

THE QUEEN'S BENCH

Winnipeg Centre

**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT
TO SECTION 243 OF THE BANKRUPTCY AND
INSOLVENCY ACT R.S.C. 1985, c. B-3 AS
AMENDED**

B E T W E E N:
CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448124 MANITOBA LTD.

Respondent

**NOTICE OF APPLICATION
DATE OF HEARING: SEPTEMBER 29, 2015 AT 2:00 P.M.
BEFORE THE HONOURABLE MISTER JUSTICE DEWAR**

FOGLER, RUBINOFF LLP

Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Joshua R. Freeman (LSUC# 55823J)

Gregory R. Azeff (LSUC# 45324C)

Tel: 416.864.9700

Fax: 416.941.8852

Lawyers for Applicant

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF:

**THE APPOINTMENT OF A RECEIVER PURSUANT
TO SECTION 243 OF THE BANKRUPTCY AND
INSOLVENCY ACT R.S.C. 1985, c. B-3 AS
AMENDED**

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448124 MANITOBA LTD.

Respondent

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a judge, on Tuesday, the 29th day of September, 2015 at 2 o'clock in the afternoon, at the Law Courts, 408 York avenue at Kennedy Street, in The City of Winnipeg, in the Province of Manitoba.

IF YOU WISH TO OPPOSE THIS APPLICATION, you or a Manitoba lawyer acting for you must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGEMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

September 25, 2015

Issued _____
Deputy Registrar

To: The Attached Service List

APPLICATION

THE APPLICANT MAKES APPLICATION FOR:

1. An Order substantially in the form attached hereto as **Schedule "A"**, among other things:
 - (a) abridging the time for service of the Notice of Application and dispensing with service on any other person other than those served;
 - (b) appointing Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 5448124 Manitoba Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor; and
 - (c) such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

1. Cameron Stephens is a secured creditor of the Debtor;
2. The Debtor is a corporation incorporated pursuant to the laws of the Province of Manitoba;
3. The Debtor's primary asset is Burnell Apartments, being an apartment development located at 519 Burnell Street in Winnipeg, Manitoba (the "**Building**"). The Building is

3.5 storeys and is comprised of 66 one-bedroom and 22 two-bedroom units for a total of 88 units;

4. Pursuant to a commitment letter issued on February 4, 2015 and accepted by the Debtor on or about February 6, 2015 (the "**Credit Agreement**"), on April 27, 2015, Cameron Stephens advanced to the Debtor the gross amount of \$9,425,000 (the "**Credit Facility**");
5. Pursuant to the Credit Agreement, Russell E. Knight and Susannah Simes (together, the "**Guarantors**") each gave a written guarantee in respect of the Credit Facility;
6. Pursuant to the Credit Agreement, interest on the Credit Facility accrues at the rate of 3.75% per annum, calculated daily, compounded semi-annually and payable monthly not in advance based on the number of days that the loan is outstanding, or such higher rate as may be permitted pursuant to the Credit Agreement;
7. Monthly principal/interest payments on the Credit Facility are to be paid (in arrears) on the first day of each month, together with an additional monthly principal payment in the amount of \$20,000.00;
8. Interest has been accruing on the principal sum advanced from and after April 27, 2015, with an interest adjustment date of May 1, 2015. Accordingly, blended payments comprised of interest and principal were to commence on June 1, 2015 and did, in fact, commence on or about that date;
9. On or about each of June 1, 2015 and July 1, 2015, the Debtor paid to Cameron Stephens the sum of \$88,405.36, comprised of interest in the amount of \$68,405.36 and \$20,000 in respect of principal;

