Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

and

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

MOTION RECORD OF RECEIVER

(Returnable August 27, 2024)

August 15, 2024

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2

Timothy C. Hogan (LSO #36553S)

Tel: 519-679-9660
Fax: 519-667-3362
Email: thogan@harrisonpensa.com

Solicitors for the Receiver,
Grant Thornton Limited

TO: Service List

SERVICE LIST
(**August 15, 2024)**

TO:	**BORDEN LADNER GERVAIS LLP** Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto, ON M5H 4E3 Tel: (416) 367-6000 Fax: (416) 367-6749 **Alex MacFarlane – LSO No. 28133Q** Tel: (416) 367-6305 Email: amacfarlane@blg.com **Nick Hollard – LSO No. 83170O** Tel: (416) 367-6545 Email: nhollard@blg.com Lawyers for the Applicant, Royal Bank of Canada
AND TO:	**CAMERON WETMORE SOLMON ROTHBART TOURGIS SLODOVNICK LLP** 375 University Avenue, Suite 701 Toronto, Ontario M5G 2J5 Tel: (416) 947-1093 ext. 348 Fax: (416) 947-0079 Email: cwetmore@srtslegal.com Lawyers for the Respondents and Samuel Arutsothy
AND TO:	**GRANT THORNTON LIMITED** 200 King Street West, 11th Floor Toronto, ON M5G 3T4 Tel: (416) 366-0100 Fax: (416) 360-4949 **Jake Wiebe** Tel: (416) 360-3069 Email: Jake.Wiebe@ca.gt.com Proposed Court-appointed Receiver

AND TO:	**ROYAL BANK OF CANADA** 20 King Street West, 2nd Floor Toronto, ON M5H 1C4 **Jan Oros** Tel: (416) 974-5137 Email: jan.oros@rbc.com
AND TO:	**COMMERCIAL PACKAGING SOLUTIONS INC.** 890 Dillingham Road Pickering, ON L1W 1Z6 Email: info@enviross.com
AND TO:	**2777463 ONTARIO LTD.** 890 Dillingham Road Pickering, ON L1W 1Z6
AND TO:	**THAYANITHI ARUTSOTHY** 47 Queen Isabella Crescent Maple, ON L6A 3J8 Email: thayanithiarutsothy@gmail.com
AND TO:	**ARUTSOTHY SATHYANATHAN** 47 Queen Isabella Crescent Maple, ON L6A 3J8
AND TO:	**AHANGAMA LAW PROFESSIONAL CORPORATION** 2656 Kennedy Road Toronto, ON M1T 3H7 **Attention: Anoshan Ahangama** Tel: 647-977-2263 Email: info@ahangamalaw.com Lawyers for the Purchaser
AND TO:	**THE TORONTO-DOMINION BANK** 3500 Steeles Ave. East, Tower 2, 4th Floor Markham, Ontario, L3R 0X1 **Attention: Michella Murzello** Email: TD.CABankrupt@td.com

AND TO:	**SOLMON ROTHBART TOURGIS SLODOVNICK LLP** 375 University Avenue, Suite 701 Toronto, Ontario M5G 2J5 **Attention: Cameron Wetmore** Email: cwetmore@srtslegal.com Lawyers for Sebastijan Zupanec
AND TO:	**CANADA REVENUE AGENCY** c/o Department of Justice Ontario Regional Office 120 Adelaide St. W., Suite 400 Toronto, ON M5H 1T1 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca
AND TO:	**HIS MAJESTY THE KING IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF FINANCE** Revenue Collections Branch – Insolvency Unit 33 King Street W., P.O. Box 627 Oshawa, ON L1H 8H5 Email: insolvency.unit@ontario.ca

EMAIL SERVICE LIST

amacfarlane@blg.com ; nhollard@blg.com ; Jake.Wiebe@ca.gt.com ; jan.oros@rbc.com ; info@enviross.com ; thayanithiarutsothy@gmail.com ; cwetmore@srtslegal.com ; info@ahangamalaw.com ; TD.CABankrupt@td.com ; cwetmore@srtslegal.com ; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca ; insolvency.unit@ontario.ca

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Court File No: CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

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

NOTICE OF MOTION
(Returnable August 27, 2024)

Grant Thornton Limited ("**GTL**") in its capacity as court-appointed receiver (in such capacity, the "**Receiver**"), will make a Motion to a Judge presiding over the Commercial List.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

☐ In writing under subrule 37.12.1 (1) because it is on consent;

☐ In writing as an opposed motion under subrule 37.12.1 (4);

☐ In person;

☐ By telephone conference;

☒ By video conference.

at the following location:

On August 27, 2024, at 10:30 a.m., or as soon after that time as the Motion can be heard by judicial teleconference via Zoom at Toronto, Ontario.

THE MOTION IS FOR:

1. An Approval and Vesting Order, substantially in the form at Schedule "A" to this Notice of Motion, approving the transaction (the "**Sale Transaction**") contemplated by the Agreement of Purchase and Sale (the "**Sale Agreement**") contained in the First Report of the Receiver dated August 15, 2024 (the "**First Report**") and the Confidential Appendices, for the sale of the Real Property (as defined below) and vesting all of the right, title and interest in and to the Real Property of 2777463 Ontario Ltd. ("**2777463**") absolutely in and to Khattra Group Inc. (the "**Purchaser**"), free and clear of and from any security, charge or other encumbrance.

2. An Ancillary Order, substantially in the form at Schedule "B" to this Notice of Motion:

   a) abridging the time for service, filing and confirmation of the Notice of Motion and the Motion Record, and validating service so that this motion is properly returnable on August 27, 2024;

   b) In the event that the Anticipated Sale Transaction does not close on terms to the satisfaction of the Receiver, authorizing and directing the Receiver to execute a Listing Agreement (the "**Listing Agreement**"), on terms acceptable to the Receiver, between the Receiver and Colliers International Group Inc. ("**Colliers**"), for the sale of the Real Property and to take such steps as the Receiver deems necessary or advisable to carry out the terms thereof;

   c) In the event that the Anticipated Sale Transaction does not close on terms to the satisfaction of the Receiver, authorizing and directing the Receiver, with Colliers as its real estate consultant, to carry out the sale process (the "**Sale Process**"), as described in the First Report and to take such steps and execute such documentation as the Receiver considers necessary or desirable in carrying out its obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction Sale Process;

   d) approving the First Report, and the activities and conduct of the Receiver set out therein provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the First Report;

e) approving the Receiver's Interim Statement of Receipts and Disbursements as detailed in the First Report;

f) directing Samuel Arutsothy ("**Arutsothy**") (as defined below) to immediately pay to the Receiver all funds collected by Arutsothy which were owing to the Debtors (as defined below);

g) directing the Toronto-Dominion Bank ("**TD Bank**") to provide the name of the owner of the bank account into which funds were deposited that were owing to the Debtors;

h) authorizing the Receiver to dispose of the Third-Party Property (as defined below) located at the Real Property, if not claimed by August 31, 2024;

i) sealing the Confidential Appendices to the First Report until the completion of a sale of the Real Property, or until a further order of this Court;

j) approving the fees and disbursements of the Receiver and its counsel, Harrison Pensa LLP, and authorizing payment of same;

k) the costs of this motion on a substantial indemnity basis, if opposed; and,

l) Such further and other relief as counsel may request and this honourable court may permit.

THE GROUNDS FOR THE MOTION ARE:

<u>The Appointment of the Receiver and the Real Property</u>

1. Pursuant to an Order of this Court made on May 21, 2024 (the "**Appointment Order**"), GTL was appointed Receiver, without security, of the assets, undertakings and properties of Commercial Packaging Solutions Inc ("**CPSI**") and 2777463 (collectively, the "**Debtors**").

2. Arutsothy is the principal of the Debtors.

3. 2777463 owns real property located at 890 Dillingham Road, Pickering, Ontario (the "**Real Property**"). The Real Property is a stand alone industrial commercial building. CPSI operated from the Real Property.

The Receiver's Activities

4. The Receiver's activities since its appointment have concentrated on:

   a. taking possession of the Real Property;

   b. collecting accounts receivables of the Debtors;

   c. communications with third parties claiming an interest in various assets and inventory located at the Real Property;

   d. communications with CBRE Limited ("**CBRE**") and the Purchaser regarding selling the Real Property;

   e. solicited real estate brokers to potentially list the Real Property; and,

   f. preparing the First Report.

5. The Receiver states that its actions, as outlined in the First Report, should be approved by this Honourable Court.

The Sale Transaction

6. The Real Property has been listed for sale by CBRE, which has resulted in the Sale Agreement with the Purchaser. The Sale Agreement has been executed. As at the date of the First Report the Receiver has not received the deposit from the Purchaser.

7. The details of the Sale Agreement are provided in the First Report. The Receiver recommends the approval and completion of the Sale Agreement for, *inter alia*, the following:

   a. The Sale Agreement provides certainty as to realizations, subject to the terms of the Sale Agreement;

b. The Sale Agreement eliminates any future risk to the Receiver as regards to market conditions;

c. The Sale Transaction pursuant to the Sale Agreement will be completed sooner than any potential sale by way of the Listing Agreement, which is beneficial to the stakeholders of the Debtors' estate; and

d. The proposed selling price appears reasonable given the appraised value of the Real Property and the proposed listing prices in the CBRE and Colliers listing proposals.

8. The Receiver is of the view that the Sale Agreement represents a commercially reasonable transaction which will maximize the recovery and is in the best interests of all stakeholders.

<u>The Listing Agreement/Sale Process</u>

9. In the event that the Sale Transaction does not close in accordance with the terms of the Sale Agreement, the Receiver seeks authorization to enter into the Listing Agreement with Colliers.

10. Paragraph 3(j) of the Appointment Order authorizes the Receiver to market any or all the Property of the Debtors, including advertising and soliciting offers in respect of the Property of the Debtors, including the Real Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

11. Paragraph 3(k) of the Appointment Order authorizes the Receiver to sell the Property of the Debtors, subject to Court approval, having regard to the monetary limits set out therein.

12. Paragraph 3(l) of the Appointment Order authorizes the Receiver to apply for a vesting order, or other orders necessary to convey the Property, or any part or parts thereof to a purchaser, or purchasers thereof, free and clear of any liens or encumbrances affecting such Property.

13. The Receiver solicited three real estate brokers to submit listing proposals for the marketing and sale of the Real Property.

14. Following such process, the Receiver recommends and requests that it be authorized to retain and execute the Listing Agreement with Colliers to market the Real Property, which is based on:

   a. The commission structure payable to Colliers is favourable;

   b. Colliers' familiarity with the area where the Real Property is located;

   c. Colliers' proposed process to list and sell the Real Property; and,

   d. Colliers' view of the value of the Real Property.

17. The Receiver is of the view that the Sales Process is appropriate as it optimizes the chance of securing the best return for the Real Property and recommends the Sales Process as same will involve a process with integrity and will encourage a competitive environment for the solicitation of offers.

Sealing Order

15. The disclosure of the information contained in the Confidential Appendices could potentially impair the maximizing of a sale of the Real Property, and the sealing order sought in relation to the Confidential Appendices (i) aligns with the purpose of the Appointment Order and the interest promoted therein; (ii) is fair and reasonable in the circumstances; and (iii) will achieve the desired benefit without unduly impairing the openness of the Court's process

16. Until such time as the Real Property is sold, or until further order of this Court, the Receiver is of the view that the information and documentation contained in the Confidential Appendices should be sealed in order to avoid the negative impact that the dissemination of the confidential information contained therein would have.

Funds of the Debtors

Arutsothy

17. It appears that funds to be paid to the Debtors were accepted by Arutsothy and not deposited into the Debtors' bank accounts.

18. Arutsothy has not remitted such payments to the Receiver.

19. The Receiver requests that this Court issue an order directing Arutsothy to to immediately pay to the Receiver all funds collected by Arutsothy which were owing to the Debtors.

The TD Bank Account

20. It appears that funds to be paid to CPSI were deposited into a bank account at TD Bank.

21. The Receiver has provided details of the payment to TD Bank and requested that TD Bank provide the name of the owner of the bank account.

22. The Receiver requires the account information to administer the estate of the Debtors.

23. The Receiver requests that this Court issue an order directing TD Bank to provide the Receiver with details of the ownership of the bank account into which funds of the Debtors were deposited.

The Third-Party Property

24. The Receiver identified various assets, including restaurant inventory, storage trailers, tractors and car hauling trailers both inside and outside the building at the Real Property which did not appear to relate to the Debtors' operations (the "**Third-Party Property**").

25. The Receiver has been in contact with various third parties claiming an interest in some of the Third-Party Property, however some of the Third-Party Property has not been claimed.

26. In order to complete a sale of the Real Property, the Receiver requests that the Court authorize the Receiver to dispose of any of the Third-Party Property remaining at the Real Property on September 1, 2024.

Professional Fees

27. The Appointment Order requires the Receiver and its legal counsel to pass its accounts from time to time.

28. The Receiver and its counsel have each properly incurred fees and disbursements as detailed in the First Report.

29. The Receiver seeks the approval of its fees and disbursements and its counsel's fees and disbursements, and payment of same.

30. Section 243 and 249 of the Bankruptcy and Insolvency Act.

31. Sections 100 and 137(2) of the Courts of Justice Act.

32. Rules 1.04, 2, 3, 37, 38, and 60.10 of the Rules of Civil Procedure.

33. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Appointment Order;

2. The First Report and the Appendices thereto; and,

3. Such materials as counsel may advise and this Honourable Court may permit.

August 15, 2024

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2

Timothy C. Hogan (LSO #36553S)
Tel: 519-679-9660
Fax: 519-667-3362
Email: thogan@harrisonpensa.com

Solicitors for the Receiver,
Grant Thornton Limited

TO: Service List

Schedule "A" – Approval and Vesting Order

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)

THE HONOURABLE	)	TUESDAY, THE 27TH
	)	
JUSTICE	)	DAY OF AUGUST, 2024

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Grant Thornton Limited, solely in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of the undertaking, property and assets of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd. (together, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Khattra Group Inc. (the "**Purchaser**") dated June 26, 2024 and vesting in the Purchaser all of the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**") and referenced in Schedule "B" hereto, was heard this day by judicial videoconference via Zoom at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver and Appendices thereto and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Isabelle Stacey sworn, August 15, 2024, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Black dated May 21, 2024; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Durham (No. 40) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtors' past and current employees, including personal information of those Assumed Employees, if any, as defined in the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

7. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtors;

8. THIS COURT ORDERS that the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue,

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

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

10. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing.

Justice, Ontario Superior Court of Justice - Commercial List

Schedule A – Form of Receiver's Certificate

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)

ROYAL BANK OF CANADA

Applicant

\- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Black of the Ontario Superior Court of Justice (the "**Court**") dated May 21, 2024, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd. (together, the "**Debtors**").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of June 26, 2024 (the "**Sale Agreement**") between the Receiver, solely in its capacity as court-appointed receiver of all of the property and assets of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd., and Khattra Group Inc. (the "**Purchaser**"), and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid, and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at ________ [TIME] on _______ [DATE].

Grant Thornton Limited, solely in its capacity as Receiver of the undertaking, property and assets of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd., and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule B – Purchased Assets

The Purchased Assets, as defined in the Sale Agreement including, without limitation, the Real Property described as follows:

PT LT 19, RANGE 3, CON BF, PICKERING, PTS 1 & 2, 40R761; S/T A RIGHT IN CO228510; PICKERING, being all of PIN 26327-0072 (LT)

Schedule C – Claims to be Deleted and Expunged from title to Real Property

1. DR2287861, being a charge in favour of Royal Bank of Canada registered December 21, 2023;
2. DR2287864, being a notice of assignment of rents in favour of Royal Bank of Canada registered December 21, 2023;
3. DR2321192, being a charge in favour of Sebastijan Zupanec registered May 30, 2024, 2021;
4. DR2321193, being a notice of assignment of rents in favour of Sebastijan Zupanec registered May 30, 2024.

Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property

(unaffected by the Vesting Order)

1. Reference plan 40R761 registered August 14, 1972;

2. D154171, being a bylaw registered Apil 8, 1983.

ROYAL BANK OF CANADA v. COMMERCIAL PACKAGING SOLUTIONS INC., et al.

Applicant Respondents

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

ORDER

HARRISON PENSA LLP
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Timothy C. Hogan (LSO #36553S)

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Lawyers for the Receiver,
Grant Thornton Limited

Schedule "B" – Ancillary Order

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 27TH
	)	
JUSTICE	)	DAY OF AUGUST, 2024

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and 2777463 ONTARIO LTD.

Respondents

ANCILLARY ORDER

THIS MOTION**,** made by Grant Thornton Limited, in its capacity as the Court-appointed receiver (the "Receiver") of the undertakings, property and assets of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd. (collectively, the “Debtors”), appointed pursuant to the Order of the Honourable Justice W.D. Black dated May 21, 2024 (the “Appointment Order”), for an Order seeking certain ancillary relief, was heard this day by judicial teleconference via Zoom at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated August 15, 2024, the First Report of the Receiver dated August 15, 2024 (the “First Report”), and on hearing the submissions of counsel for the Receiver and all other counsel and parties present, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Isabelle Stacey sworn August 15, 2024, filed;

SERVICE

1. **THIS COURT ORDERS** that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be and is abridged so that this motion is properly returnable today and hereby dispenses with further service and confirmation hereof.

REPORT AND ACTIVITIES OF THE RECEIVER

2. **THIS COURT ORDERS** that the First Report and the activities and conduct of the Receiver as detailed therein, be and are approved; provided however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

LISTING AGREEMENT AND SALE PROCESS

3. **THIS COURT ORDERS** that in the event that the Anticipated Sale Transaction (as defined in the First Report") does not close on terms to the satisfaction of the Receiver, the Receiver is authorized and directed to execute a Listing Agreement on terms acceptable to the Receiver (the "Listing Agreement") between the Receiver and Colliers International Group Inc. ("Colliers") for the sale of the real property owned by 2777463 Ontario Ltd. and known municipally as 890 Dillingham Road, Pickering, Ontario (the "Real Property"), and to take such steps as the Receiver deems necessary or advisable to carry out the terms thereof.

4. **THIS COURT ORDERS** in the event that the Anticipated Sale Transaction (as defined in the First Report") does not close on terms to the satisfaction of the Receiver, that the Receiver is authorized and directed, with Colliers as its real estate consultant, to carry out the Sale Process, as described in the First Report, and is hereby authorized and directed to take such steps and execute such documentation as the Receiver considers necessary or desirable in carrying out its obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction under the Sale Process.

5. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, employees, advisers, agents, counsel and controlling persons shall have no liability with

respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the Sale Process, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or willful misconduct of the Receiver, as determined by this Court.

6. **THIS COURT ORDERS** that the Receiver may apply to this Court to amend, vary or supplement this Order, or for advice and directions with respect to the discharge of its powers and duties under this Order, or under the Sale Process, at any time during the term of the Sale Process.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

7. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements as detailed in the First Report, are hereby approved.

FEE APPROVAL

8. **THIS COURT ORDERS** that the Receiver's fees and disbursements, as detailed in the First Report and set out in set out in the Affidavit of Jacob Wiebe, sworn August 14, 2024 and attached as Appendix "6" to the First Report, are hereby approved.

9. **THIS COURT ORDERS** that the Receiver's counsel's fees and disbursements, as detailed in the First Report and set out in set out in the Affidavit of Thomas Masterson, sworn August 15, 2024 and attached as Appendix "7" to the First Report, are hereby approved.

THE PROPERTY

10. **THIS COURT ORDERS** that the Samuel Arutsothy, is required to immediately provide the Receiver all funds collected by Samuel Arutsothy which were owing to the Debtors.

11. **THIS COURT ORDERS** that the Toronto-Dominion Bank provide the name of the owner of the bank account into which funds were deposited that were owing to the Debtors.

THIRD-PARTY PROPERTY

12. **THIS COURT ORDERS** that the Receiver is authorized to dispose of the Third-Party Property, as defined in the First Report, located at the Real Property following August 31, 2024.

SEALING

13. **THIS COURT ORDERS** that the Confidential Appendices to the First Report be and are hereby sealed, pending the completion of a court-approved sale of the Real Property, or until further Order of this Court.

GENERAL

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date of this Order and is enforceable without any need for entry or filing.

Justice, Ontario Superior Court of Justice

(Commercial List)

ROYAL BANK OF CANADA v. COMMERCIAL PACKAGING SOLUTIONS INC., et al.

Applicant Respondents

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

ORDER

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Timothy C. Hogan (LSO #36553S)

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Lawyers for the Receiver,
Grant Thornton Limited

ROYAL BANK OF CANADA and COMMERCIAL PACKAGING SOLUTIONS INC., et al.

Applicant Respondents

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

NOTICE OF MOTION

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Lawyers for the Receiver,
Grant Thornton Limited

Tab 2

Court File No.: CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and –

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3. AS AMENDED AND UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, cC43, AS AMENDED

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER AND MANAGER OF COMMERCIAL PACKAGING SOLUTIONS INC. and 2777463 ONTARIO LTD.

AUGUST 15, 2024

GrantThornton

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

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3	Notice to contact the Receiver
4	Redacted Sale Agreement
5	Interim Statement of Receipts and Disbursements
6	Affidavit of Jacob Wiebe sworn August 14, 2024
7	Affidavit of Thomas Masterson sworn August 15, 2024

CONFIDENTIAL APPENDICES

1	Summary of Appraisal, Listing Proposal and Offers
2	Sale Agreement

INTRODUCTION

1. Grant Thornton Limited was appointed as Receiver and Manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Commercial Packaging Solutions Inc ("**CPSI**") and 2777463 Ontario Ltd. ("**2777463**" and collectively with CPSI, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors including the real property owned by 2777463 pursuant to an order of the Honourable Justice Black of the Ontario Superior Court of Justice (the "**Court**") dated May 21, 2024 (the "**Receivership Order**"). A copy of the Receivership Order and related endorsement are attached hereto as **Appendix "1"**.
2. The Debtors' primary secured creditor is Royal Bank of Canada (the "**RBC**").
3. 2777463 owns real property located at 890 Dillingham Road, Pickering, Ontario (the "**Real Property**"). The Real Property is a stand alone industrial commercial building. CPSI operated from the Real Property.
4. CPSI is a packaging manufacturing company which manufactured a range of products including packaging film and garbage bags. CPSI owns plastic extrusion equipment as well as inventory and other equipment located at the Real Property.
5. Samuel Arutsothy ("**Mr. Arutsothy**") is the principal of the Debtors.
6. Background information pertaining to the Debtors, including the circumstances leading to the appointment of the Receiver, is contained in the affidavits of Jan Oros sworn on April 26, 2024 and May 15, 2024 (collectively, the "**Oros Affidavits**") in support of the RBC's application for the appointment of the Receiver. Copies of the Oros Affidavits without exhibits are attached hereto as **Appendix "2"**.

PURPOSE OF THIS FIRST REPORT

7. The purpose of this first report of the Receiver (the "**First Report**") is to inform the Court of the Receiver's activities since the date of the Receivership Order and to obtain support of the Receiver's motion for an order of the Court, among other things:
    a. approving the actions and activities of the Receiver as described in this First Report;
    b. authorizing the Receiver to dispose of third-party property located at the Real Property if not claimed by August 31, 2024;

c. requiring Mr. Arutsothy to pay to the Receiver all funds as property of the Debtors collected by Mr. Arutsothy which was owing to the Debtors (the “Funds”);

d. requiring that TD Bank provide the name of the owner of the bank account into which the Funds were deposited that are property of the Debtors;

e. authorizing the Receiver to complete the Anticipated Sale Transaction (as defined herein);

f. in the event that the Anticipated Sale Transaction does not close in accordance with the terms of the Sale Agreement (defined herein), authorizing the Receiver to enter into a real estate listing agreement with Colliers International Group Inc. (“**Colliers**”) for the sale of the Real Property;

g. approving the Receiver’s Interim Statement of Receipts and Disbursements and the fees and disbursements of the Receiver and its counsel, Harrison Pensa LLP (“**Harrison Pensa**”); and

h. sealing Confidential Appendices “1” and “2” until the Real Property is sold or further order of the Court.

