Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

MOTION RECORD

(Returnable September 4, 2020)

August 24, 2020

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Court-appointed Receiver

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

INDEX

Tab	**Document**
Appendix H	Certificate of Bankruptcy dated February 5, 2020
Appendix I	Second Report dated April 15, 2020 (without appendices)
Appendix J	Approval and Vesting Order dated April 22, 2020
Appendix K	US Recognition of Approval and Vesting Order dated May 21, 2020
Appendix L	HSBC-BDO Subordination Agreement dated July 25, 2018
Appendix M	CRA Payroll Examination dated February 20, 2020
Appendix N	Affidavit of Rob Stelzer sworn August 21, 2020
Appendix O	Affidavit of Geoffrey Foo sworn July 29, 2020
Appendix P	Affidavit of D.J. Miller sworn August 6, 2020
Appendix Q	Affidavit of Christopher Hunker sworn August 14, 2020
Appendix R	Affidavit of Kirk Dryer sworn August 17, 2020
Appendix S	Affidavit of Donald Martin sworn August 17, 2020
3	Draft Distribution and Discharge Order

Tab 1

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

NOTICE OF MOTION
(Returnable September 4, 2020)

GRANT THORNTON LIMITED ("**GTL**"), in its capacity as court-appointed receiver and manager (the "**Receiver**") of Comsale Computer Inc. ("**Comsale Computer**"), Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd. and Comsale Singapore Private Limited (collectively, the "**Comsale Entities**") will make a motion to a Judge presiding over the Commercial List on September 4, 2020, at 2:00 p.m. or as soon after that time as the motion can be heard by judicial teleconference via Zoom at Toronto, Ontario. Please refer to the conference details attached as Schedule "A" hereto in order to attend the motion and advise if you intend to join the motion by emailing Rachel Bengino at rbengino@tgf.ca.

PROPOSED METHOD OF HEARING: This Motion is to be heard orally.

THIS MOTION IS FOR:

1. An Order, *inter alia* (the "**Distribution and Discharge Order**")

(i) authorizing the Receiver to distribute up to $1,100,000 plus any Future Receipts (as defined below) up to a maximum of $19,246,517 to HSBC Bank Canada ("**HSBC**");

(ii) approving the fees and disbursements of the Receiver and Grant Thornton Malaysia, and the Receiver's local Canadian and various foreign counsel being, Thornton Grout Finnigan LLP, Linklaters LLP, Burr Forman LLP, Lewis Rocca Rothgerber Christie LLP and Shearn Delamore & Co, as described in the Receiver's Third Report dated August 23, 2020 (the "**Third Report**");

(iii) approving the estimated fees of the Receiver and certain of its counsel to be incurred to complete the Receivership (the "**Final Fees**") as set out in the Third Report;

(iv) approving the Receiver's final statement of receipts and disbursements (the "**R&D**") as set out in the Third Report;

(v) discharging GTL as Receiver of the Comsale Entities upon the filing of a certificate substantially in the form attached as Schedule "A" to the Distribution and Discharge Order (the "**Discharge Certificate**") confirming that the Receiver has completed the Remaining Duties (as defined below); and

(vi) releasing and discharging GTL from any liability in connection with the discharge of its duties as Receiver of the Comsale Entities and barring all claims against GTL in connection with the within estate upon its discharge as Receiver of the Comsale Entities;

(vii) approving the Third Report and the conduct and activities of the Receiver as described in the Third Report.

THE GROUNDS FOR THE MOTION are as follows:

Background

2. By Order (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 5, 2019 (the "**Receivership Order**"), Grant Thornton Limited was appointed Receiver of the Comsale Entities pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and, with respect to Comsale Computer Inc., Comsale Group Inc. and Comsale Inc., section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. By Order dated January 7, 2020, the Receivership Order was expanded to include Comsale Singapore Private Limited;

3. The Receivership Order was recognized in the United States by Final Order dated December 11, 2019 of the United States Bankruptcy Court for the Southern District of New York (the "**US Court**") pursuant to Chapter 15 of the United States Bankruptcy Code;

4. The Receivership Order was also recognized in the High Court of Malaya at Kuala Lumpur, in the Federal Territory of Kuala Lumpur (Commercial Division) with respect to Comsale Computer pursuant to an Order dated November 27, 2019;

5. Pursuant to an Order of the Court dated December 20, 2019, the Court approved the sale process as described in the Receiver's First Report to the Court dated December 13, 2019 (the "**Sale Process**"), which was also recognized by the US Court on February 4, 2020;

6. On February 5, 2020, the Receiver exercised its powers pursuant to the Receivership Order and filed an assignment in bankruptcy for Comsale Computer with GTL acting as trustee in bankruptcy (the "**Trustee**");

7. On April 22, 2020, the Court granted an order approving the asset purchase agreements entered into between the Receiver and successful purchasers from the Sale Process, which was also recognized by the US Court on May 5, 2020. All transactions pursuant to such asset purchase agreements have been completed;

8. The Receiver has now substantially completed the administration of the Comsale Entities' estates;

Future Receipts and Distribution to HSBC

9. As further described in the Third Report, certain potential future receipts may be collected by the Receiver from the Comsale Entities' estate, relating to a corporate income tax refund, HST refund and outstanding receivables (collectively, the "**Future Receipts**");

10. The Receiver is seeking authority to distribute up to $1,100,000 to HSBC, plus any Future Receipts that may be collected, up to the maximum amount of HSBC's claim, which is in excess of $19 million (and far exceeds any potential recovery in the receivership);

11. The Receiver has received a legal opinion from independent counsel that, subject to the usual assumptions and qualifications listed therein, HSBC has valid and enforceable first-ranking security against Comsale Computer and Comsale Group Inc. in the Province of Ontario;

12. The Receiver has also obtained legal opinions from the various jurisdictions in the United States where assets of Comsale Computer were located when sold (being Nevada and Tennessee), which provide that the laws in the Province of Ontario prescribe the perfection and priority of assets which are located in such jurisdictions owned by an Ontario corporation;

13. The Receiver is not aware of any parties who have a security interest over the assets of Comsale Computer in Malaysia that were sold, that would be in priority to the security interest of HSBC;

14. The only corporation of the Comsale Entities that will be making distributions is Comsale Computer. The Receiver is not aware of any other claim ranking in priority to HSBC against Comsale Computer;

15. With HSBC's consent, the Receiver may elect to transfer a portion of the amounts to be distributed to HSBC to the Trustee in order to provide further funding to the investigation being advanced by the Trustee in the bankruptcy proceedings;

Discharge of GTL as Receiver

16. GTL is seeking a discharge as Receiver of the Comsale Entities, upon completion of the following activities (the "**Remaining Activities**") and filing the Discharge Certificate:

a) payment of the Final Fees incurred by the Receiver and its counsel as approved by the Court;

b) file the corporate tax returns for Comsale Computer;

c) file the final HST remittance in the receivership, after payment of the Final Fees;

d) process a distribution(s) to HSBC as described above;

e) collect any Future Receipts related to corporate tax refunds, HST receivables or accounts receivable;

f) pay any residual balance to HSBC providing that the total payable is less than or equal to the total amount of HSBC's indebtedness;

g) seek recognition by the U.S. Court of the Distribution and Discharge Order (if granted) and proceed with discharge of GTL as Receiver of the Comsale Entities in the United States;

h) seek a discharge of GTL as Receiver, along with the recognition proceedings, in Malaysia;

i) prepare and submit the final statement of account and report of the Receiver, pursuant to s. 246(3) of the BIA; and

j) once the above activities are completed, file the Discharge Certificate;

17. The Receiver will transfer all the books and records of the Comsale Entities to the Trustee. Thereafter, the Trustee will deal with the destruction of the books and records;

18. The Receiver is also seeking, in the proposed Distribution and Discharge Order, a release of any liability in connection with the discharge of its duties as Receiver of the Comsale Entities and barring all claims against GTL in connection with the receivership upon its discharge as Receiver of the Comsale Entities;

Approval of fees, activities and R&D

19. The Receiver is seeking approval of its fees and the fees of its counsel, as more fully described in the Third Report;

20. The Receiver is also seeking approval of the conduct and activities of the Receiver described in the Third Report;

21. The Receiver is also seeking approval of its R&D, as set out and described in the Third Report;

22. HSBC Bank Canada, the Applicant in the within proceedings, consents to the granting of the requested Order; and

23. Such 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:

1. The Receiver's Third Report to the Court dated August 23, 2020; and

2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

August 24, 2020

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca
Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca
Tel: (416) 304-1153

Lawyers for the Court-Appointed Receiver

Schedule "A"

Conference Details to join Motion via Zoom

Join Zoom Meeting
https://us02web.zoom.us/j/87588545775?pwd=Y0FVbWlrREg0bGtiMVlCUDB5YUNqUT09

Meeting ID: 875 8854 5775
Passcode: 413460
One tap mobile
+16473744685,,87588545775#,,,,,,0#,,413460# Canada
+16475580588,,87588545775#,,,,,,0#,,413460# Canada

Dial by your location
+1 647 374 4685 Canada
+1 647 558 0588 Canada
+1 778 907 2071 Canada
+1 204 272 7920 Canada
+1 438 809 7799 Canada
+1 587 328 1099 Canada
Meeting ID: 875 8854 5775
Passcode: 413460
Find your local number: https://us02web.zoom.us/u/kvcAxXW5Z

SERVICE LIST
(as at August 19, 2020)

TO:	**THORNTON GROUT FINNIGAN LLP** 100 Wellington Street West, Suite 3200 TD West Tower Toronto, ON M5K 1K7 Fax: (416) 304-1313 **D.J. Miller** Tel: (416) 304-0559 Email: djmiller@tgf.ca **Rachel Bengino** Tel: (416) 304-1153 Email: rbengino@tgf.ca Lawyers for Grant Thornton Limited, the Court-Appointed Receiver
AND TO:	**GRANT THORNTON LIMITED** 200 King Street West 11th Floor Toronto, ON M5H 3T4 Fax: (416) 360-4949 **Michael Creber** Tel: (416) 369-7047 Email: Michael.Creber@ca.gt.com **Rob Stelzer** Tel: (416) 607-8849 Email: Rob.Stelzer@ca.gt.com **Aaron Previte** Tel: (416) 607-4566 Email: Aaron.Previte@ca.gt.com Court-Appointed Receiver

AND TO:	**BAKER MCKENZIE LLP** 181 Bay Street, Suite 210 Brookfield Place Toronto, ON M5J 2T3 Fax: (416) 863-6275 **Michael Nowina** Tel: (416) 865-2312 Email: Michael.Nowina@bakermckenzie.com **John Pirie** Tel: (416) 865-2325 Email: John.Pirie@bakermckenzie.com Independent Counsel to the Court-Appointed Receiver
AND TO:	**WEIRFOULDS LLP** 66 Wellington Street West Suite 4100, P.O. Box 35 TD Bank Tower Toronto, ON M5K 1B7 Fax: (416) 365-1876 **Philip Cho** Tel: (416) 619-6296 Email: pcho@weirfoulds.com Counsel to Microsoft Canada Inc.
AND TO:	**FOGLER, RUBINOFF LLP** 77 King Street West Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8 Fax: (416) 941-8852 **Vern W. DaRe** Tel: (416) 941-8842 Email: vdare@foglers.com Lawyers for BDC Capital Inc.

AND TO:	**NEIL SHAUL** 158 Wallenberg Drive Maple, ON L6A 4M2 Email: neil@comsale.com / comsaleinc@gmail.com Director of Comsale Computer Inc., Comsale Inc., Comsale Group Inc., Comsale Singapore Private Limited, Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited
AND TO:	**HUANG LI** 164 Gangsa Road #03-82 Singapore (670164) Email: huangli30272575@hotmail.com Director of Comsale Singapore Private Limited
AND TO:	**FENG WENQIANG** 517 – 39 Pemberton Avenue Toronto, ON M2M 4L6 Email: kkdos1980@gmail.com Director of Comsale Computer Inc., Comsale Group Inc., Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited
AND TO:	**EXPORT DEVELOPMENT CANADA** 150 Slater Street Ottawa, ON K1A 1K3 **Katie Furfaro** Email: KFurfaro@edc.ca
AND TO:	**CWB NATIONAL LEASING INC.** 1525 Buffalo Place Winnipeg, MB R3T 1L9 Email: Emmanuel9093@cwbnationalleasing.com

AND TO:	**GOWLING WLG** 100 King Street West, Suite 1600 Toronto, ON M5X 1G5 **E. Patrick Shea** Tel: (416) 369-7399 Fax: (416) 862-7661 Email: patrick.shea@gowlingwlg.com Lawyers for Amazon Capital Services Inc.
AND TO:	**GLOBAL PLAS INC.** 300 Spinnaker Way Concord, ON L4K 4W1 **John Hunjan** Tel: (416) 505-8097 Email: jhunjan@globalplas.ca Landlord of the head office premises of Comsale Computer Inc. in Vaughan, Canada
AND TO:	**RATHCLIFFE PROPERTIES LIMITED** 1020 Lawrence Avenue West, Suite 300 Toronto, ON M6A 1C8 **Michael Tylman** Tel: (416) 787-1135 x 223 Fax: (416) 787-8017 Email: mtylman@rathcliffe.com Landlord of the Canadian warehouse of Comsale Computer Inc. in St. Catharines, Canada
AND TO:	**FPIP – MEMPHIS, LLP** c/o Colliers Management Services 6363 Poplar Avenue, Suite 400 Memphis, TN 38119, USA **Shellie Moses** Tel: (901) 312 5752 Fax: (901) 312 5750 Email: shellie.moses@colliers.com Landlord of the US warehouse of Comsale Inc. in Memphis, TN

AND TO:	**LBA REALTY / LBA RV-COMPANY, LP** 1 Embarcadero Center, Suite 710 San Francisco, CA 94111, USA **Andrea Terwilliger** Tel: (510) 909 1532 Email: ATerwilliger@lbarealty.com Landlord of the US warehouse of Comsale Inc. in Reno, NV
AND TO:	**TENNESSEE DEPARTMENT OF REVENUE** 500 Deaderick Street Nashville, TN 37242, USA **Deborah McAlister** Tel: (615) 532-6332 Email: Deborah.McAlister@tn.gov Sales tax office in Tennessee
AND TO:	**MEMPHIS LIGHT, GAS & WATER** 220 S. Main Street PO Box 430 Memphis, TN 38109, USA **Alisha Payne** Tel: (901) 528 4307 Email: crc@mlgw.org
AND TO:	**THE TORONTO-DOMINION BANK / TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK** 2020 Winston Park Drive, Suite 301 Oakville, ON L6H 6X7 **Richard Phongsivorabouth** Tel: (416) 308-3902 Fax: (416) 982-7710 Email: Richard.Phongsivorabouth@td.com
AND TO:	**CANADIAN DEALER LEASE SERVICES INC.** 372 Bay Street, Suite 1800 Toronto, ON M5H 2W9 Tel: (416) 703-4968 Fax: (905) 832-1557 Email: Alexander.Iulianella@scotiadealeradvantage.com Email: terry@maplemazda.com

AND TO:	**VFS CANADA INC.** 238 Wellington St. E., 3rd Floor Aurora, ON L4G 1J5 **Murielle Graff** Tel: (905) 726-5563 Fax: (905) 726-5563 Email: murielle.graff@vfsco.com
AND TO:	**MERCEDES-BENZ FINANCIAL SERVICES CANADA CORPORATION** 2680 Matheson Blvd. E., Suite 500 Mississauga, ON L4W 0A5 **Henry Wang** Tel: (866) 870-9329 ext. 37155 Fax: (877) 491-2131 Email: henry.wang@daimler.com

E-mail Service List
(as at August 19, 2020)

djmiller@tgf.ca; rbengino@tgf.ca; Michael.Creber@ca.gt.com; Rob.Stelzer@ca.gt.com; Aaron.Previte@ca.gt.com; Michael.Nowina@bakermckenzie.com; John.Pirie@bakermckenzie.com; pcho@weirfoulds.com; KFurfaro@edc.ca; pcho@weirfoulds.com; vdare@foglers.com; neil@comsale.com; comsaleinc@gmail.com; huangli30272575@hotmail.com; kkdos1980@gmail.com; Emmanuel9093@cwbnationalleasing.com; patrick.shea@gowlingwlg.com; jhunjan@globalplas.ca; mtylman@rathcliffe.com; shellie.moses@colliers.com; ATerwilliger@lbarealty.com; Deborah.McAlister@tn.gov; crc@mlgw.org; Richard.Phongsivorabouth@td.com; Alexander.Iulianella@scotiadealeradvantage.com; terry@maplemazda.com; murielle.graff@vfsco.com; henry.wang@daimler.com

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA and **COMSALE COMPUTER INC. et al.**

Applicant

Respondents

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at Toronto

NOTICE OF MOTION

Thornton Grout Finnigan LLP
Barristers and Solicitors
Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7

D.J. Miller (LSO# 34393P)
Tel: 416-304-0559
Email: djmiller@tgf.ca

Rachel A. Bengino (LSO# 68348V)
Tel: 416-304-1153
Email: rbengino@tgf.ca

Fax: 416-304-1313

Lawyers for the Court-Appointed Receiver

Tab 2

Court File No: CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. and COMSALE SINGAPORE PRIVATE LIMITED

Respondents

THIRD REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER

August 23, 2020

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

TABLE OF CONTENTS

APPENDICES

Appendix A	Receivership Order dated November 5, 2019
Appendix B	US Recognition Order dated December 13, 2019
Appendix C	Malaysian Recognition Order dated November 27, 2019
Appendix D	First Report dated December 13, 2019 (without appendices)
Appendix E	Sale Process Order dated December 20, 2019
Appendix F	Expansion Order dated January 7, 2020
Appendix G	US Recognition of Sale Process Order dated February 4, 2020
Appendix H	Certificate of Bankruptcy dated February 5, 2020
Appendix I	Second Report dated April 15, 2020 (without appendices)
Appendix J	Approval and Vesting Order dated April 22, 2020
Appendix K	US Recognition of Approval and Vesting Order dated May 21, 2020
Appendix L	HSBC-BDO Subordination Agreement dated July 25, 2018
Appendix M	CRA Payroll Examination dated February 20, 2020
Appendix N	Affidavit of Rob Stelzer sworn August 21, 2020
Appendix O	Affidavit of Geoffrey Foo sworn July 29, 2020
Appendix P	Affidavit of D.J. Miller sworn August 6, 2020
Appendix Q	Affidavit of Christopher Hunker sworn August 14, 2020
Appendix R	Affidavit of Kirk Dryer sworn August 17, 2020
Appendix S	Affidavit of Donald Martin sworn August 17, 2020

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

THIRD REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER

August 23, 2020

INTRODUCTION

1) This report (the "**Third Report**") is filed by Grant Thornton Limited ("**GTL**") in its capacity as receiver and manager (the "**Receiver**") of Comsale Computer Inc. ("**Comsale Computer**"), Comsale Inc. ("**Comsale US**"), Comsale Group Inc. ("**Comsale Group**"), Comsale Hong Kong Limited ("**Comsale Hong Kong**"), Comsale Malaysia Sdn. Bhd. ("**Comsale Malaysia**") and Comsale Singapore Private Limited ("**Comsale Singapore**" and, collectively, the "**Comsale Entities**").

2) On November 5, 2019, the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") granted an order appointing GTL as Receiver, without security, over all the assets, undertakings and properties of the Comsale Entities (not including Comsale Singapore) (the "**Receivership Order**"). A copy of the Receivership Order is attached hereto as **Appendix "A"**.

3) On November 15, 2019, the United States Bankruptcy Court for the Southern District of New York (the "**US Court**") granted a provisional relief order (the "**US Provisional Order**") pursuant to Chapter 15 of the United States Bankruptcy Code, recognizing the appointment of GTL as the Receiver of Comsale Computer, Comsale US and Comsale Group pursuant to the Receivership Order. On December 13, 2019, Judge James L. Garrity, Jr. of the US Court granted the final recognition of the Receivership Order (the "**US Order**") specific to the abovementioned entities, a copy of which is attached hereto as **Appendix "B"**.

4) On November 27, 2019, the High Court of Malaya at Kuala Lumpur, in the Federal Territory of Kuala Lumpur (Commercial Division) (the "**Malaysian Court**") granted an order recognizing the appointment of GTL as the Receiver of Comsale Computer pursuant to the Receivership Order in Malaysia (the "**Malaysian Order**"). A copy of the Malaysian Order granted by the Honorable Judge Azizul Azmi Bin Adnan is attached hereto as **Appendix "C"**.

5) The Receiver's First Report to the Court dated December 13, 2019 (the "**First Report**") summarized its activities and requested Court approval of the Sale Process (as defined and described in the First Report). The First Report is attached (without appendices) as **Appendix "D".** On December 20, 2019, the Canadian Court issued an order (the "**Sale Process Order**") approving the First Report and Sale Process. On January 7, 2020, the

Canadian Court granted an order expanding the Receivership Order to include Comsale Singapore as a respondent thereto (the "**Expansion Order**"). The Sale Process Order and Expansion Order are attached hereto as **Appendix "E"** and "**F**", respectively.

6) On February 4, 2020, the US Court granted an order recognizing the Sale Process Order, which is attached as **Appendix "G"**. The Receiver's counsel in Malaysia advised that the Sale Process Order could be enforced in Malaysia and as such, no recognition of this order was required in Malaysia.

7) On February 5, 2020, the Receiver exercised the powers pursuant to the Receivership Order and filed an assignment in bankruptcy for Comsale Computer with GTL acting as trustee in bankruptcy (the "**Trustee**"). Attached as **Appendix "H"** is a copy of the certificate of bankruptcy.

8) The Receiver's Second Report to the Court dated April 15, 2020 (the "**Second Report**") summarized its activities since the First Report, requested an Approval and Vesting Order to approve the asset purchase agreements (the "**APAs**") between the Receiver and successful purchasers from the Sale Process and approval of the professional fees as detailed in the Second Report. The Second Report (without appendices) is attached as **Appendix "I"**. On April 22, 2020, the Canadian Court, amongst other things, granted an Approval and Vesting Order approving the APAs and authorizing the Receiver to take all necessary steps to complete the transactions contemplated therein (the "**Approval and Vesting Order**"). A copy of the Approval and Vesting Order is attached as **Appendix "J"**.

9) On May 5, 2020, the US Court heard and approved the Receiver's motion to recognize the Approval and Vesting Order and formally provided its recognition order on May 21, 2020, which is attached as **Appendix "K".** Similar to the Sale Process Order, the Receiver's counsel in Malaysia advised that the Approval and Vesting Order could be

enforced in Malaysia and as such, no specific recognition of this order was necessary nor sought.

PURPOSE OF THE THIRD REPORT

10) The purpose of this Third Report is to:

(a) provide the Court with an update on the status of the proceedings and the Receiver's activities since the Second Report;

(b) provide the basis for the Receiver seeking an order (the "**Distribution and Discharge Order**"):

(i) authorizing the Receiver to distribute up to $1,100,000 plus any Future Receipts (as defined below) up to a maximum of $19,246,517 to HSBC Bank Canada ("**HSBC**");

(ii) approving the fees and disbursements of the Receiver, Grant Thornton Malaysia ("**GT Malaysia**"), and the Receiver's local and foreign counsel being, Thornton Grout Finnigan LLP ("**TGF**"), Linklaters LLP ("**Linklaters**"), Burr Forman LLP ("**Burr**"), Lewis Rocca Rothgerber Christie LLP ("**Lewis Rocca**") and Shearn Delamore & Co ("**Shearn**"), as described in this Third Report;

(iii) approving the Final Fees (as defined herein) payable to the Receiver, TGF, Linklaters and Shearn;

(iv) approving the Receiver's final statement of receipts and disbursements (the "**R&D**");

(v) discharging GTL as Receiver of the Comsale Entities upon the filing of a certificate (the "**Discharge Certificate**") confirming that the Receiver has completed the Remaining Duties (as defined herein);

(vi) releasing and discharging GTL from any liability in connection with the discharge of its duties as Receiver of the Comsale Entities and barring all claims against GTL in connection with the within estate upon its discharge as Receiver of the Comsale Entities; and

(vii) approving this Third Report and the conduct and activities of the Receiver as described in this Third Report.

RESTRICTIONS AND TERMS OF REFERENCE

11) In preparing this Third Report the Receiver has relied upon unaudited financial information, Comsale Entities' books and records, to the extent available, certain financial information, discussions with the Comsale Entities' former employees and officers, and discussions with other parties. The Receiver's work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**"), International Financial Reporting Standards ("**IFRS**") or Generally Accepted Auditing Standards ("**GAAS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, IFRS or GAAS with respect to such information.

12) This Third Report has been prepared to provide general information by way of a status update to the Court and to provide the Court with context for the Receiver's request for the relief sought. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by any other party which uses this Third Report for any other purpose.

13) Capitalized terms not defined in this Third Report shall have the meaning ascribed to such terms in the Receivership Order, the First Report and the Second Report. All references to dollars are in Canadian currency, unless otherwise noted.

14) Copies of materials filed in these proceedings to date, including with respect to the foreign proceedings, are available on the Receiver's case website (the "**Receiver's Website**") at: www.GrantThornton.ca/Comsale.

THE RECEIVER'S ACTIVITIES

15) Since the Second Report, the Receiver has:

(a) closed all sale transactions contemplated in the APAs and oversaw the transfer of all purchased assets;

(b) vacated all the Comsale Entities' premises occupied by the Receiver during the receivership;

(c) liaised with various landlords and service providers to pay final invoices and end services provided during the receivership;

(d) liaised with contractors engaged during the receivership to assist the Receiver with its duties and removal of purchased assets;

(e) liaised with Grant Thornton LLP's forensics practice to recover data from the Comsale Entities' computer systems;

(f) liaised with Grant Thornton LLP's tax practice to prepare corporate tax returns for Comsale Computer;

(g) further investigated certain findings related to books and records, receivables, inventory and shipments as described the Second Report, including providing information to Stern Landesman Clark LLP ("**SLC**"), which conducted examinations on behalf of the Trustee;

(h) pursued debtors to collect pre-receivership receivables owing to the Comsale Entities;

(i) distributed sale proceeds to CWB National Leasing Inc. ("**CWB**") for assets sold during the Sale Process for which CWB had specific security;

(j) corresponded with TGF and HSBC, the largest secured creditor in these proceedings;

(k) responded to numerous enquiries from creditors, customers and other stakeholders;

(l) continued insurance policies to ensure adequate insurance coverage during the receivership up until the closure of the sales transactions contemplated in the APAs;

(m) prepared HST remittances for HST collected or paid during the receivership;

(n) administered the Wage Earner Protection Program ("**WEPP**") and assisted former employees in filing claims pursuant to the WEPP;

(o) administered the Receiver's Website in accordance with the E-Service Protocol;

(p) administered the recognition proceedings in the US estate; and

(q) prepared this Third Report.

FUTURE RECEIPTS

16) In the Receiver's view, the administration of the Comsale Entities is substantially complete. Certain potential future receipts might be collected relating to a corporate

income tax refund, HST refunds and receivable collections (collectively the "**Future Receipts**"), which are each described below.

Corporate Income Tax Refund

17) Deloitte LLP ("**Deloitte**") prepared corporate tax returns on behalf of Comsale Computer, prior to the receivership. The Receiver and Deloitte discussed the prior year corporate tax returns filed on behalf of Comsale Computer to better understand whether there could be any potential carried back losses that could be applied to seek a monetary refund from the Canada Revenue Agency ("**CRA**"). The Receiver understands that such a refund could be pursued and that recoveries could be approximately $350,000.

18) The Receiver arranged for the corporate tax returns to be prepared on behalf of Comsale Computer. As at the date of this Third Report, the corporate tax returns are being finalized in order to pursue recovery from the CRA.

Potential HST Receivables

19) The Receiver has processed various transactions through the receivership which have borne Harmonized Sales Taxes ("**HST**"). The Receiver has filed monthly remittances with the CRA to seek refunds for the HST paid net of any receipts collected which were inclusive of HST, predominantly being from the sale of assets within Canada to purchasers domiciled in Canada. A summary of the Receiver's HST remittances filed as at the date of this Third Report are as follows:

GST/HST Returns Filings - Comsale Computer Inc.				
Return Period	**Sales**	**HST Collected**	**HST Paid**	**HST Payable (Refund)**
November 6 - 30, 2019	$ -	$ -	$ 107.25	$ (107.25)
December 1 - 31, 2019	$ -	$ -	$ 7,425.95	$ (7,425.95)
January 1 - 31, 2020	$ -	$ -	$ 33,916.33	$ (33,916.33)
February 1 - 29, 2020	$ -	$ -	$ 13,407.29	$ (13,407.29)
March 1 - 31, 2020	$ -	$ -	$ 16,868.08	$ (16,868.08)
April 1 - 30, 2020	$ 866,805.49	$ 112,684.71	$ 59,100.48	$ 53,584.23
May 1 - 31, 2020	$ 10,000.00	$ 1,300.00	$ 12,220.93	$ (10,920.93)
June 1 - 30, 2020	$ -	$ -	$ 30,594.41	$ (30,594.41)
Total Refund				**$ (59,656.01)**

20) The Receiver understands that the CRA is experiencing significant delays in reviewing and processing HST remittances due to the COVID-19 pandemic and that timing to complete same is currently unknown.

21) The Receiver has processed additional transactions after June 30, 2020 and will file additional monthly HST remittances in due course. The Receiver anticipates that the total HST claim including for the additional transactions will be approximately $75,000.

<u>Remaining Accounts Receivables (Trade and Other Receivables)</u>

22) Since the Second Report, the Receiver has collected minimal additional receivables. The total book value of all uncollected receivables is approximately $2.7 million, but many of the receivables do not appear to be collectible. The Receiver is continuing to pursue certain receivables but is of the view that receivable collection efforts are largely complete.

RECEIVER'S BORROWINGS

23) Pursuant to the Receivership Order, the Receiver is authorized to borrow monies from HSBC, which is subject to the Receiver's Borrowings Charge. Since the date of the Receivership Order, the Receiver has borrowed $350,000 from HSBC (the "**Receiver's Borrowings**"), which such funds have been utilized by the Receiver to administer the

receivership proceedings, and is reflected in the R&D. On or about August 13, 2020, the Receiver repaid the Receiver's Borrowings (plus accrued interest) from the proceeds from the Sale Process, which is reflected in the R&D.

SECURED CREDITORS AND DISTRIBUTION TO HSBC

Security Opinions

24) The Receiver received a legal opinion from its independent counsel, Baker McKenzie LLP ("**Baker McKenzie**") that, subject to the usual assumptions and qualifications, HSBC has valid and enforceable security against both Comsale Computer and Comsale Group in the Province of Ontario (the only Canadian jurisdiction in which the Comsale Entities operated). Baker McKenzie also noted that HSBC's security is first ranking against Comsale Computer.

25) The Receiver received a legal opinion from Lewis Roca regarding assets of Comsale Computer which were located in the State of Nevada, USA. Lewis Rocca opined, subject to the usual assumptions and qualifications, that the laws in the Province of Ontario prescribe the perfection and priority of HSBC's security for assets which are located in Nevada and are owned by Comsale Computer (an Ontario entity).

26) The Receiver received a legal opinion from Burr regarding assets of Comsale Computer which were located in the State of Tennessee, USA. Burr opined, subject to the usual assumptions and qualifications, that the laws in the Province of Ontario prescribe the perfection and priority of HSBC's security for assets which are located in Tennessee and are owned by Comsale Computer (an Ontario entity).

27) Malaysian counsel advised that Comsale Computer was not registered as a foreign company with the Companies Commission of Malaysia. Accordingly, the registration

system for secured creditors in the Malaysian statutory scheme of registration are not applicable. For non-registered companies, the laws of the jurisdiction in which the company is incorporated are the appropriate jurisdiction in which registration must take place.

Comsale Computer

28) Based on the books and records of the Comsale Entities, the majority of the Comsale Entities' assets belonged to Comsale Computer. These assets include:

(a) all inventory wherever situated;

(b) all fixed assets in Canada; and

(c) all bank accounts in the name of Comsale Computer.

29) As is noted above, the Receiver received opinions regarding HSBC's security over Comsale Computer's assets located in Ontario, Nevada and Tennessee. The Receiver has requested a statement of indebtedness from HSBC which confirms that Comsale Computer is indebted to it in an amount in excess of $19 million, which far exceeds any potential recovery in the receivership.

30) BDC Capital Inc. ("**BDC**") has a security interest which was filed prior in time to HSBC's registration in the Ontario Personal Property Security Registry System. However, pursuant to a subordination agreement dated July 25, 2018 (the "**Subordination Agreement**") between HSBC and BDC, HSBC has first ranking security over Comsale Computer's inventory, equipment, accounts, other collateral and motor vehicles. A copy of the Subordination Agreement is attached as **Appendix "L"**.

31) The Receiver notes that pursuant to the subordination agreement, BDC continued to have priority over certain life insurance policies relating to Neil Shaul and Ken Feng, the two

directors of Comsale. However, each of the life insurance policies expired in January of 2020 and, accordingly, there is no prospect of a distribution in respect of the life insurance policies. The Receiver notified BDC in advance of the expirations and BDC decided that it would not make the payments pursuant to the policies in order to continue them. There are no Comsale Computer assets remaining where BDC has priority over HSBC.

32) The Receiver notes that CWB had priority over certain equipment used by Comsale Computer. With the consent of CWB, the Receiver sold the equipment and distributed the proceeds of sale (approximately $25,000) to CWB.

33) The Receiver further notes that Canadian Dealer Lease Services Inc. had priority over certain leased vehicles used by Comsale Computer. The Receiver determined there was no equity in the leases and allowed Canadian Dealer Lease Services Inc. to repossess the vehicles. Additionally, VFS Canada Inc. and Mercedes Benz Financial had registered a security interest in certain vehicles which were not in the Comsale Entities' possession as at the date of the Receivership; the Receiver understands the vehicles were returned to each leasing company prior to the Receivership.

34) The Receiver is not aware of any outstanding security interests relating to Comsale Computer other than what is described above.

Comsale Group

35) As is noted above, Baker McKenzie opined that the HSBC's security is valid and enforceable in the Province of Ontario for Comsale Group. However, the Receiver is not aware of any assets owned by Comsale Group as at the date of the receivership. As such, there are no funds to distribute to any creditor of the Comsale Group.

Comsale US

36) As detailed later in this Third Report, the proceeds from asset realizations were insufficient to discharge all liabilities incurred during the receivership on behalf of Comsale US. The Receiver transferred funds from Comsale Computer to Comsale US, with the approval of HSBC as the first-ranking secured creditor of Comsale Computer, to allow the Receiver to discharge its liabilities incurred on behalf of Comsale US. No distribution to any creditor will be available from this entity.

37) For the above reasons, the Receiver considered it irrelevant and not cost effective to obtain a legal opinion on the validity of HSBC's security interest as it relates to Comsale US.

Comsale Hong Kong, Comsale Malaysia, Comsale Singapore

38) The Receiver did not realize on any assets owned by Comsale Hong Kong, Comsale Malaysia or Comsale Singapore. No distribution to any creditor will be made from these entities.

Secured Creditor Summary

39) Below is a summary of the secured creditors of Comsale Computer, Comsale Group and Comsale US, as at the date of this Third Report:

Company	Secured Creditor	Status	Comments
Comsale Computer	HSBC Bank Canada	Current	Security interests ranked in priority to all other Secured Creditors based on date of registration.
Comsale Computer	BDC Capital Inc.	Current	Subordinate to HSBC per agreement dated July 25, 2018, except for life insurance policies.
Comsale Computer	CWB National Leasing Inc.	Discharged	Collateral realized and proceeds paid to CWB during receivership.
Comsale Computer	The Toronto-Dominion Bank	Discharged	Legacy registration, discharged its debt prior to receivership.
Comsale Computer	Canadian Dealer Lease Services Inc.	Discharged	Collateral returned and lease disclaimed during the receivership.
Comsale Computer	VFS Canada Inc.	Discharged	Collateral repossessed prior to the receivership.
Comsale Computer	Mercedes-Benz Financial	Discharged	Collateral repossessed prior to the receivership.
Comsale Group	HSBC Bank Canada	Current	Subordinate to BDC. In priority to all other Secured Creditors based on date of registration.
Comsale Group	BDC Capital Inc.	Current	Security interests ranked in priority to all other Secured Creditors based on date of registration.
Comsale US	HSBC Bank Canada	Current	Security interests ranked in priority to all other Secured Creditors based on date of filing.
Comsale US	BDC Capital Inc.	Current	Subordinate to HSBC per agreement dated July 25, 2018, except for life insurance policies.
Comsale US	Amazon Capital Services, Inc.	Current	Filing date after HSBC Bank Canada.
Comsale US	The Toronto-Dominion Bank	Discharged	Legacy registration, discharged its debt prior to receivership.

Distributions to HSBC

40) The Receiver is seeking authorization and direction from this Court to pay a distribution to HSBC of up to $1,100,000 plus whatever funds it may recover from the Future Receipts up to a maximum of the total amount owed to HSBC, which is in excess of $19 million. Even if the Receiver is successful in achieving the maximum potential value for the Future Receipts, HSBC will incur a significant shortfall.

41) The Receiver may, with consent of HSBC, elect to transfer a portion of the amounts to be distribute to HSBC to the Trustee in order to provide further funding to the investigation being advanced by the Trustee.

SUMMARY OF POTENTIAL PRIORITY CLAIMS

Comsale Computer

42) The Receiver has investigated and considered the existence of any priority payables that might be payable over the secured claim of HSBC, as follows:

a. on February 20, 2020, the CRA conducted its payroll examination and issued its Payroll Examination Statement of Account, which is attached as **Appendix "M"** and reports no payroll taxes as outstanding as at the date of the receivership;

b. the CRA has not yet conducted its HST examination due to the complications and delays caused by the COVID-19 pandemic. However, Comsale Computer was assigned into bankruptcy on February 5, 2020 and, as such, any outstanding claim for HST against Comsale Computer would rank as an unsecured claim. The Receiver is not making a distribution in respect of any company other than Comsale Computer; and

c. as at the date of the receivership, only termination pay was owing to employees of Comsale Computer which was paid by the Wage Earner Protection Program ("**WEPP**"). Based on s. 81.3 of the BIA and WEPP's proof of claim dated May 21, 2020, there is no priority claim owing to WEPP.

43) Based on the above, the Receiver is not aware of any priority claims that could be in priority to HSBC's secured claim against Comsale Computer.

<u>Comsale US</u>

44) As noted earlier in this Third Report, there are insufficient funds for a distribution from Comsale US. The Receiver discussed with its US counsel whether there were any priority payables which exist and, if so, if such payables would rank ahead of the costs of the receivership. Based on US Counsel's advice, the priority payables which are applicable to this situation are employee liabilities, tax amounts and amounts owing for services incurred during the receivership.

45) The Receiver had paid all final wages for employees that worked for the Receiver and is not aware of any outstanding wages or vacation pay owing to employees. Two proof of claims were received in the Chapter 15 proceedings, one from the Tennessee Department of Revenue and another from a utility provider in Memphis, both of which rank after receivership costs. The Receiver is not aware of any other potential priority claims. The Receiver has served the Tennessee Department of Revenue and the utility provider out of an abundance of caution.

PROFESSIONAL FEES – ACCRUED

46) Paragraph 19 of the Receivership Order provides that the Receiver and its legal counsel shall be paid their reasonable fees and disbursements. In addition, the Receiver and its

legal counsel were granted a first charge on the property of the Comsale Entities as security for such fees and disbursements.

47) The table below summarizes the professional firms involved, the role of each firm, fees incurred with and without sales taxes, the time period the fees relate to and the appendix with the supporting fee affidavit.

Professional Firm	Role	Fees (USD)	Fees Converted (CAD)	Total Fees incl. Sales Tax (CAD)	Time Period	Supporting Affidavit
GTL	Receiver	$ -	$ 260,703	$ 294,594	01-Apr-20 to 31-Jul-20	Appendix "N"
GT Malaysia	Receiver's representative in Malaysia	$ 14,720	$ 19,768	$ 20,954	18-Mar-20 to 05-Jun-20	Appendix "O"
TGF	Receiver's Canadian counsel	$ -	$ 49,114	$ 55,498	01-Apr-20 to 31-Jul-20	Appendix "P"
Linklaters	Receiver's US Insolvency counsel	$ 40,129	$ 54,674	$ 54,674	01-Apr-20 to 05-Aug-20	Appendix "Q"
Burr	Prepared opinion for Tennessee	$ 1,443	$ 2,007	$ 2,007	01-Mar-20 to 30-Apr-20	Appendix "R"
Lewis Rocca	Prepared opinion for Nevada	$ 2,820	$ 3,888	$ 3,888	01-Apr-20 to 30-Apr-20	Appendix "S"
		$ 59,113	**$ 390,153**	**$ 431,615**		

48) The Receiver respectfully submits that the fees and disbursements of the Receiver and its counsel, as set out in the supporting affidavits referenced in the above chart, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order. Accordingly, the Receiver requests the approval of the fees and disbursements of itself, GT Malaysia and the Receiver's counsel, at this time. HSBC, the senior secured creditor which is expected to experience a significant shortfall on its recoveries in this matter, is supportive of the payment of these fees.

PROFESSIONAL FEES – FINAL FEES

49) The Receiver, TGF, Linklaters and Shearn have estimated their final fees to be incurred to complete the receivership (the "**Final Fees**"). The table below summarizes the maximum Final Fees by professional:

Professional Firm	Role	Future Estimated Fees (CAD)
GTL	Receiver	$ 125,000
TGF	Receiver’s counsel	$ 35,000
Linklaters	Receiver’s US counsel	$ 20,000
Shearn	Receiver’s Malaysian counsel	$ 7,500
		$ 187,500

50) The Receiver respectfully requests the approval of the Final Fees noted above. HSBC is supportive of these Final Fees.

THE RECEIVER’S FINAL R&D

51) Set out in this section is the Receiver’s R&D. The R&D shows three columns: Comsale Computer, Comsale US and Total. Note that all figures have been converted to CAD. The Receiver has separately itemized Comsale US as it was important to establish that Comsale US has no assets available for distribution as the Receiver did not seek a separate security opinion for Comsale US.

52) The Receiver did not separately itemize the receipts and disbursements for the other Comsale Entities as the Receiver has not liquidated assets belonging to these entities. Although the Receiver did liquidate inventory in Malaysia, it was inventory which belonged to Comsale Computer. The Receiver estimated that the likely realization of assets owned by Comsale Malaysia, Comsale Hong Kong and Comsale Singapore would be less than the costs to obtain recognition of the Receivership Order for these entities in each jurisdiction. Accordingly, the Receiver did not realize on assets belonging to any of these entities. Comsale Group appears to have no assets as it is a holding company for Comsale US, Comsale Malaysia and Comsale Hong Kong.

53) The Receiver has transferred funds from Comsale Computer to Comsale US to provide sufficient funds for Comsale US to discharge its liabilities incurred during the receivership,

with the approval of HSBC. The proceeds received from the sale of Comsale US's realizable assets were less than the total monies transferred from Comsale Computer during the receivership. There are no other recoveries or realizations available to Comsale US to repay the shortfall to Comsale Computer.

54) The R&D below is for the period from November 5, 2019 through to the date of this report. All US dollars have been shown at an exchange rate of $1.00 USD = $1.32 CAD. The R&D shows receipts of $4,804,387 less disbursements of $1,546,636, professional fees of $1,975,788, and the CWB distribution in the amount of $25,101, leading to total cash on hand of $1,256,861.

	COMSALE COMPUTER	COMSALE US	GRAND TOTAL
Cash Receipts			
Proceeds received from Sale of Inventory	2,847,631	-	2,847,631
Accounts Receivable Collections	416,207	206,099	622,306
Fry Litigation Settlement Proceeds	548,863	-	548,863
Advance from Secured Creditor	350,000	-	350,000
HST Collected	150,470	-	150,470
Proceeds received from Sale of Fixed Assets and Equipm	109,532	2,083	111,615
Transfer from Comsale Computer Inc.	-	103,279	103,279
Cash at Bank (at Date of Receivership)	-	33,797	33,797
FX Gain (Loss)	21,683	-	21,683
Miscellaneous Income and Refunds	11,390	-	11,390
Interest	3,124	229	3,353
Total Cash Receipts	**$ 4,458,900**	**$ 345,487**	**$ 4,804,387**
Estate Disbursements			
Repayment of Advance from Secured Creditor plus Inter	359,389	-	359,389
Occupation Rent	206,851	145,390	352,240
Retained Employees Wages	233,672	106,192	339,864
Transfer to bankruptcy estate	130,000	-	130,000
Insurance	33,833	70,896	104,729
Transfer to Comsale Inc.	103,279	-	103,279
Security	30,463	-	30,463
HST/QST paid	28,190	-	28,190
Utilities	19,037	8,409	27,446
Computer Services, Telephone and Internet	13,395	1,236	14,631
Advertising	5,750	7,494	13,243
Freight, Delivery, Courier and Mailing	11,456	-	11,456
Sundry Expenses	9,430	-	9,430
Filing and License Fees	7,735	-	7,735
Repairs and Maintenance	5,141	1,845	6,986
Waste Disposal	2,516	3,436	5,952
Duty	935	-	935
Bank Charges	77	589	666
CRA Assessment on Payroll	-	-	-
Total Estate Disbursements	**$ 1,201,149**	**$ 345,487**	**$ 1,546,636**
Professional Fees			
Receiver's Fees	901,047	-	901,047
HST on Receiver's Fees	117,136	-	117,136
Legal Fees	934,516	-	934,516
HST on Legal Fees	23,089	-	23,089
Total Professional Fees	**$ 1,975,788**	**$ -**	**$ 1,975,788**
Total Estate Disbursements incl. Professional Fees	**$ 3,176,937**	**$ 345,487**	**$ 3,522,424**
Distributions			
Payment to Secured Creditor CWB National Leasing	**25,101**	**-**	**25,101**
Cash on Hand	**$ 1,256,861**	**$ 0.00**	**$ 1,256,861**

55) The Receiver respectfully requests the Court approve the Receiver's R&D above. Set out below is a distribution schedule showing a distribution of $1,069,361 to HSBC and Final

Fees of $187,500 (as outlined earlier in this Third Report), which would represent a complete distribution of the $1,256,861 of cash on hand. The Receiver is seeking approval to effect a distribution of up to $1,100,000 to HSBC in the event that Final Fees are lower than projected. In a best-case scenario, the maximum Future Receipts are expected to be no more than $3,107,599 which would lead to a maximum of a further $3,107,599 that could be distributed to HSBC. As indicated above, the Receiver does not expect to receive Future Receipts in such quantum.

