO Box 8013, Postal Stn 'A' Toronto ON M5W3W5	599.45	0.00	599.45
25	Golden Sea Products (1997) Ltd	242 Demont Rd Chester Basin NS B0J1K0	8,602.00	0.00	8,602.00
26	Goods Logistics Inc	PO Box 23105 Elmwood Moncton NB	299.00	0.00	299.00
27	Harbour Authority of Sambro	22 Fir Grove Drive Halifax East Pennant NS B3V 1L8	862.50	0.00	862.50
28	hatts mobile wash	6310 HWY 3 Hunts Point NS B0T 1G0	207.00	0.00	207.00
29	Hebville Holdings	15813 Hwy 3 Hebbville NS B4V 6X9	920.00	0.00	920.00
30	Hyway Services (1997) Limited	2354 Rocky Lake Road, Unit 1 Waverley NS B2R 1R5	1,495.00	0.00	1,495.00
31	Irving Oil Limited	PO Box 5640, Stn Main Saint John NB E2L 0C3	18,626.09	0.00	18,626.09
32	Jameson Theriault Marine Surveys	Box 1330 Digby NS B0V 1A0	7,647.50	0.00	7,647.50
33	JMS Accountant Staffing Ltd.	99 Wyse Road Suite 1320 Dartmouth NS B3A 4S5	15,732.00	0.00	15,732.00
34	Jose Teixeira	c/o Stephen Kingston McInnis Cooper P.O. Box 730 Halifax NS B3J 2V1	170,023.02	0.00	170,023.02
35	Kintetsu World Express (Canada) Inc.	610 Orly Avenue Dorval QC H9P 1E9	94,344.55	0.00	94,344.55
36	Lanetco Computer Networks Inc.	1200 Centre Street, Suite 100 Thornhill ON L4J 3M9	1,360.45	0.00	1,360.45
37	Mackay Communications	7 Mellor Avenue, Unit 16 Dartmouth NS B3B0E8	603.75	603.75	1,207.50
38	Manulife Financial Group Benefits	PO Box 1627 Waterloo ON N2J 4P4	5,349.10	0.00	5,349.10
39	McInnes Cooper Attn: David Yochoff	PO Box 730 Halifax NS B3J 2V1	64,633.89	0.00	64,633.89
40	Mersey Marine Ltd.	110 Water Street, PO Box 1290 Liverpool NS B0T 1K0	4,139.08	0.00	4,139.08
41	Mersey Seafoods	26 Bristol Ave. Liverpool NS B0T 1K0	93,877.15	0.00	93,877.15
42	Metalarc Fabrication Limited	PO Box 503, 206 Dennis Point Road Lower West Pubnico NS B0W2C0	2,237.62	0.00	2,237.62
43	Midland Transport Ltd.	100 Midland Drive Dieppe NB E1A6X4	2,110.66	0.00	2,110.66

Appendix "A"

Unsecured Creditors

Chester Basin Seafood Group Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
44	North East Truck & Trailer	Nova Centre, South Tower, 1500 1625 Grafton Street Halifax NS B3J 0E9	18,920.98	0.00	18,920.98
45	Nova Scotia Seafood Alliance	38 - B JOHN STREET YARMOUTH NS B5A 3H2	201.25	0.00	201.25
46	Patterson Law	1801 Hollis St Halifax NS B3J3N4	16,364.84	0.00	16,364.84
47	Penske Truck Leasing Co., L.P.	P.O. Box 11325 Montreal QC H3C5H1	0.00	210,199.43	210,199.43
48	Pesca Royale	48 Commercial Drive Halfax NS B3V 1A4	2,182.29	0.00	2,182.29
49	Pleasantville Signs.com	1721 Hwy 331 Pleasantville NS B0R1G0	230.00	0.00	230.00
50	Quarterback Mobile Inc.	1496 Bedford Highway, Suite 100 Bedford NS B4A 1E6	3,329.25	0.00	3,329.25
51	RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	1.00	0.00	1.00
52	Roadline Logistics Inc.	50 Sunny Meadow Blvd. Unit 308 Brampton ON L6R 1X5	5,700.00	0.00	5,700.00
53	Robert Edinger	1350 rue Sherbrooke ouest Montreal QC H3G 1G1	1.00	0.00	1.00
54	Sambro Fisheries Ltd.	40 Lenny's Lane Sambro NS B3V 1L5	34.50	0.00	34.50
55	Scotia Harvest, Inc.	12538 Hwy 217 Seabrook NS B0V 1A0	6,534.60	0.00	6,534.60
56	Seamasters Services Limited	100 Marketplace Dr Dartmouth NS B3B0M8	1,275.34	0.00	1,275.34
57	Securi International	182 River Lane Ottawa ON K1M 1T1	1,012,620.00	0.00	1,012,620.00
58	Shore Side Transport Ltd.	15813 Hwy 3 Hebbville NS B4V6X9	1,725.00	0.00	1,725.00
59	South Shore Truck Centre	1888 King Street, P.O. Box 247 Bridgewater NS B4V 2W9	16,886.26	0.00	16,886.26
60	Stoney Island Fisheries Ltd	P.O. Box 250 Barrington Passage NS B0W1G0	3,135.00	0.00	3,135.00
61	Synergy Technology Solutions	7351 Commercial Road - RTE 4 Milltown Cross PE C0A1R0	1,454.75	0.00	1,454.75
62	Teixeira Family Trust	59 CRANSTON DRIVE Porters Lake NS B3E 1E9	4,059,405.50	0.00	4,059,405.50
63	Timothy E Crowe Services	PO Box 688 Milton NS B0T1P0	1,047.11	0.00	1,047.11
64	Toromont Cat (Maritimes)	PO Box 953 Dartmouth NS B2Y3Z6	4,754.68	0.00	4,754.68
65	Toronto Dominion Bank C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9	0.00	0.00	0.00

Appendix "A"

Unsecured Creditors

Chester Basin Seafood Group Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
66	Valley Tire	139 Logan Road Bridgewater NS B4V 3T3	2,566.61	0.00	2,566.61
67	Various Employees	Various Bridgewater NS VAR IOUS	1.00	0.00	1.00
68	Waterview Marine Supplies	56 Hawthorne Street Yarmouth NS B5A1M9	224.20	0.00	224.20
69	West Nova Fuels Ltd.	73 Falkland St., PO Box 880 Lunenburg NS B0J 2CO	375,936.52	0.00	375,936.52
70	Wm. R. Murphy Fisheries Limited	Box 99 Arcadia NS B0W1B0	24,333.43	0.00	24,333.43
71	Workers Compensation Board of Nova Scotia	5668 South Street Halifax NS B3J 2Y2	250.00	0.00	250.00
		Total:	**6,620,541.17**	**210,803.18**	**6,831,344.35**

Appendix B

451 Operating Agreement

FISHING AGREEMENT

DATED as of the 18 day of February, 2024 (the "**Agreement**")

BETWEEN:

Grant Thornton Limited, in its capacity as the Court-appointed Receiver of Chester Basin Seafood Group Inc., and not in its personal capacity

(the "**Receiver**")

- and -

4519497 Nova Scotia Limited, a body corporate duly incorporated under the laws of the Province of Nova Scotia

(the "**Operator**")

WHEREAS by Order of the Nova Scotia Supreme Court dated February 15, 2024 (the "**Receivership Order**") the Receiver was appointed as the receiver over all of the assets, property and undertaking of Chester Basin Seafood Group Inc. (the **"Company"**) including and without limitation, certain fishing vessels ("**Vessels**") and associated fishing licenses (the "**Licenses**") and quotas more specifically identified in Schedule "A" attached hereto;

AND WHEREAS the Operator has certain expertise and experience in the inshore fishing industry.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the parties hereto hereby agree as follows:

Use and Operation of Assets

1. Subject to the terms of this Agreement and any necessary Fisheries and Oceans (Canada) ("**DFO**") approvals, the Receiver shall make available the Vessels, Licenses and associated tangible and intangibles property of the Company subject to the Receivership Order (collectively the "**Assets**") for fishing operations to be carried out by the Operator. The Receiver represents to the Operator that it has the authority under the Receivership Order to enter into this Agreement but the Receiver makes no representation to the Operator about the validity of its title in the Licenses, as the registration of the Licenses and the possibility to reissue the Licenses to another person upon the request of the holder are privileges conferred by the Minister of Fisheries and Oceans (the "**Minister**"), and are subject to the authority of the Minister.

2. Commencing from the date of this Agreement until **July 31, 2024** (the "**Term**"), unless extended by the parties hereto or earlier terminated under the terms of this Agreement, the Operator shall pay to the Receiver a monthly fee of **$5,000** (the "**Fee**") for the use and operation of the Assets by the Operator. The Fee shall be subject to applicable taxes thereon including the Harmonized Sales Tax ("**HST**")

3. The Operator will sell all catches of the Vessels during the Term to any fish buyer as the Operator deems commercially appropriate. The gross proceeds of the sale of each catch of the Vessels (the "**Gross Catch**") shall be paid to the Operator. The Operator will collect and remit all required HST to Canada Revenue Agency.

4. The Operator shall be responsible and liable for all costs and expenses incurred by the Operator in connection with the use and operation of the Assets by the Operator, including, but not limited to, maintenance and repairs to the Vessels and associated tangible personal property, remuneration of the crew, insurance, expenses in respect of bait, fuel, ice, hooks, nets, food, monitoring fees and gear maintenance.

5. The Operator shall be entitled to retain all net proceeds (if any) after payment of its costs and expenses.

Standard of Care

6. In the use and operation of the Assets by the Operator, the Operator warrants that it shall (a) exercise the degree of care, diligence and skill that a reasonably prudent and experienced operator having similar responsibilities with respect to similar-sized Vessels in the same industry would exercise in comparable circumstances, and (b) comply with all applicable laws.

7. During all times both parties agree to exert their best efforts to ensure that the Licenses are operated in conformity with the Atlantic Fishery Regulations, Fishery (General) Regulations, Transport Canada regulations and any conditions of license issued from time to time by DFO with respect to the License(s). It is acknowledged by and between the parties hereto that it is the intention of the parties that this Agreement be compliant with said DFO policy, as applicable. The Receiver shall have no active duties to perform in connection with the Assets, and that all obligations, responsibilities, acts, or omissions pertaining to the Assets shall be performed by the Operator with the exception of those matters in relation to the Licenses required to be carried out by the Receiver with DFO

Obligations of Operator

8. The Operator shall use its best efforts to efficiently use the Vessels for the purpose of fishing in compliance with the conditions of the Licenses and to properly maintain the Vessels and its fishing gear in good operating condition during the Term.

9. The Operator shall not use the Vessels for any purpose other than fishing as provided for in this Agreement.

10. The Operator shall, in its absolute discretion, select the crew for the Vessels (the "**Crew**") and shall enter into contracts, in its own capacity and not as agent for the Receiver, with the Crew, for their remuneration.

11. The Operator is an independent contractor with the authority to control and direct the performance of the Services in accordance with this Agreement. The Operator's personnel and Crew shall be under the direct supervision and control of the Operator.