TERMS OF REFERENCE

8. In preparing this First Report, the Receiver has relied upon unaudited, draft and/or other information provided by the principals of the Debtors, contractors, stakeholders and other third-party sources (collectively, the “**Information**”). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards.

9. The First Report has been prepared for the use of this Court to provide general information and an update relating to this receivership proceeding (the “**Receivership Proceeding**”) for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. This First Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

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

11. Copies of materials filed in these Receivership Proceeding are available on the Receiver's Case Website at www.GrantThornton.ca/CommercialPackagingSolutions .

ACTIONS OF THE RECEIVER

Taking Possession

12. The Receiver attended the Real Property on May 27, 2024 ("**Possession Date**") for the purpose of performing an initial inspection and taking possession of the Real Property. The Receiver provided Mr. Arutsothy with a copy of the Receivership Order and explained the Receiver's mandate.

13. The Receiver noted that there were no employees present at the Real Property and there did not appear to be any business activity occurring. Mr. Arutsothy advised that he had advised all the employees not to come to work as a result of the Receivership Order being issued by the Court.

14. Affidavits sworn by Mr. Arutsothy in support of the Debtors' opposition to the Bank's application for the appointment of a Receiver state that CPSI was actively operating, fulfilling customer orders, and that CPSI had ten employes and 2 contractors.

15. The Receiver therefore asked Mr. Arutsothy about the status of operations and the fulfillment of customer orders. Mr. Arutsothy responded that CPSI only had 6 employees and had not been operating on a regular basis for some time. Mr. Arutsothy advised that there was no current scheduled production or fulfillment of customer orders.

16. The Receiver performed the customary day one activities including: changing the locks at the Real Property; and arranging for utilities to be transferred to the Receiver; contacting the City of Pickering to change the address for property tax billing; and, arranging for the Receiver to be named as an additional insured on the insurance policy for the Real Property.

17. The Receiver met with Roblin Branwell ("**Ms. Branwell**"), the Debtors' controller, and arranged for Ms. Branwell to assist the Receiver in obtaining the Debtors' financial records. The Receiver sent letters to all other employees advising that their employment with CPSI was terminated as a result of the Receivership Order. The Receiver also advised the employees of their rights under the *Wage Earners Protection Program Act* and assisted them with filing the necessary claims with Service Canada.

18. The Receiver became aware that the Debtors' maintained bank accounts at RBC and Bank of Montreal ("**BMO**"). The Receiver requested that RBC and BMO freeze the Debtors' bank accounts and transfer any funds in those accounts to the Receiver. RBC and BMO transferred $50,000.00 and $54,223.01 respectively to the Receiver.

19. The Receiver's review of the bank account history revealed that very few transactions had occurred in the three months preceding the appointing of the Receiver further evidencing that the Debtors were not actively conducting business.

20. The Receiver has requested that Mr. Arutsothy provide the Debtors' accounting records to the Receiver and while Mr. Arutsothy agreed that he would forthwith provide all the information requested by the Receiver, he has not provided any information including a listing of all the assets belonging to the Debtors.

21. The Receiver identified two vehicles during its review of the Debtors' insurance policy. The Receiver asked Mr. Arutsothy to provide the location of the vehicles. Numerous additional requests were necessary before Mr. Arutsothy advised that one vehicle was returned to the lessor and the other vehicle could be delivered to the Receiver. The Receiver arranged for a 2019 Ram 1500 (the "**2019 Ram**") to be delivered to Platinum Asset Services Inc. ("**Platinum**"). Platinum has advised that the 2019 Ram is severely damaged.

22. The Receiver received a letter from Premier Bailiffs requesting that the Receiver release the 2019 Ram to RBC as it was subject to a financing agreement. The Receiver obtained a legal opinion from Harrison Pensa which advised that RBC's security against the 2019 Ram was valid and enforceable. The value of the 2019 Ram was substantially less than the amount owing to RBC due to the damaged condition. The Receiver therefore released its interest in the 2019 Ram to Premier Bailiffs.

Accounts Receivable

23. The Receiver obtained an aged Accounts Receivable ("**AR**") schedule from Ms. Branwell. The total value of AR was $1,395,980.45. Ms. Branwell advised that there was no money owing from most of the customers on the AR listing and that she did not know why there were amounts shown as owing. The Receiver sent letters to all customers on the AR listing and requested that the amount shown as owing be paid to the Receiver. Only three customers responded to the Receiver's payment demand.

24. Abatement Technologies Limited ("**Abatement**") advised the Receiver that Mr. Arutsothy recently instructed Abatement to pay amounts owing to CPSI to another company.

Abatement refused and placed a hold on all further payments. Abatement has now paid its AR balance of $96,495.19 to the Receiver.

25. 12496925 Canada Inc. (“**12496925**”) advised the Receiver that three payments totaling $18,268.28 were recently paid to CPSI via email transfer and provided payment confirmations. The Receiver was not able to trace one payment in the amount of $8,268.28 on April 26, 2024 to CPSI’s bank accounts at RBC or BMO. It appears that this payment was likely deposited in an unknown bank account.

26. Polyethics Industries Inc. (“**Polyethics**”) acknowledged that it owed $31,380.02 to CPSI. Polyethics also advised that it had made two payments towards this balance in the total amount of $15,264.86. The supporting documents provided to the Receiver indicated that funds were paid to CPSI and were deposited into a bank account at TD Bank (“**TD**”). The Receiver provided details of the payment to TD and requested information on the owner of the bank account. TD is seeking legal advice before responding to the Receiver’s request.

27. The Receiver requests that the Court issue an order requiring that TD provide the Receiver with details of the ownership of the bank account into which these funds were deposited.

28. The Receiver continues to follow up with the remaining customers to determine what amount, if any, is owing to CPSI.

Canada Revenue Agency

29. The Receiver advised Canada Revenue Agency (“**CRA**”) of its appointment. CRA scheduled trust examinations for source deductions and Harmonized Sale Tax (“**HST**”). All available information requested by CRA has been provided and the examination has been performed. The Receiver is waiting for CRA to file trust claims based on the results of the trust examinations.

Employees and WEPPA

30. Ms. Branwell assisted the Receiver to identify all 6 employees of CPSI. The employees were not paid their past payroll. The Receiver arranged for T4s and Records of Employment to be issued to all employees.

31. The Receiver assisted the employees with filing their claims in accordance with WEPPA. WEPPA claims totalled $31,571.02 of which $12,000 represents a claim in priority to secured creditor over CPSI’s current assets.

Insurance

32. The Receiver contacted Andy Chow & Associates Inc. (“**Chow**”), which appeared to be the insurance broker of the Debtors. The Receiver arranged to be added as an additional insured on the policy. Chow advised that the policy premium payments were in arrears for the month of June. The Receiver paid the June insurance premiums and continues to make monthly installment payment to keep the insurance policy in place. The certificate of insurance provided that the policy maturity date is December 1, 2024.

33. Chow also advised that there was also an insurance policy for vehicles. This policy was also in arrears for the month of June. The Receiver paid the premiums for June and July. Both vehicles have now been returned to the lessors and financing companies therefore the Receiver has cancelled the automobile insurance policy.

Third Party Personal Property

34. The Receiver identified various assets, including restaurant inventory, storage trailers, tractors and car hauling trailers both inside and outside the building at the Real Property which did not appear to relate to the Debtors’ operations. The Receiver asked Mr. Arutsothy to provide details of the ownership of these assets and any arrangements made with third parties. Mr. Arutsothy did not provide any of the requested information.

35. During several attendances at the Real Property the Receiver was able to interact with persons who attended the Real Property that advised the Receiver of four parties parking their tractors and trailers at the Real Property and had made rental arrangements with Mr. Arutsothy. Autolink Transportation Inc. (“**Autolink**”) and Legendary Towing (“**Legendary**”) advised that they made June rental payments directly to Mr. Arutsothy. The Receiver advised that all future rent payments must be made to the Receiver. Autolink and Legendary advised that they made payments of $3,000.00 and $100.00 respectively to Mr. Arutsothy. These payments are not reflected as being deposited into the Debtors’ bank accounts at RBC and TD.

36. The Receiver requests that the Court issue an order requiring Mr. Arutsothy pay to the Receiver any amounts owing to the Debtors that he personally collected, and an accounting of same.

37. On July 5, 2024, the Receiver posted notices on all equipment located outside of the Real Property that did not appear to be assets of the Debtors (the “**Notice**”). The Notice advised that owners of the equipment were required to contact the Receiver by no later than July

26, 2024, after which the Receiver would dispose of the equipment. The Receiver emailed the Notice to Mr. Arutsothy and requested that he contact the owners and advise them of the Notice. Mr. Arutsothy did not respond. A copy of the Notice is attached hereto as **Appendix "3".**

38. Three parties have contacted the Receiver. The Receiver requested that each party complete a property claim and provide evidence of their ownership of the equipment as well as details of the storage arrangements made with the Debtors or Mr. Arutsothy. On July 31, 2024, the Receiver advised the three parties that they needed to prove ownership of the claimed equipment and remove the equipment from the Real Property by no later than Friday, August 30, 2024.

39. There are three old trailers stored at the Real Property which have not been claimed by any party. The Receiver has not been able to locate serial numbers on theses trailers and is therefore unable to determine their ownership. These trailers appear to be inoperable and have only scrap value.

40. The Receiver requests that the Court authorize the Receiver to engage a liquidator to sell any equipment remaining at the Real Property on September 1, 2024.

41. The Receiver received property claims from four parties claiming to own inventory and equipment inside the building at the Real Property. The Receiver has reviewed claims from the following parties, is satisfied with the validity of the property claims, and has arranged for the below parties to retrieve their property:

    1) Simms Groups Ltd.;
    2) 2820173 Ontario Inc.;
    3) Rapid Packaging Systems Limited; and
    4) Polyethics Industries Inc.

42. In addition to the actions described above the Receiver has conducted the following activities in the course of the receivership:

    a. prepared and sent the Notice and Statement of Receiver for each of the Debtors in accordance with sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* to the Debtors, the Office of the Superintendent of Bankruptcy and all known creditors of the Debtors;

    b. responded to calls and inquiries from the general creditors and former employees;

c. performed regular inspections of the Real Property and arranged for regular maintenance of the Real Property; and

d. registered the Receivership Order on title to the Real Property.

SALE OF THE REAL PROPERTY

43. RBC advised the Receiver that it had become aware that the Real Property may have been listed for sale with CBRE Limited ("**CBRE**"). The Receiver obtained details of the listing and contacted the listing agents. The Receiver learned that the Real Property was listed for sale on November 28, 2023 for $11,200,000 and that the price had been reduced to $10,200,000 on March 7, 2024. The Debtors did not disclose that the Real Property was listed for sale to RBC or in the materials filed with the Court in defence of RBC's application for the appointment of a Receiver. The listing agreement with CBRE expired on May 28, 2024.

44. CBRE advised that they had received a conditional offer to purchase the Real Property and the equipment owned by CPSI (the "**Equipment**") and provided the Receiver with a copy of the offer (the "**First Offer**"). The First Offer required that the purchaser provide a deposit to CBRE upon full execution of the First Offer; provided the seller 45 days to obtain refinancing; and provided the purchaser until August 31, 2024 to satisfy itself with respect to environmental, building condition and financing. CBRE confirmed that the deposit was never paid.

45. The Receiver obtained appraisals of the Real Property (the "**Real Property Appraisal**") and the Equipment (the "**Equipment Appraisal**") to satisfy itself that the proposed selling price was commercially reasonable.

46. The Receiver thereafter advised CBRE that it was prepared to immediately waive the seller's 45-day refinancing condition and demanded that the proposed purchaser pay the deposit. CBRE spoke with the proposed purchaser and advised the Receiver that the proposed purchaser no longer wished to proceed with the purchase.

47. The Receiver thereafter contacted three commercial realtors and asked them to provide listing proposals for the Real Property. CBRE and Colliers responded to the Receiver's request and submitted listing proposals. A summary of the Real Property Appraisal, the

Equipment Appraisal, the listing proposals are attached hereto as **Confidential Appendix "1"**.

48. RBC obtained a Phase 1 Environmental Site Assessment (the "**Phase 1**") from Pinchin Ltd. ("**Pinchin**") dated December 18, 2023 during its due diligence in providing financing to the Debtors. The Receiver arranged for Pinchin to provide an updated Phase 1 (the "**2024 Phase 1**") which was completed on July 31, 2024.

49. On June 11, 2024, subsequent to the expiry of the CBRE listing agreement, CBRE presented the Receiver with an offer from Khattra Group Inc. (the "**Purchaser**") to purchase the Real Property and the Equipment.

50. The Receiver advised CBRE that the Receiver would provide a counteroffer in the form of an Agreement of Purchase and Sale in the format required for a receivership sale. The Receiver provided the counteroffer on June 26, 2024 which was irrevocable until July 2, 2024. Despite numerous inquiries by the Receiver, the Purchaser did not respond to this counteroffer.

51. The Receiver therefore obtained a Court date of August 27, 2024 at which time the Receiver intended to seek Court approval to list the Real Property for sale.

52. On July 30, 2024 CBRE provided the Receiver with a counteroffer from the Purchaser which was conditional for two weeks for the Purchaser to complete its due diligence in respect of the Real Property.

53. The Receiver provided CBRE with a copy of the 2024 Phase 1 report and asked the Purchaser to complete its due diligence by August 14, 2024. The Receiver provided the Purchaser with a counteroffer dated August 9, 2024 which was open for acceptance by the Purchaser until 5:00PM on August 12, 2024 (the "**Sale Agreement**").

54. On August 15, 2024, CBRE provided the Receiver with a signed Sale Agreement which the Receiver also signed. The Receiver is waiting for the Purchaser to pay the deposit as required by the Sale Agreement. A copy of the Sale Agreement, redacted for the selling price, is attached hereto at **Appendix "4"**. An unredated copy of the Sale Agreement is attached hereto at **Confidential Appendix "2"**. Details of the offers, counteroffers and the Sale Agreement are included in Confidential Appendix "1".

55. The Real Property has been listed for sale since November 28, 2023 with CBRE as the broker. The proposed selling price appears reasonable given appraised values of the

Real Property and the Equipment and the proposed listing prices in the CBRE and Colliers listing proposals. The Receiver therefore believes with the prior exposure of the Real Property through a professional broker, and the indication of value through the appraisal and listing proposals that the proposed selling price is reasonable in the circumstances and the Sale Transaction is supported by the Soundair principles.

56. The Receiver requests that the Court authorize and direct the Receiver to complete the sale of the Real Property and Equipment to the Purchaser in accordance with the terms of the Sale Agreement (the "**Anticipated Sale Transaction**").

57. In the event that the Anticipated Sale Transaction does not close the Receiver requests that the Court authorize and direct the Receiver to enter into an MLS listing agreement with Colliers for the sale of the Real Property, on terms satisfactory to the Receiver, with a listing price of $10,200,000. The Receiver has selected Colliers as the listing agent as a result of their knowledge of area surrounding the Real Property and shorter duration of the listing agreement.

58. The Receiver intends to establish a virtual data room (the "**Data Room**") with documents pertaining to the Real Property and Equipment included the following:

    a. 2024 Phase 1 report;
    b. Equipment listing;
    c. Insurance policy;
    d. Property tax invoice;
    e. Utilities invoices; and
    f. Receiver's form of agreement and purchase and sale.

59. Additional terms of the sales process will be:

    a) Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Real Property prior to the selection of a successful offeror;

    b) The sale of the Real Property will be on an "as is, where is" basis without representations or warranties of any kind, nature, or description by the Receiver, or any of its directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a successful offer and approved by the Court;

    c) By submitting an offer, each offeror shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Real

Property prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Real Property in making its offer, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Real Property or the completeness of any information provided in connection therewith, except as expressly stated the sales process or as set forth in a successful offer and approved by the Court;

d) The Receiver shall have the right to deny or limit any parties access to confidential information at any time, which may include denying access to confidential information, if in the Receiver's sole discretion views such party is not likely to be serious about submitting an offer for the Real Property;

e) The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise;

f) The Receiver shall not be under any obligation to accept the highest or best (or any) offer made, and any selection of the successful offer(s) shall be entirely in the discretion of the Receiver. For greater certainty, the Receiver is hereby permitted to decline acceptance of any offer. The Receiver shall make it clear that this sales process is not a tender;

g) the Receiver has the right to waive strict compliance with any timelines or deadlines;

h) all offers for the Real Property shall include an agreement of purchase and sale blacklined against the Receiver's form of agreement and purchase and sale;

i) the Receiver will consult with Bank with respect to the offers submitted;

j) any transaction for the sale of the Real Property shall be subject to Court approval; and,

k) the Receiver will apply to the Court for an approval and vesting order approving the final agreement of purchase and sale with the purchaser.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

60. Attached hereto as **Appendix "5"** is the Receiver's Interim Statement of Receipts and Disbursements as at July 31, 2024 (the "**Interim SRD**").

Professional Fees and Disbursements

61. The Receiver and its counsel have maintained detailed records of their professional fees.

62. Pursuant to paragraph 17 of the Receivership Order, the Receiver and its counsel shall be paid their reasonable fees and disbursements and a charge was granted on the Property (as defined in the Receivership Order), as security for such fees and disbursements.

63. The total fees and disbursements of the Receiver to July 31, 2024 amount to $105,156.11 inclusive of disbursements and HST and are more particularly described in the affidavit of Jacob Wiebe sworn August 14, 2024, a copy of which is attached hereto as **Appendix "6"**

64. The total fees and disbursements of the Receiver's counsel, Harrisson Pensa, to August 13, 2024 amount to $13,911.18 inclusive of disbursements and HST and are more particularly described in the affidavit of Thomas Masterson sworn August 15, 2024, a copy of which is attached hereto as **Appendix "7"**.

65. The Receiver believes that the fees described in the fee affidavits are fair and reasonable and respectfully requests that the Court approve same.

CONFIDENTIAL APPENDICES

66. The Receiver believes that Confidential Appendices "1" and "2" should remain sealed until the sale of the Real Property has been completed or further Order of the Court, as the information contained therein is commercially sensitive and could prejudice the sale of the Real Property. In the absence of a sealing order, potential purchasers would have access to information obtained by the Receiver, which may impact the price that interested purchasers are willing to offer, should the Sale Transaction not close.

67. The Receiver does not believe that any party will suffer prejudice if the information in Confidential Appendices "1", and "2" are sealed in this manner.

Grant Thornton

REQUEST OF THE COURT

68. Based on the foregoing the Receiver respectfully requests that this Honourable Court grants the relief sought, as detailed in paragraph 7 of this First Report.

All of which is respectfully submitted,

GRANT THORNTON LIMITED
In its capacity as Court appointed Receiver of Commercial Packaging Solutions Inc. and 2777463 Ontario Inc. and not in its personal or corporate capacity

Per:

Jake Wiebe, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX 1

Court File No. CV-24-719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 21ST DAY
	)	
JUSTICE W.D. BLACK	)	OF MAY, 2024

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and 2777463 ONTARIO LTD.

Respondents

ORDER
(Appointing Receiver)

THIS APPLICATION made by Royal Bank of Canada ("**RBC**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Grant Thornton Limited as receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Commercial Packaging Solutions Inc. ("**CPSI**") and 2777463 Ontario Ltd. ("**277**") (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day by Zoom videoconference.

ON READING the affidavits of Jan Oros sworn April 26, 2024, and May 15, 2024 including the Exhibits thereto and on hearing the submissions of counsel for RBC and the Debtors, and no one appearing for although duly served as appears from the affidavits of service of Mariela Adriana

Gasparini sworn April 26, 2024, and on reading the consent of Grant Thornton Limited to act as the Receiver, and on reading the respondents application record which includes the affidavits of Samuel Arutsothy sworn May 7, 2024 and May 13, 2024,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Grant Thornton Limited is hereby appointed as Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof as well as PT LT 19, RANGE 3, CON BF, PICKERING, PTS 1 & 2, 40r761; S/T A RIGHT IN CO228510; PICKERING, municipally known as 890 Dillingham Road, Pickering, Ontario (the "**Property**").

RECEIVER'S POWERS

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

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

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

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(g) to settle, extend or compromise any indebtedness owing to the Debtors;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver’s name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $250,000.00, provided that the aggregate consideration for all such transactions does not exceed $500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in

that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

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

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

GENERAL

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

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

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

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

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

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

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

____

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $______________________

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof and the PT LT 19, RANGE 3, CON BF, PICKERING, PTS 1 & 2, 40r761; S/T A RIGHT IN CO228510; PICKERING, municipally known as 890 Dillingham Road, Pickering, Ontario (the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the __ day of ______, 20__ (the "**Order**") made in an action having Court file number , has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $____________, being part of the total principal sum of $____________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _______ day of each month] after the date hereof at a notional rate per annum equal to the rate of ______ per cent above the prime commercial lending rate of Bank of _________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of ______________, 20__.

Grant Thornton Limited, solely in its capacity as Receiver and Manager of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd, and not in its personal or corporate capacities.

Per: ________________________________

Name:

Title:

Court File No.: CV-24-00719261-00CL

ROYAL BANK OF CANADA
Applicant

- and-

COMMERCIAL PACKAGING SOLUTIONS INC. et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER
(Appointing Receiver)

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Lawyers for the Applicant

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: **CV-24-719261-00CL** **DATE:** **May 21, 2024**

NO. ON LIST: **2**

TITLE OF PROCEEDING: **ROYAL BANK OF CANADA v. COMMERCIAL PACKAGING SOLUTIONS INC. et al**

BEFORE JUSTICE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Alex MacFarlane Nick Hollard	Lawyers for the Applicant	amacfarlane@blg.com nhollard@blg.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Cameron J. Wetmore	Lawyers for the Respondents	cwetmore@srtslegal.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT:

[1] This is RBC's application for an order under subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada) ("BIA") and section 101 of the *Courts of Justice Act* (Ontario) ("CJA") to appoint Grant Thornton Limited ("GT") as receiver and manager, without security, of all the assets, undertakings and properties (the "Property") of the respondents Commercial Packaging Solutions Inc. ("CPSI") and 2777463 Ontario Ltd. ("277") (collectively the "Debtors") including certain real property municipally known as 890 Dillingham Road in Pickering, Ontario.

[2] RBC's evidence, which is not particularly disputed by the respondents, is that in connection with various credit facilities extended by RBC, both CPSI and 277 are substantially indebted to RBC, at or above the limit of indebtedness permitted under those facilities. These facilities and loans by RBC are supported by various security instruments, some of which expressly provide that RBC may appoint a receiver or manager over the Debtors in the event of default.

[3] The Debtors have committed various acts of default under various of the agreements and instruments, and have acknowledged that they are unable to make certain payments due and owing.

[4] RBC is concerned that the Debtors are compromising RBC's security in respect of the indebtedness.

[5] In the circumstances, RBC delivered formal demands on the Debtors (and guarantors) several weeks ago, demanding immediate payment of the various debts, and giving notice of RBC's intention to enforce its security pursuant to s. 244 of the BIA.

