

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.
of the City of Ottawa, in the Province of Ontario**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.

Respondent

**SECOND AND FINAL OF MNP LTD., IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
MANRAY GLASS AND ALUMINUM INC. AND 1948387 ONTARIO LTD.**

NOVEMBER 6, 2019

TABLE OF CONTENTS

Contents

INTRODUCTION AND BACKGROUND	3
PURPOSE OF THIS REPORT	6
NOTICE TO READER	6
RECEIVERSHIP ACTIVITIES FOLLOWING THE APPROVAL ORDER	7
COLLECTION OF ACCOUNTS RECEIVABLE.....	7
INVENTORY	7
FIXED ASSETS	7
THE REFINANCING TRANSACTION	8
ONGOING OPERATIONS	8
PRIORITY AND SECURED CLAIMS.....	9
FUNDS AVAILABLE FOR DISTRIBUTION.....	9
PROFESSIONAL FEES.....	9
RECEIVERS DISCHARGE	10
SUMMARY AND RECOMMENDATIONS.....	10

APPENDICES

- 1 Receivership Order dated September 17, 2019
- 2 First Report of the Receiver dated October 8, 2019
- 3 Approved Order of Justice Sally Gomery dated October 15, 2019
- 4 Parcel Registrar and copy of charge on title
- 5 Statement of Receipts and Disbursements
- 6 Affidavit of John Haralovich of MNP LTD. dated November 6, 2019
- 7 Affidavit of Roxanne Chapman of Soloway Wright LLP dated November 6, 2019

INTRODUCTION AND BACKGROUND

1. Manray Glass and Aluminum Inc. (“**Manray**”) is a company incorporated pursuant to the laws of the Province of Ontario with its head office and business operations located at 255 Ste-Anne Street, Ottawa, Ontario (the “**Real Property**”).
2. 1948387 Ontario Ltd. (“**194**”) is a company incorporated pursuant to the laws of the Province of Ontario with its head office and business operations located at 3495 Torwood Drive, Ottawa, Ontario.
3. Manray and 194 (collectively, the “**Companies**”) are managed and controlled by Mr. Paul Reichheld (the “**Director**”).
4. Manray was indebted to Royal Bank of Canada (“**RBC**” or the “**Lender**”), its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements (the “**Manray Security**”) contained in the Receivership Application Record (the “**Application Record**”).
5. As reported in the Application Record, Manray’s obligations to the Lender pursuant to the above agreements (the “**Manray RBC Indebtedness**”) totaled \$467,145.43 as at August 19, 2019 (excluding interest and fees accrued since).
6. 194 was indebted to RBC, its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained in the Application Record (the “**194 Security**”).
7. As reported in the Application Record, 194’s obligations to the Lender pursuant to the above agreements (the “**194 RBC Indebtedness**”) totaled \$397,181.11 as at August 19, 2019 (excluding interest and fees accrued since).
8. The Manray Security and the 194 Security (collectively, the “**Security**”) provide for the appointment of a receiver in the event of default by the Companies under the Security.
9. The financial performance of the Companies began to deteriorate in 2018 which prompted RBC to transfer the management of the Companies accounts to the Bank’s Special Loans and Advisory Services unit on January 16, 2019. This was also in part as a

result of the Companies failing to meet specific reporting requirements as set out in the loan and security instruments held by the Bank.

10. On February 6, 2019, RBC met with the Companies' management at which time it was agreed that 194 would list the Real Property for sale.
11. On February 14, 2019, RBC made written demand for payment on the Companies to satisfy the Manray RBC Indebtedness and the 194 RBC Indebtedness (collectively, the "RBC Indebtedness"). Along with its demands, RBC delivered to the Companies Notices of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act*.
12. On March 21, 2019, RBC's lawyer was advised that the Real Property was listed for sale with an expectation that a transaction would be completed before the end of summer 2019. For the remaining of 2019, the Companies failed to comply with their financial reporting obligations and failed to dispose of any assets to reduce the RBC Indebtedness as agreed.
13. On March 25, 2019, RBC's lawyer advised legal counsel for the Companies that RBC would be prepared to enter into a forbearance agreement if certain financial documentation were provided.
14. On May 6, 2019, draft forbearance agreements were provided to counsel of the Companies and on May 10, 2019, the Companies' legal counsel advised RBC's lawyer that the Companies would not sign the forbearance agreements.
15. The Companies ceased making deposits into the RBC operating accounts on or around May 21, 2019.
16. On or about August 9, 2019, the Companies' legal representative declined to accept the appointment of RBC's consultant and on August 13, 2019, RBC's lawyer provided clear dates for the delivery of specific information to update RBC on the Companies' refinancing efforts, the payment of amounts in arrears to RBC and various financial reporting requirements. The Companies failed to respond to this request.

17. On September 9, 2019, RBC therefore brought an application for the appointment of MNP Ltd. (“MNP”) as the receiver of the Companies for the protection of the interests of RBC and other stakeholders.
18. By Order of this Honourable Court dated September 17, 2019 (the “Appointment Order”), MNP was appointed receiver (the “Receiver”), without security, of all of the assets, undertakings and properties of Companies used in relation to their businesses, including all proceeds thereof (the “Property”). A copy of the Receivership Order is attached at Appendix “1”.
19. The first report of the Receiver dated October 8, 2019 (the “First Report”) sought to:
 - (a) report on the activities of the Receiver since its appointment pursuant to the Receivership Order;
 - (b) obtain the Court’s approval of the activities and conduct of the Receiver and that of its legal counsel as described in the First Report;
 - (c) obtain the Court’s approval for the proposed refinancing of the Real Property as describe in paragraphs 42 to 47 of the First Report (the “Refinancing Transaction”);
 - (d) obtain the Court’s approval for the Receiver to discharge the RBC mortgage (the “Mortgage”) against title to Real Property upon receipt of the refinancing proceeds from the Refinancing Transaction;
 - (e) obtain the Court’s approval in respect of a distribution to RBC in the amount of \$778,071.17 on account of its Mortgage and first-ranking secured claim; and
 - (f) obtain the Court’s approval in respect of a distribution to the Canada Revenue Agency (“CRA”) in the amount of \$16,827.49 on account of its deemed statutory trust claim in respect of unremitted HST.
20. The First Report (without appendices) is attached as Appendix “2”.
21. Pursuant to the Order of the Honourable Madam Justice Gomery dated October 15, 2019, (the “Approval Order”) the Receiver was authorized to complete the Refinancing Transaction and to pay to RBC and CRA the above distributions. Attached as Appendix “3” is a copy of the Approval Order.

PURPOSE OF THIS REPORT

22. The purpose of this second and final report of the Receiver to the Court (the “**Final Report**”) is to:
- (a) report on the activities of the Receiver since the First Report;
 - (b) seek the Court’s approval of the activities and conduct of the Receiver and that of its legal counsel as described in the Final Report;
 - (c) seek the Court’s approval of the professional fees and disbursements of the Receiver and its legal counsel
 - (d) seek the Court’s approval of the Receiver’s final statement of receipts and disbursement;
 - (e) seek the Court’s approval for the Receiver to distribute any surplus funds to the Companies after payment of the Receiver’s fees and disbursements and those of its legal counsel; and
 - (f) obtain the Court’s approval for the release and discharge of the Receiver, including as a term of the Order discharging it, the release and discharge from any and all liability which the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct on the Receiver’s part.
23. All amounts referred to in the Final Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

24. This report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.
25. In preparing this Final Report, the Receiver has relied upon information from third party sources (collectively, the “**Information**”). Certain of the information contained herein may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed

the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

RECEIVERSHIP ACTIVITIES FOLLOWING THE APPROVAL ORDER

26. Since the date of the First Report, the Receiver has undertaken the following actions in accordance with the Appointment Order and the Approval Order:
- (a) Completed the Refinancing Transaction, as contemplated by the Approval Order;
 - (b) Obtained final payout figures from RBC;
 - (c) Disbursed the proceeds received from the Refinancing Transaction to RBC and CRA, in accordance with the Approval Order; and
 - (d) Monitored the affairs of the Companies until the Receiver is discharge.

