

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

B E T W E E N:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

MOTION RECORD
(DISTRIBUTION, DISSOLUTION AND LIQUIDATOR DISCHARGE ORDER)
(Returnable Tuesday, August 8, 2023)

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TO: THE SERVICE LIST

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TAB 1

Court File No. CV-22-00690376-00CL

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

B E T W E E N:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

**NOTICE OF MOTION
(DISTRIBUTION, DISSOLUTION AND DISCHARGE ORDER)
(Returnable Tuesday, August 8, 2023)**

MNP Ltd. (the “**Liquidator**”) in its capacity as the court appointed liquidator of the respondent Paidiem Payment Solutions Inc. (“**Paidiem**”) will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on Tuesday, August 8, 2023 at 10:00 a.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference.

THE MOTION IS FOR:

1. an order (the “**Distribution, Dissolution and Discharge Order**”) substantially in the form of the draft order attached at TAB 3 of the motion record which, among other things

- (1) approves the Liquidator’s Second Report and the activities and actions of the Liquidator, as described herein;

- (2) approves the final fees and disbursements of the Liquidator, including the fees and disbursements of CG LLP and including the estimate of fees to complete the administration of the liquidation, as detailed herein;
- (3) approves the Liquidator's proposed distribution methodology and authorizing the distribution of funds according to same;
- (4) dissolves Paidiem, pursuant to Subsection 218(1) of the OBCA, subject to the Liquidator filing a certificate with the Court confirming that the Remaining Duties (as hereinafter defined) have been completed (the "**Discharge Certificate**");
- (5) directs the Purchaser (as hereinafter defined) to maintain custody of the documents and records of the Company in its possession for a minimum period of seven (7) years from the date of the Company's dissolution;
- (6) approves the discharge of the Liquidator subject to the Liquidator filing the Discharge Certificate; and
- (7) such other relief as the Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

4. By order dated November 23, 2022 (the "**Liquidation Order**"), Mr. Justice Cavanagh of the Commercial List of the Ontario Superior Court of Justice ordered that Paidiem be wound up pursuant to Part XVI of the *Business Corporations Act*, R.S.O. 1990, c. B.16 (the "**OBCA**") and appointed MNP Ltd. (the "**Liquidator**") to liquidate the assets of Paidiem.

(A) THE SALE OF PAIDIEM'S ASSETS

5. Pursuant to paragraph 3 of the Liquidation Order, the Liquidator marketed and sold Paidiem's assets to 14546865 Canada Inc. (now known as Paidiem Solutions Inc.) (hereinafter, the "**Purchaser**") for a total purchase price of \$3,000,000.00 pursuant

to a Stalking Horse Agreement dated December 5, 2022 and amended on January 5, 2023 (the “**Transaction**”).

7. The Transaction was approved by the order of the Honourable Justice Steele dated March 15, 2023 (the “**AVO**”) and the Transaction closed on April 24, 2023.

8. The Purchaser remitted an initial down payment towards the purchase price in the amount of \$450,000.00 leaving an amount owing on closing (after adjustments) of \$2,561,076.31.

9. In satisfaction of the balance of the purchase price, the Purchaser provided to the Liquidator an interest-bearing promissory note in the amount of \$2,561,076.31 (the “**Promissory Note**”). The Promissory Note has a maturity date of the earlier of (i) the distribution by the Liquidator of Paidiem’s funds pursuant to an order of this Honourable Court; or (ii) September 30, 2023. The payment of the purchase price by way of the Promissory Note was also approved by the AVO.

10. The Promissory Note is secured against the assets of the Purchaser.

11. The Liquidator has received from each of the preferred shareholders an irrevocable letter of direction directing the Liquidator to distribute all proceeds from the liquidation and wind-up of Paidiem (the “**Directed Funds**”) to Purchaser’s counsel, Denton Canada LLP (“**Dentons**”).

12. The Purchaser has agreed to pay the balance owing on the Promissory Note with a sufficient amount of the Directed Funds.

(B) THE REVOLVING LOAN TO THE PURCHASER

13. Upon the closing of the Transaction, the Liquidator provided an interest bearing revolving loan to the Purchaser (the “**Revolving Loan**”) which loan is secured against the Purchaser’s Assets.

14. The Purchaser has agreed to redirect a sufficient amount of the Directed Funds to the Liquidator to pay the balance owing on the Revolving Loan.

(C) **THE CLAIMS PROCEDURE AND OUTCOME**

16. Sections 23 through 38 of the Liquidation Order established a claims procedure (the “**Claims Procedure**”).

17. Pursuant to the Claims Procedure, the Liquidator sent each person identified in Paidiem’s books and records as having a claim or owing shares of Paidiem a Notice of Claim advising the person of (i) the amount shown in Paidiem’s books and records as being owed to that person; (ii) and the number of shares shown in Paidiem’s books and records as being owned by that person.

18. Additionally, the Claims Procedure states that “any Person who receives a Notice of Claim that intends to assert a Claim that is different from the Claim set out in the Notice of Claim shall deliver a Proof of Claim, together with all relevant supporting documentation in respect of the Claim, to the Liquidator on or before the Claims Bar Date”.

19. The Liquidator delivered a Notice of Claim to every known creditor and shareholder of Paidiem as reflected in its books and records.

20. The Liquidator received Proofs of Claim from the following four creditors:

- Business Development Bank of Canada (“**BDC**”);
- David Robertson;
- Shift 8 Inc.; and
- MNP LLP.

21. BDC was Paidiem’s only secured creditor. The Liquidator paid its claim in full and the distribution in that regard was approved by the Ancillary Order of the Honourable Justice Steele dated March 15, 2023.

22. The Liquidator disallowed the claim by MNP LLP for having been filed after the Claims Bar Date established by the Liquidation Order.

23. The Liquidator resolved the claims of Robertson and Shift 8 Inc. pursuant to the authority granted to it by section 26 of the Liquidation Order.

PROPERTY AVAILABLE AND TO BE AVAILABLE FOR DISTRIBUTION

24. The following Property is currently available for distribution:

- (1) the monies held in bank accounts totaling approximately \$662,170.00, plus interest, but subject to the Liquidator's Reserve (as such term is later defined) (collectively, the "**Net Cash**");
- (2) the Promissory Note in the principal amount of \$2,561,076.36, plus interest that resulted from the Transaction; and
- (3) the Revolving Loan in the principal amount of \$450,000, plus interest.

25. In addition to the above, the following Property is anticipated to be realized recovered/realized:

- (1) a HST refund associated with 2023 period (currently an annual filer), including the write off of accounts receivable and the recovery of HST previously remitted – estimated to total to approximately \$50,000;
- (2) refunds associated with the SRED tax credits to be claimed – estimated to amount to approximately \$80,000; and
- (3) Interest earned on the Net Cash.

(collectively, the "**Additional Recoveries**")

26. In connection with realizing on the Additional Recoveries, the Liquidator intends to file an election with CRA to change the reporting period from annual to monthly in order to accelerate the collection of the HST refunds. Additionally, the

Liquidator is working with Management and MNP LLP to coordinate and expedite the filing of the SRED tax credit claim.

(D) PROFESSIONAL FEES AND DISBURSEMENTS

27. Pursuant to paragraph 18 of the Liquidation Order, the Liquidator and its counsel Camelino Galessiere LLP (hereinafter “**CG LLP**”) are to be paid their reasonable fees and disbursements, unless otherwise ordered by the Court on the passing of accounts. In addition, the Liquidation Order provides for the Liquidator and CG LLP having a first charge on the property, assets and undertakings of the Company (the “**Property**”) for their reasonable fees and disbursements, in priority to all security interest, trusts, liens, charges and encumbrances.

28. The fees and disbursements of the Liquidator for the period commencing on March 1, 2023 and ending on July 31, 2023 is \$52,206.68 (inclusive of HST) as set out in the Liquidator’s Second Report. It also anticipates a cost to complete of \$22,000.00 plus HST.

29. The fees and disbursements of the Liquidator’s legal counsel for period commencing on March 1, 2023 and ending on July 31, 2023 is \$47,823.10 (inclusive of HST) as set out in the Liquidator’s Second Report. CG LLP also estimates a cost to complete of \$10,000.00 plus HST.

30. The fees and disbursements of the Liquidator and its legal counsel (as set out in Appendices F and G of the Liquidator’s Second Report) are fair and reasonable and justified in the circumstances and reflect the work done by and on behalf of the Liquidator in connection with the liquidation.

(E) PROPOSED DISTRIBUTION METHODOLOGY

31. Pursuant to Subsection 221(1)(a) of the OBCA, the Liquidator shall:

apply the property of the corporation in satisfaction of all its debts, obligations and liabilities and, subject thereto, shall distribute the property rateably among the shareholders according to their rights and interests in the corporation;

32. The order of priority for distributions by category of Claimant and the total proven claims by category is as follows:

- (1) trust claims – none, but subject to receipt of comfort letter or clearance certificate from CRA prior to any distributions;
- (2) secured creditor - \$164,910.27, already paid to BDC (January 18, 2023);
- (3) unsecured creditors - \$417,027.81
- (4) preferred shareholders - \$4,480,764.07
- (5) common shareholders – entitlement is based on residual funds/Property available after the payment of the preceding claims.

33. Based on the above, the total amount of the Proven Claimant's claims that currently remain unpaid and excluding the claims of the common shareholders, total approximately \$4.9 million. The total Property currently available and expected to be available for distribution to such Proven Claimants, before the Liquidator's Reserve, totals approximately \$3.8 million. Accordingly, there is an expected shortfall of more than \$1 million, before the claims of the common shareholders are considered. As such, the Liquidator does not anticipate that there will be any distributions to the common shareholders.

34. As indicated above, the Liquidator has received from each of the preferred shareholders an irrevocable letter of direction directing the Liquidator to distribute all proceeds from the liquidation and wind-up of Paidiem to Purchaser's counsel, Denton Canada LLP.

35. Based on the forgoing and subject to the Liquidator's Reserve and confirmation of no trust claims of CRA, the Liquidator proposes to make distributions as follows:

- (1) pay in full the proven claims of the unsecured creditors from the Net Cash;

- (2) pay the balance of the Net Cash and any net monies realized from the Additional Recoveries, including any other monies later received to the Purchaser/Dentons on behalf of the preferred shareholders and for their proven claims on a *pro rata basis*; and
- (3) offset the Promissory Note and the Revolving Loan against the distribution to the Purchaser/Dentons on behalf of the preferred shareholders and for their proven claims on a *pro rata basis*.

36. The above proposed distribution methodology is fair and equitable, practical and is in accordance with the OBCA and order of priority of claim in law. Accordingly, the Liquidator respectfully requests that this Court approve the Liquidator's proposed distribution methodology set out above and authorize the distribution of funds according to same.

(F) REMAINING DUTIES

37. The Liquidator's administration of these proceedings is substantially complete other than, and subject to, this Court granting the relief sought herein:

- (1) obtaining a comfort letter or clearance letter from CRA prior to making any distributions;
- (2) making the distributions to the Proven Claimants as contemplated above;
- (3) taking such steps to realize on the Additional Recoveries;
- (4) payment of the final accounts of the Liquidator and CG LLP;
- (5) close all bank accounts;
- (6) sending, pursuant to Subsection 218(2) of the OBCA, a certified copy of the order directing the Director to issue a certificate of dissolution, and receiving the Certificate of Dissolution from the Director; and

- (7) preparing and filing of the final corporate income tax returns for the period from January 1, 2023 to the date of the Company's dissolution.

(G) LIQUIDATOR'S RESERVE

38. From the cash in its possession, the Liquidator's proposes maintaining a reserve of up to \$111,000.00 (the "**Liquidator's Reserve**"), to cover the following:

- (1) the unpaid portion of the professional fees for the Liquidator's and CG LLP's accounts, as reflected earlier in this Report;
- (2) other professional fee costs associated with preparation and filing of the final T2 corporate income tax return and the SRED tax credit claim; and
- (3) potential miscellaneous fees or costs in connection with the wind-up of the Company.

39. Should any amount of the Liquidator's Reserve not be required or has been paid, the Liquidator's Reserve will be reduced accordingly and be made available for distribution to the Proven Claimants.

(H) DISSOLUTION OF PAIDIEM

40. The Liquidator believes it is appropriate for this Honourable Court to issue an order for dissolution of the Company for the following reasons:

- (1) once the distribution is made to the proven claimants, save and except for the common shareholders, there will be no claims against the Company or any of their present and former directors and officers that the Liquidator is aware of;
- (2) the Liquidator has carried out all of its duties and obligations as set out in the Liquidation Order; and
- (3) subject to completing the remaining administrative matters noted above, it is the view of the Liquidator that the affairs of Paidiem will have been

fully wound-up and the administration of the winding-up of the Company will come to an end once it is dissolved.

(I) DISCHARGE OF THE LIQUIDATOR

41. The Liquidator believes it is appropriate for it to be discharged once it has completed the Remaining Duties.

42. Section 212 of the OBCA requires, among other things, that if the Court approves the final accounts of the liquidator, the Court shall make an order discharging the liquidator, subject to it sending a certified copy of the order directing the Director to issue a certificate of dissolution.

43. The Liquidator is respectfully requesting that this Court approve the discharge of MNP as Liquidator and thereupon releasing MNP from any and all liability upon the filing with the Court of the Discharge Certificate.

44. The Liquidator intends to file the Discharge Certificate with the Court once it completes the Remaining Duties, including the filing of the final corporate income tax returns, which can only be filed following the Company's dissolution.

(J) ACTIVITIES OF THE LIQUIDATOR

45. The activities of the Liquidator as set out in the Liquidator's Second Report were reasonable and necessary as are the steps it intends to carry out in respect of the Remaining Duties.

46. Part XVI of the OBCA;

47. Rule 37 of the *Rules of Civil Procedure*, R.R.O 1990, Reg 194 as amended; and

48. Such further and other grounds as counsel may advise and that to this Honourable Court may appear just.

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

- (1) The Second Report of the Liquidator dated August 1, 2023;
- (2) such further and other documentary evidence as counsel may advise and that this Honourable Court may admit.