[6] The parties were before Steele J. on May 7, 2024.

[7] It appears from the materials for that attendance that the Debtors, who as noted do not particularly dispute their indebtedness, their defaults, or RBC's right to enforce its security, were asking Her Honour for additional time to respond, and pointing in particular to a potential replacement lender with whom the Debtors were in discussions, the potential for a loan from a family member, and the potential to sell the 890 Dillingham Road property.

[8] Her Honour allowed the Debtors an initial adjournment (they were asking for 10 days) to explore these options and to continue discussions with RBC, on the basis that the matter would come back on in the near term (today's attendance before me).

[9] For purposes of today's attendance, the Debtors filed a further affidavit from their CEO Mr. Arutsothy dated May 13, 2024, (Mr. Arutsothy had previously sworn an affidavit dated May 7, 2024). The affidavit is provided to support the respondents' request for a further 10 day adjournment.

[10] In his May 13 affidavit, Mr. Arutsothy deposed that the Debtors had delivered material requested by RBC, and had entered into a term sheet with an alternate lender (a redacted copy of which was attached to the affidavit), which Mr. Arutsothy hoped would lead to a financing commitment by May 17, 2024.

[11] Mr. Arutsothy also provided as an exhibit to his May 13 affidavit, an updated Cash Flow for CPSI attesting to an expected increase in CPSI's revenues in the next few months, and deposed that a particular customer

"expects to increase its business to CPSI", and that there are indications of other potential new and increasing business.

[12] Mr. Arutsothy also deposed that he expects to receive something in the range of $700,000.00 from his parents as of July 15, 2024.

[13] Finally, Mr. Arutsothy deposed that CPSI has entered into a conditional agreement of purchase and sale to sell the 890 Dillingham property for over $10 million, the closing for which, assuming the conditions are met, could be as early as approximately 70 days from now.

[14] Mr. Arutsothy's affidavit also discusses other efforts to source alternative funding.

[15] In response to Mr. Arutsothy's affidavit, RBC delivered an affidavit from Jan Oros (who had earlier delivered an affidavit dated April 26, 2024).

[16] The Oros affidavit reviews certain events that had taken place following the attendance before Steele J. on May 7, and reviews the current indebtedness and the various efforts to which Mr. Arutsothy had deposed, that the Debtors were undertaking to address RBC's concerns and motion.

[17] In short, the Oros affidavit concludes that,

(a) the term sheet to which Mr. Arutsothy referred (and attached a redacted copy) would, if confirmed, yield financing that would be insufficient to satisfy the indebtedness owed to RBC and would leave a shortfall in the range of $750,000.000 plus professional costs;

(b) that there were various inaccuracies and other shortcomings in the May 13 Arutsothy affidavit.

[18] In his submissions, counsel for RBC reiterated some of these points, and noted that with respect to other potential sources of funding, including the funds from Mr. Arutsothy's parents, and the sale of the 890 Dillingham property, these items are conditional and uncertain, and in any event are at best several weeks down the road.

[19] The bottom line is that RBC is strongly opposed to a further 10-day adjournment (or any further adjournment). It notes that nothing has changed for the better since the adjournment granted by Steele J., and that as time passes RBC's security continues to degrade.

[20] I have concluded that it is just and convenient that RBC's motion be granted, and that GT be appointed as receiver over the assets, undertaking and property of the Debtors.

[21] In my view the respondents have had ample opportunity to address their indebtedness and RBC's concerns, and have not shown appreciable progress in that regard. While the Debtors point to potential sources of alternate funding, they really have nothing concrete to offer at this stage, and RBC should not be required to wait indefinitely in the hope that something more tangible will materialize.

[22] I am confident that GT will carefully assess the best means of maximizing value here, such that it is not a foregone conclusion that some or all of the respondents' employees will lose their positions.

[23] In addition, as is self-evident, if the sale of the 890 Dillingham property is concluded, and yields sufficient proceeds to pay out the indebtedness to RBC, that may yet provide an opportunity for the business to succeed as a going concern (if that is the wish and decision at that time).

[24] However, it is not reasonable for RBC to have to wait on that possibility, and so, again, I am granting the order it seeks.

____

JUSTICE W.D. BLACK

DATE: MAY 21, 2024

APPENDIX 2

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC., and
2777463 ONTARIO LTD.

Respondents

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

AFFIDAVIT OF JAN OROS
(sworn April 26, 2024)

I, Jan Oros, of the Township of Georgina, in the Province of Ontario, MAKE OATH AND SAY as follows:

1. I am a Senior Manager in the Special Loans and Advisory Services group for the Applicant, Royal Bank of Canada ("**RBC**"). I have assumed responsibility for overseeing the respective credit facilities of the Respondents, Commercial Packaging Solutions Inc. ("**CPSI**") and 2777463 Ontario Ltd. ("**277**") (collectively, the "**Debtors**"). As such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.

2. I make this Affidavit in support of an application (the "**Application**") by RBC for an Order, *inter alia*, appointing Grant Thornton Limited ("**GTL**") as receiver and manager without security (the "**Receiver**") of all of the assets, undertakings and property of the Debtors, including, without limitation, certain real property municipally known as 890 Dillingham Road, Pickering, Ontario (the "**Property**"), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**").

3. I am authorized to make this Affidavit on behalf of RBC.

A. BACKGROUND ON THE DEBTORS

4. CPSI is incorporated pursuant to the laws of Canada. The director of CPSI is Thayanithi Arutsothy. Attached hereto as **Exhibit "A"** is a Corporate Profile Report for CPSI, dated Match 15, 2024.

5. CPSI was first incorporated on October 7, 2010, and has since been dissolved and revived on five occasions:

   a. Dissolved August 6, 2013, and revived June 16, 2016;

   b. Dissolved August 6, 2017, and revived November 6, 2017;

   c. Dissolved August 11, 2018, and revived November 2, 2018;

   d. Dissolved August 12, 2019, and revived January 30, 2020; and

   e. Dissolved February 8, 2022, and revived September 13, 2022.

6. CPSI carries on a business manufacturing plastic packaging products such as sleeves, bags, and shrink film. CPSI leases the Property from 277 for the purpose of carrying on its manufacturing operations.

7. 277 is incorporated pursuant to the laws of Ontario. The directors of 277 are Thayanithi Arutsothy and Arutsothy Sathyanathan. Attached hereto as **Exhibit "B"** is a Corporate Profile Report for CPSI, dated Match 15, 2024.

8. According to their respective Corporate Profile Reports, the registered address for each of the Debtors is 47 Queen Isabella Crescent, Maple, Ontario, L6A 3J8.

9. 277 acquired the Property from a third-party vendor on or around November 9, 2022. Attached hereto as **Exhibit "C"** is a true copy of the Parcel Register for the Property from the Land Registry Office for the Land Titles Division of Durham (No. 40) (the "**LRO**") dated March 20, 2024.

10. 277's revenue stream consists of rental income and investments in real property..

B. LOAN AND SECURITY DOCUMENTS

i. CPSI Credit Agreement

11. Pursuant to a credit agreement dated December 4, 2023 and executed on December 7, 2023 by and among CPSI, as borrower, and RBC, as lender (the "**CPSI Credit Agreement**"), RBC extended various credit facilities to CPSI, including a revolving demand facility in the principal amount of $750,000 (the "**Revolving Loan**"), a non-revolving term facility in the principal amount of $55,000, and a credit card facility with a limit of $100,000 (collectively, the "**CPSI Loans**"). Attached hereto as **Exhibit "D"** is a true copy of the CPSI Credit Agreement.

12. In accordance with the terms of the CPSI Credit Agreement, CPSI granted to and in favour of RBC the following security including, without limitation, a General Security Agreement dated as of December 7, 2023 (the "**CPSI GSA**"), pursuant to which RBC was granted a first-ranking security interest in all present of after-acquired personal property of CPSI, including all proceeds and renewals thereof, accretions thereto, and substitutions therefor (the "**CPSI Collateral**"). Attached hereto as **Exhibit "E"** is a true copy of the CPSI GSA.

13. Pursuant to a Guarantee and Postponement of Claim dated December 7, 2023 (the "**277 Secured Guarantee**"), 277 guaranteed payment to RBC of all present and future debts, liabilities and obligations at any time owing by CPSI to RBC up to a maximum amount of $1,155,000, together with interest and costs thereon from the date of demand. Attached hereto as **Exhibit "F"** is a true copy of the 277 Secured Guarantee.

14. The CPSI Secured Guarantee is supported by (i) the 277 GSA, (ii) the Charge, and (iii) the GAR (each term defined below).

15. Pursuant to a Guarantee and Postponement of Claim dated as of December 7, 2023 (the "**CPSI Guarantee**"), Thayanithi Arutsothy and Arutsothy Sathyanathan (together, the "**Guarantors**"), on a joint and several basis, personally guaranteed payment on demand to RBC of all present and future debts, liabilities, and obligations at any time owing by CPSI to RBC up to the maximum amount of $905,000, together with interest and costs thereon from the date of demand. Attached hereto as **Exhibit "G"** is a true copy of the CPSI Guarantee.

16. As of April 24, 2024, pursuant to the CPSI Loans, CPSI was indebted to RBC in the amount of CAD$1,249,734.71 and USD$5,083.43, inclusive of interest to such date, plus further interest, fees, and costs that continue to accrue from and after April 24, 2024 (the "**CPSI Indebtedness**").

ii. 277 Credit Agreement

17. Pursuant to a credit agreement dated as of December 4, 2023 executed as of December 7, 2023 by and among 277, as borrower, and RBC, as lender (the "**277 Credit Agreement**", and together with the CPSI Credit Agreement, the "**Credit Agreements**"), RBC extended to 277 a non-revolving term facility in the principal amount of $8,300,000 (the "**277 Loan**"). Attached hereto as **Exhibit "H"** is a true copy of the 277 Credit Agreement.

18. In accordance with the terms of the 277 Credit Agreement, 277 granted to and in favour of RBC the following security, including, without limitation, (i) a general security agreement dated as of December 7, 2023 by 277 in favour of RBC (the "**277 GSA**", and together with the CPSI GSA, the "**GSAs**") pursuant to which RBC was granted a first-ranking security interest in all present of after-acquired personal property of CPSI, including all proceeds and renewals thereof, accretions thereto and substitutions therefore (the "**277 Collateral**"), (ii) a charge/mortgage of lands on the Property in favour of RBC in the principal amount of $10,050,000 dated December 21, 2023 (the "**Charge**"), and (iii) a Notice of Assignment of Rents – General in favour of RBC, dated December 21, 2023, relating to the Charge

(the "**GAR**"). Attached hereto as **Exhibits "I", "J"**, and **"K"** are true copies of the 277 GSA, the Charge and the GAR.

19. Pursuant to a Guarantee and Postponement of Claim dated as of December 7, 2023 in favour of RBC (the "**CPSI Secured Guarantee**"), CPSI guaranteed payment on demand to RBC of all present and future debts, liabilities and obligations at any time owing by 277 to RBC up to a maximum amount of $8,300,000, together with interest and costs thereon from the date of demand, the CPSI Secured Guarantee is supported by the CPSI GSA. Attached hereto as **Exhibit "L"** is a true copy of the CPSI Secured Guarantee.

20. Pursuant to a Guarantee and Postponement of Claim dated as of December 7, 2023 in favour of RBC (the "**277 Guarantee**"), the Guarantors, on a joint and several basis, personally guaranteed payment on demand to RBC of all present and future debts, liabilities and obligations at any time owing by 277 to RBC up to the maximum amount of $8,300,000, together with interest and costs thereon from the date of demand. Attached hereto as **Exhibit "M"** is a true copy of the 277 Guarantee.

21. As of April 15, 2024, pursuant to the 277 Loan, 277 was indebted to RBC in the amount of $8,339,139.58, inclusive of interest to such date, plus further interest, fees, and costs that continue to accrue from and after April 15, 2024 (the "**277 Indebtedness**").

iii. Registration of Security

22. Pursuant to the 277 Credit Agreement, on December 21, 2023, RBC registered the following instruments against title to the Property with the LRO:

   a. The Charge as Instrument No. DR2287861; and

   b. The GAR as Instrument No. DR2287864.

23. In order to perfect its security interests under the CPSI GSA and the 277 GSA respectively, RBC has given notice of its security interests pursuant to the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the "**PPSA**") by filing the following:

a. Financing statement bearing file reference number 50089418 in respect of CPSI; and

b. Financing statement bearing file reference number 501109947 in respect of 277.

Attached hereto as **Exhibits "N"** and **"O"** are certified copies of the PPSA searches against CPSI and 277, with file currency dates of March 15, 2024.

C. DEFAULTS AND LOSS OF CONFIDENCE

24. The Credit Agreements specify, among other things, that upon the occurrence of certain "Events of Default" RBC is entitled to cancel any and all credit facilities (including the CPSI Loans and 277 Loan), demand immediate repayment, in full, of the CPSI Indebtedness and the 277 Indebtedness, and to realize on all or a portion of the security granted to RBC.

25. As detailed below, various Events of Default have occurred under the Credit Agreements. RBC has lost confidence in the Debtors' management and their ability to comply with their obligations under the Credit Agreements. RBC also believes that the Debtors may no longer be acting in good faith in respect of their lending relationship with RBC.

i. The Debtors are not able to pay their obligations

26. The Debtors are not able to pay their obligations to RBC. On April 1, 2024, in accordance with the 277 Credit Agreement, 277 was required to make a monthly payment in the amount of $59,485.52 to RBC in respect of the 277 Loan. To date, 277 has failed or neglected to make this payment.

27. As detailed below, on April 2, 2024, RBC issued a demand on the CPSI Loans, including the Revolving Loan, which facility is payable on demand from RBC. To date, the amount owing under the CPSI Loans remain outstanding.

28. The Debtors are also in default of their obligations to certain other creditors in addition to RBC. Specifically:

a. 277 has failed to pay property tax to the City of Pickering (the "**City**") in respect of the Property and there are accrued tax arrears in the amount of $25,367.78 due and payable on the Property (the "**Property Tax Arrears**"). Attached hereto as **Exhibit "P"** is a true copy of the tax certificate dated March 24, 2024.

b. 277 is also in default of its obligations to the City in respect of water charges incurred for the Property. As of March 24, 2024, there were arears of water charges in the amount of $2,529.91 (the "**Water Arrears**"). Attached hereto as **Exhibit "Q"** is a true copy of the water certificate dated March 24, 2024.

ii. Banking activity in CPSI's Account

29. Between March 5 and March 7, 2024, fourteen cheques (each a "**Returned Cheque**") totaling $1,154,893.49 were deposited by CPSI into the Account, and each cheque was returned by the issuing bank due to nonsufficient funds ("**NSF**") in the payors' accounts causing the Account to become overdrawn. As a result of this activity, RBC made a business decision to place the Account on "Deposit Only" until the overdraft could be addressed. Attached hereto as **Exhibit "R"** is a summary of transactions in the Account from March 5, 2024 to March 11, 2024 (the "**Transaction Summary**").

30. On March 12, 2024, Yannick Brammer ("**Yannick**"), Senior Relationship Manager for RBC, corresponded via email with Sutharsan (Samuel) Arutsothy ("**Samuel**"), a Signing Officer at CPSI, and Roblin Branwell ("**Roblin**"), Controller of CPSI. Yannick advised Samuel and Roblin that the Account was overdrawn in the amount of approximately $350,000, as a result of the Returned Cheques, and requested that CPSI clear the overdraft.

31. Prior to the series of cheques having been returned, the Debtors had advised RBC that they were working on obtaining further working capital for operations and capital expenditures. In his March 12, 2024 email, Yannick inquired as to the status of a deposit for $1 million (the "**Deposit**") in connection with the sale of the Lamont Property (defined below).

32. That same day, Roblin advised RBC that CPSI was not aware of the Returned Cheques and requested further information regarding the overdrawn balance. Regarding the Sale

Proceeds, Roblin advised RBC that CPSI expected to receive $250,000 on March 13, 2024, with the remaining $750,000 to be deposited on March 20, 2024.

33. Yannick responded to Roblin later that day and confirmed that almost all of the cheques that had been deposited into the Account in the week prior had been returned NSF. Yannick also requested that a meeting be scheduled for March 14 or 15, 2024.

34. On March 13, 2024, Yannick sent a follow-up email to Samuel and Roblin, demanding an urgent update regarding CPSI's overdraft in the Account and further inquired as to their availability to meet. Yannick also enclosed the Transaction Summary. Attached hereto as **Exhibit "S"** is a copy of the email chain between Yannick, Sam, and Roblin, dated March 11 to March 13, 2024.

35. To date, CPSI has not cleared the overdraft in the Account.

36. As of April 24, 2024, the Account remained in an overdraft position of $677,669.99.

iii. The Debtors are directing payments to accounts held with other financial institutions

37. On April 8, 2024, RBC's Commercial Service Team received correspondence from a client requesting assistance regarding a payment made by the client to CPSI. The client advised that they had transferred $51,573.71 to the Account on March 22, 2024, and initiated a stop-payment on the transfer on March 26, 2024 because CPSI had informed the client that CPSI had "changed banks". Attached hereto as **Exhibit "T"** is a copy of an email dated April 8, 2024 regarding the client's deposit.

38. On February 15, 2024, Yannick sent an email to Samuel to confirm the details of an earlier phone conversation. In his email, Yannick noted and was of the understanding that CPSI intended to close its account or accounts at the Bank of Montreal ("**BMO**") (the "**BMO Accounts**") within the next two to three months. Samuel responded on March 5, 2024, indicating that the BMO Accounts would be closed in the next month. Attached hereto as **Exhibit "U"** is a copy of an email chain dated February 15 to March 6, 2024, regarding the BMO Accounts.

39. Subsequent to the March 15 Meeting, I sent CPSI an information request, pursuant to which I requested, among other things, that Samuel provide details regarding any bank accounts that CPSI maintained at other financial institutions, including BMO. I did not receive any response.

40. Although RBC was aware of the BMO Accounts, RBC expected that CPSI would proceed to close out the BMO Accounts such that CPSI would not direct its customers to pay receivables into the BMO Accounts.

41. Other than the BMO Accounts, RBC is not aware of any other deposit accounts maintained by CPSI.

42. Since March 8, 2024, only five deposits have been received in the Account, one of which was returned as a Returned Cheque. Attached hereto as **Exhibits "V"** and **"W"** respectively are (i) the account statement for the Account for the period of February 29, 2024 to March 28, 2024, and (ii) the transaction history for the Account from March 27, 2024 to April 25, 2024.

43. Funds on deposit in the Account constitute part of the CPSI Collateral over which RBC has a first-ranking charge pursuant to the CPSI GSA which secures CPSI's obligations under the CPSI Credit Agreement and CPSI Secured Guarantee. By depositing CPSI sales proceeds to another financial institution, CPSI has further impaired RBC's security position.

iv. The Debtors have failed to respond to reasonable requests for information

44. On March 14, 2024, Yannick wrote to the Debtors (the "**Transition Letter**") and advised, among other things, that RBC was concerned that the Debtors were experiencing financial difficulties due to changes in their financial performance and/or financial condition and that the large number of Returned Cheques in the Account, had resulted in a serious deterioration of the Debtors' risk profile. Yannick also advised that oversight for the CPSI and 277 credit facilities had been transitioned to RBC Special Loans and Advisory Services, and that I would have responsibility for the Debtors' accounts going forward. Attached hereto as **Exhibit "X"** is a true copy of the Transition Letter.

45. On March 15, 2024, I met with Samuel to discuss the Debtors' financial condition (the "**March 15 Meeting**"). In a follow-up email, I requested various documents and information, including but not limited to copies of financial statements, information regarding the Debtors' accounts at other financial institutions, a copy of the APS (defined below), copies of certain material contracts, evidence of insurance, and details regarding the Debtors' anticipated accounts receivable collections (the "**March 15 Request**"). Attached hereto as **Exhibit "Y"** is a copy of my email to Samuel and Roblin.

46. From March 20 to 22, 2024, I exchanged emails with Roblin at which time I provided various CPSI bank statements at Roblin's request. On March 27, 2024, Roblin advised that CPSI was working with an external accountant to respond to the March 15 Request and would provide a response by March 28, 2024. Attached hereto as **Exhibit "Z"** is a copy of the email chain between Roblin and I, dated March 20 to March 27, 2024.

47. To date, RBC has not received any documents or information in response to the March 15 Request. To my knowledge, RBC has not received any correspondence from CPSI since March 27, 2024, nor has any part of the March 15 Request been answered.

v. The Debtors failed to disclose their intent to dispose of the Property and their business

48. On or around November 28, 2023, the Property was listed for sale through CBRE Limited (the "**Listing**"). The Listing was last updated on March 7, 2024. Attached hereto as **Exhibit "AA"** is a copy of the Listing dated April 24, 2024.

49. I personally discovered that the Property had been listed for sale on March 14, 2024, while conducting an internet search regarding the Property in advance of the March 15 Meeting.

50. 277 failed to disclose the fact that the Property was listed for sale, or that the Debtors intended to sell the Property, when the Debtors and RBC were entering into the Credit Agreements. At the time, RBC considered the Property to be a critical component of RBC's security for the Debtors' obligations under the Credit Agreements.

51. During the March 15 Meeting, Samuel advised that 277 had recently listed the Property for sale, and that they were finalizing an agreement of purchase and sale (the "**APS**") with a proposed buyer to acquire the Property and CPSI's business for $15 million, and that the deal was expected to close in late April 2024. Samuel volunteered this information before I had the opportunity to ask about the Listing. When I asked Samuel if the Property had been listed in November 2023, Samuel said "no".

52. Pursuant to the 277 Credit Agreement, 277 is not permitted to sell, transfer, or convey any of its properties or assets out of the ordinary course of business without prior written consent of RBC.

53. The Debtors did not seek, nor did RBC provide, RBC's prior written consent to the APS or 277's sale of the Property as is required under the 277 Credit Agreement and the 277 GSA, nor did the Debtors advise RBC of their intent to sell their business.

54. As of the date of this affidavit, RBC has not received a copy of the APS, despite having requested same in connection with the March 15 Request.

55. To RBC's knowledge, the Property is the only real property owned by either of the Debtors.

vi. The Debtors attempt to sell or mortgage the Lamont Property

56. On or around October 10, 2023, 2820109 ONTARIO INC. ("**109**"), as Seller, and RIPPLE SIXFIVE INC. IN TRUST, as Buyer, entered into an Agreement of Purchase and Sale in respect of property known as 8A & 8B Lamont Avenue (the "**Lamont Property**"), which Agreement of Purchase and Sale was amended on February 14, 2024 (the "**Lamont Amendment**"). Attached hereto and marked as **Exhibit "BB"** is a true copy of the Lamont Amendment.

57. 109 is incorporated pursuant to the laws of Ontario. The director of 109 is Arutsothy Sathyanathan. Attached hereto as **Exhibit "CC"** is a Corporate Profile Report for 109, dated April 24, 2024.

58. In his email dated February 15, 2024, which is attached hereto as Exhibit "U", Yannick noted and was of the understanding that CPSI intended to close the sale of the Lamont Property on March 5, 2024.

59. During the March 15 Meeting, Samuel provided me with a copy of a mortgage commitment letter dated March 7, 2024, between A & A Financial Group ("**A & A**"), as Mortgagee, and 109 and 2820108 Ontario Inc. ("**108**"), as Mortgagors, for a principal amount of $250,000 at an annual rate of 42% per annum to be guaranteed and secured by a third mortgage against the Lamont Property (the "**Mortgage Commitment**"). Attached hereto as **Exhibit "DD"** is a copy of the Mortgage Commitment.