COLLECTION OF ACCOUNTS RECEIVABLE

27. To date, the Receiver has collected \$182,743.94 in accounts receivable.
28. The accounts receivable remain in the possession and control of the Companies and the Receiver has not taken any further measures to secure payment from customers other than the amounts noted in paragraph 27.

INVENTORY

29. The Director advised the Receiver that neither of the Companies had any inventory. The Receiver attended at the Real Property and confirmed that there was no inventory on site.

FIXED ASSETS

30. The Receiver has not taken possession of the Companies' assets. However, we have reviewed the financial reporting provided by representatives for the Companies and have confirm the following assets:

- a) The Real Property, listing value of \$1,150,000.00;
- b) Equipment, having a cost value of \$150,000;
- c) 2008 Dodge Ram truck, having a cost value of \$60,142.43; and
- d) Art, having a cost value of \$41,549.76.

31. The fixed assets noted in paragraph 30 remain in the possession and control of the Companies and the Receiver has not taken any further measures to realize on these assets.

THE REFINANCING TRANSACTION

32. The Companies were able to secure refinancing, as a result of which they deposited the amount of \$568,299.59 into the trust account of Receiver's counsel. The above amount of \$568,299.59 was slightly less than the projected amount of \$576,000 as set out in paragraph 44 of the First Report.

33. The Receiver instructed its solicitor to wire the amount of \$566,799.59 directly to RBC, which represented the remaining proceeds in the solicitor's trust account after the costs of discharging the RBC Security.

34. The Receiver then paid RBC the amount of \$209,771.58 from funds held in the Receiver's trust account to fully pay out the RBC Indebtedness.

35. The Receiver then paid CRA the amount of \$16,827.49 to satisfy the amounts owing by the Companies to CRA on account of HST remittances for the period ending September 30, 2019.

36. The Refinancing Transaction was completed, and the RBC Mortgage was discharged on October 21, 2019. Attached as **Appendix "4"** is a copy of the Mortgage discharge.

ONGOING OPERATIONS

37. The Receiver has not operated the Companies since its appointment.

PRIORITY AND SECURED CLAIMS

Priority Claims

38. As of the date of this Final Report, the Receiver confirms that priority claims have been satisfied in full either by the Receiver or by representatives for the Companies.

Secured Claims

39. The RBC indebtedness has been paid in full and there are no other secured creditors for the Companies other than Manray's lease of a 2018 Land Rover Sport. Given that this is a lease, the vehicle is not property of Manray and the Receiver has not taken possession or control of this vehicle.

FUNDS AVAILABLE FOR DISTRIBUTION

40. A copy of the Receiver's final statement of receipts and disbursements (the "Final Statement") is attached hereto at **Appendix "5"**. It confirms that receipts exceed disbursements by \$97,696 to the date of this report.

41. After payment of the fees and disbursements of the Receiver and that of its legal counsel as set out below, the Receiver recommends distributing any surplus funds held by the Receiver to the Companies.

PROFESSIONAL FEES

42. Pursuant to paragraph 16 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel 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.

43. Pursuant to paragraph 18 of the Appointment Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.

44. Attached as **Appendix "6"** hereto is the Affidavit of John Haralovich, in support of the fees and disbursements of the Receiver for the period from September 17, 2019 to

November 6, 2019 along with the projected costs to complete the administration of the Receivership totaling \$29,959.69, inclusive of HST.

45. Attached as **Appendix “7”** hereto is the Affidavit of Roxanne Chapman in support of the fees and disbursements of the Receiver’s counsel for the period from September 19, 2019 to November 6, 2019 totaling \$16,125.36, inclusive of HST, plus an additional \$2,500.00 plus HST to conclude the administration of the Receivership.

RECEIVERS DISCHARGE

46. As the Receiver’s administration of this estate is substantially complete, the Receiver is presently seeking an Order discharging MNP from the powers, duties and obligations attendant to its appointment as Receiver. The Receiver is proposing that the discharge Order become effective on the day that the Receiver files with the Court a certificate in which the Receiver certifies that it has distributed all funds in its possession, prepared a final statement of receipts and disbursements, a copy of which is to be attached to the Receiver’s certificate, and has completed its administration of the receivership.

SUMMARY AND RECOMMENDATIONS

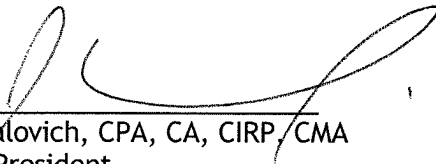
47. For the reasons outlined above, the Receiver respectfully recommends that this Court grant the Receiver’s request for an Order, amongst other things:
 - (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;
 - (b) Approving the Receiver’s Final Report, and the activities and conduct of the Receiver and of its legal counsel since its appointment, all as recited in the Final Report;
 - (c) Approving the payment of the fees and disbursements of the Receiver and Receiver’s counsel;
 - (d) Approving the Receiver’s Final Statement;

- (e) Approving the Receiver distributing any surplus funds to the Companies, after payment of the Receiver's fees and disbursements and those of its legal counsel; and
- (f) discharging MNP from the powers, duties and obligations attendant to its appointment as Receiver, effective upon the filing of the Receiver's Discharge Certificate indicating that the Receiver has completed its administration.

This Final Report is respectfully submitted to the Honourable Court as of this 6th day of November 2019.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Manray Glass and Aluminum Inc. and 1948387 Ontario Ltd.
and not in its personal or corporate capacity
Per:



John P. Haralovich, CPA, CA, CIRP, CMA
Senior Vice President

1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MADAM

) TUESDAY, THE 17TH DAY

JUSTICE SALLY A. GOMERY

)
) OF SEPTEMBER, 2019.

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.

Respondents

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondents (hereinafter the "Debtors") acquired for, or used in relation to operations carried out by the Debtors, was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario, K2P 2K1.

ON READING the Affidavit of Sandra Viikna, sworn on August 27, 2019 and the Exhibits thereto, the Factum and Authorities of the Applicant, on hearing the submissions of counsel for the Applicant, no one appearing on behalf of any of the Respondents or other creditors on the Service List although duly served as appears from the Affidavits of Service of Roxanne Chapman sworn on ^{September 10} ~~October 10 and 11~~, 2019 and on reading the consent of MNP Ltd., dated August 9, 2019, to act as the Receiver in respect of the assets of the Respondent referred to herein,

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 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to the business carried out by the Debtors, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) 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;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 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, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and

any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. 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 (92) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. 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

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. 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

17. 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

18. 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, 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.

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

20. 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 normal 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

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ 50,000 (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. A. 3

22. 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.

23. 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.

24. 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

25. 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 '<@>'.

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

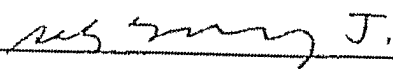
day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. 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.
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
30. 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.
31. THIS COURT ORDERS that the Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

32. 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.

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THE HONOURABLE MADAM JUSTICE SALLY A. GOMERY

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Court File No. CV-19-00081336-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.