Date: August 2, 2023

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TO: THE SERVICE LIST

DAVID ROBERTSON
Applicant

PAIDIEM PAYMENT SOLUTIONS INC.
Respondent

and

Court File No: CV-22-00690376-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

NOTICE OF MOTION
(RETURNABLE ON AUGUST 8, 2023)

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TAB 2

Court File No.: CV-22-00690376-00CL

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

BETWEEN:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

**APPLICATION UNDER SECTION 207 OF THE ONTARIO *BUSINESS
CORPORATIONS ACT*, R.S.O. 1990, C B. 16**

**SECOND REPORT OF MNP LTD. IN ITS CAPACITY AS
COURT-APPOINTED LIQUIDATOR OF THE RESPONDENT**

August 1, 2023

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Appendix “B”	The Liquidator First Report to the Court, dated March 10, 2023
Appendix “C”	Approval and Vesting Order, issued March 15, 2023
Appendix “D”	Ancillary Order, issued March 15, 2023
Appendix “E”	Schedule of the Proven Claimants and the amounts of their respective proven claims as of July 31, 2023
Appendix “F”	Affidavit of Sheldon Title, sworn August 1, 2023 in Respect of the Fees of the MNP Ltd.
Appendix “G”	Affidavit of Antonella Cerminara sworn July 31, 2023 in respect of the Fees and Disbursements of Camelino Galessiere LLP
Appendix “H”	Liquidator’s Statement of Receipts and Disbursements as of July 31, 2023

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On November 23, 2022 (the “**Date of Appointment**”), the Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**Liquidation Order**”) ordering the windup of Paidiem Payment Solutions Inc. (“**Paidiem**” or the “**Company**”) and appointing MNP Ltd. (“**MNP**” or the “**Liquidator**”) as liquidator of the Company pursuant to Part XVI and Subsection 210(1) of the Ontario *Business Corporations Act* (“**OBCA**”), respectively, on the application of David Robertson (“**Robertson**” or the “**Applicant**”). A copy of the Liquidation Order is attached to this Report as **Appendix “A”**.
2. In addition to the appointment of the Liquidator, the Liquidation Order authorized and directed the Liquidator to sell the Company’s assets and also established the process for determining the claims of Paidiem so that MNP would be in a position to make a distribution to Paidiem’s creditors and shareholders (the “**Claims Procedure**”).
3. On March 10, 2023, the Liquidator issued its first report (the “**First Report**”) in support of its motion to, *inter alia*, approve the Liquidators’ activities and the 145CAN APA, and vesting title in the Purchased Assets to Paidiem Solutions Inc. (the “**Purchaser**”), formerly 145CAN (the “**Transaction**”). A copy of the First Report, without appendices, is attached to this Report as **Appendix “B”**.
4. On March 15, 2023, the Court issued an Approval and Vesting Order (the “**AVO**”) in connection with the Transaction and an Ancillary Order to cover the other relief sought by the Liquidator (the “**Ancillary Order**”). Copies of the AVO and the Ancillary Order are attached to this Report as **Appendix “C”** and “**D**”, respectively.
5. The purpose of this Report (the “**Second Report**”) is to advise the Court with respect to:
 - a) the activities of the Liquidator since the First Report;
 - b) the adjudication of certain proofs of claim filed in the Claims Procedure;
 - c) the Liquidator’s proposed distribution methodology;

- d) the basis on which the Liquidator believes it is appropriate for the Court to issue an order to dissolve the Company pursuant to Subsection 218(1) of the OBCA;
- e) the remaining administrative matters (the “**Remaining Duties**”) to be completed by the Liquidator to complete the winding up of the Company, including the Liquidator sending a certified copy of an order to the Director¹, pursuant to Subsection 218(2) of the OBCA, and receiving the certificate of dissolution;
- f) the fees and disbursements of the Liquidator and its counsel Camelino Galessiere LLP (“**CG LLP**”) including estimated fees to complete the administration of these proceedings; and
- g) the Liquidator’s request for an order of the Court, *inter alia*:
 - i. approving this Report and the activities and actions of the Liquidator, as described herein;
 - ii. approving the final fees and disbursements of the Liquidator, including the fees and disbursements of CG LLP, as detailed herein;
 - iii. approving the Liquidator’s proposed distribution methodology and authorizing the distribution of funds according to same;
 - iv. dissolving the Company, pursuant to Subsection 218(1) of the OBCA, subject to the Liquidator filing a certificate with the Court confirming that the Remaining Duties have been completed (the “**Discharge Certificate**”);
 - v. directing the Purchaser, to maintain custody of the documents and records of the Company in its possession for a minimum period of seven (7) years from the date of the Company’s dissolution;
 - vi. approving the discharge of the Liquidator subject to the Liquidator filing the Discharge Certificate; and,
 - vii. such other relief as the Court deems just.

¹ Means the Director appointed pursuant to S. 278 of the OBCA to carry out the duties and exercise the powers of the Director under the OBCA

TERMS OF REFERENCE

6. In preparing this Second Report, and making comments herein, the Liquidator has been provided with, and has relied upon, information (the “**Information**”) contained in or obtained from:
 - a) various documents filed in this proceeding, including the application record, dated November 21, 2022 and the affidavit of Robertson, dated November 16, 2022 (the “**Robertson Affidavit**”);
 - b) the Company’s books and records and certain available but unaudited, draft and/or internal financial information obtained by the Liquidator;
 - c) discussions with and information provided by Jeff Kilborn (“**Kilborn**”) and Rich Cromie (“**Cromie**”) and together with Kilborn, hereinafter collectively referred to as the “**Management**”);
 - d) the Claims Procedure;
 - e) discussions and communications with the Claimants of Paidiem or their legal counsel; and,
 - f) other third-party sources or as otherwise available to the Liquidator and its counsel.
7. Except as specifically noted in this Report, the Liquidator has not audited, reviewed, or otherwise verified the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Professional Accountants Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance in respect of the Information.
8. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.
9. Capitalized terms not defined in the Second Report have the meaning ascribed to them in First Report and the Liquidation Order.
10. The Liquidator will make a copy of this Second Report, and related documents, available on the Liquidator’s website at www.mnpdebt.ca/paidiem (the “**Case Website**”).

OVERVIEW AND BACKGROUND

1. Paidiem was incorporated pursuant to the OBCA on or about June 28, 2019 and was founded by Robertson and Cromie. The common shares of the Company are principally owned by Robertson and Cromie/Cromie Family Trust, with their holdings representing approximately 54% and 41%, respectively, of the issued and outstanding common shares of the Company. Cromie is the President and CEO of Paidiem. Both Robertson and Cromie are directors of the Company, together with three (3) other individuals.
2. Paidiem is a fintech start-up, providing the payroll payment processes for companies through a proprietary cloud-based workforce management and administration platform (the “**Platform**”).
3. As noted in the Robertson Affidavit, pursuant to a Special Resolution made on October 14, 2020, the shareholders (both common and preferred shareholders) of Paidiem approved the wind-up of the Company and the appointment by the Court of MNP as Liquidator.
4. At the Date of Appointment, the Company held in various bank accounts a total of approximately \$1.7 million, with approximately \$104,800 representing funds held in trust associated with monies advanced by Paidiem’s customer to fund upcoming payrolls being processed by the Company. The only other material assets of the Company are its accounts receivables (book value as of November 23, 2022 of \$141,072.06) and its intellectual property associated with the Platform (no value capitalized on the books)
5. Under the Liquidation Order, it was contemplated that the Company’s business operations continue uninterrupted, while a sale process is conducted for the business and assets of Paidiem, and a claims process is run.

LIQUIDATOR’S ACTIVITIES

6. Since the First Report, the Liquidator’s activities included:
 - a) monitoring Paidiem’s on-going business operations and activities, including the approval of the debiting of customer accounts and payment of disbursements/expenses;

- b) those steps necessary to complete the Transaction as contemplated in the 145CAN APA, including entering into the Closing Note (as such term is later defined) and arranging for the transfer of all trust funds of the Company's customers to the Purchaser;
- c) payment of the cost awarded to the Applicant and Michael T.R. List/ GreenSky Capital, pursuant to the Liquidation Order;
- d) coordinating with Management, the preparation and filing of T4s and T4 Summary for 2023 (up to the date of closing of the Transaction);
- e) discussions and correspondence with the Company's accountant in connection with the preparation of the December 21, 2022 year end financial statement and tax filings;
- f) reviewing and authorizing Paidiem's T2 Corporate income tax filing for the taxation year end December 31, 2022 (net loss position, no taxes owing);
- g) under the authority of the Liquidation Order providing a revolving credit facility in the amount of \$450,000² to the Purchaser, including the taking back of security in support of same;
- h) as detailed further below, administering the Claims Procedures, including the review and settlement of claims;
- i) evaluating and reconciling the accounts receivable due from Robertson & Company Ltd., which is ultimately being written-off as part of the settlement of the Robertson claim;
- j) coordinating with Management and engaging MNP LLP to prepare the Scientific Research and Experimental Development ("**SRED**") tax credit filings;
- k) updating the Case Website, as required: and

² As of July 31, 2023, only \$250,000 had been advanced.

- l) the preparation of this Report.

THE CLAIMS PROCEDURE

The Claimants

7. As reported in the First Report and based on the Company's books and records and other information, the known Claimants in Paidiem's liquidation and their relative order of priority, are as follows:
 - a) secured creditor - BDC;
 - b) unsecured creditors - L-Spark Corporation, Robertson and Shift 8³;
 - c) preferred shareholders; and
 - d) common shareholders.
8. As also reported in the First Report, Canada Revenue Agency ("CRA") was identified as a potential claimant, as well as MNP LLP⁴, and accordingly, these two (2) parties were given notice of the Claims Procedures and a Proof of Claim in order to assert a claim, should they wish to.
9. Under the Claims Procedures, any Person that receives a Notice of Claim, who does not deliver a Proof of Claim to the Liquidator by the Claim Bar Date is deemed to have the claim as set-out in the Notice of Claim. Proofs of Claim were received from only BDC, Robertson, Shift 8 and MNP LLP.

The Results of the Claims Procedures

10. The results of the Claims Procedures: was outlined in detail in Paragraphs 42 to 53 of the First Report. At the time of writing the First Report,
 - a) BDC's claim had been determined and the Liquidator was seeking the Court's approval to issue and interim distribution to BDC;

³ Shift 8 Inc. is a corporation owned by Cromie through which consulting services were provided to the Company.

⁴ MNP LLP is the parent company that wholly owns MNP Ltd.

- b) the claims of Robertson and Shift 8 were still under review and determination.; and
 - c) the claim of MNP LLP was received after the Claims Bar date and accordingly has been disregarded by the Liquidator, pursuant to Paragraph 31 of the Liquidation Order.
11. Pursuant to Paragraph 26 of the Liquidation Order, the Liquidator has the authority to settle claims.
12. The Liquidator has now determined and/or settled the claims of Robertson and Shift 8.
13. A schedule summarizing the Claimants and the amounts of their respective proven claims (the “**Proven Claimants**”) is attached to this Report at **Appendix “E”**.

PROPERTY AVAILABLE AND TO BE AVAILABLE FOR DISTRIBUTION

14. The following Property is currently available for distribution:
- a) the monies held in bank accounts totaling approximately \$662,170, plus interest, but subject to the Liquidator’s Reserve (as such term is later defined) (collectively, the “**Net Cash**”);
 - b) a promissory note issued by the Purchaser in the principal amount of \$2,561,076.36⁵, plus interest that resulted from the Transaction (collectively, the “**Closing Note**”); and
 - c) the revolving loan/credit facility in the principal amount of \$450,000⁶, plus interest (collectively, the “**Loan**”).

⁵ Represents the balance of the Purchase Price of \$2,550,000 (\$3,000,000 - \$450,000) plus adjustment of \$11,076.36 associated with prepaid key supplier amounts the Purchaser received the benefit of.

⁶ Represents the maximum loan facility amount. If the principal loan balance is less than \$450,000, the Net Cash would increase by the difference. As of July 31, 2023, the balance outstanding on the loan facility was \$250,000.

15. In addition to the above, the following Property is anticipated to be realized recovered/realized in the future:
- a) HST refunds associated with 2023 period (currently an annual filer), including the write off of accounts receivable and the recovery of HST previously remitted – estimated to total to approximately \$50,000;
 - b) refunds associated with the SRED tax credits to be claimed – estimated to amount to approximately \$80,000; and
 - c) interest earned on the Net Cash.

(collectively, the “**Additional Recoveries**”)

16. In connection with realizing on the Additional Recoveries, the Liquidator intends to file an election with CRA to change the reporting period from annual to monthly in order to accelerate the collection of the HST refunds. Additionally, the Liquidator is working with Management and MNP LLP to coordinate and expedite the preparation⁷ and filing of the SRED tax credit claim.

PROFESSIONAL FEES AND DISBURSEMENTS

17. Pursuant to paragraph 18 of the Liquidation Order, the Liquidator and CG LLP are to be paid their reasonable fees and disbursements, unless otherwise ordered by the Court on the passing of accounts. In addition, the Liquidation Order provides for the Liquidator and CG LLP having a first charge on the property, assets and undertakings of the Company (the “**Property**”) for their reasonable fees and disbursements, in priority to all security interest, trusts, liens, charges and encumbrances.
18. The Liquidator’s accounts for the period from March 1, 2023 to completion of the Liquidation proceedings total \$46,200.60 (exclusive of HST), plus an estimate of a cost to

⁷ The SRED tax credit filing is being prepared by MNP LLP. This preparation fee is contingency based and is consistent with industry standards and the market. Accordingly, the fee amount is subject to the quantum of the actual recovery of the claim and will be paid from the recoveries. MNP LLP is being treated like a third party supplier and its fee for this service will not be included in the Liquidator’s accounts for taxation.

complete of \$22,000.00, exclusive of HST. The affidavit of Sheldon Title, sworn August 1, 2023 as to the fees of the Liquidator is attached hereto as **Appendix “F”**.

19. CG LLP’s account for the period from March 1, 2023 to completion of the Liquidation proceedings total \$41,317.50 (exclusive of HST), plus an estimate of a cost to complete of \$10,000.00, exclusive of HST. The affidavit of Antonella Cerminara, sworn July 31, 2023 as to the fees and disbursements of CG LLP in its capacity as legal counsel to the Liquidator is attached hereto as **Appendix “G”**.
20. The Liquidator is of the view that CG LLP’s accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements and those of its legal counsel as described above. These professional fees and disbursements have or will be drawn from the funds held by the Liquidator.

PROPOSED DISTRIBUTION METHODOLOGY

21. Pursuant to Subsection 221(1)(a) of the OBCA, the Liquidator shall:

apply the property of the corporation in satisfaction of all its debts, obligations and liabilities and, subject thereto, shall distribute the property rateably among the shareholders according to their rights and interests in the corporation;

22. The order of priority for distributions by category of Claimant and the total proven claims by category is as follows:
 - a) trust claims – none, but subject to receipt of comfort letter or clearance certificate from CRA prior to any distributions;
 - b) secured creditor - \$164,910.27, already paid to BDC (January 18, 2023);
 - c) unsecured creditors - \$417,027.81
 - d) preferred shareholders - \$4,480,764.07
 - e) common shareholders – entitlement is based on residual funds/Property available after the payment of the preceding claims.

23. Based on the above, the total amount of the Proven Claimant's claims that currently remain unpaid and excluding the claims of the common shareholders, total approximately \$4.9 million. The total Property currently available and expect to be available for distribution to such Proven Claimants, before the Liquidator's Reserve, totals approximately \$3.8 million. Accordingly, there is an expected shortfall of more than \$1 million, before the claims of the common shareholders are considered. As such, the Liquidator does not anticipate that there will be any distributions to the common shareholders.
24. The Liquidator has received from each of the preferred shareholders an irrevocable letter of direction directing the Liquidator to distribute all proceeds from the liquidation and wind-up of the Company to Purchaser's counsel, Denton Canada LLP ("**Dentons**").
25. Based on the forgoing and subject to the Liquidator's Reserve and confirmation of no trust claims of CRA, the Liquidator proposes to make distributions as follows:
 - a) pay in full the proven claims of the unsecured creditors from the Net Cash;
 - b) pay the balance of the Net Cash and any net monies realized from the Additional Recoveries, including any other monies later received, to the Purchaser/Dentons on behalf of the preferred shareholders and for their proven claims on a *pro rata basis*; and
 - c) offset the Closing Note and the Loan against the distribution to the Purchaser/Dentons on behalf of the preferred shareholders and for their proven claims on a *pro rata basis*.
26. The above proposed distribution methodology is practical, fair and equitable, and is in accordance with the OBCA and the order of priority of claims in law. Accordingly, the Liquidator respectfully requests that this Court approve the Liquidator's proposed distribution methodology set out above and authorize the distribution of funds according to same.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

27. Attached to this Report at **Appendix “H”** is the Liquidator’s statement of receipts and disbursements as of July 31 2023 (“**R&D**”). The R&D only reflects the monies that flowed through the Liquidator’s trust account.

REMAINING ADMINISTRATIVE MATTERS

28. The Liquidator’s administration of these proceedings is substantially complete other than, and subject to, this Court granting the relief sought herein:
- a) obtaining a comfort letter or clearance letter from CRA prior to making any distributions;
 - b) making the distributions to the Proven Claimants as contemplated above;
 - c) deducting and remitting to CRA of the applicable payroll tax amounts required under the *Income Tax Act* and related legislation in connection with the employment portion of Robertson’s settled claim, as well as the issuance of a T4 for same and the revision of the T4 Summary for 2023;
 - d) discharging security interests following the cancellation of the Closing Note and the Loan in connection with the distributions contemplated above;
 - e) taking such steps to realize on the Additional Recoveries, including the preparation and filing of HST returns and the SRED tax credit claims;
 - f) payment of the final accounts of the Liquidator and CG LLP;
 - g) close all bank accounts;
 - h) sending, pursuant to Subsection 218(2) of the OBCA, a certified copy of the order directing the Director to issue a certificate of dissolution, and receiving the Certificate of Dissolution from the Director; and
 - i) preparing and filing of the final corporate income tax returns for the period from January 1, 2023 to the date of the Company’s dissolution.