60. The Mortgage Commitment notes a closing date of March 18, 2024, and a maturity date of September 7, 2024.

61. While 109 and/or the Debtors have attempted to sell or obtain a third mortgage against the Lamont Property, RBC is unaware if either transaction has been completed, nor has CPSI made the Deposit to the Account in order to clear the overdraft in the Account and provide the Debtors with the required working capital injection for their business, notwithstanding that CPSI had previously advised in the email chain attached as Exhibit "S" that the Deposit would be made into the Account by March 20, 2024.

D. DEMANDS FOR PAYMENT

62. Given the foregoing concerns, and as a result of the Debtors' failure to pay principal and interest as such amounts came due under the respective credit facilities, RBC instructed its lawyers, Borden Ladner Gervais LLP ("**BLG**"), to issue formal demands for payment (each a "**Demand Letter**") and serve Notices of Intention to Enforce Security (each a "**NITES**") pursuant to section 244(1) of the BIA in respect of the CPSI Indebtedness and 277 Indebtedness, respectively.

63. On April 2, 2024, BLG delivered a Demand Letter and NITES to CPSI in respect of the CPSI Indebtedness. Attached hereto and marked as **Exhibit "EE"** is a true copy of the Demand Letter to CPSI, attaching the NITES.

64. A Demand Letter and NITES was also sent to 277, in its capacity as guarantor of the CPSI Indebtedness, pursuant to the 277 Secured Guarantee. Attached hereto and marked as **Exhibit "FF"** is a true copy of the Demand Letter dated April 2, 2024, to 277, attaching the NITES in respect of the CPSI Indebtedness.

65. A Demand Letter was also sent to the Guarantors in respect of the CPSI Indebtedness pursuant to the CPSI Guarantee. Attached hereto as **Exhibit "GG"** is a true copy of the Demand Letter dated April 2, 2024 to the Guarantors.

66. On April 8, 2024, BLG delivered supplemental letters to 277 and the Guarantors confirming the amount of their respective liabilities pursuant to the 277 Secured Guarantee and the CPSI Guarantee, respectively (each a "**Supplemental Letter**"). Attached hereto as **Exhibits "HH"** and **"II"** are true copies of the Supplemental Letters.

67. That same day, Vithu Ramachandran, a lawyer at Ramachandran Law acting on behalf Debtors, responded to BLG's email delivering the Supplemental Letters. Mr. Ramachandran requested that BLG provide a payout statement with an effective payout date of April 30, 2024.

68. On April 10, 2024, BLG responded to Mr. Ramachandran, requesting confirmation that it was the Debtors' intention to pay out the CPSI Loans and the 277 Loan. BLG further advised that a forbearance agreement would be required to bridge the time between the expiry of the notice period indicated in the Demand Letters and NITES which were delivered to CPSI on April 2, 2024 and the proposed payout date of April 30, 2024. Attached hereto and marked as **Exhibit "JJ"** is a true copy of the email chain dated April 8 to April 10, 2024 between BLG and Mr. Ramachandran.

69. Neither BLG nor RBC have received any response from Mr. Ramachandran or any further correspondence from the Debtors with respect to the proposed payout.

70. On April 18, 2024, BLG delivered a Demand Letter and NITES to 277 in respect of the 277 Indebtedness. Attached hereto and marked as **Exhibit "KK"** is a true copy of the Demand Letter to 277, attaching the NITES.

71. A Demand Letter and NITES was also sent to CPSI, in its capacity as guarantor of the 277 Indebtedness, pursuant to the CPSI Secured Guarantee. Attached hereto and marked as **Exhibit "LL"** is a true copy of the Demand Letter dated April 18, 2024, to CPSI, attaching the NITES in respect of the 277 Indebtedness.

72. A Demand Letter was also sent to the Guarantors in respect of the 277 Indebtedness pursuant to the 277 Guarantee. Attached hereto as **Exhibit "MM"** is a true copy of the Demand Letter dated April 18, 2024 to the Guarantors.

73. As of the date of this Affidavit, RBC has not received payment in respect of the CPSI Indebtedness or 277 Indebtedness from CPSI, 277, or the Guarantors.

E. REQUEST FOR THE APPOINTMENT OF GRANT THORNTON LIMITED AS RECEIVER

74. The Debtors are in default of their obligations to RBC and are unable to repay their indebtedness owing to RBC.

75. Given the circumstances, RBC seeks to appoint GTL as receiver and manager of the Debtors so that the Receiver can review all options on a go-forward basis and return to court to seek appropriate direction under the circumstances, with a view to maximizing the realization on the Property for the benefit of all stakeholders involved.

76. Both the CPSI GSA and 277 GSA provide RBC with the right to appoint a receiver or receiver and manager pursuant to Section 13 thereof. The Charge also provides RBC with the right to appoint a receiver pursuant to Section 42 of the Standard Charge Terms, a true copy of which is attached hereto and marked as **Exhibit "NN"**.

77. RBC has lost confidence in the management of the Debtors. RBC is of the view that CPSI Collateral and the 277 Collateral will be further irreversibly impaired unless this Court immediately appoints GTL as receiver and manager of the Debtors and their respective property and assets.

78. The defaults by the Debtors include, among other things, non-payment of their obligations under the Credit Agreements, disposition of assets without prior written consent of RBC,

diversion of funds to a third-party financial institution, abnormal transaction activity to the detriment of RBC, failure to pay outstanding taxes and other charges on the Property, and failure to provide financial and other information to RBC upon reasonable request, all of which place RBC's collateral at risk.

79. GTL has consented to act as receiver and manager of the Debtors. Attached hereto and marked as **Exhibit "OO"** is a copy of the consent of GTL to act as receiver and manager.

80. This Affidavit is sworn in support of an Order for the appointment of GTL as receiver and manager of the Debtors and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 26th day of April, 2024. **A Commissioner for Taking Affidavits** Nicholas Jacob Holland LSO # 83170O	)))))))))))	**JAN OROS**

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

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

AFFIDAVIT OF JAN OROS
(sworn May 15, 2024)

I, Jan Oros, of the Township of Georgina, in the Province of Ontario, MAKE OATH AND SAY as follows:

1. This affidavit, supplementing my affidavit sworn April 26, 2024 (the "**First Oros Affidavit**"), is in reply to the following items, which I have read and reviewed:

   a. the affidavit of Samuel Arutsothy dated May 5, 2024 (the "**First Arutsothy Affidavit**"); and

   b. the documents disclosed by Cameron Wetmore of Solmon Rothbart Tourgis Slodovnick LLP, counsel for the Debtors, on May 10, 2024 (the "**Documentary

Disclosure"), as well as Mr. Wetmore's email delivering such documents (the "**Wetmore Email**");

c. the term sheet contemplating the Debtors' entry into an agreement with an alternate lender (the "**Term Sheet**"), which the Debtors have provided in unredacted form on a confidential basis; and

d. the affidavit of Samuel Arutsothy dated May 14, 2024 (the "**Second Arutsothy Affidavit**").

2. A copy of the Wetmore Email, without attachments, is attached hereto as Exhibit **"A"**.

3. Capitalized terms used and not defined herein, unless otherwise indicated, have the meanings given to them in the First Oros Affidavit.

A. UPDATE ON THE APPLICATION AND INDEBTEDNESS

4. Since the hearing before Justice Steele on May 7, 2024, the following events have transpired:

a. On May 9, 2024, Borden Ladner Gervais LLP ("**BLG**") wrote to BMO on RBC's behalf to request that BMO place a hold on any and all accounts held by CPSI and 277 at BMO (each a "**BMO Account**"). I am advised by Nick Hollard, a lawyer at BLG, that BMO placed the BMO Accounts on hold that same day. Attached hereto as Exhibit **"B"** is a copy of the letter from BLG to BMO dated May 9, 2024.

b. On May 10, 2024, BMO advised BLG that it would continue to hold the BMO Accounts until the within receivership application had been heard. Attached hereto as Exhibit **"C"** is a copy of the email from BMO to BLG, dated May 10, 2024.

c. On May 10, 2024, the Debtors delivered the Documentary Disclosure.

d. On May 13, 2024, the Debtors delivered the unredacted Term Sheet on a confidential basis. A redacted version of the Term Sheet is attached as Exhibit "A" to the First Arutsothy Affidavit.

e. On May 14, 2024, the Debtors delivered the Second Arutsothy Affidavit.

f. On May 15, 2024, BMO advised that it was going to lift its hold on the BMO Accounts on the basis that the Debtors had objected to the hold. That same day, BLG wrote to BMO to inquire as to the basis of the Debtors' objection.

5. As of May 15, 2024, the amount of the CPSI Indebtedness is $1,246,948.36 and USD$5,113.63, while the amount of the 277 Indebtedness is $8,357,543.32. In total, CPSI and 277 are indebted to RBC in the sums of $9,604,491.68 and USD$5,113.63 (the "**Total Indebtedness**"), excluding professional costs.

6. Additionally, based on CPSI's Balance Sheet for the period of January 1, 2024 to March 31, 2024, a copy of which is attached hereto as Exhibit **"D"**, the Business Development Bank of Canada is owed $135,042.25 (the "**BDC Indebtedness**").

B. INSUFFICIENCY OF ALTERNATE FINANCING UNDER THE TERM SHEET

7. Attached as Exhibit "A" to the First Arutsothy Affidavit is a redacted term sheet which contemplates the Debtors' entry into an agreement with an alternate lender (the "**Term Sheet**").

8. Based on my review of the Term Sheet, I do not believe that the alternative financing under the Term Sheet will be sufficient to satisfy the Total Indebtedness.

9. The Term Sheet proposes the following credit facilities:

a. a term loan in the amount of up to $8,700,000 to refinance 890 Dillingham and further demand loans from RBC, BMO and BDC;

b. a capex term loan in the amount of $300,000 "to payoff existing financing with RBC";

c. a margined operating line of credit in the amount of $500,000 "to finance Borrower's day-to-day operations"; and

d. a Business MasterCard with a limit of $100,000 "to support day to day operations".

10. The Term Sheet therefore contemplates a maximum of $9,000,000 in financing to repay the Total Indebtedness (the "**Repayment Loans**").

11. Accordingly, there is a shortfall of approximately $746,033.93 (plus professional costs) between (1) the Total Indebtedness and BDC Indebtedness and (2) the Repayment Loans, which shortfall would remain outstanding and payable by the Debtors.

C. RESPONSES TO THE SECOND ARUTSOTHY AFFIDAVIT

12. The Second Arutsothy Affidavit contains several statements which are either inaccurate or omit information that is pertinent to Mr. Arutsothy's evidence (exhibits referenced in the subparagraphs below are appended to the Second Arutsothy Affidavit):

    a. *Paragraph 4*: This statement is incorrect. BLG wrote to BMO on RBC's behalf on May 9, 2024, and that BMO advised BLG that same day that BMO had placed all accounts held by CPSI and 277 on hold.

    b. *Paragraph 10*: Regarding the Term Sheet, Mr. Arutsothy states that he expects the lender will provide a financing commitment on May 17, 2024. However, the Term Sheet requires CPSI to pay an application fee in the amount of $25,000 upon their acceptance of the Term Sheet. There is no evidence that such fee has been paid.

    c. *Paragraph 14*: Mr. Arutsothy omits to mention that that the letter from Poly Ethic Industries attached as Exhibit "C" is dated March 4, 2023, is unsigned, and is a non-binding letter of intent.

    d. *Paragraph 15*: The letter from Abatement Technologies attached as Exhibit "D" provides a non-binding forecast of Abatement Technologies' purchasing for the 2023 calendar year. This letter does not provide evidence of Mr. Arutsothy's statement that "Abatement usually generates revenue of $150,000 monthly for CPSI", nor does it support Mr. Arutsothy's expectation that Abatement Technologies will continue to do business with CPSI.

    e. *Paragraph 16*: Mr. Arutsothy again omits to mention that the Award of Request for Proposal attached as Exhibit "E" is unsigned and provides for a recommendation that CPSI be awarded the contract. Despite the fact that the Award of Request for Proposal was issued on January 28, 2023, it appears that no contract has been signed.

f. *__Paragraph 17__*: Mr. Arutsothy states that the RFP attached as Exhibit "F" constitutes a commitment from Trinity Star Developments Inc. to purchase goods from CPSI. However, the RFP is undated and unsigned, appears to be issued to Fusioncorp Developments Inc. rather than CPSI, and does not contemplate unit price, volume, date of delivery, payment terms, or any other terms I would expect to see in a contract. Furthermore, the RFP only refers to CPSI as the proposed supplier of products listed in an Excel spreadsheet which has not been appended to the Second Arutsothy Affidavit.

g. *__Paragraph 18__-20*: Mr. Aruthsothy refers to an investment owned by his parents "that will provide them with $700,000" when it matures on July 15, 2024, pursuant to (1) the Limited Partnership Agreement attached as Exhibit "G", which is partially signed, and (2) the Assignment Agreement attached as Exhibit H, which is unsigned despite being dated August 25, 2022. To my understanding, the Assignment Agreement provides for a transfer of rights in Trinitystar Carina L.P. from Sathyendra Pathmanathan (who I understand to be Mr. Arutsothy's uncle) to Mr. Arutsothy's parents. Neither the Limited Partnership Agreement nor the Assignment Agreement expressly provide for or otherwise make reference to an investment that will mature on July 15, 2024 in the amount of $700,000.

h. *__Paragraph 24__*: Although Mr. Arutsothy refers to the Agreement of Purchase and Sale ("**APS**") attached as Exhibit "I" as being "signed", the APS is only signed by the proposed buyer. 277, as the seller, has not countersigned the APS. Mr. Arutsothy has not explained why 277 has not executed the APS.

D. CONCERNS REGARDING THE DEBTOR'S FINANCIAL DISCLOSURE

13. Through the Documentary Disclosure and the Second Arutsothy Affidavit, the Debtors have disclosed, among other things, various financial statements. On my review, I have

observed numerous inconsistencies that call into question the proficiency of the Debtors' bookkeeping and accounting which reporting is required to accurately calculate the covenants noted in the Term Sheet.

14. CPSI's net income as reported in its profit & loss statements (each a "**P&L**") and Balance Sheets for the 2023 and 2024 fiscal years do not agree between these two reports:

    a. For the period of January 2023 through December 2023, the Balance Sheet reported a net loss of $200,025.96 while the P&L reported a net income of $589,271.42; and

    b. For the period of January 2024 through March 2024, the Balance Sheet reported a net loss of $280,491.60 while the P&L reported a net income of $119,508.40.

15. Copies of CPSI's P&L statements for the period of January 2023 through December 2023, and January 2024 and March 2024, are attached hereto as Exhibits **"E"** and **"F"**, respectively. A copy of CPSI's Balance Sheet for the period of January 1, 2023 to December 31, 2023 is attached hereto as Exhibit **"G"**.

16. The Debtors have also provided a cashflow statement for CPSI for the period of January 2024 through April 2024 (the "**Cashflow Statement**"), which is attached as Exhibit "B" to the Second Arutsothy Affidavit. The Cashflow Statement for the first three months of 2024 should, but does not, correspond with the 2024 P&L for the same period. There are significant variances between the two statements:

	Cashflow Statement Q1 totals ($)	2024 P&L ($)	Variance ($)
Sales	986,561	957,664	(28,897)
COGS	532,236	342,993	(189,243)
Gross Margin	454,325	614,671	160,346
Total Expenses	369,561	495,163	125,602
NIBT	84,764	119,508	34,744

17. As a result of these discrepancies, it is difficult to rely upon CPSI's financial statements as a reliable source of information in order to be able to calculate if the covenants required in the Term Sheet can be met.

E. INDIAN BAZAAR & RUBEN RESTAURANT SUPPLY

18. During the March 15 Meeting (described at paragraph 15 of the First Oros Affidavit), Mr. Arutsothy advised CPSI had commenced legal proceedings against Indian Bazaar #1 Inc. ("**Indian Bazaar**") and Ruben Restaurant Supply ("**Ruben**") in respect of unpaid invoices totaling approximately $518,808. However, the demand letters sent to Indian Bazaar and Ruben by CPSI's counsel (each a "**Demand Letter**") are dated March 15, 2024, the same date as the March 15 Meeting. Furthermore, per the Wetmore Email, CPSI still has not commenced legal proceedings against either Indian Bazaar or Ruben. Attached hereto as Exhibits **"H"** and **"I"** are letters from Jelani K. Asante of Ramachandran Law to Indian Bazaar and Ruben dated March 15, 2024, respectively.

19. Notably, the Demand Letter to Ruben is addressed to Ruben at 890 Dillingham, the property owned by 277 and at which address CPSI carries on its business.

20. I swear this affidavit in support of RBC's application to appoint a receiver over the assets and business of the Debtors, and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 15th day of May, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.	)	
N. K [signature]	)	Jan Oros [signature]
A Commissioner for Taking Affidavits	)	**JAN OROS**

APPENDIX 3

NOTICE

This premises is in the possession of Grant Thornton Limited, in its capacity as a Court Appointed Receiver of Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd. (the "**Receiver**").

You are required to contact the Receiver by no later than July 26th, 2024 by 05:00 PM to discuss the ownership and the removal procedure of the subject property, failure of which, the Receiver reserves its right to dispose the subject property at its discretion without further notices nor communications.

Regarding this property, please contact Roman Konovalov at (416) 360-2367 or roman.konovalov@ca.gt.com

Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, ON, M5J 2P9
Phone No. (416) 366-0100
Fax No. (416) 360-4948

Dated at Toronto this 5th day of July 2024.

GRANT THORNTON LIMITED

APPENDIX 4

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of the 30th day of July, 2024.

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BETWEEN:

GRANT THORNTON LIMITED, solely in its capacity as court-appointed Receiver of all of the property and assets of **2777463 Ontario Ltd.** and **Commercial Packaging Solutions Inc.** (hereinafter, together, called the "**Company**")

and not in any other capacity and with no personal or corporate liability

(hereinafter called the "**Vendor**")

OF THE FIRST PART

- and -

KHATTRA GROUP INC.

(hereinafter called the "**Purchaser**")

OF THE SECOND PART

RECITALS:

Whereas:

A. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (**the "Court**") in Court file CV-24-719261-00CL (the "**Proceedings**"), dated the 21st day of May, 2024 (the "**Appointment Order**"), the Vendor was appointed as Receiver of all the assets, property and undertakings of the Company (the "**Assets**").

B. Pursuant to the Appointment Order, the Vendor is authorized to sell the Assets and apply for an Order of the Court approving the sale of any or all of the Assets and vesting title to such Assets in the Purchaser.

C. Subject to an order being issued by the Court approving the sale of the Purchased Assets and pursuant to the terms of this Agreement, the Purchaser has offered to purchase the Purchased Assets and the Vendor has accepted such an offer on the terms and conditions contained herein. The Purchaser acknowledges that the Vendor's acceptance of such offer and execution of this Agreement are subject to the terms and conditions contained herein and approval of the Court of such actions.

NOW THEREFORE IN CONSIDERATION of the premises and the mutual agreements in this Agreement, and for other consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

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"Acceptance Date" means the date upon which this Agreement has been accepted by both parties;

"Adjustments" means the adjustments to the Purchase Price made pursuant to Section 2.5(d)(ii) hereof;

"Agreement" means this agreement of purchase and sale resulting from the acceptance, by the Vendor, of the offer provided for in Section 6.15 and all Schedules attached hereto and the terms "hereof" and "hereto" refer to this Agreement as a whole and references to "**Section**" and "**subsection**" mean the relevant section or subsection of this Agreement unless the context specifically indicates otherwise;

"Applicable Law" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, regulatory policy or guideline, by-law (zoning or otherwise), or Order, or any consent, exemption, approval or License of any Governmental Authority, that applies in whole or in part to the Transaction, the Vendor, the Purchaser, the Company or to any of the Purchased Assets;

"Appointment Order" means the Order of the Honourable Justice Black of the Ontario Superior Court of Justice (Commercial List) Court File No. CV-24-719261-00CL dated the 21st day of May, 2024, appointing the Vendor as Receiver of all of the assets, property and undertaking of the Company, including the Purchased Assets, pursuant to section 243 of the BIA and section 101 of the *Courts of Justice Act*, R.S.O 1990, c.C.43, as amended;

"Approval and Vesting Order" means an Order of the Court in a form substantially in accordance with Schedule A authorizing and approving the Transaction contemplated under this Agreement and ordering that the right, title and interest of the Vendor in the Purchased Assets be vested in the Purchaser free and clear of any right, title or interest of the Company or of any other Claims and Encumbrances, except for Permitted Encumbrances, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, by or of all Persons);

"Authorization" means any Order, permit, approval, consent, waiver, licence, development agreement or other authorization issued, granted, given or authorized by, or made applicable under the authority of, any Governmental Authority having jurisdiction.

"BIA" means the *Bankruptcy and Insolvency Act* of Canada as the same may be amended from time to time;

"Building" means, collectively, the buildings and all other structures, fixtures, equipment and improvements, if any, located on the Lands;

"Business Day" means a day other than a Saturday or Sunday, on which chartered banks are open for the transaction of domestic business in Toronto, Ontario;

"**Chattels**" means the chattels and equipment owned by the Company located on, incorporated or situated in, on, around or upon any Building or upon the Lands, and includes all equipment, devices or any other chattels or other tangible personal property owned by the Company and located on the Lands or in any Building and used exclusively in the operation and maintenance of the Lands, excluding any chattels and equipment owned by persons other than the Company;

"Claims" shall have the meaning ascribed thereto in the Approval and Vesting Order;

"Closing" means the completion of the sale to, and purchase by, the Purchaser of the Purchased Assets in accordance with the terms of this Agreement;

"Closing Date" means the first Friday after twenty (20) Business Days after the Court grants the Approval and Vesting Order or such other date as the parties hereto agree to in writing;

"Closing Document" means any document delivered at or subsequent to the Closing Time as provided in or pursuant to this Agreement;

"Closing Time" means 5:00 p.m. Toronto time on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing shall take place;

"Company" means, together, 2777463 Ontario Ltd. and Commercial Packaging Solutions Inc.;

"Confidentiality Agreement" means the confidentiality agreement dated ● delivered by the Purchaser in favour of the Vendor**;**

"Contracts" means the full benefit and advantage of all contracts, agreements and entitlements of the Company related to the Lands;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Deposit" means the deposit to be paid by the Purchaser pursuant to Section 2.5(a) and (b);

"DRA" has the meaning ascribed to it in Section 6.7**;**

"Due Diligence Date" means the ~~first Business Day which is fourteen (14) days from the date of execution and delivery of this Agreement;~~ August 14, 2024;

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"**Encumbrances**" shall have the meaning ascribed to thereto in the Approval and Vesting Order;

"**Environmental Activity**" means any past or present activity, event or circumstance in respect of any Hazardous Materials, including its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation or its release, escape, leaching, dispersal, emission, discharge or migration into the natural environment, including movement through or in the air, soil, subsoil, surface water or ground water, or in indoor spaces;

"**Environmental Law**" means all applicable federal, provincial, municipal, and local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives, authorizations, rules, codes, permits, licenses, agreement, or other governmental restrictions having the force of law relating to the environment, occupational health and safety, health protection, Hazardous Materials, or any Environmental Activity, including, without limitation, the *Environmental Protection Act* (Ontario), as amended;

"Excluded Assets" means all of the Company's assets except for the Purchased Assets – for greater certainty, all bank accounts of the Company, any cash on hand and cash equivalents, any receivables and any prepaids (including tenant deposits and pre-paid rent) at Closing shall not be included in the Purchased Assets;

"Governmental Authority" means any domestic or foreign government whether federal, provincial, state or municipal and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever;

"**Hazardous Materials**" means any substance, material, matter or thing defined or regulated by any Environmental Law, contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in any Environmental Law and, not to limit the generality of the foregoing, includes asbestos, mould, urea formaldehyde foam insulation and mono- or poly-chlorinated biphenyl wastes;

"HST Certificate and Indemnity" means the HST Certificate and Indemnity in the form attached at Schedule D hereto;

"including" means **"including without limitation"** and the term **"including"** shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;

"Lands" means the lands and Building owned by the Company and known municipally as 890 Dillingham Road, Pickering, Ontario and more particularly described in Schedule C;

"Order" means any order (draft or otherwise), judgment, injunction, decree, award or writ of any court, tribunal, arbitrator, Governmental Authority, or other Person;

"Other Party" has the meaning ascribed to it in Section 6.8;

"Parties" means the Purchaser and the Vendor collectively, and "**Party**" means any one of them;

"Permitted Encumbrances" shall mean those encumbrances listed in Schedule B;

"Person" or "**person**" shall be broadly interpreted and includes an individual, body corporate, partnership, joint venture, trust, association, unincorporated organization, the Crown, any Governmental Authority or any other entity recognized by law;

"Purchase Price" has the meaning ascribed to it in Section 2.3;

"Purchased Assets" means, subject to the terms hereof all of the interest of the Company in the following:

(a) the Lands; and

(b) any Chattels;

"Purchaser's Solicitors" means the firm of Ahangama Law Professional Corporation●, or such other firm or firms of solicitors as are retained by the Purchaser from time to time and written notice of which is delivered to the Vendor;

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"Related Person" has the meaning in the BIA;

"Statement of Adjustments" means the statement to be prepared by the Vendor setting out the Adjustments and to be delivered as contemplated by Section 3.2(g);

"Transaction" means the transaction of purchase and sale contemplated pursuant to this Agreement;

"Vendor's Agent" means CBRE Limited; and

"Vendor's Solicitors" means the firm of Harrison Pensa LLP, or such other firm or firms of solicitors as are retained by the Vendor from time to time and written notice of which is delivered to the Purchaser.