Respondent

**FIRST REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
MANRAY GLASS AND ALUMINUM INC. AND 1948387 ONTARIO LTD.**

OCTOBER 8, 2019

TABLE OF CONTENTS

Contents	
INTRODUCTION AND BACKGROUND	3
PURPOSE OF THIS REPORT	5
NOTICE TO READER	5
INITIAL RECEIVERSHIP ACTIVITIES	6
COLLECTION OF ACCOUNTS RECEIVABLE	7
INVENTORY	8
FIXED ASSETS	8
THE REFINANCE TRANSACTION	9
ONGOING OPERATIONS	10
PRIORITY AND SECURED CLAIMS	11
FUNDS AVAILABLE FOR DISTRIBUTION	12
PROFESSIONAL FEES	12
COMPLETION OF THE RECEIVERSHIP	13
SUMMARY AND RECOMMENDATIONS	13
APPENDICES	
1	Receivership Order dated September 17, 2019
2	Notice of Statement of Receiver
3	Summary of accounts receivable and holdback receivable
4	Summary of accounts payable
5	Parcel Registrar and copy of charge on title
6	Appraisal report (specific pages only)
7	Copy of invoice to Aerloc Industries
8	Company vehicle details
9	Support for Art purchases
10	Mortgage commitment statement and Verma commitment
11	Support for source deduction claim
12	Support for HST paid
13	Support for HST arrears
14	Legal opinion re Manray Glass and Aluminum Inc.
15	Legal opinion re 1948387 Ontario Ltd.
16	Royal Bank of Canada statement of accounts
17	Statement of Receipts and Disbursements

INTRODUCTION AND BACKGROUND

1. Manray Glass and Aluminum Inc. (“**Manray**”) is a company incorporated pursuant to the laws of the Province of Ontario with its head office and business operations located at 255 Ste-Anne Street, Ottawa, Ontario (the “**Real Property**”).
2. 1948387 Ontario Ltd. (“**194**”) is a company incorporated pursuant to the laws of the Province of Ontario with its head office and business operations located at 3495 Torwood Drive, Ottawa, Ontario.
3. Manray and 194 (collectively, the “**Companies**”) are managed and controlled by Mr. Paul Reichheld (the “**Director**”).
4. Manray is indebted to Royal Bank of Canada (“**RBC**” or the “**Lender**”), its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained as Exhibits C and E to the Receivership Application Record (the “**Application Record**”) dated September 9, 2019 (the “**Manray Security**”).
5. As reported in the Application Record, Manray’s obligations to the Lender pursuant to the above agreements (the “**Manray RBC Indebtedness**”) totaled \$467,145.43 as at August 19, 2019 (excluding interest and fees accrued since).
6. 194 is indebted to RBC, its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained as Exhibits D, I and J to the Application Record (the “**194 Security**”).
7. As reported in the Application Record, 194’s obligations to the Lender pursuant to the above agreements (the “**194 RBC Indebtedness**”) totaled \$397,181.11 as at August 19, 2019 (excluding interest and fees accrued since).
8. The Manray Security and the 194 Security (collectively, the “**Security**”) provide for the appointment of a receiver in the event of default by the Companies under the Security.
9. The financial performance of the Companies began to deteriorate in 2018 which prompted RBC to transfer the management of the Company’s accounts to the Bank’s

Special Loans and Advisory Services unit on January 16, 2019. This was also in part as a result of the Companies failing to meet specific reporting requirements as set out in the loan and security instruments held by the Bank.

10. On February 6, 2019, RBC met with the Companies management at which time it was agreed that 194 would list the Real Property for sale.
11. On February 14, 2019 RBC made written demand for payment on the Companies to satisfy the Manray RBC Indebtedness and the 194 RBC Indebtedness (collectively, the “RBC Indebtedness”). Along with its demands, RBC delivered to the Companies Notices of Intention to Enforce Security (“NITES”) in accordance with s. 244 of the *Bankruptcy and Insolvency Act* (“BIA”)
12. On March 21, 2019, RBC’s lawyer was advised that the Real Property was listed for sale with an expectation that a transaction would be completed before the end of summer 2019. For the remaining of 2019, the Companies failed to comply with their financial reporting obligations and failed to dispose of any assets to reduce the RBC Indebtedness as agreed.
13. On March 25, 2019, RBC’s lawyer advised legal counsel for the Companies that RBC would be prepared to enter into a forbearance agreement if certain financial documentation were provided.
14. On May 6, 2019, draft forbearance agreements were provided to counsel of the Companies and on May 10, 2019, the Companies’ legal counsel advised RBC’s lawyer that the Companies would not sign the forbearance agreement.
15. The Companies ceased making deposits into the RBC operating accounts on or around May 21, 2019.
16. On or about August 9, 2019, the Companies’ legal representative declined to accept the appointment of RBC’s consultant and on August 13, 2019, RBC’s lawyer provided clear dates for the delivery of specific information to update RBC on the Companies’ refinancing efforts, the payment of amounts in arrears to RBC and various financial reporting requirements. The Companies failed to respond to this request.

17. On September 9, 2019, RBC therefore brought an application for the appointment of MNP Ltd. (“MNP”) as the receiver of the Companies for the protection of the interests of RBC and other stakeholders.
18. By Order of this Honourable Court dated September 17, 2019 (the “Receivership Order”), MNP was appointed receiver (the “Receiver”), without security, of all of the assets, undertakings and properties of Companies used in relation to their businesses, including all proceeds thereof (the “Property”). A copy of the Receivership Order is attached at Appendix “1”.

PURPOSE OF THIS REPORT

19. The purpose of this first report of the Receiver to the Court (the “First Report”) is to:
 - (a) report on the activities of the Receiver since its appointment pursuant to the Receivership Order;
 - (b) seek the Court’s approval of the activities and conduct of the Receiver and that of its legal counsel as described in the First Report;
 - (c) seek the Court’s approval for the proposed refinancing of the Real Property as describe in paragraphs 42 to 47 below (the “Refinancing Transaction”);
 - (d) seek the Court’s approval for the Receiver to discharge the RBC mortgage (the “Mortgage”) against title to Real Property upon receipt of the refinancing proceeds from the Refinancing Transaction; and
 - (e) seek the Court’s approval in respect of an interim distribution to RBC in the amount of \$424,479.70 on account of its Mortgage and first-ranking secured claim.
20. All amounts referred to in the First Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

21. This report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.
22. In preparing this First Report, the Receiver has relied upon information from third party sources (collectively, the “Information”). Certain of the information contained herein

may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

INITIAL RECEIVERSHIP ACTIVITIES

23. Immediately following the granting of the Receivership Order on September 17, 2019 (the "Receivership Date"), the Receiver attended at the Real Property to take possession of and secure the Real Property and Property. The initial activities of the Receiver included:

- (a) attending at the Real Property, which is simply a shell and uninhabitable;
- (b) obtaining proof of insurance from the Director;
- (c) instructing Manray's bank, Bank of Montreal ("BMO"), to freeze Manray's operating bank accounts and to forward remaining funds to the Receiver;
- (d) collecting \$81,785.27 from BMO on account of Manray's funds or deposit with BMO;
- (e) meeting with Manray's management to discuss the plans for the receivership administration, including determining which of Manray's employees should be retained to assist the Receiver with collection of accounts receivable, completion of various contracts, updating and maintaining of accounting records, preparation of payroll and tax returns, and other administrative duties;
- (f) collecting relevant information from the books and records of Manray;
- (g) contacting the external consultant who prepared the Companies financial reporting;
- (h) reviewing the Companies' books and records to determine the status of equipment, vehicles and art;

- (i) reviewing Manray's books and records to identify priority claims and any third-party claims, including demands for repossession of goods pursuant to section 81.1 of the BIA;
- (j) responding to creditor inquiries; and
- (k) preparing and issuing the prescribed notices and statements of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA, which were sent to the Companies creditors. A copy of this notice is attached at **Appendix "2"**.