LIQUIDATOR'S RESERVE

29. From the cash in its possession, the Liquidator's proposes maintaining a reserve of up to \$111,000.00 (the "**Liquidator's Reserve**"), to cover the following:
- a) The unpaid portion of the professional fees for the Liquidator's and CG LLP's accounts, as reflected earlier in this Report;
 - b) Other professional fee costs associated with preparation and filing of the final T2 corporate income tax return and the SRED tax credit claim; and
 - c) Potential miscellaneous fees or costs in connection with the wind-up of the Company.
30. Should any amount of the Liquidator's Reserve not be required or has been paid, the Liquidator's Reserve will be reduced accordingly and be made available for distribution to the Proven Claimants.

DISSOLUTION OF THE COMPANY

31. The Liquidator believes it is appropriate for this Honourable Court to issue an order for dissolution of the Company for the following reasons:
- a) once the distribution is made to the Proven Claimants, save and except for the common shareholders, there will be no claims against the Company or any of their present and former directors and officers that the Liquidator is aware of;
 - b) the Liquidator has carried out all of its duties and obligations as set out in the Liquidation Order; and
 - c) subject to completing the remaining administrative matters noted above, it is the view of the Liquidator that the affairs of Paidiem will have been fully wound-up and the administration of the winding-up of the Company will come to an end once it is dissolved.

DISCHARGE OF THE LIQUIDATOR

32. The Liquidator believes it is appropriate for it to be discharged once it has completed the Remaining Duties.
33. Section 212 of the OBCA requires, among other things, that if the Court approves the final accounts of the liquidator, the Court shall make an order discharging the liquidator, subject to it sending a certified copy of the order directing the Director to issue a certificate of dissolution.
34. The Liquidator is respectfully requesting that this Court approve the discharge of MNP as Liquidator and thereupon releasing MNP from any and all liability upon the filing with the Court of the Discharge Certificate.
35. The Liquidator intends to file the Discharge Certificate with the Court once it completes the Remaining Duties, including the filing of the final corporate income tax returns, which can only be filed following the Company's dissolution.

CONCLUSION AND RECOMMENDATION

36. Based on the foregoing and as outlined in the body of this report, the Liquidator respectfully recommends that the Court make an order granting the relief detailed in paragraph 5(g) of this Report.

All of which is respectfully submitted this 1st day of August, 2023

MNP LTD.,

in its capacity as the Court-appointed Liquidator of
Paidem Payment Solutions Inc. and not in its personal or corporate capacities

Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Court File No. CV-22-00690376-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

THE HONOURABLE MR)	WEDNESDAY, THE 23 RD DAY
)	
JUSTICE CAVANAGH)	DAY OF NOVEMBER, 2022

B E T W E E N**DAVID ROBERTSON****Applicant****- and -****PAIDIEM PAYMENT SOLUTIONS INC.****Respondent****APPLICATION UNDER section 207 of the *Business Corporations Act*, RSO 1990, c B.16**

**ORDER
(OBCA Liquidation)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 207 of the *Business Corporations Act*, RSO 1990, c B.16, as amended (the "**OBCA**") directing the winding-up of Paidiem Payment Solutions Inc. (the "**Corporation**") and appointing MNP Ltd. ("**MNP**" or the "**Liquidator**") as liquidator was heard via Zoom.

ON READING the Affidavit of David Robertson sworn 16 November 2022 and the Exhibits thereto, on hearing the submissions of the lawyers for the Applicant and on reading the consent of MNP to act as the liquidator,

SERVICE

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

WINDING-UP AND APPOINTMENT OF LIQUIDATOR

2. **THIS COURT ORDERS** that the Corporation shall be wound-up pursuant Part XVI of the OBCA and, for that purpose, MNP is appointed liquidator pursuant to subsection 210(1) of the OBCA.

LIQUIDATOR'S POWERS

3. **THIS COURT ORDERS** that, without limiting or restricting the powers of the Liquidator under section 223 of the OBCA, the Liquidator is hereby empowered and authorized, but not obligated, expressly empowered and authorized to do any of the following where the Liquidator considers it necessary or desirable:

- (a) to take possession of and exercise control over the assets and property of the Corporation (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 Corporation, 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 Corporation;

- (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 Liquidator's powers and duties, including without limitation those conferred by this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Corporation and to exercise all remedies of the Corporation in collecting such monies, including, without limitation, to enforce any security held by the Corporation;
- (f) to settle, extend or compromise any indebtedness owing to the Corporation;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of the Corporation, for any purpose pursuant to this Order;
- (h) 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 Corporation, the Property or the Liquidator, and to settle or compromise any such proceedings, and 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;
- (i) 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 Liquidator in its discretion may deem appropriate;

- (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the consideration or the aggregate consideration exceeds the applicable amount set out in the preceding clause;
- (k) 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;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Liquidator deems appropriate on all matters relating to the Property and the winding-up and to share information, subject to such terms as to confidentiality as the Liquidator deems advisable;
- (m) to administer the claims procedure established by this Order; and
- (n) 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 Liquidator 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 Corporation, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

4. **THIS COURT ORDERS** that (a) the Corporation, (b) 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 (c) 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 Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Liquidator 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 Corporation, 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 Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator 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 Liquidator 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 Liquidator for the purpose of allowing the Liquidator 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 Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for

the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator 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 Liquidator shall provide each of the relevant landlords with notice of the Liquidator'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 Liquidator'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 Liquidator, or by further Order of this Court upon application by the Liquidator on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE LIQUIDATOR

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 Liquidator except with the written consent of the Liquidator or with leave of this Court.

NO PROCEEDINGS AGAINST THE CORPORATION OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Corporation or the Property shall be commenced or continued except with the written consent of the Liquidator or with leave of this Court and any and all Proceedings currently under way against or in respect of the Corporation 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 Corporation, the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator or leave of this Court, provided however that nothing in this paragraph shall (a) empower the Liquidator or the Corporation to carry on any business which the Corporation is not lawfully entitled to carry on, (b) exempt the Liquidator or the Corporation from compliance with statutory or regulatory provisions relating to health, safety or the environment, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE LIQUIDATOR

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 Corporation, without written consent of the Liquidator or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Corporation 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 Corporation 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 Liquidator, and that the Liquidator shall be entitled to the continued use of the Corporation's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of the Corporation or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

LIQUIDATOR TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Liquidator 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 Liquidator (the "**Post Winding-up Accounts**") and the monies standing to the credit of such Post Winding-up Accounts from time to time, net of any disbursements provided for herein, shall be held by the Liquidator 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 Corporation shall remain the employees of the Corporation until such time as the Liquidator, on the Corporation's behalf, may terminate the employment of such employees and, for greater certainty, (a) the appointment of the Liquidator pursuant to this Order is not a "sale" as that term is defined in subsection 9(3) of the *Employment Standards Act* (the "**ESA**"); and (b) the Liquidator is not deemed a "purchaser" under Part IV of the *ESA* by virtue of its appointment pursuant to this Order.

PIPEDA

15. **THIS COURT ORDERS** that: (a) pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Liquidator 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**"); (b) 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 Liquidator, or in the alternative destroy all such information; and (c) 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 Corporation, and shall return all other personal information to the Liquidator, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Liquidator 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 Liquidator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Liquidator shall not, as a result of this Order or anything done in pursuance of the Liquidator'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 LIQUIDATOR'S LIABILITY

17. **THIS COURT ORDERS** that the Liquidator 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.

LIQUIDATOR'S ACCOUNTS

18. **THIS COURT ORDERS** that the Liquidator and counsel to the Liquidator shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Liquidator and counsel to the Liquidator shall be entitled to and are hereby granted a charge (the "**Liquidator'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 Liquidator'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.

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

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

SERVICE AND NOTICE

21. **THIS COURT ORDERS** that: (a) 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; (b) subject to Rule 17.05 of the *Rules of Civil Procedure* 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; and (c) a Case Website shall be established in accordance with the Protocol with the following URL <https://mnpdebt.ca/en/corporate/corporate-engagements/paidiempaymentsolutions>.

22. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Liquidator 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 Corporation's creditors or other interested parties at their respective addresses as last shown on the records of the Corporation 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.

CLAIMS PROCEDURE

23. **THIS COURT ORDERS** that for the purposes of this Order the following terms shall have the following meanings:

- (a) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;

"Claim" means: (a) any right or claim of any Person against the Corporation, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Corporation in existence on the Effective Date whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts which existed prior to the Effective Date, and includes any other claims that would have been claims provable in a bankruptcy had the Corporation become bankrupt on the Effective Date; or (b) any legal or equitable right of a Person to shares of the Corporation as at the Effective Date;

- (b) **“Claimant”** means a Person: (a) who has asserted a Claim or could have asserted a Claim but for the provisions hereof concerning the Claims Bar Date; or (b) who claims to have a legal or equitable right to shares of the Corporation as at the Effective Date;
- (c) **“Claims Bar Date”** means 5:00 PM Eastern Standard Time on a date to be fixed by the Liquidator, provided such date is not earlier than 30 days following the date that the Liquidator sends the Notice of Claim pursuant to paragraph **29** of this Order, or such later date as may be ordered by this Court;
- (d) **“Court”** means the Ontario Superior Court of Justice, Commercial List;
- (e) **“Effective Date”** means the date of this Order;
- (f) **“Liquidation Notice”** means the notice of this Order to be published in accordance with paragraph **28** of this Order, substantially in the form attached as **Schedule “A”** to this Order;
- (g) **“Notice of Claim”** means the notice provided by the Liquidator pursuant to paragraph **29** of this Order, substantially in the form attached as **Schedule “B”** to this Order
- (h) **“Notice of Determination of Claim”** means the notice provided by the Liquidator pursuant to paragraph **33** of this Order, substantially in the form attached as **Schedule “C”** to this Order;
- (i) **“Notice of Objection”** means the notice provided pursuant to paragraph **34** of this Order, substantially in the form attached as **Schedule “D”** to this Order;
- (j) **“Person”** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity; and

(k) **“Proof of Claim”** means the proof of claim referred to herein to be filed by Claimants in connection with any Claim, substantially in the form attached as **Schedule “E”**.

24. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. Toronto time on such Business Day unless otherwise indicated herein.

25. **THIS COURT ORDERS** that any Claim denominated in any currency other than Canadian dollars shall be converted to and constitute obligations in Canadian dollars, such calculation to be effected by the Liquidator using the Bank of Canada noon spot rate on the Effective Date.

26. **THIS COURT ORDERS** that the Liquidator is authorized to enter into settlement negotiations with a Claimant at any stage of the Claims Process and is further authorized to enter into agreements with such Claimant resolving the value of their Claim.

27. **THIS COURT ORDERS** that the Liquidator shall cause the Notice of Claim and Proof of Claim to be posted on the Case Website no later than fourteen (14) Business Days after the Effective Date.

28. **THIS COURT ORDERS** that the Liquidator shall cause the Liquidation Notice to be published once in the National Post.

29. **THIS COURT ORDERS** that the Liquidator shall, no later than fourteen (14) Business Days after the Effective Date, send to each person identified on the Corporations books and records as having a claim or own shares of the Corporation: (a) a copy of this Order; (b) a Notice of Claim advising that Person of: (i) the amount shown on the Corporations books and records as being owed to that Person; and (ii) the number of shares of the Corporations shown of the Corporation's books and records as being owned by that Person as at the Effective Date; and (c) a Proof of Claim.

30. **THIS COURT ORDERS** that: (a) any Person who receives a Notice of Claim that intends to assert a Claim that is different from the Claim set out on the Notice of Claim shall deliver a Proof of Claim, together with all relevant supporting documentation in respect of the Claim, to the Liquidator on or before

the Claims Bar Date; and (b) the Claim(s) of any Person who receives a Notice of Claim who does not deliver a Proof of Claim to the Liquidator by the Claims Bar Date shall be deemed to be the Claim set out on the Notice of Claim

31. **THIS COURT ORDERS** that: (a) any Person who wishes to asserts a Claim against the Corporation and who does not receive Notice of Claim shall deliver a Proof of Claim, together with all relevant supporting documentation in respect of the Claim, to the Liquidator on or before the Claims Bar Date; and (b) the Claim of any Person who does not receive a Notice of Claim and who does not deliver a Proof of Claim to the Liquidator on or before the Claims Bar Date is barred, released and discharged as against the Corporation and the Liquidator may proceed to liquidate the Corporation and distribute the Property without regard to any such Claim.

32. **THIS COURT ORDERS** that the Liquidator shall: (a) review the Proofs of Claim filed on or before the Claims Bar Date; and (b) determine to either allow, partially allow, partially disallow or disallow each Proof of Claim.

33. **THIS COURT ORDERS** that, where a Proof of Claim is to be allowed, partially allowed, partially disallowed or disallowed, the Liquidator shall deliver to the Claimant a Notice of Determination of Claim.

34. **THIS COURT ORDERS** that in the event that a Person objects to the Liquidator's determination of that Persons' Proof of Claim and intends to contest the Notice of Determination of Claim, that person shall deliver to the Liquidator a Notice of Objection so that such Notice of Objection is received by the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after the date the Notice of Determination of Claim is deemed to be received.

35. **THIS COURT ORDERS** that any Person that does not provide the Liquidator with a Notice of Objection within the deadline set forth in paragraph **34** shall be deemed to have agreed with the Notice of Determination of Claim and that Person's Claim shall, for the purposes of receiving a distribution from the Property, be the Claim as set out on the Notice of Determination of Claim.

36. **THIS COURT ORDERS AND DIRECTS** that the Liquidator bring a Motion to establish the process for determining the Claims of any Persons that deliver Notices of Objection in accordance with paragraph **34**.

37. **THIS COURT ORDERS** that where a Person who receives a Notice of Determination of Claim agrees to same or where the that Person's Claim is otherwise determined in accordance with paragraph **36** of this Order, the value and status of such Person's Claim shall, for the purpose of receiving a distribution from the Property, be deemed to be as set out in the Notice of Determination of Claim or as determined in accordance with paragraph **36** of this Order.

38. **THIS COURT ORDERS** that any document, notice or other communication (including, without limitation, Proofs of Claim) required to be delivered to the Liquidator under this Order shall be in writing and, where applicable, substantially in the form provided for in this Order, and will be sufficiently delivered only if delivered to:

MNP Ltd., in its capacity as liquidator of Paidiem Payment Solutions Inc.

111 Richmond Street West, Suite 300

Toronto, ON M5H 2G4

Attention: Matthew Lem
Phone: 416-596-1711
Fax: 416-596-7894
E-mail: paidiem@mnp.ca

GENERAL

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

40. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Liquidator and its agents in carrying out the terms of this Order, and all courts, tribunals, regulatory and administrative

bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

41. **THIS COURT ORDERS** that the Liquidator 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 Liquidator 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.

42. **THIS COURT ORDERS** that the Applicant shall have its costs of this Motion, up to and including entry and service of this Order fixed at \$5,000.00 and Michael T.R. List/GreenSky Capital shall have his costs of this Motion fixed at \$1,000.00.

**SCHEDULE A
NOTICE**

Pursuant to an Order of the Ontario Superior Court dated November 23, 2022 (the “**Appointment Order**”), MNP Ltd. (the “**Liquidator**”) has been appointed liquidator of Paidiem Payment Solutions Inc.

A copy of the Appointment Order can be found on the Liquidator’s website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/paidiempaymentsolutions>.

MNP Ltd. in its capacity as court-appointed Liquidator of
Paidiem Payment Solutions Inc.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

Attention: Matthew Lem
Phone: 416-596-1711
Fax: 416-596-7894
E-mail: paidiem@mnp.ca

**SCHEDULE B
NOTICE OF CLAIM**

Pursuant to an Order of the Ontario Superior Court dated November 23, 2022 (the “**Appointment Order**”), MNP Ltd. (the “**Liquidator**”) was appointed as liquidator of Paidiem Payment Solutions Inc. (the “**Corporation**”). A copy of the Appointment Order can be found at <https://mnpdebt.ca/en/corporate/corporate-engagements/paidiempaymentsolutions>.