1.2 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended or to any restated or successor legislation of comparable effect.

1.3 Headings

The division of this Agreement into articles, Sections, subsections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Number and Gender

In this Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders.

1.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of or between the Parties.

1.6 Amendment

This Agreement may only be amended, modified or supplemented by a written agreement signed by each Party.

1.7 Waiver of Rights

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

1.8 Schedules

The following Schedules form part of this Agreement:

Schedule A	-	Approval and Vesting Order
Schedule B	-	Permitted Encumbrances
Schedule C	-	Description of the Lands
Schedule D	-	HST Certificate and Indemnity

1.9 Applicable Law

This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in Ontario (excluding any conflict of laws, rule or principle which might refer such interpretation to the laws of another jurisdiction). Each Party irrevocably submits to the exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto. The parties exclude the application of the UN Convention on Contracts for the International Sale of Goods, and the International Sale of Goods Act (Ontario) as amended, replaced or re-enacted from time to time.

1.10 Currency

Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to Canadian dollars.

1.11 Third Party Beneficiaries

Nothing in this Agreement or in any Closing Document is intended expressly or by implication to, or shall, confer upon any Person other than the Parties, any rights or remedies of any kind.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets

The Vendor shall sell, assign and transfer to the Purchaser and the Purchaser shall purchase the Purchased Assets on the Closing Date pursuant to the Approval and Vesting Order and the Purchaser shall pay the Purchase Price on the Closing Date, subject to the terms and conditions contained in this Agreement.

2.2 Purchaser Acknowledgements and Agreements

The Purchaser acknowledges and agrees as follows:

(a) the Vendor does not guarantee title to the Purchased Assets and the Vendor shall not be required to furnish or produce any document, record or evidence of title with respect to the Purchased Assets except those in its possession, which have already been reviewed by the Purchaser, and the Purchaser has conducted or will have conducted prior to Closing such inspections of the condition of and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters;

(b) on Closing, title to the Purchased Assets shall be subject to the Permitted Encumbrances;

(c) the Purchaser has had reasonable access to the Lands and other Purchased Assets and conducted its own investigations and inspections of the Purchased Assets and that the Purchaser is responsible to conduct its own inspections and investigations of all matters and things connected with or in any way related to the Purchased Assets, that the Purchaser has satisfied itself with respect to the Purchased Assets and all matters and things connected with or in any way related to the Purchased Assets;

(d) the Purchaser has relied entirely upon its own investigation and inspections in entering into this Agreement, that the Purchaser is purchasing the Purchased Assets entirely on an "as is, where is" basis as at the date hereof and as at the Closing Date at the Purchaser's own risk and peril;

(e) the Purchaser will accept the Purchased Assets in their state, condition and location on Closing and that the Purchaser hereby acknowledges that the Vendor has made no express or implied agreement, representations, warranties, statements or promises of any kind whatsoever, legal or conventional, as to the title, condition, area, square footage, suitability for development, physical characteristics, profitability, use or zoning, the existence of latent defects, outstanding work orders, deficiency notices, compliance requests, development fees, imposts, lot levies, sewer charges, zoning and building code violations, the existence, validity, terms and conditions of any licences, permits, consents or other regulatory approvals relating to or in any way connected with the Lands or other Purchased Assets or the existence of zoning or building entitlements affecting the Lands, any environmental matter, contamination or condition (including without limitation, any remediation, containment, restoration and/or any other works related to any environmental matter, contamination, or condition, on, in, abutting, above or below the Lands) or any other aspect or characteristic of the Lands or other Purchased Assets whatsoever, or as to the compliance with any Applicable Laws affecting the Transaction, save and except as are expressly contained in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) (including sections 13, 14 and 15) do not apply to the sale of the Purchased Assets and have been waived by the Purchaser, and the Vendor, their affiliates (as defined in the *Ontario Business Corporations Act*), managers, partners, general partner, trustees, shareholders, directors, officers, employees and agents of each and any of them, and each and any of their respective heirs, successors, personal representatives, executors, trustees, successors and assigns, and all such Persons are hereby fully, finally and irrevocably released accordingly;

(f) except as expressly set out in this Agreement, no adjustment shall be allowed to the Purchaser for any changes in condition, quality or quantity of the Purchased Assets to and including the Closing Date. Except as specifically contemplated and provided for in this Agreement, the Purchaser acknowledges that the Vendor is not required to inspect, or provide any inspection, of the Purchased Assets or any parts thereof and the Purchaser shall be deemed, at its own expense, to have relied entirely upon its own inspection and investigation of the Purchased Assets. Nothing contained herein shall require the Vendor, following Closing, to take possession of, protect, preserve, or otherwise safeguard any Purchased Assets.

(g) any and all information relating to the Purchased Assets was delivered to the Purchaser solely for the Purchaser's convenience and there is no representation or warranty of any kind whatsoever made by the Vendor nor the Company nor any other person with respect to the accuracy or completeness of any such information. Without limiting the foregoing, it is agreed that the Vendor does not represent or warrant the accuracy and/or inaccuracy and/or the completeness or incompleteness of any such information and shall not have any liability to the Purchaser as a result of any errors or omissions in such information or any use that may be made of the information by the Purchaser. The Purchaser acknowledges and agrees that the Purchaser is solely responsible for the verification of any other information provided hereunder.

(h) there is no representation whatsoever as to the presence or absence of Hazardous Materials on, within or under the Lands including urea formaldehyde foam insulation and any "contaminant" within the meaning of the *Environmental Protection Act* (Ontario). There is no representation or warranty, statement or promise concerning:

(i) the presence or absence of contaminants on, in or about the Lands;

(ii) the discharge of contaminants from, on, or in relation to the Lands;

(iii) the existence, state, nature, identity, extent or effect of any administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), the *Ontario Water Resources Act* (Ontario) in relation to the Lands;

(iv) the existence, state, nature, kind, identity, extent or effect of any liability on the Purchaser to fulfill any obligations with respect to the environmental condition or quality of the Lands;

and the Purchaser acknowledges and agrees that it accepts the Lands and other Purchased Assets subject to its environmental condition and any contamination, and acknowledges that its purchase of the Purchased Assets shall be entirely at the Purchaser's risk, that the Purchaser shall assume all liabilities, including environmental liabilities, and that the Purchaser will have no recourse against the Vendor for any such existing environmental condition or contamination. the descriptions of any of the Purchased Assets contained in this Agreement and/or in the Schedules appended hereto are for the purposes of identification only and the Vendor is not liable for any error or omission in such Schedules, nor shall any such descriptions constitute or be deemed to be representations or warranties of the Vendor;

(i) it shall be the Purchaser's sole responsibility to obtain, at its own expense, and the Purchaser shall use its best efforts to obtain, any consents, approvals or any further documentation or assurances which may be required to be obtained by Purchaser (but not the Company nor the Vendor) to carry out the terms of this Agreement.

(j) the Purchaser shall assume, at its own cost, complete responsibility for compliance with all Applicable Laws in connection with the Purchased Assets, or the use thereof by the Purchaser, after the Closing Date.

(k) without limiting any of the foregoing or anything else contained herein, the Purchaser further acknowledges and agrees as follows:

(i) the obligation of the Purchaser to complete the Transaction on the Closing Date is not subject to any condition relating to any of the foregoing matters nor any other condition except as expressly set out in Section 5.1 of this Agreement.

(l) The Purchaser acknowledges and agrees that this Section 2.2 shall survive and not merge on Closing.

2.3 Purchase Price

The purchase price for the Purchased Assets (not including all applicable taxes, for which the Purchaser shall also be liable in accordance with Section 2.5(d)(ii)) shall be [redacted] ($[redacted]) (the "**Purchase Price**"), and the Purchase Price shall be allocated among the Purchased Assets as follows):

Lands and Building	$[redacted]
Chattels	$[redacted]

2.4 Payment of Purchase Price

The Purchaser shall pay the Purchase Price to the Vendor as follows:

(a) the sums as set out below at Section 2.5 (a) and 2.5 (b) shall be paid by wire transfer payable to the Vendor's Agent "in trust" (collectively the "**Deposit**") which shall be dealt with in accordance with Section 2.5; and

(b) the balance of the Purchase Price after deduction of the Deposit subject to the Adjustments, shall be delivered to the Vendor at Closing payable by wire transfer.

2.5 Deposit

(a) Within three (3) Business Days following the execution of this Agreement by both parties, the Purchaser shall pay the amount of [redacted] Dollars ($[redacted]) by wire transfer in immediately available funds from a Schedule I Canadian chartered bank to the Vendor's Agent to be held by them in trust in an interest bearing account as a deposit, with interest accruing to the benefit of the Purchaser from the date of the receipt of the deposit by the Vendor's Agent until the Closing Date or other termination of this Agreement.

(b) within two Business Days following the waiver of the conditions in Section 5.1, the Purchaser shall pay an additional [redacted] Dollars ($[redacted]) by wire transfer in immediately available funds from a Schedule I Canadian chartered bank as a further deposit to the Vendor's Agent to be held by them on the same terms as referred to in Subsection 2.5(a).

(c) The Deposit shall be paid by the Purchaser and held in escrow by the Vendor's Agent, in an interest bearing account, until the Closing Time, at which time the Deposit (together with all interest thereon) shall be applied on account of the Purchase Price or as otherwise provided for in this Agreement.

(d) If this Agreement:

(i) is terminated or the Closing otherwise fails to occur for any reason other than a breach by the Purchaser of its obligations under this Agreement, then the Purchaser shall be entitled to the return of the Deposit with interest thereon within three (3) Business Days, the Purchaser shall have no recourse against the Vendor and this Agreement shall become null and void;

(ii) is terminated or the Closing otherwise fails to occur as a result of the breach of the Purchaser of its obligations under this Agreement, then the Vendor shall be entitled to retain the Deposit (together with all interest thereon) as liquidated damages and not as a penalty, and shall be entitled to pursue all of its other rights and remedies against the Purchaser.

2.6 Adjustments

(a) The Vendor shall prepare and deliver to the Purchaser at least five (5) Business Days prior to the Closing Date, the Statement of Adjustments with all adjustments made as of the Closing Date. The Adjustments shall include all operating costs, realty taxes, local improvement rates and charges, water and assessment rates, current rents, prepaid rents and interest thereon (if any), security deposits and interest thereon (if any), current expense and operating recoveries from any tenants, utility deposits (including replacement letters of credit or letters of guarantee therefor), and other adjustments established by usual practice in the City of Pickering for the purchase and sale of a similar office property. The Statement of Adjustments shall have annexed to it complete details of the calculations used by the Vendor to arrive at all of the debits and credits thereon. Except as aforesaid, no adjustments shall be allowed to the Purchaser for changes in the Purchased Assets from the time of acceptance of this Agreement up to and including the Closing Date. If the final cost or amount of any item that is to be adjusted cannot be determined at Closing, then the adjustment for such item shall be made at Closing on the basis of the cost or amount as estimated by the Vendor, acting reasonably, as of the Closing Date on the basis of the best evidence available at Closing as to what the final adjustment should be. The estimated adjustments, as determined in accordance with this Agreement, shall, for all purposes, be a final adjustment or final adjustments and the Vendor shall be under no obligation to re-adjust any item on the Statement of Adjustments after Closing. The Closing Date shall be for the Purchaser's account both as to revenue and as to expenses.

(b) The Purchaser hereby acknowledges that there may be outstanding arrears with respect to real property taxes and utilities and agrees that the Vendor, at its option, shall be entitled to make adjustment on the Statement of Adjustments for such matters or, in the alternative, direct that a portion of the proceeds due on Closing be used to pay out such arrears. The Purchaser further covenants and agrees to deliver an irrevocable direction to the applicable Governmental Authority authorizing it to pay to the Vendor any realty tax rebate (together with interest thereon) obtained by the Vendor for the period prior to Closing, provided that in the event the Governmental Authority does not deliver such rebate directly to the Vendor, the Purchaser hereby irrevocably undertakes to deliver same to the Vendor upon either receipt or readjustment of same. This Section 2.6(b) shall survive Closing.

2.7 Taxes

(a) The Purchaser shall be liable for and shall pay, in addition to the Purchase Price, all federal and provincial sales taxes, land transfer taxes and any other taxes or duties payable in connection with the conveyance and transfer of the right, title and interest, if any, of the Vendor in and to the Purchased Assets (collectively, the "**Taxes**") to the Purchaser and the Purchaser undertakes and agrees to pay all such Taxes on Closing, subject to the Purchaser's right to deliver the HST Certificate and Indemnity, and provided that the Vendor and the Purchaser agree that the appropriate elections with respect to the payment of Taxes shall be made. The Purchaser shall indemnify and agrees to hold and save the Vendor harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Vendor as a result of the failure of the Purchaser to pay any of the Taxes eligible in connection with the Transaction and this obligation shall not merge on the Closing and shall survive same.

2.8 Assumption of Liabilities

(a) The Purchaser shall not assume and shall not be responsible for any liabilities or obligations of the Vendor or the Company other than as contemplated herein (and in such latter case only, the Purchaser shall assume, and pay for, and discharge and perform all such liabilities and obligations).

(b) The Purchaser acknowledges and agrees that it shall assume as of the Closing Date and shall pay for, and discharge and perform, the liabilities and obligations under and in connection with Permitted Encumbrances, any Authorizations and any limitations and restrictions on the use or application of any of the Purchased Assets, except only to the extent that any such liabilities and obligations are expunged and discharged by the Approval and Vesting Order.

2.9 Capacity of the Receiver

The Vendor is entering into this Agreement solely in its capacity as the Receiver of the Assets pursuant to the Appointment Order, and not in its personal or any other capacity, and the Vendor and its agents, officers, directors and employees will have no personal or corporate liability under or as a result of this Agreement or otherwise in connection with this Agreement or the Transaction. Any claim against the Vendor shall be limited to and only enforceable against the Assets then held by or available to it in its said capacity as Receiver of the Assets and shall not apply to its personal property and asset held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Lands.

ARTICLE 3
CLOSING

3.1 Time and Place of Closing

The Closing shall take place at the Closing Time at the offices of the Vendor's Solicitors, 130 Dufferin Avenue, Suite 1101, London, Ontario, or at such other place as may be agreed upon by the Vendor and the Purchaser, subject to Section 6.8 hereof.

3.2 Vendor's Closing Deliveries

On or before the Closing Date, the Vendor shall execute (where applicable) and deliver to the Purchaser or the Purchaser's Solicitors the following:

(a) the Receiver's Certificate in the form appended as Schedule "A" to the Approval Vesting Order;

(b) the Appointment Order and the Approval and Vesting Order;

(c) a bill of sale to convey, assign and transfer the Chattels (if any), if applicable;

(d) an Application to register the Approval and Vesting Order and Receiver's Certificate on the Lands;

(e) the certificate with respect to the Vendor's representations and warranties referred to in Section 5.2(a)5.2(a);

(f) a certificate of an officer of the Vendor confirming that neither the Vendor is not a "non-resident" of Canada within the meaning of *Income Tax Act* (Canada);

(g) the Statement of Adjustments, which the Vendor shall endeavour to deliver to the Purchaser at least five (5) Business Days prior to the Closing Date with all back-up calculations;

(h) all master keys (and duplicate keys, if any), together with all combinations as may be applicable, for all locks in the Building which are in the Vendor's possession or in the possession of its property manager, if any;

(i) a direction with respect to payment of the balance of the Purchase Price; and

(j) any other documents required by this Agreement.

3.3 Purchaser's Closing Deliveries

On the Closing Date, the Purchaser shall execute (where applicable) and deliver to the Vendor or the Vendor's Solicitors the following:

(a) the balance of the Purchase Price in accordance with Article 2;

(b) if applicable, a direction to Vendor with respect to the transfer of title to any of the Purchased Assets;

(c) the certificate with respect to the Purchaser's representations and warranties referred to in Section 5.2(a);

(d) the HST certificate and indemnity referred to in Section 3.4;

(e) an acknowledgement of the Purchaser with respect to the matters set out in Section 2.2;

(f) a direction re title, provided that the Vendor has consented to an assignment of this Agreement in accordance with Section 6.11 hereof, a direction from the Purchaser designating the transferee(s) in the Approval Order along with an assignment and assumption of this Agreement whereby the assignee agrees to assume all of the Purchaser's obligations and liabilities hereunder as if it were the original purchaser party to this Agreement (required only in the event that the Approval and Vesting Order is to be inscribed in favour of a person/entity other than the Purchaser);

(g) an environmental indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, whether caused by negligence, wilful misconduct or other acts or omissions of the Vendor, including non-compliance with applicable Environmental Law, as a result of or in connection with any of the following, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:

(i) the presence or release of any Hazardous Materials in, on or under the Lands or the threat of a release;

(ii) the presence of any Hazardous Materials in, on or under properties adjoining or proximate to the Lands;

(iii) any other environmental matters relating to the Lands;

(iv) the breach by the Purchaser or those for whom it is responsible at law of any Environmental Law applicable to the Lands; or,

(v) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled, or transported by or on behalf of the Purchaser; and

(h) any other documents required by this Agreement.

3.4 HST

With respect to harmonized sales tax ("**HST**") payable by the Purchaser pursuant to the Excise Tax Act (Canada) (the "**Act**"), the parties covenant and agree that, if on Closing, the Purchaser is a registrant for purposes of the Act, then, to the extent provided under the Act:

(a) the Vendor shall collect HST from the Purchaser in respect of the Transaction with respect to Chattels;

(b) the Vendor shall not collect HST from the Purchaser in respect of the Transaction with respect to and the Purchaser shall file returns and remit such HST to the applicable Authorities, when and to the extent required by the Act;

(c) the Purchaser shall indemnify the Vendor and hold the Vendor harmless from any liability under the Act arising because of breach of the obligations of the Purchaser set out in this Section 3.4 or arising under the Act, together with all losses, costs and expenses resulting from such breach; and

(d) the Purchaser shall provide a certificate and indemnity in the form set out in Schedule D on Closing confirming its HST registration number under the Act, failing which, the Purchaser shall pay to the Vendor on Closing the HST payable by the Purchaser with respect to the Transaction and the Vendor shall remit such HST to the applicable Authorities in accordance with the Act. The obligations of the Purchaser and the Vendor under this Section 3.4 shall not merge on, and shall survive, Closing.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying upon such representations and warranties in entering into this Agreement:

(a) The Vendor has been appointed Receiver of the Company pursuant to the Appointment Order.

(b) The Vendor has done no act to dispose of or encumber any of the Purchased Assets.

(c) The Vendor or the Company is not a non-resident person of Canada within the meaning of the *Income Tax Act* (Canada).

(d) The Vendor: (i) has duly executed this Agreement and (ii) has, or will have after obtaining the Approval and Vesting Order, all necessary power, authority and capacity to enter into this Agreement and the Closing Documents to which it is a party and to carry out its obligations under this Agreement and the Closing Documents to which it is or will be party to in connection with the Transaction and to perform its obligations hereunder and thereunder.

(e) There are no outstanding options, agreements of purchase and sale or other agreements or commitments obligating the Vendor to sell any of the Purchased Assets other than this Agreement;

(f) This Agreement has been, and each Closing Document to which the Vendor is a party will on Closing be, duly executed and delivered by the Vendor, and this Agreement constitutes, and each Closing Document to which the Vendor is a party will, on Closing, constitute, a valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms.

4.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying upon such representations and warranties in entering into this Agreement:

(a) The Purchaser is a corporation duly incorporated, organized, and validly existing under the laws of its jurisdiction of incorporation. No proceedings have been taken or authorized by the Purchaser or, to the best of the Purchaser’s knowledge, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Purchaser.

(b) The Purchaser has all necessary power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it is a party. The Purchaser has taken all corporate action necessary to authorize the execution and delivery of, and the observance and performance of, its covenants and obligations under this Agreement and the Closing Documents to which it is or shall be a party.

(c) This Agreement has been, and each Closing Document to which the Purchaser is a party will on Closing be, duly executed and delivered by the Purchaser, and this Agreement constitutes, and each Closing Document to which the Purchaser is a party will, on Closing, constitute, a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.

(d) The Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada).

(e) The Purchaser is an HST registrant under the Excise Tax Act (Canada).

(f) Neither the execution and delivery of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under the constating documents or by-laws of the Purchaser or any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound.

4.3 Interpretation

Each representation and warranty made by a Party in this Agreement shall be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made shall not be restricted by reference to, or inference from, any other statement made in a representation and warranty of such Party.

4.4 Commission

Each Party represents and warrants to each other Party that no other Party will be liable for any brokerage commission, finder’s fee or other similar payment in connection with the transactions contemplated hereby because of any action taken by, or agreement or understanding reached by, that Party.

4.5 Survival Provisions

All representations, warranties, statements, covenants and agreements made by the Purchaser in this Agreement or any Closing Document shall survive the Closing for a period ending six months following the Closing Date.

ARTICLE 5
CONDITIONS PRECEDENT

5.1 Conditions In Favour of Purchaser, Searches and Examination

The obligation of the Purchaser to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement shall be subject to the following conditions precedent:

(a) by the Due Diligence Date, the Purchaser shall have given written notice to the Vendor that the Purchaser is satisfied in its sole and absolute discretion with the terms of this Agreement; and

(b) the Vendor has obtained the Approval and Vesting order within sixty (60) days following the Purchaser waiving or giving notice of its satisfaction of the conditions precedent in paragraph 5.1(a) hereof.