Reporting

12. The Operator shall provide the following information to the Receiver upon the request of the Receiver:

    (a) Gross Catch monthly report;

    (b) monthly financial statements relating to use and operation of the Assets;

    (c) copies of invoices and receipts for any costs and expenses;

    (d) notice of any damage involving the Assets under the care of the Operator that is out of the ordinary course; and

    (e) all notices, claims, demands, or other communications which the Operator may receive and which relate in any way to the Licenses or Vessels.

Termination

13. This Agreement shall terminate on the earliest to occur of any of the following events:

    (a) expiry of the Term;
    (b) written agreement of the parties to terminate;
    (c) termination pursuant to Section 15;
    (d) Order of the Court; or
    (e) revocation or cancellation of the Licenses by DFO.

Default and Remedies

14. The occurrence of one or more of the following events shall constitute a default by a party under this Agreement (an "**Event of Default**");

(a) a party fails to pay any amount to be paid under this Agreement at the time and in the manner required by this Agreement which failure is not cured within 5 days after notice from the non-defaulting party that such amount is due and owing;

(b) a party is in default or in breach of any term, condition or obligation under this Agreement, other than non-payment under Section 13(a), and if the default or breach is capable of being cured, it continues for 30 days after receipt of notice of the default or breach by the non-defaulting party, unless the cure reasonably requires a longer period of time and such defaulting party is diligently pursuing the cure, and the default or breach is cured within such longer period of time as agreed by the non-defaulting party; or

(c) the Operator's bankruptcy, insolvency, reorganization or compromise of debts or similar laws.

Remedies

15. Upon the occurrence of an Event of Default, the non-defaulting party shall be entitled to exercise all of its rights, remedies or recourse at law and in equity to recover all of its losses and damages. In addition, for an Event of Default under Section 13.1 (c), the non-defaulting party shall be entitled to immediately terminate this Agreement.

Liability and Indemnity

16. The Operator shall be responsible for, and shall release, indemnify and hold the Receiver harmless, from and against all damages, expenses, costs, losses, injuries, liabilities, claims, judgments and debts, of any nature (collectively referred to as "**Claims**") incurred or suffered by the Receiver in connection with the provision of the Services, except for any Claims arising from the negligence of the Receiver or for which the Receiver is liable or responsible for at law .

Miscellaneous

16. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and may be modified only by a written agreement signed by the parties hereto.

17. This Agreement may not be assigned by either party without the prior written consent of the other party.

18. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns.

19. This Agreement shall be governed by and construed in accordance with the law of the Province of Nova Scotia and the federal laws of Canada applicable therein.

20. This Agreement may be executed in one or more counterparts and delivered by facsimile, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument duly executed and delivered.

21. If any term or provision hereof, or the application thereof to any person or circumstance, shall to any extent be contrary to any applicable regulation or law or otherwise invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is contrary, invalid, or unenforceable, shall not be affected thereby and, to the extent consistent with the overall intent hereof as evidenced by this Agreement, shall be enforceable to the fullest extent permitted by applicable regulation and law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers designated below on the date hereinabove written.

Grant Thornton Limited, in its capacity as the Court-appointed Receiver of Chester Basin Seafoods Inc. and not in its personal capacity

DocuSigned by:
84D899DB5F41456...

Per: ______________________________

Name: Liam Murphy
Title: Senior Vice President

4519497 Nova Scotia Limited

Per: ______________________________

Name:
Title:

SCHEDULE "A"

Vessels

1. Atlantic Sea Clipper, Official Number 811392;
2. Seaman's Toy I, Official Number 820888;
3. Fortune Pride, Official Number 811352;

Licenses

Fishing licenses and associated quotas attached to the vessel, "Seaman's Toy I"

Schedule "A"

Species	License Number
Groundfish	100681
Groundfish	101079
Groundfish	100686
Groundfish	100599
Groundfish	100998
Squid	364238

License Identification FIN: 570113325

19. This Agreement shall be governed by and construed in accordance with the law of the Province of Nova Scotia and the federal laws of Canada applicable therein.

20. This Agreement may be executed in one or more counterparts and delivered by facsimile, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument duly executed and delivered.

21. If any term or provision hereof, or the application thereof to any person or circumstance, shall to any extent be contrary to any applicable regulation or law or otherwise invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is contrary, invalid, or unenforceable, shall not be affected thereby and, to the extent consistent with the overall intent hereof as evidenced by this Agreement, shall be enforceable to the fullest extent permitted by applicable regulation and law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers designated below on the date hereinabove written.

Grant Thornton Limited, in its capacity as the Court-appointed Receiver of Chester Basin Seafoods Inc. and not in its personal capacity

Per: ______________________________
Name:
Title:

4519497 Nova Scotia Limited

Per: ______________________________
Name: Jose Teixeira
Title: PRESIDENT.

Appendix C

Meeting Minutes- FMOC, CBSG Bankruptcy

PROVINCE OF NOVA SOCTIA
DIVISION NO: 01 - HALIFAX
ESTATE NO: 51-3007018
COURT NO: 45611

IN THE MATTER OF THE BANKRUPTCY OF

Chester Basin Seafood Group Inc. ("CBSG" or "Company")

ORDINARY ADMINISTRATION

MINUTES - FIRST MEETING OF CREDITORS

DATE: February 28th, 2024 2:00 PM AST.

Held virtually under the chairmanship of Liam Murphy, Licensed Insolvency Trustee of Grant Thornton Limited

Call to Order

The first meeting of creditors ("Meeting") of CBSG was called to order at 2:10PM AST on February 28th, 2024.Grant Thornton Limited as Trustee ("**GTL**") chaired the meeting pursuant to subsection 105(1) of the Bankruptcy and Insolvency Act.

Introduction & Welcome

The Chair welcomed the attendees and introduced GTL, as appointed by the Office of the Superintendent of Bankruptcy, and chair of the meeting. Chester Basin Seafood Group ("**CBSG**") was deemed to have filed an assignment in bankruptcy by virtue of Section 50.4(8) of the BIA, because the company did not file a proposal to its creditors prior to the end of the stay period in its NOI Proceedings. The Chair proceeded to conduct a roll call of who was present on the call and in person, found detailed on the attached Attendance List. The Chair also ensured attendees had access to the Creditors Package mailed by the Trustee, and available on the Trustee's website, prior to opening the Meeting.

Quorum

The Chair confirmed quorum of at least one creditor in person or by proxy and confirmed all persons attending the Meeting had filed a proper proof of claim to be entitled to vote. The Chair confirmed with attendees that unsecured creditor claims who have filed proofs of claim would be eligible to vote for purposes of any motions moved in the meeting, and creditors who have not filed claims are not entitled to vote.

- The following creditors filed unsecured claims:

- Teixeira Family Trust - $3,700,000 (Proxy – Stephen Kingston)
- Jose Teixeira - $170,023 (Proxy – Stephen Kingston)
- Wm. R. Murphy Fisheries Limited - $24,333 (No proxy)
- Barrington Catch Monitoring Centre - $3,340 (Proxy – The Trustee, represented by Ben Chisholm of the Trustee's office)
- Quarterback Mobile - $3,329 (No proxy)
- Stoney Island Fisheries - $3,135 (No proxy)
- Metalarc Fabrication Limited - $2,238 (No proxy)
- MacKay Communications - $603.75 (No proxy)
- Fleetworx Inc. - $89,711.34 (No proxy)
- Irving Oil - $67,676.79 (No proxy)
- Seamasters Services Ltd. (No proxy)
- Securi International Inc. (No proxy)

- The following creditors had filed secured claims:
  - CWB National Leasing ("**CWB**") - $209,716

Purpose

The Chair stated the purpose of the meeting was to consider the affairs of the bankrupt, to affirm the appointment of the trustee or substitute another, to appoint inspectors, and to give such direction to the trustee as the creditors may see fit with reference to the administration of the estate, and to proceed to discharge.

Tabling of Statutory Documents

The following documents were tabled and available for review:

- Trustee Preliminary Report;
- Statement of Affairs;
- Office of the Superintendent of Bankruptcy Certificate of Appointment;
- Creditor Package mailed to all creditors and available on the Trustee's website;
- Directors package (Form 66 and Notice of Duties);
- Mailing affidavit for the mailing of the creditor and director package;
- Claims Register;
- Newspaper Ad in The Chronicle Herald dated February 20th, 2024; and

The Chair confirmed with Ben Chisholm all these documents were tabled and filed appropriately. Chair informed the creditors that they can request copies of any of the above after the meeting by reaching out to Ben Chisholm at chesterbasinseafoods@ca.gt.com, and also available on the Trustee's website.

Trustee's Preliminary Report

The Chair reviewed the Trustee's Preliminary Report with creditors, and followed up on any changes since the date of the Preliminary Report, noting:

- High level overview of NOI Proceedings, and events leading to bankruptcy;
- Financial summary based on internal balance sheets;
- Conclusion of Proposal Trustee's review of liquidation value of the Company's assets;
- Conclusion of Proposal Trustee's independent counsel review of the security held by 451, as DIP Lender in the NOI Proceedings, and TD Bank, as Senior Secured Creditor to the Company;
- Letter sent to 451 and TD Bank on the Date of Bankruptcy releasing the estate's interest in all assets that were fully encumbered to TD/451;
- Steps taken by the Trustee subsequent to the date of bankruptcy, including statutory matters such as the preparation for the first meeting of creditors, notices to Creditors, possession of books and records, and dealing with WEPP.
- Review of preferences and transfers at undervalue in NOI Proceedings, and subsequently at the date of bankruptcy, and confirmation that none appeared to exist.
- Trustee's view that all assets are fully encumbered, that there is no value available for unsecured creditors, and confirmation that the Trustee is being paid via third party deposit pursuant to Directive 24.
    - The Trustee's further discussion with counsel and review of potential liquidation value of the licenses and quota confirmed that there was no value available for unsecured creditors, and therefore the remaining licenses and quota of the Company held by the Trustee was released to the Court appointed Receiver, discussed below, pursuant to 451's security, effective the date of Receivership.
- Advised that on February 12, 2024, GTL was appointed by the Supreme Court of Nova Scotia as Court Appointed Receiver of CBSG's property pursuant to an application made by 451.
    - GTL had the knowledge to appropriately market the assets for the benefit of the Company's creditors from the NOI Proceedings. GT was and is Court appointed; the chair reiterated they do not work for 451.
    - Confirm that 451 was assigned the debt and security of TD effective February 8, 2024, and has debt owing of approximately $7.6 million;

- The Receiver did not take possession and control of the assets; the assets are controlled by 451, pursuant to its security;
- Since the date of appointment, the Receiver executed an operating agreement with 451, allowing 451 to operate the assets on a no risk basis to the Receiver. For certainty, CBSG is bankrupt, is not operating, and 451 is required to have its own employees, insurance, workers comp, etc. and provide reporting to Receiver.
- At 2:23 PM Legal counsel for Grant Thornton Josh Santimaw joined the meeting.
- The Receiver intends to initiate a Sales Process for the assets in the Receivership, which process intends to be Court approved.

Questions to Trustee

The Chair proceeded to open the call for questions to GTL regarding the bankruptcy proceedings, or any materials.