		COMSALE COMPUTER		COMSALE US		GRAND TOTAL
Cash on Hand Per Receipts and Disbursements Schedule		**$ 1,256,861**		**$ 0**		**$ 1,256,861**
Distributions						
	Distribution to HSBC Bank of Canada per its Secure	1,069,361		-		1,069,361
		$ 1,069,361		**$ -**		**$ 1,069,361**
Projected Cash on Hand						
	Estimate of Future Professional Fees	187,500				187,500
	Projected Cash on Hand	**$ 0**		**$ 0**		**$ 0.00**
Future Receipts						
	Corporate Tax	350,000		-		350,000
	HST	75,000		-		75,000
	Accounts Receivable	2,682,599		-		2,682,599
		$ 3,107,599		**$ -**		**$ 3,107,599**
	Maximum Projected Cash	**$ 3,107,599**		**$ 0**		**$ 3,107,599**

ACTIONS REQUIRED PRIOR TO DISCHARGE

56) As summarized above, the Receiver has substantially completed its duties. The following activities need to be completed prior to the finalization of the receivership, which are listed as follows (collectively, the "**Remaining Duties**"):

a. payment of the Final Fees, subject to approval of the Court;

b. file the corporate tax returns for Comsale Computer;

c. file the final HST remittance in the receivership, after payment of the Final Fees;

d. process a distribution(s) to HSBC as the first-ranking secured creditor of Comsale Computer;

e. collect any Future Receipts related to corporate tax refunds, HST receivables or accounts receivable;

f. pay any residual balance to HSBC providing that the total payable is less than or equal to the total amount of HSBC's indebtedness;

g. seek recognition by the US Court of the Distribution and Discharge Order (if granted) and proceed with discharge of GTL as Receiver of the Comsale Entities in the United States;

h. seek a discharge of GTL as Receiver, along with the recognition proceedings, in Malaysia;

i. prepare and submit the final statement of account and report of the Receiver, pursuant to s. 246(3) of the BIA; and

j. once the above activities are completed, file the Discharge Certificate in the form attached as Schedule "A" to the draft Distribution and Discharge Order.

57) The Receiver is of the view that it is appropriate at this time to seek an order of this Court discharging the Receiver, subject to the Receiver filing the Discharge Certificate with this Court confirming that the Remaining Duties have been completed.

58) The Receiver is also seeking, in the proposed Distribution and Discharge Order, a release of any liability in connection with the discharge of its duties as Receiver of the Comsale Entities and barring all claims against GTL in connection with the receivership upon its discharge as Receiver of the Comsale Entities.

Books and Records

59) As detailed in our Second Report and mentioned above, the Trustee and SLC are continuing to examine several key topics of interest that occurred prior to the receivership.

60) The Receiver will transfer all the books and records of the Comsale Entities to the Trustee. Thereafter, the Trustee will deal with the destruction of the books and records.

CONCLUSION AND RECOMMENDATION

61) For the reasons set out in this Third Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that the Court grant the Distribution and Discharge Order granting the requested relief, as set out in paragraph ten of this Third Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 23rd day of August 2020.

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF

COMSALE COMPUTER INC., ET. AL. AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: RA Stelzer ______________________________
Rob Stelzer, CPA, CA, CIRP, LIT
Vice-President

Appendix A

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY THE 5TH
	)	
JUSTICE CONWAY	)	DAY OF NOVEMBER, 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by HSBC Bank Canada (the "**Applicant**" or the "**Bank**") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") and section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, appointing Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and

Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") acquired for, or used in relation to a business carried on by the Comsale Entities, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Borch sworn November 5, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Receiver, no one else appearing or served, and on reading the consent of Grant Thornton Limited to act as the Receiver and upon being advised that the Respondents consent to the immediate appointment of a Receiver by this Court,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the 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 101 of the CJA and section 243(1) of the BIA, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc. and Comsale Inc. acquired for, or used in relation to a business carried on by such entities, including all proceeds thereof (the "**Debtor Property**").

3. THIS COURT ORDERS that pursuant to section 101 of the CJA, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited, acquired for, or used in relation to a business carried on by such entities, including all proceeds thereof (together with the Debtor Property, the "**Property**").

RECEIVER'S POWERS

4. 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, arranging for provision of utilities, 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 Comsale Entities, 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 Comsale Entities;

(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 Comsale Entities or any part or parts thereof;

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

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

(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 Comsale Entities, 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 Comsale Entities, 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 $500,000, provided that the aggregate consideration for all such transactions does not exceed $1,500,000; 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 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 Comsale Entities;

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

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

(r) to make an assignment in bankruptcy on behalf of any or all of the Comsale Entities; and

(s) 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 Comsale Entities, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Comsale Entities, (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.

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 Comsale Entities, 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.

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 COMSALE ENTITIES OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Comsale Entities 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 Comsale Entities 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 Comsale Entities, 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 Comsale Entities to carry on any business which the Comsale Entities are not lawfully entitled to carry on, (ii) exempt the Receiver or the Comsale Entities 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 any of the Comsale Entities, 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 Comsale Entities 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 Comsale Entities 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 Comsale Entities' 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 Comsale Entities 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 Comsale Entities shall remain the employees of the Comsale Entities until such time as the Receiver, on the Comsale Entities' 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 Comsale Entities, 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 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

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 their 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.

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 from the Bank 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 $750,000 (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.

INTERIM COMEBACK PERIOD

23. THIS COURT ORDERS that, pending further Order of the Court, for a period of fifteen (15) calendar days following the date of this Order (the "**Interim Comeback Period**"), the Receiver's Charge and the Receiver's Borrowing Charge shall not extend to collateral that is subject to a properly perfected security interest that is in priority to the Bank's security, including purchase money security interests. Any secured creditor that wishes to take the position that the priority charges granted pursuant to this Order should not extend to collateral subject to their security interest shall serve a motion on notice to the Receiver and the Bank within fifteen (15) calendar days of the date of this Order, seeking such relief. In the absence of an Order being granted in respect of such motion that is served within the Interim Comeback Period, all priority charges under this Order including the Receiver's Charge set forth in paragraph 19 above and the Receiver's Borrowings Charge set forth in paragraph 22 above, will apply to all assets, including those subject to purchase money security interests, equipment leases or other interests that may be in priority to the Bank's security, immediately upon the conclusion of the Interim Comeback Period without any further steps being taken.

24. 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.

25. 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.

26. 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

27. 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/Comsale.

28. 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, email, or facsimile transmission to the Comsale Entities' creditors or other interested parties at their respective addresses as last shown on the records of the Comsale Entities and that any such service or distribution by courier, personal delivery, email, 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.

RETENTION OF LAWYERS

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Thornton Grout Finnigan LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

30. 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.

31. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Comsale Entities.

32. 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, Malaysia and Hong Kong 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.

33. 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.

34. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Application 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 Comsale Entities' estates with such priority and at such time as this Court may determine.

35. 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.

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

NOV 0 5 2019

Conway J.

PER / PAR: KW

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 Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") acquired for, or used in relation to a business carried on by the Comsale Entities, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 5th day of November, 2019 (the "**Order**") made in an action having Court file number CV-19-__________, 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 of the Property, and not in its personal capacity

Per: ________________________________

Name:

Title:

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

HSBC BANK CANADA - and - **COMSALE COMPUTER INC. et al.**

Applicant Respondents

Court File No. CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(appointing Receiver)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Applicant, HSBC Bank Canada

Appendix B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 15
Comsale Group Inc., *et al.*,[1]	Case No. 19-13625 (JLG)
Debtors in a Foreign Proceeding.	Jointly Administered

ORDER RECOGNIZING FOREIGN MAIN PROCEEDING AND GRANTING RELATED RELIEF

Upon the *Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding and Related Relief* [Dkt. No. 2] (together with the Forms of Voluntary Petition [Dkt. No. 1], collectively, the "Petition")[2] of Grant Thornton Limited, in its capacity as the court-appointed receiver and manager and not in its personal or corporate capacity (the "Receiver") and authorized foreign representative (the "Foreign Representative") of Comsale Group Inc., Comsale Computer Inc. and Comsale Inc. (collectively, the "Debtors"), each of which were placed in a receivership on November 5, 2019 by the order (the "Receivership Order") of the Superior Court of Justice (Commercial List) in Ontario, Canada (the "Canadian Court"), Court File No. CV-19-630501-00CL (the "Canadian Proceeding") for entry of an order:

(a) finding that (i) each of the Debtors is eligible to be a "debtor" under chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code"), (ii) the Canadian Proceeding is a foreign main proceeding within the meaning of section 1502 of the Bankruptcy Code, (iii) the

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

[2] Capitalized terms not otherwise defined herein shall have the meanings given to them in the Verified Petition.

Foreign Representative satisfies the requirements of a "foreign representative" under section 101(24) of the Bankruptcy Code and (iv) the Petition was properly filed and meets the requirements of section 1515 of the Bankruptcy Code;

(b) granting recognition of the Canadian Proceeding as a "foreign main proceeding" under sections 1517 and 1520 of the Bankruptcy Code;

(c) granting all relief afforded to foreign main proceedings under section 1520 of the Bankruptcy Code;

(d) recognizing, granting comity to, and giving full force and effect within the territorial jurisdiction of the United States to the order of the Canadian Court appointing the Foreign Representative (the "Receivership Order"), including any and all extensions or amendments thereof authorized by the Canadian Court;

(e) granting additional relief under sections 1521 and 1507 of the Bankruptcy Code, including for purposes of applying section 365 of the Bankruptcy Code in these chapter 15 cases; and

(f) granting related relief;

all as more fully described in the Petition; and upon the record of this case, the hearing held on November 15, 2019 to consider the relief requested in the *Motion of the Receiver as Authorized Foreign Representative for Entry of an Order Granting Provisional Relief Pursuant to Sections 105(a) and 1519 of the Bankruptcy Code* and the hearing held on December 11, 2019 (the "Hearing") on the Petition and this Court's review and consideration of the Petition and the Stelzer Declaration; and the Court having found and determined that the relief sought in the Petition is consistent with the purposes of chapter 15 of the Bankruptcy Code and is in the best interests of the Debtors and their creditors; and after due deliberation and sufficient cause appearing therefor; and for the reasons stated on the record at the Hearing,

IT IS HEREBY FOUND AND DETERMINED THAT:[3]

A. This Court has jurisdiction to consider the Petition and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the Southern District of New York dated as of January 31, 2012, Reference M-431, *In re Standing Order of Reference Re: Title 11*, 12 Misc. 00032 (S.D.N.Y. Feb. 1, 2012) (Preska, C.J.).

B. The consideration of the Petition and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P), and this Court may enter a final order consistent with Article III of the United States Constitution.

C. Venue is proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3).

D. Good, sufficient, appropriate, and timely notice of the filing of the Petition and the Hearing has been given by the Foreign Representative, pursuant to Bankruptcy Rules 1011(b) and 2002(q) and the *Order Scheduling Hearing on Chapter 15 Petition and Related Relief and Specifying Form and Manner of Service of Notice* [Dkt. No. 13] to: (i) the United States Trustee for the Southern District of New York; (ii) the Debtors; (iii) Comsale Malaysia Sdn. Bhd.; (iv) Comsale Hong Kong Limited; (v) Neil Shaul and Wenqiang Feng, shareholders of Comsale Group Inc. and Comsale Computer Inc.; (vi) all persons or bodies authorized to administer foreign proceedings of the Debtors, including the Canadian Proceeding; (vii) all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code; (viii) all known

---

[3] The findings and conclusions set forth herein and on the record of the Hearing constitute this Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Rules 7052 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

creditors and contract counterparties of the Debtors in the United States; (ix) all parties to litigation pending in the United States to which any of the Debtors is a party at the time of the filing of the Petition; and (x) all parties that have filed a notice of appearance in these chapter 15 cases. In light of the nature of the relief requested and prior orders of this Court, no other or further notice is required.

E. Each of the Debtors has property located in this District, and therefore, each of the Debtors is "eligible" to be a debtor in these chapter 15 cases pursuant to sections 109 and 1501 of the Bankruptcy Code.

F. The Canadian Proceeding is a "foreign proceeding" as such term is defined in section 101(23) of the Bankruptcy Code.

G. The Canadian Proceeding is pending in Canada, which is where the Debtors have their "center of main interests" as referred to in section 1517(b)(1) of the Bankruptcy Code. As such, the Canadian Proceeding is a "foreign main proceeding" pursuant to section 1502(4) of the Bankruptcy Code, is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code and is entitled to all relief afforded to foreign main proceedings under section 1520 of the Bankruptcy Code.

H. The Foreign Representative is a "person" as such term is defined in section 101(41) of the Bankruptcy Code and has been duly appointed and designated as the "foreign representative" of the Debtors as such term is defined in section 101(24) of the Bankruptcy Code.

I. These chapter 15 cases were properly commenced pursuant to sections 1504 and 1509 of the Bankruptcy Code, and the Petition satisfies the requirements of section 1515 of the Bankruptcy Code.

J. The Foreign Representative and each of the Debtors, as applicable, are entitled to the additional assistance and discretionary relief requested in the Petition under sections 1507 and 1521 of the Bankruptcy Code (including application of section 365 of the Bankruptcy Code).

K. The Foreign Representative has demonstrated that application of section 365 of the Bankruptcy Code, as made applicable by sections 105(a), 1521(a)(7) and 1507 of the Bankruptcy Code, is necessary to enable the Foreign Representative or any of the Debtors to assume or reject a contract or compel a contract counterparty to perform under a contract. Absent application of section 365 of the Bankruptcy Code, there is a material risk that one or more of the Debtors' contract counterparties may terminate agreements or discontinue performance and any such termination or discontinuation could impose severe economic consequences on the Debtors' estates and interfere with liquidation efforts.

L. The relief granted herein is necessary and appropriate, in the interests of the public and of international comity, not inconsistent with the public policy of the United States, warranted pursuant to sections 105(a), 1504, 1507, 1509, 1515, 1517, 1520 and 1521 of the Bankruptcy Code and will not cause hardship to any party in interest. To the extent that any hardship or inconvenience may result to such parties, it is outweighed by the benefits of the requested relief to the Foreign Representative, the Debtors, their creditors and other parties in interest.

M. The relief granted herein is necessary to effectuate the purposes and objectives of chapter 15 of the Bankruptcy Code and to protect the Debtors and the interests of their creditors and all parties in interest.

N. In accordance with section 1507(b) of the Bankruptcy Code, the relief granted herein will reasonably assure: (i) the just treatment of all holders of claims against or interests in the Debtors' property; (ii) the protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the Canadian Proceeding; (iii) the prevention of preferential or fraudulent dispositions of property of the Debtors; and (iv) the distribution of proceeds of the Debtors' property substantially in accordance with the order prescribed in the Bankruptcy Code.

O. All creditors and other parties in interest, including the Debtors, are sufficiently protected in the grant of the relief ordered hereby in compliance with section 1522(a) of the Bankruptcy Code.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFOR, IT IS HEREBY ORDERED THAT:

1. The Petition and the relief requested therein are granted.

2. The Canadian Proceeding is recognized as a "foreign main proceeding" under sections 1517(a) and 1517(b)(1) of the Bankruptcy Code.

3. The Receivership Order, including any extensions or amendments thereto authorized by the Canadian Court, is hereby enforced on a final basis and given full force and effect in the United States (except as otherwise expressly provided herein).

4. The Foreign Representative is recognized as the "foreign representative" as defined in section 101(24) of the Bankruptcy Code in respect of the Canadian Proceeding.

5. All relief and protection afforded to a foreign main proceeding under section 1520 of the Bankruptcy Code is hereby granted to the Canadian Proceeding, the Foreign Representative, the Debtors and their assets located in the United States.

6. Sections 362 and 365 of the Bankruptcy Code shall hereby apply with respect to the Debtors and the property of the Debtors that is located within the territorial jurisdiction of the United States. All entities (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative and its authorized representatives and agents are hereby permanently enjoined from:

a. executing against any asset of any Debtor;

b. commencing or continuing, including issuing or employing process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements or otherwise against any Debtor, its property, or any direct or indirect transferee of or successor to any property of any Debtor, or any property of such transferee or successor, or the seeking of any discovery related to any of the foregoing, which in each case is in any way inconsistent with, relates to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceeding or Canadian law;

c. taking or continuing any act to create, perfect or enforce a lien or other security interest, setoff or other claim against any Debtor or any of its property or proceeds thereof, which in each case is in any way inconsistent with, relates to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceeding or Canadian law;

d. transferring, relinquishing or disposing of any property of any Debtor to any entity other than the Foreign Representative and its authorized representatives and agents or taking or continuing any act to obtain possession of, commingle, or exercise control over, such property, which in each case is in any way inconsistent with, relates to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceeding or Canadian law;

e. commencing or continuing in any manner, directly or indirectly, an individual action or proceeding concerning any Debtor's assets, rights, obligations or liabilities, or to resolve any dispute arising out of the Canadian Proceeding or Canadian law relating to the Canadian Proceeding, in each case, to the extent they have not been stayed pursuant to sections 1520(a) and 362 of the Bankruptcy Code;

f. declaring or considering the filing of the Canadian Proceeding, the Receivership Order or any of these chapter 15 cases a default or event of default under any agreement, contract or arrangement; and

g. terminating, modifying, refusing to perform, or otherwise accelerating obligations or exercising remedies under any contract with any of the Debtors on the basis of (i) the insolvency or financial condition of the Debtors at any time before the closing of these cases; (ii) the commencement of the Canadian Proceeding, the entry of the Receivership Order or the commencement of these chapter 15 cases; or (iii) the appointment of, and taking possession by, the Foreign Representative of any asset or contract of any Debtor;

provided, in each case, that such injunctions shall be effective solely within the territorial jurisdiction of the United States.

7. Sections 1521(a)(1)-(3) and (5)-(7) of the Bankruptcy Code shall apply with respect to the Debtors and the property of the Debtors that is located within the territorial jurisdiction of the United States.

8. Pursuant to section 1520(a)(3) of the Bankruptcy Code, the Foreign Representative is entitled to operate the Debtors' businesses and administer their assets, including without limitation, all bank accounts and accounts receivable. All banks at which the Debtors maintain bank accounts are authorized to: (i) honor the Foreign Representative's instructions with respect to accessing any such accounts; and (ii) accept, hold, or permit withdrawal, transfer, or other disposition of funds in accordance with the Foreign Representative's instructions.

9. Subject to sections 1520 and 1521 of the Bankruptcy Code, the Canadian Proceeding and the Receivership Order, and the transactions consummated or to be consummated thereunder, shall be granted comity and given full force and effect in the United States to the same extent that they are given effect in Canada, and each is binding on all creditors of the Debtors and their successors and assigns.

10. Under section 1521(a)(6) of the Bankruptcy Code, all prior relief granted to the Debtors or the Foreign Representative by this Court under section 1519(a) of the Bankruptcy Code shall be extended and the *Order Granting Motion of the Foreign Representative for Provisional*

Relief Pursuant to Sections 105(a) and 1519 of the Bankruptcy Code [Dkt. No. 12] shall remain in full force and effect, notwithstanding anything to the contrary contained therein.

11. No action taken by the Foreign Representative, any Debtor or their respective agents, representatives, advisors, or counsel, in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of the Canadian Proceeding, the documents contemplated thereunder, this Order, the chapter 15 cases, any further order for additional relief in the chapter 15 cases, or any adversary proceedings in connection therewith, will be deemed to constitute a waiver of the immunity afforded such persons under sections 306 or 1510 of the Bankruptcy Code.

12. No party shall incur any liability for following the terms of this Order (whether by acting or refraining from acting), except in the case of the party's own gross negligence or willful misconduct.

13. Notwithstanding anything to the contrary contained herein, this Order shall not be construed as (i) enjoining the police or regulatory act of a governmental unit, including a criminal action or proceeding, to the extent not stayed under section 362 of the Bankruptcy Code or (ii) staying the exercise of any rights that section 362(o) of the Bankruptcy Code does not allow to be stayed.

14. The Foreign Representative, the Debtor, and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

15. Notwithstanding any provision in the Bankruptcy Code or the Bankruptcy Rules to the contrary, (i) this Order shall be effective immediately and enforceable upon its entry, (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement, or

realization of the relief granted in this Order and (iii) this Order shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

16. The Foreign Representative and its agents are authorized and empowered to take all actions necessary to effectuate the relief granted under this Order in accordance with the Petition.

17. This Court shall retain jurisdiction with respect to the implementation, enforcement, amendment or modification of this Order.

Dated: December 13, 2019
New York, New York

/s/ James L. Garrity, Jr.
THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

Appendix C

WA-24NCC-638-11/2019

Encl No. 7

H0272101 WA1319563112 04/12/2019 12:55:03
WA-24NCC-638-11/2019
TSP055.............80.00 x 1
Jumlah RM**************************80.00

DALAM MAHKAMAH TINGGI DI KUALA LUMPUR
DI WILAYAH PERSEKUTUAN KUALA LUMPUR
(BAHAGIAN DAGANG)

SAMAN PEMULA: WA-24NCC-638-11/2019

Dalam perkara Aturan-aturan 7, 28, dan Aturan 92 Kaedah 4 Kaedah-Kaedah Mahkamah Tinggi 2012

Dan

Dalam Perkara Bidang Kuasa Sedia Ada Mahkamah Yang Mulia Ini

Dan

Dalam Perkara Perintah "*Ontario Superior Court of Justice (Commercial List)*" bertarikh 5.11.2019 didapatkan di guaman nombor CV-19-630501-00CL

ANTARA

Grant Thornton Limited
(dalam kapasitinya sebagai penerima dan pengurus dilantik Mahkamah untuk Comsale Computer Inc.) **...Pemohon**

DAN

Comsale Computer Inc.
[No. Syarikat Onatrio.: 1250114-K] **...Responden**

DI HADAPAN HAKIM
AZIZUL AZMI BIN ADNAN
PADA 27^{HB} NOVEMBER 2019 **DALAM KAMAR**

PERINTAH
[KANDUNGAN 1]

ATAS PERMOHONAN Pemohon dinamakan di atas yang ditetapkan untuk bicara pada hari ini **DAN SETELAH MEMBACA** Saman Pemula Ex Parte bertarikh 25hb November 2019 dan kesemuanya yang difailkan di sini **DAN SETELAH MENDENGAR** Rabindra S Nathan (Vong Sze Xin dan Lim Wei Xeng bersamanya) peguamcara bagi Pemohon **ADALAH PADA HARI DIPERINTAHKAN** seperti berikut:-

(1) Perintah "Ontario Superior Court of Justice (Commercial List)" bertarikh 5hb November 2019 didapatkan dalam kes nombor CV-19-630501-00CL ("Perintah Ontario")(seperti yang dilampirkan di sini sebagai "Lampiran A") diiktirafkan dan diberi kuasa sebagai perintah Mahkamah Tinggi Malaya, selaras dengan bidang kuasa sedia ada Mahkamah Mulia ini, setakat mana Mahkamah Mulia ini mengiktirafkan Pemohon sebagai penerima dan pengurus harta, aset-aset dan pengusahaan Comsale Computer Inc. di Malaysia, dan mempunyai semua fungsi dan kuasa dinyatakan dalam Perintah Ontario berkaitan dengan Comsale Computer Inc..

(2) Deklarasi bahawa Pemohon mempunyai hak dan diberi kuasa, tetapi tidak diwajibkan untuk menjalankan semua hak, fungsi dan kuasa yang dinyatakan

dalam Perintah Ontario berkaitan dengan harta, aset-aset, dan pengusahaan Comsale Computer Inc. di Malaysia.

METERAI MAHKAMAH TINGGI MALAYA
KUALA LUMPUR

Bertarikh 2[illegible] November 2019

MALARSELVI A/P SANMUGAM
Timbalan Pendaftar
Mahkamah Tinggi Malaya
................Kuala Lumpur........

Timbalan Pendaftar
Mahkamah Tinggi di Kuala Lumpur

Perintah ini difailkan oleh Tetuan Shearn Delamore & Co., peguamcara bagi pihak Pemohon di mana alamat penyerahannya adalah di Tingkat 7, Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur.

SD (DR) 4518155 (RSN/VSX/LWX)

TRANSLATION

IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR
IN THE FEDERAL TERRITORY OF KUALA LUMPUR
(COMMERCIAL DIVISION)

ORIGINATING SUMMONS NO: WA-24NCC-638-11/2019

In the Matter of Orders 7 and 28, and Order 92 Rule 4 of the Rules of Court 2012

And

In the Matter of the Inherent Jurisdiction of this Honourable Court

And

In the Matter of an Order of the Ontario Superior Court of Justice (Commercial List) dated 5.11.2019 obtained in Case No.: CV-19-630501-00CL

BETWEEN

Grant Thornton Limited
(in its capacity as Court appointed receiver of Comsale Computer Inc.)

...Applicant

AND

Comsale Computer Inc.
[Ontario Corporation No.: 1767508]

...Respondent

BEFORE THE HONOURABLE JUDGE
AZIZUL AZMI BIN ADNAN
ON 27TH NOVEMBER 2019 **IN CHAMBERS**

ORDER
[ENCLOSURE 1]

UPON THE APPLICATION of the abovenamed Applicant **AND UPON READING** the Ex Parte Originating Summons dated 25th November 2019 and all filed herein **AND UPON HEARING** Rabindra S Nathan (Vong Sze Xin and Lim Wei Xeng with him) of Counsel for the Applicant **IT IS HEREBY ORDERED THAT**:

(1) The Order of the Ontario Superior Court of Justice (Commercial List) dated 5th November 2019 obtained in Case No.: CV-19-630501-00CL (the "Ontario Order") (as annexed hereto as "Annexure A") be recognized and given effect as an Order of the High Court of Malaya, in accordance with the inherent jurisdiction of this Honourable Court, to the extent that this Honourable Court recognizes the Applicant as Receiver of the property, assets and undertaking of Comsale Computer Inc. in Malaysia, as having all the functions and powers set out in the Ontario Order in connection with Comsale Computer Inc.

(2) A declaration that the Applicant is entitled and authorized, but not obligated, to exercise all rights, functions and powers set out in the Ontario Order in

connection with the assets, undertakings and properties of Comsale Computer Inc. in Malaysia.

Dated this 27th day of November 2019.

....
Deputy Registrar
High Court of Malaya
Kuala Lumpur

This **Order** is filed by Messrs Shearn Delamore & Co., solicitors for Applicant whose address for service is at 7th Floor, Wisma Hamzah Kwong Hing, No. 1, Leboh Ampang 50100 Kuala Lumpur.

SD(DR) 4518155 (RSN/VSX/LWX)

ANNEXURE - A

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY THE 5TH
	)	
JUSTICE CONWAY	)	DAY OF NOVEMBER, 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by HSBC Bank Canada (the "**Applicant**" or the "**Bank**") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") and section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, appointing Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and

Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") acquired for, or used in relation to a business carried on by the Comsale Entities, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Borch sworn November 5, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Receiver, no one else appearing or served, and on reading the consent of Grant Thornton Limited to act as the Receiver and upon being advised that the Respondents consent to the immediate appointment of a Receiver by this Court,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the 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 101 of the CJA and section 243(1) of the BIA, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc. and Comsale Inc. acquired for, or used in relation to a business carried on by such entities, including all proceeds thereof (the "**Debtor Property**").

3. THIS COURT ORDERS that pursuant to section 101 of the CJA, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited, acquired for, or used in relation to a business carried on by such entities, including all proceeds thereof (together with the Debtor Property, the "**Property**").

RECEIVER'S POWERS

4. 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, arranging for provision of utilities, 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 Comsale Entities, 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 Comsale Entities;

(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 Comsale Entities or any part or parts thereof;

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

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

(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 Comsale Entities, 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 Comsale Entities, 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 $500,000, provided that the aggregate consideration for all such transactions does not exceed $1,500,000; 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 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 Comsale Entities;

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

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

(r) to make an assignment in bankruptcy on behalf of any or all of the Comsale Entities; and

(s) 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 Comsale Entities, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Comsale Entities, (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.

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 Comsale Entities, 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.

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 COMSALE ENTITIES OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Comsale Entities 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 Comsale Entities 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 Comsale Entities, 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 Comsale Entities to carry on any business which the Comsale Entities are not lawfully entitled to carry on, (ii) exempt the Receiver or the Comsale Entities 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 any of the Comsale Entities, 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 Comsale Entities 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 Comsale Entities 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 Comsale Entities' 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 Comsale Entities 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 Comsale Entities shall remain the employees of the Comsale Entities until such time as the Receiver, on the Comsale Entities' 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 Comsale Entities, 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 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

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 their 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.

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 from the Bank 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 $750,000 (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.

INTERIM COMEBACK PERIOD

23. THIS COURT ORDERS that, pending further Order of the Court, for a period of fifteen (15) calendar days following the date of this Order (the "**Interim Comeback Period**"), the Receiver's Charge and the Receiver's Borrowing Charge shall not extend to collateral that is subject to a properly perfected security interest that is in priority to the Bank's security, including purchase money security interests. Any secured creditor that wishes to take the position that the priority charges granted pursuant to this Order should not extend to collateral subject to their security interest shall serve a motion on notice to the Receiver and the Bank within fifteen (15) calendar days of the date of this Order, seeking such relief. In the absence of an Order being granted in respect of such motion that is served within the Interim Comeback Period, all priority charges under this Order including the Receiver's Charge set forth in paragraph 19 above and the Receiver's Borrowings Charge set forth in paragraph 22 above, will apply to all assets, including those subject to purchase money security interests, equipment leases or other interests that may be in priority to the Bank's security, immediately upon the conclusion of the Interim Comeback Period without any further steps being taken.

24. 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.

25. 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.

26. 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

27. 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/Comsale.

28. 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, email, or facsimile transmission to the Comsale Entities' creditors or other interested parties at their respective addresses as last shown on the records of the Comsale Entities and that any such service or distribution by courier, personal delivery, email, 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.

RETENTION OF LAWYERS

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Thornton Grout Finnigan LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

30. 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.

31. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Comsale Entities.

32. 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, Malaysia and Hong Kong 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.

33. 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.

34. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Application 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 Comsale Entities' estates with such priority and at such time as this Court may determine.

35. 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.

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

NOV 05 2019

PER / PAR: RW

Conway J.

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 Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") acquired for, or used in relation to a business carried on by the Comsale Entities, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 5th day of November, 2019 (the "**Order**") made in an action having Court file number CV-19-__________, 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 of the Property, and not in its
personal capacity

Per: ______________________________

Name:
Title:

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

HSBC BANK CANADA	- and -	**COMSALE COMPUTER INC. et al.**
Applicant		Respondents

Court File No. CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(appointing Receiver)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Applicant, HSBC Bank Canada

Appendix D

Court File No: CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER

DECEMBER 13, 2019

GrantThornton

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

TABLE OF CONTENTS

APPENDICES

Appendix A	Receivership Order and Endorsement dated November 5, 2019
Appendix B	US Provisional Order dated November 15, 2019
Appendix C	Malaysian Recognition Order dated November 27, 2019
Appendix D	Corporate search of Comsale Singapore Private Limited
Appendix E	Copy of the proforma invoice with Comsale Singapore Private Limited bank details

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER

DECEMBER 13, 2019

INTRODUCTION AND PURPOSE OF THE FIRST REPORT

1. This report (the "**First Report**") is filed by Grant Thornton Limited ("**GTL**") in its capacity as receiver and manager (the "**Receiver**") of Comsale Computer Inc. ("**Comsale Computer**"), Comsale Inc. ("**Comsale US**"), Comsale Group Inc. ("**Comsale Group**"), Comsale Hong Kong Limited ("**Comsale Hong Kong**") and Comsale Malaysia Sdn. Bhd. ("**Comsale Malaysia**" and, collectively, the "**Comsale Entities**").

2. On November 5, 2019, the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") granted an order appointing GTL as Receiver, without security, over all the assets, undertakings and properties of the Comsale Entities (the "**Receivership Order**"). Copies of the Receivership Order and the Endorsement of The Honourable Justice Conway are collectively attached hereto as **Appendix "A"**.

3. On November 15, 2019, the United States Bankruptcy Court for the Southern District of New York (the "**US Court**") granted provisional relief Order (the "**US Provisional Order**") pursuant to Chapter 15 of the United States Bankruptcy Code, recognizing the appointment of GTL as the Receiver of Comsale Computer, Comsale US and Comsale Group pursuant to the Receivership Order. On December 11, 2019, the US Court granted the final recognition of the Receivership Order specific to the abovementioned entities, a copy of which will be provided to the Receiver by the US Court shortly. A copy of the US Provisional Order, as granted by the Honourable James L. Garrity, Jr. is attached hereto as **Appendix "B"**.

4. On November 27, 2019, the High Court of Malaya at Kuala Lumpur, in the Federal Territory of Kuala Lumpur (Commercial Division) (the "**Malaysian Court**") granted an order recognizing the appointment of GTL as the Receiver of Comsale Computer pursuant to the Receivership Order in Malaysia (the "**Malaysian Order**"). A copy of the Malaysian Order granted by the Honorable Judge Azizul Azmi Bin Adnan is attached hereto as **Appendix "C"**.

5. The purpose of this First Report is to provide the Court with an update on the proceedings and to provide information to support the Receiver's request for an order:

(a) expanding the Receivership Order to include Comsale Singapore Private Limited ("**Comsale Singapore**") as an additional respondent subject to the Receivership Order;

(b) approving the Receiver's proposed Sales Process for the Assets Available for Sale (as each term is defined herein); and

(c) approving this First Report and the conduct and activities of the Receiver since its appointment, as detailed herein.

RESTRICTIONS AND TERMS OF REFERENCE

6. In preparing this First Report the Receiver has relied upon unaudited financial information, Comsale Entities' books and records, to the extent available, certain financial information, discussions with the Comsale Entities' former employees and officers, and discussions with other parties. The Receiver's work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**"), International Financial Reporting Standards ("**IFRS**") or Generally Accepted Auditing Standards ("**GAAS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, IFRS or GAAS with respect to such information.

7. This First Report has been prepared to provide general information by way of a status update to the Court and to provide the Court with context for the Receiver's request for the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by any other party which uses this First Report for any other purpose.

8. Capitalized terms not defined in this First Report shall have the meaning ascribed to such terms in the Receivership Order. All references to dollars are in Canadian currency, unless otherwise noted.

9. Copies of materials filed in these proceedings to date, including with respect to the foreign proceedings, are available on the Receiver's case website at: www.GrantThornton.ca/Comsale.

BACKGROUND OF THE COMSALE ENTITIES (INCLUDING COMSALE SINGAPORE)

10. Neil Shaul and Wenqiang (Ken) Feng are each 50% shareholders of Comsale Computer and Comsale Group. Comsale Group wholly owns Comsale Malaysia, Comsale US and Comsale Hong Kong, as well as Comsale Singapore (Comsale Singapore is not currently a respondent in this proceeding, but is sought to be added to the Receivership Order herein).

11. HSBC Bank Canada ("**HSBC**") extended credit facilities to Comsale Computer pursuant to a Credit Facility Agreement dated June 4, 2018 (the "**Credit Agreement**"), the obligations of which were guaranteed by Comsale US and Comsale Group pursuant to unlimited guarantees granted to HSBC. The Credit Agreement and security documentation are detailed in the affidavit of John Borch sworn November 5, 2019 filed in support of HSBC's application to appoint the Receiver.

12. The Comsale Entities were in the business of refurbishing and reconfiguring used electronic equipment and accessories including, but not limited to, desktops, laptop computers and tablets.

13. The following locations were used by the Comsale Entities as at the date of the receivership:

(a) 300 Spinnaker Way, Concord, ON, Canada L4K 4N4 (the "**Head Office**");

(b) Suite #323, 18B-3200 Dufferin Street, Toronto, ON, Canada M6A 0A1 (the "**Canada Postal Box**");

(c) Suite #211, 266 Elmwood Street, Buffalo, NY, US 14222 (the "**US Postal Box**");

(d) 70 Niagara Street, St. Catharines, ON, Canada L2R 4L1 (the "**St. Catharines Warehouse**");

(e) Port Klang Free Zone, Jalan FZ4-P3, 42920 Pulau Indah, Selangor, Malaysia (the "**Malaysian Warehouse**");

(f) 1021 E. Glendale Ave, Sparks, NV, US 89431 (the "**Reno Warehouse**"); and

(g) 4040 Willow Lake Blvd, Memphis, TN, US 38118 (the "**Memphis Warehouse**").

14. Based on the Comsale Entities' website: www.comsale.com, available books and records and the Receiver's discussions with former officers and employees of the Comsale Entities, the following locations appear to have been previously used by the Comsale Entities:

(a) 4800 Van Epps Rd #105, Brooklyn Heights, OH, US 44131 (the "**Ohio Premises**");

(b) Unit 1203, 12/F, CEO Tower, 77 Wing Hong Street, Cheung Sha Wan, Hong Kong (the "**Hong Kong Premises**"); and

(c) A3-143, Rajlaxmi Complex, Old Padra Road, Vadodara, Gujarat, 390012 (the "**India Premises**").

15. Based on discussions with Neil Shaul and other former employees of the Comsale Entities, the Receiver was advised that no assets or books and records of the Comsale Entities are located at the Ohio Premises, the Hong Kong Premises or the India Premises.

16. Based on discussions with former employees of the Comsale Entities and some paper records of the Comsale Entities, the Receiver understands the operations that existed prior to the receivership were as follows:

(a) the Comsale Entities would acquire second hand electronic equipment to be refurbished and reconfigured. This inventory was often shipped from suppliers to the St. Catharines Warehouse and then to the Malaysian Warehouse to be stripped of the majority of all parts, leaving only the CTO (i.e. the shell of the electronic equipment). The majority of CTO's were then shipped back to either the St. Catharines Warehouse, the Memphis Warehouse or the Reno Warehouse;

(b) the CTO's, together with various parts, were assembled into finished goods and sold from the St. Catharines Warehouse, the Memphis Warehouse, the Reno Warehouse or the Malaysian Warehouse;

(c) the majority of sales made from the St. Catharines Warehouse and the Malaysian Warehouse were business-to-business customers. The majority of sales made from the Memphis Warehouse and the Reno Warehouse were to e-commerce customers through platforms such as www.amazon.com; and

(d) warranty services were provided by the Comsale Entities, the majority of which were performed at the Malaysian Warehouse.

THE RECEIVER'S ACTIVITIES

17. Since the commencement of the receivership proceedings, the Receiver has:

(a) taken possession of the Head Office, the St. Catharines Warehouse, the Memphis Warehouse and the Reno Warehouse and safeguarded the assets within each of these premises. The Receiver undertook various actions to safeguard the Canada

Postal Box and the US Postal Box and the inventory stored within the Malaysian Warehouse. Further details about the steps undertaken by the Receiver to safeguard property and books and records is provided later in this First Report;

(b) together with its counsel, Thornton Grout Finnigan LLP ("**TGF**"), sought recognition of the Receivership Order in the US and Malaysia. This required liaising with and instructing counsel in the US, being Linklaters LLP ("**Linklaters**"), and in Malaysia, being Shearn Delamore & Co ("**Shearn**");

(c) engaged Grant Thornton Consulting Sdn. Bhd. ("**GT Malaysia**") as its agent in Malaysia. The Receiver and GT Malaysia continue to liaise with each other in relation to all Malaysian matters;

(d) notified various institutions of the Receivership Order and requested any accounts held by Comsale Computer, Comsale US or Comsale Group to be frozen, with credit funds swept to the Receiver's applicable bank accounts;

(e) established internal accounts for the Comsale Entities to maintain and report any proceeds received from the realization and/or recovery of assets for the specific entity;

(f) dealt with the termination of employees and contractors as follows:

    (i) terminated all employees and contractors at the Head Office and the St. Catharines Warehouse on behalf of Comsale Computer;

    (ii) terminated all employees of Memphis Warehouse and the Reno Warehouse on behalf of Comsale US; and

(iii) corresponded with management of the Malaysian Warehouse (Comsale Malaysia employees had been provided with notice of the shutdown of Comsale Malaysia by management on November 5, 2019 but have not been terminated for reasons discussed later in this First Report).

(g) retained certain former employees as individual contractors to assist the Receiver with its duties as Receiver over Comsale Computer and Comsale US (the "**Retained Contractors**");

(h) undertaken the following with respect to former employees located in the Head Office and the St. Catharines Warehouse (i.e. those employees located in Canada):

(i) issued Records of Employment to the former employees;

(ii) filed and mailed to former employees their Wage Earner Protection Program ("**WEPP**") package; and

(iii) assisted former employees with their claim for unpaid entitlements through the WEPP.

(i) notified the landlords of the leased real property of the Receivership Order and discussed with them the occupation of the premises by the Receiver during the receivership;

(j) reviewed insurance policies to ensure adequate insurance coverage during the receivership, paid outstanding premiums, and requested that the Receiver be added as an additional insured and loss payee to the policies;

(k) with the assistance of a third-party contractor, took steps to preserve the electronic books and records of the Comsale Entities;

(l) contacted the leasing and financing companies registered against Comsale Computer on the Personal Property Security Register (the "**PPSR**") and against Comsale US on the Uniform Commercial Code Filing Database ("**UCCFD**"), to request the security documents and lease agreements of the leased equipment used by these entities;

(m) disclaimed interest in two vehicles where the financing company was found to have a valid security interest;

(n) prepared the notice and statement of Receiver in accordance with the provisions of Sections 245 and 246(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") based on the Comsale Entities' limited available books and records;

(o) initiated discussions with customers about the possibility of processing customers' orders;

(p) reviewed and administered property claims from third parties to assets held by the Comsale Entities;

(q) liaised with Export Development Canada ("**EDC**") and their counsel, Clyde & Co ("**Clyde**"), on the status of a payment owing to Comsale Computer pursuant to the Fry's Settlement Proceeds (as defined later in this First Report);

(r) liaised with debtors for outstanding receivables owed to Comsale Computer;

(s) engaged Gordon Brothers Asset Advisors, LLC and GB Appraisal Canada ULC (collectively, "**Gordon Brothers**") to perform a test count and appraisal of the inventory;

(t) liaised with freight forwarders and shipping companies to secure In-Transit Inventory (as defined in this First Report);

(u) searched for property not in the Receiver's possession but believed to be owned by the Comsale Entities;

(v) prepared asset listings for the proposed Sales Process (as defined later in this First Report);

(w) prepared the proposed Sales Process;

(x) corresponded and met with HSBC and TGF on numerous occasions;

(y) responded to numerous enquiries from creditors, customers and other stakeholders;

(z) administered the Case Website in accordance with the E-Service Protocol; and

(aa) prepared this First Report to seek the relief as detailed herein and to update the Court with respect to the receivership proceedings.

STEPS UNDERTAKEN TO SAFEGUARD PROPERTY AND BOOKS AND RECORDS

Cyber-Attacks

18. The Receiver was advised by Neil Shaul and certain employees of the Comsale Entities that the majority of the electronic books and records were inaccessible and/or destroyed as a result of a series of three cyber-attacks which occurred in October, 2019. The cyber-attacks were said to target some of the servers, systems and devices used to store information electronically (the "**Electronic Systems**"). Unavailable information included, but was not limited to, the Comsale Entities' accounting system called "QuickBooks" and

the Comsale Entities' accounting email account (accounting@comsale.com). The Receiver was advised that no electronic backup records survived the attacks.

19. Upon attendance at the Head Office, the St. Catharines Warehouse, the Memphis Warehouse and the Reno Warehouse, the Receiver was able to locate limited paper books and records of the Comsale Entities.

20. The Receiver was advised by former officers of the Comsale Entities that the infrastructure and maintenance of the Electronic Systems was remotely done by former employees from the India Premises.

21. On November 15, 2019, the Receiver and a former employee from the India Premises discussed the Electronic Systems. This former employee:

    (a) confirmed that former employees in the India Premises would remotely access the Electronic Systems using a virtual private network (VPN) to access and maintain them;

    (b) explained that his understanding was that that the Electronic Systems had not been maintained since the last cyber-attack; and

    (c) confirmed that the India Premises had been vacated prior to the receivership.

22. Neil Shaul claims that the domain Comsale.com, which hosts the Comsale Entities website, email exchange and phone numbers, is owned by him personally. As at the date of this First Report, Neil Shaul has provided limited documentation to support this assertion, which the Receiver is currently reviewing.

23. Throughout the receivership, the Receiver has requested access to the Electronic Systems from former employees. On December 4, 2019, the Receiver sent a letter to several former employees and officers, requesting passwords and access details and

reminding these individuals of their duty to assist the Receiver in accessing the books and records pursuant to the Receivership Order. Limited information has been received to date.

24. As at the date of this First Report, representatives of the Receiver and a third party contractor are working to access certain information from the Electronic Systems. The Receiver has so far been unable to verify the assertion by management that the lack of data on the Electronic Systems was the result of cyber-attacks.

25. As at the date of this report, the third party contractor has been able to recover the accounting email account (accounting@comsale.com) and some other email accounts, although some emails appear to be missing around the same dates of the alleged cyber-attacks.