COLLECTION OF ACCOUNTS RECEIVABLE

- 24. On the Receivership Date, Manray had various accounts receivable related to ongoing construction projects and other services reported to be \$1,600,945.84 and holdback receivables of \$624,256.89. A copy of the accounts receivable and holdback lists are attached at **Appendix "3"**.
- 25. The Receiver contacted the Companies' external accountant to request copies of invoices, contracts, project draw reports and any other documents to support the outstanding accounts receivable.
- 26. On October 1, 2019, the external accountant provided a revised accounts receivable list reducing the amounts owing to Manray to \$1,319,123.10.
- 27. The total reduction in the accounts receivable is \$281,822.74 of which \$182,743.94 relates to cheques issued by Bassi Construction LP. The Receiver has collected and deposited this payment.
- 28. The Director and the external account advised the Receiver that the remaining amount of \$99,078.80 is on account of manual adjustments to the books and records to reflect what the Director believes the accounts receivable should be. The Receiver has not received any supporting documents for these adjustments.
- 29. To date, the Receiver has collected \$182,743.94 in accounts receivable.
- 30. The Receiver has not sent out letters of direction to the remaining accounts receivable customers and holdback receivables given the proposed Refinancing Transaction and possibility of the RBC Indebtedness and priority payables being paid in full.

31. Furthermore, typical in construction-based companies, once the letters of direction are issued, customers typically claw back the amounts owing for various reasons such as the costs to complete the projects, ongoing project deficiencies and potential warranty claims.
32. The trade accounts payable were \$1,419,520.41 as at the Receivership Date and the Receiver is not aware if any of the projects have been liened by the trade accounts payable. A copy of the accounts payable is attached it Appendix "4".
33. In the event that the Refinancing Transaction is not approved by the Court or does not close, the Receiver will issue the accounts receivable redirection letters and attempt to realize on the holdback receivables.

INVENTORY

34. The Director advised the Receiver that neither of the Companies had any inventory. The Receiver attended the Real Property and confirmed that there was no inventory on site.

FIXED ASSETS

35. The Receiver has not taken possession of the Companies' assets. However, we have reviewed the financial reporting provided by representatives for the Companies and have confirm the following assets:
 - a) Real Property, currently listed for sale with Royal LePage Team Realty with a listing price of \$1,150,000;
 - b) Equipment, having a cost value of \$150,000;
 - c) 2008 Dodge Ram truck, having a cost value of \$60,142.43; and
 - d) Art, having a cost value of \$41,549.76.
36. The Company acquired the Real Property on June 28, 2016 for \$575,000. A copy of the parcel register for the Property and the Mortgage are attached at Appendix "5".
37. On June 27, 2019, representatives for the Companies engaged Mclean, Simon & Associates (Ottawa) to provide an appraisal of the Real Property. The appraisal values the Real Property to be in the range of \$900,000 based on a direct comparison approach

and under the income approach to be \$815,000. Attached at **Appendix “6”** is a copy relevant parts of the appraisal.

38. The appraisal also confirms that the 2016 MPAC assessment for the Real Property was \$500,000 (page 8 of the appraisal report).
39. The Receiver inquired as to the location of the Companies’ equipment and the Director advised the Receiver that the equipment was sold to Aerloc Industries for \$100,000.00 on March 1, 2019. The Director further advised that the amount was yet to be paid and the external accountant advised the Receiver that he was not aware of the transaction and accordingly it was not reflected in the books and records of Manray. Attached at **Appendix “7”** is a copy of the sales invoice and the Manray general ledger report noting the cost value of the Manray assets and that the proposed sale was not recorded.
40. The Companies’ remaining vehicle is a 2008 Dodge Ram having a cost value of \$60,142.43. In December 2018, Manray transferred a Hummer to the Director and applied the net book value of that vehicle to increase the advances to shareholder. Attached at **Appendix “8”** is a copy of the general ledger report and vehicle ownership.
41. Manray purchased various art pieces for a total cost of \$41,549.76. Representatives for the Companies solicited interest from an art gallery which offered \$6,500.00 for one piece of art which Manray paid \$30,146.76 (see Appendix 6). Manray has not accepted the offer. The remaining art has not been offered for sale. Details of all of the art pieces is contained at **Appendix “9”**.

THE REFINANCE TRANSACTION

42. The Director recently confirmed that he believed the Companies could secure refinancing in order to fully repay the RBC Indebtedness, but that such refinancing would require RBC to discharge its Mortgage from title to the Real Property.
43. RBC confirmed that it was open to the Refinancing Transaction so long as it provided for the following:
 - a) The Refinancing Transaction would have to be completed through the Receivership and approved by the Court;

- b) The RBC Indebtedness, including all fees, disbursements and HST incurred by RBC, would have to be repaid in full as part of the said transaction;
 - c) The Companies and the Director would need to provide whatever evidence was required by the Receiver to demonstrate that all priority payables, including remittances on account of HST and source deductions, were current, and would be kept current going forward;
 - d) The Companies and the Director would need to be able to demonstrate that the Refinancing Transaction would result in sufficient funds to fully repay the RBC Indebtedness, all priority payables and all receivership costs through to the discharge of the Receiver, and provide the Receiver with whatever information and evidence it required to confirm the same; and
 - e) RBC would discharge its Mortgage if all amounts owing pursuant thereto, being the principal amount of \$400,000.00, plus its fees, disbursements and HST, were forthwith paid to the Bank as a condition of closing.
44. 194 has obtained a mortgage loan commitment from Ottawa-Carleton Mortgage Inc. (the “Mortgage Commitment Letter”) in the amount of \$600,000 to refinance the Real Property. The net amount available under the Mortgage Commitment is expected to be \$576,000.
45. The Director has also obtained a letter from Shilja Verma (“Verma”) who is prepared to fund a further \$65,000 in to ensure that the Receiver has enough funds to satisfy the RBC indebtedness in full including all fees and expenses of RBC and the Receiver.
46. The Mortgage Commitment Letter and the Verma letter are attached an **Appendix “10”**.
47. The Receiver’s Statement of Receipts and Disbursements (attached at Appendix 17) referred to below suggests that there are sufficient funds on hand to close the Refinancing Transaction in accordance with the conditions set out by RBC and the Receiver as outlined above.

ONGOING OPERATIONS

48. The Receiver has not operated the Company since its appointment.

PRIORITY AND SECURED CLAIMS

Priority Claims

49. The Receiver reviewed the books and records of Manray and identified priority claims totaling approximately \$6,526.73 for employee source deductions. Attached at **Appendix "11"** is an email from the external accountant confirming the amounts owing for employee source deductions.
50. The books and records of the Companies indicate that \$48,075.32 is owing for HST by Manray and \$2,501.38 by 194. On October 7, 2019, the Director paid the amounts for the period ending June 30, 2019. Attached at **Appendix "12"** is a copy of the Manray June 30, 2019 notice of assessment and proof of payment made on October 7, 2019 for both accounts.
51. The Receiver has reviewed the Manray records and the period July 1, to September 30, 2019 for HST was filed on October 8, 2019 and reports a balance due of \$16,827.49. Attached at **Appendix "13"** is a copy of the online filing.

Secured Claims

52. Legal counsel for the Receiver has prepared and provided the Receiver with a legal opinion regarding the validity and enforceability of the security held by RBC, a copy of which is attached hereto at **Appendix "14"** for Manray and at **Appendix "15"** for 194.
53. Based on the legal opinion, it appears that RBC's security is valid and enforceable as against the Property and the Real Property. In particular, RBC's Mortgage is a first-ranking mortgage in the principal amount of \$400,000.00, which encumbers title to the Real Property.
54. RBC provided the Receiver with an updated statement of account in respect of the Company's indebtedness to RBC as of October 3, 2019. As of this date, the outstanding balance to RBC was \$399,024.92 plus ongoing interest, and legal costs for 194 and \$371,751.50 plus ongoing interest, and legal fees for Manray. RBC recently confirmed that to date it has incurred legal fees, disbursements and HST totaling \$24,479.70. The RBC statements of account is attached at **Appendix "16"**.