Mr. Harris – representing Fleetworx raised questions to the Trustee regarding the following:

1. Questions regarding whether creditors who extended credit during the NOI proceedings have a first charge over receivables generated by the company. Trustee advised a Critical Supplier charge did not exist, and balances owing were unsecured as at the date of bankruptcy. Trustee understands company operated with many creditors on a "cash on demand" basis, and that some creditors/suppliers continued working with Company on shortened credit terms (i.e. 7 days).
2. The Chair responded to questions regarding the DIP Charge, the value of "guarantees" by the Company in respect of getting paid post-filing, vesting of assets in the Trustee, and the Trustee's release of the assets released to secured creditors;
3. The Chair confirmed that Fleetworx filed an unsecured claim and unless documentation was provided to show otherwise, the claim would remain unsecured in the proceedings.
4. Mr. Harris advised an employee of CBSG took a trailer that Fleetworx completed work on from the Fleetworx his yard without payment and they were promised to be paid the next day, which they were not, the day before the filing of the bankruptcy.
    a. The Chair requested Mr. Harris provide him the details of his concerns and comments in writing, such that the Trustee may further investigate.
5. Mr. Harris requested comments on the Trustee's valuation of the assets. The Chair advised that, because the assets were the subject of a court appointed receivership sales process, providing liquidation values of the property could negatively impact that process.

6. Mr. Kingston, counsel to 451, confirmed the Trustee's view that releasing estimated values of the equipment could taint the sales process.
7. The Chair requested Mr. Harris provide him the details of his concerns and comments in writing. Mr. Harris agrees to do so.
8. The chair requested if Mr. Murphy of Wm. R. Murphy Fisheries Limited had any questions at that time, or if any other creditors present had questions. Confirmed none.

Questions to Bankrupt: Mr. Breau, Chairperson of CBSG Board

The Chair proceeded to open the call for questions to the director of Chester Basin - Herb Breau:

1. Mr. Harris directed a question to Mr. Breau with respect to the nature of the creation of the company and how the financing used to acquire the company was, in his view, based on future earnings. Mr. Harris advised he was "told" there was a misallocation of funds from the company prior to the NOI Filing and requested Mr Breau's comments.
2. Mr. Breau advised from the financial information he reviewed and was aware of, he is not aware of any misallocation of funds.
3. There were no further questions for Mr. Breau.

Motions:

1. The Chair called for a motion to affirm GTL as Trustee. The Chair noted Mr. Kingston and Mr. Breau could not vote to affirm:
    a. Chris Murphy from Wm. R. Murphy Fisheries Limited voted in favor; and
    b. Mr. Harris from Fleetworx Inc. voted in favor;

The Chair advised that the motion to affirm GTL Trustee was carried and that GTL is now the affirmed Trustee to administer the estate of Chester Basin Seafood Group.

2. The Chair called a motion to confirm the Creditor's approval of GTL to continue to act as Court Appointed Receiver, pursuant to rule 4 of the Rules of Professional Conduct of CAIRP.
    a. Mr. Kingston voted in favour;
    b. Mr. Murphy voted in favour; and
    c. Mr. Harris voted in favour.

Inspectors:

The Chair requested nominations for the role of Inspector. The Chair reminded the Meeting that creditors act in their personal capacity, not in their capacity as creditors, and that only the following individuals can vote on the appointment of an Inspector pursuant to the BIA:

1. Trustee via Proxy: Barrington Catch Monitoring;
2. Mr. Murphy
3. Mr. Harris

No nominations to be an Inspector were received from creditors and there was no appointment of an inspector.

3. As no inspectors were appointed, the Chair called a motion to direct the Trustee to finalize all outstanding statutory matters in relation to the estate, including WEPP, and because no assets were available for realization for the unsecured creditors, for the Trustee to take steps to proceed to its discharge.
   a. Mr. Kingston voted in favour;
   b. Mr. Murphy voted in favour; and
   c. Mr. Harris voted in favour.

Motion passed.

Closing Motion

There being no more questions. GTL Trustee proceeded to call a motion to adjourn the meeting. Moved by Mr. Kingston. The meeting was adjourned at 2:58 PM AST.

Dated this 28th day of February 2024.

Liam Murphy, CPA, CA, CIRP, LIT
Licensed Insolvency Trustee

Appendix D

Notice of Intention to Apply for Leave to Commence Derivative Action

BY EMAIL AND BY PERSONAL SERVICE

March 28, 2024
Our File No.: 2023 524
E-mail Address: jflalonde@viceandhunter.ca

GRANT THORNTON LIMITED, in its capacity as Court-appointed receiver for CHESTER BASIN SEAFOODS GOODS INCORPORATED
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS B3J 0E9
Attention: Liam Murphy, CPA, CA, CIRP, LIT

CHESTER BASIN SEAFOODS INCORPORATED
201-129 Aberdeen Rd.
Bridgewater, NS B4V 2S7
Attention: Liam Murphy, CPA, CA, CIRP, LIT

SUSTAINABLE OCEANS CAPITAL INC.
182 RIVER LANE
OTTAWA, ON K1M 1T1

JOSÉ PAULO TEIXEIRA
59 Cranton Drive
Porters Lake, NS B3E 1E9

JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2029)
59 Cranton Drive
Porters Lake, NS B3E 1E9

JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2037)
59 Cranton Drive
Porters Lake, NS B3E 1E9

4519497 NOVA SCOTIA LIMITED
59 Cranton Drive
Porters Lake, NS B3E 1E9
Attention: José P. Teixeira

DANIEL GAUDET
705 - 85 Spinnaker Drive
Halifax, NS B3N 3E3

9437878 CANADA CORPORATION
705 - 85 Spinnaker Drive
Halifax, NS B3N 3E3
Attention: Daniel Gaudet

PLUTO INVESTMENTS INC.
137 Lemarchant Rd.
St. John’s, NL A1C 2H3
Attention: Susan Grant
susan@plutoinvestments.ca

Dear Sir or Madam,

VICE & HUNTER LLP

NOTICE OF INTENTION TO APPLY FOR LEAVE TO COMMENCE DERIVATIVE ACTION ON BEHALF OF CHESTER BASIN SEAFOOD GROUP INC. and SUSTAINABLE OCEANS CAPITAL INC.

Please be advised that it is the intention of:

> JACQUES CHABOT and HERB BREAU, as directors of CHESTER BASIN SEAFOOD GROUP INC. ("CBSG"), NEWBEC CAPITAL LAURENTIAN INC., as majority shareholder of SUSTAINABLE OCEANS CAPITAL INC ("SOC"), which is the sole shareholder of CBSG, JACQUES CHABOT, as shareholder of SOC, and SECURI INTERNATIONAL INC., which is a creditor of CBSG (the "Intended Applicants"),

to commence a derivative action pursuant to sec. 4(2), Third Schedule, of the ***Companies Act***, R.S. c. 81 (Nova Scotia), on behalf of

> CBSG and SOC,

as against:

> GRANT THORNTON LIMITED, in its capacity as Court-appointed receiver for CBSG, JOSÉ PAULO TEIXEIRA, as shareholder of SOC, JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2029), as shareholder of SOC, JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2037), as shareholder of SOC, 4519497 NOVA SCOTIA LIMITED, as operator of CBSG, DANIEL GAUDET, as shareholder of SOC, and 9437878 CANADA CORPORATION, as employee/contractor of CBSG, and PLUTO INVESTMENTS INC, as shareholder of SOC.,;

The reasons underlying this Notice are set out in the attached Statement of Claim, Court File No. CV-24-00095214-0000.

The Intended Applicants undertake to act in good faith and in the best interest of:

> CBSG and SOC.

Please communicate to the undersigned any concern or information that is relevant, and/or whether you intend to consent or oppose or take no position *vis-à-vis* the relief that the Intended Applicants intend to seek, by no later than April 12, 2024.

The Intended Applicants intend to file a Notice of Application under sec. 4(2), Third Schedule, of the ***Companies Act***, R.S. c. 81 (Nova Scotia), after April 12, 2024.

Yours very truly,

VICE & HUNTER LLP

Per:

J.F. LALONDE
JFL/hs
Encls.

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

HERB BREAU, JACQUES CHABOT, NEWBEC CAPITAL LAURENTIAN INC., and SECURI INTERNATIONAL INC.

Plaintiffs

and

JOSÉ PAULO TEIXEIRA, JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2029), JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2037), 4519497 NOVA SCOTIA LIMITED, DANIEL GAUDET, and 9437878 CANADA CORPORATION

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date ____________________ Issued by ________________________________

Local Registrar

Address of court office: 161 Elgin Street
Ottawa ON K2P 2K1

TO: JOSÉ PAULO TEIXEIRA
59 Cranton Drive
Porters Lake, NS B3E 1E9

AND TO: JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2029)
59 Cranton Drive
Porters Lake, NS B3E 1E9

AND TO: JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2037)
59 Cranton Drive
Porters Lake, NS B3E 1E9

AND TO: 4519497 NOVA SCOTIA LIMITED
59 Cranton Drive
Porters Lake, NS B3E 1E9

AND TO: DANIEL GAUDET
705 - 85 Spinnaker Drive
Halifax, NS B3N 3E3

AND TO: 9437878 CANADA CORPORATION
705 - 85 Spinnaker Drive
Halifax, NS B3N 3E3

CLAIM

1. The plaintiffs claim:

   (a) As against the defendants JOSÉ PAULO TEIXEIRA, JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2029), JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2037), DANIEL GAUDET, and 9437878 CANADA CORPORATION:

      (i) A declaration that during the period beginning in late spring of 2023 to present, these defendants conspired with each other and their unnamed co-conspirators to take over the fishing operations of the plaintiff ***CBSG*** for their own benefit and to the exclusion of the plaintiffs, and, engaged in conduct that was in violation of their legal obligations including, *inter alia*, their fiduciary obligations; and

      (ii) A declaration that the conduct of these defendants, the particulars of which are set out below, is or threatens to be oppressive or unfairly prejudicial to the plaintiffs or unfairly disregards the interests of the plaintiffs;

      (iii) Damages of $2,376,120 for conspiracy, intentional interference with economic interest, and oppressive conduct;

      (iv) Special damages in an amount that this Honourable Court deems appropriate to compensate the plaintiffs, as established by an accounting if necessary;

(v) Punitive and aggravated damages in the amount that this Honourable Court deems appropriate;

(vi) A declaration these defendants are jointly and severally liable for any and all damages awarded;

(vii) A declaration these defendants have been unjustly enriched at the expense of the plaintiff by their conduct;

(viii) In addition, or in the alternative, restitution and/or a refund of all monies paid to or received by defendants from the sale of harvesting, packaging, marketing, and sale of groundfish, and their holding of the groundfish quota and fishing licenses as well as the ownership of transportation assets;

(ix) An order directing the defendants to disgorge their ill-gotten revenues;

(x) A permanent injunction restraining defendants from continuing their actions;

(b) With respect to the defendant 4519497 NOVA SCOTIA LIMITED

(i) Special damages in an amount that this Honourable Court deems appropriate to compensate the plaintiffs, as established by an accounting if necessary;

(ii) Punitive and aggravated damages in the amount that this Honourable Court deems appropriate;

(iii) In addition, or in the alternative, an accounting of revenues received by this defendant resulting from its sale of harvesting, packaging, marketing, and sale of groundfish, and their holding of the groundfish quota and fishing licenses as well as the ownership of transportation assets;

(iv) In addition, or in the alternative, restitution and/or a refund of all monies paid to or received by this defendant from the sale of harvesting, packaging, marketing, and sale of groundfish, and their holding of the groundfish quota and fishing licenses as well as the ownership of transportation assets;

(v) Restitution of gains from unjust enrichment.