10. The payments due on August 1, 2015 and September 1, 2015 (in respect of July and August, respectively) were returned due to insufficient funds in the Debtor's account;
11. As of September 21, 2015, the Debtor was indebted to Cameron Stephens in the aggregate amount of \$9,455,591.61 (the "**Indebtedness**"), comprised of the principal amount of \$9,306,457.02 plus (i) accrued interest in the amount of \$48,384.89; (ii) NSF fees in the amount of \$200.00; (iii) discharge fee in amount of \$550.00; and (iv) loan termination costs in the amount of \$100,000.00.
12. Pursuant to the Credit Agreement, the Debtor granted, *inter alia*, the following in favour of Cameron Stephens as security for the Indebtedness:
 - (a) a mortgage over the lands known municipally as 519 Burnell Street, Winnipeg, Manitoba, registered in the Winnipeg Land Titles Office on April 29, 2015 as Instrument No. 4597987/1 (the "**Mortgage**");
 - (b) a general assignment of rents and leases dated March 30, 2015 - a caveat bearing Instrument No. 4597988/1 was registered in the Winnipeg Land Titles Office on April 29, 2015 as notice of the Assignment of Rents;
 - (c) a general security agreement by the Debtor in favour of Cameron Stephens dated March 30, 2015 (the "**GSA**") – Cameron Stephens' security over the personal property of the Debtor, as granted under the GSA, was registered under The Personal Property Security Act Registration No. 201504632801 and notice was given in the Property Registry under Notice No. 4597989/1 dated April 27, 2015; and

- (d) an assignment of insurance policies by the Debtor in favour of Cameron Stephens dated March 30, 2015, pursuant to which the Debtor assigned to Cameron Stephens all of the Debtor's right, title and interest in any present or future insurance policies with respect to the Lands, including but not limited to those policies enumerated in Schedule A to this assignment.
13. The Debtor is in default of its obligations to Cameron Stephens under, *inter alia*, the Credit Agreement and the Mortgage. In particular and as described above, the payments which the Debtor was required to remit to Cameron Stephens due on August 1, 2015 and September 1, 2015 were returned due to insufficient of funds in the Debtor's account;
14. The Debtor's failure to make the payments described above constitute defaults under the Credit Agreement and the Mortgage;
15. By letter dated August 12, 2015, Cameron Stephens, through its counsel, provided written notice to the Debtor of its defaults under the Credit Agreement and Mortgage and, consequently, of Cameron Stephens' exercise of its right to accelerate thereunder (the "**Demand Letter**"). Enclosed with the Demand Letter was a Notice of Intention to Enforce Security delivered on behalf of Cameron Stephens in accordance with subsection 244(1) of the BIA (the "**244 Notice**");
16. Cameron Stephens' concerns about the financial health of the Debtor have been heightened as a result of the fact that rents totalling approximately \$160,000.00 were or should have been paid to the Debtor on a monthly basis and either:
- (a) the Debtor was unable to collect rent from its tenants;

- (b) the Debtor was unable to collect sufficient rent from its tenants to cover its ongoing financial obligations;
 - (c) the Debtor was collecting sufficient rent but could not conduct its financial affairs appropriately so as to meet its ongoing financial obligations; and/or
 - (d) the Debtor was collecting rent but diverting same and/or using same for purposes other than to meet its financial obligations;
- 17. To date, Cameron Stephens has received no response to its inquiries of the Debtor in regard to the Debtor's defaults and/or explanations of the Debtor's allegation of non-collection of rents at the Building;
 - 18. It is just and convenient that the Receiver be appointed;
 - 19. This is an urgent matter;
 - 20. It is impractical to effect service on all persons who may have an interest in these proceedings;
 - 21. Grant Thornton Limited has consented to act as the Court-appointed Receiver;
 - 22. The inherent and equitable jurisdiction of this Honourable Court;
 - 23. Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - 24. Bankruptcy and Insolvency General Rules, CRC 1978, c. 368 as amended, Rules 3 and 13;
 - 25. Section 55 of the *Court of Queen's Bench Act*, C.C.S.M. c. C280, as amended;

26. Court of Queen's Bench Rules, Man Reg. 553/88 as amended, Rules 3.02(1), 14.05(2), 16.04, 16.08, 38.05 and 38.07, as amended; and
27. such further and other grounds as counsel may advise and this Honourable Court may deem just.