Based on the books and records of the Corporation, the Liquidator believes that you have the following Claim:

Amount owing to you by the Corporation:

Amount of Claim	Currency	Secured or Unsecured

Shares of the Corporation owned by you:

Class of Shares	Number Owned

If you agree that you are owed only the amount identified above or own only the shares of the Corporation identified above, you do not have to do anything.

IF YOU BELIEVE THAT THE CORPORATION OWES YOU MORE MONEY OR THAT YOU OWN MORE (OR DIFFERENT) SHARES OF THE CORPORATION, YOU ARE REQUIRED TO SEND A PROOF OF CLAIM (ENCLOSED OR ATTACHED) TO THE LIQUIDATOR TO BE RECEIVED BY 5:00 P.M. LOCAL TORONTO TIME ON [DATE] 2022 (THE “CLAIMS BAR DATE”).

MNP Ltd. in its capacity as court-appointed Liquidator of
Paidiem Payment Solutions Inc.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

Attention: Matthew Lem
Phone: 416-596-1711
Fax: 416-596-7894
E-mail: paidiem@mnp.ca

**SCHEDULE C
NOTICE OF DETERMINATION OF CLAIM**

**IN THE MATTER OF THE WINDING-UP PROCEEDING OF
PAIDIEM PAYMENT SOLUTIONS INC. ("THE "CORPORATION")**

To: _____ (the "Claimant")

Date: _____

TAKE NOTICE THAT MNP LTD. (the "Liquidator") has reviewed the Proof of Claim you delivered asserting a Claim against the Corporation and has made the following determination:

Claim Determination (Please check and complete all applicable)

Creditor Claim:

Amount of Claim	Currency	Secured or Unsecured

Details of the Creditor Claim, including, if applicable, the security held:

Shareholder Claim:

Class of Shares	Number Owned

The Liquidator has made the above-noted determination for the following reason(s):

IF YOU DISAGREE WITH THE ABOVE DETERMINATION OF YOUR CLAIM, YOU MUST DELIVER TO THE LIQUIDATOR TO THE ADDRESS BELOW A COMPLETED NOTICE OF OBJECTION (ATTACHED OR ENCLOSED) TO BE RECEIVED BY THE LIQUIDATOR BEFORE 5:00 P.M. ON THE DAY WHICH IS FOURTEEN (14) DAYS AFTER THE DATE THE NOTICE OF DETERMINATION OF CLAIM IS RECEIVED.

If you do not dispute the determination of your Claim your Claim will be deemed to be accepted and the Claim shall be a Proven Claim in the amount set forth herein.

DATED at _____ this ____ day of _____, 2022

MNP Ltd. in its capacity as court-appointed Liquidator of
Paidem Payment Solutions Inc.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

Attention: Matthew Lem
Phone: 416-596-1711
Fax: 416-596-7894
E-mail: paidem@mdp.ca

**SCHEDULE D
NOTICE OF OBJECTION**

**IN THE MATTER OF THE WINDING-UP PROCEEDING OF
PAIDIEM PAYMENT SOLUTIONS INC. ("THE "CORPORATION")**

To: MNP Ltd. (the "**Liquidator**"), in its capacity as liquidator of the Corporation

Date: _____

Claimant: _____ (the "**Claimant**")

The Claimant hereby gives notice that it disputes the Notice of Determination of Claim dated the _____ day of _____, 2022.

Reason for the dispute:

IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH A SCHEDULE. CLAIMANTS SHOULD PROVIDE PARTICULARS OF THE CLAIM AND COPIES OF SUPPORTING DOCUMENTATION.

THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE LIQUIDATOR TO THE ADDRESS BELOW AND MUST BE RECEIVED BY THE LIQUIDATOR BEFORE 5:00 P.M. ON THE FOURTEENTH (14) CALENDAR DAY AFTER THE DATE THE NOTICE OF DETERMINATION OF CLAIM IS RECEIVED.

Address of the Liquidator

MNP Ltd. in its capacity as court-appointed Liquidator of
Paidem Payment Solutions Inc.
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

Attention: Matthew Lem
Phone: 416-596-1711
Fax: 416-596-7894
E-mail: paidiem@mnp.ca

DATED at _____ this ____ day of _____, 2022

(Signature of Witness)

(Signature of individual completing this form)

**SCHEDULE E
PROOF OF CLAIM**

**IN THE MATTER OF THE WINDING-UP PROCEEDING OF
PAIDIEM PAYMENT SOLUTIONS INC. ("THE "CORPORATION")**

1. PARTICULARS OF CLAIMANT

Full Legal Name of Claimant: _____ (the "Claimant") has the Claim against the Corporation described below.

Full Mailing Address of the Claimant:

Telephone Number of Claimant: _____

Facsimile Number of Claimant: _____

Attention (Contact Person): _____

Email Address: _____

2. PROOF OF CLAIM:

I, _____ [Name of Claimant or Representative of the Claimant], do hereby certify that I am (please check one):

the Claimant; or

am _____ [Position or Office Held] of the Claimant and have personal knowledge of all the circumstances connected with the Claim against the Corporation.

3. PARTICULARS OF CLAIM (Please check and complete all applicable):

Creditor Claim:

Amount of Claim	Currency	Secured or Unsecured

Details of the Creditor Claim, including, if applicable, the security held:

Shareholder Claim:

Class of Shares	Number Owned

IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH A SCHEDULE. THE CLAIMANT SHOULD PROVIDE PARTICULARS OF THE CLAIM AND COPIES OF SUPPORTING DOCUMENTATION.

4. FILING OF CLAIMS:

This Proof of Claim together with supporting documentation must be returned and received by the Liquidator, no later than 5:00 p.m. local Toronto time on **[Date]**, to the email address or address listed below.

This Proof of Claim must be delivered by email, facsimile, personal delivery, courier or prepaid mail to the following address:

Address of the Liquidator

MNP Ltd. in its capacity as court-appointed Liquidator of
 Paidiem Payment Solutions Inc.
 111 Richmond Street West, Suite 300
 Toronto, ON M5H 2G4

Attention: Matthew Lem
 Phone: 416-596-1711
 Fax: 416-596-7894
 E-mail: paidiem@mdp.ca

DATED at _____ this ____ day of _____, 2022

 (Signature of Witness)

 (Signature of individual completing this form)

DAVID ROBERTSON-and- **PAIDIEM PAYMENT SOLUTIONS INC.**

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

(PROCEEDING COMMENCED AT TORONTO)

ORDER

GOWLING WLG (CANADA) LLP

Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Christopher Stanek (LSO No.:45127K)

christopher.stanek@gowlingwlg.com

Tel: 416-862-4369

E. Patrick Shea (LSO No.: 39655K)

Patrick.shea@gowlingwlg.com

Tel: (416) 369-7399

Fax: (416) 862-7661

Solicitors for the Applicant

Court File No.: CV-22-00690376-00CL

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

BETWEEN:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

**APPLICATION UNDER SECTION 207 OF THE ONTARIO *BUSINESS
CORPORATIONS ACT*, R.S.O. 1990, C B. 16**

**FIRST REPORT OF MNP LTD. IN ITS CAPACITY AS
COURT-APPOINTED LIQUIDATOR OF THE RESPONDENT**

March 10, 2023

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APPENDICES

Appendix “A”	Liquidation Order, dated November 23, 2022
Appendix “B”	A schedule of Paidiem Payment Solutions Inc.’s common and preferred shareholders
Appendix “C”	The affidavit of mailing of the Liquidation and Claims Bar Notice, sworn ●
Appendix “D”	A copy of the fully executed Resolution of the Shareholders, including Stalking Horse Sale Process Protocol and the Agreement of Purchase and Sale, dated December 21, 2022 entered into between the Liquidator and 14546865 Canada Inc.
Appendix “E”	A copy of the Amending Agreement, dated January 5, 2023
Appendix “F”	A copy of the Liquidator’s teaser document
Appendix “G”	A schedule summarizing the Claimants and the amounts shown on their respective Notices of Claim
Appendix “H”	Ontario <i>Personal Property Security Act</i> lien/registry search (file currency date of January 15, 2023)
Appendix “I”	The affidavit of Jerry Henechowicz, sworn March 8, 2023
Appendix “J”	The affidavit of Antonella Cerminara, sworn March 10, 2023

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On November 23, 2023 (the “**Date of Appointment**”), the Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**Liquidation Order**”) ordering the windup of Paidiem Payment Solutions Inc. (“**Paidiem**” or the “**Company**” or the “**Respondent**”) and appointing MNP Ltd. (“**MNP**” or the “**Liquidator**”) as liquidator of the Company pursuant to Part XVI and subsection 210(1) of the Ontario *Business Corporations Act* (“**OBCA**”), respectively, on the application of David Robertson. (“**Robertson**” or the “**Applicant**”). A copy of the Liquidation Order is attached to this Report as **Appendix “A”**.
2. In addition to the appointment of the Liquidator, the Liquidation Order authorized and directed the Liquidator to sell the Company’s assets and also established the process for determining the claims of Paidiem so that MNP would be in a position to make a distribution to Paidiem’s creditors and shareholders (the “**Claims Process**”).
3. The purpose of this Report (the “**First Report**”) is to provide information to the Court in respect of and as applicable, the Liquidator’s comments and/or recommendations concerning:
 - a) the activities of the Liquidator since the Date of Appointment, including the development and implementation of a stalking horse sale process (the “**Sale Process**”);
 - b) the results of the Sale Process;
 - c) the implementation and administration of the Claims Process;
 - d) the fees and disbursements of the Liquidator and its counsel, CG LLP (as such term is later defined); and
 - e) the Liquidator’s request for an order(s) of the Court, *inter alia*:
 - i. approving this Report and the activities and actions of the Liquidator, as described herein;
 - ii. approving Stalking Horse Asset Purchase Agreement, dated December 21, 2022 and as amended on January 5, 2023 (the “**145CAN APA**”) entered into

between the Liquidator and the winning bidder of the Sale Process, 14546865 Canada Inc. (“**145CAN**” or the “**Stalking Horse Bidder**”), in respect of the Purchased Asses (as such term is defined in the 145CAN APA);

- iii. vesting title in the Purchased Assets to 145CAN free and clear of all claims and encumbrances upon closing of the transaction contemplated by the 145CAN APA;
- iv. approving the fees and disbursements of the Liquidator rendered to date, including the fees and disbursements of CG LLP, as detailed herein;
- v. approving the distribution made to Business Development Bank of Canada (“**BDC**”), *nunc pro tunc*; and,
- vi. such other relief as the Court deems just.

TERMS OF REFERENCE

4. In preparing this First Report, and making comments herein, the Liquidator has been provided with, and has relied upon, information (the “**Information**”) contained in or obtained from:
 - a) various documents filed in this proceeding, including the application record, dated November 21, 2022 (the “**Application Record**”) which includes the affidavit of Robertson, sworn November 16, 2022 (the “**Robertson Affidavit**”);
 - b) the Company’s books and records and certain available but unaudited, draft and/or internal financial information obtained by the Liquidator;
 - c) discussions with and information provided by the Company’s directors and management (“**Management**”);
 - d) discussions and communications with Robertson;
 - e) the Claims Process;
 - f) discussions and communications with the Claimants of Paidiem, including BDC; and,
 - g) other third-party sources or as otherwise available to the Liquidator and its counsel.

5. Except as specifically noted in this Report, the Liquidator has not audited, reviewed, or otherwise verified the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Professional Accountants Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance in respect of the Information.
6. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.
7. Capitalized terms not defined in the First Report have the meaning ascribed to them in the Liquidation Order.
8. The Liquidator will make a copy of this First Report, and related documents, available on the Liquidator's website at www.mnpdebt.ca/paidiem (the "**Case Website**").

OVERVIEW AND BACKGROUND

9. Paidiem was incorporated pursuant to the OBCA on or about June 28, 2019 and was founded by Robertson and Richard Cromie ("**Cromie**"). The common shares of the Company are principally owned by Robertson and Cromie/Cromie Family Trust, with their holdings representing approximately 54% and 41%, respectively, of the issued and outstanding common shares of the Company. Cromie is the President and CEO of Paidiem. Both Robertson and Cromie are directors of the Company, together with three (3) other individuals.
10. Paidiem is a fintech start-up, providing the payroll payment processes for companies through a proprietary cloud-based workforce management and administration platform (the "**Platform**").
11. As noted in the Robertson Affidavit, pursuant to a Special Resolution made on October 14, 2020, the shareholders (both common and preferred shareholders) of Paidiem approved the wind-up of the Company and the appointment by the Court of MNP as Liquidator.

12. At the Date of Appointment, the Company held in various bank accounts a total of approximately \$1.7 million, with approximately \$104,800 representing funds held in trust associated with monies advanced by Paidiem's customer to fund upcoming payrolls being processed by the Company. The only other material assets of the Company are its accounts receivables (book value as of November 23, 2022 of \$141,072.06) and its intellectual property associated with the Platform (no value capitalized on the books)
13. The known Claimants in Paidiem's liquidation and their relative order of priority, as of November 23, 2022, the date the Liquidation Order, is summarized as follows:
 - i. BDC was the Company's only secured creditor and was owed approximately \$166,400 as at the December 1, 2022;
 - ii. there were three (3) known unsecured creditors as the Date of Appointment - L-Spark Corporation, Robertson and Shift 8 Inc.¹ ("**Shift 8**") - who are owed approximately, \$39,000, unknown and unknown, respectively as at the Date of Appointment;
 - iii. preferred shareholders comprising various investors², who invested approximately \$4.48 million in Paidiem; and
 - iv. common shareholders.

Attached as to this Report as **Appendix "B"** is a schedule of Paidiem's common and preferred shareholders (collectively, the "**Shareholders**") and their respective share ownership.

14. Under the Liquidation Order, it was contemplated that the Company's business operations continue uninterrupted, while a sale process is conducted for the business and assets of Paidiem, and a claims process is run.

¹ Shift 8 Inc. is corporation owned by Cromie through which consulting services were provided to the Company.

² The preferred shareholders provided seed financing to the Company in through three (3) series of financing rounds that occurred in March 2021 and April/May 2022.

15. As a start-up company, the business does not generate sufficient revenues to offset its costs, which is primarily payroll costs. As a consequence, Paidiem operating costs exceeds its revenues by approximately \$105,000 per month (the “**Cash Burn**”).

LIQUIDATOR’S ACTIVITIES

16. Following its appointment, the Liquidator’s activities included:
- a) establishing procedures and protocols with Management for the approval and monitoring of Paidiem’s on-going business operations, activities and bank accounts³,
 - b) monitoring Paidiem’s on-going business operations and activities, including the approval of the debiting of customer accounts and payment of disbursements/ expenses, engaging Dentons LLP, the Company’s legal counsel, to complete a review of its master service agreement documents, and the hiring of a consultant to fill part of the void created following the resignation of one (1) key employee;
 - c) setting-up a trust account at The Toronto-Dominion Bank for the proceeds of the liquidation;
 - d) obtaining electronic copies of the Company’s books and records;
 - e) electronically filing notice with the Ontario Ministry of Public and Business Service Delivery pursuant to Section 210(4) of the OBCA with respect to the Court ordered windup and Liquidator’s appointment;
 - f) establishing the Case Website;
 - g) posting on the Case Website pursuant to Paragraph 27 of the Liquidation Order of the Claims Process Notice and Proof of Claim;
 - h) publishing on December 9, 2022 a notice pursuant to Paragraph 28 of the Liquidation Order of the Liquidation Notice (as defined in the Liquidation Order) in the National Post;

³ Given existing banking arrangements with customers and to avoid disruption to the business and operations, the Company’s existing bank accounts were left in place, but with some changes in access rights.