(vi) An order directing this defendant to disgorge its ill-gotten revenues;

(vii) A permanent injunction restraining this defendant from continuing its actions;

(c) As against all defendants:

(i) Pre and post judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C. 43 or in the alternative, the *Judicature Act*, RS., c. 240, s. 1;

(ii) Costs of this action on a substantial indemnity basis pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C. 43 or in the alternative, the *Judicature Act*, RS., c. 240, s. 1;.

The Parties/Actors

2. The plaintiff, Herb Breau ("Breau"), is an individual residing in the City of Ottawa, Ontario.

3. The plaintiff, Jacques Chabot ("Chabot"), is an individual residing in the Municipality of Lac-Beauport, in the Province of Québec.

4. The plaintiff, Newbec Capital Laurentian Inc., is a company pursuant to the laws of Canada with its head office in Ottawa, Ontario ("NCLI").

5. Chabot owns sixty per cent of the capital stock of NCLI.

6. Breau owns forty percent of the capital stock of NCLI.

7. Chester Basin Seafoods Incorporated, is a body corporate incorporated under the *Companies Act*, R.S. c. 81 (Nova Scotia), and is engaged in the business of harvesting, processing, marketing, sale and transport of Groundfish harvested in the waters of the Gulf of St. Lawrence and off the coasts of Nova Scotia in Canada, Prince Edward Island, and Newfoundland and Labrador, and sold in Canada, the United States of America (USA) and Europe ("***CBSG***" or the "***Company***").

8. The defendant, José Paulo Teixeira, is an individual residing at Porters Lake, Nova Scotia ("Teixeira"). Teixeira is trustee of the Teixeira Family Trust (2029) and the Teixeira Family Trust (2037).

9. The defendant, 4519497 NOVE SCOTIA LIMITED, is a body corporate incorporated under the ***Companies Act***, R.S. c. 81 (Nova Scotia) ("451"). Teixeira is the controlling mind of the defendant 451.

10. The defendant, Daniel Gaudet, is an individual residing in the City of Halifax, in the Province of Nova Scotia ("Gaudet").

11. The defendant 9437878 CANADA CORPORATION, is corporation under the laws of Canada ("943"). The defendant Gaudet is the controlling mind of 943.

12. The entire capital stock of ***CBSG*** is owned by SUSTAINABLE OCEANS CAPITAL INC., a company duly incorporated pursuant to the laws of Canada with its head office in Ottawa, Province of Ontario ("***SOC***").

13. The capital stock of ***SOC*** is owned as follows:

(a) Chabot: 10%;

(b) NCLI; 43.7%;

(c) Teixeira; 22.5%;

(d) Gaudet 13.8%;

(e) Pluto Investments Inc: 10%.

14. Breau was at all material times Director and Chairman of ***CBSG*** and ***SOC***;

15. Chabot was at all material times Director of ***CBSG*** and ***SOC***;

16. Teixeira was at all material times a Director of ***CBSG*** and ***SOC*** until his resignation from both which were accepted on January 13, 2024;

17. Gaudet was at all material times a Director of ***CBSG*** and ***SOC*** until he was removed on November 30, 2023 (***SOC***) and January 6, 2024 (***CBSG***);

Background

18. On June 22, 2022, José Teixeira, in his personal capacity and in his capacity as trustee of the Teixeira Family Trust (2029) and trustee of the Teixeira Family Trust (2037) (collectively referred to as the "Teixeira Entities"), entered into a Share Purchase Agreement ("***SPA***") for the sale of 85% of the outstanding common shares and 100% of the outstanding preferred shares in Chester Basin Seafoods Incorporated ("CBSI"), Seaman's Toy Fisheries (2008) Limited ("STF"), and 3312858 Nova Scotia Limited ("331") (collectively referred to as the "Teixeira Companies"). The purchaser of said shares, as indicated in the Share Purchase Agreement, was 4196293 Nova Scotia Limited.

19. Immediately after closing of the ***SPA***, 4196293 Nova Scotia Limited (419), CBSI, STF and 331 were amalgamated into Chester Basin Seafood Group Inc. (***CBSG***).

20. Prior to closing the Agreement on June 22, 2022, the plaintiffs, along with other investors, were provided with financial statements by Teixeira.

21. One of the conditions of the ***SPA*** was to obtain Engagement Review Financial Statements of the three Companies as at June 22, 2022. The plaintiffs requested that an Engagement Review be completed in order to verify the purported financial condition of the three Companies.

22. It was not until the Engagement Review was completed and provided to the plaintiffs in September 2022 that the true financial condition was revealed to the plaintiffs. By the time the Engagement Review was completed, it was clear in the in-house accounting that Teixeira and Teixeira Entities had failed to disclose liabilities.

23. Invoices dated before June 22, 2022 by the three companies acquired (CBSI, STF, and 331) had been processed as expenditures post June 22, 2022 in violation of the cutoff date of June 22, 2022.

24. The Engagement Review was silent regarding significant unrecorded liabilities that were known or ought to have been known by Teixeira prior to and/or at the time of closing of the ***SPA***.

25. When asked by the plaintiffs, Teixeira confirmed that there were unrecorded liabilities.

26. The undisclosed liabilities included repairs needed to be performed on the boats owned by ***CBSG*** and many other expenditures, reflecting a pattern of manipulating invoices to be entered in the accounting system.

27. These liabilities had a devastating impact on the realization of ***CBSG***'s largest asset: its fish quota.

28. In addition to having overstated the assets resulting from the unrecorded liabilities, the financial statements provided to plaintiffs prior to the closing of the ***SPA*** failed to disclose Accounts Receivable that were uncollectible. These were eventually written off after closing.

29. The Accounts Payable were given on credit terms that became due after closing, however, neither the existence of said credit, nor their terms, were disclosed to the plaintiffs until after closing.

30. The ***SPA*** provided for a downward price adjustment in the event that the cutoff was not properly harmonized at Closing. After consideration, and given the desire to create a team approach, NCLI and Breau determined to give the process a chance and not trigger a price adjustment clause under the condition that Teixeira advance equal amounts of shareholder loans as needed.

31. Teixeira advanced $200,000 only during the fiscal year ending May 31,2023, and affiliates of Breau advanced $562,000.

32. After closing, Teixeira, in his personal capacity, acting under a Management Contract, was accountable for all operations and to oversee for adequate accounting and control systems to ensure the Board of Directors would be informed on a timely basis of all ***CBSG***'s business.

33. A Comptroller on staff with a CV indicating a CPA designation with experience in various industries appeared to know how to set this up but it became clear that Teixeira insisted on and did approve every detail and that the Comptroller took all directives from Teixeira.

34. The accounting for the new amalgamated Company, ***CBSG***, was confusing from date of the closing.

35. A new accounting software was acquired with more features as appropriate for a larger company with outside owners, and it was expected that the Comptroller on staff would proceed to a clear and smooth transition.

36. The defendant Gaudet, who had worked with Breau in preparation for the acquisition, was retained to oversee this transition.

37. Gaudet would invoice ***CBSG*** for his services through the defendant 942. All references to Gaudet in this claim include 942, which is Gaudet's *alter ego.*

38. The cutoff was never detailed and no reliable monthly or quarterly financial statements were provided to the Board until March 2023 for operations up to February 28, 2023.

39. The Controller was subsequently dismissed from ***CBSG*** in October 2022 and replaced, at the suggestion of Teixeira, by his Son.

40. In retrospect, the plaintiffs plead that the confused accounting was, in great part, caused by what became conflicting instructions and transmission of data when Teixeira would reflect his will to contain information to himself and attempt to insert undisclosed liabilities that have been uncovered and were incurred at least six months before being reported.

41. Since closing, Securi International Inc., a company owned by Breau contributed $562,000.00 to ***CBSG*** in the form of shareholders loans in order to satisfy Debt Service Ratios with TD Bank.

42. ***CBSG*** was indebted to Securi International Inc. in the amount of $450,000.00, for costs associated with the June 2022 transaction.

43. Further, prior to fiscal year-end of May 31,2023, Breau, in good faith, paid off a personal line of credit held by Teixeira in the amount of $11,000.00, wrongly accounted for as a Company liability, in a further effort to satisfy the financial institution's conditions about any distribution of money to insiders other than what was in the Projections as salary or expenditures.

44. The $11,000.00 payment had never been authorized by the Board and only came to Breau's attention in March 2023, after asking an accountant from Pluto Investment Inc, a secured creditor, to review the accounting on-site as Breau had become concerned about the reliability of the accounting.

45. The onsite accounting review, over two trips of two days disclosed serious accounting misrepresentations and misallocations of expenses.

46. It was also discovered that Texeira was micromanaging every aspect of data entry.

47. The defendant Gaudet, who had assisted Breau in the acquisition of ***CBSG***, was charged with the integration of the three Companies and to nurture and manage the change from a sole owner management to a corporate culture of reporting to a Board of Directors.

48. Gaudet reported to the Board's Chairman, Breau, and was very critical of many aspects of Teixeira's management.

49. However, Gaudet failed to implement any changes and acquiesced to Teixeira.

50. Teixeira continued to make all decisions regarding all aspects of ***CBSG***'s operations with tight control over all exchanges of information.

51. By March 2023, the above had become obvious to the Board. David Taylor of Pluto Investments Inc. made two onsite visits to review ***CBSG***'s accounting, and was exceedingly critical of all aspects of ***CBSG***'s financial management.

52. Gaudet had failed to make any changes.

53. Teixeira's promises to Breau that he would adapt and change his management style to allow the ***CBSG*** to grow and prosper did not materialize.

54. On the basis of Teixeira's assurances, Breau continued to support ***CBSG*** in seeking more funding, including the $562,000 from Securi International Inc.

Fishing Vessel Incident (Seaman's Toy 1)

55. On December 9, 2022, one of ***CBSG***'s fishing vessel, Seaman's Toy 1, was involved in a major incident, where said vessel went aground approaching an unloading dock in Sambro Nova Scotia.

56. The Seaman's Toy 1 vessel went aground while being moved from one wharf to another offloading dock by an unlicensed employee in the absence of the captain, all of which was directed by Teixeira.

57. This constituted a significant breach of marine law.

58. Teixeira did not report in proper detail this incident to Breau or to the Board, despite their obligation to do so.

59. Gaudet provided piecemeal information which was deliberately limited and vague.

60. Texeira decided not to file an insurance claim, and no incident report was ever prepared.

61. This decision was not in the interest of the Company and was made to cover gross negligence and lack of judgement on the part of Teixeira.

62. Breau then started receiving piecemeal information about this accident, and on at least three occasions, asked Mr. Teixeira for an incident report, and the reason why no insurance claim was made.

63. Teixeira misrepresented the severity of the accident and understated the damages that it had caused CBSG.

64. Teixeira misled Breau indicating to him that no insurance claim needed to be made because it had been a minor accident.

65. Teixeira withheld the true facts of the incident from the plaintiffs as they proved a high degree or irresponsibility on the Teixeira's.

66. The entire $562,000 form Securi International Inc. was advanced to CBSG after the accident, without knowledge of the accident.