55. It is a condition of the Refinancing Transaction that RBC discharge its Mortgage to permit the Companies' new lender to register a first-ranking mortgage on title to the Real Property. RBC is prepared to do so on the condition that the conditions of the Refinancing Transaction as set out above are observed and that the principal amount of its Mortgage, along with the costs incurred by it, be paid given that its Mortgage security ranks in priority to any other claim.
56. In light of the foregoing, the Receiver will therefore be seeking the authorization of the Court to make an interim distribution to RBC in the amount of \$424,479.70 to be applied against the 194 RBC Indebtedness.
57. Manray is leasing a 2018 Land Rover Sport and the PPSA registration is dated June 20, 2018. Given that this is a lease, the vehicle is not property of Manray and the Receiver has not taken possession or control of this vehicle.
58. The above legal opinions and the Application Record (which contains the PPSA search results) confirm that RBC is the first-ranking secured creditor of the Companies, and which registered its security interest on August 14, 2008 for Manray and on December 21, 2016 for 194 in priority to all other secured creditors.

FUNDS AVAILABLE FOR DISTRIBUTION

59. A copy of the Receiver's Interim Statement of Receipts and Disbursements ("**Interim Statement**") is attached hereto at **Appendix "17"**. It confirms that receipts exceed disbursements by \$264,529.21 to the date of this report.
60. The Interim Statement reflects the proposed Refinancing Transaction and eventual settlement of the RBC Indebtedness.
61. Considering the foregoing, the Receiver recommends making a distribution to RBC in the amount of \$424,479.70 and for the Receiver to hold the remaining amounts until the next report to the Court is filed.

PROFESSIONAL FEES

62. Pursuant to paragraph 16 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel 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.

63. Pursuant to paragraph 18 of the Appointment Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.

64. The fees and disbursements of the Receiver will be filed in the next report to the Court.

COMPLETION OF THE RECEIVERSHIP

65. The Receiver will attempt to close the Refinancing Transaction and report back to Court upon its completion. In the event the Refinancing Transaction does not close, the Receiver will resume the liquidation of the Companies' assets and collection of accounts receivable.

SUMMARY AND RECOMMENDATIONS

66. In the event the Refinancing Transaction is closed, it will satisfy the claims of RBC and CRA. It will also allow for the Companies to resume normal operations and continue to complete various construction projects now on hold.

67. Furthermore, the resumption of normal operations will allow the Companies to settle the ongoing unsecured claims from the collection of accounts receivable and holdback receivable.

68. For the reasons outlined above, the Receiver respectfully recommends that this Court grant the Receiver's request for an Order, amongst other things:

- (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;
- (b) Approving the Receiver's First Report, and the activities and conduct of the Receiver and of its legal counsel since its appointment, all as recited in the First Report;
- (c) Approving the Refinancing Transaction; and

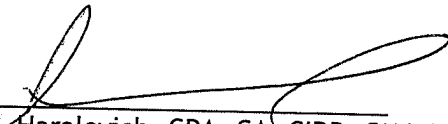
- (d) Approving the discharge of the RBC Mortgage from title to the Real Property upon receipt of the refinancing proceeds, and approving a distribution to RBC in the amount of \$424,479.70.

This First Report is respectfully submitted to the Honourable Court as of this 8th day of October 2019.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Manray Glass and Aluminum Inc. and 1948387 Ontario Ltd.
and not in its personal or corporate capacity

Per:



John P. Haralovich, CPA, CA, CIRP, CMA
Senior Vice President

3

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.
of the City of Ottawa, in the Province of Ontario**

THE HONOURABLE) **TUESDAY, the 15TH DAY**
)
MADAM JUSTICE SALLY GOMERY) **OF OCTOBER, 2019.**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.

Respondents

ORDER

THIS MOTION, made by MNP Ltd. as Court-Appointed Receiver (the "Receiver") of the Respondents for, amongst other relief, an Order approving the activities and conduct of the Receiver, was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario.

ON READING the Motion Record filed on behalf of the Receiver, including the first report of the receiver dated October 8, 2019 (the "First Report") and the Factum and Authorities filed by the Receiver, and upon hearing the submissions of counsel for the Receiver, counsel for the Respondents and counsel for the Canada Revenue Agency, no one appearing for any of the other interested parties although duly served as appears from the Affidavit of Service of Roxanne Chapman sworn on October 9, 2019, filed,

SERVICE

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Notice of Motion and the Receiver's First Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

RECEIVER'S FIRST REPORT

2. **THIS COURT ORDERS AND DECLARES** that the Receiver's First Report is hereby approved and that the activities and conduct of the Receiver and that of its legal counsel as set forth in the First Report are hereby ratified and approved.

REFINANCING TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Refinancing Transaction (as defined in the First Report) is hereby approved and the execution of any documents related to the Refinancing Transaction by the Receiver and the Respondents is hereby approved. The Receiver and the Respondents are 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 Refinancing Transaction in the manner set forth in the First Report.

SECURED/PRIORITY CLAIMS AND DISTRIBUTIONS

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to pay a distribution to Royal Bank of Canada in the amount of \$777,968.11 (plus a *per diem* of \$103.06 from October 15, 2019) from the proceeds of the Refinancing Transaction in full and final payment of its secured ~~and~~ ^{AS} unsecured claims in respect of the Respondents, the Property and the Real Property (as these terms are defined in the First Report).

5. THIS COURT ORDERS AND DIRECTS the Receiver to pay a distribution to the Canada Revenue Agency in the amount of \$16,827.49 on account of its deemed statutory trust claim in respect of unremitted HST.

ENTERED AT OTTAWA INSCRIT A OTTAWA	
ON/LE	OCT 15 2019
DOCUMENT #	0411
IN BOOK NO. 73-13	
AU REGISTRE NO. 73-13	



THE HONOURABLE MADAM JUSTICE SALLY GOMERY

ROYAL BANK OF CANADA

Applicant

and MANWAY GLASS AND ALUMINUM et al.

Respondents

Court file no. CV-19-00081336-0000

SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-
APPOINTED RECEIVERSHIP OF
MANWAY GLASS AND ALUMINUM INC.
and 1948387 ONTARIO LTD.**

Proceeding commenced at Ottawa

ORDER

MARTIN Z. BLACK
Barrister & Solicitor
Suite 102, 1770 Courtwood Crescent
Ottawa, ON K2C 2B5

Phone: (613) 722-0015
Fax: (613) 722-5932
LSO No.: 21214G

Solicitor for the Respondents

4

Properties

PIN 04232 - 0030 LT
 Description LTS 60 & 61 & PT LT 62, PL 246 , AS IN NS273496 ; VANIER/GLOUCESTER
 Address 255 STE. ANNE
 OTTAWA

Document to be Discharged

Registration No.	Date	Type of Instrument
OC1799916	2016 06 28	Charge/Mortgage

Discharging Party(s)

This discharge complies with the Planning Act. This discharge discharges the charge.

Name ROYAL BANK OF CANADA
 Address for Service 1 Place Ville-Marie
 2nd Floor East Wing
 Montreal, Quebec
 H3C 3A9

I, , and I,, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Signed By

Ryan Joshua Darroch	700-427 Laurier Ave. West Ottawa K1R 7Y2	acting for Applicant(s)	Signed	2019 10 21
---------------------	--	----------------------------	--------	------------

Tel 613-236-0111

Fax 613-238-8507

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

SOLOWAY, WRIGHT (2)	700-427 Laurier Ave. West Ottawa K1R 7Y2	2019 10 21
---------------------	--	------------

Tel 613-236-0111

Fax 613-238-8507

Fees/Taxes/Payment

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

File Number

Discharging Party Client File Number : 50028-1083

5

**MNP LTD., RECEIVER RE:
MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO INC.**

**FINAL STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD SEPTEMBER 17, 2019 TO NOVEMBER 6, 2019**

Receipts:

Cash on hand	\$ 81,785
Collection of accounts receivable	182,744
Refinance transaction proceeds	568,300
Third party funds	65,000
Other refunds	-
	<u>897,829</u>

Disbursements:

Filing fee	70
License fee	311
Consultant	559
Legal fees	4,294
HST paid	16,828
Payment to secured creditor	778,071
	<u>800,133</u>

Excess of Receipts over Disbursements **\$ 97,696**

Represented by:

Projected Legal Fees and Disbursements	(18,950)
Projected Receivership fees	(29,960)
Projected funds to be returned to the Debtor	(48,786)
	<u>(97,696)</u>

Projected Contingency Surplus **\$ -**

6

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.