- i) sending pursuant to Paragraph 29 of the Liquidation Order to each person identified on the Company's books and records as having a claim or own shares of the Company: (a) a copy of the Liquidation Order; (b) a Notice of Claim advising that Person of: (i) the amount shown on the Company books and records as being owed to that Person; and (ii) the number of shares of the Company shown of the Company's books and records as being owned by that Person as at the Effective Date; and (c) a Proof of Claim form (collectively, the "**Liquidation and Claims Bar Notice**"). Attached to this Report as **Appendix "C"** is a copy of the affidavit of mailing of the Liquidation and Claims Bar Notice;
- j) additionally sending notice of the Claims Process to Robertson and Shift 8 (as such term is later defined) on December 13, 2022, as well to CRA (as such term is later defined) on December 20, 2022, all of whom were identified as potential claimants but who were not sent a Notice of Claim;
- k) implementing the Claims Process, as contemplated in the Liquidation Order, and as described in greater detail later in this Report – see *The Claims Process* section below;
- l) developing and implementing the Sale Process, as contemplated in the Liquidation Order, and as described in greater detail later in this Report – see *The Sale Process* section below;
- m) upon Management's request, implementing a key employee retention plan totalling \$30,000 following the resignations of two (2) key employees;
- n) initiating the preparation of the Company's Scientific Research and Experimental Development (SR&ED) claim;
- o) arranging for the implementation of an Anti-Money Laundering compliance program, in connection with the Financial Transactions and Reports Analysis Centre of Canada ("**FINTRAC**") assessment of Paidiem of a Money Service Business;
- p) engaging Mr. Gustavo Camelino of Camelino Galessiere LLP ("**CG LLP**") to act as the Liquidator's legal counsel; and

- q) the preparation of this Report.

THE SALE PROCESS

The Development and Approval of the Sale Process

17. On November 18, 2022, prior to the date of the Liquidation Order, Cromie and representatives of GreenSky Accelerator Fund IV, LP (“**GreenSky**”, and together with Cromie, hereinafter collectively referred to as the “**Pref Share Group**”), advised MNP that it was a potential purchaser of the business and assets of the Company (collectively, the “**Assets**”). The Pref Share Group expressed concerns about the timing of and the length of any sale process. Their concerns were that a protracted sale process would likely cause the value of the business to erode, even if a stalking horse arrangement were put into place. As well, they were concerned about the provision of proprietary information and intellectual property (collectively, the “**IP**”) to potential purchasers and competitors during the course of any sale process.
18. Based on this discussion with the Pref Share Group, the Liquidator determined that the most reasonable and commercially efficient approach to market, solicit interest in the Assets and maximize value would be for the Liquidator (in its capacity as court-appointed Liquidator for the Company) to enter into a stalking horse asset purchase agreement (“**Stalking Horse APA**”) with a company to be incorporated on behalf of the Pref Share Group, and to then conduct two (2) staged stalking horse based sale process.
19. On November 22, 2022, Cromie, on behalf of a company to be incorporated, sent an offer with the basic terms for the purchase of the Assets under a Stalking Horse APA.
20. Over the following two weeks, the Liquidator, in consultation and input from the Pref Share Group and the Applicant, developed and shared an outline for a two (2) staged stalking horse based sale process protocol (the “**Sale Process Protocol**”).
21. The Liquidator advised the Pref Share Group and the Applicant that it would require that the Sale Process Protocol and the Stalking Horse APA be either unanimously approved by the Shareholders⁴ or approved by this Court. The Pref Share Group and the Applicant

⁴ Includes Robertson

agreed to proceed on the basis of the Shareholders unanimously resolving to approve the Sale Process Protocol and the Stalking Horse APA .

22. The Sale Process Protocol can be summarized as follows:

MILESTONE EVENT ACTIVITY	DEADLINE/TIMING
Commencement of the Sale Process	Immediately following the date on which the Stalking Horse Asset Purchase Agreement and this Sale Process is unanimously approved by the Shareholders (the “ Commencement Date ”).
Marketing - The Liquidator shall contact parties identified (the “ Prospective Participants ”) who may be interested in purchasing the Assets and provide those parties with a copy of the teaser document (the “ Teaser ”) and form of non-disclosure and confidentiality agreement (“ NDA ”) prepared by the Liquidator.	Within 3 Business Days following the Commencement Date
Marketing - Arrange for the publication of Opportunity in the National Post and/or such other trade publications or other publications as the Liquidator may deem appropriate or advisable.	Within ten (10) Business Days following the Commencement Date
First Due Diligence Period - The Liquidator shall make available to each Prospective Participant which has delivered a signed NDA to the Liquidator the following: <ul style="list-style-type: none"> a) a copy of the Stalking Horse Asset Purchase Agreement; and b) initial access to an electronic data room, to be maintained by the Liquidator, which shall contain information pertaining to the Opportunity, which is in the Liquidator’s possession. 	Commencing on the Commencement Date and after each respective Prospective Participant has executed the NDA
First Deadline – Submission of Non-Binding Letters of Interest (LOIs) <ul style="list-style-type: none"> • If it is determined by the Liquidator that a Prospective Participant: (i) has a bona fide interest in pursuing a Transaction; and (ii) has delivered an executed NDA acceptable to the 	5:00 p.m. (Toronto time) on February 6, 2022 (the “ LOI Deadline ”)

MILESTONE EVENT ACTIVITY	DEADLINE/TIMING
<p>Liquidator, then such Prospective Participant will be deemed to be a “Qualified Bidder”;</p> <ul style="list-style-type: none"> • Qualified Bidders shall submit their non-binding proposals for the acquisition of some or all of the Assets (“LOI”) by the LOI Deadline (defined herein); • Each LOI shall be submitted on the provided form (the “LOI Template”), and include among other things, detailed descriptions of: <ul style="list-style-type: none"> a) the Assets proposed to be acquired; b) the proposed purchase price or other consideration for the Assets to be acquired, including the form of payment; c) the Qualified Bidder’s identity, and the identity of its principals; d) applicable conditions; e) evidence of the ability of the Qualified Bidder to consummate the Transaction, including evidence of financial means; f) the proposed timing for completion of the Transaction; g) the requisite deposit 	
<p>Evaluation of LOIs</p> <ul style="list-style-type: none"> • The Liquidator shall evaluate and determine in its sole discretion whether one or more Qualified Bidder to proceed in the Sale Process; • A LOI will only be considered a “Qualified LOI”, if it is submitted before the LOI Deadline and if it meets the following minimum criteria: <ul style="list-style-type: none"> a) it must be submitted in writing, substantially in the form the LOI Template; b) it must be for a price equal to or greater than the sum of: <ul style="list-style-type: none"> (i) the Purchase Price; (ii) the Break Fee of \$50,000; and (iii) \$100,000. c) it must be accompanied by a deposit (the “LOI Deposit”) in the form of a certified cheque or bank draft (or in the form of confirmed wire transfer in the case of 	<p>Within three (3) Business Days following the LOI Deadline</p>

MILESTONE EVENT ACTIVITY	DEADLINE/TIMING
<p>offers submitted electronically) payable to “MNP Ltd., in trust” which is equal to the greater of:</p> <ul style="list-style-type: none"> (i) \$315,000; and (ii) ten (10%) percent of the total purchase price payable under the LOI; and <p>d) it must include written evidence, satisfactory to the Liquidator, that the offeror has the financial means to complete the proposed acquisition;</p> <ul style="list-style-type: none"> • If only one (1) Qualified LOI is submitted (other than the Stalking Horse Bid) and such LOI is from Robertson or an entity controlled by Robertson, or an entity that Robertson is a member of a group that controls such entity, then the sale process shall proceed to the Auction (as later defined). For greater clarity, there will be no second due diligence period and there will be no Bid Deadline (as later defined). • If no LOIs are submitted by the LOI Deadline or the Liquidator has determined in its sole discretion that there are no Qualified LOIs (other than the Stalking Horse Bid), the sale process shall end, and the Liquidator will proceed to close the Transaction with the Stalking Horse Bidder; 	
<p>Second Due Diligence Period – If one or more Qualified LOIs are received by the LOI Deadline, the Liquidator shall:</p> <ul style="list-style-type: none"> • extend the due diligence period; • invite those Qualified Bidders who have submitted a Qualified LOI to continue to perform due diligence; • broaden access to the electronic data room and more detailed and sensitive materials for those Qualified Bidders who have submitted a Qualified LOI; 	<p>Commencing on completion of the evaluation of the LOIs</p>
<p>Second Deadline – Submission of Binding Offers</p>	<p>5:00 p.m. (Toronto time) on March 8, 2023 (the “Bid Deadline”)</p>

MILESTONE EVENT ACTIVITY	DEADLINE/TIMING
<p>Evaluation of Qualified Bids</p> <ul style="list-style-type: none"> a) An offer will only be considered in this Sale Process, in which case it shall be considered a “Qualified Bid”, if it is submitted before the Bid Deadline and if it meets the following minimum criteria: b) it must be submitted in writing, substantially in the form of Stalking Horse Purchase Agreement, with any changes to the offer blacklined against the Stalking Horse Purchase Agreement; c) it must be for a price equal to or greater than the sum of: <ul style="list-style-type: none"> a. the Purchase Price; b. the Break Fee of \$50,000; and c. \$100,000. d) it must be irrevocable until five (5) business days after the Auction (as later defined); e) it includes an acknowledgement that the purchaser has relied solely on its own independent review and investigation and that it has not relied on any representation by the Company, the Liquidator or their respective agents, employees or advisers; f) it must not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent to the offeror’s obligation to complete the transaction; and g) it must be accompanied by an additional deposit (the “Bid Deposit”), if necessary, in the form of a certified cheque or bank draft (or in the form of confirmed wire transfer in the case of offers submitted electronically) payable to “MNP Ltd., in trust”, such that the aggregate of the Bid Deposit and the LOI Deposit is at a minimum equal to the greater of: <ul style="list-style-type: none"> i. \$472,500; and 	<p>Within five (5) Business Days following the Bid Deadline</p>

MILESTONE EVENT ACTIVITY	DEADLINE/TIMING
<p style="text-align: center;">ii. fifteen (15%) percent of the total purchase price payable under the Qualified Bid; and</p> <p>h) it must include written evidence, satisfactory to the Liquidator, that the offeror has the financial means to complete the proposed acquisition,</p> <p>i) provided however that the Liquidator may, exercising its reasonable discretion, waive compliance with one or more of the foregoing Qualified Bid requirements and deem such non-compliant offer to be a Qualified Bid.</p> <p>j) If no Qualified Bid is received by the Bid Deadline (other than the Stalking Horse Bid), the Auction (as later defined) will not be held, and the Stalking Horse Bid will be the winning Bid (the “Winning Bid”).</p>	
<p>Auction</p> <ul style="list-style-type: none"> • If more than one Qualified Bid is received by the Bid Deadline, the Liquidator shall extend invitations by phone, fax and/or email to all bidders who submitted Qualified Bids and to the Stalking Horse Bidder to attend an auction (the “Auction”). • The Auction shall be held at the offices of the Liquidator or by teleconference, video conference or other form of electronic telecommunications, as the Liquidator may deem fit. • The Liquidator shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$50,000, or such other amount as the Liquidator determines to facilitate the Auction. Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and other procedures for the Auction shall be determined by the Liquidator in its sole discretion. 	<p>The Auction is to be held on March 15, 2023</p>

MILESTONE EVENT ACTIVITY	DEADLINE/TIMING
<ul style="list-style-type: none"> Following the conclusion of the Auction (if applicable), the offer received at Auction which is determined by the Liquidator, in its sole discretion, to be the highest and best offer, taking into account all elements of the offers received and the potential impact on the creditors of the estate, which the Liquidator is satisfied, acting reasonably, is capable of being completed shall be the Winning Bid. 	
Sale Approval Motion Date	As soon as reasonably practical following execution and delivery of one or more definitive agreements
Completion of Transaction(s)	To be determined based on terms of the definitive agreement(s)

23. Among other considerations, the Liquidator takes the position that the Sale Process Protocol was the preferred approach for the following reasons:
- a) the Stalking Horse APA creates certainty by way of an unconditional bid, and establishes a floor value for the Assets while providing an opportunity to market the Assets for superior realizations than contemplated by the Stalking Horse APA;
 - b) the Stalking Horse APA creates certainty for the employees of the Company that they would have a job in the future; and
 - c) the two (2) stage process addressed the concerns of the Pref Share Group by potentially shortening the sale process if no viable potential bidders materialized in the first stage and by having the more sensitive aspects of the IP being reserved for disclosure to second stage of the sale process.
24. On December 21, 2022 the Liquidator and 145CAN (the company formed by the Pref Share Group) executed the 145CAN APA, wherein 145CAN would be the stalking horse bidder.

25. On December 30, 2022, the Liquidator received a copy of the fully executed Resolution of the Shareholders unanimously approving the Sale Process Protocol and the 145CAN APA (the “**Resolution**”). Attached to this Report at **Appendix “D”** is a copy of the Resolution, including the Sale Process Protocol and the 145CAN APA.
26. Due to the holidays and a longer than expected time period to obtain all of the Shareholders’ approval, as well as to address a few other minor inconsistencies in the 145CAN APA as originally drafted, an amending agreement (the “**Amending Agreement**”) was prepared by the Liquidator’s counsel and executed by 145CAN and the Liquidator on January 5, 2023. Attached to this Report as **Appendix “E”** is a copy of the Amending Agreement.

Implementation of the Sale Process

27. The Liquidator conducted the Sale Process as summarized below:
 - a) the Liquidator prepared the Teaser describing the opportunity, providing key dates in the Sale Process, and inviting parties to participate in the Sale Process;
 - b) the Liquidator prepared the Teaser and a form of NDA for execution by any Prospective Participant that wished to participate in the sales process;
 - c) the Liquidator, with assistance of Management and Robertson, gathered and reviewed all due diligence materials that it determined to be relevant to Prospective Participants and established a secure, electronic data room (the “**Data Room**”), which was maintained and administered by the Liquidator throughout the Sale Process;
 - d) the Liquidator, with the assistance of Management and Robertson, prepared a list of thirty-three (33) Prospective Participants;
 - e) on January 6, 2023 the Liquidator sent the Teaser to the identified Prospective Participants, as well as to MNP’s partners, who identified three (3) additional Prospective Participants. Attached to this Report as **Appendix “F”** is a copy of the Teaser;

- f) in addition to the sending the Teaser to the Prospective Participants identified, the Liquidator:
- i. on January 17, 2023 published notice of the opportunity in the National Post;
 - ii. provided NDAs to six (6) Prospective Participants that expressed an interest in the opportunity. The Liquidator received executed NDAs from four of those Prospective Participants;
 - iii. provided access to the Data Room to the four (4) Prospective Participants who had executed NDAs;
 - iv. on or about January 23, 2023 followed-up with the Prospective Participants who had executed NDAs to inquire if there was any additional information, they required to complete their due and to remind them of the LOI Deadline; and
 - v. engaged in various discussions with Prospective Participants regarding the process and Paidiem's business.