67. Those funds may not have been advanced at all by Securi International, or it may have insisted on conditions, had the plaintiffs been informed of the true facts of the Seaman's Toy 1 incident.

68. The employee, with no license to operate a vessel, was directed by Teixeira to take command of the vessel and move it to the offloading dock.

69. The captain, who left the vessel when it arrived was absent, and Breau learned only in late summer of 2023, was known to be a substance addict and kept on this important job on the basis of Teixeria's wishes.

70. The Seaman's Toy 1 incident was the result of Teixeira's gross negligence, lack of care, breach of contract, and breach of regulatory requirements, as Mr. Texeira was obligated to carry out his duties as Lead Manager under the terms of his Management Contract in a competent and professional manner, which he failed to do.

Fortune Pride

71. Another vessel, the Fortune Pride, suffered a hydraulic failure which required it to have a new hydraulic system installed.

72. The Fortune Pride left the shipyard without being properly tested and verified, and did not complete one fishing trip before breaking again.

73. Upon further verification, it was determined that the cooling system had not been checked, which caused the hydraulic system to fail again.

74. The plaintiffs plead that the Fortune Pride's repeated hydraulic failures were caused by the gross negligence and/or lack of care expected from a reasonably competent General Manager of a fishing company like ***CBSG***, which would not have happened if it had a preventative culture regarding maintenance of its assets.

Interim Financing

75. In or about August 2023, ***CBSG*** experienced a lack of liquidity, which caused TD Bank to insist in receiving updated financial information, in order to renew the credit facilities which were important to an Equity program that Breau had negotiated with a group of investors, which included European investors, who in turn wished to establish an investment presence in Canada.

76. Interim financing was proposed by Breau to bridge the requirement until this equity agreement could be closed.

77. Teixeira was invited to join Breau and guarantee this bridge financing in view of the lack of proper accounting and the serious gaps in his performance, as well as his failure to meet the expectations that he had set up for the plaintiffs.

78. Teixeira refused to commit as a guarantor. Instead, he commenced a lawsuit against Breau and Newbec Capital Inc. on a Promissory Note

79. Teixeira's action was filed at the Ontario *Superior Court of Justice*, in Ottawa, bearing court file no. CV-23-00093467.

Notice of Intention to Make a Proposal ("NOI")

80. On November 7, 2023 ***CBSG***, through Teixeira, filed a notice of intention to make a proposal ("***NOI***").

81. The plaintiffs plead that Teixeira and Gaudet had been conspiring the takeover ***CBSG*** since in or about June 2023, and in early November 2023, they engaged lawyers and a Trustee firm,

Grant Thornton Limited, with no authority from the Board to file a Proposal under the ***Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 ("*BIA*")**, with a Debtor-in-Possession (DIP) Loan to be provided by a company owned by Teixeira.

82. The lawyers and the Trustee had retainers from ***CBSG*** without a Board Resolution, which Teixeira signed, indicating that he had the authority to bind the Corporation, which he did not have.

83. By then, the Board was only receiving piecemeal, incomplete, and unexplained information, despite its urgings for full disclosure.

84. Teixeira offered his own Company, 4519497 Nova Scotia Limited, as DIP Lender and refused to allow for any other lender identified by the Board.

85. The Board was trying to reduce conflict and get Teixeira to abide by his obligations.

86. Teixeira refused to cooperate, conducted himself in a bullying manner with the Board, and breached his various legal duties to the plaintiffs, and was under-projecting ***CBSG***'s revenues on purpose to ensure that the plaintiffs' Proposal would fail.

87. An Order dated November 24, 2023 was issued by the Registrar of Bankruptcy in the proceeding designated Hfx. No. 52814.

Teixeira and Gaudet Conspire for Hostile Takeover of CBSG

88. By early November 2023, it was apparent to the plaintiffs that Teixeira and Gaudet had already set in motion a plan to squeeze the plaintiffs out of their equity in ***CBSG,*** by terminating the flow of information that Breau, as Chairman of the Board.

89. From early August 2023, Breau was pleading with Gaudet to start the work with the outside Accountant so the May 31, 2023 Financial Statements of ***CBSG*** would be completed on time. This was needed to file a T2 Corporate return and to renew Credit facilities at TD Bank and to support the Equity program Breau had been working on for more than one year. It became apparent to Breau that Texeira and Gaudet purposely frustrated the completion of this work to put the company in more serious default at TD Bank and to suppress the value of the Company.

90. Gaudet was refusing to respond to urgent requests for information, and ***CBSG***'s accountants were unable to complete the financial statements for the fiscal year-end May 2023. Breau was left with a compilation and no Engagement Review. This served Teixeira's objectives to hide the undisclosed Liabilities and to account for the explanation of the Seaman's Toy disastrous situation with no Insurance Claim.

91. Teixeira and Gaudet failed on purpose to disclose ***CBSG***'s undisclosed liabilities.

92. Previously, Gaudet had been complaining about these to Breau, indicating they were over $200,000 but at some point-in-time decided to join Teixeira in suppressing it to conspire against the plaintiffs.

93. Having joined Teixeira in a conspiracy against the plaintiffs, Gaudet no longer cooperated with Breau and feigned not being able to identify any of the undisclosed liabilities that he had previously complained about.

94. The financial statements were not completed because of a lack of diligence from Teixeira and Gaudet.

95. In the compilation notes, Breau decided to show an amount of $118,000 in undisclosed liabilities, which is the only amount he received from Gaudet. Breau is of the view it is for much more than that amount but the Board was stifled to complete the review because Teixeira refused to pay the account. Gaudet also dragged all he could to frustrate the completion of the financial statements.

96. The ***Companies Act***, R.S. c. 81 (Nova Scotia) ("***Companies Act***") requires the appointment of an auditor, and the production of yearly financial statements.

97. Teixeira and Gaudet refused and/or prevented the appointed auditor and the production of proper financial statements, in breach of their obligations, and in breach of the Company's policy to have Engagement Review FS, which were conditions of TD Bank's financing for the acquisition of June 22, 2022.

98. Teixeira and Gaudet continued to interfere with the Board's requests for financial information and stopped the flow of information to Breau that had been established with three employees. On many occasions they denied access to financial records.

99. Teixeira and Gaudet conspired by not cooperating in ensuring ***CBSG*** could make a Proposal to creditors under the BIA, before January 19, 2024, the date of the end of the stay for a Proposal, manipulating required Cash Flow statements to the Proposal Trustee because Texeira's objective was to takeover the Company through hostile means and acquire the assets at a distressed price to nullify any benefit in equity to Breau, Chabot and NCLI. Without a proper Cash Flow

Statement approved by the Board, the Proposal Trustee recommended an extension which was granted only until February 7, 2024. The Court wanting to provide some time for the Board to agree on a Proposal and putting their affairs in order.

100. The result was to create conditions so the Proposal Trustee could not support an extension to the Stay at a hearing set for February 7, 2024 so ***CBSG*** had to be assigned in bankruptcy against the wishes of the Board.

101. This was done by Teixeira and Gaudet in order to assist Teixeira in acquiring the assets at suppressed values.

102. Teixeira and Gaudet were on-site, were in possession of ***CBSG***'s equipment, vessels, vehicles, tools, and offices.

103. They controlled ***CBSG*** operations, and purposely cut off the plaintiffs from all information related to the operations of ***CBSG***.

104. Teixeira and Gaudet obfuscated throughout the ***NOI*** proceedings. They interfered with all decisions and actions that the Board tried to undertake in order to influence the direction of a proposal to unsecured creditors to avoid bankruptcy. They downplayed revenue potential and exaggerated projected expenses to demonstrate the Company could not survive a Proposal.

105. The plaintiffs tried to prevent the assignment into bankruptcy, and had removed Gaudet from the Boards of ***SOC*** and ***CBSG***.

106. Teixeira then, without knowledge or authority of the Board, and in breach of his various legal obligations to the plaintiffs, including his position as Director of ***CBSG*** and ***SOC***, his duties

under the Management Contract with ***CBSG***, proceeded to enter into an agreement with Pluto Investment Inc. ("Pluto"), a secured creditor of ***CBSG***, to acquire their security, without disclosing the terms of the transaction to the Board, and on the condition that Pluto would exercise an Option for 10% of the shares of ***SOC***, which would put the plaintiffs Newbec Capital Laurentian Inc. and Chabot in a minority of the voting Shares of ***SOC***.

107. The attempts of Teixeira and Gaudet to takeover voting control of ***CBSG*** were hostile. Their plan was to bankrupt ***CBSG*** to acquire its assets, for which Teixeira had already received $3,500,000.00 from the transaction in June 2022.

108. Teixeira and Gaudet exacerbated the perceived distress ***CBSG*** through their lack of any maintenance of systems or the implementation preventative measures to avoid accidents and/or breakdowns of vessels at sea and accidents and breakdowns of delivery trucks in the Eastern US seaboard and Central Canada.

109. Through the plaintiffs' efforts, ***CBSG*** obtained an extension of 45 days of the Stay from the Notice of Intention to make a Proposal by January 19, 2024.

110. Breau and Chabot reiterated, from mid December on multiple occasions the need to develop a proposal for the unsecured creditors to avoid ***CBSG*** being assigned into bankruptcy.

111. Teixeira rebuffed all attempts and continued to press for a sale of assets at distressed prices.

112. In asking for an extension beyond the January 19, 2024 date, further cash flows were essential to convince the ***NOI*** Trustee to recommend another extension.

113. Teixeira and Gaudet made exaggerated low projections of earnings to conceal ***CBSG***'s ability to restructure its debts and make a Proposal to unsecured creditors.

114. Teixeira negotiated without Board approval with a Shipyard where the vessel, the Atlantic Clipper, would acquire a new engine. He disclosed to the Board his intention to acquire the Clipper and that he would negotiate to have the shipyard buy and install the engine and that he would guarantee payment for this work to the shipyard. He would then lease back the Clipper to ***CBSG***.

115. The Board was aware that there was not enough credit or funding in the DIP Loan to pay for this work. Teixeira refused to increase the DIP Loan or to allow any other Party in the DIP Loan and ordered the work, and ordered the engine because it was his intention to acquire the vessel.

116. The Board responded positively to this assuming he was paying for it in his plan to acquire the vessel.

117. In negotiating this arrangement on his own behalf, he made a payment to the shipyard in the amount of $326,000.00 without knowledge or authorization of the Board, thus using all of the credit space ***CBSG*** had to operate up to the end of the ***NOI*** stay period and to request an extension of 45 days beyond February 7, 2024.

118. The pretext was that this was for work on the Fortune Pride and the Seaman's Toy after the ***NOI***. The expenses were not projected in the Cash Flow.

119. The explanation was nonsensical as it would have been in the Cash Flow projection if it were the case.

120. Furthermore, Teixeira could have negotiated a settlement to free the vessels from the Shipyard with the leverage the DIP Lender had with the $400,000 which was highlighted as precisely for releasing the Fortune Pride.

121. Teixeira used all of the funds available to ***CBSG*** to pay the one supplier that he had a deal with for his own purposes, which contributed to bankrupting ***CBSG***.

122. This was a self-serving decision to demonstrate that ***CGSG*** could not survive and Teixeira could acquire its assets at a distressed price, thereby ignoring the interests of unsecured creditors and other stakeholders.