Respondent

**AFFIDAVIT OF JOHN HARALOVICH
(sworn on November 6, 2019)**

I, John Haralovich, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President of MNP LTD. ("**MNP**"), the Licensed Insolvency Trustee ("**LIT**" or "**Receiver**") of Manray Glass and Aluminum Inc. and 1948387 Ontario Ltd. (the "**Debtors**"). As such, I have knowledge of the matters to which I hereinafter depose except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief verily believe such information to be true.
2. MNP was appointed as Receiver of the property of the Debtors by way of Court Order dated September 17, 2019.
3. Attached hereto as **Exhibit "A"** are the detailed ledgers of the Receiver for the period of September 26, 2019 to November 6,, 2019 in the amount of \$26,513.00 plus HST of \$3,446.69, totalling \$29,959.69.

4. The following table further summarizes the LIT involved and other staff used by MNP as noted in Exhibit "A" by work completed by each MNP professional, group classification with MNP, the hours worked by each professional, along with the amounts and the effective hourly rates charged for each professional:

Professional	Position	Hours Invoiced	Amount Invoiced (excluding HST)	Effective Hourly Rate
John Haralovich	LIT, Partner	63.0	\$25,200.00	\$400.00
Insolvency Staff	Estate Technicians	<u>10.1</u>	<u>\$1,313.00</u>	<u>\$130.00</u>
Total		73.1	\$26,513.00	\$362.70


5. The work completed in this matter which is described in Exhibit "A" and the First Report and Final Report of the Receiver includes the following:

- Attending the known operating location;
- Locating the new bank account opened by the Debtors and seizing those funds;
- Obtaining the required books and records to support the accounts receivable reported by the Debtors;
- Reviewing details of accounts receivable and holdbacks due;
- Reviewing the books and records of the Debtors and determining the disposition of assets;
- Working with representatives for the Debtors to complete the Refinancing Transaction;
- Investigating the liquidation of assets prior to the receivership appointment; and
- Corresponding with representatives for Canada Revenue Agency to file the prescribed HST and employee source documents.

6. As a result of the above efforts, MNP was able to achieve a gross realization of \$897,829 as noted in Appendix 5 of the Final Report of the Receiver. The net realization in this matter, resulted in stakeholders fully recovering on their secured claims, namely the Royal Bank of Canada and the Canada Revenue Agency. Further, the projected surplus proceeds that the Receiver is seeking to be distributed to the Debtors will permit the Debtors to continue with their operations following the discharge of the Receiver

7. The above rates charged by MNP throughout the course of these proceedings are standard and comparable to the rates charged by other LIT firms in the Ottawa market for the provision of similar services.

8. This affidavit is sworn in support of a motion to, inter alia, approve the attached account of MNP and the fees and disbursement detailed therein, and for no improper purpose.

SWORN BEFORE me at the City of Ottawa in)
the Province of Ontario)
this 6th day of November, 2019)
)
_____)
A Commissioner for Taking Affidavits, etc.)


_____)
JOHN HARALOVICH

Sandra Elizabeth Dilio
A Commissioner, etc.,
Province of Ontario, For MNP Ltd.
Expires July 29, 2022

**This is Exhibit "A" referred to in the Affidavit of John Haralovich
sworn Novmeber 6th, 2019**



Commissioner for Taking Affidavits (or as may be)

Sandra Elizabeth Dilio
A Comissioner, etc.,
Province of Ontario, For MNP Ltd.
Expires July 29, 2022

Manray Glass and Aluminum Inc. and 1948387 Ontario LTD.					
Summary of WIP					
Date	Description	Units		Amount	Notes

Licensed Insolvency Trustee

17-Sep-2019	John Haralovich	4.50	400.00	\$ 1,800.00	attend court, attend site, call director, send email of list of information
20-Sep-2019	John Haralovich	3.50	400.00	1,400.00	prepare for intial meeting, update RBC
23-Sep-2019	John Haralovich	3.50	400.00	1,400.00	work on review of records provided
24-Sep-2019	John Haralovich	3.80	400.00	1,520.00	review AR reporting, HST summary reports
25-Sep-2019	John Haralovich	1.20	400.00	480.00	prepare email to accountant
27-Sep-2019	John Haralovich	2.40	400.00	960.00	issue notice of receiver, 245/246 notice
27-Sep-2019	John Haralovich	.90	400.00	360.00	review information from accountant
29-Sep-2019	John Haralovich	.90	400.00	360.00	send responses to M. Black and to accountant
01-Oct-2019	John Haralovich	2.80	400.00	1,120.00	review of information, send email responses, call with A. Ducasse
02-Oct-2019	John Haralovich	3.30	400.00	1,320.00	call with Amanda, review emails, look at support from the account, send email to Andre Ducasse, send HST source infromation
03-Oct-2019	John Haralovich	2.80	400.00	1,120.00	call with Andre, Call with CRA, review emails, review sale of equipment
04-Oct-2019	John Haralovich	3.10	400.00	1,240.00	meeting with Paul, call with Sandy and Andre, review numbers for settlement
07-Oct-2019	John Haralovich	3.80	400.00	1,520.00	work on report to the court, call with Andre
08-Oct-2019	John Haralovich	7.50	400.00	3,000.00	work on report to the court
09-Oct-2019	John Haralovich	2.40	400.00	960.00	complete report to the court
10-Oct-2019	John Haralovich	1.80	400.00	720.00	call with Andre, review materials and emails
11-Oct-2019	John Haralovich	1.20	400.00	480.00	various calls related to court appearance
15-Oct-2019	John Haralovich	2.10	400.00	840.00	attend court regarding first report, review emails from various lawyers, call with RBC
28-Oct-2019	John Haralovich	1.60	400.00	640.00	start second report to the court
30-Oct-2019	John Haralovich	2.10	400.00	840.00	work on second report to the court
31-Oct-2019	John Haralovich	.40	400.00	160.00	review of reporting information
04-Nov-2019	John Haralovich	1.60	400.00	640.00	work on court report
05-Nov-2019	John Haralovich	2.80	400.00	1,120.00	complete report to the court
Closing	John Haralovich	3.00	400.00	1,200.00	Closing of file, complete 246(3)
	Total	63.0		25,200.00	