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

- (a) Affidavit of David Minor sworn September 25, 2015 and the exhibits attached thereto;
- (b) the Consent of Grant Thornton Limited to act as Receiver; and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

September 25, 2015

Fogler, Rubinoff LLP
Toronto-Dominion Centre
77 King Street West, Suite 3000
Toronto, ON M5K 1G8

Joshua R. Freeman (LSUC# 55823J)
Gregory R. Azeff (LSUC# 45324C)

Tel: 416.864.9700
Fax: 416.941.8852

Lawyers for the Applicant

THE QUEEN'S BENCH
Winnipeg Centre

**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY*
ACT R.S.C. 1985, c. B-3 AS AMENDED**

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

**SERVICE LIST AS AT
September 25, 2015**

FOGLER, RUBINOFF LLP

Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

JOSHUA FREEMAN / GREGORY R. AZEFF

Ph: (416) 864-7621 / (416) 365-3716
Fax: (416) 941-8852

THE QUEEN'S BENCH
Winnipeg Centre

**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY*
ACT R.S.C. 1985, c. B-3 AS AMENDED**

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

-and-

5448124 MANITOBA LTD.

Respondent

SERVICE LIST

<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
FOGLER RUBINOFF LLP 77 King Street West, Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8 JOSHUA R. FREEMAN E-Mail: jfreeman@foglers.com GREG AZEFF E-Mail: gazeff@foglers.com	416-864-9700 416-864-7621 416-365-3716	416-941-8852	Counsel for the Applicant, Cameron Stephens Financial Corporation and Cameron Stephens Mortgage Capital Ltd.

<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
AIKINS MACAULAY & THORVALDSON LLP 30 th Floor – 360 Main Street Winnipeg, Manitoba R3C 4G1 J.J. BURNELL E-Mail: jjbb@aikins.com	204-957-0050 204-957-4663	204-957-0840 204-957-4285	Counsel for the Applicant, Cameron Stephens Financial Corporation and Cameron Stephens Mortgage Capital Ltd.
GRANT THORNTON LLP 200 King Street West, 11 th Floor Box 11 Toronto, ON M5H 3T4 MICHAEL CREBER E-Mail: michael.creber@ca.gt.com JAN OROS E-Mail: jan.oros@ca.gt.com	416-366-0100 416-369-7047 416-360-5023	416-360-4949 416-360-4949 905-475-8906	Proposed Receiver
TAYLOR McCaffrey LLP 9 th Floor – 400 St. Mary Ave. Winnipeg, MB R3C 4K5 DAVID JACKSON E-Mail: djackson@tmlawyers.com SAM GABOR E-Mail: sgabor@tmlawyers.com	204-949-1312 204-988-0375 204-988-0346	 204-953-7178 204-953-7209	Counsel for the Proposed Receiver
DEPARTMENT OF JUSTICE CANADA 301 – 310 Broadway Winnipeg, MB R3C 0S6 DENYSE COTE E-Mail: denyse.cote@justice.gc.ca	204-983-2391 204-984-2230	204-983-3636	Counsel for Canada Revenue Agency

<i>Party/Counsel</i>	<i>Telephone</i>	<i>Facsimile</i>	<i>Party Represented</i>
MANITOBA JUSTICE CIVIL LEGAL SERVICE 730 – 405 Broadway Winnipeg, MB R3C 3L6 MARJORIE WEBB E-Mail: marjorie.webb@gov.mb.ca SEAN BOYD E-Mail: sean.boyd@gov.mb.ca	204-945-2832 204-945-2877 204-945-0165	204-948-2041 204-948-2244 204-948-2826	Counsel The Province of Manitoba (Employment Standards) (Finance)
5448124 MANITOBA LTD. c/o CARROLL LAW OFFICE 902-388 Portage Avenue Winnipeg, MB R3C 0C8			Debtor

THE QUEEN'S BENCH

Winnipeg Centre

IN THE MATTER OF:

**THE APPOINTMENT OF A RECEIVER PURSUANT
TO SECTION 243 OF THE BANKRUPTCY AND
INSOLVENCY ACT R.S.C. 1985, c. B-3 AS
AMENDED**

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448124 MANITOBA LTD.