The conditions precedent set forth in this Section are for the sole benefit of the Purchaser, and may be waived in whole or in part by the Purchaser on written notice to the Vendor.

The Vendor shall deliver to the Purchaser, within five (5) days following the execution of this Agreement by both parties, authorizations prepared by the Purchaser's Solicitors to governmental authorities necessary to permit the Purchaser to obtain information from the files of such governmental authorities provided said authorizations explicitly do not authorize or request any inspections with respect to the Property. The Purchaser covenants and agrees with the Vendor that it will not request, directly or indirectly, any such inspection.

The Vendor will permit the Purchaser, its agents and representatives, access to the Lands prior to the Due Diligence Date, at reasonable times and upon reasonable prior written notice to carry out, at the Purchaser's sole expense and risk, such tests, investigations and inspections as the Purchaser may deem necessary, provided that:

(a) such tests, inspections and investigations will not interfere with the operation of the Lands,

(b) the Purchaser shall provide at least two (2) Business Days prior written notice to the Vendor of any such tests, inspections and investigations and the Purchaser shall further provide the Vendor with evidence of appropriate liability insurance coverage for the Purchaser and its representatives and consultants and the Vendor will be entitled to have a representative present during all such tests, inspections and investigations,

(c) any damage to the Lands caused by such tests and inspections will be promptly repaired by the Purchaser and the Purchaser will indemnify and save the Vendor harmless from all losses, costs, claims, third party actions, damages and expenses which the Vendor may suffer as a result of the said tests and inspections.

5.2 Conditions of Closing

Either the Purchaser or the Vendor shall be obliged to complete the Closing only if each of the conditions precedent set out below in this Section 5.2, has been satisfied in full at or before the Closing Time.

(a) Accuracy of Representations and Performance of Covenants

At the Closing Time, all of the representations and warranties of each of the Purchaser and the Vendor made in or pursuant to this Agreement shall be true and correct as if made at and as of the Closing Time (regardless of the date as of which the information in this Agreement or in any schedule or other document made pursuant hereto is given) except as such representations or warranties may be affected by the appeal of any Court Order referred to herein. At the Closing Time, each of the Purchaser and the Vendor shall have observed or performed in all respects all of the obligations, covenants and agreements which it must perform at or before the Closing Time. Each of the Purchaser and the Vendor shall has received immediately prior to the Closing Time a certificate from the other certifying, to the best of its knowledge, information and belief (after due enquiry) that the conditions in this Section 5.2 to be satisfied by it have been satisfied.

(b) Consents, Authorizations and Registrations

All consents, approvals, Orders and authorizations of any Person or Governmental Authority (or registrations, declarations, filings or recordings with any of them), required for the Closing (other than routine post-closing notifications or filings), shall have been obtained or made on or before the Closing Time.

(c) Litigation

No Order shall have been entered that prohibits or restricts the Closing. Neither of the Parties, nor any of their respective directors, officers, employees, or agents, shall be a defendant or third party to or threatened with any litigation or proceedings, before any court or Governmental Authority which, in the opinion of either the Purchaser or the Vendor, acting reasonably, could prevent or restrict that Party from performing any of its obligations in this Agreement or any Closing Document, including the appeal or any threatened appeal of the Approval and Vesting Order.

(d) Receipt of Closing Documentation

All documentation relating to the sale and purchase of the Purchased Assets and such other Closing Documents relating to the due authorization and completion of the sale and purchase and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Purchaser and the Vendor of their obligations under this Agreement shall be satisfactory to each of the Purchaser, the Vendor and their respective counsel, as applicable. Each of the Purchaser and the Vendor shall have received copies of the Closing Documents and all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith in form (as to certification and otherwise) and substance satisfactory to each of the Purchaser, the Vendor and their respective counsel.

(e) Order

The Vendor shall have obtained the Approval and Vesting Order. The Vendor shall not have received notice of appeal in respect of the Approval and Vesting Order.

5.3 Waiver

Any Party may waive, by notice to the other Parties, any condition set forth in this Article 5 which is for its benefit. No waiver by a Party or any condition, in whole or in part, shall operate as a waiver of any other condition.

5.4 Failure to Satisfy Conditions

If any condition set forth in Section 5.2 is not satisfied at the Closing Time, or if it becomes apparent that any such condition can not be satisfied at the Closing Time, the Party entitled to the benefit of such condition (the "**First Party**") may terminate this Agreement by notice in writing to the other Party and in such event, unless the other Party can show that the condition or conditions which have not been satisfied and for which the First Party has terminated this Agreement are reasonably capable of being performed or caused to be performed by the First Party or have not been satisfied by reason of a default by the First Party hereunder, the Parties shall be released from all obligations hereunder.

5.5 Treatment of Property Documents

If, for any reason, the Transaction is not completed, the Purchaser shall, forthwith upon request, return to the Vendor or destroy all of the Property Documents and any other files and information made available to the Purchaser, other than electronic files which the Purchaser agrees to keep confidential.

ARTICLE 6
GENERAL

6.1 Non-Disclosure of Transaction

In accordance with the Confidentiality Agreement, the Purchaser agrees that (without the express written consent of the Vendor) it will not, and will cause its officers, directors, employees, representatives and advisors not to, disclose or permit to be disclosed to any Person, any information relating to the Purchase Price or any of the other terms of this Agreement, other than to the equity holders of the Purchaser and Persons solicited by the Purchaser to provide financing in connection with the Transaction (and the Purchaser shall ensure, for the benefit of the Vendor, that such parties shall treat all such information in the strictest confidence and the Purchaser shall indemnify the Vendor in that regard).

6.2 Risk of Loss

Up to the time of the Closing, the Purchased Assets shall be and remain at the risk of the Vendor, and shall thereafter be at the Purchaser's risk. Pending Closing, the Vendor will hold all insurance policies and any proceeds derived therefrom and related to the Purchased Assets in trust for the parties as their respective interests may appear and, in the event of loss or damage to the Purchased Assets occurring before such time by reason of fire, tempest, lightning, earthquake, flood or other act of God, explosion, riot, civil commotion, insurrection, war or otherwise howsoever, the amount of such insurance proceeds paid or payable to the Vendor with respect thereto shall be applied in reduction of the Purchase Price and the transfer of the Purchased Assets to the Purchaser shall proceed in the manner described herein and without any reduction or adjustment to the Purchase Price or any other change in terms of this Agreement.

6.3 Expenses

Each Party shall pay all expenses it incurs in authorizing, preparing, executing and performing any aspect of the Transaction contemplated by this Agreement, whether or not the Closing occurs, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

6.4 Time

Time is of the essence of each provision of this Agreement.

6.5 Planning Act

This Agreement is subject to compliance with the subdivision control provision of the *Planning Act* (Ontario), and this Agreement shall be effective to create an interest in the Lands only if such provisions are complied with on or prior to the Closing Date.

6.6 Solicitors as Agents

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor, and any tender of Closing Documents and the balance of the Purchase Price due on Closing may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

6.7 Electronic Registration

The Vendor and the Purchaser covenant and agree to cause their respective solicitors to enter into a document registration agreement substantially in the form adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on March 29, 2004 or any successor version thereto, as the same may be amended by the agreement of both the Vendor's Solicitors and the Purchaser's Solicitors (the "**DRA**"), together with the requirement that the registering solicitor shall be obliged to provide the non-registering solicitor with evidence of the completion of registrations of electronic documents in the electronic registration system (the "**System**") upon the registration of the electronic documents promptly upon completion thereof. It is understood and agreed that the DRA shall outline or establish the procedures and timing for completing the Transaction, and shall be executed by both the Vendor's Solicitors and the Purchaser's Solicitors and exchanged between such solicitors (such that each solicitor has a copy of the DRA duly executed by both solicitors) by no later than one Business Day before the Closing Date. The delivery and exchange of the Closing Documents and funds, and the release thereof to the Vendor and the Purchaser, as the case may be, shall be governed by the DRA, pursuant to which the solicitor receiving any Closing Documents and/or funds will be required to hold them in escrow and will not be entitled to release them except in strict accordance with the provisions of the DRA.

6.8 Tender of Documents

Any tender of documents and money pursuant to this Agreement may be made on the Vendor or on the Purchaser or their respective solicitors, and money may be tendered by wire transfer. Notwithstanding the foregoing sentence, as the System is operative and mandatory for the Purchased Assets, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by either party (the "**Tendering Party**") upon the other party (the "**Other Party**") when the Tendering Party's solicitor has: (i) delivered electronically executed copies of all Closing Documents, keys, if any, and funds, if any, to the Other Party's solicitor in accordance with the provisions of this Agreement and the DRA; (ii) advised the Other Party's solicitor, in writing, that the Tendering Party is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and (iii) completed all steps required by the System in order to complete the Transaction that can be performed or undertaken by the Tendering Party's solicitor without the co-operation or participation of the Other Party's solicitor, including electronically signing the Transfer for completeness but not for release until all deliveries required hereunder have been delivered in accordance with the terms hereof) all without the necessity of personally attending upon the Other Party or the Other Party's solicitor with the aforementioned documents and without any requirement to have an independent witness evidence the foregoing.

6.9 Notices

Any notice, demand or other communication (in this Section, a "notice") required or permitted to be given or made hereunder shall be given in writing and addressed as follows:

(a) In the case of a notice to the Vendor, addressed to it at:

GRANT THORNTON LIMITED,
In its capacity as Court-appointed Receiver of
2777463 Ontario Ltd. and Commercial Packaging Solutions
Inc. ~~22~~ 200 King Street West, 11th Floor
Toronto, Ontario
M5H 3T4

Attention: Jake Wiebe, Senior Vice-President
Tel.: (416) 360-3069
Email: jake.wiebe@ca.gt.com

and with a further copy to the Vendor's Solicitors at:

Harrison Pensa LLP
Barristers & Solicitors
130 Dufferin Avenue
Suite 1101
London, ON N6A 5R2

Attention: Tim Hogan
Tel.: (519) 661-6743
Email: thogan@harrisonpensa.com

(b) In the case of the Purchaser:

Gulvinder Khattra
1686 Kentchester Place

Attention: Gulvinder Khattra
Tel.: 647-402-0029
Email: bobby@khattragroupinc.ca

and with a further copy to the Purchaser's Solicitors at:

with a copy to:

Ahangama Law Professional Corporation
2656 Kennedy Road
Toronto, Ontario, M1T 3H7

Attention: Anoshan Ahangama
Tel.: 647-977-2263
Email: info@ahangamalaw.com

Any such notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by email with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

6.10 Public Announcements / Confidentiality of Agreement

Before the Closing Date, no Party shall make any public statement or issue any press release concerning the transactions contemplated by this Agreement except as may be necessary, in the opinion of counsel to the Party making such disclosure, to comply with the requirements of all Applicable Law or in connection with the obtaining of Orders necessary for the performance of this Agreement. If any such public statement or release is so required, the Party making such disclosure shall consult with the other Parties prior to making such statement or release, and the Parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such statement or release which is satisfactory to all Parties. This Section 6.10 shall not apply to the report to be made by the Vendor to the Court in connection with seeking the Approval and Vesting Order. The Parties expressly acknowledge and agree that the Vendor shall seek a Sealing Order from the Court with respect to this Agreement and the Purchase Price such that certain of the terms of this Agreement shall not become public until after Closing has been fully contemplated.

6.11 Assignment

(a) The Purchaser may not assign any or all rights or benefits under this Agreement to any Person without the Vendor’s written consent, provided that the Purchaser shall be entitled to assign its rights and obligations under this Agreement to a corporation or corporations already incorporated or still to be incorporated, a partnership or individual or individuals or any combination thereof, affiliated with the Purchaser as that term is defined in the *Business Corporations Act* (Ontario) and upon such assignment the Purchaser shall not be released from all of it's covenants, agreements and liabilities contained in this agreement and the transaction shall proceed as if the assignee was named as the original Purchaser herein;

(b) Except as specifically provided, no assignment of benefits or arrangement for substituted performance by one Party shall be of any effect.

(c) This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation or statutory arrangement of any Party) and permitted assigns.

6.12 Further Assurances

Each Party shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done and or executed, in order to give full effect to the provisions of this Agreement and each Closing Document.

6.13 Remedies Cumulative

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

6.14 Counterparts

This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

6.15 Irrevocable Offer

This Agreement shall constitute an irrevocable offer to purchase by the Purchaser which will be open for acceptance by the Vendor until 5:00 p.m. (Eastern Time) on the 2nd ~~12th~~15th day of August, 2024. If this Agreement has not been fully accepted in accordance with its terms by 5:00 p.m. (Eastern Time) on the ~~2nd~~ 15th ~~12th~~ day of August, 2024, such offer shall be null and void and the Purchaser shall have no obligation to the Vendor and vice versa.

DS JW Initial GK

IN WITNESS WHEREOF this Agreement has been executed by the Purchaser on the ~~30th~~ _______ day of ~~July~~, August, 2024

KHATTRA GROUP INC.

Per: Signed by: Gulvinder Khattra 537D56598F4A4D0...

Name: Gulvinder Khattra

Title: President (A.S.O)

Per: ______________________

Name:

Title:

I/We have the authority to bind the corporation

IN WITNESS WHEREOF this Agreement has been executed by Grant Thornton Limited, solely in its capacity as the Court appointed Receiver of 2777463 Ontario Ltd. and Commercial Packaging Solutions Inc. and not in any other capacity on the day of August ~~July,~~ 2024.

GRANT THORNTON LIMITED, solely in its capacity as the Court appointed Receiver of 2777463 Ontario Ltd. and Commercial Packaging Solutions Inc. and not in any other capacity and with no personal or corporate liability

Per: DocuSigned by: Jake Wiebe 268FC6A891FF4B2...

Name: Jake Wiebe

Title: Senior Vice President

Per:

Name:

Title:

I/We have the authority to bind the corporation

SCHEDULE A
APPROVAL AND VESTING ORDER

Court File No. CV-24-719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)

THE HONOURABLE	)	, THE
	)	
JUSTICE	)	DAY OF , 2024

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARO LTD.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Grant Thornton Limited, solely in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of 2777463 Ontario Ltd. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Sale Agreement") between the Receiver and [NAME] (the "Purchaser") dated [DATE] and vesting in the Purchaser all of the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets") and referenced in Schedule “B” hereto, was heard this day by judicial videoconference via Zoom at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver and Appendices thereto and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn, [DATE], filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Black dated May 21, 2024; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of {INSERT DETAILS} of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtors' past and current employees, including personal information of those Assumed Employees, if any, as defined in the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

7. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtors;

8. THIS COURT ORDERS that the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue,

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

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

10. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing.

Justice, Ontario Superior Court of Justice - Commercial List

Schedule A – Form of Receiver's Certificate

Court File No. CV-24-719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARO LTD.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Black of the Ontario Superior Court of Justice (the "Court") dated May 21, 2024, Grant Thornton Limited was appointed as the receiver (the "Receiver") of the undertaking, property, and assets of 2777463 Ontario Ltd. ("Debtor").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE] (the "Sale Agreement") between the Receiver, solely in its capacity as court-appointed receiver of all of the property and assets of 277463 Ontario Ltd. and [NAME] (the "Purchaser"), and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid, and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at ________ [TIME] on _______ [DATE].

Grant Thornton Limited, solely in its capacity as Receiver of the undertaking, property and assets of 277463 Ontario Ltd. and Commercial Packaging Solutions Inc. and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule B – Purchased Assets

The Purchased Assets, as defined in the Sale Agreement including, without limitation, the Real Property described as follows:

PT LT 19, RANE 3, CON BF, PICKERING, PTS 1 & 2, 40R761; S/T A RIGHT IN CO228510; PICKERING {PIN: 26327-0072 (LT)}, known municipally as 890 Dillingham Road, Pickering, Ontario.

Schedule C – Claims to be Deleted and Expunged from title to Real Property

1. DR2287861, being a charge in favour of Royal Bank of Canada registered December 21, 2023;
2. DR2287864, being a notice of assignment of rents in favour of Royal Bank of Canada registered December 21, 2023;
3. DR2321192, being a charge in favour of Sebastijan Zupanec registered May 30, 2024;
4. DR2321193, being a notice of assignment of rents in favour of Sebastijan Zupanec registered May 30, 2024.

Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property

(unaffected by the Vesting Order)

1. CO94360, being a by-law registered May 17, 1961;
2. 40R761, being a reference plan registered August 14, 1972;
3. D154171, being a by-law registered April 8, 1983.

ROYAL BANK OF CANADA v. COMMERCIAL PACKAGING SOLUTIONS INC. and 2777463 ONTARIO LTD.

Applicant Respondents

Court File No. CV-24-719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

ORDER

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Timothy C. Hogan (LSO #36553S)

Tel : (519) 679-9660
Fax: (519) 667-3362
Email: thogan@harrisonpensa.com

Lawyers for the Receiver,
Grant Thornton Limited

SCHEDULE B
PERMITTED ENCUMBRANCES

1. CO94360, being a by-law registered May 17, 1961;
2. 40R761, being a reference plan registered August 14, 1972;
3. D154171, being a by-law registered April 8, 1983;
4. Any undetermined or inchoate liens and charges incidental to the Purchased Assets;
5. The reservations, limitations, provisos, conditions, restrictions, and exceptions expressed in the letters patent or grant from the Crown and all statutory exceptions to title;
6. The provisions of governing municipal by-laws;
7. Municipal taxes, liens, charges, including hydro and water charges, rates and assessments accruing from day to day and not yet due and payable;
8. Any defects or minor encroachments which might be revealed by an up-to-date survey of the Lands;
9. Any right of expropriation conferred upon, reserved to, or vesting in Her Majesty the Queen in Right of Canada and Ontario;
10. Any registered restrictions or covenants that run with the Lands provided that same have been complied with in all material respects;
11. Any easements, rights of way or right of re-entry in favour of a developer, not materially or adversely impairing the present use of the Lands;
12. Any agreements with municipal, utilities or public authorities provided that same have been complied with in all material respect.

SCHEDULE C
LEGAL DESCRIPTION OF LANDS

PIN	DESCRIPTION
26327-0072 (LT)	PT LT 19, RANE 3, CON BF, PICKERING, PTS 1 & 2, 40R761; S/T A RIGHT IN CO228510; PICKERING

And known municipally as 890 Dillingham Road, Pickering, Ontario.

SCHEDULE D

HST CERTIFICATE AND INDEMNITY

HST CERTIFICATE, UNDERTAKING AND INDEMNITY

TO: GRANT THORNTON LIMITED, solely in its capacity as court-appointed Receiver of all of the property and assets of 2777463 Ontario Ltd. and Commercial Packaging Solutions Inc. and not in any other capacity and with no personal or corporate liability (the "**Vendor**")

FROM: ● (the "**Purchaser**")

RE: Agreement of Purchase and Sale made as of the ● day of ●, 2024 (the "**Purchase Agreement**"), made between the Vendor and the Purchaser, with respect to the property legally described in Schedule "A" attached hereto (the "**Property**")

IN CONSIDERATION of the closing of the above transaction and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby certifies and agrees that:

(i) it is purchasing the Property as principal for its own account and not as an agent, trustee or otherwise on behalf of or for another person or third party;

(ii) it is registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) (the "**Act**") for the collection and remittance of goods and services tax ("**HST**") and its HST registration number is ● and such registration is in good standing and has not been revoked;

(iii) it shall be liable for, self-assess and remit to the appropriate governmental authority all HST which is payable under the Act in connection with the transfer of the Property all in accordance with the Act; and

(iv) it shall indemnify and save harmless the Vendor from and against any and all HST, penalties, costs (including solicitor and client costs) and/or interest which may become payable by or assessed against the Vendor as a result of any failure by the Purchaser to comply with the provisions of this HST Certificate, Undertaking and Indemnity.

The undersigned acknowledges and agrees that the foregoing shall survive and not merge upon closing of the above-noted transaction.

This HST Certificate, Undertaking and Indemnity may be executed and delivered by electronic transmission or .PDF instead of delivering a signed original and the parties hereto may rely upon such electronic signatures, or .PDF as though it was an original signature.

[Remainder of page intentionally left blank; signature page follows]

DATED this ● day of ●, 2024.

●

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

I/We have authority to bind the Corporation.

OREA Ontario Real Estate Association

Form 574
for use in the Province of Ontario

Notice of Fulfillment of Condition(s)
Agreement of Purchase and Sale - Commercial

TREB COMMERCIAL NETWORK

BUYER: KHATTRA GROUP INC.

SELLER: GRANT THORNTON LIMITED, solely in its capacity as court-appointed Receiver of all of the property and assets of 2777463 Ontario Ltd. and Commercial Packaging Solutions Inc.

REAL PROPERTY: 890 Dillingham Road, Pickering ON

In accordance with the terms and conditions of the Agreement of Purchase and Sale - Commercial dated the 30 day of June, 20 24, regarding the above property, I/We hereby confirm that I/We have fulfilled the condition(s) which read(s) as follows:

5.1 Conditions In Favour of Purchaser, Searches and Examination

The obligation of the Purchaser to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement shall be subject to the following conditions precedent:
(a) by the Due Diligence Date, the Purchaser shall have given written notice to the Vendor that the Purchaser is satisfied in its sole and absolute discretion with the terms of this Agreement; and

The conditions precedent set forth in this Section are for the sole benefit of the Purchaser, and may be waived in whole or in part by the Purchaser on written notice to the Vendor.

All other terms and conditions in the aforementioned Agreement of Purchase and Sale - Commercial to remain unchanged.

For the purposes of this Notice of Fulfillment of Condition, "Buyer" includes purchaser, and "Seller" includes vendor.

DATED at Toronto, Ontario, at 5:00 (a.m./p.m.) this 14th day of August 20 24

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

KHATTRA GROUP INC.
Signed by:
Gulvinder Khattra
537D56598F4A4D0...

(Witness) (Buyer/Seller/Authorized Signing Officer) (Seal) 8/14/2024 (Date)

(Witness) (Buyer/Seller/Authorized Signing Officer) (Seal) (Date)

Receipt acknowledged at .... (a.m./p.m.) this .... day of .... 20............ by:

Print Name: .... Signature: ....

APPENDIX 5

In the matter of the Receivership of
Commercial Packaging Solutions Inc. and 2777463 Ontario Inc.
Interim Statement of Receipts and Disbursements
July 31, 2024

	CPSI	2777463
Cash in Bank	104,223.01	6.76
Accounts Receivable	96,495.19	
Interest	750.06	0.83
Rental Income	3,462.83	
HST Collected	450.17	
Transfer from CPSI		447.67
	205,381.26	455.26
Filing Fees	405.42	405.42
HST Paid	927.66	42.25
Appraisal Fees	5,500.00	
Insurance	4,128.99	
Bank Charges	17.00	
Security	680.00	
Utilities	514.87	
Maintenance	325.00	
Consulting	726.00	
Receiver Fees	70,272.21	
HST on Receiver Fees	9,135.38	
Legal Fees	9,418.77	
HST on Legal Fees	1,224.45	
Transfer to 2777463 Ontario Inc.	447.67	
	103,723.42	447.67
Balance	101,657.84	7.59

APPENDIX 6

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC.
and 2777463 ONTARIO INC.

Respondents

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

AFFIDAVIT OF JACOB WIEBE

I, **JACOB WIEBE**, of the Town of Uxbridge, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am Senior Vice-President of Grant Thornton Limited, ("**GTL**") which was appointed as receiver and manager (in such capacity, the “Receiver”) without security, of all of the assets, undertakings and properties of Commercial Packaging Solutions Inc. and 2777463 Ontario Inc. (collectively, the “**Debtors**”). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe such to be true.