Results of the Sale Process

28. After conducting the first stage of Sale Process, the Liquidator did not receive any LOIs, qualified or otherwise. Accordingly, and pursuant to the Sale Process Protocol approved by the Shareholders, as no LOIs were submitted by the LOI Deadline 145CAN as the Stalking Horse Bidder was the Winning Bid pursuant to the 145CAN APA. The Liquidator is now proceeding to close a transaction with the Stalking Horse Bidder.
29. The 145CAN APA , as appended by the Resolution (see Appendix "D" to this Report), is an offer to purchase the right, title, and interest of the Company to the Purchased Assets. The salient terms of the 145CAN APA are set out as follows. (To the extent not otherwise defined in this Report, the capitalized terms set out in the table below have the meanings ascribed to them in the 145CAN APA):

Vendor	Liquidator
Purchaser	145CAN
Purchase Price/Deposit	The purchase price for the Purchased Assets will be \$3,000,000 (the “ Purchase Price ”). A deposit in the amount of \$450,000.
Proposed Transaction	Subject to the provisions of the 145CAN APA , including the issuance of an Approval and Vesting Order (the “ AVO ”) in form and substance satisfactory to the Purchaser and vesting title in the Purchaser on closing on a “free and clear” basis, except for specified assumed liabilities and permitted encumbrances identified in the 145CAN APA , the Purchaser shall acquire the Purchased Assets from the Liquidator (the “ Proposed Transaction ”).
“As is, where is”	The Purchased Assets are being acquired on an “as is, where is” and “without recourse” basis
Excluded Assets	The Excluded Assets is comprised of to (i) all cash or cash equivalents; (ii) all accounts and other amounts due, owing or accruing due to the Company; (iii) all accounts and other amounts due from related parties; (iv) the benefit of any contracts, agreements and/or understandings to which the Company is a party other than those contracts that are assigned to the Purchaser; and (v) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance, capitalization or existence of the Company
Assumed Liabilities	The Purchaser will assume any and all liabilities with respect to (i) the Assigned Agreements; (ii) the employee obligations, statutory, under common law or otherwise, of the former employees of the Company, who are offered and accept a position with the Purchase; and (iii) any other liability which the Purchaser agrees in writing to assume on or before the Closing Date
Conditions to Closing	The parties’ respective obligations to consummate the Proposed Transaction is subject to the satisfaction of certain customary conditions, as well as the AVO having been obtained and shall not been stayed, amended, modified, reversed, or dismissed as at the Closing Date.

30. The description of the 145CAN APA terms set out above are only a summary and reference should be made to the 145CAN APA attached to this Report (see Appendix “D” to this Report) for its specific terms.

Modification of the Terms for Closing

31. The Liquidator understands that the preferred shareholders of Paidiem (the “**Pref S/Hs**”) are the principal investors in 145CAN and it was their expectation that the Claim Process would be completed on or before the completion of the Sale Process, such that their distribution from these liquidation proceedings would be directed to and fund their investment in 145CAN, paid concurrently with the closing of the Transaction.
32. As the Claim Process has not been completed (see *The Claims Process* section below), closing of the Transaction, should the Court approve the 145CAN APA and authorize the Liquidator to complete the Transaction, would need to be delayed until the Claims Process is completed.
33. As a result, and in order to close the Transaction immediately after Court approval, it has been proposed by 145CAN that instead of the balance of the Purchase Price being paid in cash on Closing that a promissory note be provided to the Liquidator by 145CAN, and whose terms shall include but are not limited to the following:
- a) payable in full on the earlier of i) the date of the distribution to the Pref S/Hs pursuant to an Order of this Court, and ii) six months from the date of Closing;
 - b) secured in full by a first ranking charge/security over all of the property, assets and undertakings of 145CAN; and
 - c) no principal or interest payments to be made during period that the promissory note is outstanding.
34. The Liquidator is supportive of the modification in the terms of the 145CAN APA and the proposed promissory note for the following reasons:
- a) there are no other bidders for the Assets, and so this continues to be the best offer;

- b) the closing of the Transaction would occur sooner, which would result in greater cash being available for distribution to the Claimants since the Cash Burn associated with operating the Company would then shift to 145CAN sooner;
- c) based on the aggregate of the available cash on hand currently (approximately \$800,000) and the cash deposit provided by 145CAN (\$450,000), there is sufficient cash available to cover the Cash Burn to Closing, the administration cost of these wind-up proceedings and to pay the claims of the unsecured creditors⁵ to the extent of the amounts claimed/filed under the Claims Process. Accordingly, unsecured creditors would not be prejudiced; and
- d) the utilization of the promissory note better serves the Pref S/Hs in facilitating their investment in 145CAN;
- e) with the unsecured creditors to be satisfied by the cash available, as noted above, and given the amount of Purchase Price (\$3 million) versus the amount of the Pref S/Hs claims (\$4.48 million), it is estimated that only the Pref S/Hs would be expected to receive a distribution in these proceedings, after the payment of unsecured creditors. Accordingly, neither of Shareholders will be prejudiced.

Recommendation

35. The Trustee recommends the Court approve the transaction contemplated by the 145CAN APA and the modification of the terms for Closing for the following reasons:
- a) the duration of the Sale Process for the Assets was sufficient to allow the most likely interested parties an opportunity to perform initial due diligence and submit LOIs;
 - b) the transaction provides for a fair market price for the Assets;
 - c) all of the Shareholders, which includes the Applicant, were consulted and approved the Sale Process and the 145CAN APA; and

⁵ Certain of the unsecured creditors are still to be determined, namely Robertson and Shift 8. The actual amount to be paid will be the amount as determined under the Claims Process approved by this Court.

- d) the modification proposed for the terms for Closing would not prejudice the Claimants for the reasons noted in paragraphs 34(c) and (e) above.

THE CLAIMS PROCESS

The Claimants

36. As noted earlier in this Report, based on the Company's books and records and other information, the known Claimants in Paidiem's liquidation and their relative order of priority, are as follows:
- a) secured creditor - BDC (approximately \$166,400);
 - b) unsecured creditors - L-Spark Corporation (\$39,000), Robertson (Not Yet Determined) and Shift 8 (Not Yet Determined);
 - c) Pref S/Hs - various investors (approximately \$4.48 million); and
 - d) common shareholders.
37. Notwithstanding that the Company's books and records showed no debt owing to Canada Revenue Agency ("CRA") at the Date of Appointment, as a consequence of Paidiem continuing to operate during these wind-up proceedings until a sale transaction can be completed, it still has reporting and remitting statutory obligations, as appropriate, under various Canadian tax legislation. Accordingly, the Liquidator identified CRA as a potential claimant.
38. In addition, it was identified on the Claims Bar Date (as such term is later defined) that MNP LLP⁶ provided a small amount of tax services to Paidiem prior to the date of the Liquidation Order, but where not reflected in the Company's books and records when the Claims Process commenced since no account had been rendered at such time.

⁶ MNP LLP is the parent company that wholly owns MNP Ltd.

The Implementation of the Claims Process

39. As approved by the Court and as set out in paragraphs 23 to 38 of the Liquidation Order, the Claims Process required:
- a) the Liquidator Notice be published once in the National Post;
 - b) that within fourteen (14) Business Days of the Date of Appointment, the Liquidator (i) send the Liquidation and Claims Bar Notice, including the Notice of Claim to each person identified on the Company's books and records as having a claim or own shares of the Company; and (ii) to post the Liquidation and Claims Bar Notice on the Case Website;
 - c) either (i) any Claimant who disagreed with the Notice of Claim received and wished their Claim to be corrected; or (ii) any Claimant who did not receive a Notice of Claim but wished to assert a claim, to file a Proof of Claim with the Liquidator by no later than January 12, 2023 (the "**Claims Bar Date**");
 - d) the Liquidator to review any Proofs of Claim filed on or before the Claims Bar Date and determine in each instance whether the Proof of Claim should be either allowed, partially allowed, disallowed or partially disallowed by delivering a Notice of Determination to the Claimant;
 - e) any Claimant that wished to object to the Liquidator's determination of their claim and contest the Liquidator's Notice of Determination, was to deliver to the Liquidator a Notice of Objection by no later than fourteen (14) Business Days after the date of the Notice of Determination; and
 - f) the Liquidator to bring a Motion to the Court to establish the process for determine the Claim in the event that it receives a Notice of Objection(s) within the prescribed time period.
40. As noted earlier in this Report, on December 13, 2022 the Liquidator sent the Liquidation and Claims Bar Notice, together with a Proof of Claim form to all known Claimants, Robertson, Shift 8 and subsequently to CRA. Also, the Liquidator published the Liquidation Notice in National Post on December 9, 2022.

41. A schedule summarizing the Claimants and the amounts shown on their respective Notices of Claim that were sent out on December 13, 2022 is attached to this Report at **Appendix “G”**.

The Results of the Claims Process

General

42. The Liquidator received three (3) completed proof of claim forms on or before the Claims Bar Date and one (1) after.
43. The Proofs of Claim received are summarized as follows:
- a) BDC filed a Proof of Claim including an amount different than the amount set out in the Notice of Claim sent to BDC. No other Claimant who was sent a Notice of Claim asserted a Claim different from was set out in their Notice of Claim;
 - b) each of Robertson and Shift 8 filed a Proof of Claim asserting a claim that was either not in the Company’s books and records or was not initially identified by the Company, and for which no Notices of Claim were sent; and
 - c) MNP LLP filed a Proof of Claim asserting a claim that was not identified in the Company’s books and records and for which no Notice of Claim was sent. MNP LLP’s Proof of Claim was received after the Claims Bar Date (received three (3) minutes after the Claims Bar Date deadline of 5:00 PM).

BDC’s Claim

44. The amount claimed by BDC in its Proof of Claim was associated with a loan in the amount of \$250,000 obtain on or around February 4, 2021 that was secured by a general security agreement over the Assets and personal guarantees given by Cromie and the Applicant. The Liquidator has conducted an Ontario *Personal Property Security Act* (the “PPSA”)lien/registry search (file currency date of January 15, 2023) (the “PPSA Search”), which shows a single registration in favour of BDC and dated February 4, 2021. A copy of the PPSA Search is attached to this Report as **Appendix “H”**.

45. CG LLP has provided to the Liquidator an informal assessment confirming the validity and enforceability of the security held by BDC, provided that BDC properly perfected its security interest by registration under the PPSA.
46. The Notice of Claim sent to BDC reflected balance owing of \$166,400, which represented the principal loan balance of December 1, 2022.
47. Subsequent to the Date of the Liquidation Order, the preauthorized debits (PAD) for the monthly loan payments (principal and interest) to BDC were permitted for November (the principal reduction was already reflected in the Notice of Claim figure) and December 2022, totaling \$13,299.91.
48. The Proof of Claim filed by BDC in the Claims Process was for \$161,200 (reflecting the principal reduction associated with the December 2022 PAD) plus accrued interest and legal costs until repaid in full.
49. Based on a review of BDC's loan and associated security documents, it was not clear whether BDC would be entitled to receive reimbursement for legal costs incurred, given that there have been no payment defaults and that the legal costs were not incurred in connection with the enforcement of the loan or the security.
50. In the Liquidator's various discussions with BDC, BDC raised concern that it was not served with the Application Record, despite the provision in the Liquidation Order which granted an administrative charge in favour of the Liquidator in priority to BDC security. BDC has asserted that as a consequence of this oversight and given the nature of these court proceedings, it was necessary for it to retain legal counsel in order to understand its rights and remedies in these proceedings.
51. Among other considerations, the Liquidator determined it was proper and appropriate to repay the indebtedness to BDC, including the legal costs incurred by BDC, for the following reasons:
 - a) under paragraph 26 of the Liquidation Order, the Liquidator is authorized to enter into settlement negotiations with BDC at any stage of the Claims Process;

- b) the Claims Process had been run and no Claimants⁷ were identified which would be entitled to be paid in priority to BDC;
 - c) disputing the payment of the legal costs incurred by BDC, would likely result in greater professional fees being incurred to the detriment of Paidiem's other stakeholders;
 - d) there were sufficient funds on hand in the Company to repay the indebtedness in full to BDC;
 - e) waiting to repay the indebtedness to BDC would only result in increased interest costs and potentially greater legal costs incurred by BDC to the detriment of other Claimants; and
 - f) the repayment of BDC was supported by the Applicant and the Company based on the Liquidator's discussions with the parties and the desires for the personal guarantees to be eliminated.
52. Based on the foregoing the Liquidator requested a payout figure from BDC and on January 18, 2023, the Liquidator direct the Company to remit to BDC the sum of \$165,456.93, representing principal loan indebtedness of \$161,200, accrued interest of \$838.68 and legal fees of \$3,418.25 (the "**BDC Distribution**").
53. The Liquidator respectfully requests that this Court approve the BDC Distribution made to BDC, *nunc pro tunc*.

Other Claims Filed

54. The claims of Robertson and Shift 8 are still under review and determination by the Liquidator.

⁷ CRA was sent notice of the liquidation and the Claims Process, but no Proof of Claims was received from CRA. Although not comfort letter or clearance certificate was obtained at the date of the distribution top BDC, a review conducted by the Liquidator of the Company's CRA accounts for payroll and Harmonized Sales Tax ("**HST**") did not identify any current liabilities associated with these potential priority claims.

PROFESSIONAL FEES AND DISBURSEMENTS

55. Pursuant to paragraph 18 of the Liquidation Order, the Liquidator and CG LLP are to be paid their reasonable fees and disbursements, unless otherwise ordered by the Court on the passing of accounts. In addition, the Liquidation Order provides for the Liquidator and CG LLP having a first charge on the property, assets and undertakings of the Company (the “**Property**”) for their reasonable fees and disbursements, in priority to all security interest, trusts, liens, charges and encumbrances.
56. The Liquidator’s accounts for the period from November 1, 2022 to February 28, 2023 total \$77,091.20 (exclusive of HST). The affidavit of Jerry Henechowicz, sworn March 8, 2023 as to the fees of the Liquidator is attached hereto as **Appendix “I”**.
57. CG LLP account for the period from November 19, 2022 to February 28, 2023 total \$12,868.50 (exclusive of HST). The affidavit of Antonella Cerminara, sworn March 10, 2023 as to the fees and disbursements of CG LLP in its capacity as legal counsel to the Liquidator is attached hereto as **Appendix “J”**.
58. The Liquidator is of the view that CG LLP’s accounts are reasonable in the circumstances and respectfully requests this Court approve its fees and disbursements and those of its legal counsel as described above. These professional fees and disbursements have or will be paid by the Company.

CONCLUSION AND RECOMMENDATION

59. Based on the foregoing and as outlined in the body of this report, the Liquidator respectfully recommends that the Court make an order granting the relief detailed in paragraph 3(e) of this Report.

All of which is respectfully submitted this 10th day of March, 2023

MNP LTD.,

in its capacity as the Court-appointed Liquidator of
Paidium Payment Solutions Inc. and not in its personal or corporate capacities
Per:



Matthew Lem, CIRP, LIT
Senior Vice President

Court File No. CV-22-00690376-00CL

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

THE HONOURABLE) WEDNESDAY, THE 15th DAY OF
JUSTICE STEELE) MARCH, 2023
)

B E T W E E N:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

APPROVAL AND VESTING ORDER

THIS MOTION made by MNP Ltd. (the “**Liquidator**”) in its capacity as the court appointed liquidator of the respondent Paidiem Payment Solutions Inc. (“**Paidiem**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by a stalking horse agreement dated December 21, 2022 as amended (the “**145CAN APA**”) between MNP Ltd. (solely in its capacity in its capacity as the court appointed liquidator of the respondent Paidiem) as vendor and 14546865 Canada Inc. (“**145CAN**”) as purchaser, vesting in 145CAN all of Paidiem’s right, title and interest in and to the assets described in the 145CAN APA (the “**Purchased Assets**”), was heard this day via videoconference.

ON READING the First Report of the Liquidator dated March 10, 2023 and on hearing submissions of counsel for the parties and for the Liquidator, no one appearing for any

other person on the service list, although served as appears from the affidavit of Linda Galessiere sworn on March 10, 2023.

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

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the 145CAN APA by the Liquidator is hereby authorized and approved with a minor amendment concerning the payment of the balance of purchase price by secured promissory note on the terms as the Liquidator and 145CAN may agree but which will include the following basic terms:

- (1) that it be payable in full on the earlier of i) the distribution to the Pref S/Hs pursuant to an Order of this Court, and ii) six months from the date of Closing;
- (2) that it be secured in full by a first ranking charge/security over all of the property, assets and undertakings of 145CAN; and
- (3) that no principal or interest payments to be made during period that the promissory note is outstanding

3. **THIS COURT ORDERS AND DIRECTS** that the Liquidator, 145CAN and Paidiem take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to 145CAN.

4. **THIS COURT ORDERS AND DECLARES** that upon delivery of a Liquidator's certificate to 145CAN substantially in the form attached as Schedule A hereto (the "**Liquidator's Certificate**"), all of Paidiem's right, title and interest in and to the Purchased Assets described in the 145CAN APA shall vest absolutely in 145CAN, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary

claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) encumbrances or charges created by the order of the Honourable Mr. Justice Cavanagh dated November 23, 2022; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act (Ontario)* or any other personal property registry system (all of which are collectively referred to as “**Encumbrances**” and, for greater certainty, this court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged against the Purchased Assets.

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

6. **THIS COURT ORDERS AND DIRECTS** the Liquidator to file with the court a copy of the Liquidator’s Certificate forthwith after delivery thereof.

7. **THIS COURT ORDERS** that pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Liquidator and Paidiem is authorized and permitted to disclose and transfer to 145CAN all human resources and payroll information in Paidiem’s records pertaining to Paidiem’s past and current employees. 145CAN shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respect identical to the prior use of such information by Paidiem.


8. **THIS COURT ORDERS** that notwithstanding:

- (1) the pendency of these proceedings;

- (2) the pendency of an application commenced by David Robertson against Paidiem (and others) in the Ontario Superior Court of Justice at Toronto and bearing court file number CV-22-00688249-0000;
- (3) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in respect of Paidiem and any bankruptcy order issued pursuant to any such applications; and
- (4) any assignment in bankruptcy made in respect of Paidiem

the vesting of the Purchased Assets in 145CAN pursuant to this order shall be binding on any trustee in bankruptcy that may be appointed in respect of Paidiem and shall not be void or voidable by creditors of Paidiem, nor shall it constitute not be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to applicable federal or provincial legislation.

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



SCHEDULE A – FORM OF LIQUIDATOR’S CERTIFICATE

Court File No. CV-22-00690376-00CL

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

B E T W E E N:

DAVID ROBERTON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16**LIQUIDATOR’S CERTIFICATE****RECITALS**

A. David Robertson commenced these proceedings under part XVI of the Ontario *Business Corporations Act* by way of a Notice of Application issued on November 17, 2022 and obtained an order of the Honourable Mr. Justice Cavanagh dated November 23, 2022, which ordered, *inter alia*, that the respondent be wound up (the “**Liquidation Order**”);

B. MNP Ltd. (the “**Liquidator**”) was appointed as liquidator of the respondent Paidiem Payment Solutions Inc. (“**Paidiem**”) pursuant to the Liquidation Order;

C. Pursuant to the order of the court dated March 15, 2023 (the “**Approval and Vesting Order**”), the court approved the agreement of purchase and sale dated December 21, 2022 as amended (the “**145CAN APA**”) between MNP Ltd. (solely in its capacity as the court-appointed liquidator of Paidiem) as vendor and 14546865 Canada Inc.

(“145CAN”) as purchaser and provided for the vesting in 145CAN of Paidiem’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon delivery by the Liquidator to 145CAN of a certificate confirming: (i) the payment by 145CAN of the Purchase Price for the Purchased Assets; (ii) that the conditions of Closing set out in the 145CAN APA have been satisfied or waived by the parties (as applicable); and (iii) the Transaction has been completed to the satisfaction of the Liquidator.

D. Unless otherwise indicated herein, capitalized terms shall have the same meaning as set out in the 145CAN APA.

THE LIQUIDATOR CERTIFIES the following:

1. The conditions of Closing applicable under the 145CAN APA have been satisfied and/or waived, as applicable;
2. The Liquidator received the required promissory note and security from 145CAN to satisfy the payment of the purchase price under the 145CAN APA;
3. The Transaction has been completed to the satisfaction of the Liquidator.
4. This Certificate was delivered by the Liquidator at _____(time) on _____ (date).

**MNP Ltd, solely in its capacity as court
appointed liquidator of Paidiem Payment
Solutions Inc. and not in its personal
capacity**

Name:

Title:

I have authority to bind the corporation

DAVID ROBERTSON

and

PAIDIEM PAYMENT SOLUTIONS INC.

Applicant

Respondent

Court File No: CV-22-00690376-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

APPROVAL AND VESTING ORDER

CAMELINO GALESSIERE LLP
Barristers & Solicitors
65 Queen Street West
Suite 440
Toronto, ON M5C 1H6

Gustavo F. Camelino
Law Society No.: 45607S
Tel: 416-306-3834
Email: gcamelino@clegal.ca

Lawyers for MNP Ltd.

Court File No. CV-22-00690376-00CL

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

THE HONOURABLE) WEDNESDAY, THE 15th DAY OF
JUSTICE STEELE) MARCH, 2023
)

B E T W E E N:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

ANCILLARY ORDER

THIS MOTION made by MNP Ltd. (the “**Liquidator**”) in its capacity as the court appointed liquidator of the respondent Paidiem Payment Solutions Inc. (“**Paidiem**”) for an order approving was heard this day via videoconference.

ON READING the First Report of the Liquidator dated March 10, 2023 and on hearing submissions of counsel for the parties and for the Liquidator, no one appearing for any other person on the service list, although served as appears from the affidavit of Linda Galessiere sworn on March 10, 2023.

SERVICE

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

APPROVAL OF THE FIRST REPORT OF THE LIQUIDATOR AND THE LIQUIDATOR'S ACTIVITIES

2. **THIS COURT ORDERS** that the First Report of the Liquidator dated March 10, 2023 and the activities referred to therein, including the distribution of funds to BDC to satisfy its secured claim, be and are hereby approved; provided, however, that only the Liquidator, in its personal capacity and only with its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF PROFESSIONAL FEES

3. **THIS COURT ORDERS** that the professional fees of the Liquidator and the Liquidator's counsel for the period ending February 28, 2023 as set on in appendices I and J of the First Report of the Monitor are hereby approved.



DAVID ROBERTSON

Applicant

and

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

Court File No: CV-22-00690376-00CL

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

ANCILLARY ORDER

CAMELINO GALESSIERE LLP

Barristers & Solicitors

65 Queen Street West

Suite 440

Toronto, ON M5C 1H6

Gustavo F. Camelino

Law Society No.: 45607S

Tel: 416-306-3834

Email: gcamelino@clegal.ca

Lawyers for MNP Ltd.

PAIDIEM PAYMENT SOLUTIONS INC.
Summary of Proven Claimants
As of July 31, 2023

	Shares Held	Amount of Proven Claim (\$)	Proven By:
Secured Creditors			
Business Development Bank of Canada	N/A	164,910.27	Proof of Claim/Settled
Total Secured Creditors	-	164,910.27	
Unsecured Creditors			
David Robertson	N/A	343,791.81	Proof of Claim/Settled
Shift 8 Inc.	N/A	34,236.00	Proof of Claim
L-Spark Corporation	N/A	39,000.00	Notice of Claim
Total Unsecured Creditors	-	417,027.81	
Preferred Shareholder			
Armen Meyer	154,329	94,634.54	Notice of Claim
Berkeley Skydeck Fund I LP	641,294	133,389.15	Notice of Claim
Capex Group Inc.	81,539	49,999.71	Notice of Claim
DPATAMS Inc.	65,231	49,999.56	Notice of Claim
Edward D. Andrew	65,231	49,999.56	Notice of Claim
Frontures Opportunity Fund I LP	92,597	63,089.39	Notice of Claim
Gary Meltzer	41,154	31,544.54	Notice of Claim
Giovanni Tavernese and Luigi Tavernese, jointly	65,231	49,999.56	Notice of Claim
GreenSky Accelerator Fund IV (U.S.), LP	1,542,922	1,182,649.71	Notice of Claim
GreenSky Accelerator Fund IV, LP	226,484	173,599.99	Notice of Claim
HDG Capital Inc.	130,463	99,999.89	Notice of Claim
Hockey Bags Inc.	130,463	99,999.89	Notice of Claim
Inari Ventures I GMBH & Co. KG	246,927	151,415.64	Notice of Claim
James A.T. Clare Prof Corp	407,697	249,999.80	Notice of Claim
Jason Donville	407,697	249,999.80	Notice of Claim
Jeff Kilborn	26,092	19,999.52	Notice of Claim
John Graham	293,541	199,999.32	Notice of Claim
JPATAMS Inc.	65,231	49,999.56	Notice of Claim
L-Spark Corporation	391,389	239,999.73	Notice of Claim
Mario Carrieri	65,231	49,999.56	Notice of Claim
Markus Ament	102,886	63,089.70	Notice of Claim
Myers Lane Investments Ltd.	97,846	74,998.96	Notice of Claim
Nevcaut Ventures Fund I, LP	329,236	252,359.39	Notice of Claim
Paul Brindle	65,231	49,999.56	Notice of Claim
Stephen Geist	187,540	124,999.44	Notice of Claim
Verite International Holdings Limited	130,463	99,999.89	Notice of Claim
Victor Duong	187,540	124,999.44	Notice of Claim
White Rocks Holdings Inc.	603,391	399,999.25	Notice of Claim
Total Preferred Shareholders	6,844,876	4,480,764.05	
Common Shareholders			
Cromie Family Trust	3,833,333	N/A	Notice of Claim
Daniel Sorger	50,000	N/A	Notice of Claim
David Robertson	5,666,667	N/A	Notice of Claim
John Graham	125,000	N/A	Notice of Claim
Paul Manias	50,000	N/A	Notice of Claim
Richard Cromie	500,000	N/A	Notice of Claim
RLEA Holdings Inc.	50,000	N/A	Notice of Claim
Tony Wonnacott	100,000	N/A	Notice of Claim
Trinity Capital Partners Corporation	125,000	N/A	Notice of Claim
Total Common Shareholders	10,500,000	-	

Court File No. CV-22-00690376-00CL

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

BETWEEN:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER SECTION 207 OF THE ONTARIO *BUSINESS CORPORATIONS
ACT*, R.S.O. 1990, C B. 16

AFFIDAVIT OF SHELDON TITLE
(Sworn August 1st, 2023)

I, Sheldon Title, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President with MNP Ltd. (“**MNP**”) the court-appointed Liquidator of Paidiem Payment Solutions Inc. (the “**Company**”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On November 23, 2023, on application made by David Robertson, the Ontario Superior Court of Justice (Commercial List) issued an Order to wind-up the Company pursuant to Part XVI of the Ontario *Business Corporations Act* (the “**OBCA**”) and appointing MNP as

liquidator of the Company (in this capacity, the “**Liquidator**”) pursuant to subsection 210(1) of The OBCA

3. The Liquidator has prepared a Statement of Account in connection with its appointment as Liquidator detailing its services rendered and disbursements incurred for the period from March 1, 2023 to July 31, 2023. which indicates total fees of the Liquidator for this period totaling \$46,200.60, exclusive of Harmonized Sales Tax. The Liquidator’s fees for the period ending February 28, 2023 were approved as part of the Ancillary Order, dated March 15, 2023 in these proceedings.
4. Attached hereto and marked as **Exhibit “A”** is a copy of the Statement of Account. The weighted average hourly rate in respect of the account is \$603.90.
5. The particulars of the professionals who performed the work, the time spent and fees associated with such work are contained in the attached Statement of Account.
6. Additionally, the Liquidator is estimating that its professional fees to complete the administration of this matter will be no more than \$22,000.00, exclusive of HST.
7. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Liquidator in this proceeding and the fees and disbursements claimed by it.

8. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and taxation of the Liquidator’s accounts and for no other or improper purpose.

SWORN remotely by Sheldon Title, stated as)
being located in the City of Toronto, before me)
at the Town of Erin, in the County of Wellington))
on this 1st day of August, 2023, in accordance)
with O. Reg 431/20, Administering Oath or)
Declaration Remotely)



Commissioner for Taking Affidavits

Matthew Eric Lem, a Commissioner, etc.,
Province of Ontario, for MNP Ltd. and MNP LLP.
Expires February 21, 2026.



SHELDON TITLE

Attached is **Exhibit "A"**

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me

This 1st day of August 2023

A handwritten signature in blue ink, appearing to be 'K. E.', written over a horizontal line.

Commissioner for taking Affidavits, etc



Invoice

Invoice Number : 11169146

Client Number : 0976685

Invoice Date : Aug 1 2023

Invoice Terms : Due Upon Receipt

Paidiem Payment Solutions Inc.
325 Front Street West, Suite 400
Toronto, ON M5V 2Y1

For Professional Services Rendered :

For the period from 1 March 2023 to 31 July 2023, in connection with us acting as the Court-appointed Liquidator of Paidiem Payment Solutions Inc. (detailed time descriptions attached)

OUR FEE in all	51,188.10
LESS: Rate Adjustment Discount	-4,987.50
Sub Total :	46,200.60
Harmonized Sales Tax :	6,006.08
Total (CAD) :	52,206.68

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
1 ADELAIDE ST E, SUITE 1900; TORONTO ON; M5C 2V9
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

Invoice Number: 11169146

Client Number: 0976685

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
03-Apr-2023	Chahna Nathwani	.20	Prepared deposit voucher and forwarded to M. Lem for approval. Updated Ascend file with receipt of fund.
03-Apr-2023	Matthew Lem	.50	Discussions with J. Kilborn re trust funds and other. Correspondence with counsel re PPSA Financing Change Statements. Forward same to Paidiem Solutions Inc.
04-Apr-2023	Chahna Nathwani	.30	Preparing deposit voucher and forwarded to M. Lem for approval. Updated Ascend file.
04-Apr-2023	Matthew Lem	1.10	Attend to posting of funds received from CWB. Attend to correspondence from J. Kilborn re trust funds. Attend to issues on debits approval and other. Discussion with J. Kilborn re trust figures.
05-Apr-2023	Matthew Lem	.10	Attend to correspondence with J. Kilborn re outstanding wind-up issues.
06-Apr-2023	Sheldon Title	.50	Call with J. Ormston and M. List. Follow up email to M. Lem on Robertson claim.
08-Apr-2023	Matthew Lem	.10	Follow-up on o/s issues.
10-Apr-2023	Matthew Lem	.10	Discussion with J. Kilborn re insurance and other outstanding matters.
11-Apr-2023	Matthew Lem	.10	Attend to approval of trust fund transfers. Correspondence with J. Kilborn re insurance issue and other.
13-Apr-2023	Chahna Nathwani	.40	Prepared cheque requisition for Camelino Galessiere LLP. Forwarded to M. Lem for approval, processed cheque in Ascend for signature. Prepared cover letter to attach along with the cheque.
13-Apr-2023	Matthew Lem	.30	Attend to payment of disbursements for counsel. Loan draw approval. Follow-up on remittances.
14-Apr-2023	Matthew Lem	.90	Loan facility draw approval. Discussion, reconciliation and correspondence with J. Kilborn re LHH trust transfer. Follow-up re transfer of excess funds.
19-Apr-2023	Matthew Lem	4.10	Review of Robertson claim and reconcile to company's records. Discussion with J Kilborn and R. Cromie re issues with same. Discussion with J. Kilborn re revolver loan, funds to be transferred and other file wind-up issues.

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Client Number: 0976685

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
20-Apr-2023	Chahna Nathwani	.30	Prepared deposit vouchers for RBC and Trolley, Updated Ascend file.
20-Apr-2023	Chahna Nathwani	.40	Prepared cheque requisitions and forwarded to M. Lem for approval re fixed cost reimbursements and legal bills.
21-Apr-2023	Chahna Nathwani	.30	Prepared the revised requisitions for Greensky and WLG as per M. Lem and forwarded for approval.
21-Apr-2023	Matthew Lem	.90	Review and update Robertson claim reconciliations. Review information received from J. Kilborn. Discussions with J. Kilborn and R. Cromie re issues/details on same. Attend to review and approve cost award payments.
24-Apr-2023	Matthew Lem	.10	Correspondence with J. Kilborn re reconciliation of claim of D. Robertson.
27-Apr-2023	Chahna Nathwani	.30	Prepared cover letters for fixed cost reimbursements - GreenSky and Gowlings.
27-Apr-2023	Matthew Lem	.20	Discussion with J. Kilborn re October advance by Robertson & Company.
28-Apr-2023	Matthew Lem	.20	Discussion with R. Cromie. Discussion with Dentons re shareholder interest.
01-May-2023	Matthew Lem	.30	Discussion with J. Kilborn. Follow-up with N. Tika re SRED.
02-May-2023	Matthew Lem	1.80	Review correspondence received from R. Cromie. Update Robertson reconciliation. Forward same to D. Robertson. Review and adjust letters to GreenSky and Gowlings re fixed cost awards. Attend to call from R. Cromie.
03-May-2023	Matthew Lem	.10	Follow-up with D. Robertson.
04-May-2023	Matthew Lem	.60	Coordinate meeting with D. Robertson. Calls to R. Cromie. Discussion with J. Kilborn. Prepare calculation of interest on revolver loan. Update file.
08-May-2023	Chahna Nathwani	.30	Reviewed court order and prepared cheque requisition for MNP fee. Sent to M. Lem for approval.
08-May-2023	Matthew Lem	.10	Discussion with J. Kilborn re file matters.
10-May-2023	Matthew Lem	2.60	Review information received from D. Robertson. Update schedule re comments. Call with D. Robertson re claim.