Safeguarding Property

26. At the Head Office, the St. Catharines Warehouse, the Memphis Warehouse and the Reno Warehouse, the Receiver undertook the following actions to take possession and safeguard the property of the Comsale Entities:

(a) engaged a local locksmith to change the locks at each of the above premises and the surrounding areas (where applicable);

(b) collected all keys and access codes for assets within each premise;

(c) placed notices around each of the premises to notify the public of the receivership; and

(d) notified each of the landlords that the Receiver would continue occupying the premises until it could realize on all of the assets stored at the respective premises, or until further notice.

27. The Receiver was advised that it could not arrange a mail redirection through Canada Post for either the Canada Postal Box or the US Postal Box, as these postal boxes are United Postal Service ("**UPS**") boxes. As such, the Receiver notified the local UPS shops in which the Canada Postal Box and the US Postal Box are located, of the Receivership Order to ensure that only the Receiver and its representatives can collect the mail. The Receiver has arranged for a regular sweep of mail to be delivered to the Receiver's office from the Canada Postal Box. The Receiver has requested on multiple occasions, via email and telephone, a regular sweep of the mail at the US Postal Box and is awaiting confirmation.

28. Inventory owned by Comsale Computer is stored within the Malaysian Warehouse. As detailed later in this report, the Receiver did not seek recognition over Comsale Malaysia and has not taken any steps to deal with that company in Malaysia. To safeguard the inventory within the Malaysian Warehouse owned by Comsale Computer, the Receiver:

(a) requested and received the consent of Neil Shaul to enter the Malaysian Warehouse for the purpose of dealing with the inventory as Comsale Malaysia is the tenant of the premises in which Comsale Computer's inventory is located;

(b) engaged local security guards to monitor and safeguard the Malaysian Warehouse;

(c) engaged GT Malaysia to, amongst other things, frequently attend the Malaysian Warehouse to view the inventory;

(d) engaged employees of Comsale Malaysia as contractors of the Receiver of Comsale Computer to, among other things, assist in preserving the inventory; and

(e) issued correspondence to the landlord of the Malaysian Warehouse requesting their agreement to allow the Receiver to continue occupying the warehouse to secure the inventory owned by Comsale Computer.

29. As detailed earlier in this First Report, it appears to have been common practice for the Comsale Entities to ship containers of inventory between their various warehouses (the "**In-Transit Inventory**"). As at the date of this report, the Receiver continues to deal with the known In-Transit Inventory that was in circulation prior to the receivership, to secure this inventory.

30. The Receiver used the limited available books and records of the Comsale Entities to identify institutions that held accounts for the Comsale Entities prior to the receivership. The Receiver provided each of the institutions for these accounts with a copy of the Receivership Order and instructed them to freeze accounts. The Receiver also requested banking records for each of these accounts. Additionally, the Receiver issued a copy of the Receivership Order to other major banking institutions in Canada and requested such institutions to advise the Receiver if they held any accounts in the name of Comsale Computer, Comsale US or Comsale Group.

31. Further, immediately after the Receivership Order was issued, HSBC requested a block on all accounts held within its institution in the name of any of the Comsale Entities. On November 27, 2019, at the request of the Receiver, HSBC swept the balance of credit funds (in the amount of US$25,604) held in a Comsale US bank account with HSBC Bank USA to the Receiver's bank account. Foreign locations of HSBC require recognition of the Receivership Order in their respective jurisdiction in order to: (i) grant the Receiver the authority to deal with any monies transacted through the account; (ii) provide any books

and records relating to bank accounts to the Receiver; and (iii) provide the Receiver any other information for bank accounts held in the name of any of the Comsale Entities.

32. Based on pre-receivership insurance policies, there were some motor vehicles listed which are currently not in the possession of the Receiver. The Receiver is liaising with the former employees of the Comsale Entities as well as conducting searches to determine the status and ownership of these motor vehicles.

FOREIGN RECOGNITION OF RECEIVERSHIP ORDER

<u>Comsale Malaysia</u>

33. Pursuant to the Receivership Order, the Receiver is appointed over the assets, property and undertaking of various entities including Comsale Malaysia. The Receiver explored seeking recognition of the Receivership Order in Malaysia for that entity. Based on discussions with Shearn, the Receiver was advised that GTL cannot be recognized as a Receiver of Comsale Malaysia, since only an individual practitioner (and not a company) may be recognized as receiver of a company that is incorporated in Malaysia. Proceeding in this manner would be inconsistent with the structure of the Receiver's appointment pursuant to the Receivership Order. As Comsale Computer is an entity incorporated in Ontario, no similar issue exists in seeking recognition in Malaysia of the Receivership Order as it relates to that entity.

34. GT Malaysia conducted a property securities search in Malaysia and based on the results, no secured parties had registered any interests. Based on internally prepared statements for Comsale Malaysia as at November 11, 2019 and GT Malaysia's discussions with employees of Comsale Malaysia, the following are estimated asset and liabilities in

Canadian Dollars and Malaysian Ringgits ("**RM**") using an exchange rate of 0.3194 as at November 11, 2019:

(a) assets include: fixed assets (excluding leasehold improvements) at a net book value of $662,186 (RM 2,073,217), deposits paid to landlords in the amount of $92,398 (RM 289,284) and cash deposited in a bank account in the amount of $9,983 (RM 31,255); and

(b) liabilities include, but are not limited to: unpaid employees entitlements and statutory contributions in the amount of $140,377 (RM 439,502) and trade payables in the amount of $125,023 (RM 391,431). Liabilities for other payables, amounts due to holding companies and deferred tax liabilities, if any, were unable to be determined.

35. The Receiver understands that Comsale Computer owns the Comsale Entities' inventory located in Malaysia.

36. Based on (i) the potential hurdles associated with seeking recognition of the Receivership Order as against Comsale Malaysia in Malaysia; (ii) the fact that the inventory located in Malaysia is owned by Comsale Computer; and (iii) the low estimated recoveries for any assets owned by Comsale Malaysia, the Receiver, in consultation with TGF, Shearn and HSBC, decided to not pursue recognition of the Receivership Order for Comsale Malaysia in Malaysia. Rather, based on the advice of Shearn, the Receiver sought and obtained recognition in Malaysia of the Receivership Order as it relates to Comsale Computer only.

Comsale Hong Kong Limited

37. Pursuant to the Receivership Order, the Receiver is appointed over the assets, property and undertaking of Comsale Hong Kong.

38. Based on internally prepared statements for Comsale Hong Kong as at March 31, 2019 using a conversion of 1 Hong Kong Dollar (“**HKD**”) to 0.1700 Canadian Dollars:

(a) for the fifteen months prior to March 31, 2019, Comsale Hong Kong earned sales in the amount of $8,287,670 (HKD 48,751,000) and generated a net profit in the amount of $4,165 (HKD 24,500);

(b) the two most significant assets at book value were cash deposited in a bank account in the amount of $2,040 (HKD 12,000) and a loan to a related party in the amount of $1,700 (HKD 10,000); and

(c) accounts payable was the only liability reported in the amount of $85 (HKD 500).

39. As stated earlier in this First Report, the Receiver is advised that no assets or books and records are stored at the Hong Kong Premises.

40. The Receiver has reviewed copies of the Comsale Hong Kong bank accounts established with HSBC Bank Hong Kong, as per the Receivership Order, and notes there are immaterial credit balances available.

41. In order to satisfy itself as to existence of any assets, including cash in any foreign bank accounts in the name of Comsale Hong Kong, or the movement of any cash, the Receiver intends to seek recognition of the Receivership Order in Hong Kong. HSBC supports the Receiver’s intention to seek recognition of the Receivership Order in Hong Kong. To that end, the Receiver’s counsel TGF has made contact with representatives of Linklaters’ offices in Hong Kong, facilitated by Linklaters’ US office, which is the Receiver’s US counsel.

Comsale Singapore Private Limited

42. Comsale Singapore was incorporated on August 23, 2018, shortly after the date of the Credit Agreement among the Comsale Entities and HSBC. Pursuant to a search with the Accounting and Corporate Regulatory Authority in Singapore (a copy of which is attached hereto as **Appendix "D"**), Comsale Singapore is a wholly owned subsidiary of Comsale Group, which is an entity subject to the Receivership Order. Its directors are Neil Shaul, Huang Li and Wenqiuang Feng. We understand that Mr. Li may have resigned or is in the process of resigning as a director of Comsale Singapore.

43. The Receiver is advised by HSBC that, as Comsale Singapore was not in existence at the time the Credit Agreement with HSBC was executed, HSBC did not seek or obtain security from that entity as part of its loan and security documentation, as it otherwise would have required. For that reason, Comsale Singapore was not originally included as a respondent in this proceeding and made subject to the Receivership Order.

44. The Receiver has seen references to Comsale Singapore in documentation included with records of the other Comsale Entities and discussions with some key stakeholders.

45. These paper records included:

(a) Internally prepared statements for Comsale Singapore as at March 31, 2019 and using an exchange rate of 1 Singapore Dollar ("**SGD**") to 1.0148 Canadian Dollars the Receiver understands:

(i) for the seven months prior to March 31, 2019, Comsale Singapore earned sales in the amount of $125,835 (SGD124,000) and broke even for this same period;

(ii) the two most valuable assets at book value were inventory in the amount of $48,710 (SGD 48,000) and cash deposited in a bank account in the amount of $22,326 (SGD 22,000); and,

(iii) the largest liability was a loan from a related party in the amount of $96,406 (SGD 95,000).

(b) A proforma invoice issued on behalf of Comsale Computer to a customer situated in Hong Kong, which requests the customer of Comsale Computer to pay for the supply via wire transfer to an account held by Comsale Singapore with HSBC Singapore. A copy of this proforma invoice is attached as **Appendix "E"**.

46. During discussions with key stakeholders, the Receiver was advised of the following:

(a) Comsale Singapore's registered office, being 1 Rochor Canal Road, #04-13A Sim Lim Square, Singapore 188504 (the "**Singapore Premises**"), served as a retail shop for customers who preferred to buy goods from an entity established and based in Singapore as opposed to an entity incorporated in Canada (i.e. Comsale Computer). The Receiver is advised that Comsale Computer would sell inventory to Comsale Singapore, which would then sell to customers;

(b) the Singapore Premises was closed prior to June 2019; and

(c) no physical assets or books and records are stored at the Singapore Premises.

47. It appears that Comsale Singapore is an entity doing business on behalf of Comsale Computer in Singapore, and may have been dealing with assets of Comsale Computer at a point in time. As such, the Receiver considers it prudent to include Comsale Singapore as a respondent to the Receivership Order, for the purpose, amongst other things, of

reviewing any available records of Comsale Singapore to determine whether any assets of Comsale Computer remain or can be recovered.

48. Based on the above, and in order to more fully carry out the terms of the Receivership Order, the Receiver requests that the Court amend the Receivership Order to include Comsale Singapore as a respondent subject to same. If such requested relief is granted by the Court, the Receiver will take steps to seek recognition of the Receivership Order in Singapore. To that end, the Receiver's counsel, TGF, has connected with representatives of Linklaters' office in Singapore. If recognition is granted in Singapore and material assets are identified by the Receiver, these assets would be included in the Sales Process (as defined herein).

MICROSOFT CORPORATION

49. The Receiver understands that the majority of the product sold by the Comsale Entities use software developed by Microsoft Corporation ("**Microsoft**"). On November 11, 2019, Thomas Lucey, the former chief financial officer of the Comsale Entities, responded to an e-mail from a representative in the collections department of Microsoft notifying them of the Receivership Order. This was followed by an e-mail from the Receiver including a copy of the Receivership order. Microsoft was also provided with notice of the US Provisional Order.

50. On December 4, 2019, approximately one month after the date of the Receivership Order, the Receiver received a letter from Gilbert's LLP ("**Gilberts**") advising that it represents Microsoft. In the letter, Gilberts states that it is Microsoft's opinion "that Comsale Computer Inc. may have, for some time, been producing, causing to be produced, or acquiring counterfeit Microsoft Certificates of Authenticity ("**COAs**") and/or product keys decoupled from the software they were intended to activate, and distributing the same to

customers." The letter further requires "that all addressees of this letter [including the Receiver] immediately cease and desist from acquiring, distributing, installing, selling and/or offering to sell, any and all unauthorized COAs and/or product keys, and otherwise stop acquiring, distributing, installing, selling and offering to sell all unauthorized copies of Microsoft software."

51. On December 9, 2019, the Receiver, TGF and Gilberts discussed Microsoft's concerns and agreed in principle that:

    (a) Microsoft will not contest the Receiver selling finished goods of Comsale in which the COAs may have been configured prior to the receivership; and

    (b) If the Receiver wishes to install COAs into finished goods during the receivership, the Receiver will first obtain written confirmation from Microsoft as to the legitimacy of the COAs.

OVERVIEW OF ASSETS

52. Detailed herein is an overview of each of the key assets owned by the Comsale Entities:

<u>The Comsale Entities' Operations</u>

53. As advised above, all employees and contractors of the Comsale Entities working in Canada, the US and Malaysia were terminated by the Receiver or advised by management that operations had ceased, on or about November 5, 2019.

54. The Receiver has explored with the Retained Contractors and former employees the degree to which each location had sufficient parts to assemble finished goods.

55. The Receiver engaged in discussions with customers to determine whether they would be willing to: (i) complete any open orders placed with the Comsale Entities prior to the

receivership, or (ii) place new orders during the currency of the receivership. Some customers who had open orders were interested in completing these orders, however, the Receiver had insufficient time to produce for US Thanksgiving orders and the lack of return rights or warranties appear to be a significant concern for many customers. The Receiver has not processed new e-commerce orders since its appointment.

56. As at the date of this First Report, the Receiver continues to attempt to sell inventory to customers. The Receiver has also entered into discussions with one of the Comsale Entities' competitors about the possibility of that competitor providing return rights and warranties in exchange for payment, but no agreement has been reached at this time.

Trade Receivables

57. As noted earlier in this First Report, much of the data from the Electronic Systems is presently unavailable. Using older accounts receivable subledger and e-mails, the Receiver attempted to reconstruct an accounts receivable subledger. Based on this reconstruction of the books and records of the Comsale Entities, it appears that the Comsale Trade Receivables were $5,005,743 at book value as at the date of the Receivership Order (the "**Comsale Trade Receivables**").

58. Based on the reconstruction of the books and records of the Comsale Entities, it appears that:

(a) the majority of the Comsale Trade Receivables are owed by customers located outside of Canada; and

(b) some of the Comsale Trade Receivables are owed by customers who had open orders with the Comsale Entities as at the date of the receivership, as well as claims against the Comsale Entities as creditors.

59. The Receiver has begun and will continue its collection efforts relating to the Comsale Trade Receivables.

The Fry's Settlement

60. The Receiver has been made aware of the following:

(a) on May 26, 2015, Comsale Computer entered into a vendor agreement with Fry's Electronics Inc. ("**Fry's**") to supply goods;

(b) on October 26, 2018, Comsale Computer filed suit against Fry's for breach of contract, claiming US$1,367,237 (the "**Claimed Amount**");

(c) around November of 2018, Comsale Computer lodged a claim against its insurance with EDC to recover the Claimed Amount. EDC distributed approximately 59.67% (US$815,875) of the Claimed Amount to Comsale Computer;

(d) on November 27, 2018, EDC and Comsale Computer entered into an assignment agreement to, amongst other things, confirm that EDC was entitled to 59.67% of any proceeds recovered from Fry's with the balance payable to Comsale Computer; and

(e) on October 15, 2019, Comsale Computer, EDC and Fry's executed a settlement agreement whereby Fry's would pay to Clyde (as counsel for EDC) US$1,033,713 within 20 days of the date of the agreement (the "**Fry's Settlement Proceeds**").

61. As at the date of this First Report, the Receiver has received US$415,806, representing Comsale Computers' 40.33% of the Fry's Settlement Proceeds less the applicable portion of EDC's legal fees.

Inventory

62. Comsale Computer owns: (i) the inventory currently secured in the St. Catharines Warehouse, Reno Warehouse, Memphis Warehouse and Malaysian Warehouse; and (ii) the majority of the In-Transit Inventory, as described earlier in this report (collectively, the "**Comsale Inventory**").

63. The Comsale Entities' systems are unable to produce a book value of the inventory as the date of the Receivership Order because of the inaccessible accounting systems. Based on the books and records of the Comsale Entities' as at August 31, 2019, the book value of the Comsale Inventory was stated to be $23,727,145.

64. Prior to the receivership, Comsale Computer managed its inventory using a proprietary system called "Computer Parts 2000". This system keeps track of the universal product code, number of units and other particulars, but does not providing costing data for each product. The Receiver extracted inventory listings from this system as at November 7, 2019 (the "**Nov 7 Listings**").

65. On November 9, 2019, the Receiver engaged Gordon Brothers to perform a test count and appraisal of the Comsale Inventory. Given the significant volume, high turnover and regular conversion of the type of inventory, the Receiver considered it necessary for an independent third party to undertake a test count.

66. Gordon Brothers attended each of the above locations and performed a test count of a minimum of 60% of the total book value of the Nov 7 Listings (the "**Test Count Threshold**").

67. Certain count irregularities were uncovered at each location. Subsequent to Gordon Brothers' test counts, the Retained Contractors have completed full inventory listings for the Comsale Inventory stored within North America, which are slightly different to the Nov

7 Listings, for reasons, amongst other things, that some of these locations received In-Transit Inventory after November 7, 2019.

68. Gordon Brothers uncovered significant discrepancies with the Test Count Threshold in Malaysia and determined that only 44% of the product listed per Comsale Computer's records was identifiable in the Malaysian Warehouse. Gordon Brothers provided a draft estimated value range for inventory verified in Malaysia. At the date of this report, the Receiver is liaising with the Retained Contractors and GT Malaysia in Malaysia to arrange for a full listing of the Comsale Inventory to be completed, to ensure there is an accurate listing available during the Sales Process (as defined herein).

69. At the date of this report, Gordon Brothers have completed their test counts and are preparing their appraisal report. The Receiver intends on liquidating the majority of the inventory, including the inventory in Malaysia, through the Sales Process described later in this First Report.

<u>Fixed Assets</u>

70. The Receiver is seeking approval through the Sales Process to deal with all fixed assets owned by the Comsale Entities, other than those owned by Comsale Malaysia and located in Malaysia (since the Receivership Order has not been formally recognized in Malaysia in respect of Comsale Malaysia). Fixed assets include, but are not limited to, machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements (collectively, the "**Comsale Fixed Assets**").

71. Based on the books and records of the Comsale Entities as at August 31, 2019, the Comsale Fixed Assets had a net book value of $980,867.

72. The Comsale Fixed Assets include fixed assets encumbered in favour of secured creditors.

73. As at the date of this report, with the exception of HSBC, the Receiver has written to all parties having a registered security interest as reflected on the PPSR and UCC to inform them of the receivership and enquired about their security registrations against any Comsale Fixed Assets listed as collateral.

74. It is the intention of the Receiver to attempt to realize, with the approval of the respective secured creditor, and subject to any arrangements being reached with such secured creditor including as to costs, any encumbered Comsale Fixed Assets which appear to have equity available, for the benefit of the Comsale Entities.

Intellectual Property

75. Based on the books and records of the Comsale Entities, computer software was reported at a net book value of $19,663 as at August 31, 2019. Computer Parts 2000 and the domain www.comsale.com appear to be the two primary intellectual property assets used by the Comsale Entities (the "**Comsale Intellectual Property**").

76. The Receiver has been advised by certain Retained Contractors that any new type of inventory that was not historically recorded through Computer Parts 2000 would have to be manually added by a person familiar with the program (i.e. a former employee of the Comsale Entities). It is unclear what the commercial value of Computer Parts 2000 or www.comsale.com could be. The Receiver is continuing to review this issue.

Assets Available for Sale

77. Based on the above overview of assets, the Receiver intends on making available only the Comsale Inventory and the Comsale Fixed Assets (including those encumbered fixed

assets which the Receiver estimates will have equity available) for sale at this time (the "**Assets Available for Sale**").

78. The Receiver considers there to be minimal to no interest in a sale of the Comsale Entities' operations as a going concern, for the following reasons:

(a) all operations ceased prior to or on the day of the receivership. As at the date of this First Report, the Receiver has not operated during the receivership (as detailed above);

(b) a buyer would have to honour warranties and accept returns in order to attract sufficient interest from the Comsale Entities' customers and it would be difficult for a buyer to estimate the cost of doing so;

(c) the Comsale Inventory is stored in various locations and jurisdictions;

(d) the interest expressed by competitors in acquiring assets thus far in the receivership has only included the Comsale Inventory and/or the Comsale Fixed Assets; and

(e) there appears to be minimal Comsale Intellectual Property.

As such, the Receiver considers it uneconomical to pursue a sale of the operations as a going concern.

Items Excluded from Sale

79. For the reasons listed above, as well as the perceived difficulty in collecting the Comsale Trade Receivables given the varying jurisdictions of the debtors, the Receiver does not consider it economical to attempt to sell the Comsale Trade Receivables, at this time. The Receiver will attempt to recover these debts through collections in the receivership.

80. Further, the Receiver does not intend on selling any electronic devices, servers, storage devices, or similar items, used by the Comsale Entities to maintain their books and records prior to the receivership, as it estimates the recovery to be less than the associated cost.

81. As is discussed earlier in this First Report, the Receiver has not sought foreign recognition of the Receivership Order as it relates to Comsale Malaysia in Malaysia. The Receiver will not sell any assets that it determines are owned by Comsale Malaysia and located in Malaysia, unless and until foreign recognition of the Receivership Order is obtained in the future.

SALES PROCESS

82. The Receiver will continue its efforts to sell finished goods and/or goods that are readily able to be converted into finished goods, during the ordinary course of the receivership. The Receiver continues to negotiate the completion and sale of some open orders to existing customers. The Receiver is advised by customers and the Retained Contractors that the demand for refurbished electronics is likely to diminish after the Christmas period. The Receiver will not install any Microsoft software when undertaking these sales, if required, without first addressing Microsoft's concerns as set out above, and such sales will be confined to the sale thresholds outlined in the Receivership Order, meaning that no individual sale will exceed $500,000 and aggregate sales will not exceed $1,500,000.

83. The Receiver will sell all remaining Assets Available for Sale in accordance with the below detailed sale process ("**Sales Process**") if approved and authorized by the Canadian Court and US Court. The Receiver has been advised by Shearn that if the Sales Process is approved by the Canadian Court, the Receiver will be authorized to conduct a sale of Comsale Computer's assets in Malaysia and will not be required to seek recognition of the sale process order in Malaysia.

Phase 1: Preparation

84. The Receiver, together with TGF, Linklaters and Shearn, where applicable, will:

(a) prepare the following documentation:

(i) a form of solicitation letter summarizing the Sales Process and soliciting parties to express their interest in same (the "**Solicitation Letter**");

(ii) a form of non-disclosure agreement (the "**NDA**") to be executed in order to access the Data Room (as defined below) and receive a copy of the APA (as defined below) to further participate in the Sales Process; and

(iii) a form of offer and a form of Asset Purchase Agreement ("**APA**").

(b) prepare a data room (the "**Data Room**") containing, to the extent that such information is available from the Comsale Entities' records, detailed asset listings, virtual tour videos of the warehouses and Assets Available for Sale as filmed by capable third parties, photos of the Assets Available for Sale, detailed costings of the rent and utilities for each warehouse, lease agreements (if any) and any other information located to be shared with prospective purchasers subsequent to receiving an executed NDA; and

(c) identify and prepare a list of potential purchasers for the Assets Available for Sale ("**Potential Purchasers**"), including those parties who have already submitted unsolicited offers.

Phase 2: Marketing the Assets Available for Sale – Estimated Timeframe: 40 days

85. During Phase 2, the Receiver, together with TGF, Linklaters and Shearn, where applicable, will:

    (a) send the Solicitation Letter and NDA to the Potential Purchasers identified in Phase 1 and any further Potential Purchasers who are subsequently identified;

    (b) advertise the sale of the Assets Available for Sale in newspapers in each of the following locations:

        (i) Canada;

        (ii) the United States; and

        (iii) Malaysia;

    (c) allow any Potential Purchasers who execute the NDA to access the Data Room;

    (d) permit Potential Purchasers to inspect the Assets Available for Sale and respond to additional reasonable diligence requests;

    (e) maintain the Data Room; and

    (f) receive offers from Potential Purchasers.

Phase 3: Entering into APA – Estimated Timeframe: 15 days

86. During Phase 3, the Receiver, together with TGF, Linklaters and Shearn, where applicable, will:

    (a) review all offers submitted in Phase 2 and discuss same with the applicable offeror;

    (b) consult with HSBC and other secured creditors as and if applicable;

(c) if there is more than one acceptable offer, determine the offer that, in the Receiver's view, is superior (the "**Superior Offer**") by considering, among other things:

(i) the total value offered;

(ii) the terms and conditions of the offer; and

(iii) the Receiver's opinion of the likelihood of successfully completing the transaction contemplated by the offer; and

(d) inform the offeror of the Superior Offer that their offer will be proceeding, negotiate and execute an APA with said offeror and, subject to court approval, close the transaction.

87. The Receiver is requesting the discretion to amend or vary the Sales Process, as may be determined appropriate in its discretion, in order to maximize value for stakeholders, including, but not limited to, (i) the ability to terminate the Sales Process if the Receiver believes that there are no interested parties for the assets and that it is reasonably appropriate in the circumstances; and (ii) the ability to remove any asset by type or location from the Assets Available for Sale either before or during the Sales Process, provided that if removed during the proposed Sales Process, all Potential Purchasers are notified.

<u>The Receiver's Comments</u>

88. The time period contemplated in the proposed Sale Process provides interested parties with 55 days to submit offers to the Receiver after Phase 1 is complete. The Receiver believes this time period to inspect the Assets Available for Sale and submit offers is appropriate because:

(a) competitors and customers of the Comsale Entities, who have businesses in North America and Malaysia, have already expressed interest in the Assets Available for Sale;

(b) the Receiver is incurring considerable holding costs as a result; and

(c) HSBC, the largest secured creditor in these proceedings, is supportive of the time frame.

89. The sale of the Assets Available for Sale is conditional upon the Courts approval of the recommended purchaser(s) and the terms of the APA. The Receiver will attend before the Courts upon the completion of the proposed Sales Process to seek approval of the recommended purchaser(s) and the APA prior to closing any sale transaction(s).

CONCLUSION AND RECOMMENDATION

90. For the reasons set out in this First Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that the Court make the Order granting the requested relief.

THIS PAGE LEFT INTENTIONALLY BLANK

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 13 day of December, 2019.

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF
COMSALE COMPUTER INC., ET. AL. AND NOT IN ITS PERSONAL
OR CORPORATE CAPACITY

Per: ______________________________
Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix E

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MADAM	)	FRIDAY THE 20TH
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

ORDER
(Approving Sale Process)

THIS MOTION made by Grant Thornton Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") for an order (i) approving the sale process as described in the Receiver's First Report to the Court dated December 13, 2019 (the "**First Report**"); and (ii) approving the Receiver's activities as set out in the First Report and was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Applicant and the Receiver, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Rachel Bengino sworn December 17, 2019;

APPROVAL OF SALE PROCESS

1. THIS COURT ORDERS that the sale process, as described in the First Report (the "**Sale Process**"), be and is hereby approved and the Receiver is hereby authorized and directed to take such steps as it deems necessary or advisable to carry out the Sale Process, with such amendments thereto as the Receiver reasonably requires is necessary in its discretion.

2. THIS COURT ORDERS that the Receiver shall maintain separate accounting of any sale proceeds realized in the Sale Process for each of the Comsale Entities.

3. THIS COURT ORDERS that the Receiver shall have no personal or corporate liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing its duties under the Sale Process (including, without limitation, through the disclosure of any and all information or documentation regarding the Comsale Entities), except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Receiver, as determined by the Court.

APPROVAL OF ACTIVITIES

4. THIS COURT ORDERS that the First Report and actions, decisions and conduct of the Receiver as set out in the First Report are hereby authorized and 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.

GENERAL

5. 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, Malaysia, Hong Kong 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.

Conway J.

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

DEC 2 0 2019

PER / PAR: AC

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

HSBC BANK CANADA - and - **COMSALE COMPUTER INC. et al.**

Applicant

Respondents

Court File No. CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Approving Sale Process)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Court-Appointed Receiver

Appendix F

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MADAM	)	TUESDAY THE 7TH
	)	
JUSTICE CONWAY	)	DAY OF JANUARY, 2020

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

ORDER
(Expanding Receivership Order)

THIS MOTION made by Grant Thornton Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") for an order adding Comsale Singapore Private Limited ("**Comsale Singapore**") as a Respondent in these proceedings was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Applicant and the Receiver, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Rachel Bengino sworn December 17, 2019, the affidavit of D.J. Miller sworn December 23, 2019 and the affidavit of Gloria Kalkounis sworn December 23, 2019;

COMSALE SINGAPORE PRIVATE LIMITED

1. THIS COURT ORDERS that the definition of "Comsale Entities" in the Order granted by this Court on November 5, 2019 (the "**Receivership Order**") shall be expanded to include Comsale Singapore pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43. Further, the definition of "Property" in the Receivership Order shall be expanded to include the business carried on by Comsale Singapore, including all proceeds thereof. The style of cause of the within proceedings shall be amended to include Comsale Singapore as a Respondent.

2. THIS COURT ORDERS that, in respect of the Receiver's appointment over the assets, properties and undertakings of Comsale Singapore, it is a receiver for all purposes of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, pursuant to section 243(2)(b)(ii) therein.

GENERAL

3. 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, Malaysia, Hong Kong or Singapore 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.

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

JAN 07 2020

PER / PAR: RW

Conway J.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

HSBC BANK CANADA - and - **COMSALE COMPUTER INC. et al.**

Applicant

Respondents

Court File No. CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Expanding Receivership Order)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Court-Appointed Receiver

Appendix G

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Comsale Group Inc., *et al.*,[1] Debtors in a Foreign Proceeding.	Chapter 15 Case No. 19-13625 (JLG) Jointly Administered

ORDER (I) APPROVING THE SALE PROCEDURES AND THE SALE NOTICE, (II) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF ANY LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS, (III) RECOGNIZING AND ENFORCING THE CANADIAN SALE PROCEDURES ORDER AND (IV) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of Grant Thornton Limited, solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity (the "Receiver") and authorized foreign representative (the "Foreign Representative") of Comsale Group Inc. ("CGI"), Comsale Computer Inc. ("CCI") and Comsale Inc. ("CI" and together with CGI and CCI, the "Debtors"), each of which was placed in a receivership on November 5, 2019 by order (the "Receivership Order") of the Superior Court of Justice (Commercial List) in Ontario, Canada (the "Canadian Court"), Court File No.: CV-19-630501-00CL (the "Canadian Proceeding"), pursuant to sections 105(a), 363, 1501, 1507, 1514, 1520 and 1521 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Bankruptcy Rule 6004-1 for the Southern District of New

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

York (the "Local Rule"), for an entry of an order (i) approving (a) procedures (the "Sale Procedures") for the sale of substantially all of the Debtors' assets (the "Sale") that are within the territorial jurisdiction of the United States and (b) the form and manner of notice of the Sale attached hereto as **Exhibit 1** (the "Sale Notice"), (ii) authorizing the Sale of the Debtors' assets free and clear of liens, claims, encumbrances and other interests, (iii) recognizing and enforcing in the United States the order of the Canadian Court attached to the Motion as **Exhibit B** (the "Canadian Sale Procedures Order") and (iv) granting related relief; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N) and (P); and venue being proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3); and appropriate, sufficient and timely notice of the filing of the Motion and the hearing thereon having been given pursuant to the Bankruptcy Rules 2002 and 6004 and Local Rule 6004-1; and the Court having held a hearing on January 28, 2020 to consider the relief requested in the Motion and upon the record established at such hearing; and the Court having found and determined that the relief requested in the Motion is in the best interests of the Debtors and their creditors and is in the interests of international comity and not inconsistent with United States policy; and the Court having found and determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:[3]

A. Good and sufficient notice of the relief granted by this Order has been given, and no other or further notice is required. A reasonable opportunity to object or be heard regarding the relief granted by this Order (including with respect to the Sale Procedures) has been afforded to parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules.

B. The Sale Procedures are fair, reasonable and appropriate and are designed to maximize the value of the Available Assets[4] for the benefit of the Debtors and their creditors.

C. The proposed form and manner of notice of the Sale Procedures, the Sale or Sales of Available Assets pursuant to the Sale Notice and the Objection Deadline, in each case as set forth in the Motion, is good, appropriate, sufficient and reasonably calculated to provide all interested parties with timely and proper notice of the Sale Procedures, the Sale or Sales of Available Assets pursuant to the Sale Notice and the Objection Deadline, and no other or further notice is required.

D. The Foreign Representative has demonstrated good and sufficient cause for this Court to grant the relief requested in the Motion, including the Sale Procedures and the form and manner of service of the Sale Notice.

E. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the U.S. and warranted pursuant to sections 1507 and 1521 of the Bankruptcy Code.

---

[3] The findings and conclusions set forth herein and in the record of the hearing on the Motion constitute this Court's findings of facts and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

[4] As used herein, "Available Assets" means substantially all of the Debtors' assets, including inventory, machinery, equipment, furniture, fixtures, motor vehicles and leasehold improvements.

F. The entry of this Order is in the best interests of the Debtors, their creditors and all other parties-in-interest in these chapter 15 cases; and now therefore

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFOR, IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. The following Sale Procedures, which are approved in all respects, shall govern the Sale of the Available Assets located in the United States:

a. **Solicitation Materials**. The Foreign Representative shall prepare (i) a form of solicitation letter summarizing the Sale Procedures and soliciting parties to express interest in the Available Assets (the "Solicitation Letter"); (ii) a form of non-disclosure agreement (the "NDA") to be executed to access the Data Room (defined below) and (iii) a form of offer and asset purchase agreement (the "APA," together with the NDA and the Solicitation Letter, the "Solicitation Materials"). The Foreign Representative shall serve a copy of the Solicitation Letter on (a) the United States Trustee; (b) any party known to have asserted a lien on the Available Assets, including HSBC Bank Canada ("HSBC"); (c) any Potential Purchasers (defined below) and (d) any party that has filed a notice of appearance in these chapter 15 cases.

b. **Data Room**. The Foreign Representative shall establish a data room (the "Data Room") that will contain the following information (to the extent available from the Debtors' books and records): detailed asset listings, virtual tour videos of the warehouses and Available Assets as filmed by capable third parties, photographs of the Available Assets, detailed expenses related to the rent and utilities for each warehouse, lease agreements (if any), form of APA, and any other information relevant to the sale of the Available Assets. Access to the Data Room shall be available to Potential Purchasers upon execution of an NDA acceptable to the Foreign Representative.

c. **Identification of Potential Purchasers**. The Foreign Representative shall identify and prepare a list of Potential Purchasers for the Available Assets (the "Potential Purchasers").

d. **Marketing of the Available Assets**. In addition to sending the Solicitation Materials to Potential Purchasers, the Foreign Representative shall advertise the sale of the Available Assets in newspapers or periodicals of general circulation in Ontario, Canada; Reno, Nevada; Memphis, Tennessee; New York, New York; and Kuala Lumpur, Malaysia, as applicable in its discretion. The Foreign Representative shall also permit Potential Purchasers to inspect the Available

Assets at times and places to be determined by the Foreign Representative and respond to additional reasonable diligence requests.

e. **Bid Deadline**. All bids for the Available Assets must be received by the Foreign Representative by the deadline set forth in the Solicitation Materials, unless extended by the Foreign Representative.

f. **Superior Bid**. The Foreign Representative shall review all offers submitted and discuss those bids with the applicable Potential Purchaser and consult with HSBC and other creditors known to have asserted a lien on the Available Assets, if applicable. If there is more than one acceptable offer, the Foreign Representative shall determine the offer that, in the Foreign Representative's view, is superior (the "Superior Offer") by considering, among other things:

(i) the total value offered;

(ii) the terms and conditions of the offer; and

(iii) the Foreign Representative's opinion of the likelihood of successfully completing the transaction contemplated by the offer.

The Foreign Representative shall (i) inform the offeror of the Superior Offer that its offer has been selected as the Superior Offer; (ii) negotiate and execute an APA with the offeror of the Superior Offer and (iii) subject to Court approval, close the transaction.

g. **Sale Notice**. Once the Foreign Representative has successfully entered into one or more sale agreements with one or more purchasers, no less than ten (10) days before the Objection Deadline (defined below) for the applicable Sale of Available Assets, the Foreign Representative shall serve a copy of the applicable Sale Notice on (a) the United States Trustee; (b) any party known to have asserted a lien on the Available Assets, including HSBC and (c) any party that has filed a notice of appearance in these chapter 15 cases (collectively, the "Sale Notice Parties"). The Sale Notice shall provide the following information for the applicable Sale of Available Assets: (a) identification of the Available Assets being sold; (b) identification of the purchaser; (c) the purchase price and terms of payment to be paid by the purchaser; (d) a copy of the APA evidencing the Sale (or a summary of the material terms of the APA); (e) the material terms of any marketing or sales process undertaken with respect to the applicable Available Assets; (f) a statement regarding any party known to have asserted a lien on the applicable Available Assets and (g) the Objection Deadline and the date of the Sale Hearing for the applicable Sale.

h. **Proposed Sale Order**. The Foreign Representative shall attach to the applicable Sale Notice a proposed form of sale order (the "Sale Order") for the Sale of the applicable Available Assets.

i. **Foreign Representative Declaration**. The Foreign Representative shall attach to the applicable Sale Notice a declaration in support of the Sale containing statements sufficient for the Court to find that: (i) the Sale constitutes a prudent exercise of the Foreign Representative's business judgment; (ii) the Sale may be consummated free and clear of all liens, claims, encumbrances and other interests under section 363(f) of the Bankruptcy Code and (iii) the purchaser is a good faith purchaser entitled to the protections of section 363(m) of the Bankruptcy Code.

j. **Objection Deadline**. Objections, if any, to a Sale must be filed with this Court and served on: (i) the Foreign Representative and its counsel; (ii) the United States Trustee; (iii) any party known to have asserted a lien on the Available Assets, including HSBC and (iv) any party that has filed a notice of appearance in these chapter 15 cases so as to be **actually received** on or before the date that is ten (10) calendar days following the date that the applicable Sale Notice is served on the Sale Notice Parties (the "Objection Deadline").

k. **Sale Hearing**. A hearing to consider the applicable Sale (the "Sale Hearing") shall be held at a date and time established by the Court as set forth in the Sale Notice.

l. **As is, Where Is**. The Sale of the Available Assets pursuant to these Sale Procedures shall be on an "as is, where is" basis and without representations or warranties of any kind or nature by the Foreign Representative, its agents and advisors, unless otherwise provided in any APA, except that the Foreign Representative may represent and warrant that the Foreign Representative is duly appointed as the receiver and manager of the undertaking, property and assets of the Debtors and is duly authorized to sell all of the Debtors' right, title and interest, if any, in and to the Available Assets.

3. The Foreign Representative is authorized to take any and all actions necessary or appropriate to implement the Sale Procedures.

4. The Foreign Representative is authorized to modify the Sale Procedures or impose additional terms and conditions on the Sale of the Available Assets in its reasonable business judgment in any manner that will best promote the goals of the bidding process, including, without limitation, (i) extending the deadlines set forth in this Order and the Sale Procedures, (ii) adding procedural rules that are reasonably necessary or advisable to effectuate the Sale, (iii) rejecting

any bids for the Sale of Available Assets, (iv) terminating the sale process contemplated by the Sale Procedures and (v) removing any of the Available Assets from the sale process contemplated by the Sale Procedures.

5. The Sale Notice substantially in the form attached hereto as “Exhibit 1” is hereby approved. The Sale Notice shall constitute good and sufficient notice of the Motion, the Sales, the Objection Deadline and the Sale Hearing. No other or further notice of the Motion, the Sales, the Objection Deadline, the Sale Hearing and the proposed Sale Order shall be necessary or required.

6. The Sale Hearing shall be held before the Honorable James L. Garrity, Jr., United States Bankruptcy Judge for the Southern District of New York, United States Bankruptcy Court, Courtroom 601, One Bowling Green, New York, New York 10004 at a date and time to be determined by the Court as set forth in the applicable Sale Notice. If no objection to the Sale of the Available Assets is filed and served in accordance with the Sale Procedures so as to be actually received on or before the applicable Objection Deadline, the declarant who submits a declaration in support of the Sale as described in paragraph 2(i) hereof may appear telephonically at the Sale Hearing if such declarant is located outside of the United States.

7. The Canadian Sale Procedures Order is recognized in full and given full force and effect in the United States.

8. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) the terms of this Order shall be immediately effective and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (c) the Foreign Representative may, in its discretion and without further delay, take any action and perform any act authorized under this Order, the Receivership Order or the Canadian Sale Procedures Order.

9. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: February 4, 2020
New York, New York

/s/ *James L. Garrity, Jr.*
THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

SALE NOTICE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 15
Comsale Group Inc., *et al.*,[1]	Case No. 19-13625 (JLG)
Debtors in a Foreign Proceeding.	Jointly Administered

NOTICE OF PROPOSED SALE OF AVAILABLE ASSETS

PLEASE TAKE NOTICE that on November 13, 2019, Grant Thornton Limited, solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity (the "Receiver") and authorized foreign representative (the "Foreign Representative") of Comsale Group Inc. ("CGI"), Comsale Computer Inc. ("CCI" or the "Borrower") and Comsale Inc. ("CI" and together with CGI and CCI, the "Debtors"),[2] filed the *Chapter 15 Petition for Recognition of a Foreign Proceeding* and the *Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding and Related Relief* (together, the "Petition") for each of the Debtors pursuant to chapter 15 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Court").

PLEASE TAKE FURTHER NOTICE THAT on December 16, 2019, the Court entered an order recognizing the Canadian Proceeding as a foreign main proceeding.

PLEASE TAKE FURTHER NOTICE THAT on January [●], 2020, the Court entered the *Order (I) Approving the Sale Procedures and the Sale Notice, (II) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of Any Liens, Claims, Encumbrances and Other Interests, (III) Recognizing and Enforcing the Canadian Sale Procedures Order and (IV) Granting Related Relief* (the "Sale Procedures Order")[3] authorizing the Foreign Representative to sell substantially all of the Debtors' assets located in the United States pursuant to the procedures set forth in the Sale Procedures Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Sale Procedures Order, the Foreign Representative proposes to enter into the transaction (the "Proposed Transaction")

---

1 The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

2 Each of the Debtors was placed in a receivership on November 5, 2019 by order (the "Receivership Order") of the Superior Court of Justice (Commercial List) in Ontario, Canada (the "Canadian Court"), Court File No.: CV-19-630501-00CL (the "Canadian Proceeding").

3 Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Procedures Order.

pursuant to the asset purchase agreement (the "APA") attached to this Notice as Exhibit A. The material terms of the Proposed Transaction are described below:

- **Available Assets Being Sold**:
- **Purchaser**:
- **Purchase Price**:
- **Terms of Payment**:
- **Marketing Efforts**:
- **Known Liens**:
- **Other Material Terms**:

PLEASE TAKE FURTHER NOTICE that, pursuant to the Sale Procedures Order, the Foreign Representative requests entry of the proposed order attached to this notice as Exhibit B (the "Proposed Order") authorizing the consummation of the Proposed Transaction on ten (10) calendar days' notice and granting relief pursuant to sections 363(f) and 363(m) of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that, in support of the relief requested in the Proposed Order, the Foreign Representative submits the *Declaration of Foreign Representative* attached to this Notice as Exhibit C (the "Foreign Representative Declaration").

PLEASE TAKE FURTHER NOTICE that, consistent with the Sale Procedures Order and the Foreign Representative Declaration, if the Court enters an order granting relief under section 363(f) of the Bankruptcy Code, upon closing of the Sale, the Available Assets shall be transferred free and clear of all liens, claims, encumbrances and other interests, with such liens, claims, encumbrances and other interests attaching to the sale proceeds in the order of priority and with the same validity, force and effect that they have as against the Available Assets immediately prior to the Proposed Transaction.

PLEASE TAKE FURTHER NOTICE that objections to the Proposed Transaction must be filed electronically with the Court by registered users of the Court's electronic case filing system in accordance with General Order M-399 and the Court's Procedures for the Filing, Signing and Verification of Documents by Electronic Means (copies of each of which may be viewed on the Court's website at http://www.nysb.uscourts.gov). Two single-sided hard copies of any response or objection shall be sent to the Chambers of the Honorable James L. Garrity, United States Bankruptcy Judge, One Bowling Green, New York, New York 10004-1408 and served upon counsel for the Foreign Representative, Linklaters LLP, 1345 Avenue of the Americas, New York, New York 10105 (Attention: Robert H. Trust, Esq., Penelope J. Jensen, Esq. and Christopher J. Hunker, Esq.) and Thornton Grout Finnigan LLP, 100 Wellington St. West, Suite 3200, Canada Pacific Tower, Toronto (Ontario), Canada M5K 1K7 (Attention: D.J. Miller and Rachel Bengino) (collectively, the "Objection Notice Parties"), so as to be actually received on or before the date that is ten (10) calendar days following the date that this Sale Notice is served on the Objection Notice Parties (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that the Sale Hearing shall be held before the Honorable James L. Garrity, Jr., United States Bankruptcy Judge for the Southern District of New York, United States Bankruptcy Court, Courtroom 601, One Bowling Green, New York, New York 10004 on [●].

PLEASE TAKE FURTHER NOTICE that all parties in interest wishing to oppose the Proposed Transaction must appear at the Sale Hearing at the time and place set forth above.

PLEASE TAKE FURTHER NOTICE that the Sale Hearing may be adjourned from time to time without further notice other than an announcement in open court, or a notice of adjournment filed with the Court, of the adjourned date or dates of the hearing or any further adjourned hearing.