123. Said expenditure was not projected in the cash flow statement provided to the Trustee. It was not consented to by the Trustee of ***CBSG*** or ***CBSG***'s Board. The Board and the Trustee were informed about the expenditure after the fact.

124. The costs of replacing and installing the engine of the Fortune Pride should have been paid through an Insurance Claim for which Teixeira had advanced funds just before the ***NOI*** ($200,000), and Breau was advised that the shipyard had accepted to wait for the Claim.

125. No information was provided about this claim despite Breau's repeated requests.

126. The insurance agent refused to provide the information to Breau.

127. Breau was present in discussions where Teixeira was attempting, through the DIP Loan to include this $200,000 advance as part of the DIP Loan of $1,100,000 despite the fact it was advanced by him before the ***NOI***.

128. The plaintiffs never received an accounting, so it is quite possible that Teixeira never advanced the amount $1,100,000 as reported.

129. It was a misuse of funds because the $200,000 was clearly advanced to the Company and paid to the shipyard before the ***NOI*** and before the DIP was authorized by the Board of Directors or the Court Order emanating from the NOI.

130. Teixeira never accounted clearly, truthfully or completely on the arrangement with the shipyard and the insurance claim.

131. The Board also discovered a refund of over $250,000.00 due from Canada Revenue Agency ("CRA") for H.S.T. credits which Teixeira and Gaudet had projected to be received three weeks later than what was shown on the CRA Website.

132. Teixeira's manipulation of cash flow and projections were designed to have the ***CBSG*** assigned into bankruptcy.

133. When Breau and Chabot raised this with the Trustee, because of the uncertainty, the Trustee recommended an extension without new cash flows beyond the January 19th date.

134. The bankruptcy court provided an extension up to February 7th and not the 45 days requested.

135. Teixeira then proposed to the Trustee that the DIP Lender would advance $350,000 of additional credit which was essentially to replace the earlier self-serving payment to the shipyard.

136. The Board had taken the view that Teixeira had made undertakings when the Notice was given for a Proposal in any event.

137. The Board approved the DIP Loan (even if from an insider who was in conflict) on the basis of these undertakings.

138. The Board agreed to an insider DIP loan under the condition that the DIP Loan provide for all repairs to the Fortune Pride and the Atlantic Clipper. Teixeira refused and wanted to pay for the Atlantic Clipper under his plan to acquire it and lease it back. Otherwise, the Board could have found another funder in the DIP authorization.

139. The payment to the Shipyard was to be made from the DIP Lender or his own funds.

140. The Proposal to increase the funding to allow for an extension of the Stay was a Teixeira ruse to mislead the Board and the Trustee so that no other alternative could be considered, as without a Loan, and the downward projections of earnings, there was no way to demonstrate to the Court that ***CBSG*** could survive 45 days in order to make a Proposal.

141. According to the Trustee, they had no choice but to assign ***CBSG*** in bankruptcy. The hearing was set for February 7th, and Teixeira pulled his undertaking to provide the $350,000 Loan (which was to replace his self- serving payment to the shipyard in any event) in the afternoon of the previous day, leaving no time for the Board and/or the Proposal Trustee to react.

142. It was now clear that Teixeira, through the DIP Lender, had secured, without the Board's knowledge, an assignment of TD Bank's securities which was formally done on February 8,2024, the day after the hearing was to be held.

143. The period of December to mid-May is the most profitable harvesting period where two vessels, and a third, the Clipper, which was to be brought on, meant that ***CBSG*** expected to harvest 150,000 lbs to 200,000 lbs per week for general revenues in excess of $300,000 per week.

144. No one but Teixeira now has the information about operations and Accounts Receival that were earned and ought to be accounted for as at February 7, 2024 and thereafter.

145. Past financial records show that the three pre-amalgamation Teixeira companies earned over $1,000,000 in EBITDA in the winter period with two vessels and only 4 trucks, in contrast to the three vessels and the nine trucks that were being operated by Teixeira and Gaudet.

146. It was these kinds of figures that Teixeira presented to the plaintiffs, and which incited the plaintiffs to enter the SPA.

147. Teixeira's projections of cash flow during the BIA process were completely different from the projections he provided to the plaintiffs during the SPA negotiations, and thereafter.

148. They were also completely different than the Projections prepared for TD Bank in August where the CBSG projected earnings of $1,381,000 of EBITDA.

149. By Registrar's Order in the NOI Proceeding dated January 19, 20204, CBSG was granted an extension of time to file a proposal to February 7, 2024.

CBSG Assignment into Bankruptcy

150. As ***CBSG*** was unable to file a new proposal by February 7, 2024, ***CBSG*** was deemed to have made an assignment in bankruptcy effective February 8, 2024, with Grant Thornton Limited acting as its Trustee in Bankruptcy.

The Toronto-Dominion Bank

151. The Toronto-Dominion Bank ("TD Bank") was the senior secured lender to ***CBSG***.

152. On November 3, 2023 TD Bank made demand for payment upon ***CBSG*** and issued a Notice of Intention to Enforce Security.

153. The plaintiffs have been informed that by Assignment Agreement effective February 8, 2024, that TD Bank assigned to the defendant 451 all of the debt owed by ***CBSG*** to the TD Bank, together with all of the Bank's associated security, except for personal guarantees granted by the plaintiffs Breau and Chabot to TD Bank.

154. The terms of the assignment are unknown to the plaintiffs, as they were not provided with any information.

155. On March 18, 2024, Breau and Chabot were notified by TD Bank that it intends to take legal action to enforce their personal guarantees, each in the amount of $500,000.00, plus interests.

Civil Conspiracy of Teixeira and Gaudet

156. The plaintiff pleads and the fact is that the defendants committed the tort of civil conspiracy against the plaintiffs, engaging in multiple conspiracies. The defendants engaged in a course of

conduct with the predominant purpose of causing damage to the plaintiffs and the plaintiffs suffered damages as a result.

157. In the alternative, the defendants acted in concert or by common design engaging in unlawful conduct directed toward the plaintiff that they knew or ought to have known was likely to harm the plaintiffs and did in fact cause damages to the plaintiffs.

158. Particulars of the tort of conspiracy are as follows:

(a) The defendants acted with a common purpose to take over of the operations of ***CBSG***;

(b) The defendants took advantage of the fact that they were the ones in possession and in control of the fishing operations, and their ability to continue the harvesting and selling of fish to the exclusion of the plaintiffs;

(c) The defendants conspired to capitalize on these advantages in order to takeover the operations of ***CBSG***, which were historically profitable, to the exclusion of the plaintiffs, including any proprietary interests that the plaintiffs had legally acquired in the said fishing operations;

(d) In furtherance of their conspiracy, the defendants committed unlawful acts, including false representations, breach of fiduciary duties, breach of contract, breach of duty to act honestly and loyally to the employer, breach of the obligation to act in good faith, breach of non-competition agreement, and breached corporate compliance requirements under the common law and the ***Companies Act***.

(e) But for the conspiracy of the defendants, ***CBSG*** would not have been assigned into bankruptcy;

(f) The conspiracy was conducted with the predominant purpose of causing the plaintiffs financial injury and to deny any benefit to unsecured creditors.

(g) The plaintiffs learned of this conspiracy only after it became obvious that the defendants were purposely distressing ***CBSG*** to lower its perceived value, and take over its operations to the exclusion of the plaintiffs;

(h) The plaintiffs plead that this conspiracy began in or about the late summer of 2023, when the defendants Teixeira and Gaudet began to act in concert in failing to disclose material information to the Board of ***CBSG***, misrepresented the financial operations of ***CBSG***, failed to disclose the operations of ***CBSG***, and failed to act in the best interest of ***CBSG***, but the exact date may be unknown to the plaintiffs;

(i) The plaintiffs plead that they suffered damages as a result of this conspiracy, the particulars of which include:

(i) $1,012,000.00 Shareholders Loans due to Securi International Inc.;

(ii) The value of Breau's personal guarantee to TD Canada Trust, in the amount of $500,000.00, plus interest;

(iii) The value of Chabot's personal guarantee to TD Canada Trust, in the amount of $500,000.00, plus interest;

(iv) All transactional costs of the ***SPA***, in the amount of $250,000.00 including legal and accounting costs and expenses of Breau and Chabot not expensed to CBSG;

(v) 54.7% (the percentage of ownership of the plaintiffs) of expenses related to the ***NOI*** proceedings.

(vi) $11,000 paid by Securi International Inc. to ***CBSG*** to cover an unauthorized payment to Teixeira on a BMO Personal Line of Credit

(vii) $44,500 paid by Securi International Inc. to 9437878 Canada Corporation under the condition that 9437878 would execute an irrevocable Proxy to vote its Shares under certain conditions at ***SOC*** shareholder meetings, such Proxy being revoked by 9437878 in an attempt to change control of ***SOC.***

(viii) Interest on Securi International Inc. loan of $562,000 for six months in the amount of $33,720.

(ix) Salaries to Breau in the amount of $25,000 for more than 5 months.

Pending Derivative Action

159. The plaintiffs Breau, Chabot, are in the process of notifying directors or former directors and other stakeholders that they are in the process of applying to the Ontario *Superior Court of Justice* in Ottawa for an Order granting leave under sec. 4(2), Third Schedule, of ***Companies Act***, to commence and prosecute a derivative action in the name and on behalf of ***CBSG***.

160. Said plaintiffs state that they are acting in good faith, and it is in the best interests of ***CBSG*** that the aforesaid derivative action be brought and prosecuted.

Breach of Corporate Duty of Loyalty and Duty of Care of Teixera and Gaudet

161. As directors of CBSG and SOC, Teixeira and Gaudet owed fiduciary duties of loyalty and a duty of care to both companies.

162. Specifically, they were obligated to act honestly and in good faith with a view of the best interests of the companies.

163. As directors, they were also obligated to exercise the care, diligence and skill that a reasonable prudent individual would exercise in comparable circumstances.

164. The plaintiffs plead that Teixeira and Gaudet breached their fiduciary duties of loyalty to both companies, and failed to exercise the care, diligence and skill that a reasonable prudent individual would exercise in comparable circumstances, the particulars of which are pleaded above, and include, but are not limited to, the hostile takeover of the fishing operations.

165. The plaintiffs plead that they suffered damages as a result of the defendants' breach of duties, the particulars of which are pleaded above.

Breach of Employment Contracts by Teixeira and Gaudet

166. The plaintiffs plead that the defendants, Teixeira and Gaudet, breached the terms of their employment contracts, the particulars of which include, but are not limited to:

(a) With respect to Teixeira;

(i) Teixeira was bound to the terms of a Management Contract for a fix term of 5 years commencing on June 22, 2022;

(ii) Under the terms of the Management Contract, Teixeira was the employee and CBSG was the employer;

(iii) Teixeira was entitled to annual compensation of $200,000.00 plus benefits, and ten percent of EBITDA.