Insolvency Technicians

17-Sep-2019	James De Salis	.20	130.00	26.00	Setting up client in MPM & Ascend
17-Sep-2019	James De Salis	.20	130.00	26.00	Request to open RBC account
19-Sep-2019	James De Salis	.40	130.00	52.00	Setup new bank account
20-Sep-2019	Jesse Baker	.60	130.00	78.00	Unpacking of Sage file and Checking Reports
23-Sep-2019	Jesse Baker	.30	130.00	39.00	Reports run for JH
27-Sep-2019	James De Salis	.40	130.00	52.00	Creating Initial Interview
27-Sep-2019	James De Salis	.20	130.00	26.00	Updating liabilities
27-Sep-2019	James De Salis	.30	130.00	39.00	Update liabilities
02-Oct-2019	Sandra Dilio	1.00	130.00	130.00	Mailing to creditors
02-Oct-2019	James De Salis	.30	130.00	39.00	Setup banking, cheque payment
03-Oct-2019	Sandra Dilio	1.50	130.00	195.00	Complete mailing to creditors
03-Oct-2019	James De Salis	.20	130.00	26.00	Deposit cheque received
04-Oct-2019	James De Salis	.40	130.00	52.00	2 cheques & balance confirmation
07-Oct-2019	James De Salis	.40	130.00	52.00	Complete banking for the period and reporting
07-Oct-2019	James De Salis	.40	130.00	52.00	Dealing with banking issues and reporting to JH
07-Oct-2019	James De Salis	.30	130.00	39.00	Requesting wire-transfer
08-Oct-2019	James De Salis	.40	130.00	52.00	Transferring funds to correct account
08-Oct-2019	James De Salis	.40	130.00	52.00	Confirming some things with Versa, verifying money transfer
10-Oct-2019	James De Salis	.40	130.00	52.00	Work on deposits and reporting to JH
15-Oct-2019	James De Salis	.40	130.00	52.00	Report wire transfer
16-Oct-2019	James De Salis	.90	130.00	117.00	Cheques for legal fees, consulting fees, court order
17-Oct-2019	Angela Liu	.30	130.00	39.00	Prepare cover letter and courier the letter with cheque to RBC; email to J. Haralovich to advise
31-Oct-2019	James De Salis	.20	130.00	26.00	Cheque payment to RBC
	Total	10.1		1,313.00	

\$ 26,513.00

7

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.
of the City of Ottawa, in the Province of Ontario**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

MANRAY GLASS AND ALUMINUM INC. and 1948387 ONTARIO LTD.

Respondents

**AFFIDAVIT OF ROXANNE CHAPMAN
(sworn on November 6, 2019)**

I, Roxanne Chapman, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

- 1) I am a legal assistant with the law firm of Soloway Wright LLP ("SW"), the lawyers for the Court-Appointed Receiver, MNP Ltd. (the "Receiver"), and have assisted with the carriage of this matter. As such, I have knowledge of the matters to which I hereinafter depose except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief and verily believe such information to be true.
- 2) For convenience, defined terms in this affidavit have the same meaning as defined terms in the Receiver's second and final report to the Court dated November 6, 2019 (the "Second Report").

3) Attached hereto as **Exhibit "A"** are true copies of the invoices issued by SW for fees and disbursements incurred during the course of the within proceeding to the period ending November 6, 2019. The attached invoices are summarized as follows:

Invoice Date	Fees	Disbursements	HST	Total
October 8, 2019	\$3,800.00	\$0.00	\$494.00	\$4,294.00
November 6, 2019	\$10,160.00	\$349.00	\$1,322.36	\$11,831.36
TOTAL	\$13,960.00	\$349.00	\$1,816.36	\$16,125.36

4) By way of brief summary, I have been advised by Andre Ducasse, a partner with SW with primary carriage of this matter, and I verily believe that the work completed by him in this matter and which is described in the invoices attached at Exhibit "A" includes the following:

- a) Various communications with the Receiver regarding issues in respect of ongoing receivership proceedings and advice regarding same, including, amongst other things, collection of accounts receivable, the Refinancing Transaction, priority payables, financial information and reporting from the Companies and reviewing same, various dealings and communications with counsel for the parties, Court attendances and material in support thereof;
- b) Reviewing claims and documents of secured creditor and drafting security opinion regarding same;
- c) Various communications with counsel for the parties involved in the Refinancing Transaction, including counsel for the lender, the Companies and CRA, and reviewing various communications and documents in respect of Refinancing Transaction;
- d) Drafting and revising motion material in respect of October 15, 2019 and November 13, 2019 Court attendances, including Receiver's reports, notices of motion, factum and authorities and Court Orders;
- e) Various correspondence to and from counsel for the parties regarding Court attendances and proposed Court Orders regarding same and amounts owing to secured and priority creditors and reviewing documents regarding same;

This is Exhibit "A" referred to in the Affidavit of Roxanne Chapman sworn November 6, 2019



Commissioner for Taking Affidavits (or as may be)

**Soloway
Wright** | lawyers

Soloway Wright LLP
700 - 427 Laurier Avenue West
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880
F: 613.238.8507
www.solowaywright.com

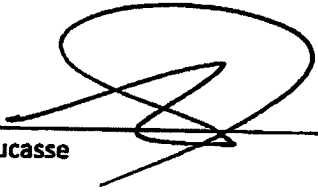
John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

October 8, 2019
Our File # 52064-01005
Invoice # 308035
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: RECEIVERSHIP OF MANRAY GLASS & ALUMINUM INC.

Our Fee Herein		\$ 3,800.00
Total Disbursements		\$.00
HST on Fees - 13.00%	\$ 494.00	
Total Taxes		<u>\$ 494.00</u>
Total Account		<u><u>\$ 4,294.00</u></u>



André Ducasse
(0092)

E. & O.E.

**TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT,
INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR
DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.**

John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

October 8, 2019
Our File # 52064-01005
Invoice # 308035
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: RECEIVERSHIP OF MANRAY GLASS & ALUMINUM INC.

FEES

Date	AD	Description of Service Rendered	Hours
9/19/19	AD	Correspondence from and to J. Haralovich re: exchanges and requests to debtors' accountant and reviewing responses thereto and documents re: same.	.20
9/20/19	AD	Report from J. Haralovich re: recent developments re: receivership proceedings and next steps re: same.	.10
9/20/19	AD	Correspondence from J. Haralovich re: recent developments in respect of receivership proceedings and next steps re: same.	.10
9/23/19	AD	Correspondence from and to J. Haralovich re: status of recovery of accounts and funds.	.10
9/24/19	AD	Correspondence from J. Haralovich re: recent developments re: receivership proceedings and reviewing same.	.20
9/25/19	AD	Correspondence to and from S. Viikna and J. Haralovich re: recent developments and next steps re: receivership proceedings; telephone attendance with J. Haralovich re: same.	.40
9/27/19	AD	Telephone attendance with J. Haralovich re: recent correspondence from debtor's counsel re: proposed refinancing and discharge of receiver and proposed response thereto; emails to counsel re: same.	.50
9/30/19	AD	Correspondence from J. Haralovich re: various missing financial information and disclosure required for administration of ongoing receivership.	.20
10/01/19	AD	Discussions with lender's counsel re: status of refinancing and next steps re: same; telephone attendance with J. Haralovich re: same and issues re: receivership proceedings.	.50

Invoice #: 308035
 RECEIVERSHIP OF MANRAY GLASS & ALUMINUM

October 8, 2019

Date	AD	Description of Service Rendered	Hours
10/01/19	AD	Reviewing various emails from and to J. Haralovich and accountant and debtor re: various financial issues and information.	.50
10/02/19	AD	Emails from and to J. Haralovich re: recent developments and potential payout of facilities and settlement of CRA claims and reviewing same; email from debtor's counsel re: same; email to S. Viikna and J. Haralovich re: same and payouts.	.50
10/03/19	AD	Various calls and emails with counsel for debtor, CRA, lender and J. Haralovich re: proposed refinancing, priority payables and ongoing receivership proceedings; correspondence to Court re: Court attendance; email to J. Haralovich re: same.	1.50
10/04/19	AD	Calls with J. Haralovich re: receivership proceedings, proposed refinancing, court attendance and next steps; emails to and from Court re: same; call with S. Viikna and J. Haralovich re: same; reviewing file re: correspondence to debtor's counsel.	2.20
10/07/19	AD	Emails from and to and calls with J. Haralovich re: priority payables and transaction; drafting and revising correspondence to debtor's counsel re: same; email to and from J. Haralovich re: same; instructions to clerk re: motion material.	2.00
10/07/19	AD	Emails with debtors' counsel re: issues re: transaction and court attendance; email from CRA re: accounts; email from and to J. Haralovich re: source of personal funds; reviewing new mortgaged commitment; email to counsel re: appraisal.	.50

Total Hours: 9.50

Our Fee Herein: \$ 3,800.00

HST on Fees - 13.00% \$ 494.00

Total Taxes \$ 494.00

Total Account \$ 4,294.00

THIS IS OUR ACCOUNT



Soloway Wright LLP
700 - 427 Laurier Avenue West
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880
F: 613.238.8507
www.solowaywright.com

John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

October 8, 2019
Our File # 52064-01005
Invoice # 308035
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 3,800.00
Total Costs	\$.00
Total Taxes	<u>\$ 494.00</u>
Total Account	<u>\$ 4,294.00</u>

To ensure proper credit to your account please return this remittance with your payment.