Dated: [●], 2020
New York, New York

Respectfully submitted,

____

Robert H. Trust
Penelope J. Jensen
Christopher J. Hunker
LINKLATERS LLP
1345 Avenue of the Americas
New York, NY 10105
Telephone: (212) 903-9000
Facsimile: (212) 903-9100

-and-

D.J. Miller
Rachel Bengino
THORNTON GROUT FINNIGAN LLP
100 Wellington St. West
Suite 3200, Canada Pacific Tower
Toronto (Ontario), Canada M5K 1K7
Telephone: (416) 304-1616
Facsimile: (416) 304-1313

Counsel to the Foreign Representative

EXHIBIT B

Proposed Sale Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Comsale Group Inc., *et al.*,[1] Debtors in a Foreign Proceeding.	Chapter 15 Case No. 19-13625 (JLG) Jointly Administered

ORDER AUTHORIZING AND APPROVING SALE OF AVAILABLE ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS IN ACCORDANCE WITH THE SALE PROCEDURES ORDER

Upon the *Notice of Proposed Sale of Available Assets* (the "Sale Notice") and the *Declaration of Foreign Representative* attached to the Sale Notice as Exhibit C (the "Foreign Representative Declaration") in support of entry of an order (this "Order") authorizing the sale of Available Assets (the "Proposed Transaction") to ______________ (the "Buyer") pursuant to the *Order (I) Approving the Sale Procedures and the Sale Notice, (II) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of Any Liens, Claims, Encumbrances and Other Interests, (III) Recognizing and Enforcing the Canadian Sale Procedures Order, and (IV) Granting Related Relief* [Docket No. ___] (the "Sale Procedures Order"); and this Court having jurisdiction to consider the Sale Notice and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Sale Notice and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N) and (P); and venue being proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3); and the Court having reviewed and considered the Foreign Representative Declaration; and the Court having held a hearing on [●] to consider the relief

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

requested in this Order and upon the record established at such hearing; and it appearing that the Proposed Transaction is in the best interests of the Debtors and their creditors; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Good and sufficient notice of the relief granted by this Order has been given in accordance with the Sale Procedures Order to (a) the United States Trustee; (b) any party known to have asserted a lien on the Available Assets, including HSBC and (c) any party that has filed a notice of appearance in these chapter 15 cases. Notice of the Proposed Transaction was good, sufficient and appropriate under the circumstances and provided a reasonable opportunity to object or be heard regarding the relief granted by this Order to parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules. No other or further notice of the Proposed Transaction is required.

B. The Foreign Representative has demonstrated that the Proposed Transaction is a reasonable exercise of the Foreign Representative's business judgment and is in the best interests of the Debtors and their creditors. Sound business reasons exist for the Proposed Transaction.

C. The transfer of the Available Assets to the Buyer pursuant to the APA shall be legal, valid and effective and shall vest the Buyer with all right, title and interest of the Debtors to the Available Assets free and clear of all liens, claims, encumbrances and other interests. One or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.

D. The Buyer is a good faith purchaser for value, is entitled to all of the protections afforded under section 363(m) of the Bankruptcy Code and has otherwise acted in good faith in connection with the Proposed Transaction. Specifically, (a) the Buyer is not an "insider" of the Debtors, as that term is defined in the Bankruptcy Code; (b) the Proposed Transaction was negotiated at arm's-length and in good faith; (c) the Buyer did not in any way induce or cause the filing of these chapter 15 cases; (d) the consideration provided by the Buyer under the Proposed Transaction is fair and reasonable; and (e) the Proposed Transaction is not the result of fraud or collusion. Neither the Foreign Representative nor the Buyer has engaged in any conduct that would cause or permit the Proposed Transaction to be avoided or result in the imposition of any costs or damages under section 363(n) of the Bankruptcy Code.

IT IS THEREFORE, ORDERED, ADJUDGED, AND DECREED THAT:

1. The Proposed Transaction is approved as set forth herein.

2. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Foreign Representative is authorized to transfer the Available Assets to the Buyer pursuant to the terms of the APA. The APA is hereby approved, and the Foreign Representative is authorized to take all actions necessary to consummate the Proposed Transaction.

3. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Available Assets shall be transferred free and clear of all liens, claims, encumbrances and other interests, and all such liens, claims, encumbrances and other interests shall attach to the proceeds of the Proposed Transaction in the order of priority and with the same validity, force and effect that they have as against the Available Assets immediately prior to the Proposed Transaction.

4. The Buyer is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and is entitled to the full protections of section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the authorization provided herein to consummate the Proposed Transaction shall not affect the validity of the Proposed Transaction, unless such

authorization and consummation of the Proposed Transaction is duly and properly stayed pending such appeal.

5. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) the terms of this Order shall be immediately effective and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (c) the Foreign Representative may, in its discretion and without further delay, take any action and perform any act authorized under this Order, the Receivership Order or the Canadian Sale Procedures Order.

6. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: ___________________, 2020
New York, New York

____
THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

Appendix H

Industry Canada
Office of the Superintendent of Bankruptcy Canada

Industrie Canada
Bureau du surintendant des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-2613982
Estate No.: 31-2613982

In the Matter of the Bankruptcy of:

Comsale Computer Inc.
Debtor

GRANT THORNTON LIMITED
Licensed Insolvency Trustee

Ordinary Administration

Date and time of bankruptcy:	February 05, 2020, 11:30	Security:	$0.00
Date of trustee appointment:	February 05, 2020		
Meeting of creditors:	February 18, 2020, 10:00 11th Floor 200 King Street West, Box 11 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforenamed debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforenamed trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: February 05, 2020, 12:17

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix I

Court File No: CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

\- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. and COMSALE SINGAPORE PRIVATE LIMITED

Respondents

SECOND REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER

April 15, 2020

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

TABLE OF CONTENTS

APPENDICES

Appendix A	Receivership Order dated November 5, 2019
Appendix B	Final Recognition Order of the US Court dated December 13, 2019
Appendix C	Recognition Order of the Malaysia Court dated November 27, 2019
Appendix D	Receiver's First Report to the Court dated December 13, 2019 (without appendices)
Appendix E	Sale Process Order dated December 20, 2019
Appendix F	Expansion Order dated January 7, 2020
Appendix G	Recognition of Sale Process Order granted by US Court dated February 4, 2020
Appendix H	Offer Form with Asset Listings
Appendix I	Asset Purchase Agreements with Accepted Purchasers (redacted)
Appendix J	Affidavit of Rob Stelzer sworn April 9, 2020
Appendix K	Affidavit of Foo Lai-Don Geoffrey sworn April 6, 2020
Appendix L	Affidavit of D.J. Miller sworn April 6, 2020
Appendix M	Affidavit of John Pirie sworn April 7, 2020
Appendix N	Affidavit of Penelope J. Jensen signed April 6, 2020
Appendix O	Affidavit of David W. Houston IV sworn April 3, 2020
Appendix P	Affidavit of Donald G. Martin signed April 8, 2020
Appendix Q	Affidavit of Vong Sze Xin signed April 7, 2020
Confidential Appendix 1	Summary of APAs with each Accepted Purchaser
Confidential Appendix 2	Gordon Brothers Appraisal dated January 15, 2020
Confidential Appendix 3	Unredacted copy of the APAs with each Accepted Purchaser

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

SECOND REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER

April 15, 2020

INTRODUCTION

1. This report (the "**Second Report**") is filed by Grant Thornton Limited ("**GTL**") in its capacity as receiver and manager (the "**Receiver**") of Comsale Computer Inc. ("**Comsale Computer**"), Comsale Inc. ("**Comsale US**"), Comsale Group Inc. ("**Comsale Group**"), Comsale Hong Kong Limited ("**Comsale Hong Kong**"), Comsale Malaysia Sdn. Bhd. ("**Comsale Malaysia**") and Comsale Singapore Private Limited ("**Comsale Singapore**" and, collectively, the "**Comsale Entities**").

2. On November 5, 2019, the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") granted an order appointing GTL as Receiver, without security, over all the assets, undertakings and properties of the Comsale Entities (not including Comsale Singapore) (the "**Receivership Order**"). A copy of the Receivership Order is attached hereto as **Appendix "A"**.

3. On November 15, 2019, the United States Bankruptcy Court for the Southern District of New York (the "**US Court**") granted a provisional relief Order (the "**US Provisional Order**") pursuant to Chapter 15 of the United States Bankruptcy Code, recognizing the appointment of GTL as the Receiver of Comsale Computer, Comsale US and Comsale Group pursuant to the Receivership Order. On December 13, 2019, the Honourable James L. Garrity, Jr. of the US Court granted the final recognition of the Receivership Order (the "**US Order**") specific to the abovementioned entities, a copy of which is attached hereto as **Appendix "B"**.

4. On November 27, 2019, the High Court of Malaya at Kuala Lumpur, in the Federal Territory of Kuala Lumpur (Commercial Division) (the "**Malaysian Court**") granted an order recognizing the appointment of GTL as the Receiver of Comsale Computer pursuant to the Receivership Order in Malaysia (the "**Malaysian Order**"). A copy of the Malaysian Order granted by the Honorable Judge Azizul Azmi Bin Adnan is attached hereto as **Appendix "C"**.

5. The Receiver's First Report to the Court dated December 13, 2019 (the "**First Report**") summarized its activities and requested Court-approval of the Sale Process (as defined and described in the First Report). The First Report is attached (without appendices) as **Appendix "D".** On December 20, 2019, the Canadian Court issued an order (the "**Sale Process Order**") approving the First Report and Sale Process. On January 7, 2020, the

Canadian Court also expanded the Receivership Order to include Comsale Singapore as a respondent thereto (the "**Expansion Order**"). The Sale Process Order and Expansion Order are attached hereto as **Appendices "E"** and "**F**", respectively.

6. On February 4, 2020, the US Court granted an order recognizing the Sale Process Order, which is attached as **Appendix "G"**. The Receiver's counsel in Malaysia advised that the Sale Process Order could be enforced in Malaysia and as such, no recognition of this order was required in Malaysia.

PURPOSE OF THE SECOND REPORT

7. The purpose of this Second Report is to:

   (a) Provide the Court with an update on the status of the proceedings;

   (b) Seek an Approval and Vesting Order that approves the agreements of purchase and sale between the Receiver and the Accepted Purchasers (as defined herein) (collectively, the "**APAs**" and each an "**APA**") for the sale of the Comsale Entities' assets for sale and authorize the Receiver to take all steps necessary to complete the transactions contemplated;

   (c) Obtain a sealing order for Confidential Appendices "1", "2" and "3" until further order of the Court;

   (d) Request approval of the fees and disbursements of each of the Receiver, Grant Thornton Malaysia ("**GT Malaysia**"), and the Receiver's local and foreign counsel being, Thornton Grout Finnigan LLP ("**TGF**"), Linklaters LLP ("**Linklaters**"), Shearn Delamore & Co ("**Shearn**"), Baker McKenzie LLP ("**Baker McKenzie**"), Burr Forman LLP ("**Burr**") and Lewis Rocca Rothgerber Christie LLP ("**Lewis Rocca**"), as described in this Second Report; and

(e) Request approval of this Second Report and the conduct and activities of the Receiver as described in this Second Report.

RESTRICTIONS AND TERMS OF REFERENCE

8. In preparing this Second Report the Receiver has relied upon unaudited financial information, Comsale Entities' books and records, to the extent available, certain financial information, discussions with the Comsale Entities' former employees and officers, and discussions with other parties. The Receiver's work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**"), International Financial Reporting Standards ("**IFRS**") or Generally Accepted Auditing Standards ("**GAAS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, IFRS or GAAS with respect to such information.

9. This Second Report has been prepared to provide general information by way of a status update to the Court and to provide the Court with context for the Receiver's request for the relief sought. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by any other party which uses this Second Report for any other purpose.

10. Capitalized terms not defined in this Second Report shall have the meaning ascribed to such terms in the Receivership Order and the First Report. All references to dollars are in Canadian currency, unless otherwise noted.

11. Copies of materials filed in these proceedings to date, including with respect to the foreign proceedings, are available on the Receiver's case website at: www.GrantThornton.ca/Comsale.

THE RECEIVER'S ACTIVITIES

12. Since the First Report, the Receiver's activities have included the following:

(a) administering the Sale Process in accordance with the Sale Process Order, including, but not limited to, advertising and marketing the Sale Process, preparing due diligence materials, maintaining an online data room, entering into non-disclosure agreements with potential bidders, entering into discussions with potential bidders, responding to inquiries and overseeing inspections of Assets Available for Sale (defined below), reviewing all offers received and determining the Superior Offers and negotiating and entering into the Asset Purchase Agreements;

(b) liaising with Grant Thornton LLP's forensics practice ("**GT Forensics**") to recover data from the Comsale Entities' computer systems;

(c) investigating certain findings that have come to GTL's attention related to books and records, receivables, inventory and shipment documentation as is described in this Second Report;

(d) liaising with various financial institutions to deal with pre-receivership bank accounts held by the Comsale Entities;

(e) pursuing debtors to collect pre-receivership receivables owing to the Comsale Entities;

(f) administering property claims filed by third parties for assets held by the Comsale Entities;

(g) liaising with freight forwarders and shipping companies to secure in-transit inventory;

(h) searching for property not in the Receiver's possession but believed to be owned by the Comsale Entities;

(i) corresponding with TGF and HSBC Bank Canada ("**HSBC**"), the largest secured creditor in these proceedings;

(j) responding to numerous enquiries from creditors, customers and other stakeholders;

(k) liaising with landlords and various service providers to continue supply of essential services during the receivership;

(l) continuing insurance policies to ensure adequate insurance coverage during the receivership;

(m) administering the Wage Earner Protection Program ("**WEPP**") and assisting former employees in filing claims pursuant to the WEPP;

(n) finalizing the 2019 tax documents, including T4's and Records of Employments for terminated Canadian employees and W-2 forms for terminated US employees, and issued records of employments to the terminated employees;

(o) liaising with the Canada Revenue Agency ("**CRA**") to audit the pre-receivership payroll records;

(p) assigning Comsale Computer into bankruptcy on February 5, 2020;

(q) administering the Case Website in accordance with the E-Service Protocol;

(r) preparing this Second Report; and

(s) liaising with those leasing and financing companies that have registrations against Comsale Computer on the Personal Property Security Register (the "**PPSR**") and against Comsale US on the Uniform Commercial Code Filing Database ("**UCCFD**") to deal with their security interests. As of the date of this Second Report, each of Mercedes-Benz Financial Services Canada Corporation/Mercedes-Benz Financial, VFS Canada Inc., TD Equipment Finance Canada and The Toronto-Dominion Bank have discharged their registrations. Further, the Receiver has disclaimed the leases between Comsale Computer Inc. and Canadian Dealer Lease Services Inc. and the Bank of Nova Scotia and has returned such equipment pursuant to the leases.

FOREIGN RECOGNITION

Comsale Hong Kong Limited

13. Since the First Report, the Receiver, together with its legal counsel, have continued to investigate whether any assets exist in the name of Comsale Hong Kong.

14. The Receiver is aware of pre-receivership bank accounts that were maintained by Comsale Hong Kong and other Comsale Entities with HSBC affiliates in foreign jurisdictions and that existed as at the date of the receivership (the "**Comsale Pre-Receivership Bank Accounts**"). The Receiver was advised that it was not able to receive bank statements for the Comsale Pre-Receivership Bank Accounts without either: (i) recognition of the Receivership Orders in the applicable jurisdiction of the respective Comsale Entity, or (ii) authorization and direction from a company director.

15. To preserve costs in the receivership, the Receiver has not yet sought recognition of the Receivership Order in Hong Kong at the date of this Second Report. Mr. Neil Shaul, a director of Comsale Hong Kong and Comsale Singapore, with the cooperation of the Receiver, executed a letter authorizing and directing the applicable HSBC affiliate to provide bank statements of the Comsale Pre-Receivership Bank Accounts to the

Receiver. As of the date of this report, HSBC is liaising with HSBC Hong Kong to attend to the request of Mr. Neil Shaul.

16. Based on the limited books and records available to the Receiver and dealings with former employees and management of the Comsale Entities, Comsale Hong Kong had no tangible assets as at the date of the receivership and, therefore, there were no available tangible assets of Comsale Hong Kong to include in the Sale Process.

Comsale Singapore Private Limited

17. In addition to the Receiver's above efforts to obtain bank statements of the Comsale Pre-Receivership Bank Accounts with HSBC's affiliate in Singapore, the Receiver has also requested copies of pre-receivership financial statements of Comsale Singapore from Huang Li, one of the directors of Comsale Singapore. The Receiver received limited financial statements but no bank statements for Comsale Singapore.

18. Based on the limited books and records available to the Receiver and dealings with former employees and management of the Comsale Entities, Comsale Singapore had no tangible assets as at the date of the receivership and, therefore, there were no available tangible assets of Comsale Singapore to include in the Sale Process.

SUMMARY OF THE SALE PROCESS

19. On February 5, 2020, the Receiver launched the Sale Process as detailed in the First Report to sell (i) all of the inventory of Comsale Computer and Comsale US located in Canada, the USA and Malaysia, and (ii) the fixed assets located in Canada and the USA (collectively, the "**Assets Available for Sale**"). The Assets Available for Sale were detailed in listings appended to the Offer Form, a copy of which is attached as **Appendix "H".** Below is information on the process undertaken by the Receiver:

(a) 94 potential bidders were identified, provided with a solicitation letter, a non-disclosure agreement ("**NDA**") and invited to partake in the Sale Process;

(b) Advertisements were published for two weeks in each of Ontario, Malaysia, Memphis, Reno and New York in order to canvass the market more broadly;

(c) A data room containing, *inter alia*, detailed asset listings and virtual video tours of each premises was provided to all parties that executed the NDA to assist with due diligence;

(d) Assets Available for Sale at the five different locations (i.e. St. Catharines, Memphis, Reno, Malaysia and the Vaughan head office) were segmented into 29 parcels;

(e) 44 days were provided between the launch of the Sale Process and the bid deadline on March 20, 2020 at 5:00 p.m. (EST);

(f) 28 potential bidders executed NDA's and were invited into the online data room;

(g) Seven potential bidders inspected the assets, two of which inspected multiple locations; and

(h) Offers by eight purchasers were determined to be the Superior Offers and were accepted by the Receiver (such purchasers, the "**Accepted Purchasers**"); and

(i) Two parcels (11A and 14A) at the Memphis warehouse were originally not included in the Sale Process, but subsequently sold to Accepted Purchasers.

20. The sale of the Assets Available for Sale is conditional upon the Courts approval of each respective APA between the Receiver and the Accepted Purchasers.

21. The Receiver believes that the Sale Process undertaken was robust, included a broad canvassing of the market and provided prospective purchasers with sufficient time to

evaluate the opportunity and submit an offer. The Receiver notes that further delay in closing the various sale transactions would result in additional holding costs to the estate. Further, HSBC is supportive of the Sale Process and the APAs negotiated. The table below summarizes the offers received from the Accepted Purchasers:

Purchaser	Parcel	Parcel Description
Hyper Microsystems Inc.	1 9 15	St. Catharines – UPC Memphis – UPC Reno - UPC
The Green Top Company	2, 3, 3A	St. Catharines – CTO, Defective, Ingram
Subane & Sons Inc.	4, 5, 6	St. Catharines – Parts, Other, Fixed Assets
Escrap Canada Inc.	7 11A	St. Catharines – Trailers Memphis – Customer Returns
Quickplug CA Inc.	8	St. Catharines – Containers
Joy Systems	10, 11, 12, 13, 14, 14A 16-20	Memphis – CTO, Defect, Parts, Other, Fixed and Other Fixed Assets Reno – CTO, Defect, Parts, Other, Fixed Assets
SPW Enterprise IT PTE LTD	21, 23	Malaysia – UPC, Defect
Exportxcel Sdn. Bhd.	22, 24, 25	Malaysia – CTO, Parts, Other

22. Attached as **Confidential Appendix "1"** is a summary of the APAs including the purchase price for each transaction, summary of key terms of each APA and a description of each parcel. We note that the offers received were in a similar range to what had been estimated by Gordon Brothers in an appraisal report prepared January 15, 2020 (the "**Gordon Brothers Appraisal**") which is attached as **Confidential Appendix "2"**.

23. Attached as **Appendix "I"** are copies of each of the APAs, with the respective purchase price and deposit amount redacted. Unredacted copies of the APAs are attached as **Confidential Appendix "3"**.

24. The Receivership Order authorizes the Receiver to sell the Property, or any parts thereof, out of the ordinary course of business with the approval of the Canadian Court in respect of any transaction exceeding $500,000 or exceeding $1,500,000 in the aggregate. Given that the aggregate purchase price under the APAs exceeds this amount, the Receiver is seeking court approval for each of the APAs.

25. Further, given that certain of the assets are being sold by either Comsale Computer or Comsale US that are located in the United States, the Receiver intends to seek approval of the APAs and sale transactions in respect of such assets located in the US by the US Court.

26. The Receiver is seeking an order approving the Receiver having entered into each of the APAs and vesting in the respective Accepted Purchaser the Comsale Entities' right, title and interest in the Purchased Assets (as defined in each respective APA) free and clear of any claims or encumbrances (subject to any Permitted Encumbrances as may be defined therein).

27. The Receiver is also seeking an order sealing Confidential Appendices "1", "2" and "3" as they contain sensitive commercial information pertaining to the terms of the APAs, including the purchase price of the Assets Available for Sale. In the event that closing under one or more of the APAs does not take place, the Receiver may wish to re-market such assets for sale and it would be detrimental to the sale process if such information were made public at this time.

ASSETS NOT PART OF THE SALE PROCESS

Accounts Receivables (Trade and Other Receivables)

28. The Receiver has reconstructed an accounts receivable subledger based on discussions with management and the records available at the Comsale Entities. The Receiver has relied upon the Receiver's reconstructed A/R subledger to pursue pre-receivership debtors that owe monies to the Comsale Entities.

29. The Receiver has collected, either directly or through automatic payment by maintaining accounts with e-commerce customers, pre-receivership accounts receivable totaling $126,434 and USD$393,400 (i.e. aggregate of $643,897). These funds do not include the Fry's Settlement Proceeds (as described in the First Report). Future collections will be challenging, but the Receiver intends on pursuing certain trade debtors.

Third Party Assets

30. On January 20, 2020, the Receiver received a claim for a trailer purported to be owned by Eliyahu Pilo, a previous employee of Comsale Computer at the St. Catharines warehouse. Eliyahu Pilo provided the Receiver with supporting documentation to substantiate ownership of the trailer. After review of the documentation, the Receiver agreed to release the trailer.

31. Throughout the course of the receivership, the Receiver has received claims from terminated employees for personal belongings stored at the St. Catharines warehouse. Upon receipt of proof of ownership, the Receiver has allowed these terminated employees to collect their belongings.

32. CWB National Leasing Inc. ("**CWB**") has a specific security interest over the equipment and a container located at the St. Catharines warehouse, which has been reviewed by the

Receiver’s independent legal counsel, Baker McKenzie. The Receiver has, with CWB’s consent, included the CWB assets in the Sale Process. All proceeds related to the sale of CWB’s assets will be distributed to CWB.

INVESTIGATION

33. The Receiver notes the following information which has come to light since its appointment:

(a) Records – The majority of the books and records cannot be accessed including the QuickBooks accounting system, E-mail addresses of senior people, and the accounting department email address where orders were received and invoices were sent. As outlined in the First Report, management has alleged this is because these records were destroyed in a series of cyber-attacks.

(b) Receivables – The Receiver notes the following when examining the reconstructed receivable subledger and comparing it to receivables as reported to HSBC approximately two months earlier:

(i) there is approximately $2.5 million owing from customers that do not appear to have existed previously – the Receiver has not been able to collect any of these balances and, for several of them, has not been able to get addresses and contact details from management of the Comsale Entities;

(ii) the reasoning for certain variances is unclear to the Receiver – for example, a balance that declines by USD$2.0 million where only USD$1.2 million appears to have been collected in the intervening period; and

(iii) the decline in receivables cannot be reconciled with the level of cash received.

(c) Inventory – There is a conspicuous decline in inventory levels between the $23.7 million reported to HSBC at August 31, 2019 and the $12.2 million of inventory counted after the receivership by Gordon Brothers (using costing information provided by management).

(d) Shipments – The Receiver has uncovered certain shipments in the shipping records of the Comsale Entities which are unusual.

34. GTL is currently investigating all of the foregoing and is working closely with Stern Landesman Clark LLP, the firm retained by GTL in its capacity as Trustee in Bankruptcy, to assist with the examinations pursuant to section 163 of the *Bankruptcy and Insolvency Act R.S.C. 1985, c. B-3, as amended* (the "**BIA**"). The results of the investigation are not complete, but the Receiver has kept HSBC apprised of its efforts as the cost of the investigation are significant and will affect recoveries to HSBC. HSBC has agreed to the Receiver's efforts to date.

35. Regarding the missing electronic records describe above, the Receiver has asked GT Forensics to attempt to recover information from the Comsale Entities' computer servers.

36. As was noted earlier in this Second Report, Comsale Computer has been assigned into bankruptcy with GTL as the bankruptcy trustee. GTL has started examinations of key people thought to have further information on the records, receivables, inventory and shipment issues noted above pursuant to the trustee in bankruptcy's examination powers under the BIA.

PROFESSIONAL FEES

37. The Receiver and its legal counsel have maintained detailed records of their professional time and costs since the Receivership Order was granted.

38. Paragraph 19 of the Receivership Order provides that the Receiver and its legal counsel shall be paid their reasonable fees and disbursements. In addition, the Receiver and its legal counsel were granted a first charge on the property of the Comsale Entities as security for such fees and disbursements.

39. The table below summarizes the professional firms involved, the role of each firm, fees incurred with and without sales taxes, the time period the fees relate to and the appendix with the supporting fee affidavit.

Professional Firm	Role	Fees (USD)	Fees Converted (CAD)	Total Fees incl. Sales Tax (CAD)	Time Period	Supporting Affidavit
GTL	Receiver		$ 640,345	$ 723,590	05-Nov-19 to 31-Mar-20	Appendix "J"
GT Malaysia	Receiver's representative in Malaysia	$ 166,789	$ 235,623	$ 249,761	12-Nov-19 to 17-Mar-20	Appendix "K"
TGF	Receiver's counsel		$ 130,522	$ 147,226	05-Nov-19 to 31-Mar-20	Appendix "L"
Baker McKenzie	Receiver's independent counsel		$ 4,932	$ 5,573	29-Nov-19 to 31-Jan-20	Appendix "M"
Linklaters	Receiver's US counsel	$ 275,875	$ 366,404	$ 366,404	05-Nov-19 to 31-Mar-20	Appendix "N"
Burr	Prepared opinion for Tennessee	$ 17,826	$ 23,808	$ 23,808	06-Jan-20 to 29-Feb-20	Appendix "O"
Lewis Rocca	Prepared opinion for Nevada	$ 5,370	$ 7,536	$ 7,536	26-Feb-20 to 31-Mar-20	Appendix "P"
Shearn	Receiver's Malaysian counsel	$ 19,322	$ 27,024	$ 27,024	30-Nov-19 to 31-Mar-20	Appendix "Q"
		$ 485,183	**$ 1,436,193**	**$ 1,550,921**		

** Fees in USD converted to CAD at respective invoice dates using Bank of Canada rates.*

40. Certain of the dockets are redacted from one or more of the supporting fee affidavits, in an effort to maintain confidentiality and privilege in specific instances. Unredacted copies will be made available to the Court upon request, and have not been included as part of this motion record in an effort to reduce file size given the current need for electronic filing via email.

41. The Receiver respectfully submits that the fees and disbursements of the Receiver and its counsel, as set out in the supporting affidavits referenced in the above chart, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order. Accordingly, the Receiver requests the approval of the fees and disbursements of itself and its counsel, at this time. Further, HSBC, the senior

secured creditor which is expected to experience a significant shortfall on its recoveries in this matter, is supportive of this relief being sought by the Receiver.

42. Due to the COVID-19 pandemic, it was not possible for several of the affiants to have their fee affidavits notarized or commissioned. The Receiver notes that the affidavit of Penelope J. Jenson (Linklaters), Donald G. Martin (Lewis Rocca) and Vong Sze Xin (Shearn) are not notarized or commissioned. In each case, Paul Kouadio (Senior Associate) or Rob Stelzer (Vice President) at GTL confirmed by phone with the affiant that they did indeed sign the affidavits appended to this Second Report. The Receiver believes this is an appropriate accommodation under the circumstances.

CONCLUSION AND RECOMMENDATION

43. For the reasons set out in this Second Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that the Court make the Order granting the requested relief, as set out in paragraph seven of this Second Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 15th day of April 2020.

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF
COMSALE COMPUTER INC., ET. AL. AND NOT IN ITS PERSONAL
OR CORPORATE CAPACITY

Per: ________________________________
Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix J

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MADAM	)	WEDNESDAY, THE 22nd
	)	
JUSTICE CONWAY	)	DAY OF APRIL, 2020

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. and COMSALE SINGAPORE PRIVATE LIMITED

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Grant Thornton Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Comsale Computer Inc., Comsale Inc., Comsale Group Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd. and Comsale Singapore Private Limited (collectively, the "**Debtors**") for an order approving the sale transactions (collectively, the "**Transactions**") contemplated by agreements of purchase and sale as listed on **Schedule "A"** hereto (collectively, the "**Sale Agreements**") between the Receiver and the respective purchasers thereto as listed on Schedule "A" (collectively, the "**Purchasers**" and each a "**Purchaser**"), each appended to the Second

Report of the Receiver dated April 15, 2020 (the "**Second Report**"), and vesting in the Purchasers, the Debtors' right, title and interest in and to the assets described in the Sale Agreements (respectively, the "**Purchased Assets**"), was heard this day by video conference due to the COVID-19 crisis.

ON READING the Second Report, the fee affidavit of Rob Stelzer sworn April 9, 2020 (the "**Stelzer Affidavit**"), the fee affidavit of Foo Lai-Don Geoffrey sworn April 6, 2020 (the "**Geoffrey Affidavit**"), the fee affidavit D.J. Miller sworn April 6, 2020 (the "**Miller Affidavit**"), the fee affidavit of John Pirie sworn April 7, 2020 (the "**Pirie Affidavit**"), the fee affidavit of Penelope J. Jensen signed April 6, 2020 (the "**Jensen Affidavit**"), the fee affidavit of David W. Houston IV sworn April 3, 2020 (the "**Houston Affidavit**"), the fee affidavit of Donald G. Martin signed April 8, 2020 (the "**Martin Affidavit**") and the fee affidavit of Vong Sze Xin signed April 7, 2020 (the "**Xin Affidavit**"), and on hearing the submissions of counsel for the Receiver, counsel for the Applicant, and anyone else appearing for any other person on the service list, as properly served as appears from the affidavit of Rachel Bengino sworn April 16, 2020, filed:

SALE TRANSACTIONS

1. THIS COURT ORDERS AND DECLARES that the Transactions are hereby approved, and the execution of each of the Sale Agreements 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 Transactions and for the conveyance of the Purchased Assets to the respective Purchaser under each Sale Agreement.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the respective Purchaser substantially in the form attached as Schedule "B" hereto (each, a "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the respective Sale Agreement 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**"), subject to any Permitted Encumbrances if such term is defined in the applicable Sale Agreement, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Conway dated November 5, 2019 (the "**Receivership Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), Uniform Commercial Code or any other personal property registry system 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 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 to the applicable Purchaser, all Claims and Encumbrances shall attach to the net proceeds from the sale of the applicable 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.

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

5. 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 any of the Debtors and any bankruptcy order issued pursuant to any such applications; and

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

the vesting of the Purchased Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that is currently or may be appointed in respect of any 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.

DISTRIBUTION

6. THIS COURT ORDERS that the Receiver is authorized to distribute $25,101 to CWB National Leasing Inc. (**"CWB"**) from the sale proceeds arising from the sale of those Purchased Assets under the Sale Agreement between the Receiver and Quickplug CA Inc. dated March 16, 2020 in which CWB has a specific security interest.

SEALING

7. THIS COURT ORDERS that Confidential Appendices "1", "2" and "3" to the Second Report, being (i) a summary of the Sale Agreements; (ii) Gordon Brothers Appraisal dated January 15, 2020; and (iii) unredacted copies of the Sale Agreements, respectively, are hereby sealed pending further order of the Court, and shall not form part of the public record.

APPROVAL OF FEES AND ACTIVITIES

8. THIS COURT ORDERS that the Second Report and actions, decisions and conduct of the Receiver as set out in the Second Report are hereby authorized and 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.

9. THIS COURT ORDERS that the professional fees and disbursements of the Receiver as set out in the Second Report and the Stelzer Affidavit are hereby approved and the Receiver is authorized and directed to pay all such fees and disbursements.

10. THIS COURT ORDERS that the professional fees and disbursements of Grant Thornton Malaysia as set out in the Second Report and the Geoffrey Affidavit are hereby approved and the Receiver is authorized and directed to pay all such fees and disbursements.

11. THIS COURT ORDERS that the professional fees and disbursements of the Receiver's legal counsel, being Thornton Grout Finnigan LLP, Baker McKenzie LLP (as independent

counsel to the Receiver), Linklaters LLP (as U.S. counsel to the Receiver), Shearn Delamore & Co. (as Malaysian counsel to the Receiver), Burr Forman LLP (as Tennessee counsel to the Receiver), and Lewis Rocca Rothgerber Christie LLP (as Nevada counsel to the Receiver) as set out in the Second Report and the Miller Affidavit, Pirie Affidavit, Jensen Affidavit, Xin Affidavit, Houston Affidavit and Martin Affidavit, respectively, are hereby approved and the Receiver is authorized and directed to pay all such fees and disbursements.

GENERAL

12. 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, Malaysia, Hong Kong or Singapore 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.

Conway J.

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

APR 2 2 2020

PER / PAR:

Schedule "A"

Summary of Sale Agreements

Purchaser	Date
Hyper Microsystems Inc.	April 13, 2020
The Green Top Technology Inc.	March 20, 2020
Subane & Sons Inc.	April 2, 2020
Escrap Canada Inc.	March 17, 2020
Quickplug CA Inc.	March 16, 2020
Joy Systems	March 20, 2020
SPW Lifecycle Services Sdn. Bhd.	March 19, 2020
Exportxcel Sdn. Bhd.	April 14, 2020

Schedule "B" – Form of Receiver's Certificate

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. and COMSALE SINGAPORE PRIVATE LIMITED

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (the "**Court**") dated November 5, 2019, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Comsale Computer Inc., Comsale Inc., Comsale Group Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd. and Comsale Singapore Private Limited (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated April 22, 2020, the Court approved the agreement of purchase and sale made as of [DATE] (the "**Sale Agreement**") between the Receiver and [PURCHASER] (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 Article [X] of 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.

D. 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 Article [X] of 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, in its capacity as Receiver of the undertaking, property and assets of Comsale Computer Inc. et. al. and not in its personal capacity

Per: ____________________________________

Name:

Title:

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA and **COMSALE COMPUTER INC. et. al.**

Applicant

Respondents

Court File No. CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

Thornton Grout Finnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200
Toronto, Ontario M5K 1K7
Fax: 416-304-1313

D.J. Miller (LSO# 344393P)
Tel: 416-304-0559
Email: djmiller@tgf.ca

Rachel Bengino (LSO# 68348V)
Tel: 416-304-1153
Email: rbengino@tgf.ca

Lawyers for the Receiver

Appendix K

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Comsale Group Inc., *et al.*,[1] Debtors in a Foreign Proceeding.	Chapter 15 Case No. 19-13625 (JLG) Jointly Administered

ORDER AUTHORIZING AND APPROVING SALE OF AVAILABLE ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS IN ACCORDANCE WITH THE SALE PROCEDURES ORDER

Upon the *Notice of Proposed Sale of Available Assets* (the "Sale Notice") and the *Declaration of Foreign Representative* attached to the Sale Notice as Exhibit C (the "Foreign Representative Declaration") in support of entry of an order (this "Order") authorizing the sale of Available Assets (the "Proposed Transaction") to **Escrap Canada Inc**. (the "Buyer") pursuant to the *Order (I) Approving the Sale Procedures and the Sale Notice, (II) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of Any Liens, Claims, Encumbrances and Other Interests, (III) Recognizing and Enforcing the Canadian Sale Procedures Order, and (IV) Granting Related Relief* [Docket No. 23] (the "Sale Procedures Order"); and this Court having jurisdiction to consider the Sale Notice and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Proposed Transaction described in the Sale Notice and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N) and (P); and venue being proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3); and the Court having reviewed and considered the Foreign Representative Declaration; and the Court having held a

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

hearing on May 5, 2020 to consider the relief requested in this Order; and upon the record established at such hearing; and it appearing that the Proposed Transaction is in the best interests of the Debtors and their creditors; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Good and sufficient notice of the relief granted by this Order has been given in accordance with the Sale Procedures Order to (a) the United States Trustee; (b) any party known to have asserted a lien on the Available Assets, including HSBC Bank Canada and BDC Capital Inc., and (c) any party that has filed a notice of appearance in these chapter 15 cases. Notice of the Proposed Transaction was good, sufficient and appropriate under the circumstances and provided a reasonable opportunity to object or be heard regarding the relief granted by this Order to parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules. No other or further notice of the Proposed Transaction is required.

B. The Foreign Representative has demonstrated that the Proposed Transaction is a reasonable exercise of the Foreign Representative's business judgment and is in the best interests of the Debtors and their creditors. Sound business reasons exist for consummating the Proposed Transaction.

C. The transfer of the Available Assets located in the United States to the Buyer pursuant to the APA shall be legal, valid and effective and shall vest the Buyer with all right, title and interest of the Debtors to the Available Assets located in the United States free and clear of all liens, claims, encumbrances and other interests. One or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.

D. The Buyer is a good faith purchaser for value, is entitled to all of the protections afforded under section 363(m) of the Bankruptcy Code and has otherwise acted in good faith in connection with the Proposed Transaction. Specifically, (a) the Buyer is not an "insider" of the Debtors, as that term is defined in the Bankruptcy Code; (b) the Proposed Transaction was negotiated at arm's-length and in good faith; (c) the Buyer did not in any way induce or cause the filing of the Canadian Proceeding or these chapter 15 cases; (d) the consideration provided by the Buyer under the Proposed Transaction is fair and reasonable; and (e) the Proposed Transaction is not the result of fraud or collusion. Neither the Foreign Representative nor the Buyer has engaged in any conduct that would cause or permit the Proposed Transaction to be avoided or result in the imposition of any costs or damages under section 363(n) of the Bankruptcy Code.

IT IS THEREFORE, ORDERED, ADJUDGED, AND DECREED THAT:

1. The Proposed Transaction is approved as set forth herein.

2. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Foreign Representative is authorized to transfer the Available Assets located in the United States to the Buyer pursuant to the terms of the APA. The APA is hereby approved, and the Foreign Representative is authorized to take all actions necessary to consummate the Proposed Transaction.

3. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Available Assets located in the United States shall be transferred free and clear of all liens, claims, encumbrances and other interests, and all such liens, claims, encumbrances and other interests shall attach to the proceeds of the Proposed Transaction in the order of priority and with the same validity, force and effect that they have as against such Available Assets immediately prior to the Proposed Transaction.

4. The Buyer is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and is entitled to the full protections of section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the authorization provided herein to consummate the Proposed Transaction shall not affect the validity of the Proposed Transaction, unless such authorization and consummation of the Proposed Transaction is duly and properly stayed pending such appeal.

5. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) the terms of this Order shall be immediately effective and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (c) the Foreign Representative may, in its discretion and without further delay, take any action and perform any act authorized under this Order, the Receivership Order or the Canadian Sale Procedures Order.

6. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: May 21, 2020
New York, New York

/s/ James L. Garrity, Jr.
THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Comsale Group Inc., *et al.*,[1] Debtors in a Foreign Proceeding.	Chapter 15 Case No. 19-13625 (JLG) Jointly Administered

ORDER AUTHORIZING AND APPROVING SALE OF AVAILABLE ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS IN ACCORDANCE WITH THE SALE PROCEDURES ORDER

Upon the *Notice of Proposed Sale of Available Assets* (the "Sale Notice") and the *Declaration of Foreign Representative* attached to the Sale Notice as Exhibit C (the "Foreign Representative Declaration") in support of entry of an order (this "Order") authorizing the sale of Available Assets (the "Proposed Transaction") to **Hyper Microsystems, Inc**. (the "Buyer") pursuant to the *Order (I) Approving the Sale Procedures and the Sale Notice, (II) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of Any Liens, Claims, Encumbrances and Other Interests, (III) Recognizing and Enforcing the Canadian Sale Procedures Order, and (IV) Granting Related Relief* [Docket No. 23] (the "Sale Procedures Order"); and this Court having jurisdiction to consider the Sale Notice and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Proposed Transaction described in the Sale Notice and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N) and (P); and venue being proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3); and the Court having reviewed and considered the Foreign Representative

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

Declaration; and the Court having held a hearing on May 5, 2020 to consider the relief requested in this Order; and upon the record established at such hearing; and it appearing that the Proposed Transaction is in the best interests of the Debtors and their creditors; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Good and sufficient notice of the relief granted by this Order has been given in accordance with the Sale Procedures Order to (a) the United States Trustee; (b) any party known to have asserted a lien on the Available Assets, including HSBC Bank Canada and BDC Capital Inc., and (c) any party that has filed a notice of appearance in these chapter 15 cases. Notice of the Proposed Transaction was good, sufficient and appropriate under the circumstances and provided a reasonable opportunity to object or be heard regarding the relief granted by this Order to parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules. No other or further notice of the Proposed Transaction is required.

B. The Foreign Representative has demonstrated that the Proposed Transaction is a reasonable exercise of the Foreign Representative's business judgment and is in the best interests of the Debtors and their creditors. Sound business reasons exist for consummating the Proposed Transaction.

C. The transfer of the Available Assets located in the United States to the Buyer pursuant to the APA shall be legal, valid and effective and shall vest the Buyer with all right, title and interest of the Debtors to the Available Assets located in the United States free and clear of all liens, claims, encumbrances and other interests. One or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.

D. The Buyer is a good faith purchaser for value, is entitled to all of the protections afforded under section 363(m) of the Bankruptcy Code and has otherwise acted in good faith in connection with the Proposed Transaction. Specifically, (a) the Buyer is not an "insider" of the Debtors, as that term is defined in the Bankruptcy Code; (b) the Proposed Transaction was negotiated at arm's-length and in good faith; (c) the Buyer did not in any way induce or cause the filing of the Canadian Proceeding or these chapter 15 cases; (d) the consideration provided by the Buyer under the Proposed Transaction is fair and reasonable; and (e) the Proposed Transaction is not the result of fraud or collusion. Neither the Foreign Representative nor the Buyer has engaged in any conduct that would cause or permit the Proposed Transaction to be avoided or result in the imposition of any costs or damages under section 363(n) of the Bankruptcy Code.

IT IS THEREFORE, ORDERED, ADJUDGED, AND DECREED THAT:

1. The Proposed Transaction is approved as set forth herein.

2. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Foreign Representative is authorized to transfer the Available Assets located in the United States to the Buyer pursuant to the terms of the APA. The APA is hereby approved, and the Foreign Representative is authorized to take all actions necessary to consummate the Proposed Transaction.

3. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Available Assets located in the United States shall be transferred free and clear of all liens, claims, encumbrances and other interests, and all such liens, claims, encumbrances and other interests shall attach to the proceeds of the Proposed Transaction in the order of priority and with the same validity, force and effect that they have as against such Available Assets immediately prior to the Proposed Transaction.

4. The Buyer is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and is entitled to the full protections of section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the authorization provided herein to consummate the Proposed Transaction shall not affect the validity of the Proposed Transaction, unless such authorization and consummation of the Proposed Transaction is duly and properly stayed pending such appeal.

5. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) the terms of this Order shall be immediately effective and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (c) the Foreign Representative may, in its discretion and without further delay, take any action and perform any act authorized under this Order, the Receivership Order or the Canadian Sale Procedures Order.

6. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: May 21, 2020
New York, New York

/s/ James L. Garrity, Jr.
THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 15
Comsale Group Inc., *et al.*,[1]	Case No. 19-13625 (JLG)
Debtors in a Foreign Proceeding.	Jointly Administered

ORDER AUTHORIZING AND APPROVING SALE OF AVAILABLE ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS IN ACCORDANCE WITH THE SALE PROCEDURES ORDER

Upon the *Notice of Proposed Sale of Available Assets* (the "Sale Notice") and the *Declaration of Foreign Representative* attached to the Sale Notice as Exhibit C (the "Foreign Representative Declaration") in support of entry of an order (this "Order") authorizing the sale of Available Assets (the "Proposed Transaction") to **Joy Systems, Inc**. (the "Buyer") pursuant to the *Order (I) Approving the Sale Procedures and the Sale Notice, (II) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of Any Liens, Claims, Encumbrances and Other Interests, (III) Recognizing and Enforcing the Canadian Sale Procedures Order, and (IV) Granting Related Relief* [Docket No. 23] (the "Sale Procedures Order"); and this Court having jurisdiction to consider the Sale Notice and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Proposed Transaction described in the Sale Notice and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N) and (P); and venue being proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3); and the Court having reviewed and considered the Foreign Representative Declaration; and the Court having held a

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

hearing on May 5, 2020 to consider the relief requested in this Order; and upon the record established at such hearing; and it appearing that the Proposed Transaction is in the best interests of the Debtors and their creditors; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Good and sufficient notice of the relief granted by this Order has been given in accordance with the Sale Procedures Order to (a) the United States Trustee; (b) any party known to have asserted a lien on the Available Assets, including HSBC Bank Canada and BDC Capital Inc., and (c) any party that has filed a notice of appearance in these chapter 15 cases. Notice of the Proposed Transaction was good, sufficient and appropriate under the circumstances and provided a reasonable opportunity to object or be heard regarding the relief granted by this Order to parties entitled to notice pursuant to the Bankruptcy Rules and the Local Rules. No other or further notice of the Proposed Transaction is required.