(b) The plaintiffs plead that Teixeira breached the above terms of his employment contract, the particulars of which include:

(i) He acted unfaithfully and dishonestly toward his employer;

(ii) He did not exercise discretion in dealing with information obtained in the course of his employment;

(iii) He did not act as Lead Manager, on a full-time basis exclusively for the company, to manage, oversee, conduct the operations and lead employees and contractors of the Company and to be accountable to the Board of Directors of the Company through the Chairman. Instead, he self-dealt in taking over the operations of the Company to the exclusion of the plaintiffs;

(iv) He did not ensure that the company operated in compliance with existing Policy, Regulatory and Food Safety regulations and represent the Company in such regulatory and commercial form;

(v) He did not ensure that all information, intelligence, practices or policies of the Company or its affiliates that came to his attention or knowledge shall always remain the property of the Company and shall be kept confidential, and he made disclosure to persons without the consent of the board of Directors of the Company;

(vi) He entered into Agreements with Secured Creditors of ***CBSG*** without the knowledge of, or authorization of the Board of Directors to the detriment of the plaintiffs in order to serve his own interests through the DIP Loan.

(vii) He did not ensure that Company has and maintained full comprehensive, and detailed accounting of all operations of the Company, and proper records regarding all tasks that he was involved in, in carrying out his duties. He did not make all records accessible to Chairman of the Board of Directors of the Company and he did not make available to the Company and the Company's auditors or other designated representative as directed by the Company, the documents. He took the property of the Company, and he failed to ensure that the property remained the property of the Company.

(c) With respect to Gaudet/943;

(i) Gaudet was employed under a verbal contract of indefinite employment ***or*** as a dependant contractor,

(d) The plaintiffs plead that Gaudet breached the terms of his employment/dependant contractor agreement, the particulars of which include:

(i) He acted unfaithfully and dishonestly toward his employer;

(ii) He failed to exercise discretion in dealing with information obtained in the course of his employment;

(iii) He failed to act as Comptroller, or Director of Administration, on a full-time basis exclusively for the company;

(iv) He failed to ensure that the company operated in compliance with generally accepted accounting principles;

(v) He failed to ensure that all information, intelligence, practices or policies of the Company or its affiliates that came to his attention or knowledge shall always remain the property of the Company and shall be kept confidential, and he made disclosure to persons without the consent of the board of Directors of the Company;

(vi) He failed to ensure that Company kept and maintained full comprehensive, and detailed accounting of all operations of the Company, and proper records regarding all tasks that he was involved in, in carrying out his duties. He did not make all records accessible to Chairman of the Board of Directors of the Company and he did not make available to the Company and the Company's auditors or other designated representative as directed by the Company, the documents. He took the property of the Company, and he failed to ensure that the property remained the property of the Company.

(vii) He failed to report, or cause Teixeira to report, important accidents or incidents or events and actions on the part of management to the Board.

(viii) He failed to disclose orders given by Teixeira to employees that were illegal, i.e. ordering a deck hand with no license or permit to operate a vessel.

(ix) He also failed to report that an asset with value of over $1,200,000 was being operated in difficult and demanding conditions (fishing in the wide-open Atlantic Ocean) by a person known to be addicted to prohibited substances that affected his judgement and ability to operate such vessel.

167. The plaintiffs plead that they suffered damages as a result of the defendants' breach of contract.

168. The plaintiffs further plead that the defendant Gaudet invoiced ***CBSG*** for his services through his numbered company, the defendant 943. Gaudet is the controlling mind of 943 and 943 is the *alter ego* of Gaudet. Both Gaudet and 943 are jointly and severally liable.

Breach of Non-Competition and Non-Solicitation Agreement by Teixeira

169. The plaintiffs plead that the defendant, Teixeira and the Teixeira Entities, are in breach of a Non-Competition and Non-Solicitation Agreement, and pleads the following particulars:

(a) On June 22, 2022, Teixeira duly executed a Non-Competition and Non-Solicitation Agreement ("Non-Compete");

(b) The Non-Compete includes, inter alia, the following terms:

> Each of the Vendors covenant and agree with the Purchaser that they will not at any time within the period of five (5) years from the date hereof, either individually, in concert, jointly or in partnership or in conjunction with any other person or persons, firm, association, syndicate, company or corporation, as principal, agent, employee, shareholder or in any other manner whatsoever carry on or be engaged in, be concerned with or interested in, advise, lend money to, guarantee the debts or obligations of, or acquire or hold in any manner and whether directly or indirectly an ownership interest, in a business or undertaking or any entity carrying on a business or undertaking similar to the business of harvesting, processing, marketing, transportation and sale of Groundfish carried on by **CHESTER BASIN SEAFOODS INCORPORATED, SEAMAN'S TOY FISHERIES (2008) LIMITED**, and **3312858 NOVA SCOTIA LIMITED** in the geographic areas where these companies have carried on business. The Purchaser acknowledges that **JOSE PAULO TEIXEIRA** will be employed by the Purchaser to assist the Purchaser in operating the existing business carried on by the Company involving the harvesting, processing, marketing, transportation and sale of Groundfish harvested in the Gulf of St. Lawrence, and off the coasts of Nova Scotia, Newfoundland, and Prince Edward Island for sale in Canada, the United States of America (USA) and Europe, which shall not be in breach of this non-competition covenant.
>
> For a period of five (5) years after the date hereof, the Vendors covenant, warrant, and agree that they will not, in any manner, directly or indirectly, actually or attempt to solicit, divert, take away from, accept, or interfere with any of the customers, trade business, patronage, employees or agents of the Company.
>
> Each of the Vendors agree that the Purchaser will suffer irreparable harm should the Vendors breach any of their obligations under this Agreement and such breach would cause the Purchaser to suffer loss which could not be adequately compensated for by monetary damages. Accordingly, each of the Vendors agree (jointly and severally) that, in the event of a breach or a threatened breach by them of any of the provisions of this Agreement, the Purchaser, in addition to and not in limitation of any other rights, remedies or damages available to it at law or in equity, shall be entitled to an interim injunction, interlocutory injunction and/or permanent injunction in order to prevent or to restrain any such breach or anticipated breach by the Vendors or by any and all persons directly or indirectly acting for, on behalf of or with the Vendors.

170. Teixeira breached the terms of the Non-Compete, in that he carried on and was engaged in, concerned with or interested in, advised, lent money to, guaranteed the debts and obligations of, and acquired and held, directly or indirectly an ownership interest, in a business or undertaking or an entity carrying on a business or undertaking similar to the business of harvesting, processing, marketing, transportation and sale of Groundfish carried on by **CHESTER BASIN SEAFOODS INCORPORATED**, **SEAMAN'S TOY FISHERIES (2008) LIMITED**, and **3312858 NOVA SCOTIA LIMITED** in the geographic areas where these companies have carried on business, in particular to and with the defendant 4519497 Nova Scotia Limited.

171. The plaintiffs suffered irreparable harm as a result of Teixeira's breach of his obligations under this Non-Compete and such breaches caused the plaintiffs to suffer losses which could not be adequately compensated for by monetary damages.

Misrepresentation of Financial Statements/Financial Situation

172. The financial statements of the Teixeira Companies had Notice to Reader only.

173. Teixeira wanted to receive the sale proceeds of $3,500,000.00, and he was adamant that the ***SPA*** close on June 22, 2022.

174. At all material times, Teixeira knew and agreed that the ***SPA*** was contingent on the accuracy of the financial information being provided to the plaintiffs. Teixeira also insisted on an ambitious acquisition program which Breau supported, and tried to support right up to February 8, 2024, and this meant additional equity and debt funding.

175. Prior to closing the Agreement on June 22, 2022, Teixeira provided the plaintiffs with preliminary financial statements.

176. After the ***SPA*** closed on June 22, 2022, the plaintiffs continued to request that the Engagement Review be completed in order to verify the purported financial condition of ***CBSG*** (the new amalgamated company).

177. It was not until the Engagement Review was completed and provided to the plaintiffs that the true financial condition was revealed to the plaintiffs. By the time the Engagement Review was completed, it was already clear form the in-house accounting that undisclosed liabilities were appearing. Invoices dated before June 22, 2022 by the three Companies acquired were being processed as expenditures post June 22, 2022 in a clear violation of the cutoff date of June 22, 2022.

178. The Engagement Review was silent regarding significant unrecorded liabilities that were known or ought to have been known by the Plaintiff, as well as Grant Thorton, the outside Accountants of the three Companies, prior to and/or at the time of closing of the ***SPA***.

179. Teixeira finally admitted to Breau that there were unrecorded liabilities in the range of $200,000.

180. The undisclosed liabilities included major repairs needed to be performed on the boats owned by ***CBSG***, as well as other expenses.

181. In turn, these liabilities had a devastating impact on the realization of ***CBSG***'s projections in the short and medium term.

182. The assets had been overstated given the unrecorded liabilities.

183. The financial statements provided to the plaintiffs prior to the closing of the ***SPA*** failed to disclose Accounts Receivable that were uncollectible. These were eventually written off.

184. The Accounts Payable were given on credit terms by Teixeira that became due before and/after closing, however, neither the existence of said credit, nor its terms, were disclosed to the plaintiffs until after closing.

185. After closing, Teixeira, in his personal capacity, directed ***CBSG***'s Controller to issue dividends directly to Teixeira, without any consultation with or approval from the ***CBSG***'s Board of Directors. He was quickly notified to end this practice.

186. The accounting for the new amalgamated Company was very confusing from the first day after closing. A new accounting software was acquired and the transition from the existing one was mired in confusion for months. No monthly or quarterly financial statements could be provided to the Board that were accurate before April 2023 for Financial Statements for the period ending February 28th 2023. This reflected very badly at TD Bank which caused it to perceive the Board and the guarantors as being negligent regarding proper reporting and undertakings at Closing and damaged their reputations at TD Bank.

187. The Controller was subsequently dismissed from CBSG in October 2022 and replaced, at the suggestion of Teixeira, by his son, Miguel Teixeira.

188. Since closing, Breau and his affiliates, contributed a further $562,000.00 to ***CBGC*** in the form of shareholders loans in order to keep the company afloat and to satisfy Debt Service Ratios with TD Bank.

189. Further, prior to the closing of the fiscal year-end of May 31,2023, Breau paid off a personal line of credit held by Teixeira in the amount of $11,000.00, wrongly accounted for as a CBSG liability, as a gesture of good faith and in an effort to satisfy the financial institution's conditions about any distribution of money to insiders other than what was in the Projections as salary or expenditures. That $11,000.00 was never authorized by the Board and only came to Breau's attention in March 2023 when he asked an accountant from Pluto Investment Inc, a secured creditor, to review the accounting on-site as he had become doubtful that the accounting was reliable.

190. Breau continued to support the company in seeking more funding, and advanced most of the $562,000, not knowing the circumstances of a fishing vessel accident in December 2022, which went aground approaching an unloading dock in Sambro Nova Scotia.

Damages for Negligent Misrepresentations Against Teixeira and Teixeira Entities

191. The plaintiffs submit that Teixeira and Teixeira Entities owed them a duty of care when negotiating the terms of the ***SPA*** and thereafter. This included, but was not limited to, a duty to provide accurate financial information regarding the Teixeira Companies and ***CBSG*** prior to and after closing of the ***SPA***.

192. The plaintiffs plead that the true financial status of Teixeira Companies and ***CBSG*** only became available to the plaintiffs after closing of the ***SPA***.

193. By that time, the plaintiffs had already relied upon the representations made in the pre-closing financial statements, to their detriment.

194. The plaintiffs submit that Teixeira and Teixeira Entities knew or ought to have known that the financial statements provided to the plaintiffs prior to closing were incomplete, misleading and/or incorrect.

195. The plaintiffs submit that Teixeira and Teixeira Entities knew or ought to have known that the financial information provided to the plaintiffs after the closing of the ***SPA*** continued to be incomplete, misleading and/or incorrect.

196. The plaintiffs reasonably relied upon the representations of Teixeira with regards to the financial position of the Teixeira Companies and ***CBSG*** at the time of closing the ***SPA***.

197. The plaintiffs continued to reasonably rely upon the representations of Teixeira and Teixeira Entities with regards to the financial position of the Teixeira Companies and ***CBSG*** after closing the ***SPA***.

198. Teixeira and Teixeira Entities failed to provide auditable financial records.

199. The plaintiffs submit that the ***SPA*** and all subsequent funding by the plaintiffs was founded upon material misrepresentation of Teixeira and Teixeira Entities.

200. The plaintiffs plead:

(a) that Teixeira and Teixeira Entities owed the plaintiffs a duty of care based on a "special relationship" between them;

(b) that Teixeira and Teixeira Entities' representations regarding the finances of the Teixeira Companies and ***CBSG*** were untrue, inaccurate, and/or misleading;

(c) that Teixeira and Teixeira Entities acted negligently in making the misrepresentations;

(d) that the plaintiffs relied, in a reasonable manner, on the misrepresentations; and

(e) the reliance was detrimental to the plaintiffs in the sense that damages resulted.

Fundamental Breach of SPA

201. The plaintiffs plead that the defendant, Teixeira and the Teixeira Entities, fundamentally breached the SPA.

202. As part of the SPA, Teixeira and the Teixeira Entities, jointly and severally, made representations, provided warranties, and covenants, which they breached, the particulars of which include:

(a) The business of the companies had not been carried on in a good and prudent business-like manner prior to Time of Closing and they did not continue to be carried on in a good and prudent business-like manner until the Time of Closing, contrary to the Representations and Warranties provided;

(b) The Companies entered into contracts and incurred liability, other than in the ordinary Course of business, from the date of the agreement until the Time of Closing, contrary to the Representations and Warranties;

(c) Debts, obligations and accounts and payments were owing at the Time of Closing to Companies by the Vendors or any affiliate, contrary to the Representations and Warranties;

(d) True and complete copies of the Financial Statements of the Companies at the Time of Closing disclosed material adverse change not agreed to by the parties, and not in the financial condition of the Companies from that disclosed in the Financial Statements delivered to the Purchaser by the Vendors and the Companies, and the information provided to the Purchaser was not true and factual, contrary to the Representations and Warranties;

(e) The accounting records of the Companies were not kept consistent with past practice and all financial records and other information or documentation supplied and to be supplied by the Vendors or the Companies to the Purchaser pursuant to this Agreement were not true, correct and complete, in all material respects, contrary to the Representations and Warranties;

(f) The Companies had contingent obligations with respect to matters, causes or things occurring prior to or on the Closing Date which created an obligation or liability of the Companies after the closing Date, which were not (a) contingent obligations disclosed to the Purchaser prior to the execution off this Agreement, (b) contingent obligations incurred in the Ordinary Course of Business, and/or (c) provided for in the Financial Statements, contrary to the Representations and Warranties;

(g) Material transactions of the Companies were not properly and promptly recorded or filed in or with the respective books and records. The minute books of the Companies did not contain a record of all material meetings and proceeding of shareholders and directors of the Companies prior to the date hereof, contrary to the Representations and Warranties.

203. The plaintiffs plead that the Plaintiff's Representations and Warranties were explicit terms of the ***SPA***, and the fact that the said Representations and Warranties turned out to be false, inaccurate, and misleading, amounts to a fundamental breach of contract.

204. The plaintiffs suffered irreparable harm as a result of Teixeira and the Teixeira Entities breach of their Representations and Warranties under the SPA and such breach caused the plaintiffs to suffer damages.

Oppression Remedy

205. The conduct of the defendants, Teixeira and the Teixeira Entities and Gaudet/943, with respect to the management of the affairs of ***CBSG*** and ***SOC*** has been or threatens to be oppressive or unfairly prejudicial to the plaintiff or unfairly disregards the interests of the plaintiff, in a number of ways including, but not limited to, the following:

(a) the plaintiffs are shareholders/members of ***CBSG*** and ***SOC***;

(b) the plaintiffs are creditors of ***CBSG***;

(c) the plaintiffs are "complainants" pursuant to Sec. 118 of the ***Companies Act***, the ***Canada Business Corporations Act***, **RSC, 1985, c. C-44,** and the ***Ontario Business Corporations*** **Act, R.S.O. 1990, c. B. 16**;

(d) the defendants are shareholders, and were directors and officers of ***CBSG*** and ***SOC***;

(e) the plaintiffs expected that the defendants would fulfil their fiduciary and other legal obligations towards them;

(f) the plaintiffs expected that the defendants Texeira and Teixeira Entities would fulfil their obligations under the ***SPA***;

(g) the defendants have failed to meet their expectations, as particularized above;

(h) One of the defendants have used corporate monies for their own personal benefit,

(i) the defendants used and continue to use ***CBSG*** and ***SOC*** confidential information for their own benefit;

(j) the defendants use corporate assets, such as, but not limited to, fishing vessels and other equipment and corporate offices for their own benefit, to the detriment of the plaintiffs;

(k) the defendants are self-dealing by taking over the operations of the ***CBSG*** for their own benefit;

(l) the defendants are personally benefiting themselves, to the detriment of the plaintiffs;

(m) the defendants have needlessly and without Board approval arranged for the assignment of ***CBSG*** into bankruptcy;

(n) the defendants failed to account for unauthorized operations, revenues, and expenses of ***CBSG***;

(o) the defendants transferred control of the assets of ***CBSG*** to the defendant 451, which continues operations using the Company's assets, intelligence, clients and accounts receivable.

(p) the defendants redirected the operations' revenues and clients to another account at BMO without the consent or knowledge of the Board;

(q) the defendants have failed to account for the DIP lender's transactions;

(r) the defendants are not exercising their powers and discharging their duties honestly and in good faith;

(s) the defendants are not exercising the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances.

Unjust Enrichment

206. The plaintiff pleads that the defendants, including 451, have been unjustly enriched.

207. The defendant 451 is now operating all of the *CBSG*'s equipment, including but not limited to the Fortune Pride, the Seaman's Toy, and the Atlantic Clipper.

208. The fishing quota is also benefiting 451.

209. As a result of the defendant's aforementioned actions, the Proposal Trustee (now Receiver) has entered into an Operating Agreement with 4519497 to operate the *CBSG*'s former business.

210. Neither the directors nor the shareholders of ***CBSG***, nor the creditors, are being accounted to by the defendants or the receiver.

211. This scheme was organized by the defendants so that the trustee's responsibilities ended when the Company was assigned in Bankruptcy.

212. None of ***CBSG***'s assets were transferred to the secured creditors.

213. TD Bank assigned their securities to 451 without notice to the plaintiffs and without their consent, except for Breau and Chabot personal guarantees, which are now being enforced against Breau and Chabot by TD Canada Trust.

214. The defendants, including 451, have been and continue to be unjustly enriched as a result of the transfer of operations, in that 451 has received and continue to receive monies from the operations of ***CBSG.***

215. The plaintiffs have suffered a corresponding deprivation through the loss or impairments of their rights and interest in the operations of CBSG that occurred when said operations were taken over by the defendants, including 451, and there is no juristic reason for the defendants to be entitled to retain the benefit so deprived them.

Disgorgement

216. Further, or in the alternative, monies and other property received by the defendants, including 451 under the Operating Agreement, constitute benefits derived by them as a result of their knowing participation in the aforesaid illegal actions of the defendants, which it would be contrary to equity and good conscience for them to retain.

217. The plaintiffs accordingly seek an Order requiring the defendants to make restitution to them of all monies and other property received by them from the operations of 451.

Law

218. The plaintiffs plead the laws of Canada, the Province of Ontario and the Province of Nova Scotia law, and rely specifically on the ***Companies Act***, the ***Canada Business Corporations Act*****, RSC, 1985, c. C-44,** ***Ontario Business Corporations*** **Act, R.S.O. 1990, c. B. 16,** and the ***BIA***.

Forum

219. The plaintiffs proposes that the trial of this action take place in Ottawa, Ontario, and request a bilingual proceeding pursuant to section 126 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 ("***CJA***").

220. The plaintiffs plead that the defendants attorned to Ottawa when, *inter alia*, Teixeira filed his action at the Ontario *Superior Court of Justice* in the City of Ottawa, bearing court file no. CV-23-00093467.

221. The plaintiffs further plead that the Superior Court in Ottawa is the proper venue as the plaintiffs Breau and Chabot are francophone, and the ***CJA*** permits bilingual proceedings in the City of Ottawa.

March 28, 2024

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Lawyers for the defendants

HERB BREAU et al.
Plaintiffs

-and-

JOSÉ PAULO TEIXEIRA et al.
Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

STATEMENT OF CLAIM

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Lawyers for the defendants

Superior Court of Justice
(Court Name)

Type of Proceeding
☒ Civil
☐ Family
☐ Small Claims
☐ *Provincial Offences Act*

BILINGUAL PROCEEDING REQUISITION
Form 1, *Courts of Justice Act* Regulation

CV-24-00095214-0000
(Court File No.)

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

HERB BREAU, JACQUES CHABOT, NEWBEC CAPITAL LAURENTIAN INC., and SECURI INTERNATIONAL INC.

Plaintiffs

and

JOSÉ PAULO TEIXEIRA, JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2029), JOSÉ P. TEIXEIRA in his capacity as trustee of Teixeira Family Trust (2037), 4519497 NOVA SCOTIA LIMITED, DANIEL GAUDET, and 9437878 CANADA CORPORATION

Defendants
(Title of Proceeding)

REQUISITION

To the Court:
Herb Breau, Jacques Chabot, Newbec Capital Laurentian Inc., and Secure International Inc., a party who speaks French, requires that this proceeding be
(Name of party)

conducted as a bilingual proceeding under subsection 126 (4) of the *Courts of Justice Act* and that,

(Choose one of the following options:)

☒ all future hearings in the proceeding be presided over by a judge or officer who speaks English and French.

Superior Court of Justice
(Court Name)

Type of Proceeding
☒ Civil
☐ Family
☐ Small Claims
☐ *Provincial Offences Act*

BILINGUAL PROCEEDING REQUISITION
Form 1, *Courts of Justice Act* Regulation

CV-24-00095214-0000
(Court File No.)

OR

☐ the following hearings be presided over by a judge or officer who speaks English and French:
(Specify one or more future hearings that must be presided over by a judge or officer who speaks English and French.)

March 28, 2024
(Date)

J.F. Lalonde, counsel for the Plaintiffs
(Name of solicitor or party filing requisition)

613-232-5773
(Phone no.)

Vice & Hunter LLP
101-85 Plymouth Street
Ottawa, ON K1S 3E2
(Address)

Note: The party who files this requisition must forthwith serve a copy of it on every other party in accordance with the rules of court (except in a proceeding under the *Provincial Offences Act*).