Please note payments can now be made by eTransfer to receivables@solowaywright.com (please include customer number 52064 in the message), or by means of the Bill Payment function of the major Canadian Banks, using customer number 52064.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

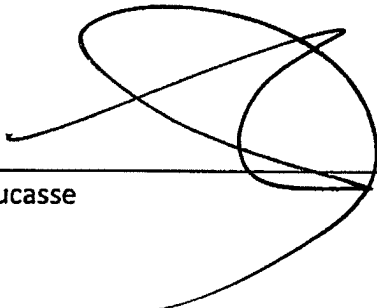
John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

November 6, 2019
Our File # 52064-01005
Invoice # 309108
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: RECEIVERSHIP OF MANRAY GLASS & ALUMINUM INC.

Our Fee Herein		\$ 10,160.00
Total Disbursements		\$ 349.00
HST on Fees - 13.00%	\$ 1,320.80	
HST on Disbursements - 13.00%	<u>\$ 1.56</u>	
Total Taxes		<u>\$ 1,322.36</u>
Total Account		<u>\$ 11,831.36</u>



André Ducasse
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT,
INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR
DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

November 6, 2019
Our File # 52064-01005
Invoice # 309108
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: RECEIVERSHIP OF MANRAY GLASS & ALUMINUM INC.

FEES

Date	Atty	Description of Services Rendered	Hours
10/08/19	AD	Reviewing appraisal and making notes re: same; emails from and to J. Haralovich re: issues re: Court report; drafting and revising notice of motion, order and factum in support of Court attendance; drafting and revising security opinions in respect of debtors; correspondence to J. Haralovich re: foregoing; drafting and revising factum and reviewing authorities to be file on motion; email from J. Haralovich re: receiver's report to the Court; drafting and revising said report.	4.80
10/09/19	AD	Drafting and revising receiver's court report, notice of motion and factum and authorities; various emails from and to and calls with J. Haralovich re: court report; correspondence to parties re: service of motion material; instructions to clerk re: same and filing material; drafting and revising proposed court order.	3.60
10/10/19	AD	Drafting and finalizing order; correspondence to debtors' counsel re: order.; correspondence to counsel for other parties re: same; telephone attendance with debtors' counsel re: draft order and issues re: same; correspondence to debtors' counsel re: same and mechanics of refinancing transaction; reviewing motion material and making notes re: same re: preparing for Court attendance; email from debtors' counsel re: proposed amendments to Court order and issues re: mechanics of transaction; telephone attendance with J. Haralovich re: same; correspondence to debtors' counsel re: response to same.	2.90

Invoice #: 309108

November 6, 2019

RECEIVERSHIP OF MANRAY GLASS & ALUMINUM

Date	Atty	Description of Services Rendered	Hours
10/11/19	AD	Reviewing file re: updated payout figures; drafting and revising order as per comments of debtors' counsel correspondence to debtors' counsel re: same; telephone attendance with debtors' counsel re: issues re: proposed transaction and ongoing receivership proceedings; correspondence to counsel for CRA re: proposed order and issues re: same; telephone attendance with J. Haralovich re: foregoing issues and issues re: order, refinancing and court attendance; call with debtors' counsel re: draft order; email from counsel for CRA re: CRA's position re: distributions; various calls with debtor's counsel, J. Haralovich and CRA's counsel re: same; researching priority issues re: mortgage and deemed statutory trust claims; email from debtors' counsel re: proposed order; email from counsel for CRA re: CRA's revised position on proposed distributions; preparing for and material for court attendance.	5.20
10/14/19	AD	Correspondence from counsel for CRA re: delivery of affidavit and reviewing same; preparing for Court attendance.	1.40
10/15/19	AD	Attendance in Court re: motion for approval of receiver's report and related relief; correspondence to parties re: service of order; consultation with J. Haralovich re: outstanding issues and next steps re: receivership proceedings; email from debtors' counsel re: accounting of funds and mechanics of transaction; call with J. Haralovich re: same; email to debtors' counsel re: same; various emails from and to debtors' counsel re: issues re: delivery and amount of payout funds; telephone attendances with debtors' counsel re: same; reports to J. Haralovich re: same.	2.10
10/16/19	AD	Telephone attendance with J. Haralovich re: receipt of mortgage funds and directions re: same; emails to and from J. Haralovich and RBC re: same; email from and to debtors' counsel re: receipt of funds and status of payment.	.40
10/17/19	AD	Correspondence from and to M. Black re: status of funds, discharge of security, discontinuing proceedings and scheduling appearance.	.20
10/18/19	AD	Email from J. Haralovich re: interim banking arrangements; email to and from M. Black re: same; telephone attendance with J. Haralovich re: foregoing and next steps in receivership proceedings.	.20
10/21/19	AD	Various emails to and from trial coordinator and receiver re: availability for Court attendance; email to counsel for CRA re: same.	.20
10/29/19	AD	Telephone attendance with M. Black re: status of CRA accounts and remittances and issues re: same.	.10
11/01/19	AD	Telephone attendance with lessor of Range Rover re: issues re: lease security and status of receivership.	.20

Invoice #: 309108
 RECEIVERSHIP OF MANRAY GLASS & ALUMINUM

November 6, 2019

Date	Atty	Description of Services Rendered	Hours
11/04/19	AD	Reviewing, revising and drafting receiver's report to the Court; call with J. Haralovich re: same; instructions to clerk re: same; email to J. Haralovich re: revised Court report; instructions to clerk draft notice of motion and order; drafting and revising notice of motion and order.	1.80
11/05/19	AD	Drafting, revising and finalizing notice of motion, order and fee affidavit; emails from and to J. Haralovich re: same.	1.70
11/06/19	AD	Drafting fee affidavit; correspondence to J. Haralovich re: fee affidavit and order; correspondence to counsel for parties re: draft order; correspondence to counsel for CRA re: status of priority payables.	.60

Total Hours: 25.40

Our Fee Herein: \$ 10,160.00

DISBURSEMENTS

Description of Costs Advanced	Amount
Motions/Orders (non taxable)	320.00
Court Run Services	12.00
Cert. Cheques/Bank Drafts (non taxable)	17.00

Total Disbursements: \$ 349.00

HST on Fees - 13.00% \$ 1,320.80

HST on Disbursements - 13.00% \$ 1.56

Total Taxes \$ 1,322.36

Total Account \$ 11,831.36

THIS IS OUR ACCOUNT

John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

November 6, 2019
Our File # 52064-01005
Invoice # 309108
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 10,160.00
Total Costs	\$ 349.00
Total Taxes	<u>\$ 1,322.36</u>
Total Account	<u>\$ 11,831.36</u>

To ensure proper credit to your account please return this remittance with your payment.

Please note payments can now be made by eTransfer to receivables@solowaywright.com (please include customer number 52064 in the message), or by means of the Bill Payment function of the major Canadian Banks, using customer number 52064.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.