B. The Foreign Representative has demonstrated that the Proposed Transaction is a reasonable exercise of the Foreign Representative's business judgment and is in the best interests of the Debtors and their creditors. Sound business reasons exist for consummating the Proposed Transaction.

C. The transfer of the Available Assets located in the United States to the Buyer pursuant to the APA shall be legal, valid and effective and shall vest the Buyer with all right, title and interest of the Debtors to the Available Assets located in the United States free and clear of all liens, claims, encumbrances and other interests. One or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.

D. The Buyer is a good faith purchaser for value, is entitled to all of the protections afforded under section 363(m) of the Bankruptcy Code and has otherwise acted in good faith in connection with the Proposed Transaction. Specifically, (a) the Buyer is not an "insider" of the Debtors, as that term is defined in the Bankruptcy Code; (b) the Proposed Transaction was negotiated at arm's-length and in good faith; (c) the Buyer did not in any way induce or cause the filing of the Canadian Proceeding or these chapter 15 cases; (d) the consideration provided by the Buyer under the Proposed Transaction is fair and reasonable; and (e) the Proposed Transaction is not the result of fraud or collusion. Neither the Foreign Representative nor the Buyer has engaged in any conduct that would cause or permit the Proposed Transaction to be avoided or result in the imposition of any costs or damages under section 363(n) of the Bankruptcy Code.

IT IS THEREFORE, ORDERED, ADJUDGED, AND DECREED THAT:

1. The Proposed Transaction is approved as set forth herein.

2. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Foreign Representative is authorized to transfer the Available Assets located in the United States to the Buyer pursuant to the terms of the APA. The APA is hereby approved, and the Foreign Representative is authorized to take all actions necessary to consummate the Proposed Transaction.

3. Pursuant to sections 363(b) and 363(f) of the Bankruptcy Code, the Available Assets located in the United States shall be transferred free and clear of all liens, claims, encumbrances and other interests, and all such liens, claims, encumbrances and other interests shall attach to the proceeds of the Proposed Transaction in the order of priority and with the same validity, force and effect that they have as against such Available Assets immediately prior to the Proposed Transaction.

4. The Buyer is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and is entitled to the full protections of section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the authorization provided herein to consummate the Proposed Transaction shall not affect the validity of the Proposed Transaction, unless such authorization and consummation of the Proposed Transaction is duly and properly stayed pending such appeal.

5. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) the terms of this Order shall be immediately effective and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (c) the Foreign Representative may, in its discretion and without further delay, take any action and perform any act authorized under this Order, the Receivership Order or the Canadian Sale Procedures Order.

6. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: May 21, 2020
New York, New York

/s/ *James L. Garrity, Jr.*
THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

Appendix L

BDC

BDC Capital Inc., a wholly-owned subsidiary of Business Development Bank of Canada Banque de développement du Canada

PRIORITY AGREEMENT

THIS AGREEMENT dated the 25th day of July, 2018.

AMONG:

BDC CAPITAL INC., a wholly-owned subsidiary of **BUSINESS DEVELOPMENT BANK OF CANADA**, with a business centre at 121 King Street West, Suite 1200, Toronto, Ontario M5H 3T9

("**BDC**")

AND:

HSBC BANK CANADA with a branch office at Liberty Square, HSBC Tower, 3601 Highway 7 East, Suite 108, Markham, Ontario, L3R 0M3

(the "**Lender**")

AND:

COMSALE COMPUTER INC. (the "**Borrower**") and **COMSALE INC.**, both with an office at 111 Snidercroft Road, Unit B, Concord, Ontario, L4K 2J8

(collectively, the "**Companies**" and individually a "**Company**")

WHEREAS:

A. Each of the Companies has granted or agreed to grant to BDC a registered security interest, in all of such Company's present and after-acquired personal property, and such other security as BDC may from time to time receive from the Companies or any of them to secure present and future debts and obligations of the Companies or any of them to BDC (the "**BDC Security**");

B. Each of the Companies has granted or agreed to grant to the Lender a registered security interest, in all of such Company's present and after-acquired personal property, and such other security as the Lender may from time to time receive from the Companies or any of them to secure present and future debts and obligations of the Companies or any of them to the Lender (the "**Lender Security**");

C. The parties hereto have agreed to enter into this agreement in order to set out the respective priorities of the BDC Security and the Lender Security;

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE 1 - CONSENT

1.01 BDC hereby acknowledges its consent to the creation and issue by the Companies to the Lender of the Lender Security and to the incurring by the Companies of the indebtedness secured thereby.

1.02 The Lender hereby acknowledges its consent to the creation and issue by the Companies to BDC of the BDC Security and to the incurring by the Companies of the indebtedness secured thereby.

ARTICLE 2 - INTERPRETATION

2.01 The preamble hereto forms an integral part of this Agreement.

2.02 In this Agreement, the following terms shall have the following meanings:

(a) "**BDC Collateral**" means the Life Insurance and the Proceeds thereof;

(b) "**Lender Collateral**" means all present and after-acquired personal property of the Companies, and the Proceeds thereof, other than the BDC Collateral;

(c) "**Life Insurance**" means the life insurance policy or policies insuring the life of Neil Shaul and the life insurance policy or policies insuring the life of Wenqiang Feng, now or hereafter assigned to BDC, including any replacement, revision, amendment, increase or decrease thereto and the Proceeds thereof;

(d) "**PPSA**" means the applicable *Personal Property Security Act*;

(e) "**Proceeds**" shall have the meaning ascribed to such term pursuant to the PPSA;

(f) "**Secured Parties**" means BDC and the Lender, and a "**Secured Party**" means either one of them, and each of their respective successors and permitted assigns; and

(g) "**Security**" means, collectively, the BDC Security and/or the Lender Security.

ARTICLE 3 - PRIORITIES

3.01 Subject to the terms and conditions of this Agreement:

(a) The BDC Security is hereby subordinated to the security constituted by the Lender Security with respect to the Lender Collateral, to the extent of the Borrower's indebtedness to the Lender from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith (collectively, the "**Lender Priority Obligations**"); and

(b) The Lender Security is hereby subordinated to the security constituted by the BDC Security with respect to the BDC Collateral, to the extent of the Borrower's indebtedness to BDC from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith.

3.02 The subordinations and postponements herein shall apply in all events and circumstances regardless of:

(a) the date of execution, attachment, registration or perfection of any security interest held by BDC or the Lender, or;

(b) the date of any advance or advances made to the Borrower by BDC or the Lender; or

(c) the date of default by the Companies under any of the BDC Security or the Lender Security or the dates of crystallization of any floating charges held by BDC or the Lender; or

(d) any priority granted by any principle of law or any statute, including the PPSA.

3.03 Any Proceeds, including, without limitation, any insurance proceeds received by the Companies or by BDC or the Lender in respect of the collateral charged by the BDC Security or the Lender

Security shall be dealt with according to the preceding provisions hereof as though such Proceeds were paid or payable as Proceeds of realization of the collateral for which they compensate.

3.04 If any of the BDC Security or the Lender Security is found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim before a court of competent jurisdiction and has provided the other party with a satisfactory indemnity.

3.05 Each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of the Companies upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of the Companies at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.

3.06 If any person, other than the Secured Parties, shall have a valid claim, right or interest in or to any of the present or after-acquired personal property of the Companies which is subject to all or any part of the Security, or the Proceeds thereof, in priority to or on a parity with one of the Secured Parties but not in priority to or on a parity with the other Secured Party, then this Agreement shall not apply so as to diminish the rights (as such rights would have been but for this Agreement) of such other Secured Party to such property or the Proceeds thereof.

3.07 Nothing in this Agreement affects the priority of any security over any Company's real property interests held by BDC or the Lender. The real property interests of the Companies are excluded from the operation of this Agreement.

3.08 This Agreement is not intended to affect the priority of any third party claims and no such parties may benefit from anything contained herein.

3.09 Nothing in this Agreement shall affect the priority of purchase money security interests (as defined in the PPSA) properly perfected under the PPSA and hereafter acquired by BDC or the Lender in specific equipment of any of the Companies.

ARTICLE 4 - COVENANTS OF THE BORROWER

4.01 The Companies hereby confirm to and agree with BDC and the Lender that so long as any of the indebtedness of the Borrower to BDC and the Lender remains outstanding, each of the Companies shall stand possessed of its assets so charged for BDC and for the Lender in accordance with their respective interests and priorities as herein set out.

ARTICLE 5 - PERMITTED PAYMENTS ON DEFAULT

5.01 If, following the occurrence of any default in payment of any principal, interest or other amounts owing by the Borrower to the Lender or any default in any financial covenant ratio or breach of a margining covenant (a "**Default**") pursuant to the terms and conditions of the credit agreement (the "**Lender Credit Agreement**") between the Lender and the Borrower dated _________, 2018, which is continuing and has not been waived by the Lender, and BDC and the Borrower have received written notice (a "**Default Notice**") from the Lender demanding the commencement of a Payment Standstill (as hereinafter defined) and stating that such Default has occurred and is continuing and containing a description of such Default in reasonable detail, then none of the Companies shall, unless the particular Default referenced in the Default Notice has been cured (as confirmed by the Lender in writing), be entitled to make to BDC, and BDC shall not be entitled to receive from the Companies (other than the proceeds of any property and assets over which the BDC Security has priority over the Lender Security in accordance with Section 3.01), any payment, prepayment or repayment on account of, or any distribution in respect of, debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, and whether as principal debtor, guarantor, surety or otherwise at any time owing by the Borrower or any other Company to BDC (the "**Payment Standstill**") until the earlier of any of the following events or dates has occurred:

(a) the date which is one hundred and twenty (120) days following the date the Default Notice was issued;

(b) the Default described in the Default Notice is cured by the Borrower or any other person on its behalf or waived by the Lender;

(c) the Lender has taken steps to enforce the Lender Security or any part thereof;

(d) all indebtedness of the Borrower to the Lender for the Lender Priority Obligations has been repaid; or

(e) any proceedings (beyond the issuance of a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada)) have been initiated by or against the Borrower under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any similar statute or law in any jurisdiction of similar application, by the Lender or any creditor other than BDC.

5.02 The Lender and BDC acknowledge that with respect to any particular Default, if a Default Notice is issued, the Lender shall not issue a subsequent Default Notice (for such particular Default) unless the Default has first been cured. For purposes of this paragraph, breaches of the same financial covenant in a subsequent fiscal period to a greater degree shall constitute a separate and distinct Default.

5.03 The Lender hereby confirms and agrees with BDC that the Lender may not exercise its rights under section 5.01 such that the cumulative period of one or more Payment Standstills exceeds or will exceed one hundred and twenty (120) days in any consecutive twelve month period. For purposes of clarification, the foregoing limitation shall not restrict the Lender from issuing letters of default to any of the Companies on the occurrence of a default.

5.04 The Lender covenants and agrees to give written notice to BDC forthwith after any Default has been cured or a Default has been waived by the Lender.

5.05 The Lender hereby confirms and agrees with BDC that after the expiration of any Payment Standstill provided for herein BDC shall be entitled to receive and the Companies shall be obligated to pay to BDC all payments of arrears which would have been paid during the Payment Standstill had the Payment Standstill not been invoked by the Lender including interest on such outstanding payments; provided that all amounts then due and owing on account of the Lender Priority Obligations have been paid in full. Nothing herein shall obligate the Lender to make credit facilities available to any of the Companies in an amount required to satisfy any of its obligations to BDC.

5.06 The Lender shall be entitled to amend, restate, modify, supplement or replace the Lender Credit Agreement from time to time without authorization from BDC. Notwithstanding the foregoing and notwithstanding the provisions of section 5.01, unless such amendment, restatement, modification, supplement or replacement has been approved in writing by BDC, the Lender may not deliver a Default Notice to implement or enforce a Payment Standstill in respect of a Default if (A) such Default relates to or arises from or is in connection with:

(a) a modification to any financial ratio covenant or margining covenant contained in the Lender Credit Agreement, which is more onerous to the Borrower; or

(b) a decrease in the amortization of scheduled payments of principal; or

(c) an increase in the rate of interest or the frequency of scheduled payments of principal or interest, other than increases in the prime rate; or

(d) an increase in the term credit facilities available to the Borrower; or

(d) an increase in the operating credit facilities available to the Borrower contained in the Lender Credit Agreement of more than fifteen (15%) percent;

and (B) such Default would not have occurred prior to the making of such amendment, restatement, modification, supplement or replacement.

5.07 Notwithstanding anything to the contrary contained in this Agreement, BDC shall not be entitled to exercise any rights it may have to enforce the BDC Security during any Payment Standstill except in respect of the BDC Collateral. Notwithstanding the foregoing, BDC may (i) file a proof of claim or attend and vote at a meeting of creditors in connection with any action, suit or proceeding whether under the *Bankruptcy and Insolvency Act* (Canada) or otherwise, (ii) take action for non-payment of the indebtedness owing to BDC for the purposes of obtaining a monetary judgment in respect thereof, provided that no measure is taken to enforce any judgment granted in such action, (iii) take action that is required to preserve the validity, efficacy or priority of the BDC Security, (iv) take action for conversion of any non-fixed charge to a fixed charge to the extent applicable, (v) give notice of default, demand for payment or acceleration of the indebtedness owing, and/or (vi) issue one or more statutory notices (including, without limitation, a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada)).

ARTICLE 6- GENERAL

6.01 From time to time upon request therefor BDC and the Lender may advise each other of the particulars of the indebtedness and liability of the Companies or any of them to BDC and the Lender and all security held by each therefor. The Companies hereby irrevocably and unconditionally consent to any exchange of information between BDC and the Lender.

6.02 BDC and the Lender each agree that it will not transfer or assign any of its security from the Companies or any of them without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement.

6.03 Prior to making any demand for payment on any of the Companies or proceeding to enforce its security, BDC or the Lender, as the case may be, shall provide notice of such demand or enforcement to the other of them, provided, however, that neither shall be liable for any accidental omission to provide the said notice.

6.04 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

for BDC: 121 King Street West,
Suite 1200
Toronto, Ontario M5H 3T9

Attention: Managing Director, Growth & Transition Capital

for the Lender: HSBC Bank Canada
Liberty Square, HSBC Tower
3601 Highway 7 East, Suite 108
Markham, Ontario, L3R 0M3

Attention: Director, Corporate Banking re: Comsale Computer Inc.

6.05 Each of the Companies, BDC and the Lender shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement; provided however, that no consent of any of the Companies shall be necessary to any amendment of the terms hereof by BDC and the Lender unless the interests of any of the Companies are directly materially adversely affected thereby.

6.06 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

6.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

6.08 This Agreement shall be governed by and construed in accordance with the laws of the province in which the business centre of BDC is located as described on page 1.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

BDC CAPITAL INC.

Per: ______________________________
Name: Kyle Feucht
Director
Growth & Transition Capital

Per: ______________________________
Name: Michele Cooper
Managing Director
Growth & Transition Capital

We have the authority to bind the Corporation.

HSBC BANK CANADA

Per: ______________________________
Name:

Per: ______________________________
Name:

I/We have the authority to bind the Bank.

COMSALE COMPUTER INC.

Per: ______________________________
Name: Neil Shaul
Title: President

Per: ______________________________
Name: Wenqiang Feng
Title:

I/We have the authority to bind the Corporation.

COMSALE INC.

Per: ______________________________
Name: Neil Shaul
Title: President

Per: ______________________________
Name: Wenqiang Feng
Title:

I/We have the authority to bind the Corporation.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

BDC CAPITAL INC.

Per: ____________________
Name: Kyle Feucht
Director
Growth & Transition Capital

Per: ____________________
Name: Michele Cooper
Managing Director
Growth & Transition Capital

We have the authority to bind the Corporation.

HSBC BANK CANADA

Per: ____________________
Name: KEVIN PAN

Per: ____________________
Name: Deborah Cullen

I/We have the authority to bind the Bank.

COMSALE COMPUTER INC.

Per: ____________________
Name: Neil Shaul
Title: President

Per: ____________________
Name: Wenqiang Feng
Title:

I/We have the authority to bind the Corporation.

COMSALE INC.

Per: ____________________
Name: Neil Shaul
Title: President

Per: ____________________
Name: Wenqiang Feng
Title:

I/We have the authority to bind the Corporation.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

BDC CAPITAL INC.

Per: ______________________
Name:

Per: ______________________
Name:

We have the authority to bind the Corporation.

HSBC BANK CANADA

Per: ______________________

Name: ______________________
Title: ______________________

I have the authority to bind the Bank.

COMSALE COMPUTER INC.

Per: ______________________
Name: Neil Shaul
Title: President

Per: ______________________
Name: Wenqiang Feng
Title: Vice-President

I/We have the authority to bind the Corporation.

COMSALE INC.

Per: ______________________
Name: Neil Shaul
Title: President

Per: ______________________
Name: Wenqiang Feng
Title: Vice President

I/We have the authority to bind the Corporation.

Appendix M

Canada Revenue Agency / Agence du revenu du Canada

Protected B when completed

Payroll Examination Statement of Account

Taxpayer's Name: COMSALE COMPUTER INC.	Date: 2020-02-20
Taxpayer's Address:	Collections Section Contact:
	Collections Section Telephone:
Account Number: 808845010 RP 0001	Tax Services Office: TO NORTH
An examination of your payroll records performed on 2020-02-20	covering the period(s) from 2019-01-01 to 2020-02-04

discloses discrepancies in your remittances as follows:

Details	Current Year 2020 $	Previous Year 2019 $	Previous Year(s) $
Total deductions and taxpayer's obligation	Ø	702,513.20	
Total credits to date	Ø	702,513.13	
Adjustments		0.07	
Difference	Ø	Ø	
Corrections re EI and/or CPP (See PD86 attached)			
Balance	Ø	Ø	
Failure to remit penalty			
Interest			
Late remitting penalty			
Failure to deduct penalty			
Late filing penalty			
Mandatory electronic filing penalty			
Total owing	Ø	Ø	
Total arrears disclosed during examination		Ø	
Previous arrears		Ø	
Adjustments (Previous arrears)			
Interest to date on previous arrears			
Sub total		Ø	
Less: Current payment			
Balance due		Ø	

A notice of assessment will follow shortly. However, the amount owing is due and payable immediately and you are therefore required to provide the examination officer with the appropriate payment. Failure to do so may result in legal proceedings either by way of garnishee or action in the Federal Court which could result in seizure and sale of your assets.

N Mitchell 2020-02-20

For Assistant Director, Revenue Collections Division — Date

Signature for receipt only of this statement

PD83-1 E (16)

See reverse

Canada

Penalties for failure to comply

Every employer or person who deducts or withholds any amount under the *Income Tax Act*, the Canada Pension Plan and the *Employment Insurance Act*, shall be deemed to hold the amount so deducted or withheld in trust for Her Majesty. All amounts so deducted or withheld are trust funds and in the event of any liquidation, assignment, receivership or bankruptcy, the said amounts shall be deemed to be separate and form no part of the estate in liquidation, assignment, receivership or bankruptcy.

An employer or person who fails to deduct or who fails to remit tax that was deducted may be prosecuted and if convicted, will be fined not less than $1,000 and not exceeding $25,000, or may be fined and imprisoned for a period not exceeding 12 months. If the employer is a corporation, **any officer, director or agent** of the corporation who participated or acquiesced in the commission of the offence is equally liable with the corporation.

As of 2015, large employers, whose "average monthly withholding amount" (AMWA) is between $25,000 and $99,999 (Threshold 1) and those with an "AMWA" of $100,000 or more (Threshold 2) are required to remit on an accelerated basis. For threshold 1 employers, withholdings from paydays occurring during the first 15 days of the month must be received by the 25th of that month and withholdings from paydays occurring during the remainder of the month must be received by the 10th day of the next month. Threshold 2 employers are required to remit withholdings by the 3rd day (not including a Saturday, a Sunday or a holiday) from the end of defined periods in which the payday(s) occur. The periods are: from the 1st to the 7th, the 8th to the 14th, the 15th to the 21st and the 22nd to the end of the month. Regular employers will continue to remit withholdings by the 15th day of the month following the month in which the amounts were deducted or withheld.

Amounts greater than $500, that are remitted late or that are deficient (**except for wilful delays or deficiencies**) are subject to penalties under the *Income Tax Act*. The rate is 10% for the first late penalty assessed and 20% on subsequent late penalties assessed for the same calendar year, when the subsequent failure was made knowingly or under circumstances amounting to gross negligence. If it is determined that the payment is **wilfully** late or deficient, the $500 exemption will not be given. Daily compound interest at the prescribed rate is charged on all outstanding balances, by law.

Liability of Directors

Where a corporation has failed to deduct or withhold an amount or has failed to remit such an amount as required under the *Income Tax Act* (or any other act for which the Minister is administratively responsible), the **Directors** of the corporation at the time the corporation was required to deduct,withhold or remit **may be jointly and severally liable, together with the corporation**, to pay any amount that the corporation is liable to pay in respect of that amount, including any interest or penalties relating thereto.

However, a director who exercises the degree of care, diligence, and skill that a reasonably prudent person would exercise will not be liable. To benefit from this provision, a director should take positive action to ensure the corporation makes the necessary deductions and remittances. For further details regarding the joint and several liability of directors, you may wish to refer to Information Circular 89-2R3, a copy of which may be obtained from your tax services office.

This examination does not constitute a complete audit of the financial records and does not preclude another audit being performed.

Appendix N

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED

Respondents

AFFIDAVIT OF ROBERT STELZER

I, **ROBERT ALLAN STELZER,** of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY as follows:

1. I am the Vice-President of Grant Thornton Limited, ("**GTL**") which was appointed as Receiver and Manager ("**Receiver**") without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd. and Comsale Singapore Private Limited (collectively, the "**Company**"). 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 billings setting out the fees and disbursements of GTL incurred in its role as Receiver of the Company from April 1, 2020 to July 31, 2020, in the total amount of $294,593.86, including HST in the

amount of $33,891.33, and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is $291.04.

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 via videoconference at the City of Toronto, in the Province of Ontario, this 21st day of August 2020	
R. Bengino	R.A. Stelzer
Commissioner for Taking Affidavits, etc.	ROBERT ALLAN STELZER

Exhibit “**A**” to the Affidavit of Robert Allan Stelzer, sworn before me this 21st day of August 2020

R.Bengino

Commissioner for Taking Affidavits, etc.

Grant Thornton

Court File No. CI-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE RECEIVERSHIP OF

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC.,
COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

BILL OF COSTS

BN 12738 4717 RT0001
Client #273663
Invoice#LSON-6323

To professional services rendered as Court-Appointed Receiver for the period from April 1, 2020 to April 30, 2020.

Date	Full Name	Hours	Detail
April 1, 2020	Paul Kouadio	7.20	Various calls and emails with purchasers in Malaysia, Canada and USA to discuss amendments on offers and APA; Reviewed and amended their APA, discussed their concerns with A Previte; Emails and calls to TGF's R Bengino on APA blacklines of purchasers; Calls and emails to Memphis warehouse manager re: interested parties for customers returns; Calls and Emails to interested parties re: same; confirmed customer returns deal with Escrap Canada; Discussed quote for notice of failed evaluation from ESA re: equipment at St. Catharines warehouse with approved field evaluators CSA and ULC; Calls and emails to A Chang and A Previte re: equipment to be evaluated mentioned in ESA letter.
April 1, 2020	Rosa Wilford	2.00	Review internal email instructions re Banking; Review payment request; Prepare bank letter; Respond to queries; Prepare partial reconciliation of accounts re (CAD & USD); Update schedule; Provide team with supporting documentations for each account (CAD/USD); Emails; Review cheques/wires for signing with authorized signing officers. Respond to team enquiries on payment issued; Provide supporting documentations; General banking administration.
April 1, 2020	Aaron Previte	2.70	Attend to sales process matters; Review revised report; Internal discussions and correspondence re: receivership matters; Discussions and correspondence with TGF.

Date	Full Name	Hours	Detail
April 1, 2020	Rob Stelzer	6.70	Preparation and then examinations of I Feng, J Peng and T Lucey; E-mail regarding estate funds; E-mail regarding inventory pricing; E-mail regarding next examination.
April 1, 2020	Jugal Patel	0.75	Internal meeting with team.
April 1, 2020	Sandy Boucher	0.25	Review status and next steps.
April 1, 2020	Michael Creber	0.90	Sales process matters; Correspondence.
April 2, 2020	Michael Creber	0.80	Sales process matters; Correspondence.
April 2, 2020	Rob Stelzer	4.90	Edits to draft second report and send to TGF; Call with GT forensics; Call to J Peng and review of PO numbers according to records we have; Draft update E-mail and send to J Borch on the examinations; Approval of contractor payments; E-mail to professionals regarding affidavits needed for report and further E-mail with C Hunker; E-mail regarding ESA; Team call to discuss sales process and other matters; E-mail with TGF on decision not to get a New York opinion.
April 2, 2020	Jugal Patel	0.50	Internal meeting with team.
April 2, 2020	Rosa Wilford	2.50	Review internal email instructions from team re Banking; (CAD/USD Accounts) Review payment requests; Prepare various wire transfers from multiple accounts (CAD/USD); Draft letters to Bank; Prepare disbursement requisition forms: Review invoice payments; Post entries; Issue cheques; Provide supporting documentation; Review confirmation receipts from Bank; Post EFT Entries; Notify team; General banking administration.
April 2, 2020	Aaron Previte	4.70	Internal discussions and correspondence re: receivership matters; Attend to sales process matters; Discussions and correspondence with TGF and Shearn Delamore re: sale matters; Review fee affidavit; Attend team call re: file status; Correspondence with landlord prospective tenant; Correspondence with retained contractors.
April 2, 2020	Paul Kouadio	6.50	Team Meeting to discuss progress on offers and 2nd Court Report; Various calls and emails with purchasers in Malaysia, Canada and USA to discuss amendments on offers and APA; Reviewed and amended their APA, discussed their concerns with A Previte; Discussed pick up logistics with warehouse managers and purchasers in Canada and US; Finalized quote for field evaluation from ESA re: equipment at St. Catharines warehouse with approved field evaluator ULC; Discussed our options with Product Safety Specialist from ESA; Drafted email to Team incl. recommendation and discussed this at team meeting.

Date	Full Name	Hours	Detail
April 3, 2020	Valerie Naccarato	0.30	General banking administration.
April 3, 2020	Aaron Previte	3.70	Attend to sales process matters; Internal discussions and correspondence re: receivership matters; Attend to Malaysian matters; Discussions and correspondence with TGF re: sale matters.
April 3, 2020	Paul Kouadio	5.30	Attended various calls and emails with purchasers in Malaysia, Canada and USA to finalize offers and APAs; Reviewed 2nd report to court provided by TGF, updated appendices and reviewed affidavits to be attached to same; Discussed notice of failed evaluation from ESA re: equipment at St. Catharines warehouse with Canadian purchaser of these equipment's and drafted email to same; Team Meeting to discuss progress on offers and 2nd Court Report; Call and email to Reno landlord re quarterly inspection.
April 3, 2020	Michael Creber	1.10	Sales process matters; Correspondence.
April 3, 2020	Rob Stelzer	1.10	Call to discuss Malaysian guarantee issue; Call to discuss offers; E-mail with counsel on the report; E-mail related to examinations; Review of Nevada opinion.
April 4, 2020	Aaron Previte	1.00	Attend to sales process matters; Discussions internally and with TGF re: same.
April 5, 2020	Aaron Previte	0.90	Review fee affidavits from Malaysia and correspondence re: same; Attend to sales process matters; Internal correspondence re: receivership matters.
April 6, 2020	Rob Stelzer	6.40	Bankruptcy examination of Thomas Lucey (part II); Summary of examination and send to J Borch; Review of TGF edits to report and made further edits; Team call to discuss sales process and additional investigation matters; E-mail to GT Forensics; E-mails related to fee affidavits with Shearn, TGF and others.
April 6, 2020	Aaron Previte	2.80	Attend to sales process matters: Discussions and correspondence with TGF re: sale process matters; Internal discussions and correspondence re: receivership matters; Update NDA for GT Forensics; Attend to other receivership matters.
April 6, 2020	Michael Creber	3.90	Sales process update; Review APA's; Review court report drafts; Review court documents; Related correspondence and discussions; Planning.

Date	Full Name	Hours	Detail
April 6, 2020	Paul Kouadio	6.30	Attended several calls and emails with purchasers in Malaysia, USA and Canada; Various discussions, emails and call with A Previte and R Bengino on finalizing APAs; Discussed purchaser's assets and purchaser's questions with Electrical Safety Authority; Followed up on affidavits of professional fees; Conference call with team on update of sales process; Followed up with Metro on Comsale Balance Over Time; Discussed logistics for pick up in Reno and Memphis with purchasers and warehouse managers.
April 7, 2020	Michael Creber	1.60	Sales process; Court materials.
April 7, 2020	Jugal Patel	0.25	Internal call regarding to Mobile Acquisition.
April 7, 2020	Paul Kouadio	5.60	Updated professional fees schedule; Video call with Malaysian lawyer to witness affidavit; Attended review of affidavits received and followed up on missing ones; Discussed purchasers concern of renting some parking space for their assets with them; Several calls and emails with St. Catharines warehouse manager to address purchaser's concerns; Redacted affidavits of professional fees.
April 7, 2020	Rosa Wilford	0.40	Review internal instructions from team re Banking; Review payment requests; Review account ledger; Prepare disbursement requisition forms; Prepare transfer; Bank letter; Setup accrual payment; General banking administration.
April 7, 2020	Aaron Previte	0.60	Attend to sales process matters; Internal discussions and correspondence re: receivership matters; Correspondence with TGF re: sales matters; Attend to Malaysian matters; Review and process payments.
April 7, 2020	Rob Stelzer	4.10	Call with T Lucey and later E-mail related to request for E-mails on his iPhone; E-mail with P Cho on counsel for Exportxcel; Call with P Kouadio on fee affidavits; Call with DJ Miller on fee affidavits from Stern and Malaysia and related call with M Creber; Call with GT Forensics on T Lucey E-mails; Document preparation; Review of Stern fee affidavit.
April 8, 2020	Paul Kouadio	5.70	Prepared April 2020 rent and assurance payments; Followed up on affidavits of fees with professional firms; Updated summary of offers received and discussed same with R Stelzer; Discussed updated and final versions of APAs with R Bengino and A Previte; Responded to purchasers on various questions on logistics.
April 8, 2020	Rosa Wilford	1.00	On-line banking; Print statements; Review estate bank accounts; Post eft entries and reconcile March statements.

Date	Full Name	Hours	Detail
April 8, 2020	Rob Stelzer	2.20	Call from T Lucey to discuss E-mails on his phone; Review of Exportxcel agreement changes and related discussion with A Previte; Review of and signed NDA for GT Forensics; E-mails with St. Catharines landlord; Call with M Creber to discuss commissioning of affidavits; other E-mail.
April 8, 2020	Aaron Previte	1.50	Attend to sales process matters; Internal discussions and correspondence re: receivership matters; Discussions and correspondence with TGF re: sale process matters.
April 8, 2020	Michael Creber	0.60	Sales process; Court materials.
April 9, 2020	Michael Creber	1.70	Sales process; Court materials.
April 9, 2020	Paul Kouadio	5.10	Reviewed and amended final APAs; Several discussions on same with R Bengino and A Previte; Attended various calls and emails with purchasers in Malaysia, USA and Canada to discuss changes on APAs.
April 9, 2020	Rosa Wilford	2.50	Wire payments; Letters; Correspondences to and from Bank for authorization of various transfers; for multiple accounts re CAD/USD; Emails; Faxes; Provide team with wire confirmations: Post wire payment entries; General banking administration.
April 9, 2020	Rob Stelzer	5.20	Finalized all report appendices; Calls with P Jensen; Call with D Martin; Review of revised confidential appendices; Update to tables for court report; E-mail with Linklaters regarding US court date; Send updated report to HSBC; E-mail with M Creber; Call with A Previte.
April 9, 2020	Aaron Previte	1.80	Reading through correspondence from landlord; Internal discussions and correspondence re: receivership matters; Discussions and correspondence with TGF re: sale matters; Attend to sales process matters.
April 10, 2020	Paul Kouadio	0.80	Discussed APA changes with purchasers in US and Canada.
April 13, 2020	Rosa Wilford	3.00	Review internal email instructions re Banking; Review payment requests: Prepare partial reconciliation of accounts re (CAD & USD); Update schedule; Provide team with supporting documentations for each account (CAD/USD); Emails; Review cheques/wires for signing with authorized signing officers. Respond to team enquires; Provide supporting documentations; Prepare disbursement / transfer / receipt requisition forms; Post deposit and invoice entries; Issue cheques; General banking administration.
April 13, 2020	Valerie Naccarato	0.20	General banking administration.

Date	Full Name	Hours	Detail
April 13, 2020	Paul Kouadio	6.80	Performed various tasks on sales process including several emails and conference calls with A Previte, R Bengino and purchasers in Malaysia, USA and Canada regarding finalization of APAs, and negotiating terms of APAs with purchasers; updated APAs and circulated within team and purchasers; Emails and calls with team on sale process update; Attended various tasks on finalization of second report including call with R Stelzer on report update, updated report and related appendices to include the two additional offers from Memphis; Prepared employees payroll list.
April 13, 2020	Michael Creber	0.90	File status update; Sales process matters; Court materials.
April 13, 2020	Rob Stelzer	3.10	Call with GT Forensics and then E-mail to T Lucey; E-mail with R Wilford; Review of Exportxcel changes and team call; Draft response to landlord in St. Catharines and send to A Previte; Call with P Kouadio and review of report changes; E-mail with TGF.
April 13, 2020	Aaron Previte	5.40	Attend to sales process matters; Internal discussions and correspondence re: receivership matters; Discussions and correspondence with TGF re: sale matters; Attend to St Catharines warehouse matters.
April 14, 2020	Rosa Wilford	0.10	Respond to internal email enquiry from team re Banking: Provide supporting documentation with details of mailing.
April 14, 2020	Aaron Previte	4.80	Attend to sales process matters; Discussions and correspondence with TGF re: sales process matters; Internal discussions and correspondence re: receivership matters; Attend to Malaysian matters; Attend to St Catharines Warehouse matters; Prepare and issue correspondence to HSBC Canada; Attend to other receivership matters; Update appendix for report.
April 14, 2020	Paul Kouadio	7.40	Conference call with A Previte, R Bengino and purchaser in Malaysia re: finalization of APA; Performed several tasks on finalized of second report to court including redacting APAs, preparing schedule of non-financial terms of APAs and finalizing appendices; Discussed same with A Previte and R Stelzer; Follow up email with Landlord in Reno re: rent; Attended various tasks re: logistics including call with Memphis warehouse manager on logistics for assets pickup; Discussed logistics tasks to be done with A Previte.

Date	Full Name	Hours	Detail
April 14, 2020	Rob Stelzer	3.00	Edits to confidential appendix 1 and minor changes to report; E-mail related to Exportxcel agreement; Call with M Creber; Call with R Bengino regarding court scheduling and service; Call with P Kouadio and then A Previte on confidential appendices.
April 14, 2020	Michael Creber	1.20	Sales process; Court matters; Correspondence.
April 15, 2020	Rania Erian	0.50	Combine report appendices and compress into smaller size pdf.
April 15, 2020	Michael Creber	0.90	Court matters; Sales matters.
April 15, 2020	Aaron Previte	2.40	Attend to sales process matters; Internal discussions and correspondence re: receivership matters; Attend to Malaysian matters; Assisting with finalizing court report; Review payments.
April 15, 2020	Valerie Naccarato	0.10	General administration.
April 15, 2020	Rob Stelzer	3.10	E-mail and calls throughout the day with TGF regarding the report, UCC searches, appendix with detailed asset listing and additional detail in confidential appendix one.; Approved final report and appendices.
April 15, 2020	Rosa Wilford	0.50	Review various banking reports and approve monthly estate balances.
April 15, 2020	Paul Kouadio	6.40	Prepared schedule of status of secured creditors and discussed same with A Previte; Prepared contractors payroll; Attended various tasks on logistics including several emails and conference calls with purchasers in Canada and USA, and A Previte; Assisted with finalization of second report including updating summary of non-financial terms of APAs, updating report and appendices, and relating tasks to serve the motion record.
April 16, 2020	Michael Creber	0.60	Sale process; Court matters; Web maintenance; Planning.
April 16, 2020	Rania Erian	0.20	Upload legal documents on to the case website; Administration matters.
April 16, 2020	Paul Kouadio	5.50	Attended several tasks on logistics details and discussed same with A Previte, including but not limited to preparing timeline of closing by purchaser based on APAs; Discussions with warehouse managers in Canada and USA re: best logistics approaches by warehouse based on parcel and days that purchasers have to pick up their assets; Drafted s. 245/246.

Date	Full Name	Hours	Detail
April 16, 2020	Aaron Previte	1.00	Attend to updating the case website; Internal discussions and correspondence re: receivership matters; Attend to preparation for post-closing sales matters.
April 16, 2020	Rosa Wilford	1.50	Review internal instructions from team re Banking; Review payment requests: Review account ledgers re CAD/USD accounts; Prepare disbursement requisition forms; Prepare transfers; Bank letters; Setup accrual payments; Post payment entries; Issue cheques; Email team for approval; General banking administration.
April 16, 2020	Rob Stelzer	2.30	E-mails with Linklaters on US court approval; Review of update to website summary; E-mail related to RAID reconstruction; E-mail with T Lucey; Approval of contractor payments; Call with P Kouadio on Ingram response.
April 17, 2020	Michael Creber	0.10	Banking and disbursements.
April 17, 2020	Rob Stelzer	0.50	E-mails related to cheque approval and other matters.
April 17, 2020	Aaron Previte	0.20	Internal discussions and correspondence re: receivership matters.
April 17, 2020	Paul Kouadio	5.10	Performed various tasks related to logistics of sale and collection of assets by purchasers, including but not limited to preparing schedule of pick up at all premises, phone calls and email to purchasers and liaising between purchasers re: some equipment from certain purchasers to be used by other purchasers; Calls with landlord of Vaughan head office re: sales of fixed assets at that premise; Prepared invoices re: internet at Canadian premises; Various correspondence with R Bengino re: Amazon's email; Liaising mail forwarding from UPS.
April 17, 2020	Valerie Naccarato	0.20	General filing administration on account re March bank statements.
April 18, 2020	Aaron Previte	1.60	Attend to preparation of post-closing sales matters; Internal correspondence re: receivership matters; Correspondence with retained contractors; Draft correspondence to CWB National Leasing; Correspondence with TGF re: potential distribution.
April 19, 2020	Rob Stelzer	0.80	E-mail related to sales process; Update to do list and send to team; Correspondence with P Johnson; E-mail to Nevada counsel.

Date	Full Name	Hours	Detail
April 20, 2020	Paul Kouadio	5.80	Attended to various team conference calls with A Previte, R Stelzer and M Creber re: progress on file and discussion of outstanding items; Revised tasks to be performed for calls; Discussed logistics structure and timeline of closing by purchaser and warehouse with A Previte and prepared same; Prepared professional fees schedule with the fees paid; Reviewed payment for services at St. Catharines warehouse;
April 20, 2020	Valerie Naccarato	0.70	General banking administration.
April 20, 2020	Rosa Wilford	2.50	Review internal instructions from team re Banking; Review payment requests USD/CAD Accounts: Prepare disbursement requisition forms: Prepare wire transfers; Email correspondence to and from Bank for authorization of transfers; Faxes; Posting entries; Issue cheques; Email wire confirmations to team. Post deposit entries; General banking administration.
April 20, 2020	Michael Creber	2.60	Complete file status review and relate discussions.
April 20, 2020	Aaron Previte	3.30	Internal discussions and correspondence re: receivership matters; Attend to preparation of post-closing sales process matters; Correspondence with TGF re: report and order; Prepare and issue correspondence to HSBC re: sale matters; Attend internal meeting to discuss file status and tasks; Internal correspondence re: tax on sale; Review revised draft order.
April 20, 2020	Rob Stelzer	3.60	Call with Hong Kong investigator; Team call and then second team call to discuss closing of sales transactions, Reporting to HSBC and other matters; E-mail with GT Forensics; E-mail with St Catharines landlord and related discussion with R Bengino; E-mail regarding CWB order; Call with Linklaters; E-mail to Deloitte regarding tax recovery.
April 21, 2020	Grace Caputo	1.50	Look at Internal email and reply. Discussion w/ team re details and look at PSAs for two purchasers re: legal delivery. Discuss w/ and provide email update to team with the suggested sales tax treatments.
April 21, 2020	Jae Cho	0.25	Discuss with Grace regarding legal delivery.
April 21, 2020	Rania Erian	0.20	Upload legal documents on the case website.

Date	Full Name	Hours	Detail
April 21, 2020	Paul Kouadio	6.10	Attended various tasks with regards to sale process including discussions of collection of any applicable sales taxes by closing in a receivership with A Previte and GT Indirect Tax Team; Correspondence with GT Malaysia on AVO and Malaysian movement control order; Email and follow up discussion on approval of sale process in USA re: customer returns for Escrap Canada with R Stelzer; Multiple follow ups with Vaughan landlord on sale of fixed asset at Vaughan premise.
April 21, 2020	Michael Creber	1.90	US court documents; tax matters; sales process matters; banking and disbursements.
April 21, 2020	Rob Stelzer	3.30	Review of US declarations and related phone call with Linklaters and review of edited document; E-mail related to removal of servers from Vaughan; Escrow agreement; E-mail to Deloitte tax.
April 21, 2020	Aaron Previte	1.20	Internal discussions and correspondence re: receivership matters; Attend to preparation of post-closing matters; Attend to maintenance of case website; Review escrow agreement; Correspondence with TGF re: sales matters.
April 22, 2020	Grace Caputo	0.75	Finalize internal email w/ tax rates and answer questions.
April 22, 2020	Paul Kouadio	7.60	Performed various tasks on sale process including but not limited to preparing invoices for all purchasers of assets at all warehouses; Communicating Canadian sale process approval to purchasers and initiating discussion on closing and logistics; Various team discussions with A Previte on best practice and approach to adopt; Finalized logistics schedule and communicated with purchasers at all warehouses; Discussions with warehouse managers on best approach for asset collection process; discussed books and records with same.
April 22, 2020	Michael Creber	2.20	Review US court materials; attend Cdn court hearing by zoom; planning and correspondence.
April 22, 2020	Sandy Boucher	0.20	Review with D'Arcy Davis and Jugal Patel.
April 22, 2020	Jugal Patel	3.75	Collect all servers from Comsale premises and preserved in the lab.
April 22, 2020	Aaron Previte	3.90	Internal discussions and correspondence re: receivership matters; Attend to preparation of post-closing sales matters; Correspondence with TGF re: escrow agreement.

Date	Full Name	Hours	Detail
April 22, 2020	Rosa Wilford	1.00	Review internal instructions from team re Banking; Review payment requests: Request approval of payments; Email; Prepare disbursement requisition forms: Issue cheques; Respond to phone calls from team re sales; General banking administration.
April 22, 2020	Valerie Naccarato	0.90	General banking administration; Deposit at bank,
April 22, 2020	Rob Stelzer	4.40	Preparation for Court; Court; Call with M Creber; E-mail to Linklaters on declarations; Call with J Borch and E-mail to team; Review of signed order; Call with R Bengino; Calls with J Patel; E-mail to Linklaters on Reno property; Call with Deloitte tax.
April 23, 2020	Grace Caputo	0.25	Review and forward export documentation list Let team know about process to avoid exposure.
April 23, 2020	Rosa Wilford	2.00	Review internal instructions from team re Banking; Review payment requests: Review account ledgers;(USD/CAD) Prepare disbursement requisition forms; Prepare transfers; Bank letters; Setup accrual payments; Notify authorized signing officer for approvals; Emails; Provide supporting documentation; General banking administration.
April 23, 2020	Michael Creber	0.90	Banking and disbursements; US court material; Security review; Escrow agreement; Correspondence.
April 23, 2020	Aaron Previte	2.00	Review finalized escrow agreement and internal correspondence re: same; Correspondence with TGF re: closing sales matters; Attend to closing sales matters; Review and process payments; Internal discussions and correspondence re: receivership matters; Manage case website;
April 23, 2020	Rob Stelzer	2.40	Review of Nevada security opinion and E-mail TGF; E-mail related to Reno site; E-mail with M Tylman; E-mail related to website update; Call with P Kouadio.
April 23, 2020	Paul Kouadio	6.60	Attended to various tasks on logistics and asset collection at the warehouses in Canada and USA and discussed same with A Previte, including but not limited to discussing pick up logistics, closing and payments, accommodation of asset pick up with purchasers; Discussed pictures of the premises and assets to be made with warehouse managers and reviewed same; Discussed books and records with warehouse managers and reviewed information provided by them; Coordinated contractors engagement with warehouse managers.

Date	Full Name	Hours	Detail
April 24, 2020	Paul Kouadio	7.80	Call with Malaysian warehouse manager on various matters including logistics and asset collection process, books and records; Attended to team conference call with A Previte, R Stelzer and M Creber re: progress on file and discussion of outstanding items; Discussed remaining occupancy of warehouses in US with landlords in Reno and Memphis; Facilitated engagement of forklift driver contractor in St. Catharines; Prepared contracts of all forklift driver contractors in St. Catharines, Memphis and Reno; Reviewed A/R subledger and discussed same with A Previte; Discussed coverage to contractors under Comsale's insurance policy with M Gillard.
April 24, 2020	Rob Stelzer	2.00	HK agent; Call with Linklaters; Team call to review sales process and other matters; Call with TGF.
April 24, 2020	Rosa Wilford	0.50	Review internal email instructions re Banking; Review account ledgers; USD/CAD Accounts; Provide team with cashflow report; Provide supporting documentation; Email; General banking administration.
April 24, 2020	Michael Creber	1.40	File status update; Correspondence and discussions.
April 24, 2020	Valerie Naccarato	0.40	General banking administration.
April 24, 2020	Aaron Previte	2.10	Attend to closing sales matters and preparation of post-closing matters; Internal discussions and correspondence re: receivership matters; Attend team call re: file status.
April 25, 2020	Rob Stelzer	0.50	E-mail with Deloitte on tax recovery; E-mail with TGF; E-mail with team and GT Forensics.
April 27, 2020	Paul Kouadio	6.40	Attended to various tasks on logistics and asset collection at the warehouses in Canada and USA including correspondence with insurance broker on commercial liability coverage for contractors and issues in the asset collection process; Researched contractor as forklift driver in St. Catharines with staffing agencies and finalized agreement with Kelly Services; Reviewed pictures of Reno and Memphis warehouses; Correspondence with purchasers in Canada re: receipt of payment and effective asset collection process; Redacted notices of proposed sale of available assets for US Court.

Date	Full Name	Hours	Detail
April 27, 2020	Rosa Wilford	1.50	Review internal instructions from team re Banking; re CCI USA; Review payment requests; Review account ledger; Prepare disbursement requisition forms; Prepare transfer; Bank letter; Setup accrual payment; Notify authorized signing officer for approval; Respond to phone call; On-line banking; Review account for expecting wires; CCI CAD; Prepare receipt requisition form; Post deposit entries; Notify team; General banking administration.
April 27, 2020	Michael Creber	0.40	Tax matters; Web maintenance.
April 27, 2020	Aaron Previte	1.10	Attend to post-closing sales matters; Internal discussions and correspondence re: receivership matters; Attend to third party property claims; Review subcontractors agreement.
April 27, 2020	Rob Stelzer	0.30	E-mail related to movement of product out of St. Catharines; E-mail with S Boucher.
April 27, 2020	Rania Erian	0.20	Upload legal documents onto the case website; Administration matters.
April 28, 2020	Rob Stelzer	0.60	Call with M Creber; E-mails related to St. Catharines moveout and payments to be made to landlords and other parties.
April 28, 2020	Aaron Previte	1.40	Attend to closing sales matters; Internal discussions and correspondence re: receivership matters; Read through temporary agency contract; Process payments;
April 28, 2020	Michael Creber	0.40	Banking and disbursements; Sales process.
April 28, 2020	Rosa Wilford	2.20	On-line banking; Review accounts/print screens for expecting wires; re USD Notify team; Provide supporting documentation; Emails; Respond to phone call; Prepare receipt requisition forms; Post EFT entries; Post re-allocations of funds received re deposit on sales; Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; Setup accrual payments; Notify team for approval payments; Provide supporting documentation; General banking administration.
April 28, 2020	Paul Kouadio	5.30	Coordinated logistics and asset collection process with Subane and Sons; Adjusted invoices from Escrap to reflect purchases in Canada and USA; Prepared invoice for SPW: Researched contractor as forklift driver in St. Catharines with staffing agencies and finalized agreement with Clek Staffing. Various discussions with A Previte and R Stelzer on progress of logistics.
April 28, 2020	Valerie Naccarato	0.10	General filing administration.

Date	Full Name	Hours	Detail
April 29, 2020	Mayura Kulkarni	0.50	Researched on sample export documentation list and email it to Grace.
April 29, 2020	Paul Kouadio	6.70	Discussed asset collection logistics with purchasers in Canada and liaised with warehouse manager to ensure proper asset collection process; Correspondence with Nevada Business Group on invoice received; Updated books and records from St. Catharines submitted by warehouse manager; Prepared rent and assurance for May 2020, and bi-weekly contractors' payments.
April 29, 2020	Aaron Previte	2.50	Attend to closing and post-closing sales matters; Internal discussions and correspondence re: receivership matters; Attend to other receivership matters; Discussions and correspondence with TGF re: closing sales matters.
April 29, 2020	Michael Creber	0.20	Correspondence; Planning.
April 29, 2020	Valerie Naccarato	0.70	General banking administration.
April 29, 2020	Rob Stelzer	1.60	Call with P Kouadio; Call with T Medeiros to discuss electronic data in Reno; E-mail to GT Forensics; Call to J Weeden; E-mail to Deloitte; E-mail with A Previte; E-mail to Stern.
April 29, 2020	Rosa Wilford	4.50	Review internal instructions from team re Banking; re CCI/CI USD/CAD; Review multiple payment requests: Review account ledgers; Prepare disbursement requisition forms; Prepare transfers and wires; Bank letters; Setup accrual payments from various accounts; Notify authorized signing officers for approvals; Provide supporting documentation; Email correspondences to Bank for authorization of transfers between accounts and various wire transfers; Faxes; Emails; Review correspondences from Bank re transfers between accounts; Post disbursement and payment entries; On-line banking; Review print screens for all accounts; Post activity fees; Respond to emails from bank; General banking administration.
April 30, 2020	Valerie Naccarato	0.70	General banking administration,
April 30, 2020	Rosa Wilford	3.00	Review correspondence from Bank; Review various wire confirmations; Review Accounts (CAD/USD) re CCI and CI; Post multiple EFT payment entries; Notify team; Emails: Provide supporting documentation; General banking administration.
April 30, 2020	Michael Creber	0.20	Banking and disbursements.
April 30, 2020	Aaron Previte	0.90	Attend to closing and post-closing sales matters; Internal discussions and correspondence re: receivership matters.

Date	Full Name	Hours	Detail
April 30, 2020	Rob Stelzer	1.50	Call with J Weeden and then E-mail to discuss Memphis servers; E-mail related to landlords; Wire approval; E-mail with Deloitte on tax returns; E-mail with J Clark.
April 30, 2020	Paul Kouadio	6.30	Performed various tasks on logistics and asset collection at the warehouses in Malaysia, Canada and USA including call and emails to warehouse manager and SPW in Malaysia on asset collection process; Managed asset collection process with warehouse manager in St. Catharines and Quick Plug, Escrap and Subane & Sons; Facilitated start of forklift driver in St. Catharines; Discussed contractors engagement with warehouse managers in Memphis and Reno; Correspondence with insurance broker re: liability coverage for forklift drivers in US warehouses; Prepared bills for warehouses in St. Catharines and Reno; Finalized A/R subledger.

Time Charges and Expenses

M. Creber, Sr. Vice President	24.50 hours @	$595.00 per hour	$ 14,577.50
G. Caputo, Tax Senior Manager	2.50 hours @	$650.00 per hour	$ 1,625.00
S. Boucher, Principal	0.45 hours @	$475.00 per hour	$ 213.75
R. Stelzer, Vice President	63.60 hours @	$475.00 per hour	$ 30,210.00
J. Cho, Senior Manager	0.25 hours @	$450.00 per hour	$ 112.50
A. Previte, Manager	53.50 hours @	$310.00 per hour	$ 16,585.00
M. Kulkarni, Senior Analyst	0.50 hours @	$310.00 per hour	$ 155.00
R. Wilford, Manager	30.70 hours @	$275.00 per hour	$ 8,442.50
P. Kouadio, Sr. Associate	132.30 hours @	$180.00 per hour	$ 23,814.00
R. Erian, Analyst	1.10 hours @	$145.00 per hour	$ 159.50
V. Naccarato, Analyst	4.30 hours @	$145.00 per hour	$ 623.50
J. Patel, Associate	5.25 hours @	$130.00 per hour	$ 682.50
	318.95		$ 97,200.75
Disbursements			
Removal of trailors			$ 600.00
SIFT Solutions			$ 2,034.00
Shipment of defective goods			$ 299.42
Postage			$ 12.81
			$ 2,946.23
Subtotal time and disbursements			$ 100,146.98
HST (13%)			$ 13,019.11
Total Due			**$ 113,166.09**

Court File No. CI-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE RECEIVERSHIP OF

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

BILL OF COSTS

BN 12738 4717 RT0001
Client #273663
Invoice#LSON-6420

To professional services rendered as Court-Appointed Receiver for the period from May 1, 2020 to May 31, 2020.

Date	**Full Name**	**Hours**	**Detail**
May 1, 2020	Michael Creber	1.60	File status update; correspondence; banking and disbursements; transaction matters.
May 1, 2020	Rania Erian	0.20	General administration.
May 1, 2020	Rosa Wilford	0.80	Review internal email instructions from team re Banking; On-line banking; Review account for expecting wires; Prepare receipt and disbursement requisition forms; Post entries; Emails to team/bank; General banking administration.
May 1, 2020	Aaron Previte	3.30	Attend to closing and post-closing sales matters; Internal discussions and correspondence re: receivership matters.

Date	Full Name	Hours	Detail
May 1, 2020	Paul Kouadio	7.80	Attended several calls and correspondence with purchasers and warehouse managers in Malaysia re: logistics for asset collection process and strategical plan for efficient asset collection; Reviewed April 2020 time sheet of Malaysian warehouse manager and prepared payment of Malaysian contractors; Discussed Purchaser's Bring Down Certificate with QuickPlug and Subane & Sons; Updated A/R subledger and discussed internally; Managed logistics for asset collection process in St. Catharines with warehouse manager and purchasers; Emails to US Counsel re: advertising made in USA during sales process; Conference call with team on progress of To Do List and tasks to be done.
May 1, 2020	Rob Stelzer	2.00	E-mail related to closings; Receiver bring down certificates; Call from FexEx; E-mail to US Counsel; Team call to discuss sales process and investigation status.
May 2, 2020	Aaron Previte	0.10	Attend to Malaysian matters.
May 2, 2020	Rob Stelzer	0.50	Internal discussions and correspondence regarding Vaughan records; Update to do list and send.
May 2, 2020	Paul Kouadio	4.20	Attend site to collect books and records; Organized and collected books and records including laptops, desktops and paper records from Vaughan head office; Internal discussions re: various receivership matters.
May 3, 2020	Aaron Previte	0.20	Attend to closing sales matters.
May 3, 2020	Thom Smith	1.00	Internal discussions and directions re site visit.
May 4, 2020	Rob Stelzer	1.20	E-mail with Linklaters regarding Court tomorrow; Call from N Shaul; Call with GT Forensics; E-mail regarding wires and receiver certificate; E-mail to FedEx.
May 4, 2020	Paul Kouadio	8.60	Processed wage payments for Malaysian contractors; Prepared contracts for Malaysian contractors; Attended to various tasks on logistics and asset collection at the warehouses in Malaysia, Canada and USA including but not limited to visit to St. Catharines warehouse re: asset collection process; Travel time from home to 70 Niagara Street, St Catharines to Comsale's warehouse, and back; Internal discussions re: asset collections; Various correspondence with Vaughan landlord re: fixed assets at that location, finalized deal on the sale of the fixed assets; Various communication with Subane and Sons, warehouse manager in St. Catharines and team re: books and records and

Date	Full Name	Hours	Detail
			servers; Discussed logistics and asset collection process with US purchasers; Discussed retention bonus with Malaysian warehouse manager.
May 4, 2020	Valerie Naccarato	1.20	General banking administration.
May 4, 2020	Aaron Previte	1.80	Attend to post-closing sales matters; Internal discussions and correspondence re: receivership matters; Correspondence with TGF re: closing sales matters.
May 4, 2020	Rosa Wilford	1.70	Review various internal email instructions from team re Banking; re CCI/CI USD/CAD; Review account for incoming wires: Review payment requests: Review account ledgers; Prepare receipt and disbursement requisition forms; Post deposit and payment entries; Issue cheques; Prepare transfer wires; Bank letters; Setup accrual payments; Notify authorized signing officers for approvals; Provide supporting documentation; Emails: General banking administration.
May 4, 2020	Thom Smith	5.75	Travel to client site in St. Catharines from Toronto to oversee asset collection process, as well as to drop off client records at the office.
May 4, 2020	Sandy Boucher	0.30	Internal discussion re raid rebulid and next steps.
May 4, 2020	Michael Creber	0.20	Correspondence.
May 5, 2020	Paul Kouadio	6.20	Reviewed invoices from Fedex and correspondences with Fedex on same; Coordinated preparation of asset collection in Memphis and Reno, communicated with US buyers and US warehouse managers on US approval; Liaised with buyers in US to facilitate the collection of their assets; Discussed process for collection of assets for Hyper Microsystems, Joy Systems and Exportxcel with warehouse managers at same premises and internally; Process and review payments; Various calls and emails to Malaysian warehouse manager re: payroll of contractors, expense approval, review of asset listings; Call with staffing agency in Memphis re: contractor; Internal discussions re: procedure of asset collection process for US buyers; Email to Ingram Micro re: statement of account for May 2020.
May 5, 2020	Michael Creber	1.60	Prepare for and attend US court hearing; sale process matters; A/R matters; correspondence.
May 5, 2020	Valerie Naccarato	0.90	Review internal instructions from team; Prepare draft stop request letters and email bank;

Date	Full Name	Hours	Detail
			Prepared cheque requisition form; general administration.
May 5, 2020	Aaron Previte	2.30	Internal discussions and correspondence re: receivership matters; Attend to post-closing and closing sales matters; Assist staff with banking matters.
May 5, 2020	Rob Stelzer	2.30	Preparation and then US court approval; E-mail with G Wall and P Johnson; Approved GT Dubai invoice; Internal discussions regarding litigation asset and E-mail with Israeli lawyer.
May 5, 2020	Thom Smith	4.25	Draft asset quantity verification memos; internal discussions re: Comsale Collection Process; Discussion with warehouse managers re logistics and timing of collections.
May 5, 2020	Rosa Wilford	3.60	On-line banking; Print various statements; Review estate bank accounts for uncashed cheques; re USD/CAD accounts; Notify team with supporting documentation for review and direction; Post eft entries and reconcile April statements. Prepare cash-flow table with supporting documentation and reports; Notify team; Respond to phone call; Provide wire instructions to team; Review payment requests; Setup accrual payments; Prepare wire transfers; Bank letters; General banking administration.
May 6, 2020	Paul Kouadio	4.90	Oversaw logistics for asset collection in St. Catharines including but not limited to several calls and emails with warehouse manager and buyers; Call and email with Joy System re: payment and closing of sale transaction; Finalized logistics timeline for Hyper Microsystems; Team meeting to discuss progress on sales process and investigation; Prepared disclaimer of Vaughan lease and drafted email contract to landlord; Prepared and finalized contracts for contractors in Memphis and Reno.
May 6, 2020	Michael Creber	0.40	Correspondence; banking.
May 6, 2020	Valerie Naccarato	0.80	General banking administration; Open mail.
May 6, 2020	Rosa Wilford	2.00	Review approval email confirmation from team re Banking; Prepare disbursement requisition form; Post replacement entries; Issue cheques; Review account ledgers; Re-allocate deposits received on sales; On-line banking; Review print screens for expecting wire; Prepare cash-flow table with supporting documentation and reports to team; Respond to emails: General banking administration.

Date	Full Name	Hours	Detail
May 6, 2020	Aaron Previte	1.80	Internal discussions and correspondence re: receivership matters; Maintain cashbook; Attend to closing and post-closing sales matters; Correspondence with contractors.
May 6, 2020	Rob Stelzer	2.10	Updates to cash flow projections; Team call to discuss sales process, investigations and other matters; Disclaimer of Vaughan lease.
May 6, 2020	Thom Smith	2.75	Internal calls re asset collection process, coordinating overseeing of buyers removing assets; external calls re discussion with buyer on when assets being removed; revision of asset collection memos.
May 7, 2020	Rosa Wilford	0.50	Review internal instructions re Banking; On-line banking; Review print screens for expecting wire; Prepare receipt and disbursement requisition forms; Post entries; Email team notification of wire. General banking administration.
May 7, 2020	Aaron Previte	1.80	Attend to closing and post-closing sales matters; Internal discussions and correspondence re: receivership matters; Attend to taxation matters.
May 7, 2020	Michael Creber	0.10	Correspondence.
May 7, 2020	Thom Smith	3.25	Discussion with warehouse manager J Weeden re collection of assets of buyer (Hyper). Internal team discussion re asset collection process.
May 7, 2020	Paul Kouadio	6.70	Travel time from home to 70 Niagara Street, St Catharines to Comsale's warehouse, and back; Supervised fixed asset collection of Subane & Sons in St. Catharines and dealt with to several calls and emails with warehouse manager and buyers; Coordinated logistics for shipping of books and records from Reno and Memphis to Toronto, discussed same internally and with warehouse managers; Internal call re: finalization of procedure of asset collection process for US buyers; Drafted email to Exportxcel re: quantity verification during the asset collection.
May 7, 2020	Rob Stelzer	2.10	Call with Israeli counsel on litigation in Israel; Updates to cash flow forecast and send to team; Review of letter to Linklaters.
May 8, 2020	Valerie Naccarato	0.60	General banking administration; Deposit at bank.

Date	Full Name	Hours	Detail
May 8, 2020	Paul Kouadio	5.20	Reviewed and updated cash flow forecast with G/L, discussed same internally; Discussed cashbook internally; Team meeting to discuss progress on sales process and investigation; Coordinated asset collection process in St. Catharines and Memphis, and prepared asset collection in Reno; Various internal calls re: coordination of same; Emails with Vaughan landlord re: sale of assets; Emails to Malaysian warehouse manager re: wage payments, KERP payment, logistics of asset collection.
May 8, 2020	Thom Smith	2.00	Calls with J Weeden, T Medieros, A Chang re asset collection process.
May 8, 2020	Michael Creber	1.10	File status update; review cash forecast and related correspondence.
May 8, 2020	Rob Stelzer	2.50	Internal correspondence on receipts and disbursements; Internal discussion on cash flow; Team call to discuss cash flow, sales process and other matters; Review of payroll audit; Team E-mail.
May 8, 2020	Aaron Previte	0.30	Attend to post-closing sales matters; Review forecast; Internal discussions and correspondence re: receivership matters.
May 11, 2020	Michael Creber	0.90	Prepare for and attend file status update call; correspondence.
May 11, 2020	Thom Smith	4.25	Visit to St. Catharines Warehouse to oversee asset collection; Internal discussions re Comsale asset collections; External discussions with J Weeden re logistics of buyer (asset collection process); External call with buyer (Hyper) to discuss asset collection process and logistics.
May 11, 2020	Rosa Wilford	1.40	Review mail re Banking; Prepare requisition forms; Post deposit entries; Email correspondence to and from Bank for authorization of transfers; Faxes; Posting payment entries; Email wire confirmations to team; Review internal instructions from team re HST; Review account; Provide team with supporting documentation; Respond to email; General banking administration.
May 11, 2020	Aaron Previte	1.60	Attend to closing and post-closing matters; Internal discussions and correspondence re: receivership matters;
May 11, 2020	Rob Stelzer	2.80	Call with US Counsel to discuss letters regarding investigation, US order and distributions to HSBC; Call with N Shaul; E-mail

Date	Full Name	Hours	Detail
			to Israeli lawyer; Review of revised cash flow; Team call.
May 11, 2020	Valerie Naccarato	0.20	General banking administration.
May 11, 2020	Paul Kouadio	4.60	Attended to various tasks on logistics and asset collection at the warehouses in Malaysia, Canada and USA including but not limited to overseeing inventory count process in Reno, design of inventory count process in St. Catharines; Coordinated asset collection in Memphis and Reno, various emails and calls with US and Canadian buyers and US and Canadian warehouse managers; Internal calls on progress on asset collections at all warehouses; Calls and emails to cancel internet services in US and Canada; Discussed payment arrangement with Vaughan landlord; Discussed status of HST returns internally; Emails to St. Catharines and Reno landlords on vacating space.
May 12, 2020	Rosa Wilford	1.50	Review internal email instructions from team re Banking: Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; Respond to phone call from team re R&D for each estates; General banking administration.

Date	Full Name	Hours	Detail
May 12, 2020	Rob Stelzer	1.80	E-mail related to Vaughan landlord sale and St. Catharines landlord requests; E-mail with US Counsel on Reno location; Internal calls on Receipts and Disbursements statement.
May 12, 2020	Paul Kouadio	2.90	Prepared payroll of contractors and reviewed expenses; Discussed books and records with warehouse managers in US; Internal call and with Malaysian warehouse manager and emails re: progress of asset collection in Malaysia and outstanding issues to resolve re: invoices and Exportxcel; Emails to St. Catharines landlord on inspections; Supervised receipt of funds from Vaughan landlord and Joy systems with purchasers; Process payments.
May 12, 2020	Aaron Previte	0.90	Attend to closing and post-closing sales matters; Internal discussions and correspondence re: receivership matters; Discussions and correspondence with TGF re: sales matters.
May 12, 2020	Rosa Wilford	1.20	Review various internal email instructions from team re Banking; On-line banking; Review accounts re CAD/USD for expecting wires; Prepare receipt and disbursement requisition forms; Post entries; Emails to team/bank; Review payment requests; Setup accrual payments; Prepare bank letter; Email team for authorization of payments; Review HST with team; General banking administration.
May 12, 2020	Thom Smith	1.50	Internally discuss and with Yugash re asset collection process in Malaysia; Discussion with buyer re asset collection process; Discussion with J Weeden re asset collection process.
May 12, 2020	Michael Creber	0.90	File status update and correspondence.
May 13, 2020	Adam Shell	1.00	Review of tax return and call with recovery manager.
May 13, 2020	Michael Creber	0.30	Correspondence.
May 13, 2020	Paul Kouadio	1.20	Various internal calls and emails re APA, PPSA and Approval and Vesting Order for Quickplug; Progress on asset collection in Canada and US; Internally discussed lease disclaimer delivery for Vaughan landlord; Discussed return of equipment re: cancelling internet service in Reno.

Date	Full Name	Hours	Detail
May 13, 2020	Rosa Wilford	1.60	Review internal email instructions from team re Banking; On-line banking; Review CAD/USD accounts for expecting wires; Print screens; Prepare receipt and disbursement requisition forms; Post deposit and eft entries; Email bank/team; General banking administration. Review various banking reports and approve monthly estate balances.
May 13, 2020	Aaron Previte	0.90	Attend to closing and post-closing sales matters; Internal discussions and correspondence re: receivership matters; Attend to taxation matters.
May 13, 2020	Thom Smith	3.50	Internal discussion re invoice generation for Malaysia assets sale; Internal discussions re asset collection process; Preparation of utility bills for billing; Preparation of commercial invoice for Malaysia.
May 13, 2020	Rob Stelzer	0.80	E-mail related to Synergy; E-mail related to Redstone; Other E-mail.
May 14, 2020	Aaron Previte	1.70	Attend to closing sales matters; Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters.
May 14, 2020	Rosa Wilford	3.50	Review various internal email instructions from team re Banking; re (CAD/USD) Review payment requests: Review account ledgers; Prepare multiple disbursement requisition forms; Setup various accrual entries; Provide supporting documentation for review and approval to Trustee; Prepare various wire transfers; Letters; Post payment entries; Issue CAD/USD Cheques; Emails; General banking administration.
May 14, 2020	Rosa Wilford	0.80	Review internal email instructions from team re Banking; On-line banking; Review print screens for expecting wire; Respond to email; Respond to phone calls; Review accounts with team re USC/CAD: General banking administration.
May 14, 2020	Rob Stelzer	2.30	E-mail with GT Forensics; Malaysia closing; Review of report from Hong Kong investigator; other E-mail.
May 14, 2020	Thom Smith	0.75	Internal discussions re asset collection process; External discussions with buyer re receiving sale documents.
May 14, 2020	Valerie Naccarato	0.20	Follow internal email instructions, prepared cheque requisition form; general administration.

Date	Full Name	Hours	Detail
May 14, 2020	Paul Kouadio	3.50	Prepared invoices and cheque requisitions for rents in Memphis, Reno and St. Catharines, electricity payment for Malaysia, contractors payments; Followed up on books and records in Memphis; Discussed assets collection with Escrap and Joy Systems and warehouse manager in Memphis; Call and email with Hyper re: documents needed to export from Canada to USA; Followed up with warehouse manager in St. Catharines on assets collection and annual fire inspection from landlord; Followed up on status of HST returns.
May 14, 2020	Michael Creber	0.40	Correspondence.
May 15, 2020	Michael Creber	0.80	Banking and disbursements; file status update and correspondence.
May 15, 2020	Thom Smith	1.25	Internal correspondence re asset collection process; Internal correspondence re shipment of books and records; External correspondence with warehouse managers re asset collection process.
May 15, 2020	Rosa Wilford	3.50	Multiple correspondence to and from Bank for authorization of various wire transfers/confirmations; re CCI/CI USD/CAD; Faxes; Emails; Post disbursement and payment entries; Provide team with wire confirmations; On-Line banking; Review USD account for expecting wire: Print screens; Prepare receipt requisition form; Post deposit entries; Review further correspondence from Bank re notification of returned wire; Notify team; On-line banking; Review account and print screens for returned wire; Post refund and disbursement entries; Emails; General banking administration.
May 15, 2020	Aaron Previte	0.60	Attend to post-closing sales matters; Internal discussions and correspondence re: receivership matters.
May 15, 2020	Paul Kouadio	2.20	Attended to Team meeting on progress of sales process; Coordinated delivery of books and records from Memphis to the office; and shipment from Reno; Various internal emails re: the filing of outstanding GST/HST returns, reviewed previous returns filed and research financials to file same.
May 15, 2020	Rob Stelzer	2.20	Internal discussions re: serial number searches; E-mail with GT Forensics; Internal call to discuss HST returns; review of wire payments; Updates to shipment memo; Team call.
May 17, 2020	Michael Creber	0.20	Sales matters.

Date	Full Name	Hours	Detail
May 17, 2020	Aaron Previte	0.70	Attend to post-closing sales matters; Attend to Malaysian matters; Internal correspondence re: receivership matters.
May 18, 2020	Paul Kouadio	2.70	Attended to Team meeting to discuss progress of sales process; Call and emails with Hyper on asset collection in St. Catharines; Call and emails with Joy Systems on asset collection in Memphis, and with warehouse manager re: same; Emails with landlords in Canada and USA re: inspections.
May 18, 2020	Michael Creber	0.10	Cash flow.
May 18, 2020	Thom Smith	3.75	Internal discussions re asset collection process; Discussion with Memphis warehouse manager re closure of warehouse; Discussion with Reno warehouse manager re closure of warehouse; Discussion with buyer re asset collection process.
May 18, 2020	Rob Stelzer	0.60	Update to cash flow and receipts and disbursements projection and send to team; Update to the to do list; E-mail.
May 18, 2020	Aaron Previte	1.50	Attend to post-closing sales matters; Attend to premises matters; Internal discussions and correspondence re: receivership matters; Review forecast.
May 19, 2020	Paul Kouadio	2.90	Prepare wage payment for Malaysian contractors and rent in Malaysia; Correspondence with Hyper on sampling and verification of assets in St. Catharines; Emails with landlord in St. Catharines re: inspection; Attend to various calls with T Smith re: asset collection in St. Catharines and Memphis; Call internally re: acknowledgement from Quickplug of assets to remain at St. Catharines warehouse.
May 19, 2020	Valerie Naccarato	2.10	General banking administration.
May 19, 2020	Michael Creber	1.40	Correspondence HSBC; file status update call; US matters.
May 19, 2020	Aaron Previte	2.40	Attend to post-closing sales matters; Attend to premises matters; Internal discussions and correspondence re: receivership matters; Draft correspondence to CWB re: distribution.
May 19, 2020	Thom Smith	2.75	Internal email correspondence re drafting acknowledgement of assets; Discussions with St. Catharines warehouse manager re inspection; Discussions with Memphis warehouse manager re asset collection.

Date	Full Name	Hours	Detail
May 19, 2020	Rosa Wilford	1.50	Review internal instructions from team re Banking; re CCI USD/CAD; Review payment requests: Review account ledgers; Prepare disbursement requisition forms; Prepare transfers and wires; Bank letters; Setup accrual payments from various accounts; Notify authorized signing officers for approvals; Provide supporting documentation; Review correspondence from Bank; Notify team for direction on returned funds; On-line Banking; Review account; Print screens; Post deposit and replacement entries; Issue cheque; General banking administration.
May 19, 2020	Rob Stelzer	1.20	E-mail with the secured creditor; E-mail related to Israeli litigation; Receiver's certificate E-mail; Document preparation.
May 20, 2020	Aaron Previte	3.30	Attend to post-closing sales matters; Correspondence with CWB re: distribution; Internal discussions and correspondence re: receivership matters; Attend to distribution; Correspondence with TGF re: premises matters; Attend to premises matters; Prepare for call with the secured creditor.
May 20, 2020	Thom Smith	5.25	Visit to St Catharines warehouse re asset collection process; discussions with purchasers re asset collection process.
May 20, 2020	Rosa Wilford	0.60	Review internal email instructions from team re Banking; Review payment requests; Provide direction to team; Post payment entries; Issue cheques; Respond to emails; General banking administration.
May 20, 2020	Rob Stelzer	1.70	Team call to review agenda for call with bank; E-mail to N Shaul; CWB; Reno landlord agreement; E-mail related to chip supplier.
May 20, 2020	Paul Kouadio	3.50	Attend to various calls with warehouse managers in Malaysia, Canada and USA to discuss ongoing asset collection process; Conference call re: sampling and verification process; Prepare wage payments for Reno Contractors; Prepare lease disclaimers for warehouses in USA and Canada; Emails to landlords regarding anticipated dates to vacate and inspections; Draft summary to internal team; Attend to team regroup call on progress and preparation of call with bank; Review draft of the stipulation from Linklaters re: Reno disclaimer.
May 20, 2020	Michael Creber	0.80	Review correspondence and documents; discussions.
May 21, 2020	Michael Creber	1.20	Complete file status update and planning.

Date	Full Name	Hours	Detail
May 21, 2020	Rosa Wilford	1.30	Review internal email instructions from team re Banking; Review payment requests; Prepare bank letters for wire transfers; General banking administration.
May 21, 2020	Thom Smith	4.00	Calls with warehouse manager in St. Catharines and Memphis locations re asset collection process; Calls with vendors to coordinate removal of waste in St. Catharines Warehouse; Internal discussions re asset collection process.
May 21, 2020	Thom Smith	1.25	Calls with warehouse manager in St. Catharines and Memphis locations re asset collection process; Calls with vendors to coordinate removal of waste in St. Catharines Warehouse; Internal discussions re asset collection process.
May 21, 2020	Rob Stelzer	3.10	Review of A/R subledger in detail and internally discuss same; Preparation and then team call to discuss detailed agenda for meeting with HSBC tomorrow; E-mails; Internal call in preparation for tomorrow's meeting including updates to the cash flow.
May 21, 2020	Aaron Previte	4.90	Attend to post-closing sales matters; Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters; Prepare for and attend team call; Attend to premises matters; Discussions with TGF re: Malaysian matters; Assist staff with receivables; Prepare for call with the secured creditor.
May 21, 2020	Paul Kouadio	6.20	Attend to call with warehouse manager in Malaysia re: asset collection from both buyers; Emails with Memphis and Reno warehouse managers and internally on reception of books and records; Attend to team regroup calls on preparation of call with bank; Prepare purchaser's waiver for Malaysian buyers and discussed same with TGF and internally; Emails and call with US buyer in HST refund; Discussed sampling and verification with St. Catharines warehouse manager; Discussed end of lease with Memphis landlord and inspection with landlord and warehouse manager.

Date	Full Name	Hours	Detail
May 22, 2020	Thom Smith	0.25	Discussions with purchasers re asset collection process; Visit to St. Catharines warehouse to oversee asset collection; Coordinating garbage removal services for St. Catharines Warehouse; Internal discussions re drafting of consent form for incoming tenant to St. Catharines warehouse; Bringing books and records from warehouse to Toronto Office.
May 22, 2020	Aaron Previte	2.20	Prepare for and attend call with HSBC; Internal discussions and correspondence re: receivership matters; Attend to post-closing sales matters; Attend to premises matters.
May 22, 2020	Rosa Wilford	3.00	HST Returns: Review and print General Ledger reports; Prepare monthly HST returns for the period November 6, 2019; to April 30, 2020, provide to team for review and approval; Multiple correspondences to and from Bank for authorization of various wire transfers/confirmations; Faxes; Emails; Post disbursement and payment entries; Provide team with wire confirmations; General banking administration.
May 22, 2020	Rob Stelzer	2.90	Updates to accounts receivable analysis; Preparation for call; Call with HSBC; Team call to discuss next steps; E-mails related to wire payments and other matters; Call with Linklaters regarding US court order; E-mail to TGF on dividend.
May 22, 2020	Paul Kouadio	4.90	Attend to call with the bank re: update on the Receivership and next steps; Attend to team regroup call on task list and next steps; Prepare purchaser's bring down certificate and call with US buyer on same; Finalize and issue lease disclaimer to Memphis landlord, call and email with same on end of lease; Calls and emails with Malaysian buyer on asset collection and discussed issues with warehouse manager in Malaysia. Email to Electrical Safety Authority on equipment in St. Catharines; Email to Malaysian landlord and security on termination of lease and security services.
May 22, 2020	Michael Creber	1.40	prepare for and attend call with HSBC; banking and disbursements; planning; sale matters.
May 22, 2020	Valerie Naccarato	0.20	General banking administration.

Date	Full Name	Hours	Detail
May 22, 2020	Thom Smith	5.00	Discussions with purchasers re asset collection process; Visit to St. Catharines warehouse to oversee asset collection; Coordinating garbage removal services for St. Catharines Warehouse; Internal discussions re drafting of consent form for incoming tenant to St. Catharines warehouse.
May 25, 2020	Rob Stelzer	2.10	Internal discussions and with the secured creditor re: Israeli litigation and tax request; Call with TGF to discuss Israeli litigation and then call with N Shaul; E-mail to Deloitte regarding release of tax information; E-mails regarding Receiver Bringdown Certificates and US orders.
May 25, 2020	Paul Kouadio	3.80	Attended to internal calls on progress of sales process; Call and email with Canadian purchasers on asset collection in St. Catharines; Discussed remaining fixed assets and garbage compactor and garbage bin; Liaise with garbage supplier on same; Emails to US warehouse manager and landlord in Memphis on inspection; Emails to Reno and Malaysian warehouse managers on asset collection; Correspondence internally on lease disclaimer in Memphis.
May 25, 2020	Michael Creber	0.60	Discussion internal; correspondence; banking and disbursements; sale matter
May 25, 2020	Rania Erian	0.20	File administration.
May 25, 2020	Thom Smith	2.75	Internal discussion re asset collection process in St. Catharines; discussion with purchasers re asset collection process; respond to warehouse managers requests re services to complete waste removal at warehouse locations.
May 25, 2020	Rosa Wilford	0.50	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officers for approval; Provide supporting documentation; Emails; Prepare transfer wire; Bank letter; Setup accrual payments; General banking administration.
May 25, 2020	Valerie Naccarato	0.40	General banking administration.
May 25, 2020	Aaron Previte	1.40	Attend to closing and post-closing sales matters; Internal discussions and correspondence re: receivership matters; Attend to premises matters.

Date	Full Name	Hours	Detail
May 26, 2020	Paul Kouadio	6.50	Travel time from home to 70 Niagara Street, St Catharines to Comsale's warehouse, and back; Call with warehouse manager in Malaysia and emails to same on progress of asset collection in Malaysia; Internal calls on progress of asset collection in Reno; Oversee fixed asset collection from Subane and Sons in St. Catharines; Prepare and finalize sale of compactor and bin with Subane and Sons.
May 26, 2020	Michael Creber	0.30	Banking and disbursements; sale matters.
May 26, 2020	Valerie Naccarato	0.10	Review mail, correspond with Team.
May 26, 2020	Thom Smith	1.40	Internal discussions re asset collection process in St. Catharines; Email correspondence facilitating asset collection process in Reno.
May 26, 2020	Valerie Naccarato	0.20	General banking administration.
May 26, 2020	Rob Stelzer	1.60	Internal calls regarding additional fixed asset and disposal issues and related E-mail; Call with TGF regarding Israeli litigation; E-mail with GT Forensics; E-mail with P Cho.
May 26, 2020	Aaron Previte	0.30	Attend to post-closing sales matters; Internal discussions re: receivership matters.
May 27, 2020	Jugal Patel	0.25	Attend to forensic matters;
May 27, 2020	Aaron Previte	1.40	Attend to post-closing sales matters; Attend to premises matters; Internal discussions and correspondence re: receivership matters;
May 27, 2020	Valerie Naccarato	0.20	Converted funds from Malaysian Ringgit to Canadian funds, enter claims to Ascend, scan and save to server.
May 27, 2020	Rosa Wilford	0.40	Review internal email instructions from team re Banking; Correspondences with Bank; Review print screens for expecting wire; Respond to email; Review mail; Notify team on returned item; Prepare requisition; Post reversal entries; General banking administration.
May 27, 2020	Thom Smith	1.50	Calls to complete asset collection process in Memphis re warehouse shutdown; Discussions with warehouse in manager and landlord in Reno re asset collection process; Discussion with St. Catharines warehouse manager re asset collection process.

Date	Full Name	Hours	Detail
May 27, 2020	Rob Stelzer	1.90	Call with Israeli lawyer; E-mail to N Shaul regarding CRA portal; E-mail regarding St. Catharines move out and signed disclaimer of lease; edits to inventory memo; J Weeden E-mail.
May 27, 2020	Paul Kouadio	7.10	Call and email with SPW on asset collection in Malaysia; Communications with Reno and St. Catharines landlords on vacating the premises, discussed remaining issues to be solved before vacating and payment of remaining rent; Internal call regarding position of the Receiver on debris and junk outside of St. Catharines warehouse; Internal call on corporate tax returns and detailed list of information required by GT tax team; Emails with shipping company in Memphis re: payment of customs duties for books and records; Several calls and emails with warehouse manager in Memphis on vacating the warehouse, coordinate keys return with warehouse manager and landlord; and KERP payment; Discussed final working days of contractor in St. Catharines with warehouse manager.
May 27, 2020	Michael Creber	0.30	Banking and disbursements; sale matters.
May 28, 2020	Rob Stelzer	2.70	Further edits to inventory memo and internal call to review; Internal call to discuss AR memo edits; Call with SLC; Payment approval; E-mail to the secured creditor regarding SLC; E-mail related to Weir Foulds; E-mail regarding disclaimers.
May 28, 2020	Thom Smith	1.25	Internal call re asset collection process; Calls with vendors to facilitate asset collection process.
May 28, 2020	Valerie Naccarato	0.20	General administration.
May 28, 2020	Paul Kouadio	6.20	Call with Malaysian warehouse manager on progress of asset collection for both purchasers SPW and Exportxcel, books and records, and next steps re last purchaser on site; Coordinate vacating the St. Catharines warehouse with warehouse manager, landlord and incoming tenant and final checkups to ensure no claim against the Receiver; Communication with involved parties on same including several calls and emails.
May 28, 2020	Aaron Previte	0.70	Internal discussions and correspondence re: receivership matters;
May 28, 2020	Michael Creber	0.20	Banking and disbursements; sale matters.

Date	Full Name	Hours	Detail
May 28, 2020	Rosa Wilford	3.00	Review internal instructions from team re Banking; re CCI USD/CAD; Review payment requests: Review account ledgers; Prepare disbursement requisition forms; Prepare wires; Bank letters; Setup accrual payments accounts; Notify authorized signing officers for approvals; Provide supporting documentation; Issue cheques; On-line Banking; Review account for expecting wire; Print screens; Prepare receipt requisition form; Post deposit entries; Notify team; General banking administration.
May 29, 2020	Paul Kouadio	6.80	Attend to several tasks re: closing of sale process at all warehouses including calls and emails to cancel all services at all warehouses; Call and email to Subane & Sons and team re: bill of sale for Hino truck, market comparison re book value of same; Email to GT Malaysia re: asset collection; Oversee removal of last assets from St. Catharines warehouse and several calls and emails with landlord, Subane & Sons and warehouse manager; Finalize and issue lease disclaimers for warehouses in Reno and St. Catharines, calls with landlords re: same.
May 29, 2020	Rosa Wilford	3.10	Multiple correspondences to and from Bank for authorization of various wire transfers/confirmations; Faxes; Emails; Post disbursement and payment entries; Provide team with wire confirmations; Net-file HST Returns; General banking administration.
May 29, 2020	Thom Smith	1.00	Calls to shut down services at company warehouses.
May 29, 2020	Aaron Previte	0.40	Attend to post-closing matters; Internal discussions and correspondence re: receivership matters.
May 29, 2020	Valerie Naccarato	0.30	General banking administration.
May 29, 2020	Rob Stelzer	1.70	E-mails and conversations regarding vacating St. Cats and Reno; Hino truck bill of sale; GT Forensics E-mail; Call from N Shaul on tax authorization.

Time Charges and Expenses

M. Creber, Sr. Vice President	14.80 hours @	$595.00 per hour	$	8,806.00
S. Boucher, Principal	0.30 hours @	$475.00 per hour	$	142.50
R. Stelzer, Vice President	42.10 hours @	$475.00 per hour	$	19,997.50
A. Shell, Tax Manager	1.00 hours @	$412.00 per hour	$	412.00
A. Previte, Manager	36.50 hours @	$310.00 per hour	$	11,315.00
R. Wilford, Manager	35.50 hours @	$275.00 per hour	$	9,762.50
T. Smith, Sr. Associate	60.40 hours @	$195.00 per hour	$	11,778.00
P. Kouadio, Sr. Associate	108.60 hours @	$180.00 per hour	$	19,548.00
R. Erian, Analyst	0.40 hours @	$145.00 per hour	$	58.00
V. Naccarato, Analyst	7.60 hours @	$145.00 per hour	$	1,102.00
J. Patel, Associate	0.25 hours @	$130.00 per hour	$	32.50
	307.45		$	82,954.00
Disbursements				
Renewal of US Postal Box			$	279.95
Postage			$	8.84
			$	288.79
Subtotal time and disbursements			$	83,242.79
HST (13%)			$	10,821.56
Total Due			**$**	**94,064.35**

Grant Thornton

Court File No. CI-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE RECEIVERSHIP OF

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

BILL OF COSTS

BN 12738 4717 RT0001
Client #273663
Invoice#LSON-6576

To professional services rendered as Court-Appointed Receiver for the period from June 1, 2020 to July 31, 2020.

Date	**Full Name**	**Hours**	**Detail**
June 1, 2020	Aaron Previte	0.30	Attend to post-closing sales matters; Internal discussions and correspondence re: receivership matters; Attend to tax matters.
June 1, 2020	Michael Creber	0.30	Correspondence.
June 1, 2020	Paul Kouadio	3.80	Call with J Ravindran re: asset collection process for SPW and Exportxcel in Malaysia; Discuss observations and open questions from GT Malaysia; Various communication incl. email and call with warehouse manager in Malaysia on progress of asset collection and books and records; Call with A Previte and GT Tax team on required information to prepare corporate tax return; Prepare schedule of disclaimed leases for insurance purposes.
June 1, 2020	Rob Stelzer	0.30	E-mail related to HST return filings; E-mail regarding insurance.
June 1, 2020	Rosa Wilford	2.30	Review internal email instructions from team re Banking; Net-file HST Returns; Post disbursement and payment entries; Review payment requests; Prepare transfer wire; Bank letter; Setup accrual payments; General banking and filing administration.
June 1, 2020	Valerie Naccarato	0.30	General banking administration.

Date	Full Name	Hours	Detail
June 2, 2020	Aaron Previte	0.70	Attend to post-closing sales matters; Internal discussions and correspondence re: receivership matters; Attend to Malaysian matters.
June 2, 2020	Michael Creber	0.10	Correspondence.
June 2, 2020	Paul Kouadio	2.90	Attend to call with GT Malaysia and Malaysian warehouse manager on observations from asset collection process and closure, and final to do on books and records; Calls with A Previte and Green Top and SPW to address missing goods, Prepare potential missing goods value for calls; Follow up emails with buyers; Email on lease disclaimers with M Kirkby; Prepare invoices of service providers for payment; Email to insurance broker on cancellation of insurance policies.
June 2, 2020	Rob Stelzer	2.20	E-mail and then call with D Davis to discuss data recovery; Updates to inventory memo and sent to A Previte; E-mails related to move out and rent; E-mail to Linklaters; WEPP letter from Service Canada.
June 2, 2020	Rosa Wilford	0.70	Review internal email instructions from team re Banking; re USD/CAD; Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; General banking administration.
June 3, 2020	Aaron Previte	0.40	Internal discussions and correspondence re: receivership matters.
June 3, 2020	Michael Creber	0.10	A/R matters.
June 3, 2020	Paul Kouadio	4.20	Attend to call and draft email to Malaysian warehouse manager on progress of asset collection for Exportxcel, books and records; Draft emails to insurance broker and calls with same on cancellation of insurance policies at all premises; Prepare forms for cancellation of insurance policies and file them with insurance broker; Draft email to K Feng and N Shaul on cancellation of insurance policies; Discuss cyber-attack claim with insurance broker and R Stelzer; Review and prepare invoices for payment; Follow up with A/R customers including Carbon Neutral, Amazon, Tea life, Infotheek, and discuss with R Stelzer.
June 3, 2020	Rania Erian	0.60	General administration.
June 3, 2020	Rob Stelzer	2.10	E-mail with Israeli lawyer related to settlement; E-mail to N Shaul; Insurance cancellations; Call with P Kouadio; AR collection memo; Bank statement memo edits; E-mail to team; Call with A Previte to discuss addition to inventory memo.
June 3, 2020	Valerie Naccarato	0.10	General administration.

Date	Full Name	Hours	Detail
June 4, 2020	Aaron Previte	1.90	Attend to post-closing sales matters; Attend to premises matters; Internal discussions and correspondence re: receivership matters; Attend to Malaysian matters.
June 4, 2020	Jugal Patel	0.75	Coordinate with procurement team regarding Disk Internal NTFS recovery tool
June 4, 2020	Michael Creber	0.20	Correspondence.
June 4, 2020	Paul Kouadio	3.60	Attend to team regroup call with A Previte and R Stelzer tasks and to do list; Email with internet service provider in Vaughan re: final invoice; Review and prepare invoices for payment; Follow up call with Malaysian warehouse manager on finalization of books and records shipment and inventory collection list of Exportxcel; Follow up with Exportxcel on confirmation on no missing goods claim; Review of all mailing received by V Naccarato.
June 4, 2020	Rob Stelzer	3.60	Updates to Shipments Memo; Updates to Records memo and E-mail with GT Forensics; E-mails; Letter from CNA insurance and call with insurance broker to discuss cyber or theft claim; Updates to inventory memo and finalized; Team call; Update to do list.
June 4, 2020	Rosa Wilford	4.50	Review various internal email instructions from team re Banking; re CCI USD/CAD; Review payment requests: Review account ledgers; Prepare disbursement requisition forms; Prepare multiple wires; Bank letters; Setup accrual payments accounts; Notify authorized signing officers for approvals; Provide supporting documentation; Issue cheques; Review payments made: Respond to team with supporting documentation and direction; Emails; General banking administration.
June 4, 2020	Valerie Naccarato	1.00	Review mail/couriers; Notify team; General administration.
June 5, 2020	Aaron Previte	0.30	Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters.
June 5, 2020	Michael Creber	0.10	Correspondence.
June 5, 2020	Paul Kouadio	2.50	Attend to call with GT Malaysia and Malaysian warehouse manager on final observations from asset collection process and closure, and progress on to dos for books and records; Emails and calls to BMO and CIBC re: monthly bank statements.
June 5, 2020	Rob Stelzer	2.80	Finalized records memo; E-mail regarding bank statement memo; Call with GT Forensics and update to related memo; Call with A Previte; Review of Stipulation from Linklaters; Call with P Kouadio to discuss Comsale Malaysia closure and other matters.

Date	Full Name	Hours	Detail
June 5, 2020	Valerie Naccarato	0.40	General banking administration.
June 7, 2020	Aaron Previte	0.20	Attend to books and records matters; Internal correspondence re: same.
June 7, 2020	Rob Stelzer	0.80	Edits to bank statement memo and E-mail to P Kouadio; Edits to shipments memo; E-mail with GT Forensics; E-mail with M Creber.
June 8, 2020	Aaron Previte	1.30	Attend to books and records matters; Internal discussions re: receivership matters; Attend to premises matters; Planning; Attend to Malaysian matters.
June 8, 2020	Michael Creber	0.30	Internal discussion; banking; correspondence.
June 8, 2020	Paul Kouadio	1.80	Attend to call with A Previte on weekly task list; Emails to GT Malaysia, landlord and service providers in Malaysia; Emails to warehouse manager in Reno re: contractor's pay not received yet; Review invoices to be paid.
June 8, 2020	Rob Stelzer	2.70	Edits to shipments memo; Call with P Stern and J Clark to review all of the memos; Review of payments from estate account; Call with M Creber to discuss insurance; Call with P Kouadio to discuss appendices; E-mail with insurance broker; E-mail with A Previte.
June 8, 2020	Rosa Wilford	4.00	Multiple correspondences to and from Bank for authorization of various wire transfers/confirmations; re CAD/USD; Faxes; Emails; Post disbursement and payment entries; Provide team with wire confirmations; On-line banking: review print screens; General banking administration.
June 8, 2020	Valerie Naccarato	0.20	General banking administration.
June 9, 2020	Aaron Previte	0.20	Attend to books and records matters; Attend to post-closing sales matters.
June 9, 2020	Michael Creber	0.20	Correspondence and banking.
June 9, 2020	Paul Kouadio	0.30	Attend to call with A Previte and T Smith on invoices from service providers at St. Catharines warehouse; Emails on same.
June 9, 2020	Rob Stelzer	0.20	E-mail.
June 10, 2020	Aaron Previte	0.30	Attend to asset matters and post-closing sales matters; Attend to books and records matters; Internal discussions and correspondence re: receivership matters.
June 10, 2020	Michael Creber	0.30	Investigation.

Date	Full Name	Hours	Detail
June 10, 2020	Paul Kouadio	1.60	Review May 2020 invoice from the Receiver; Attend to call with warehouse manager in Malaysia re: books and records and vacating the warehouse; Email to Malaysian landlord re: vacating the warehouse and outstanding rent.
June 10, 2020	Rob Stelzer	1.50	Draft of CNA proof of loss for cyber claim and send to M Creber; E-mail to GT Forensics; Review of CIBC bank statement; Call with A Previte.
June 10, 2020	Rosa Wilford	0.80	Review internal instructions from team re Banking; Review payment requests: Prepare disbursement requisition forms: Issue cheques; Respond to email; Provide reports; General banking administration.
June 10, 2020	Valerie Naccarato	0.30	General banking administration.
June 11, 2020	Aaron Previte	0.10	Attend to books and records matters.
June 11, 2020	Michael Creber	0.20	Investigation.
June 11, 2020	Paul Kouadio	2.80	Attend to call with purchaser Exportxcel in Malaysia re: missing goods; Discuss service providers with warehouse manager in Malaysia re: shipping of books and records.
June 11, 2020	Rob Stelzer	0.80	Call with P Kouadio; E-mail to P Stern; E-mail with M Creber.
June 11, 2020	Rosa Wilford	2.00	On-line banking; Print various statements; Review estate bank accounts; re USD/CAD accounts; Post eft entries and reconcile May statements.
June 12, 2020	Aaron Previte	2.80	Attend to Malaysian matters; Attend to books and records matters; Internal discussions and correspondence re: receivership matters; Attend to tax matters.
June 12, 2020	Michael Creber	0.10	Banking and disbursements.
June 12, 2020	Paul Kouadio	3.10	Attend to call with A Previte re: email from Malaysian landlord on notice period; Draft and send email to Malaysian landlord on Receiver's position; Call and email to Canadian purchasers Quickplug and Subane & Sons on post-closing matters.
June 12, 2020	Rob Stelzer	0.50	E-mail with Stern; E-mail from A Previte.

Date	Full Name	Hours	Detail
June 12, 2020	Rosa Wilford	1.00	Review internal email instructions from team re Banking; Correspondence with Bank; Review print screens for incoming wire; Notify team for direction; Prepare receipt requisition form; Post deposit entries; Correspondence with Bank; Provide supporting documentation; Follow-up on wire sent to client: Further emails re same; General banking administration.
June 15, 2020	Aaron Previte	0.70	Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters; Attend to books and records matters.
June 15, 2020	Michael Creber	0.20	Tax matters.
June 15, 2020	Paul Kouadio	1.80	Attend to call with warehouse manager in Malaysia re: handover of keys to landlord; Draft email to landlord on refusal to receive keys and internal discussions on same; Review invoices for service providers.
June 15, 2020	Rob Stelzer	0.10	E-mail.
June 15, 2020	Valerie Naccarato	0.10	Review mail/couriers; notify Team; General administration.
June 16, 2020	Aaron Previte	0.90	Attend to tax matters; Attend to books and records matters; Internal discussions and correspondence re: receivership matters; Update memo on books and records.
June 16, 2020	Michael Creber	0.20	Sale matters.
June 16, 2020	Rob Stelzer	0.60	Call with Stern; E-mail.
June 17, 2020	Aaron Previte	0.20	Internal correspondence re: receivership matters.
June 17, 2020	Paul Kouadio	1.90	Prepare section 246(2); Prepare and submit cancellation of insurance policy for Malaysian warehouse.
June 17, 2020	Rob Stelzer	0.80	E-mail to Stern regarding import records, receivables, Amazon loan and QuickBooks files.
June 17, 2020	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; Provide supporting documentation; Email; Prepare transfer wire; Bank letter; Setup accrual payment; General banking administration.
June 18, 2020	Michael Creber	0.30	Insurance matters; Investigation.
June 18, 2020	Paul Kouadio	2.90	Finalize section 246(2); Coordinate receipt of books and records from Malaysia.

Date	Full Name	Hours	Detail
June 18, 2020	Rania Erian	0.60	Administration matters.
June 18, 2020	Rob Stelzer	1.80	Updates to CNA cyber proof of loss and discussion with P Kouadio on same; Document preparation; E-mail to team; E-mail with Stern; E-mail regarding insurance cancellation for Malaysia.
June 19, 2020	Aaron Previte	3.50	Attend to insurance claim matters; Internal discussions and correspondence re: receivership matters; Attend to Malaysian matters; Discussions and correspondence with TGF re: Malaysian matters; Correspondence with Malaysian counsel re: Malaysian warehouse; Attend to VIN searches; Attend team call.
June 19, 2020	Michael Creber	1.20	Complete file status update and discussion; Insurance matters; investigation.
June 19, 2020	Paul Kouadio	5.60	Attend to team meeting with A Previte, R Stelzer and M Creber on progress of files and remaining to dos; Prepare supporting schedules and appendices for insurance proof of loss claim due to cyber-attack and internal discussion re: same; Finalize A/R subledger; Email to insurance broker re: refund on excess premiums paid; Email to GT Malaysia re: last invoice to Receiver.
June 19, 2020	Rob Stelzer	2.90	Finalized and sent insurance claim to CNA and related calls with P Kouadio; Team call; Update to do list; Call with J Borch.
June 19, 2020	Rosa Wilford	0.50	Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Emails; Post disbursement and payment entries; Provide team with wire confirmation; General banking administration.
June 21, 2020	Rosa Wilford	0.50	Review banking reports and approve monthly estate balances.
June 22, 2020	Aaron Previte	2.40	Attend to Malaysian matters; Review and update s246(2) report; Internal discussions and correspondence re: same; Prepare workpapers for corporate returns and internal correspondence re: same.
June 22, 2020	Paul Kouadio	3.20	Attend to various tasks re: Malaysian warehouse including dealing with return of warehouse keys to landlord; Emails and calls with warehouse manager and landlord; Internal discussion on 246(2) report; Email to insurance broker on refunds across all your policies.
June 22, 2020	Rob Stelzer	0.60	E-mail with Israeli counsel; Call from Torkin Manes.

Date	Full Name	Hours	Detail
June 22, 2020	Rosa Wilford	0.60	Review internal email instructions re Banking; Review payment request; Prepare disbursement requisition form; Post invoice entries; Issue cheques. Notify authorized signing officers for approval; Provide supporting documentation; Emails; General banking administration.
June 22, 2020	Valerie Naccarato	0.10	General banking administration.
June 23, 2020	Aaron Previte	1.00	Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters; Attend to payments.
June 23, 2020	Paul Kouadio	2.50	Attend to various tasks re: Malaysian warehouse including but not limited to several internal and external discussions and emails re: collection of service providers assets from warehouse.
June 23, 2020	Rob Stelzer	1.90	Call with CNA insurance; Draft response to CNA insurance regarding claim and related discussion with A Previte; E-mail to S Thom; Other E-mail.
June 24, 2020	Aaron Previte	1.20	Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters; Review and process payments.
June 24, 2020	Michael Creber	0.20	Banking and disbursements; Malaysian issues.
June 24, 2020	Paul Kouadio	3.20	Discuss uncashed cheques from Reno contractor and process wire transfer; Internal and external emails re: same; Attend to various tasks on Malaysian matters; Review and prepare various payments to service providers.
June 24, 2020	Rob Stelzer	2.00	Review of letter regarding Malaysian letter of termination; response to CNA and then call with CNA regarding cyber claim; E-mails related to payments.
June 24, 2020	Rosa Wilford	1.20	Review internal email instructions from team re Banking; Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheque; Prepare bank letter re wire transfer; Setup accrual payments; Notify authorized signing officers for approvals; Provide supporting documentations; Emails; General banking administration.
June 25, 2020	Aaron Previte	1.00	Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters; Reading through correspondence from counsel.
June 25, 2020	Michael Creber	0.10	US matters; Banking and disbursements.

Date	Full Name	Hours	Detail
June 25, 2020	Paul Kouadio	2.50	Review and process payments to professional firms; Internal and external emails and calls re: Malaysian matters such as return of keys to landlord; Payment of last invoices to security company in Malaysia.
June 25, 2020	Rob Stelzer	0.40	E-mail related to payments; E-mail with Linklaters.
June 25, 2020	Rosa Wilford	2.50	Review internal email instructions from team re Banking: Review payment requests; Review account ledger; Prepare bank letters; Stop payments; Prepare various disbursement requisition form; re USD/CAD accounts; Correspondences with team for approvals; Transfers; Emails: Notify team; General banking administration; Correspondences to and from Bank for authorization of wire transfers/confirmations; re USD/CAD accounts; Faxes; Emails; Post payment entries; Provide team with wire confirmations; General banking administration.
June 25, 2020	Valerie Naccarato	0.10	Review mail/couriers; Notify team; General administration.
June 25, 2020	Valerie Naccarato	0.30	General banking administration.
June 26, 2020	Aaron Previte	1.30	Attend to Malaysian matters; Internal discussions and correspondence re: receivership matters; Correspondence with Malaysian counsels re: Malaysian premises; Attend to tax matters; Planning.
June 26, 2020	Michael Creber	0.40	Correspondence; Planning.
June 26, 2020	Paul Kouadio	3.70	Attend to internal calls with GT Tax team on corporate tax return; Conference call with warehouse manager in Malaysia re: remaining service providers. Emails to warehouse manager on Reno re: payment to contractors; Prepare schedule of service providers and invoices remaining; Review G/L and Ascend for accuracy of receipts and disbursements.
June 26, 2020	Rob Stelzer	0.50	E-mail related to Comsale Malaysia; E-mail related to Tea Life with Blakes.
June 26, 2020	Rosa Wilford	0.30	Review mail; Notify team; Provide supporting documentation; Email; General banking administration.
June 29, 2020	Aaron Previte	1.50	Attend to Malaysian matters; Attend to tax matters; Internal discussions and correspondence re: receivership matters; Planning third report.
June 29, 2020	Michael Creber	0.20	Landlord matters; Banking and disbursements.

Date	Full Name	Hours	Detail
June 29, 2020	Paul Kouadio	1.80	Review re-created financial statements for corporate tax purposes; Internal discussions re: missing rent for Reno and emails to landlord on same; Prepare rent payment; Emails to service providers in Malaysia; Finalize S. 246 report.
June 29, 2020	Rosa Wilford	1.30	Review internal email instructions from team re Banking: Review payment requests; Review account ledger; Prepare bank letters; Prepare disbursement requisition forms; re USD/CAD accounts; Post payment entries; Issue cheques; Correspondences with team for approvals; Emails; General banking administration.
June 30, 2020	Aaron Previte	0.60	Review and update s246(2) report.
June 30, 2020	Michael Creber	0.20	Banking and disbursements; File update.
June 30, 2020	Paul Kouadio	3.20	Review final invoices and prepare payments for service providers; Calls and Emails to same re: final invoices; Review Ascend and prepare R&D.
June 30, 2020	Rosa Wilford	0.60	Review internal email instructions from team re Banking: re (CCI USD) Review ledger; Prepare stop payment request; Bank letter; Void and re-issue payment; Email correspondences to and from Bank; Posting entries; Notify team; General banking administration.
July 2, 2020	Rosa Wilford	3.50	Review various internal email instructions from team re Banking; Review payment requests; re USC/CAD accounts; Notify authorized signing officer for approvals; Provide supporting documentation; Emails; Prepare transfer wires; Bank letters; Setup accrual payments; Prepare disbursement requisition forms; Post invoice entries; Issue CAD/USD Cheques; Prepare stop payment letter; Correspondences with team/Bank; On-line banking; Review print screen for cleared and un-cleared cheques; Issue replacement cheque; General banking administration.
July 3, 2020	Michael Creber	0.10	Banking and disbursements.
July 3, 2020	Paul Kouadio	0.70	Review section 246(2) and Ascend for R&D.
July 3, 2020	Rob Stelzer	0.20	E-mails over the past week.
July 3, 2020	Rosa Wilford	1.50	Correspondence to and from Bank for authorization of wire transfers/confirmations; Faxes; Emails; Post disbursement and payment entries; Provide team with wire confirmations; General banking administration; Complete HST Returns: Review and print General Ledger report; Prepare and net-file monthly HST returns for the period from June 1-30, 2020; Update excel schedule.

Date	Full Name	Hours	Detail
July 6, 2020	Aaron Previte	0.10	Internal correspondence re: receivership matters.
July 6, 2020	Michael Creber	0.20	Correspondence and planning.
July 6, 2020	Rob Stelzer	0.50	E-mail to C Burr regarding Tea Life; Reach out to N Shaul on examination; E-mail to team and with Stern.
July 7, 2020	Aaron Previte	5.20	Prepare court report; Internal discussions and correspondence re: receivership matters.
July 7, 2020	Paul Kouadio	1.20	Attend to various matters including emails to GT Malaysia regarding outstanding fees; Payment of fees of professional firms; Follow up with Reno contractor T Medeiros on payment; Follow up with Malaysian service providers on outstanding bills.
July 7, 2020	Rob Stelzer	0.80	Call with C Burr to discuss Tea Life A/R; Call from N Shaul and arrangements related to examinations; E-mail.
July 7, 2020	Valerie Naccarato	0.30	General banking administration.
July 8, 2020	Aaron Previte	1.90	Preparing third court report; Correspondence with GT Tax; Attend team call re: planning and receivership matters; Internal discussions and correspondence re: receivership matters.
July 8, 2020	Michael Creber	1.20	File status update, planning and internal call.
July 8, 2020	Paul Kouadio	1.30	Internal calls on receivership matters; Follow up with insurance on refund; Review of A/R subledger; Emails to GT tax on corporate tax filings.
July 8, 2020	Rob Stelzer	1.70	Team call and update of to do list; E-mail to EDC regarding distributions; Review of AR subledger and send to Stern.
July 8, 2020	Valerie Naccarato	0.20	General administration.
July 9, 2020	Aaron Previte	3.80	Internal discussions and correspondence re: receivership matters; Preparing court report.
July 9, 2020	Michael Creber	0.10	Discussion re report; Correspondence re US.
July 9, 2020	Paul Kouadio	1.30	Attend to internal call on matters relating to A/R and third report to Court; Discuss closing of account in Memphis with service providers and payment of final invoice; Review invoices received.
July 9, 2020	Rob Stelzer	1.30	Call with C Hunker of Linklaters to discuss Chapter 15 proceedings and related E-mail to team.
July 9, 2020	Valerie Naccarato	0.60	General banking administration.

Date	Full Name	Hours	Detail
July 10, 2020	Aaron Previte	0.10	Internal discussions re: receivership matters and amazon.
July 10, 2020	Paul Kouadio	0.80	Emails to service providers regarding outstanding payments and last invoices; Review same and payments made to service providers.
July 10, 2020	Rob Stelzer	1.60	Call with P Stern to discuss Amazon; Call with P Shea as counsel to Amazon; Discussion with A Previte on E-mails associated with Amazon account and then E-mail request to P Shea.
July 10, 2020	Valerie Naccarato	0.10	Review mail/couriers; Notify Team; General banking administration.
July 13, 2020	Rob Stelzer	0.60	Respond to banking questions of J Clark; E-mail with Counsel to Tea Life.
July 14, 2020	Aaron Previte	0.20	Internal correspondence re: receivership matters; Attend to books and records.
July 14, 2020	Paul Kouadio	1.00	Review draft third report to Court and internal discussions on same; Attend to receivership matters.
July 15, 2020	Rob Stelzer	0.50	Call with Blakes to discuss Tea Life receivable.
July 16, 2020	Aaron Previte	1.50	Internal discussions and correspondence re: various receivership matters to finalization; Internal discussions and correspondence re: tax returns.
July 16, 2020	Paul Kouadio	3.50	Attend to several tasks on Receivership matters including preparing SR&D for section 246(2); Draft of several emails to service providers in Malaysia regarding outstanding payments and last invoices; Draft emails to professional firms re: fees and affidavits; Internal discussion on same; Review same and payments made to service providers.
July 17, 2020	Paul Kouadio	1.00	Attend to call with Malaysian warehouse manager on remaining tasks to do in Malaysia; Emails to landlord in Malaysia on outstanding payment for rent and utilities. Attend to receivership matters.
July 17, 2020	Rania Erian	0.80	Administration matters.
July 19, 2020	Rosa Wilford	1.00	On-line banking; Review estate bank accounts; re USD/CAD: Post EFT entries; Reconcile June statements; Review banking reports and approve monthly estate balances.
July 20, 2020	Rob Stelzer	1.30	E-mail with A Previte regarding tax returns and forecasted receipts and disbursements; Review of letter from Blakes on behalf of Tea Life and response and E-mail to Stern and update A/R records.

Date	Full Name	Hours	Detail
July 21, 2020	Paul Kouadio	0.30	Attend to various receivership matters.
July 21, 2020	Valerie Naccarato	0.80	Review mail/couriers; Notify team; General administration.
July 22, 2020	Aaron Previte	0.20	Internal discussions re: receivership matters; Attend to Malaysian matters.
July 22, 2020	Rob Stelzer	3.70	E-mail related to examination prep; Call with P Kouadio; Call with Stern to discuss examination of N Shaul; Further discussions with P Kouadio and updates to banking memo, review and send to Stern; E-mail to counsel to Amazon; E-mail from Tea Life counsel.
July 23, 2020	Paul Kouadio	3.80	Prepare statements of receipts and disbursements for Canadian and US entities; Prepare invoices from service providers in US, Canada and Malaysia. Attend to calls with service providers to ensure bill amount.
July 23, 2020	Rob Stelzer	6.70	Preparation for examination; E-mail with K He of HSBC; Examination of N Shaul; Call with P Stern regarding additional exam questions; Call with P Stern and J Clark regarding additional information to obtain; Team call with A Previte and P Kouadio; E-mail to P Stern with additional information relating to the examination; Review of response from Tea Life.
July 23, 2020	Valerie Naccarato	0.50	On-line banking; Print screens; Review estate bank account and reconcile June statement.
July 27, 2020	Rob Stelzer	2.60	Call with J Borch and related E-mail regarding HSBC Hong Kong bank accounts; Call with team to discuss information Stern needs for examinations; Call with P Kouadio regarding books and records; Review of information provided by A Previte.
July 28, 2020	Aaron Previte	0.60	Attend to books and records.
July 28, 2020	Paul Kouadio	0.50	Review receipts and disbursements.
July 28, 2020	Rob Stelzer	2.30	Review of records inventory and searches and E-mail to Stern; Call with Stern to discuss investigation; E-mail with counsel to Amazon; E-mail from Malaysian authorities.
July 29, 2020	Paul Kouadio	1.50	Attend to various receivership matters re: Malaysia including discussions and emails with Malaysian warehouse manager on remaining to dos; payments of rent, electricity and water bills; E-mails on final bills and fees affidavits from professional firms.
July 29, 2020	Rob Stelzer	0.40	E-mail with N Shaul; E-mail with S Thom; Other E-mail.

Date	Full Name	Hours	Detail
July 29, 2020	Valerie Naccarato	0.40	General banking administration.
July 30, 2020	Aaron Previte	0.30	Internal discussions re: various receivership matters.
July 30, 2020	Michael Creber	1.20	Banking and disbursements.
July 30, 2020	Paul Kouadio	4.50	Prepare remaining payments to professional firms and service providers in Canada and USA; Review and finalize statements of receipts and disbursements for all entities.
July 30, 2020	Rob Stelzer	1.80	Call with N Shaul; Review of records and provided to P Stern; Review of draft letter to HSBC Asia drafted by P Stern; Call with M Creber; Cheque approval.
July 30, 2020	Valerie Naccarato	3.00	Review internal email instructions from team re Banking; (CAD/USD Accounts) Review payment requests; Prepare various wire transfers from multiple accounts (CAD/USD); Draft letters to Bank; Prepare disbursement requisition forms: Review invoice payments; Post entries; Issue cheques; Provide supporting documentation; Review confirmation receipts from Bank; Post EFT Entries; Notify team; General banking administration.
July 31, 2020	Rob Stelzer	0.50	E-mail related to N Shaul transcript; Follow up with Israeli lawyer; E-mail related to account funding.
July 31, 2020	Valerie Naccarato	0.80	General banking administration.

Time Charges and Expenses

M. Creber, Sr. Vice President	7.70	hours @	$595.00	per hour	$	4,581.50
R. Stelzer, Vice President	55.60	hours @	$475.00	per hour	$	26,410.00
A. Previte, Manager	36.70	hours @	$310.00	per hour	$	11,377.00
R. Wilford, Manager	29.10	hours @	$275.00	per hour	$	8,002.50
J. Patel, Associate	0.75	hours @	$250.00	per hour	$	187.50
P. Kouadio, Sr. Associate	80.30	hours @	$180.00	per hour	$	14,454.00
R. Erian, Analyst	2.00	hours @	$145.00	per hour	$	290.00
V. Naccarato, Analyst	9.60	hours @	$145.00	per hour	$	1,392.00
	221.75				$	66,694.50

Disbursements

SIFT Solutions	$	6,700.00
Hardrives	$	639.62
PayPro Global	$	1,216.84
Waste removal	$	95.00
Postage	$	34.04
Travel	$	1,932.76
	$	10,618.26
Subtotal time and disbursements	$	77,312.76
HST (13%)	$	10,050.66
Total Due	**$**	**87,363.42**

Exhibit “**B**” to the Affidavit of Robert Allan Stelzer,
sworn before me this 21st day of August 2020

R. Bengino

Commissioner for Taking Affidavits, etc.

Comsale Computer Inc., Comsale Inc., Comsale Group Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd., Comsale Singapore Private Limited

Summary of Fees of the Receiver and Manager

For the period from April 1, 2020 to July 31, 2020

Period	Hours	Fees	Disbursements	Subtotal	HST	Total
April 1 - 30, 2020	318.95	$ 97,200.75	2,946.23	100,146.98	13,019.11	$ 113,166.09
May 1 - 31, 2020	307.45	$ 82,954.00	288.79	83,242.79	10,821.56	$ 94,064.35
June 1 - July 31, 2020	221.75	$ 66,694.50	10,618.26	77,312.76	10,050.66	$ 87,363.42
	848.15	**$ 246,849.25**	**13,853.28**	**260,702.53**	**33,891.33**	**$ 294,593.86**

Average Rate per Hour: $ 291.04

HSBC BANK CANADA Applicant	and	**COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED** Respondents

Court File No: CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

AFFIDAVIT OF ROBERT ALLAN STELZER

THORNTON GROUT FINNIGAN LLP
100 Wellington Street West, Suite 3200
TD West Tower
Toronto ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller
Tel: (416) 304-0559
Email: djmiller@tgf.ca

Rachel Bengino
Tel: (416) 304-1153
Email: rbengino@tgf.ca

Lawyers for Grant Thornton Limited, the Court-Appointed Receiver

Appendix O

NOTARY PUBLIC
LIEW LI-HIAN
PN(S) 30/14/2
9 Oct 2018 - 8 Oct 2020
W.P. KUALA LUMPUR, MALAYSIA

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED

Respondents

AFFIDAVIT OF FOO LAI-DON GEOFFREY

I, **FOO LAI-DON GEOFFREY (National Registration Identification No. 680511-11-5099)** of the city of Kuala Lumpur, Malaysia, MAKE OATH AND SAY as follows:

1. I am the Executive Director of Grant Thornton Consulting Sdn. Bhd., ("**GTC**") which was appointed as agent ("**Agent**") of the Court Appointed Receiver and Manager (**"Receiver"**) of Comsale Computer Inc. (the **"Company"**). The Company possess assets, undertakings and properties within the premises of Comsale Malaysia Sdn. Bhd. located at Port Klang Free Zone, Jalan FZ4-P3, 42920 Pulau Indah, Selangor, Malaysia. GTC was appointed to perform services and provide assistance to the Receiver of the Company in discharging its duties. 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 billings setting out the fees and disbursements of GTC incurred in its role as Agent of Receiver of the Company from March 18, 2020 to June 5, 2020, in the total amount of USD15,603.67, including SST in the amount of $883.23. and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is $535.11.

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 Country of Malaysia.

4. The hours spent on this matter and disbursements incurred by GTC 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 GTC and for no improper purpose.

SWORN BEFORE ME at Kuala Lumpur
in the State of Wilayah Persekutuan, Malaysia
This 29th day of July 2020

Notary Public

FOO LAI-DON GEOFFREY

NOTARY PUBLIC
LIEW LI-HIAN
PN(S) 30/14/2
9 Oct 2018 - 8 Oct 2020
W.P. KUALA LUMPUR, MALAYSIA

LIEW LI-HIAN
NOTARY PUBLIC
Suite 1.01 Level 1 Wisma Badan Peguam Malaysia
No. 2 Lebuh Pasar Besar 50050 Kuala Lumpur, Malaysia.
Tel: 603 2697 1088 Fax: 603 2697 1099

Exhibit "**A**" to the Affidavit of Foo Lai-Don Geoffrey,
sworn before me this 29th day of July 2020

Notary Public
LIEW LI-HIAN
NOTARY PUBLIC
Suite 1.01 Level 1 Wisma Badan Peguam Malaysia
No. 2 Lebuh Pasar Besar 50050 Kuala Lumpur, Malaysia.
Tel: 603 2697 1088 Fax: 603 2697 1099

NOTARY PUBLIC
LIEW LI-HIAN
PN(S) 30/14/2
9 Oct 2018 - 8 Oct 2020
W.P. KUALA LUMPUR, MALAYSIA

Grant Thornton

Court File No. CI-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE RECEIVERSHIP OF

COMSALE COMPUTER INC. AND COMSALE MALAYSIA SDN. BHD.

BILL OF COSTS

To professional services rendered as the Agent for the Court Appointed Receiver for the period from March 18, 2020 to June 5, 2020.

Date	Full Name	Hours	Detail
4/4/2020	Joseph Ravindran	2.0	Preparing Affidavit of Fees
4/4/2020	Geoffrey Foo	2.0	Review Affidavit of Fees
5/4/2020	Geoffrey Foo	1.0	Notarize Affidavit of Fees
13/5/2020	Joseph Ravindran	4.0	Oversee and monitor asset collection by SPW at Comsale Malaysia warehouse
21/5/2020	Joseph Ravindran	4.0	Oversee and monitor asset collection by SPW at Comsale Malaysia warehouse
27/5/2020	Joseph Ravindran	4.0	Oversee and monitor asset collection by Exportxcel at Comsale Malaysia warehouse. Issued status update to GT Canada
27/5/2020	Geoffrey Foo	1.0	Monitor progress, overseeing quality of service and point of reference/guidance.
1/6/2020	Joseph Ravindran	1.0	Conference call with GT Canada
3/6/2020	Joseph Ravindran	4.0	Oversee and monitor asset collection by Exportxcel at Comsale Malaysia warehouse
4/6/2020	Joseph Ravindran	4.0	Oversee and monitor asset collection by Exportxcel at Comsale Malaysia warehouse, engagement close-out and conference call with GT Canada

Time Charges and Expenses

Joseph Ravindran	23.0 hours @	USD 516.00 per hour	USD	11,868.00
Geoffrey Foo	4.0 hours @	USD 645.00 per hour	USD	2,580.00
	27.0		USD	14,448.00
Disbursements			USD	272.44
Subtotal time and disbursements			USD	14,720.44
SST (6%)			USD	883.23
Total Due			USD	**15,603.67**

Exhibit "**B**" to the Affidavit of Foo Lai-Don Geoffrey,
sworn before me this 29th day of July 2020

Notary Public

LIEW LI-HIAN
NOTARY PUBLIC
Suite 1.01 Level 1 Wisma Badan Peguam Malaysia
No. 2 Lebuh Pasar Besar 50050 Kuala Lumpur, Malaysia
Tel: 603 2697 1088 Fax: 603 2697 1099

NOTARY PUBLIC
LIEW LI-HIAN
PN(S) 30/14/2
9 Oct 2018 - 8 Oct 2020
W.P. KUALA LUMPUR, MALAYSIA

Exhibit "B"

Comsale Computer Inc. and Comsale Malaysia Sdn. Bhd.
Summary of Fees of the Agent of the Receiver and Manager
For the period from March 18, 2020 to June 5, 2020

Period	Hours	Fees (USD)	Disbursements (USD)	Subtotal (USD)	SST (USD)	Total (USD)
March 18, 2020 – June 5, 2020	27.0	14,448.00	272.44	14,720.44	883.23	15,603.67
	27.0	**14,448.00**	**272.44**	**14,720.44**	**883.23**	**15,603.67**

Average Rate per Hour: USD 535.11

HSBC BANK CANADA and **COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED**

Applicant

Respondents

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

AFFIDAVIT OF FOO LAI-DON GEOFFREY

GRANT THORNTON CONSULTING SDN. BHD.
Level 8-3, Sheraton Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel: (60) 3-2692 4022

D.J. Miller
Tel: (416) 304-0559
Email: djmiller@tgf.ca

Rachel Bengino
Tel: (416) 304-1153
Email: rbengino@tgf.ca

Lawyers for Grant Thornton Limited, the Court-Appointed Receiver

Appendix P

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

AFFIDAVIT OF D.J. MILLER
(*Sworn August 6, 2020*)

I, **D.J. MILLER**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

I, **D.J. MILLER**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a Partner with the law firm of Thornton Grout Finnigan LLP, solicitors for Grant Thornton Limited, in its capacity as Court-appointed receiver of Comsale Computer Inc., Comsale Inc., Comsale Group Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd. and Comsale Singapore Private Limited (the "**Receiver**") in these proceedings, and as such I have knowledge of the matters to which I hereinafter depose.

2. Attached hereto as Exhibit "**A**" are copies of the invoices issued to the Receiver by TGF for fees and disbursements incurred by TGF through the course of these proceedings between April 1, 2020 to July 31, 2020.

3. Attached hereto as Exhibit "**B**" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

4. Attached hereto as Exhibit "**C**" is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver.

5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. The rates we have charged to the Receiver are the (discounted) rates that we regularly offer HSBC Bank Canada, the Applicant in this proceeding. These rates represent a discount from our standard rates for each lawyer.

7. The hourly billing rates outlined in Exhibit "**C**" to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.

8. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

SWORN before me by video conference from the City of Toronto, in the Province of Ontario, to the City of Toronto, in the Province of Ontario this 6th day of August, 2020. R. Bengino Commissioner for Taking Affidavits	D.J. MILLER

This is Exhibit "A" referred to in the
Affidavit of D.J. Miller sworn before me by video conference from the City of Toronto, in the Province of Ontario, to the City of Toronto, in the Province of Ontario this 6th day of August, 2020..

R. Bengino

A Commissioner for taking affidavits

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

SIXTH BILL OF COSTS OF THE SOLICITORS
TO THE COURT APPOINTED RECEIVER AND MANAGER

For the period ending April 30, 2020

Apr-01-20	Review revised Asset Purchase Agreements; call with Receiver to discuss same; revise draft Asset Purchase Agreement and send same to Receiver; review email from purchaser and respond to same;	1.20	RB
Apr-02-20	Review emails as to Nevada opinion and Receiver's Second Report; review and finalize fee affidavits for motion;	0.60	DJM
	Call with A. Previte to discuss payment mechanics with respect to potential purchaser in Malayisa; review emails with respect to Asset Purchase Agreements; review and provide comments on draft Tennessee opinion; review email from Malaysian counsel with respect to definition of Movement Control Order; further call with A. Previte with respect to Asset Purchase Agreement; emails with respect to fee affidavit;	1.30	RB
Apr-03-20	Emails from and to R. Bengino and discussion as to draft Report by the Receiver; review and revise same and provide markup with comments; discuss comments with R. Bengino; consideration as to terms of Approval and Vesting Order for multiple transactions and discuss same with R. Bengino;	1.10	DJM
	Review draft fee affidavit; email to R. Stelzer with respect to Receiver's	4.20	RB

	fee affidavit; review and revise draft report; prepare draft order; send draft report and order to D.J. Miller for review; review and respond to inquiry from A. Previte with respect to Asset Purchase Agreement;		
	Internal emails with M. Magni regarding fee application and exhibits;	0.20	RGM
Apr-04-20	Emails with respect to call with counsel to purchaser; call with A. Previte to discuss same;	0.40	RB
Apr-06-20	Numerous emails from and to the Receiver and R. Bengino as to Receiver’s Second Report, draft form of Order, terms of APA, fee affidavits and related aspects; continue to review and revise all documents in respect of Receiver’s motion; emails and calls with R. Bengino in advancing all documents; consider mechanics for sale of assets in Malaysia; finalize fee affidavit; discussion with R. Bengino as to providing final form of all materials for the Bank’s review; discussion with R. Bengino as to redactions to protect privilege in fee affidavit materials;	1.80	DJM
	Call with A. Previte to prepare for call with Malaysian purchaser; conference call with Receiver and purchaser; emails with respect to fee affidavit; emails with respect to draft report; review draft fee affidavit and revise same; emails with respect to same; revise draft Asset Purchase Agreement with Malaysian purchaser; email same to Receiver for review; emails with respect to draft report; further revise draft report; email same to Receiver for review; send revised Asset Purchase Agreement to D.J. Miller for review with cover email; send revised report to HSBC for review; emails with respect to fee affidavit; email to R. Manea with respect to same; review comments from D.J. Miller on draft Asset Purchase Agreement;	5.50	RB
Apr-07-20	Emails from the Receiver as to various aspects of the Receiver’s Report, fee affidavits and Asset Purchase Agreement; consider impact of closing of asset sales and retrieval of purchased assets based on COVID situation; telephone call with R. Bengino as to the Receiver’s discussions with purchasers and consider various means of addressing same; substantial revisions to APA to reflect complicated situation and requirement to close and deliver funds in any event; further revisions to APA and review same; amend terms as to payment of purchase price into escrow arrangements; call from R. Stelzer as to fee affidavit and various aspects of the upcoming motion; discussion with R. Bengino as to mechanics for reconciling "missing goods" once retrieved by a purchaser, and manner of accounting for same as an adjustment to the purchase price;	2.20	DJM
	Compile fee affidavit and email same to R. Stelzer; emails with respect to Asset Purchase Agreement; call with D.J. Miller to discuss Asset Purchase Agreement; revise same; call with A. Previte to discuss Asset Purchase Agreement;	2.00	RB
	Instructions from R. Bengino and attend to redactions to bills of costs to be included in TGF's fee affidavit;	1.00	RGM
Apr-08-20	Receive and review transcripts of section 163 examinations of certain	0.50	DJM

	parties; email from R. Bengino as to main evidence obtained in connection with same;		
	Emails with respect to counsel for Malaysian purchaser; receive and review transcripts in respect of cross examinations; draft email to D.J. Miller with respect to same; call with Receiver to discuss Asset purchase agreements; review and revise draft Asset Purchase Agreements provided by Grant Thornton;	4.20	RB
Apr-09-20	Emails with the Receiver as to further revisions to court report; discussion with J. Borch;	0.20	DJM
	Call with the Receiver to discuss Asset Purchase Agreements; review and revise Asset Purchase Agreements and return same to the Receiver; review revised report and email to R. Stelzer with respect to same; call with Receiver to discuss Asset Purchase Agreement and further revise same;	1.60	RB
Apr-10-20	Email from J. Borch and from R. Bengino as to finalizing court materials and Receiver's Report for service and filing;	0.20	DJM
Apr-13-20	Review and consider comments from purchaser on Asset Purchase Agreement; email to Receiver with respect to same; emails with P. Cho with respect to closing; call with A. Previte to discuss Asset Purchase Agreements; call with A. Previte to discuss scheduling call with purchaser; review and revise draft email to purchaser; review and consider draft email from R. Stelzer to landlord with respect to request for Receiver to make improvements to premises;	1.60	RB
Apr-14-20	Emails from and to the Receiver as to summary of increased bids and considering same; discussion with R. Bengino as to coordinating motion with the Court and addressing timing for service of materials; consider parties to be served and telephonic nature of motion to be heard; review and revise Notice of Motion;	1.30	DJM
	Attend conference call with purchaser; revise draft Asset Purchase Agreement and send same to Receiver for review; call with Receiver to discuss same; review email to HSBC with respect to finalized Asset Purchase Agreement and total aggregate consideration; send email to Court with respect to scheduling motion date; download and save executed Asset Purchase Agreement from Firmex site; draft Notice of Motion;	2.50	RB
Apr-15-20	Discussion with R. Bengino as to communications with the Court as to scheduling motion, need for date due to urgency, and factors in support of same; exchange of emails with the Court as to scheduling of motion; receive and review Notice of Motion and revise same; emails to and from the Receiver as to materials to be filed in support of motion; coordinate Zoom videoconference with the Court office; finalize all materials for service on the Service List and with the Court; discussions with R. Bengino as to same; consideration as to Service List for this motion and aspects of service; consideration as to parties with PPSA registrations and means of addressing same on motion; receive and review detailed tables	2.70	DJM

	showing secured creditor responses and status of their registrations; discuss same with R. Bengino; finalize Receiver's Report to Court; receive and review summary of APAs from the Receiver for the confidential appendix and consider same; discussion with R. Bengino as to identity of assets being sold based on motion materials and form of Order; consideration as to timing and terms of US Order to be sought;		
	Review emails from purchaser; send email to Court with respect to matter; emails with respect to motion record; review and revise service list; review Notice of Motion; review and revise draft report and emails to Receiver with respect to report; review appendices and determine redactions required; review and revise summary of Asset purchase agreements; further revisions to draft report and emails with respect to same; compile motion record and review same; serve fully compiled motion record; send copy of same to HSBC;	8.00	RB
Apr-16-20	Discussion with R. Bengino as to motion next week and coordinating various aspects of same; prepare revised calendar invitation for Justice Conway with materials and share file link for video conference; emails from the Court as to materials filed;	0.60	DJM
	Review and swear fee affidavit; call with P. Kouadio to discuss service to Amazon; create share file link and email motion record and affidavit of service to court;	0.70	RB
Apr-17-20	Emails with respect to incorrect email address for Amazon; review and revise draft service letter to Amazon;	0.20	RB
Apr-18-20	Review and respond to email from A. Previte;	0.10	RB
Apr-20-20	Emails to and from R. Bengino as to distribution to CWB from proceeds of sale of their equipment; review terms of same and proposed amount; review amendment to Court order to address distribution; email from the Receiver as to summary of all offers and timing for closing same; consider materials for motion Wednesday;	0.90	DJM
	Review and consider email from A. Previte with respect to distribution to CWB; email to D.J. Miller with respect to same; email to A. Previte with respect to same; revise draft Order and send same to D.J. Miller for review; review document outlining estimate timeline to receive sale proceeds; receive and review lease agreement; call with R. Stelzer to discuss same; email revised order to client for review;	2.20	RB
Apr-21-20	Discussion with R. Bengino as to revised form of Order to be sought; review revised Order; emails to the Receiver as to same; various emails as to escrow arrangements for closing of one APA for Malaysian assets; review and revise draft Escrow Agreement and discussion with R. Bengino as to mechanics for closing; emails to and from the receiver as to same; circulate revised Order to the Court as to attendance on motion tomorrow and provide link with all documents; discussion with R. Bengino as to preparing for Court motion tomorrow and approval of 8 transactions; emails to and from Receiver as to confidential appendices;	1.80	DJM

	Serve revised draft Order on service list; email draft order to the judge; emails with D.J. Miller with respect to calendar invitation for motion tomorrow; review and revise draft Escrow Agreement; call with counsel to US landlord; email to C. Hunker with respect to same; email to Justice Conway;	1.80	RB
Apr-22-20	Attend on motion for approval of eight asset purchase agreements; submissions to the Court; discussion with R. Bengino as to Order and further communications with the Court with final fee affidavits; emails to the Bank; emails from the Receiver; emails from US counsel as to US motion for recognition and approval of asset purchase agreements; discuss same with R. Bengino;	1.60	DJM
	Prepare for motion returnable today; attend motion returnable today; revise draft clean order and send same to Justice Conway; emails to various counsel with respect to commissioning of fee affidavit and coordinate various conference call; revised Endorsement of Justice Conway; conference call with S. Xin to commission affidavit; emails with P. Jensen with respect to same; review comments on draft escrow agreement and email to D.J. Miller with respect to same; email to A. Previte with respect to same; conference call with D. Martin to commission affidavit; conference call with P. Jensen to commission affidavit; email issued Order and Endorsement to service list; send same to HSBC; email to Grant Thornton with respect to same; call with C. Hunker to discuss US landlord; call with R. Stelzer to discuss same; call with St. Catherines landlord; email sworn fee affidavits to judge; review US sale documents;	7.60	RB
Apr-23-20	Email with respect to Escrow Agreement; send executed copy of same to purchaser and escrow agent; review and consider email with respect to opinion and email to D.J. Miller with respect to same;	0.20	RB
Apr-24-20	Call with R. Stelzer to discuss posting US materials to website;	0.30	RB
Apr-25-20	Emails with respect to posting US materials to website;	0.20	RB
Apr-26-20	Discussion with R. Bengino as to one landlord and issues of concern; emails from and to R. Bengino as to same;	0.20	DJM
Apr-27-20	Call with D.J. Miller to discuss position taken by landlord; email from purchaser to confirm payment of purchase price;	0.10	RB
Apr-29-20	Call with A. Previte to discuss status of closings; prepare purchaser and receiver bring down certificates; prepare form of Receiver's certificate; send documents to A. Previte to complete and sign to effect closing; review summary of closings from A. Previte;	0.60	RB

Lawyer	**Hours**	**Amount**
D. J. Miller	15.70	14,130.00
Rachel Bengino	46.50	25,575.00
Roxana Manea (Law Clerk)	1.20	330.00

TOTAL FEE HEREIN	**$40,035.00**	
HST on Fees	**$5,204.55**	
Total Fees and HST		**$45,239.55**

Disbursements:

Couriers	$48.58	
Total Taxable Disbursements	**$48.58**	
HST on Disbursements	**$6.32**	
Total Non-Taxable Disbursements	**$0.00**	
Total Disbursements and HST		**$54.90**
Total Fees, Disbursements & HST		**$45,294.45**
OUR ACCOUNT HEREIN		**$45,294.45**

We hereby waive notice of the time and place of the taxation of this bill.