Respondent

**ORDER
(appointing receiver)**

FOGLER, RUBINOFF LLP

Lawyers

77 King Street West

Suite 3000, P.O. Box 95

TD Centre North Tower

Toronto, ON M5K 1G8

Joshua R. Freeman (LSUC# 55823J)

Gregory R. Azeff (LSUC# 45324C)

Tel: 416.864.9700

Fax: 416.941.8852

Lawyers for Applicant

THE QUEEN'S BENCH
WINNIPEG CENTRE

THE HONOURABLE MISTER

)

TUESDAY, THE 29TH

JUSTICE DEWAR

)

DAY OF SEPTEMBER, 2015

)

IN THE MATTER OF:

**THE APPOINTMENT OF A RECEIVER PURSUANT
TO SECTION 243 OF THE BANKRUPTCY AND
INSOLVENCY ACT R.S.C. 1985, c. B-3 AS
AMENDED**

BETWEEN

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

5448142 MANITOBA LTD.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant, Cameron Stephens Financial Corporation 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**") appointing Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 5448124 Manitoba Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Winnipeg, Manitoba.

ON READING the affidavit of David Minor sworn September 25, 2015 and on hearing the submissions of counsel for the Applicant and counsel for the Proposed Receiver and no one appearing for any other party although duly served as appears from the affidavit of service of Samantha Dunn sworn September 28, 2015, and on reading the consent of Grant Thornton Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

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 Debtor, 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 Debtor;

- 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 Debtor or any part or parts thereof;
- f. to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- g. to settle, extend or compromise any indebtedness owing to the Debtor;
- 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 Debtor, 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 Debtor, 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 \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; 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 59(10) and (17) of the *Personal Property Security Act* (Manitoba) 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 Debtor;
- p. to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- q. to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that if there is any dispute with a party other than the Debtor (a "**Third Party**") as to whether any property (the "**Disputed Property**") is owned by such Third Party or by the Debtor (and therefore constitutes Property which properly should be in the possession of the Receiver pursuant to the terms of this Order), such Disputed Property shall be held by the Receiver pending further Order of this Court. Either the Third Party or the Receiver may make application to this Court on seven (7) days prior notice to the other for an order asking for directions with respect to the Disputed Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the 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.
6. 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 Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the 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 6 or in

paragraph 7 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.

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

NO PROCEEDINGS AGAINST THE RECEIVER

9. 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 DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

14. 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

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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

16. 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. 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 *Environmental Act* (Manitoba), the *Water Resources Conservation Act* (Manitoba), the *Contaminated Sites Remediation Act* (Manitoba), the *Dangerous Goods Handling and*

Transportation Act (Manitoba), the *Public Health Act* (Manitoba) or the *Workplace Health and Safety Act* (Manitoba) 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

18. 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

19. 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.
20. 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 this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

21. 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

22. 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 \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the 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.
23. 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.
24. 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.

25. 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

26. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve 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 electronic transmission to the Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent and that any such service or notice by courier, personal delivery or electronic 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. Interested persons who do not send a request, in writing, to counsel for the Applicant to be added to the service list (hereinafter defined) shall not be required to be served further in these proceedings.
27. THIS COURT ORDERS that counsel for the Applicant shall prepare and provide to the Receiver a service list to be kept current by the Receiver (the "**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or e-mail address) for service to: the Applicant; the Receiver; and each creditor or other interested party who has sent a request, in writing, to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each person on the Service List has elected to be served by e-mail or facsimile, and failing such election the Service List shall indicate service by e-mail. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 28 herein. **For greater certainty, creditors and other interested persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List shall not be required to be further served in these proceedings.**

28. THIS COURT ORDERS that the Applicant, the Receiver, and all parties on the Service List may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.GrantThornton.ca/.

GENERAL

29. 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.
30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
31. 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.
32. 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.
33. 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 solicitor and client basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. 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.

September 29, 2015

The Honourable Mr. Justice Dewar

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of 5448124 Manitoba Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of The Queen's Bench, Winnipeg Centre (the "**Court**") dated the 29th day of September, 2015 (the "**Order**") made in an action having Court file number CI 15-01-97799, 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 \$250,000 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 of the Property, and not in its
personal capacity

Per:

Name:

Title: