

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.
JUSTICE MCEWEN

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WEDNESDAY, THE 22ND
DAY OF MAY, 2019

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

BETWEEN:

FEMISKAMING DEVELOPMENT FUND CORPORATION

Applicant

- and -

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

Respondent

ORDER

(APPROVAL OF RECEIVER'S ACTIVITIES AND FEES)

THIS MOTION made by Grant Thornton Limited in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of 1793082 Ontario Ltd., o/a K.D. Quality Pellets (the "**Company**" or the "**Debtor**") for an order:

- (a) abridging the time for service of the Notice of Motion and the Motion Record herein, if necessary, and validating service thereof;
- (b) directing Kenneth Andrew Doupe ("**Mr. Doupe**"), the principal of the Debtor, to:
 - i. provide the Receiver and its counsel with any and all outstanding Records (as defined in the receivership order dated February 22, 2019 in these proceedings) and specifically certain requested financial and

tax related information as it pertains to the Debtor and as required by the Receiver for a proper account reconciliation and assessment of the Company for tax purposes (the "**Financial Information**"); and

- ii. immediately return to the Debtor's premises the Missing Assets (as defined below);
- (c) approving the Proposed Receiver's Report, the Interim Receiver's Report and the First Report (each as defined below) and the conduct and activities of GTL as respectively described therein; and
- (d) approving the fees and disbursements of the Receiver and its legal counsel, Cassels Brock & Blackwell LLP ("**Cassels**") up to and including April 30, 2019 as set out in the Affidavit of Daniel Wootton sworn May 14, 2019 (the "**Wootton Affidavit**") and the Affidavit of David Ward sworn May 13, 2019 (the "**Ward Affidavit**");

was heard this day at 330 University Avenue, Toronto, Ontario by way of Court Call.

ON READING the Notice of Motion of the Receiver, Proposed Receiver's Report, the Interim Receiver's Report, the First Report and on hearing the submissions of counsel for the Receiver, counsel for the Purchaser and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Monique Sassi sworn May 14, 2019 filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record be and is hereby abridged and validated so that the Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT DIRECTS** Mr. Doupe, as principal of the Debtor, to immediately provide the Receiver and Cassels with any and all outstanding Records and the Financial Information.

3. **THIS COURT DIRECTS** Mr. Doupe, as principal of the Debtor, to immediately return the following Property (as defined in the receivership order dated February 22, 2019 in these proceedings) of the Debtor to the Debtor's Premises (as defined in the First Report):

- (a) A 2006 Vermeer Horizontal Industrial Grinder (S/N: N1VRY4531271000225)
- (b) Various testing and/or quality measurement lab instrument equipment

APPROVAL OF REPORTS

4. **THIS COURT ORDERS** that the Report of Grant Thornton Limited in its capacity as proposed receiver of the Debtor (in such capacity the "**Proposed Receiver**") dated January 7, 2019 (the "**Proposed Receiver's Report**") and the activities of the Proposed Receiver, as applicable, referred to therein, be and are hereby approved; provided, however, that only the Proposed 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.

5. **THIS COURT ORDERS** that the First Report of Grant Thornton Limited in its capacity as interim receiver of the Debtor (in such capacity the "**Interim Receiver**") dated February 8, 2019 (the "**Interim Receiver's Report**") and the activities of the Interim Receiver, as applicable, referred to therein, be and are hereby approved; provided, however, that only the Interim 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.

6. **THIS COURT ORDERS** that the First Report of Grant Thornton Limited in its capacity as receiver and manager of the Debtor (in such capacity the "**Receiver**") dated May 14, 2019 (the "**First Report**") and the activities of the Receiver, as applicable, referred to therein, be and are hereby 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.

7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period January 7, 2019 to April 30, 2019 as described in the Wootton Affidavit are hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of Cassels for the period December 12, 2018 to April 30, 2019 as described in the Ward Affidavit are hereby approved.

GENERAL

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere, to give effect to this Order and to assist each of the Debtor, the Receiver and their respective 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 each of the Debtor and to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist each of the Debtor and the Receiver and their respective agents in carrying out the terms of this Order.



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

MAY 22 2019

PER / PAR: 

TEMISKAMING DEVELOPMENT FUND CORPORATION
Applicant

and

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

Court File No. CV-19-00612265-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Approval of Activities and Fees)**

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