2. Attached and marked as Exhibit "**A**" to this my affidavit is a true copy of the detailed billing setting out the fees and disbursements of GTL in its capacity as Receiver from April 29, 2024 to July 31, 2024 totalling $105,156.11, including Disbursements of $1,705.62 and HST in the amount of $12,097.60 and such is summarized on Exhibit “**B**” to this my affidavit.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. The hours spent on this matter and disbursements incurred by GTL are outlined in detail in Exhibits "A" and "B" and I believe were reasonable and appropriate in the circumstances.

5. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME over video teleconference this 14th)
day of August, 2024, in accordance with Ontario)
Regulation 431/20 The affiant was located in Uxbridge,)
Ontario, while the commissioner Ann Lakeram)
was located in Toronto, Ontario.)

Commissioner for Taking Affidavits, etc.

Jacob Wiebe

Faddie-Ann Lakeram
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires March 30, 2026.

Exhibit "A" to the Affidavit of Jacob Wiebe, sworn before me this 14th day of August 2024

Commissioner for Taking Affidavits, etc.

Faddie-Ann Lakeram
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires March 30, 2026.

Grant Thornton

Court File No. CV-24-719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC.
AND 2777463 ONTARIO INC.

Respondents

BILL OF COSTS

BN 12738 4717 RT0001
Client # 359715
Invoice #LSON-10232

For professional fees rendered as Court-Appointed Receiver for the period from April 29, 2024 to May 31, 2024.

Date	Staff	Hours	Detail
April 29, 2024	Jake Wiebe	0.60	Attend premises to determine business still operating; Review draft Receivership Order.
May 2, 2024	Jake Wiebe	0.80	Engagement planning with team.
May 3, 2024	Jake Wiebe	0.80	Call with RBC and counsel.
May 6, 2024	Ada Shahini	0.30	Set up website for file and requested redirection to a shorter URL as requested from team; Followed up with IT and responded to team emails; Uploaded documentation on server.
May 6, 2024	Jake Wiebe	1.00	Review employee termination letters; Call with RBC; Review Application Record.
May 6, 2024	Roman Konovalov	0.30	Draft employee termination and retention letters and door notices.
May 7, 2024	Jake Wiebe	0.40	Planning with team; Emails with RBC counsel re: adjournment.
May 14, 2024	Jake Wiebe	0.40	Review affidavit of respondent.

Date	Staff	Hours	Detail
May 15, 2024	Jake Wiebe	2.30	Review Responding Affidavit from Debtor; Review correspondence between RBC and counsel; Review RBC Responding Affidavit.
May 17, 2024	Jake Wiebe	1.60	Review Debtor responding materials; Call with RBC re: strategy for Court.
May 20, 2024	Jake Wiebe	0.80	Review draft IR order and provide comments.
May 24, 2024	Jake Wiebe	1.20	Review Endorsement; Email with counsel; Call with team to plan taking possession.
May 24, 2024	Roman Konovalov	0.20	Discussed appointment with team, call to a locksmith, printing documentation.
May 27, 2024	Ada Shahini	0.80	Uploaded Application Record, Factum, Book of Authorities, Endorsements of Justice Steele and Black; Receivership Order; Responded to team emails; Received and uploaded on server employee details from team.
May 27, 2024	Jake Wiebe	4.60	Attend premises to take possession; Meeting with principals; Call with RBC; Email to counsel; Planning meetings with team; Call to CBRE re: proposed sale.
May 27, 2024	Roman Konovalov	5.30	Take over procedures: speaking to controller, notified various third parties, review of the location content, security measures, payroll, discussions with the principal of the company, bank letter, website disclosures.
May 27, 2024	Valerie Naccarato	0.20	Prepare draft letter to BMO to freeze bank accounts; email team for review and signature; notify team of BMO statements saved on network.
May 28, 2024	Ada Shahini	1.00	Call with team re: WEPPA process and access to Quickbooks; Started putting together the WEPPA workbook; Uploaded documentation on server and forwarded details to team.
May 28, 2024	Jake Wiebe	2.30	Email with RBC; Planning with team; Calls and email to CBRE re: property sale.
May 28, 2024	Roman Konovalov	4.00	Various communications with parties relevant to the proceeding, review of the PPSA, draft Notices, communications with Real Estate broker regarding the appraisal, meeting with subleasee at the Premises, calls with the principal of the Company.
May 29, 2024	Ada Shahini	0.30	Call with team re: additional documentation and plan going forward to obtain details from bookkeeper/HR manager; Uploaded documentation received on server.
May 29, 2024	Jake Wiebe	2.20	Call with team re: insurance; taking possession; books and records; Call with realtor re: sale agreement; Emails with RBC; Review AR schedule; Review AP schedule.

Date	Staff	Hours	Detail
May 29, 2024	Roman Konovalov	4.50	Discussion with the former accountant regarding the books and records, review of the accounts payable, and employees; Review of the trial balance, communications with appraisers, Receiver Notices, communications with the Insurance provider.
May 29, 2024	Valerie Naccarato	1.40	Prepare bank forms to setup new bank account; Correspondences to and from Bank re: activation/confirmation on new request and on-line access; Setup account estate in ascend; Prepare letter for incoming wire payments.
May 30, 2024	Ada Shahini	4.00	Reviewed information provided by the controller and updated WEPPA workbook; Uploaded documentation on server liaised with team on the additional questions to review; Call with controller and team re: WEPPA verification; Set up call for review of information missing to complete filing; Followed up with team re answers for the missing details.
May 30, 2024	Jake Wiebe	0.80	Call with team re: AR and AP; Email to counsel re: AR demand letters.
May 30, 2024	Roman Konovalov	3.00	Follow up emails with various parties, call with a former controller regarding the AR and AP balances, brief discussion of WEPPA, communications with CW regarding the appraisal, communications with utility companies, communications with the City of Pickering regarding the drawings.
May 30, 2024	Valerie Naccarato	1.50	Format excel spreadsheets and upload creditors to Ascend; Mailing to creditors and prepare two affidavit of mailings for signature.
May 31, 2024	Ada Shahini	1.20	Calls with team and controller to go over the WEPPA details required; Updated answers provided on WEPPA workbook.
May 31, 2024	Roman Konovalov	3.00	Meeting with appraiser, tenants, auctioneer, call with the controller of the company, other relevant email communications, removed main desktop and moved to GT office.

Time Charges and Expenses:

J. Wiebe, Sr. Vice President	19.80	hours @	$ 600.00	per hour	$	11,880.00
R. Konovalov, Manager	20.30	hours @	$ 400.00	per hour	$	8,120.00
A. Shahini, Sr. Associate	7.60	hours @	$ 315.00	per hour	$	2,394.00
V. Naccarato, Analyst	3.10	hours @	$ 160.00	per hour	$	496.00
	50.80				$	22,890.00
5% Technology and Administration					$	1,144.50
					$	24,034.50
Disbursements:						
Travel					$	280.62
Parking					$	21.43
City of Pickering - drawing re 890 Dillingham Road, Pickering					$	22.12
					$	324.17
Total Time and Disbursemens					$	24,358.67
HST					$	3,166.62
Total Invoice					**$**	**27,525.29**

Court File No. CV-24-719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC.
AND 2777463 ONTARIO INC.

Respondents

BILL OF COSTS

BN 12738 4717 RT0001
Client # 359715
Invoice #LSON-10340

For professional fees rendered as Court-Appointed Receiver for the period from June 1, 2024 to June 30, 2024.

Date	Staff	Hours	Detail
June 3, 2024	Ada Shahini	4.50	Call with Controller re: payroll records required to complete ROE's, T4's, Payroll and HST records; Reviewed and updated average hours worked by the employees based on the paystubs provided; Uploaded documentation on server.
June 3, 2024	Jake Wiebe	2.80	Planning real estate proposal with team; Emails to realtors; Update email to RBC.
June 3, 2024	Roman Konovalov	4.00	Review of the Receivables, demand letters to selected parties, calls with the creditors of the company, communications with CRA and the principal of the company, communications with liquidators and conf call with real estate brokers, reviewed T2 corporate tax returns.
June 3, 2024	Valerie Naccarato	0.40	Prepare wire instructions; telephone discussion with legal assistant and confirm wire details

Date	Staff	Hours	Detail
June 4, 2024	Ada Shahini	4.50	Spoke to team re: mailing and WEPP package; Call with Controller to file T4 for employees; Updated WEPP workbook and started filing trustee information forms; Started handwriting employee ROE's; Uploaded documentation on server.
June 4, 2024	Jake Wiebe	3.60	Planning listing proposals with team; Visit property; Instructions to team re: property maintenance and determining ownership of tractors and trailers stored on property.
June 4, 2024	Roman Konovalov	1.30	Communications with creditors of the company, communications with former employees, liquidators, real estate brokers, spoke to OSB.
June 4, 2024	Valerie Naccarato	1.00	Print AR letters, assemble; print labels and mail.
June 5, 2024	Ada Shahini	1.00	Followed up with Controller on missing signature on engagement letter; Updated WEPP workbook with details provided from team and Controller; Updated team on file status; Uploaded documentation on server.
June 5, 2024	Jake Wiebe	3.80	Call with team re: real estate proposals and equipment proposals; Review financial records.
June 5, 2024	Roman Konovalov	1.40	Attended the property, communications with creditors, correspondence with MTO and Service Canada, communications with liquidators.
June 5, 2024	Valerie Naccarato	0.80	Link new bank account to Ascend; Review bank account and notify team of incoming wire; Review internal email instructions from team re Banking; Prepare receipt requisition form; Post deposit entry; print slip and stamp date for signing; Prepare disbursement requisition form with support for review and signing by authorized officers; Post invoice entry, issue cheque.
June 6, 2024	Ada Shahini	4.20	Reviewed WEPP file and completed filing of the trustee information forms with WEPP; Prepared WEPP packages and emailed details to employees; Call with team to discuss and updated on employee package status and ROE/2024 T4's; Uploaded documentation on server; Responded to employee email with questions on WEPP process.
June 6, 2024	Jake Wiebe	3.40	Discussion with realtors; Correspondence with creditors; Planning with team re: enviro assessment, release of third-party goods, collection of rent from subtenants, liquidation of equipment.
June 6, 2024	Roman Konovalov	1.60	Meeting with the Real Estate Broker and Liquidator on site, communications with the creditors, dealing with the vehicles matter.
June 6, 2024	Valerie Naccarato	0.40	Review internal email instructions from team re Banking; Prepare disbursement requisition form; Post entry; print cheque; Provide to team for signing.

Date	Staff	Hours	Detail
June 7, 2024	Ada Shahini	0.60	Calls with employees regarding proof of claims and WEPP processing; Responded to teams request for additional information for invoices.
June 7, 2024	Jake Wiebe	2.10	Email to RBC re: ESA report; Review same; Email to team re: getting updated report from Pinchin; Call with team re: listing proposals.
June 7, 2024	Roman Konovalov	1.50	Meeting with the liquidator at the property, communications with MTO, call with AR, communications regarding the ESA report
June 10, 2024	Ada Shahini	4.60	Completed handwritten ROE's for employees and printed and mailed copies of the ROE's and T4's to the employees; Received and processed proof of claims with WEPP for employees; Liaised with team to transfer files and requested list of missing items from Controller; Call with Controller re: Employee SIN number verification.
June 10, 2024	Jake Wiebe	1.40	Email to principal re: missing vehicles; Planning with team re: insurance, property maintenance, listings.
June 10, 2024	Roman Konovalov	0.60	Communications with creditors, the city of Pickering regarding the property tax bill.
June 10, 2024	Valerie Naccarato	0.20	Scan deposit requisition forms to server and file originals; Review internal email instructions from team re Banking; Prepare cheque requisition forms; Post entries; print cheques and stamp date for signing; Provide to team for signing; Prepare courier slip.
June 11, 2024	Ada Shahini	4.00	Received and processed proof of claims with WEPP for employees; Liaised with Controller on time call for missing items requested; Call with Controller re: documentation from QuickBooks for CRA review; Sorted and uploaded documentation received from controller; Emailed team copies of the requested invoices.
June 11, 2024	Roman Konovalov	0.80	Reviewed APS provided by CBRE, calls with the several creditors of the company
June 11, 2024	Valerie Naccarato	0.80	Prepare and print employee labels; Print T4s and attach ROE and mail.
June 12, 2024	Ada Shahini	0.10	Followed up with employee re: Correction on POC required.
June 12, 2024	Kimberly Parmassar	0.65	Searches into the 2 Clear&Durable entities. No corp records identified; trademark registration obtained
June 12, 2024	Roman Konovalov	1.70	Meeting to ESA 1 Inspector, property inspection and discussion with the leasors at the back of the property, meeting with the inventory claimants, call with CRA rep regarding the Audit.
June 13, 2024	Ada Shahini	1.20	Call with Controller re: employee paystubs; Responded to the employee email to request call to verify identity; Call with team to discuss file update; Responded to Controller re: ROE and

Date	Staff	Hours	Detail
			2024 T4's.
June 13, 2024	Jake Wiebe	1.30	Call with team re: vehicles on site, company vehicle location, sale process, appraisals, and ESA.
June 13, 2024	Roman Konovalov	0.50	Communications with the Creditors, communications with equipment liquidators and appraiser.
June 13, 2024	Rosa Wilford	0.30	Review mail/courier; Notify team; Review account ledger; Prepare receipt requisition form with supporting documentation; Post deposit entries, print slip and stamp date for signing; Provide slip to team for banking; Emails.
June 14, 2024	Jake Wiebe	2.40	Disc with team re: AR collection; Email to RBC re: same and real property offer; Arranging retrieval of vehicles; Review real property offer; Email with RBC re: banking history.
June 14, 2024	Roman Konovalov	1.20	Call with the AR indebted party regarding the collection, correspondences with the principal of the company, communications with the appraiser, reviewed real estate offers, call with the equipment liquidator.
June 17, 2024	Jake Wiebe	2.40	Review APS from realtor; Call with counsel re: same; Call with realtor re: same; Call with RBC re: same. Call with team re: managing property.
June 17, 2024	Roman Konovalov	0.80	calls regarding the AR, vehicles, communications with the appraiser
June 17, 2024	Valerie Naccarato	0.30	Scan various cheque requisition forms to server and file originals.
June 18, 2024	Ada Shahini	0.60	Reviewed and responded to employee's email; Checked with team re: clearing of the cheque deposited and discussed payment for controller with team; Call with employee re: ROE and T4; Emailed copy to employee.
June 18, 2024	Jake Wiebe	2.10	Review APS and provide comments to counsel.
June 19, 2024	Ada Shahini	0.30	Call with Service Canada re: employee ROE issues; Reviewed payroll records to determine the correct start date.
June 19, 2024	Jake Wiebe	1.20	Review amended APS and provide comments.
June 19, 2024	Roman Konovalov	1.00	Communications with the liquidators of the Equipment, communications with the counsel of the creditors, review of APS.
June 19, 2024	Rosa Wilford	1.10	Prepare bank forms to setup new bank account; Bank letters; Correspondences to and from Bank; re activation/confirmation on new request and on-line access; Setup account estate in ascend. Prepare letter for incoming wire payments; Notify team; Save to server; Emails.

Date	Staff	Hours	Detail
June 20, 2024	Ada Shahini	1.00	Call with employee re: POC correction requirements; Call with Controller to confirm employee start date and the correction required for the employee proof of claim; Received and processed proof of claim with WEPP; Call with Service Canada re: update on start date for employee; Uploaded documentation on server and updated WEPP workbook.
June 20, 2024	Jake Wiebe	0.60	Review correspond with counsel and RBC; Review realtor representation and co-operating agreement; Call with realtor re: same.
June 20, 2024	Rosa Wilford	1.50	Review internal banking instructions from team; Review payment requests and account ledger; Prepare disbursement requisition forms for signing by authorized signing officer; Post invoice entries re Fees/License/Appraisal; Issue cheques; Correspondences with team on review / approvals; E-file remittance advice; Emails. Review correspondences from bank on documents for opening new account; Meet with team for authorized review and signing by two Trustees re Product Consent Form; Scan to server; Respond to bank; Emails. Review mail/courier; Notify team; Review account ledger; Prepare receipt requisition form with supporting documentation; Post deposit entries, print slip and stamp date for signing; Provide slip to team for banking; Emails.
June 20, 2024	Rosa Wilford	0.10	Review internal banking instructions from team; Review payment requests and account ledger; Prepare disbursement requisition forms for signing by authorized signing officer; Post invoice entries re Fees/License/Appraisal; Issue cheques; Correspondences with team on review / approvals; E-file remittance advice; Emails. Review correspondences from bank on documents for opening new account; Meet with team for authorized review and signing by two Trustees re Product Consent Form; Scan to server; Respond to bank; Emails. Review mail/courier; Notify team; Review account ledger; Prepare receipt requisition form with supporting documentation; Post deposit entries, print slip and stamp date for signing; Provide slip to team for banking; Emails.
June 20, 2024	Valerie Naccarato	0.40	Deposit at bank.
June 21, 2024	Jake Wiebe	2.30	Review APS and provide comments to counsel; Call with CBRE.
June 21, 2024	Roman Konovalov	0.30	Accepted ESA 1 proposal, property reclamation requests.

Date	Staff	Hours	Detail
June 21, 2024	Rosa Wilford	0.30	Review internal banking instructions from team re banking: Review account ledger and on-line banking for returned items; Provide team with banking GL and payments made to date; Emails.
June 21, 2024	Valerie Naccarato	0.30	Prepared Reclamation of Property forms; email to team; Scan various deposit and cheque requisition forms to server and file originals.
June 24, 2024	Ada Shahini	2.00	Reviewed file with team and prepared request for payment of the Controller payment; Uploaded details on server and emailed team for approval; Received and updated payments on WEPP workbook and tracker; Uploaded statements on server.
June 24, 2024	Jake Wiebe	1.20	Disc with team re: property maintenance; property claims; rental agreements for trailers; Call with Rocco re: security.
June 24, 2024	Roman Konovalov	1.30	Met liquidator on site to show equipment, communications with creditors of the company, bailiff. Reviewed CRA letters, payments to vendors/contractors.
June 24, 2024	Rosa Wilford	0.70	Review payment requests and approvals; Review account ledger; Prepare disbursement requisition forms with support; Post entries; Issue cheques; Forward to authorized officer for review and approvals; Emails.
June 24, 2024	Valerie Naccarato	0.10	Open mail, scan invoices and notify team.
June 25, 2024	Ada Shahini	1.20	Received and processed employee proof of claim with WEPP; Call with employee re: additional clarifications; Reviewed the responded to teams email re: payment for Controllers help.
June 25, 2024	Roman Konovalov	0.70	Review of property reclamation; contacted bailiff regarding the RAM vehicle.
June 26, 2024	Ada Shahini	1.50	Followed up with controller to setup time for a call to go over the documentation required for the CRA Audit; Reviewed request and reviewed the documentation on file; Uploaded details on server; Set up meeting on teams with controller and responded to emails.
June 26, 2024	Jake Wiebe	1.30	Final review of APS and send to realtor; Email with counsel re: same; Disc with RBC re: same.
June 26, 2024	Roman Konovalov	0.40	Communications with the creditors of the company.

Date	Staff	Hours	Detail
June 26, 2024	Rosa Wilford	1.60	Review internal email instructions from team re Banking; Review account ledgers re Commercial and 2777463 and prepare bank letter; Correspondences with Bank; re transfer between accounts; Fax; Emails; On-line banking review accounts and print screens; Prepare disbursement and receipt requisition forms; Post entries; Run and match to reports; Notify team. Review payment requests and authorized approvals; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; E-file remittance advice re 2777463; Emails.
June 27, 2024	Ada Shahini	1.00	Responded to controller's email and updated team on missing items to request from CRA review from accountant: Call with Service Canada confirming the start date of the employee ROE requirements; Updated ROE information on our records; Call with employee re: EI and ROE information, confirmed that ROE was issued with the correct information; Updated WEPP workbook.
June 27, 2024	Jake Wiebe	2.20	Discussion with realtor; respond to other realtors re: listing agreements; review Phase I report from December and Building condition report.
June 27, 2024	Roman Konovalov	1.00	Spoke to a backyard tenant regarding the July Lease payment, followed up with Receivables, issued email communications demanding statement of account.
June 27, 2024	Valerie Naccarato	0.20	Scan deposit and cheque requisition forms to server and file originals.
June 28, 2024	Ada Shahini	0.30	Call with Controller to discuss employee inquiry and report on website details.
June 28, 2024	Roman Konovalov	2.00	Inspection of the property, calls regarding the lease payments, review of the locksmith invoice, follow up with the principal regarding the vehicle parked at the premises and June rent payment.
June 28, 2024	Rosa Wilford	0.60	Review payment requests and approvals; Review account ledger; Prepare disbursement requisition forms with support; Post entries; Issue cheques; Emails.

Time Charges and Expenses:

J. Wiebe, Sr. Vice President	34.10	hours @	$ 600.00	per hour	$ 20,460.00
R. Wilford, Manager	6.20	hours @	$ 400.00	per hour	$ 2,480.00
R. Konovalov, Manager	22.10	hours @	$ 400.00	per hour	$ 8,840.00
A. Shahini, Sr. Associate	32.60	hours @	$ 315.00	per hour	$ 10,269.00
K. Parmassar, Sr. Associate	0.65	hours @	$ 245.00	per hour	$ 159.25
V. Naccarato, Analyst	4.90	hours @	$ 160.00	per hour	$ 784.00
	100.55				$ 42,992.25
5% Technology and Administration					$ 2,149.61
					$ 45,141.86
Disbursements:					
Travel					$ 617.36
Postage					$ 110.77
Courier					$ 21.43
City of Pickering - drawing re 890 Dillingham Road, Pickering					$ 22.12
					$ 771.68
Total Time and Disbursemens					$ 45,913.54
HST					$ 5,968.76
Total Invoice					**$ 51,882.30**

Grant Thornton

Court File No. CV-24-719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC.
AND 2777463 ONTARIO INC.

Respondents

BILL OF COSTS

BN 12738 4717 RT0001
Client # 359715
Invoice #LSON-10440

For professional fees rendered as Court-Appointed Receiver for the period from July 1, 2024 to July 31, 2024.

Date	Staff	Hours	Detail
July 2, 2024	Jake Wiebe	1.40	Review team emails re: release of third-party goods, collection of rent from truck storage, and property maintenance.
July 2, 2024	Roman Konovalov	1.00	Communications regarding the 3rd party property release, communications regarding the lease payments, follow ups regarding the equipment valuation.
July 3, 2024	Ada Shahini	0.50	Called and emailed Controller re: meeting on CRA documentation required; Call with team to discuss missing documentation for CRA audit.
July 3, 2024	Roman Konovalov	0.30	communications regarding the proposal and maintenance of the property
July 3, 2024	Rosa Wilford	0.70	Review mail/courier; Notify team; Review account ledgers; Prepare receipt requisition forms with supporting documentation; Post deposit entries, print slips and stamp date for signing; Provide slips to team for banking; Scan to server; Emails.

Date	Staff	Hours	Detail
July 3, 2024	Valerie Naccarato	0.40	Deposit at bank.
July 4, 2024	Ada Shahini	5.00	Call with Controller to provide access to and shadowed her work to retrieve the CRA requested documents; Liaised on the documentation required; Call with team re: HST filing requirements and questions; Uploaded documentation on external hard drive and transferred to server; Set up folder with the details on CRA review.
July 4, 2024	Jake Wiebe	2.10	Review property claims; Call with team re: property maintenance; Emails with realtors re: offer; Email with counsel re: same.
July 4, 2024	Roman Konovalov	1.00	Communications regarding the lease payments, Notices to remove the property, communications with the principal of the Company, calls with creditors.
July 5, 2024	Ada Shahini	0.30	Reached out to IT re: unzipping of files for CRA review.
July 5, 2024	Jake Wiebe	2.60	Review status of WEPPA; Call with realtor re: status of purchaser review of APS; Update call with RBC.
July 5, 2024	Roman Konovalov	4.00	Removal of the third party property from the premises, tagged Notices to provide the ownership of various objects parked on site, email to the principal regarding the same Notices, meeting with the tenant, collect rent, reviewed appraisal of the equipment, spoke to another property claimant regarding the release.
July 7, 2024	Roman Konovalov		Office supplies to post Notices on Third Party property.
July 8, 2024	Ada Shahini	2.50	Reviewed files with tema re: CRA Audit; Spoke to CRA agent re: questions on Remittances and HST filings, Reviewed missing list of information; Obtained contact details to fax information; Called and emailed controller re: requirements from CRA and discussed file with team.
July 8, 2024	Jake Wiebe	0.30	Weekly planning with team.
July 8, 2024	Roman Konovalov	2.30	Calls to potential AR indebted parties, CRA Audit, communication regarding the third-party equipment.
July 8, 2024	Rosa Wilford	0.90	Reconciliation of accounts for June 2024; On-line banking; Run and match to reports and sign; Post EFT Entries and prepare requisitions; Provide to authorized officer for review and signing with supporting statements.
July 8, 2024	Valerie Naccarato	0.60	Scan deposit and cheque requisition forms to server and file originals.

Date	Staff	Hours	Detail
July 9, 2024	Ada Shahini	0.80	Call with CRA agent re: requirements; Reviewed and responded to Controller emails; Communicated with team re: next steps re requested details; Received and updated WEPP payment; Updated WEPP workbook and uploaded documentation on server.
July 9, 2024	Valerie Naccarato	0.10	Open mail, scan and notify team.
July 10, 2024	Ada Shahini	2.20	Call with Controller to discuss and prepare the reports requested from CRA and filing of the final HST; Transferred documentation on server; Updated team.
July 10, 2024	Jake Wiebe	0.40	Call with realtor re: offer.
July 10, 2024	Roman Konovalov	0.10	Call with Elexicon regarding the billing
July 11, 2024	Ada Shahini	1.60	Reviewed and prepared fax to CRA with details from missing; Liaised with team re: fax to CRA; Call with employee re: ROE inquiry received from Service Canada; Updated WEPP workbook.
July 11, 2024	Roman Konovalov	0.20	Review of the documents from AR.
July 11, 2024	Valerie Naccarato	0.40	Review email instructions from team re Banking; Prepare cheque requisition form; Post entry print cheque and stamp date for signing; Provide to team for signing.
July 12, 2024	Ada Shahini	0.20	Call with employee re: call from EI office.
July 12, 2024	Jake Wiebe	1.30	Call with realtors re: offer; Call with counsel re: sale; Update call with RBC; Plan court report for approval of listing agent with team.
July 12, 2024	Roman Konovalov	1.60	Attended the Dilingham premises, reviewed Notices posted, Called tenants regarding the payments for the month of July, checked 3rd party equipment, spoke to a creditor.
July 15, 2024	Ada Shahini	0.40	Deposit at bank.
July 15, 2024	Jake Wiebe	0.20	Email and call with CBRE re: offer.
July 15, 2024	Rosa Wilford	1.10	Review mail/courier; Notify team; Review account ledger; Prepare receipt requisition forms with supporting documentation; Post deposit entries, print slips and stamp date for signing; Provide slips to team for banking; Scan to server; Emails. Review payment request and authorized approval; Review account ledger; Prepare disbursement requisition form with support for review and signing by authorized officers; Post invoice entries; Issue cheque; Emails.
July 16, 2024	Jake Wiebe	1.10	Discussion with team re: property clean up and maintenance in preparation for listing for sale.
July 16, 2024	Roman Konovalov	0.20	Email communications with the tenants, third party property claimants.
July 16, 2024	Rosa Wilford	0.40	Scan cheques and signed receipt requisition forms to server and provide to team for filing

Date	Staff	Hours	Detail
			originals.
July 17, 2024	Roman Konovalov	2.80	Meeting with the property claimant on site, meeting with the tenant, property inspection.
July 18, 2024	Jake Wiebe	1.40	Review docs provided by claimants re: assets on premises; Discussion with team re: response.
July 18, 2024	Rosa Wilford	0.20	Scan cheques and signed receipt requisition forms to server and provide to team for filing originals.
July 19, 2024	Roman Konovalov	0.10	Follow up regarding the residue inventory on site.
July 22, 2024	Rosa Wilford	0.80	Review mail/courier; Notify team; Review account ledger; Prepare receipt requisition forms with supporting documentation; Post deposit entries, print slips and stamp date for signing; Provide slips to team for banking; Scan to server; Prepare daily schedule; Emails. Deposit at Bank.
July 23, 2024	Rosa Wilford	0.30	Review payment request and authorized approval; Review account ledger; Prepare disbursement requisition form with support for review and signing by authorized officers; Post invoice entries; Issue cheque; Emails.
July 24, 2024	Jake Wiebe	1.30	Correspond with CBRE; Email with counsel re: court date for sale process approval; Email with RBC re: same; Planning First Report of Receiver.
July 24, 2024	Rosa Wilford	0.80	Review mail/courier; Notify team; Review account ledger; Prepare receipt requisition forms with supporting documentation; Post deposit entries, print slip and stamp date for signing; Provide slip to team for banking; Scan to server; Emails. Deposit at Bank. Review payment request and authorized approval; Review account ledger; Prepare disbursement requisition form with support for review and signing by authorized officers; Post invoice entries; Issue cheque; Emails.
July 26, 2024	Roman Konovalov	0.10	Follow ups regarding the several matters with the former principal of the company.
July 29, 2024	Roman Konovalov	2.50	3rd party inventory consolidation, speaking to Leasees, creditors of the Company, review of the documents regarding the inventory
July 29, 2024	Rosa Wilford	0.30	Prepare mailings; Scan cheques and signed requisition forms to server and provide to team for filing originals.
July 29, 2024	Valerie Naccarato	0.30	Scan deposit and cheque requisition forms to server and file originals.
July 30, 2024	Roman Konovalov	0.20	Discussed reporting with J. Wiebe
July 31, 2024	Jake Wiebe	0.80	Review offer from CBRE; Email with counsel and RBC re: same.

Date	Staff	Hours	Detail
July 31, 2024	Roman Konovalov	0.20	Follow up with the Bailiff.

Time Charges and Expenses:

J. Wiebe, Sr. Vice President	12.90	hours @	$ 600.00	per hour	$	7,740.00
R. Wilford, Manager	5.50	hours @	$ 400.00	per hour	$	2,200.00
R. Konovalov, Manager	16.60	hours @	$ 400.00	per hour	$	6,640.00
A. Shahini, Sr. Associate	13.50	hours @	$ 315.00	per hour	$	4,252.50
V. Naccarato, Analyst	1.80	hours @	$ 160.00	per hour	$	288.00
	50.30				$	21,120.50
5% Technology and Administration					$	1,056.03
					$	22,176.53
Disbursements:						
Supplies					$	10.71
Mileage					$	561.24
Courier					$	37.82
					$	609.77
Total Time and Disbursemens					$	22,786.30
HST					$	2,962.22
Total Invoice					**$**	**25,748.52**

Exhibit "**B**" to the Affidavit of Jacob Wiebe, sworn before me this 14th day of August 2024

Commissioner for Taking Affidavits, etc.

Faddie-Ann Lakeram
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires March 30, 2026.

Exhibit "B"

Commercial Packaging Solutions Inc. and
2777463 Ontario Inc.

Billing Summary
for the period from April 29, 2024 to July 31, 2024

Period	Fees	Disbursements	Subtotal	HST	Total
April 29, 2024 to May 31, 2024	$ 24,034.50	$ 324.17	$ 24,358.67	$ 3,166.62	$ 27,525.29
June 1, 2024 to June 30, 2024	$ 45,141.86	$ 771.68	$ 45,913.54	$ 5,968.76	$ 51,882.30
July 1, 2024 to July 31, 2024	$ 22,176.53	$ 609.77	$ 22,786.30	$ 2,962.22	$ 25,748.52
	$ 91,352.89	**$ 1,705.62**	**$ 93,058.51**	**$ 12,097.60**	**$ 105,156.11**

Court File No. CV-24-00719261-00CL

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

ROYAL BANK OF CANADA Applicant	- and -	**Commercial Packaging Solutions Inc and 2777463 Ontario Inc**. Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF JACOB WIEBE

GRANT THORNTON LIMITED
200 King Street West, Box 11
11th Floor
Toronto, ON, M5H 3T4

Tel. 416-366-0100
Fax. 416-360-4948
Email Jake.Wiebe@ca.gt.com

APPENDIX 7

Court File No: CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

AFFIDAVIT OF THOMAS MASTERSON
(Sworn August 15, 2024)

I, **THOMAS MASTERSON**, of the City of London, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a solicitor qualified to practice law in the Province of Ontario and I am a lawyer with Harrison Pensa LLP, who acts as counsel for Grant Thornton Limited, in its capacity as Court-Appointed Receiver of the Respondents, Commercial Packaging Solutions Inc. and 2777463 Ontario Ltd., in the within proceeding, and as such I have knowledge of the matters to which I hereinafter depose except for those matters based expressly upon information and belief.

2. Attached hereto and marked as **Exhibit "A"** is a summary of the time incurred by professionals at Harrison Pensa LLP, the hourly rate and fees associated with such and disbursements in relation with this matter for the period of May 29, 2024 to June 26, 2024.

3. Attached hereto and marked as **Exhibit "B"** are particulars of time spent by professionals at Harrison Pensa LLP in connection with this matter for the period of May

29, 2024 to June 26, 2024 and an account statement detailing the services provided dated July 10, 2024.

4. Attached hereto and marked as **Exhibit "C"** is a summary of the time incurred by professionals at Harrison Pensa LLP, the hourly rate and fees associated with such and disbursements in relation with this matter for the period of July 3, 2024 to August 13, 2024.

5. Attached hereto and marked as **Exhibit "D"** are particulars of time spent by professionals at Harrison Pensa LLP in connection with this matter for the period of July 3, 2024 to August 13, 2024 and an account statement detailing the services provided dated August 15, 2024.

6. The hourly billing rates set out in the Exhibits are comparable to the hourly rates charged by Harrison Pensa LLP for services rendered in relation to similar proceedings.

7. The fees and disbursements of Harrison Pensa LLP in this matter to August 13, 2024 are as follows:
    a. Total Billed Fees and Disbursements from May 29, 2024 to June 26, 2024 - $10,643.22; and
    b. Total Billed Fees and Disbursements from July 3, 2024 to August 13, 2024 - $3,267.96

    Total: $13,911.18

8. The weighted average hourly rate charged by professionals at Harrison Pensa LLP is $446.11.

9. I make this Affidavit in support of among other things, approval of fees and disbursements of the counsel for the Receiver.

Sworn before me: ☒ in person OR ☐ by video conference

by Thomas Masterson at the City of London in the County of Middlesex, before me on August 15, 2024, in accordance with O. Reg. 431/20 Remotely.

Commissioner for Taking Affidavits	THOMAS MASTERSON

Court File No: CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

COMMERCIAL PACKAGING SOLUTIONS INC. and
2777463 ONTARIO LTD.

Respondents

EXHIBITS

TABS “A” TO “D” ARE THE
EXHIBITS TO THE AFFIDAVIT OF
THOMAS MASTERSON
SWORN THIS 15TH DAY OF AUGUST, 2024

____
A Commissioner for taking Affidavits

EXHIBIT A

(From May 29, 2024 to June 26, 2024)

	NAME	YEAR OF CALL	ACTUAL HOURS	HOURLY RATE	TOTAL
Partners	Timothy C. Hogan	1995	5.70	$550.00	$3,135.00
	Christian J. Hamber	1995	8.90	$550.00	$4,895.00
	Robert Danter	2016	3.50	$295.00	$1,032.50
Clerks	Isabelle Stacey		0.50	$140.00	$70.00
	Emma Benaway		0.20	$125.00	$25.00
	Andrea Tingey		0.40	$100.00	$40.00
TOTAL FEES					**$9,197.50**
HST ON FEES					**$1,195.68**
TOTAL TAXABLE DISBURSEMENTS					**$221.27**
TOTAL NON – TAXABLE DISBURSEMENTS					**$0.00**
HST DISBURSEMENTS					**$28.77**
TOTAL FEES, DISBURSEMENTS AND HST					**$10,643.22**

EXHIBIT B

Harrison Pensa
LAWYERS
130 Dufferin Avenue, Suite 1101
P.O. Box 3237
London, ON N6A 4K3

Telephone: (519) 679 9660
Facsimile: (519) 667 3362

Grant Thornton Limited
11th Floor, 200 King Street W., Box 11
Toronto, ON
M5H 3T4

July 10, 2024
Invoice #: 2233649
Account #: 2233649-202285

File #: 202285/Timothy C. Hogan
RE: Commercial Packaging Solutions Inc.

TO ALL PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter, including:

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
29-May-24	Review application, endorsement and Order, e-mail to client	.50	$275.00	TCH
29-May-24	Title services Parcel, draft preparation for receivership order	.40	$40.00	ATI
30-May-24	E-mail with client, e-mail to counsel re Order and stay	.40	$220.00	TCH
30-May-24	To email correspondence;	.20	$28.00	IST
30-May-24	To draft letter;	.30	$42.00	IST
31-May-24	Register order	.30	$88.50	RDA
31-May-24	Email to client	.20	$59.00	RDA
4-Jun-24	Draft letter re charge	.70	$206.50	RDA
4-Jun-24	Email to client	.20	$59.00	RDA
5-Jun-24	Review letter to mortgagor	.20	$110.00	TCH
5-Jun-24	Emails to client	.50	$147.50	RDA
5-Jun-24	Revise letter to mortgagee	.30	$88.50	RDA
6-Jun-24	E-mails with client	.40	$220.00	TCH
6-Jun-24	Finalize letter re mortgage	.30	$88.50	RDA
6-Jun-24	Email to debtor counsel	.20	$59.00	RDA
6-Jun-24	Email to client	.20	$59.00	RDA

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
7-Jun-24	E-mail with client re MTO	.20	$110.00	TCH
7-Jun-24	To email correspondence;	.10	$12.50	EMB
7-Jun-24	To mail;	.10	$12.50	EMB
11-Jun-24	Emails to counsel	.40	$118.00	RDA
12-Jun-24	Email to client	.20	$59.00	RDA
14-Jun-24	Review Polyethec issue and e-mail to client	.40	$220.00	TCH
17-Jun-24	E-mail/call with client, e-mail to debtor counsel, review agreement	.60	$330.00	TCH
17-Jun-24	To review appointment order and offer received;	.40	$220.00	CJH
17-Jun-24	To commence drafting of APS;	.40	$220.00	CJH
17-Jun-24	To review emails from and to Receiver re offer and APS;	.30	$165.00	CJH
17-Jun-24	To email from Receiver re list of assets and contracts;	.20	$110.00	CJH
18-Jun-24	E-mail from counsel to mortgage holder and to client	.40	$220.00	TCH
19-Jun-24	Review APS, call with client	.40	$220.00	TCH
19-Jun-24	To prepare, review and revise APS;	2.00	$1,100.00	CJH
19-Jun-24	To review title;	.40	$220.00	CJH
19-Jun-24	To email to Receiver re draft APS;	.30	$165.00	CJH
19-Jun-24	To email from Receiver re comments on APS;	.40	$220.00	CJH
19-Jun-24	To review and revise APS;	1.00	$550.00	CJH
19-Jun-24	To forward revised APS to Receiver;	.30	$165.00	CJH
19-Jun-24	To emails from and to Receiver re further comments;	.40	$220.00	CJH
19-Jun-24	To further revise APS;	.40	$220.00	CJH
20-Jun-24	E-mails with counsel, client, review/revise APS	1.40	$770.00	TCH
21-Jun-24	Call with client	.20	$110.00	TCH
24-Jun-24	To emails from and to Receiver and Bank re comments on APS;	.40	$220.00	CJH
24-Jun-24	To review and revise APS;	.80	$440.00	CJH
24-Jun-24	To circulate revised APS to Receiver for comments;	.20	$110.00	CJH
24-Jun-24	E-mail from client	.20	$110.00	TCH
25-Jun-24	Review agreement, e-mail to client	.40	$220.00	TCH
25-Jun-24	To review changes to APS;	.30	$165.00	CJH
25-Jun-24	To review emails to and from Receiver and buyer counsel;	.30	$165.00	CJH
26-Jun-24	To emails from Receiver and agent re APS;	.40	$220.00	CJH

Total Fees:	$ 9,197.50	
Plus GST:	0.00	
Plus HST:	1,195.68	
Total Fees (INCL TAX)		**$ 10,393.18**

FEE SUMMARY:

LAWYER	HOURS	RATE	AMOUNT
Christian J. Hamber	8.90	$550.00	$4,895.00
Timothy C. Hogan	5.70	$550.00	$3,135.00
Danter Rob	3.50	$295.00	$1,032.50
Emma Benaway	.20	$125.00	$25.00
Isabelle Stacey	.50	$140.00	$70.00
Andrea Tingey	.40	$100.00	$40.00

TAXABLE DISBURSEMENTS

Teranet Search	148.80	
Register Mail	11.49	
Postage	0.98	
Document Preparation	60.00	
Total Taxable Disbursements:	$ 221.27	
Plus GST:	0.00	
Plus HST:	28.77	
Total Disbursements (INCL TAX)		**$ 250.04**

TOTAL DUE & OWING **$ 10,643.22**

THIS IS OUR ACCOUNT HEREIN

HARRISON PENSA LLP

Per:_______________________________
Timothy C. Hogan

E. & O.E.

Harrison Pensa LLP is a registered payee with most Canadian banks.
Payment can be made online through your bank's website or mobile app.

GST / HST REGISTRATION NO: R867630543
Interest of 5.3% is charged based on the Courts of Justice Act at time of billing on all invoices over 30 days

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TERMS: DUE UPON RECEIPT
Cheque, Mastercard and VISA also accepted.

Please make cheque payable to:
HARRISON PENSA LLP, 130 Dufferin Ave., Suite 1101, P.O. Box 3237, London ON N6A 4K3

EXHIBIT C

(From July 3, 2024 to August 13, 2024)

	NAME	**YEAR OF CALL**	**ACTUAL HOURS**	**HOURLY RATE**	**TOTAL**
Partners	Timothy C. Hogan	1995	3.40	$550.00	$1,870.00
	Christian J. Hamber	1995	0.40	$550.00	$220.00
Associates	Thomas Masterson	2019	2.70	$230.00	$621.00
Clerks	Isabelle Stacey		0.40	$140.00	$56.00
	Emma Benaway		1.00	$125.00	$125.00
TOTAL FEES					**$2,892.00**
HST ON FEES					**$375.96**
TOTAL TAXABLE DISBURSEMENTS					**$0.00**
TOTAL NON – TAXABLE DISBURSEMENTS					**$0.00**
HST DISBURSEMENTS					**$0.00**
TOTAL FEES, DISBURSEMENTS AND HST					**$3,267.96**

EXHIBIT D

Harrison Pensa
LAWYERS
130 Dufferin Avenue, Suite 1101
P.O. Box 3237
London, ON N6A 4K3

Telephone: (519) 679 9660
Facsimile: (519) 667 3362

Grant Thornton Limited
11th Floor, 200 King Street W., Box 11
Toronto, ON
M5H 3T4

August 15, 2024
Invoice #: 2234805
Account #: 2234805-202285

File #: 202285/Timothy C. Hogan
RE: Commercial Packaging Solutions Inc.

TO ALL PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter, including:

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
3-Jul-24	To review emails from and to Receiver and CBRE re APS;	.40	$220.00	CJH
16-Jul-24	E-mails with client	.40	$220.00	TCH
16-Jul-24	E-mail with client	.20	$110.00	TCH
17-Jul-24	To draft commercial list request;	.40	$50.00	EMB
24-Jul-24	E-mails with client	.40	$220.00	TCH
24-Jul-24	E-mails with court	.20	$110.00	TCH
24-Jul-24	To request court date;	.20	$28.00	IST
24-Jul-24	To email client;	.20	$28.00	IST
26-Jul-24	Confirmation to Court	.20	$110.00	TCH
26-Jul-24	To draft matter form;	.20	$25.00	EMB
31-Jul-24	Review agreement, e-mail to client	.40	$220.00	TCH
7-Aug-24	To update file;	.20	$25.00	EMB
7-Aug-24	To email commercial list;	.20	$25.00	EMB
9-Aug-24	E-mails with client	.20	$110.00	TCH
12-Aug-24	To review and revise the First Report	.50	$115.00	THM
13-Aug-24	To draft Motion	1.70	$391.00	THM
13-Aug-24	Review/revise Notice of motion/ First Report	1.00	$550.00	TCH

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
13-Aug-24	E-mail to client/counsel	.40	$220.00	TCH
13-Aug-24	To draft Ancillary Order	.50	$115.00	THM

Total Fees:	$ 2,892.00	
Plus GST:	0.00	
Plus HST:	375.96	
Total Fees (INCL TAX)		**$ 3,267.96**

FEE SUMMARY:

LAWYER	HOURS	RATE	AMOUNT
Christian J. Hamber	.40	$550.00	$220.00
Timothy C. Hogan	3.40	$550.00	$1,870.00
Thomas Masterson	2.70	$230.00	$621.00
Emma Benaway	1.00	$125.00	$125.00
Isabelle Stacey	.40	$140.00	$56.00

TOTAL DUE & OWING **$ 3,267.96**

THIS IS OUR ACCOUNT HEREIN

HARRISON PENSA LLP

Per:________________________________
Timothy C. Hogan

E. & O.E.

Harrison Pensa LLP is a registered payee with most Canadian banks.
Payment can be made online through your bank's website or mobile app.

GST / HST REGISTRATION NO: R867630543
Interest of 5.3% is charged based on the Courts of Justice Act at time of billing on all invoices over 30 days

---

TERMS: DUE UPON RECEIPT
Cheque, Mastercard and VISA also accepted.

Please make cheque payable to:
HARRISON PENSA LLP, 130 Dufferin Ave., Suite 1101, P.O. Box 3237, London ON N6A 4K3

ROYAL BANK OF CANADA	-and-	COMMERCIAL PACKAGING SOLUTIONS INC. and 2777463 ONTARIO LTD.
Applicant		Respondents

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto, Ontario

AFFIDAVIT OF THOMAS MASTERSON

Harrison Pensa LLP
Barristers and Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Timothy C. Hogan (LSO #36553S)
Tel: (519) 679-9660
Fax: (519) 667-3362
Email: thogan@harrisonpensa.com

Solicitors for the Receiver,
Grant Thornton Limited

ROYAL BANK OF CANADA and COMMERCIAL PACKAGING SOLUTIONS INC., et al.

Applicant Respondents

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

FIRST REPORT OF THE RECEIVER

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2

Timothy C. Hogan (LSO #36553S)

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Lawyers for the Receiver,
Grant Thornton Limited

ROYAL BANK OF CANADA and COMMERCIAL PACKAGING SOLUTIONS INC., et al.

Applicant Respondents

Court File No. CV-24-00719261-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

MOTION RECORD

HARRISON PENSA LLP
Barristers & Solicitors
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Grant Thornton Limited