ThorntonGroutFinnigan LLP

R. Bengino

Per: Rachel Bengino

E. & O. E. HST No. 87042 1039RT *HST Exempt

Matter No. 523-040

Invoice No. 34918

Date: May 06/20

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA - and - **COMSALE COMPUTER INC. et al.**

Applicant

Respondents

Court File No. CV-19-630501-00cl

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SIXTH BILL OF COSTS OF THE SOLICITORS TO THE COURT APPOINTED RECEIVER AND MANAGER

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Applicant, HSBC Bank Canada

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

SEVENTH BILL OF COSTS OF THE SOLICITORS
TO THE COURT APPOINTED RECEIVER AND MANAGER

For the period ending May 31, 2020

May-01-20	Emails with respect to Court Call for US motion;	0.10	RB
	Research and summarize entitlement to security deposit in the event of tenant insolvency;	1.70	FR
May-04-20	Receive and organize receiver's certificates; review same; serve same on Service List; email same to the Court; Emails with respect to US motion tomorrow;	0.60	RB
May-05-20	Emails as to retaining of deposit and any resolution to same with landlord of premises;	0.20	DJM
	Review US motion materials in preparation for motion today; review research with respect to landlord's obligation to return security deposit to trustee; email to D.J. Miller with respect to same; call with R. Stelzer with respect to same; attend US motion with respect to approval of Asset Purchase Agreements via teleconference;	1.80	RB
May-11-20	Receive and review updates on sale process from A. Previte;	0.20	RB
May-12-20	Review purchaser's bring down certificate and email to A. Previte with respect to same; listen to voice mail from A. Previte; prepare draft	0.70	RB

	notices to the Escrow Agent with respect to ExportXcel transaction and send same to A. Previte for review;		
May-13-20	Respond to email from counsel to purchaser with respect to closing; revise draft certificates and recirculate same;	0.60	RB
May-14-20	Review executed certificates from Purchaser and Receiver; email from Escrow Agent with respect to release of escrow funds;	0.30	RB
May-17-20	Receive and review email from A. Previte with respect to closing of sale transaction and Receivers Certificate;	0.10	RB
May-18-20	Instructions to M. Magni with respect to Receiver's Certificate;	0.10	RB
May-20-20	Review draft email from Receiver to purchaser with respect to tenancy of premises; further emails with respect to same;	0.30	RB
May-21-20	Discussion with R. Bengino as to draft form of Waiver for use of forklift in Malaysia; review and revise same;	0.30	DJM
	Call with P. Kouadio to discuss preparation of waiver in respect of retrieval of purchased assets; draft waiver and send to D.J. Miller for review; call with A. Previte to discuss closing of transaction and various issues;	0.80	RB
May-22-20	Email from the Receiver as to results of reporting to the Bank on realizations, next steps, timing for discharge of the Receiver and continuing work as Trustee; email to the Receiver;	0.20	DJM
	Receive update from Receiver with respect to discussion with HSBC and motion to discharge receivership;	0.20	RB
May-25-20	Emails from and to R. Bengino as to litigation claim against party in Israel and potential means of addressing same; consider risks of assigning claim and costs involved;	0.20	DJM
	Review email from Receiver with respect to litigation in Israel; Receive US court orders approving sales; revise draft Receiver's Certificates to address US orders and send same to Receiver for review; call with R. Stelzer to discuss litigation in Israel; send email to D.J. Miller with respect to same; review response from D.J. Miller; review certificates for remaining three transactions; email to M. Magni with respect to serving Receiver's Certificates on Service List;	1.50	RB
May-26-20	Discussion with R. Bengino as to Receiver’s intention to try to settle litigation in Israel or obtain a return of security for costs;	0.10	DJM
	Call with R. Stelzer to discuss litigation in Israel; email to D.J. Miller with respect to same;	0.20	RB
May-28-20	Emails from and to Grant Thornton as to counsel retained by Trustee for investigations and mechanism for payment of same; emails from and to R. Bengino to discuss same;	0.20	DJM

Lawyer	Hours	Amount	
D. J. Miller	1.20	1,080.00	
Rachel Bengino	7.50	4,125.00	
Felicity Radan (Student)	1.70	510.00	
TOTAL FEE HEREIN		**$5,715.00**	
HST on Fees		**$742.95**	
Total Fees and HST			**$6,457.95**
OUR ACCOUNT HEREIN			**$6,457.95**

We hereby waive notice of the time and place of the taxation of this bill.

ThorntonGroutFinnigan LLP

R. Bengino

Per: Rachel Bengino

E. & O. E. HST No. 87042 1039RT *HST Exempt

Matter No. 523-040

Invoice No. 35121

Date: Jun 15/20

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF Section 101 of the *Courts of Justice Act,* R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA - and - **COMSALE COMPUTER INC. et al.**

Applicant

Respondents

Court File No. CV-19-630501-00cl

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SEVENTH BILL OF COSTS OF THE SOLICITORS TO THE COURT APPOINTED RECEIVER AND MANAGER

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Applicant, HSBC Bank Canada

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

EIGHTH BILL OF COSTS OF THE SOLICITORS
TO THE COURT APPOINTED RECEIVER AND MANAGER

For the period ending June 30, 2020

Jun-02-20	Emails with D.J. Miller with respect to action in Israel;	0.20	RB
Jun-03-20	Emails from the Receiver and R. Bengino as to potential settlement to resolve money paid into Court in Israeli action;	0.20	DJM
	Review and consider email from R. Stelzer with respect to Israeli litigation; respond to same; emails with respect to same;	0.30	RB
Jun-05-20	Receive and review Stipulation with respect to landlord premises filed in US proceedings;	0.20	RB
Jun-19-20	Call with A. Previte to discuss Comsale Malaysia and non occupation of premises; review email correspondence between Receiver and landlord to Malaysian premises; review email from Receiver to Malaysian counsel and respond to same;	0.80	RB
Jun-24-20	Review email from Malaysian counsel with respect to analysis of rental amount owing to Malaysian landlord; review draft letter to landlord; review email from A. Previte with respect to same;	0.30	RB
Jun-26-20	Emails from new counsel to one account debtor as to retainer and documents to be received; emails to same and discussion with R.	0.30	DJM

	Bengino;		
	Email from Receiver with respect to return of keys to Malaysian landlord;	0.10	RB
Jun-27-20	Review email from C. Burr with respect to receivable owing from Tea Life Co;	0.10	RB

Lawyer	Hours	Amount	
D. J. Miller	0.50	450.00	
Rachel Bengino	2.00	1,100.00	
TOTAL FEE HEREIN		**$1,550.00**	
HST on Fees		**$201.50**	
Total Fees and HST			**$1,751.50**
OUR ACCOUNT HEREIN			**$1,751.50**

We hereby waive notice of the time and place of the taxation of this bill.

Thornton Grout Finnigan LLP

R. Bengino

Per: Rachel Bengino

E. & O. E. HST No. 87042 1039RT *HST Exempt

Matter No. 523-040

Invoice No. 35249

Date: Jul 07/20

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA - and - **COMSALE COMPUTER INC. et al.**

Applicant

Respondents

Court File No. CV-19-630501-00cl

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

EIGHTH BILL OF COSTS OF THE SOLICITORS
TO THE COURT APPOINTED RECEIVER AND MANAGER

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Applicant, HSBC Bank Canada

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. AND COMSALE SINGAPORE PRIVATE LIMITED

Respondents

NINTH BILL OF COSTS OF THE SOLICITORS
TO THE COURT APPOINTED RECEIVER AND MANAGER

For the period ending July 31, 2020

Jul-13-20	Emails with respect to scheduling call with Blakes to discuss Tea Life matter;	0.10	RB
Jul-15-20	Attend conference call with counsel to Tea Life to discuss receivable owing;	0.50	RB
Jul-16-20	Call with P. Kouadio to discuss Receiver's next report to the court;	0.20	RB
Jul-20-20	Emails regarding relationship between Tea Life Co. Ltd. and Comsale, and consider information and documentation provided; emails to and from the Receiver and R. Bengino as to same;	0.40	DJM
	Review memorandum from Blakes with respect to Tea Life receivable and consideration of same; email to R. Stelzer with respect to same;	0.40	RB
Jul-21-20	Emails from and to the Receiver and R. Bengino as to communications with one party and upcoming section 163 examinations to be conducted;	0.20	DJM
	Review email from Receiver to counsel; instructions to R. Manea with respect to searches to be conducted; review searches and	0.30	RB

	send same to R. Stelzer;		
	Instructions from R. Bengino regarding corporate searches in Hong Kong and attend to same; obtain and briefly review corporate profile reports for Comsale Computer Hong Kong Limited and Siu Sun Industrial (Hong Kong) Limited and provide to R. Bengino;	0.60	RGM
Jul-22-20	Email from counsel for Tea Life with information provided; consider same and emails with the Receiver;	0.20	DJM
	Review response from Blakes with respect to Tea Life inquiries from Receiver;	0.10	RB

Lawyer	Hours	Amount	
D. J. Miller	0.80	720.00	
Rachel Bengino	1.60	880.00	
Roxana Manea (Law Clerk)	0.60	165.00	
TOTAL FEE HEREIN		**$1,765.00**	
HST on Fees		**$229.45**	
Total Fees and HST			**$1,994.45**
OUR ACCOUNT HEREIN			**$1,994.45**

We hereby waive notice of the time and place of the taxation of this bill.

ThorntonGroutFinnigan LLP

R. Bengino

Per: Rachel Bengino

E. & O. E. HST No. 87042 1039RT *HST Exempt

Matter No. 523-040

Invoice No. 35408

Date: Aug 05/20

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA - and - **COMSALE COMPUTER INC. et al.**

Applicant

Respondents

Court File No. CV-19-630501-00cl

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NINTH BILL OF COSTS OF THE SOLICITORS TO THE COURT APPOINTED RECEIVER AND MANAGER

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Applicant, HSBC Bank Canada

This is Exhibit "B" referred to in the
Affidavit of D.J. Miller sworn before me by video conference from the City of Toronto, in the Province of Ontario, to the City of Toronto, in the Province of Ontario this 6th day of August, 2020.

R. Bengino

A Commissioner for taking affidavits

EXHIBIT “B”

Calculation of Average Hourly Billing Rates of
Thornton Grout Finnigan LLP
for the period April 1, 2020 to July 31, 2020

Invoice No.	**Fees**	**Disbursements**	**HST**	**Hours**	**Average Rate**	**Total**
Sixth Bill of Costs 34918	$40,035.00	$48.58	$5,210.87	63.40	$631.50	$45,294.45
Seventh Bill of Cost 35121	$5,715.00	00.00	$742.95	10.40	$549.52	$6,457.95
Eighth Bill of Costs 35249	$1,550.00	00.00	$201.50	2.50	$620.00	$1,751.50
Ninth Bill of Costs 35408	$1,765.00	00.00	$229.45	3.00	$588.30	$1,994.45
TOTAL	**$49,065.00**	**$48.58**	**$6,384.77**	**79.30**		**$55,498.35**

This is Exhibit “C” referred to in the Affidavit of D.J. Miller sworn before me by video conference from the City of Toronto, in the Province of Ontario, to the City of Toronto, in the Province of Ontario this 6th day of August, 2020.

R. Bengino

A Commissioner for taking affidavits

EXHIBIT “C”

Billing Rates of Thornton Grout Finnigan LLP

For the period April 1, 2020 to July 31, 2020

	Rate	Year of Call
D.J. Miller	$900	1993
Rachel Bengino	$550	2015
Felicity Radan (Student)	$300	
Roxana Manea (Law Clerk	$275	

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA - and - **COMSALE COMPUTER INC., et al.**

Applicant

Respondents

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF D.J. MILLER

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Court-appointed Receiver

Appendix Q

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED

Respondents

AFFIDAVIT OF CHRISTOPHER J. HUNKER

I, **CHRISTOPHER J. HUNKER,** of Wantagh, in the State of New York, hereby declare as follows under penalty of perjury:

1. I am a counsel of Linklaters LLP, ("**Linklaters**") which acts as U.S. counsel to Grant Thornton Limited, solely in its capacity as court-appointed Receiver and Manager ("**Receiver**") without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "**Company**"). 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 affidavit is a true copy of the detailed narratives for the fees and disbursements of Linklaters incurred in its role as U.S. counsel to the Receiver of the Company from April 1, 2020 to August 5, 2020, in the total amount of $55,147.80, including an estimate required to close the chapter 15 case in the U.S. Those amounts are summarized on Exhibit "**B**" to this affidavit. The average hourly rate is $499.35 not including the estimate required to close the chapter 15 case in the U.S.

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 New York City market.

4. The hours spent on this matter and disbursements incurred by Linklaters 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 Linklaters and for no improper purpose.

SWORN before me by video conference from the State of New York to the City of Toronto, in the Province of Ontario, this 14th day of August, 2020. R. Bengino Commission for Taking Affidavits.	CHRISTOPHER J. HUNKER

A42303305

This is Exhibit "A" referred to in the
Affidavit of Christopher J. Hunker sworn before me
by video conference from the State of New York to the City
of Toronto, in the Province of Ontario, this 14th day of
August, 2020.

R. Bengino

A Commissioner for taking affidavits

Linklaters

Linklaters LLP
1345 Avenue of the Americas
NEW YORK, NY 10105
USA
Telephone: (1) 212 903 9000
Facsimile: (1) 212 903 9100

Invoice

Grant Thornton International Limited
Level 25
20 Fenchurch Street
LONDON
EC3M 3BY
UNITED KINGDOM

Matter Partner / Matter Manager
P. Jensen / C. Hunker

Matter No	Client No
L-293265	10351038

In any communications please quote this invoice number
New York/7002024197

Date
June 25, 2020

	USD
Comsale	
April 01, 2020 to June 22, 2020	
Professional charges as detailed in the attached narrative	$38,060.80
Non Taxable Disbursements	
Refund Administrative Costs	18.59-
Net Total	38,042.21
VAT	0.00
Amount Now Due	$38,042.21

Please remit in US dollars

Unless otherwise agreed, this invoice is payable within 30 days of invoice date.

Remittance advice

- **Payments by check should be made payable to Linklaters LLP and sent to 1345 Avenue of the Americas, New York, NY 10105, United States 'Attn: Accounts Receivable Dept' quoting the invoice number.**
- **Payments by direct bank transfer should be remitted to JP Morgan Chase, 55 Water Street, 16th Floor, New York, NY 10041 for the account of Linklaters LLP No. [redacted], ABA No. 021000021, SWIFT Code CHASUS33 quoting the invoice number.**

Grant Thornton International Limited: Comsale
Matter Number: L-293265
Fee Details (USD): 04/01/2020 to 06/22/2020
Document Number: 7002024197

Date	Name	Narrative	Hours
04/02/2020	Christopher Hunker	Emails with R. Stelzer; emails with internal team	0.30
04/03/2020	Christopher Hunker	Emails with S. Wang; review affidavit	0.30
04/03/2020	Shauin Wang	Prepared affidavit of fees and exhibits.	2.00
04/05/2020	Shauin Wang	Revised affidavit of fees and exhibits.	1.50
04/06/2020	Christopher Hunker	Emails with P. Kouadio; emails with internal team	0.30
04/09/2020	Christopher Hunker	Emails with R. Stelzer re US sale hearing and filing; review procedures order	0.40
04/15/2020	Christopher Hunker	Emails with R. Stelzer; preliminary review of motion record; emails with B. Poirier	0.40
04/16/2020	Brandon Poirier	Review Canadian sale documents and draft sale declaration, sale notice and proposed order based on same and circulate to C. Hunker.	3.00
04/16/2020	Christopher Hunker	Emails with R. Stelzer; emails/calls with B. Poirier; review of confidential exhibits.	0.80
04/16/2020	Shauin Wang	Reviewed court's guidance re service of sale notices.	0.50
04/17/2020	Brandon Poirier	Review C. Hunker comments to sale documents and implement comments; review Canadian documents to begin preparing sale documents for other two purchasers.	3.50
04/17/2020	Christopher Hunker	Review/revise draft Escrap sale papers and emails with B. Poirier re same	1.00
04/20/2020	Brandon Poirier	Review R. Trust comments and call with C. Hunker regarding same; Review priority agreement and other underlying credit documents; implement comments and circulate revised draft to R. Trust; further revisions to sale papers based on C. Hunker comments; review recent hearing notices for telephonic hearing information; email to S. Wang regarding preparing for service.	6.10
04/20/2020	Christopher Hunker	Calls with R. Trust; review/revise sale papers; multiple emails/discussions with B. Poirier re same; call with R. Stelzer; review final versions of US sale papers and emails with R. Stelzer re same	2.80
04/20/2020	Robert Trust	Reviewed and prep. comments to sale notice, order and declaration. Telephone call with C. Hunker.	1.30
04/21/2020	Brandon Poirier	Further revisions to sale papers; calls and emails with C. Hunker regarding same; calls and emails with S. Wang regarding prep for service and draft AOS; monitor emails for updates regarding GT comments; emails to GT; implement GT comments to ESCRAP sale papers and call with C. Hunker regarding same;	5.10
04/21/2020	Christopher Hunker	Emails with R. Bengino; call with R. Stelzer; review/revise sale documents; emails with B. Poirier	2.50
04/21/2020	Robert Trust	Telephone call with C. Hunker re: asset sale issues. Reviewed correspondence.	0.50
04/21/2020	Shauin Wang	Attention to Notices of Proposed Sale of Available Assets.	4.50
04/22/2020	Brandon Poirier	Revise sale papers for new filing date and circulate same to S. Wang for filing; review filing copies and emails with C. Hunker regarding same.	0.50
04/22/2020	Christopher Hunker	Call with R. Bengino; call with counsel to Reno landlord; emails with R. Stelzer and R. Bengino; coordinate filing of chapter 15 sale papers; emails with R. Stelzer and internal team re same	1.80
04/22/2020	Shauin Wang	Filed notices via ECF, effectuated service; updated affidavit of service.	3.50
04/23/2020	Christopher Hunker	Emails with R. Stelzer	0.20
04/24/2020	Christopher Hunker	Call with counsel to Reno landlord; call with R. Stelzer	0.30
04/28/2020	Shauin Wang	Revised affidavit of service; coordinated notary service.	1.50

Grant Thornton International Limited: Comsale
Matter Number: L-293265
Fee Details (USD): 04/01/2020 to 06/22/2020
Document Number: 7002024197

Date	Name	Narrative	Hours
05/01/2020	Christopher Hunker	Draft outline for hearing; emails with S. Wang; emails with R. Trust; emails with GT team	2.00
05/01/2020	Shauin Wang	Drafted agenda; reserved dial-in for hearing.	2.50
05/04/2020	Christopher Hunker	Review revised hearing outline; call with R. Trust re same; emails with GT and TGF re hearing; prepare for same	2.00
05/04/2020	Robert Trust	Telephone call with C. Hunker re: hearing.	0.70
05/04/2020	Shauin Wang	Finalized hearing agenda; filed same on ECF; reserved Court Solutions dial-ins.	1.50
05/05/2020	Christopher Hunker	Prepare for and attend sale hearing; review documents re same; review/finalize sale orders; emails with Judge Garrity's chambers re same	1.80
05/05/2020	Robert Trust	Prep. for and attended court hearing. Telephone call with C. Hunker.	1.00
05/11/2020	Christopher Hunker	Call with R. Stelzer re status; call to Judge Garrity's chambers; review/revise letters to vendors; emails/call with R. Trust re same	1.30
05/11/2020	Robert Trust	Reviewed and prep. comments to letter. Telephone call with C. Hunker.	0.40
05/12/2020	Christopher Hunker	Finalize letters to vendors; emails with GT team	1.00
05/13/2020	Christopher Hunker	Emails with suppliers re info requests; emails with GT team	0.20
05/15/2020	Christopher Hunker	Call with P. Kouadio re letters; emails with A. Previte and R. Stelzer; call to Judge Garrity's chambers re status of orders	0.50
05/19/2020	Christopher Hunker	Call with A. Previte re Synergy; call with P. Kouadio re info requests and A/R demands; review/revise draft stipulation with Reno landlord; email to Synergy; emails with A. Previte	1.50
05/20/2020	Christopher Hunker	Emails with A. Previte; call with R. Trust; emails with GT re stipulation	0.70
05/20/2020	Robert Trust	Reviewed landlord stipulation. Telephone call with C. Hunker.	0.30
05/21/2020	Christopher Hunker	Call to Judge Garrity's chambers; emails with R. Stelzer re lease; emails with landlord's counsel.	0.70
05/22/2020	Christopher Hunker	Call with Judge Garrity's chambers; call/emails with R. Stelzer.	0.50
05/27/2020	Christopher Hunker	Emails with counsel to Reno landlord re stipulation	0.20
05/28/2020	Christopher Hunker	Call with P. Kouadio re letters to vendors	0.30
05/29/2020	Christopher Hunker	Emails with GT re Reno landlord stipulation; review same	0.30
06/01/2020	Christopher Hunker	Emails with S. Wang re stipulation; emails with P. Kouadio re letters to vendors	0.30
06/01/2020	Shauin Wang	Drafted notice of presentment.	3.00
06/02/2020	Christopher Hunker	Review/revise notice of presentment; emails with S. Wang re same; call with P. Kouadio re letters to vendors	0.70
06/04/2020	Christopher Hunker	Calls with P. Kouadio; review/revise letters to Arrow/Metro; emails to Arrow/Metro; review/revise stipulation with landlord; emails with M. Gregor re same; review/revise notice of presentment; emails with S. Wang re same; review demand letter and emails with P. Kouadio re same.	2.50
06/04/2020	Shauin Wang	Revised notice of presentment and proposed stipulation and order.	1.50
06/05/2020	Christopher Hunker	Emails re landlord stipulation; finalize Amazon letter; emails with GT re same; emails with P. Kouadio	0.70
06/05/2020	Shauin Wang	Filed notice of presentment using ECF; effectuate service of notice of presentment; drafted affidavit of service.	2.00
06/08/2020	Christopher Hunker	Emails with vendors re info requests; multiple emails with P. Kouadio re same.	0.70
06/10/2020	Christopher Hunker	Review / revise letters to vendors re receivables; emails with P. Kouadio re same.	1.00

Grant Thornton International Limited: Comsale
Matter Number: L-293265
Fee Details (USD): 04/01/2020 to 06/22/2020
Document Number: 7002024197

Date	Name	Narrative	Hours
06/17/2020	Christopher Hunker	Emails with R. Stelzer re vendor letters; review affidavit of service; emails with S. Wang	0.30
06/22/2020	Christopher Hunker	Emails with GT re Arrow response; emails with Arrow re call	0.20
	Total		**76.90**

Linklaters LLP
1345 Avenue of the Americas
NEW YORK, NY 10105
USA
Telephone: (1) 212 903 9000
Facsimile: (1) 212 903 9100

Invoice

Grant Thornton International Limited
Level 25
20 Fenchurch Street
LONDON
EC3M 3BY
UNITED KINGDOM

Matter Partner / Matter Manager
P. Jensen / C. Hunker

Matter No	Client No
L-293265	10351038

In any communications please quote this invoice number
New York/7002024367

Date
August 06, 2020

USD

Comsale

June 23, 2020 to August 05, 2020

Professional charges rendered in connection with the above matter	$2,087.00
Estimate for additional work required to close the chapter 15 case	$15,000.00

Net Total	17,087.00
VAT	0.00
Amount Now Due	$17,087.00

Please remit in US dollars

Unless otherwise agreed, this invoice is payable within 30 days of invoice date.

Remittance advice

- **Payments by check should be made payable to Linklaters LLP and sent to 1345 Avenue of the Americas, New York, NY 10105, United States 'Attn: Accounts Receivable Dept' quoting the invoice number.**
- **Payments by direct bank transfer should be remitted to JP Morgan Chase, 55 Water Street, 16th Floor, New York, NY 10041 for the account of Linklaters LLP No. [redacted], ABA No. 021000021, SWIFT Code CHASUS33 quoting the invoice number.**

Grant Thornton International Limited: Comsale
Matter Number: L-293265
Fee Details (USD): 06/23/2020 to 08/05/2020
Document Number: 7002024367

Date	Name	Narrative	Hours
06/25/2020	Christopher Hunker	Emails with R. Stelzer re status and next steps to close chapter 15 case	0.20
07/06/2020	Christopher Hunker	Emails with chambers re stipulation and order; emails with counsel to landlord; review proposed order	0.50
07/08/2020	Christopher Hunker	Emails with R. Stelzer	0.20
07/09/2020	Christopher Hunker	Call with R. Stelzer; discussion with R. Trust re status; review claims register; emails with R. Stelzer	1.50
07/09/2020	Rachel Dalal	Proofs of claim document pull re Shauin Wang	0.50
07/10/2020	Rachel Dalal	Proofs of claim document pull re Shauin Wang	0.10
07/15/2020	Christopher Hunker	Emails with M. Greger re signed stipulation	0.20
08/05/2020	Christopher Hunker	Call with M. Ferullo re final decree	0.30
	Total		**3.50**

This is Exhibit “B” referred to in the
Affidavit of Christopher J. Hunker sworn before me
by video conference from the State of New York to the City
of Toronto, in the Province of Ontario, this 14th day of
August, 2020.

R. Bengino

A Commissioner for taking affidavits

Comsale Computer Inc., Comsale Inc., Comsale Group Inc.,
Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd.

Summary of Fees of Linklaters LLP as U.S. Counsel to the Receiver and Manager
For the period from April 1, 2020 to August 5, 2020

Period	Hours	Fees	Disbursements	Total
April 1, 2020 – June 22, 2020	76.90	$38,060.80	-$18.59	$38,042.21
June 23, 2020 – August 5, 2020	3.50	$2,087.00 (15,000.00)[1]	$0.00	$17,087.00
Total:	**80.40**	**55,147.80**	**-$18.59**	**$55,129.21**

Average Rate per Hour (without estimate): $499.35

Average Rate per Hour (with estimate): $685.92

1 Estimate of fees required to close the chapter 15 case in the U.S.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA
Applicant

and

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED
Respondents

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at **Toronto**

AFFIDAVIT OF CHRISTOPHER J. HUNKER

LINKLATERS LLP
1345 Avenue of the Americas
New York, NY 10105
Fax: (212) 903-9000

Robert Trust
Tel: (212) 903-9217 / Email:robert.trust@linklaters.com

Christopher J. Hunker
Tel: (212) 903-9267 / Email: christopher.hunker@linklaters.com

THORNTON GROUT FINNIGAN LLP
100 Wellington Street West, Suite 3200
TD West Tower
Toronto ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller
Tel: (416) 304-0559 / Email: djmiller@tgf.ca

Rachel Bengino
Tel: (416) 304-1153 / Email: rbengino@tgf.ca

Lawyers for Grant Thornton Limited, the Court-Appointed Receiver

Appendix R

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED

Respondents

AFFIDAVIT OF KIRK A. DRYER

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

I, **KIRK A. DRYER,** a resident of Davidson County, in the State of Tennessee, BEING DULY SWORN, MAKES OATH as follows:

1. I am an attorney with the law firm of Burr & Forman LLP ("**BF**"), which was hired as local Tennessee counsel to Grant Thornton Limited ("**GTL**"), in its capacity as Receiver of Comsale Computer Inc. and Comsale Inc. (together, the "**Company**"). 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 **<u>Exhibit "A"</u>** to this my affidavit is a true copy of the detailed billings setting out the fees and disbursements of BF incurred in its role as local Tennessee

counsel of the GTL from April 2, 2020 to April 6, 2020, in the total amount of $1,443.00 and such is summarized on **Exhibit "B"** to this my affidavit. The average hourly rate is $412.29. This statement was generated by the firm's accounting department, using timesheets prepared by each professional person. The timesheet information is then submitted electronically to a computer database, from which it can be accessed to produce various types of bills and statements. The firm uses computers, and the computers are in good working order.

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

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

5. **Exhibits "A" and "B"** attached hereto are hereby incorporated herein by reference.

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

FURTHER THE AFFIANT SAYS NOT

KIRK A. DRYER

Sworn to and subscribed before me this 17th day of August, 2020.

Nancy Johnson

Notary Public

SEAL

NANCY JOHNSON STATE OF TENNESSEE NOTARY PUBLIC DAVIDSON COUNTY My Commission Expires MAR. 8, 2021

My Commission Expires: ________

Exhibit “A”

See attached.

ID	Date	Tkpr	TKPR Name	Client	Matter	Base Amt	Bill Num	Bill Date	Billed Amt	Status	Bs Hrs	Bl Hrs	Narrative
12758940	4/2/2020	7226	Dryer, Kirk	36132	1	$105.00	1160977	5/12/2020	$105.00	B	0.3	0.3	Email from R. Stlezer re: fee affidavit; discussions re: fee affidavit
12748877	4/3/2020	6689	Herndon, C	36132	1	$145.25	1160977	5/12/2020	$166.00	B	0.35	0.4	Review affidavit and exhibits.
12753511	4/3/2020	5799	Houston, I\	36132	1	$510.00	1160977	5/12/2020	$510.00	B	1	1	Work on affidavit for fee hearing and obtaining notary for same
12758978	4/3/2020	7226	Dryer, Kirk	36132	1	$455.00	1160977	5/12/2020	$455.00	B	1.3	1.3	Draft and revise fee affidavit; discussions re: final invoices and fee affidavit; coordinate execution of fee affidavit
12753687	4/4/2020	5799	Houston, I\	36132	1	$102.00	1160977	5/12/2020	$102.00	B	0.2	0.2	Follow-up on affidavit issues
12771926	4/6/2020	7226	Dryer, Kirk	36132	1	$105.00	1160977	5/12/2020	$105.00	B	0.3	0.3	Finalize Affidavit of Fees; email Affidavit of Fees to P. Kouadio
Total									$1,443.00				

Exhibit “B”

See attached.

BURR • FORMAN LLP

results matter

RECEIVED

MAY 28 2020

Post Office Box 830719
Birmingham, Alabama 35283-0719
Office: (205) 251-3000
Fax: (205) 458-5100
BURR.COM

GRANT THORNTON LIMITED, AS RECEIVER OF
COMSALE COMPUTER INC. AND COMSALE INC.
C/O ROB STELZER
200 KING STREET WEST, 11TH FLOOR
TORONTO, ONTARIO M5H 3T4
CANADA

12 May 2020
Invoice # 1160977
Bill Atty: D Meek
As of 04/30/20

EMPLOYER I.D. #63-0322727

0036132 HSBC BANK CANADA
0000001 Comsale Computer Inc. and Comsale Inc.

BILL SUMMARY THROUGH APRIL 30, 2020

Professional Services	$1,443.00
TOTAL DUE THIS BILL	**$1,443.00**
Previous Balance	$17,826.00
TOTAL NOW DUE	**$19,269.00**

REMITTANCE COPY

PLEASE INCLUDE THIS PAGE WITH YOUR PAYMENT

BURR & FORMAN LLP

GRANT THORNTON LIMITED, AS RECEIVER OF
COMSALE COMPUTER INC. AND COMSALE INC.
C/O ROB STELZER
200 KING STREET WEST, 11TH FLOOR
TORONTO, ONTARIO M5H 3T4
CANADA

12 May 2020
Invoice # 1160977
Bill Atty: D Meek
As of 04/30/20

EMPLOYER I.D. #63-0322727

0036132 HSBC BANK CANADA
0000001 Comsale Computer Inc. and Comsale Inc.

Date	Description	Tkpr	Hours
04/02/20	Email from R. Stlezer re: fee affidavit; discussions re: fee affidavit	KAD	0.30
04/03/20	Work on affidavit for fee hearing and obtaining notary for same	DWH	1.00
04/03/20	Review affidavit and exhibits.	CTH	0.40
04/03/20	Draft and revise fee affidavit; discussions re: final invoices and fee affidavit; coordinate execution of fee affidavit	KAD	1.30
04/04/20	Follow-up on affidavit issues	DWH	0.20
04/06/20	Finalize Affidavit of Fees; email Affidavit of Fees to P. Kouadio	KAD	0.30
		Total Hours	3.50
		Total Services	$1,443.00

Total Services and Disbursements	$1,443.00
Previous Balance Due	$17,826.00
TOTAL NOW DUE	$19,269.00

BURR & FORMAN LLP

SUMMARY OF SERVICES

Name	Rate	Hours	Amount
David W. Houston, IV	$510.00	1.20	$612.00
Christopher T. Herndon	$415.00	0.40	$166.00
Kirk A. Dryer	$350.00	1.90	$665.00
TOTALS		3.50	$1,443.00

Appendix S

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED

Respondents

AFFIDAVIT OF DONALD G. MARTIN

I, **DONALD G. MARTIN,** of the City of Las Vegas, in the State of Nevada, MAKE OATH AND SAY as follows:

1. I am a partner at Lewis Roca Rothgerber Christie LLP, ("**LRRC**") which was appointed as Nevada legal counsel to the Receiver and Manager ("**Receiver**") without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "**Company**"). 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 billings setting out the fees and disbursements of LRRC incurred in its role as Nevada legal counsel of

the Company from April 1, 2020 through July 31, 2020, in the total amount of $2,752.00. and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is $598.26.

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 Las Vegas.

4. The hours spent on this matter and disbursements incurred by LRRC 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 LRRC and for no improper purpose.

SWORN before me, via teleconference from the City of Denver to the City of Toronto, Province of Ontario, this 17th day of August, 2020. R. Bengino	DONALD G. MARTIN, ESQ.

This is **Exhibit "A"**, referred to in the

Affidavit of Donald G. Martin,
sworn before me

this 17th day of August, 2020.

R. Bengino

A Commissioner for taking Affidavits, etc.

201 E. Washington St., Ste. 1200 | Phoenix, AZ 85004
602.239.7486 | www.lrrc.com | ar@lrrc.com
Federal Tax ID: 86-0095078

Rob Stetzer
Grant Thornton Limited
Rob.Stelzer@ca.gt.com

May 29, 2020
Invoice No. 1357247B
Matter No. 271188-00110
Due Upon Receipt

Billing Attorney: D. Martin

Receiver of Comsale Group Assets

For Professional Services Rendered through April 30, 2020

Fees	$2,752.00
Total Balance Due	**$2,752.00**

Remittance Instructions	
By Check	**Electronic Payments**
Lewis Roca Rothgerber Christie LLP Accounting Department 201 E. Washington St., Ste. 1200 Phoenix, AZ 85004-2595	**Bank Name** Wells Fargo Bank, NA **Bank Address** 420 Montgomery St., San Francisco, CA 94104 **Account Name** Lewis Roca Rothgerber Christie LLP **Account No.** 6334401020 **ACH Routing No.** 122105278 **Wire Routing No.** 121000248 **Swift Code** WFBIUS6S

******Please reference account or invoice number(s) when remitting payment******

Professional Services

Date	Timekeeper	Description	Hours	Amount
03/31/20	R. McCann	Email communication with D. Martin regarding UCC searches for Comsale Computer Inc. and Comsale Inc.; submit UCC searches with the Nevada Secretary of State; monitor Nevada Secretary of State website for search results	0.30	64.50
04/01/20	D. Martin	Prepare opinion letter; multiple correspondence to and from co-counsel re same	1.10	709.50
04/01/20	R. McCann	Email communication with D. Martin regarding UCC searches for Comsale Computer Inc. and Comsale Inc.; monitor Nevada Secretary of State website for search results; download and review UCC search results	0.20	43.00
04/02/20	D. Martin	Review comments re opinion; multiple correspondence to and from co-counsel re same; prepare fee affidavit; multiple correspondence re same	0.30	193.50
04/03/20	D. Martin	Review comments re opinion; multiple correspondence to and from co-counsel re same; prepare fee affidavit; multiple correspondence re same	0.60	387.00
04/06/20	D. Martin	Review comments re opinion; multiple correspondence to and from co-counsel re same; prepare fee affidavit; multiple correspondence re same	0.60	387.00
04/08/20	D. Martin	Review comments re opinion; multiple correspondence to and from co-counsel re same; prepare fee affidavit; multiple correspondence re same; teleconference with P. Kouadio	0.50	322.50
04/09/20	D. Martin	Teleconference with R. Stelzer re fee affidavit and opinion; multiple correspondence re same	0.30	193.50
04/20/20	D. Martin	Revise opinion; multiple correspondence to and from co-counsel re same	0.40	258.00
04/22/20	D. Martin	Multiple correspondence to and from R. Bengino; teleconference with R. Bengino	0.30	193.50
Total Fees			**4.60**	**$2.752.00**

Timekeeper Summary

Attorney	Title	Billed Hours	Billed Rate	Billed Amount
D. Martin	Partner	4.10	645.00	2,644.50
R. McCann	Paralegal	0.50	215.00	107.50
Total Fees		**13.60**		**$2,752.00**

Total Fees & Disbursements	**$2,752.00**

201 E. Washington St., Ste. 1200 | Phoenix, AZ 85004
602.239.7486 | www.lrrc.com | ar@lrrc.com
Federal Tax ID: 86-0095078

Lewis Roca
ROTHGERBER CHRISTIE

Rob Stetzer
Grant Thornton Limited
Rob.Stelzer@ca.gt.com

May 29, 2020
Invoice No. 1357247B
Matter No. 271188-00110
Due Upon Receipt

Billing Attorney: D. Martin

Receiver of Comsale Group Assets

For Professional Services Rendered through April 30, 2020

Fees	$2,752.00
Total Balance Due	**$2,752.00**

Remittance Instructions	
By Check	**Electronic Payments**
Lewis Roca Rothgerber Christie LLP Accounting Department 201 E. Washington St., Ste. 1200 Phoenix, AZ 85004-2595	**Bank Name** Wells Fargo Bank, NA **Bank Address** 420 Montgomery St., San Francisco, CA 94104 **Account Name** Lewis Roca Rothgerber Christie LLP **Account No.** 6334401020 **ACH Routing No.** 122105278 **Wire Routing No.** 121000248 **Swift Code** WFBIUS6S

******Please reference account or invoice number(s) when remitting payment******

This is **Exhibit "B"**, referred to in the

Affidavit of Donald G. Martin,
sworn before me

this 17th day of August, 2020.

R.Bengino

A Commissioner for taking Affidavits, etc.

Exhibit "B"

Comsale Computer Inc., Comsale Inc., Comsale Group Inc. Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd., Comsale Singapore Private Limited

Summary of Fees of Lewis Roca Rothgerber Christie LLP

For the period from April 1, 2020 to July 31, 2020

Period	Hours	Fees	Disbursements	Subtotal	HST	Total
March 1 - 31, 2020	.3	$ 64.50	0.00	$64.50	NA	$ 64.50
April 1 - 30, 2020	4.3	$ 2,687.50	0.00	$2,687.50	NA	$ 2,687.50
						$
						$
	4.6	**$ 2,752.00**		**2,752.00**		**$ 2,752.00**

Average Rate per Hour: $ 598.26

HSBC BANK CANADA and **COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD., COMSALE SINGAPORE PRIVATE LIMITED**

Applicant — Respondents

Court File No: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

AFFIDAVIT OF DONALD G. MARTIN

Lewis Roca Rothgerber Christie LLP
Attn: Don G. Martin, Esq.
3993 Howard Hughes Pkwy
Suite 600
Las Vegas, NV 89169
Facsimile: 702-216-6206
Phone: 702-474-2610
Email: dmartin@lrrc.com

Nevada Lawyers for Grant Thornton Limited, the Court-Appointed Receiver

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

HSBC BANK CANADA	and	**COMSALE COMPUTER INC. et. al.**
Applicant		Respondents

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

THIRD REPORT OF THE RECEIVER
DATED AUGUST 23, 2020

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Court-Appointed Receiver

Tab 3

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 4th
	)	
JUSTICE HAINEY	)	DAY OF SEPTEMBER, 2020

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. and COMSALE SINGAPORE PRIVATE LIMITED

Respondents

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by Grant Thornton Limited ("**GTL**") in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Comsale Computer Inc., Comsale Inc., Comsale Group Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd. and Comsale Singapore Private Limited (collectively, the "**Debtors**") for an order (i) discharging GTL as Receiver of the Debtors; (ii) approving a distribution to HSBC Bank Canada (the "**Bank**"); (iii) approving the Receiver's activities; and (iv) approving the fees of the Receiver and its counsel, was heard this day by way of judicial teleconference in Toronto, Ontario due to the COVID-19 crisis.

ON READING the Third Report of the Receiver dated August 23, 2020 (the "**Third Report**"), the fee affidavit of Rob Stelzer sworn August 21, 2020 (the "**Stelzer Affidavit**"), the fee affidavit of Foo Lai-Don Geoffrey sworn July 29, 2020 (the "**Geoffrey Affidavit**"), the fee affidavit D.J. Miller sworn August 6, 2020 (the "**Miller Affidavit**"), the fee affidavit of Christopher Hunker sworn August 14, 2020 (the "**Hunker Affidavit**"), the fee affidavit of Donald G. Martin sworn August 17, 2020 (the "**Martin Affidavit**") and the fee affidavit of Kirk A. Dryer sworn August 17, 2020 (the "**Dryer Affidavit**"), and on hearing the submissions of counsel for the Receiver, counsel for the Applicant, and anyone else appearing for any other person on the service list as reflected on the Counsel Slip provided, all as properly served as appears from the affidavit of service of ► sworn August ►, 2020, filed:

DISTRIBUTION

1. THIS COURT ORDERS that the Receiver is authorized and directed to distribute up to $1,100,000 to the Bank in partial satisfaction of the Bank's secured claim against the Debtors.

2. THIS COURT ORDERS that the Receiver is authorized and directed to distribute any Future Receipts (as defined in the Third Report) that may be received by the Receiver to the Bank, up to the amount of the Bank's secured claim against the Debtors as described in the Third Report.

DISCHARGE OF RECEIVER

3. THIS COURT ORDERS that upon completion of the activities described in the Third Report and upon the Receiver filing a certificate in the form of Schedule "A" attached hereto (the "**Receiver's Discharge Certificate**"), the Receiver shall be discharged as Receiver of the assets, property and undertakings of the Debtors, provided, however, that notwithstanding its discharge herein, the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of GTL in its capacity as Receiver.

4. THIS COURT ORDERS AND DECLARES that upon filing of the Receiver's Discharge Certificate, GTL is hereby released and discharged from any and all liability that GTL now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of GTL while acting in its capacity as Receiver of the Debtors herein, save and except for any gross

negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, GTL is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings with respect to the Debtors, save and except for any gross negligence or wilful misconduct on the Receiver's part.

APPROVAL OF ACTIVITIES AND FEES

5. THIS COURT ORDERS that the Third Report and all actions, decisions and conduct of the Receiver as set out in the Third Report are hereby authorized and 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.

6. THIS COURT ORDERS that the Receiver’s final statements of receipts and disbursements as set out in the Third Report be and is hereby approved.

7. THIS COURT ORDERS that the professional fees and disbursements of the Receiver, including estimated fees to discharge of the Receiver, as set out in the Third Report and the Stelzer Affidavit are hereby approved and the Receiver is authorized and directed to pay all such fees and disbursements.

8. THIS COURT ORDERS that the professional fees and disbursements of Grant Thornton Malaysia as set out in the Third Report and the Geoffrey Affidavit are hereby approved and the Receiver is authorized and directed to pay all such fees and disbursements.

9. THIS COURT ORDERS that the professional fees and disbursements of the Receiver’s legal counsel, being Thornton Grout Finnigan LLP, Linklaters LLP (as U.S. counsel to the Receiver), Burr Forman LLP (as Tennessee counsel to the Receiver), and Lewis Rocca Rothgerber Christie LLP (as Nevada counsel to the Receiver), including estimated fees to discharge of the Receiver where applicable, as set out in the Third Report and the Miller Affidavit, Hunker Affidavit, Dryer Affidavit and Martin Affidavit, respectively, are hereby approved and the Receiver is authorized and directed to pay all such fees and disbursements.

GENERAL

10. 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, Malaysia, Hong Kong or Singapore 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.

11. THIS COURT ORDERS that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

Schedule "A" – Form of Receiver's Discharge Certificate

Court File No. CV-19-630501-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

HSBC BANK CANADA

Applicant

- and –

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED, COMSALE MALAYSIA SDN. BHD. and COMSALE SINGAPORE PRIVATE LIMITED

Respondents

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

1. Pursuant to an application by HSBC Bank Canada under 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*, and an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 5, 2019, Grant Thornton Limited was appointed as Receiver of the assets, undertakings and properties of Comsale Computer Inc., Comsale Inc., Comsale Group Inc., Comsale Hong Kong Limited, Comsale Malaysia Sdn. Bhd. and Comsale Singapore Private Limited (collectively, the "**Debtors**").

2. Pursuant to an Order of the Court dated September 4, 2020 (the "**Discharge Order**"), Grant Thornton Limited was to be discharged as Receiver of the Debtors to be effective upon the filing by the Receiver with the Court of a certificate confirming that all remaining matters as described in the Third Report of the Receiver dated August 23,

2020 (the “**Third Report**”) to be attended to in connection with the receivership have been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

A. All remaining matters as described in the Third Report, if any, to be attended to in connection with the receivership of the Debtors have been completed to the satisfaction of the Receiver.

B. The Receiver has made the payments outlined in paragraph 1 of the Discharge Order.

C. This Certificate was filed by the Receiver with the Court on the ___ day of ____, 2020 at ____.

Grant Thornton Limited, in its capacity as Receiver of the undertaking, property and assets of Comsale Computer Inc. et. al. and not in its personal capacity

Per: ______________________________

Name:

Title:

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA Applicant	and	**COMSALE COMPUTER INC. et. al.** Respondents

Court File No. CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at Toronto

DISTRIBUTION AND DISCHARGE ORDER

Thornton Grout Finnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200
Toronto, Ontario M5K 1K7
Fax: 416-304-1313

D.J. Miller (LSO# 344393P)
Tel: 416-304-0559
Email: djmiller@tgf.ca

Rachel Bengino (LSO# 68348V)
Tel: 416-304-1153
Email: rbengino@tgf.ca

Lawyers for the Receiver

IN THE MATTER OF Section 101 of the *Courts of Justice Act,* R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

HSBC BANK CANADA	- and -	**COMSALE COMPUTER INC., et al.**
Applicant		Respondents

Court File No.: CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

MOTION RECORD
(Returnable September 4, 2020)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca / Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for the Court-appointed Receiver