Invoice Number: 11169146

Client Number: 0976685

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
16-May-2023	Matthew Lem	.20	Call with J. Kilborn re Robertson & Company account reconciliation.
30-May-2023	Matthew Lem	1.10	Robertson & Company reconciliation and review of analysis prepared by J. Kilborn.
31-May-2023	Matthew Lem	2.20	Robertson & Company reconciliation. Call to J. Kilborn. Discussion with R. Cromie.
01-Jun-2023	Matthew Lem	1.60	Attend to Robertson & Company receivable reconciliation. Forward to J. Kilborn for comments and input.
07-Jun-2023	Matthew Lem	.50	Review correspondence from J. Kilborn. Call with J. Kilborn. Review file on Robertson claims.
08-Jun-2023	Matthew Lem	.40	Discussion with J. Kilborn. Email to J. Kilborn and calculation of interest.
09-Jun-2023	Matthew Lem	.50	Review and approval of facility advance. Review authorize fund transfer. Monitor bank account activities. Correspondence with J. Kilborn re same.
12-Jun-2023	Matthew Lem	4.80	Update reconciliation and respond to email to D. Robertson re claim. Discussion with J. Kilborn re same.
12-Jun-2023	Sheldon Title	.30	Review of Robertson claim information. Email from J. Ormston and to M. Lem.
13-Jun-2023	Matthew Lem	1.00	Discussions with S. Title re Robertson claim and claims resolution. Process. Prepare timelines on Robertson claim. Review issues concerning increasing the lending facilities.
13-Jun-2023	Sheldon Title	1.00	Calls from J. Ormston on status of Robertson claim determination. Review Robertson claim with M. Lem.
14-Jun-2023	Matthew Lem	2.50	Review bank activity. Discussion with S. Title. Call to J. Kilborn. Call to D. Robertson. Prepare notice of determination. Discussions with J. Kilborn re claims process. Coordinate access to My Business Account.
14-Jun-2023	Sheldon Title	.30	Call with M. Lem. Preliminary review of draft Notice of Determination.
15-Jun-2023	Matthew Lem	1.10	Attend to run off insurance policy and correspondence with broker re same. Various discussion with J. Kilborn re Robertson claim reconciliation. Review of spreadsheet adjust by J Kilborn re same. Discussions with J Kilborn on Robertson claim and confirm agreement to figures presented. Attend to correspondence received.

Invoice Number: 11169146

Client Number: 0976685

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
16-Jun-2023	Matthew Lem	.80	Prepare and issue notice of determination to D. Robertson. Various discussions with S. Title re same. Review banking and direct HST refund to be transferred to other bank account.
16-Jun-2023	Sheldon Title	.50	Discussion with M. Lem re Robertson claim. Review of Notice of Determination.
19-Jun-2023	Chahna Nathwani	.30	Process wire for paying insurance company. Update file.
20-Jun-2023	Sheldon Title	.60	Call with J. Ormston and email to G. Camelino on J. Ormston's wanting to bring a motion to compel distribution.
21-Jun-2023	Sheldon Title	.10	Email to/from J. Ormston on follow up to call and coordinate further call with G. Camelino and J. Ormston.
22-Jun-2023	Matthew Lem	1.20	Discussion with G. Camelino re amendment to revolver and next steps on claims and distribution. Attend to execution of tax filing documents and FS preparations. Discussion with J. Kilborn re advance and other file matters.
22-Jun-2023	Sheldon Title	.80	Call with G. Camelino and J. Ormston. Call with G. Camelino afterwards.
26-Jun-2023	Matthew Lem	.80	Discussion with G. Camelino. Discussions with J. Kilborn. Discussion with R. Cromie.
26-Jun-2023	Sheldon Title	.20	Exchange of emails with G. Camelino re: response to J. Ormston's email on indemnity/timing.
27-Jun-2023	Matthew Lem	.50	Review correspondence from G. Camelino re discussion with P. Shea on Robertson Claim and process if notice of objection filed. Email to Paidiem Solutions re documentation for increase to revolver facility limit. Discussion with J. Kilborn re request information on director's resolutions.
27-Jun-2023	Sheldon Title	.30	Emails to/from G. Camelino and M. Lem on Robertson claim.
28-Jun-2023	Matthew Lem	.60	Call with G. Camelino and S. Title re process if notice of objection is filed. Review correspondence re same.
28-Jun-2023	Sheldon Title	.80	Call with G. Camelino and Lem. Call with J. Ormston and G. Camelino re: claims process/court date.
29-Jun-2023	Matthew Lem	1.40	Review correspondence from J. Kilborn. Discussion with J. Kilborn re same. Review correspondence from

Invoice Number: 11169146

Client Number: 0976685

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			Gowlings re Notice of Objection to Notice of Determination issued on Robertson claim. Forward same to G. Camelino. Update cash flow waterfall. Discussion and correspondence with G. Camelino re claims process.
30-Jun-2023	Matthew Lem	.20	Update discussion with R. Cromie. Follow-up on certificate of insurance for runoff policy.
30-Jun-2023	Sheldon Title	.10	Call with M. Lem.
04-Jul-2023	Chahna Nathwani	.30	Prepared cheque requisition for paying a legal fee. Drafted cover letter to mail along with the cheque. Forwarded requisition to S. Title for approval. Processed cheque in Ascend for signing.
04-Jul-2023	Sheldon Title	.20	Email to/from G. Camelino re: sharing docs with J. Ormston. Approve G. Camelino invoice for payment.
05-Jul-2023	Matthew Lem	.60	Discussion with G. Camelino re Robertson claim. Forward correspondence re same.
07-Jul-2023	Sheldon Title	.10	Email from R. Cromie. Email to G. Camelino.
09-Jul-2023	Sheldon Title	.20	Email exchanges with G. Camelino on responding to R. Cromie's messages.
11-Jul-2023	Matthew Lem	.10	Review correspondence from and discussion with G. Camelino.
12-Jul-2023	Matthew Lem	1.00	Attend to correspondence. Call with G. Camelino, together with S. Title re Robertson settlement issues.
12-Jul-2023	Sheldon Title	1.00	Call with G. Camelino and M. Lem on process related questions. Emails from G. Camelino on same. Call with M. Lem on same.
13-Jul-2023	Matthew Lem	.10	Review of various correspondence re settlement discussions on process for resolving the disputed claim.
14-Jul-2023	Matthew Lem	1.10	Attend to correspondence. Provide comments on Aide Memoire. Attend to correspondence from G. Camelino re Robertson claim. Review correspondence re process for dispute.
14-Jul-2023	Sheldon Title	.40	Review/comment on Aide Memoire prepared by G. Camelino. Call with G. Camelino on Denton conflict, etc.
16-Jul-2023	Matthew Lem	1.00	Preparation of draft report to court in connection the Robertson claim.

Invoice Number: 11169146

Client Number: 0976685

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
17-Jul-2023	Matthew Lem	2.30	Preparation of draft report to court in connection the Robertson claim
17-Jul-2023	Sheldon Title	.20	Call with M. Lem on draft report.
18-Jul-2023	Matthew Lem	9.30	Preparation of draft report to court in anticipation of hearing on Robertson Claim. Call with G. Camelino. Together with S Title re settlement discussions and upcoming court date and endorsement.
18-Jul-2023	Sheldon Title	.70	Receipt of, and review of endorsement and email to G. Camelino to arrange call on same. Call with G. Camelino and M. Lem.
19-Jul-2023	Chahna Nathwani	.20	Posting of court materials to Case Website.
19-Jul-2023	Matthew Lem	.40	Various discussion with R. Cromie. Call with S. Tile. Attend to correspondence
19-Jul-2023	Sheldon Title	1.00	Call with M. Lem. Call with G. Camelino and then G. Camelino and J. Ormston on potential settlement. Emails with G. Camelino. Call with M. Lem. Instruct C. Nathwani to post aide memoire to Case Website.
20-Jul-2023	Sheldon Title	.30	Email to/from G. Camelino. Further call with G. Camelino. Call with M. Lem and email to G. Camelino on settlement.
21-Jul-2023	Sheldon Title	.30	Email from G. Camelino. Further emails with G. Camelino on settlement.
24-Jul-2023	Matthew Lem	1.30	Review tax issue re Robertson employment claim. Call to J. Kilborn and G. Camelino. Review correspondence. Attend to call from R. Cromie. Follow-up discussion with G. Camelino.
25-Jul-2023	Matthew Lem	.10	Review of correspondence from R. Cromie.
25-Jul-2023	Sheldon Title	.10	Email exchange with G. Camelino re Robertson resolution.
26-Jul-2023	Matthew Lem	.10	Review correspondence from Dentons. Call from R. Cromie.
27-Jul-2023	Sheldon Title	.10	Emails exchanged between P. Shea/J. Ormston on settlement.
28-Jul-2023	Chahna Nathwani	.60	Discussion with M. Lem re loan advance. Prepared wire requisition for loan advance. Wire funds to RBC re loan advance.
28-Jul-2023	Matthew Lem	1.20	Review of correspondence. Discussion with R. Cromie re same. Attend to revise documents for increase t

Invoice Number: 11169146

Client Number: 0976685

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			revolver loan. Attend to coordinate movement of funds re same. Discussion with J. Kilborn re same.
30-Jul-2023	Matthew Lem	2.70	Preparation of report to court. Review of correspondence.
31-Jul-2023	Matthew Lem	4.10	Preparation of report to court. Discussion with S. Title. Review comments on report. Update report. Discussions and correspondence with J. Kilborn re SRED and HST filing.
31-Jul-2023	Sheldon Title	1.50	Call with M. Lem. Review of report.

SUMMARY OF TIME CHARGES

Professional	Average Hourly		
	Rate	Hours	Amount
Sheldon Title, Partner and Senior Vice President	\$ 778.28	11.60	\$ 9,028.00
Matthew Lem, Partner and Senior Vice President	\$ 674.84	61.00	\$ 41,165.50
Chahna Nathwani, Estate Administrator	\$ 255.03	3.90	\$ 994.60
TOTAL		76.50	\$ 51,188.10

Court File No. CV-22-00690376-00CL

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

B E T W E E N:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

AFFIDAVIT OF ANTONELLA CERMINARA

(Sworn on Monday, July 31, 2023)

I, ANTONELLA CERMINARA, of the City of Vaughan in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a legal assistant employed by the law firm of Camelino Galessiere LLP (“**CGLLP**”), the lawyers for the court-appointed liquidator MNP Ltd. (the “**Liquidator**”) and as such have knowledge of the matters to which I hereinafter depose. Where such knowledge is based upon the information of others I verily believe such information to be true.
2. CGLLP was initially retained by the Liquidator on November 19, 2022.
3. By order of the Honourable Madam Justice Steele dated March 15, 2023, CGLLP’s fees in the amount of \$14,541.41 for the period ending on February 28, 2023 were approved.

4. Since that time, CGLLP undertook work in connection with the administration of the liquidation estate briefly summarized as follows:

- review and suggest revisions to the Liquidator's First Report;
- prepare materials for approval and vesting order as well as ancillary order including factum;
- attend motion for approval and vesting order and ancillary order;
- prepare and review materials relating to the closing of the sale of the debtor's assets;
- attend to closing of sale of debtor's assets;
- assist the Liquidator with the claims process;
- assist Liquidator with Robertson Claim, its review and its disallowance;
- assist the Liquidator with a settlement of Robertson Claim;
- prepare materials for distribution and discharge motion;

5. CGLLP issued 3 invoices for its fees for the period beginning March 1, 2023.¹ The aggregate total of fees and taxes in those three invoices was \$47,823.10 (HST Inclusive) particularized as follows:

Date	Inv. No.	Fees	Disb.	HST	Total
2023-03-31	2931	\$22,890.00	\$1,043.00	\$3,067.22	\$27,000.02
2023-06-30	3034	\$5,827.50	\$0	\$757.58	\$6,585.08
2023-07-31	3063	\$12,600.00	\$0	\$1,638.00	\$14,238.00
		\$41,317.50	\$1,043.00	\$5,462.80	\$47,823.10

6. A review of the invoices reveal that all of CGLLP's work relating to this engagement was undertaken by Mr. Camelino who was called to the bar in February 2002.

¹ Hereto annexed and marked as **Exhibit 1** to this my affidavit is a copy of the three invoices issued by CGLLP.

7. Mr. Camelino's hourly billing rate and hours worked during the currency of CGLLP's engagement as counsel for the Liquidator for the period commencing March 1, 2023 and ending July 31, 2023 is as follows.


	Hourly Rate	Hours Invoiced	Amount Invoiced (excluding HST)
2023	\$525.00	78.7	\$41,317.50

8. Mr. Camelino's average effective hourly billing rate during the period is \$525.00.

9. Mr. Camelino has advised me and I verily believe that CGLLP's legal fees and disbursements for the steps remaining to complete the administration of the estate will be no more than \$10,000.00 (plus HST).

10. I make this affidavit in support of the Liquidator's motion for, *inter alia*, the approval of the fees of the Liquidator's counsel.

SWORN before me at the City of
Toronto, in the Province of Ontario,
this 31st day of July, 2023.

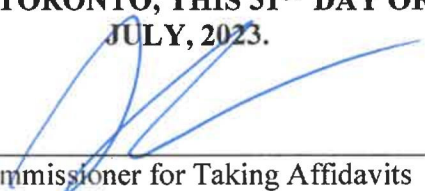


Commissioner for Taking Affidavits
Linda Galessiere



ANTONELLA CERMINARA

**THIS IS EXHIBIT 1 TO THE
AFFIDAVIT OF ANTONELLA CERMINARA
SWORN BEFORE ME AT THE CITY
OF TORONTO, THIS 31ST DAY OF
JULY, 2023.**



Commissioner for Taking Affidavits
Linda Galessiere



**Camelino
Galessiere** LLP
LAWYERS

Camelino Galessiere LLP
Barristers and Solicitors
65 Queen St. West, Suite 440
Toronto ON M5H 2M5
cglegal.ca

MNP Ltd.

111 Richmond Street West
Suite 300
Toronto, ON
M5H 2G4 Canada

March 31, 2023

Invoice No.: 2931

Matter No.: 227076

Attention: Sheldon Title

Re: Paidiem Payments Solutions Inc.
Liquidation Proceedings (OBCA)

TO PROFESSIONAL SERVICES RENDERED with respect to the above matter during the period ending
March 31, 2023 including:

FEES

Mar-02-23	GFC	confer with Mr. Lem re Robertson claims; review Liquidation Order for claims process; review unsigned employment agreement; review Robertson proof of claim;	1.00	525.00
Mar-03-23	GFC	review further emails between Robertson and Cromie related to the Robertson proof of claim; correspond with Mr. Lem re overview of procedure;	1.00	525.00
Mar-07-23	GFC	receive and review MNP's first report in draft; suggest changes to the First report; correspond with Mr. Lem re same;	1.00	525.00
Mar-09-23	GFC	receive and review MNP's first report in draft; suggest changes to the First report; correspond with Mr. Lem re same;	2.00	1,050.00
Mar-10-23	GFC	correspond with Mr. Lem throughout the day; receive and review iterations of Liquidator's report; revise notice of motion; prepare approval and vesting order; prepare ancillary order; correspond with Mr. Lem re same; finalize motion record, serve and file motion record;	6.50	3,412.50
Mar-12-23	GFC	exchange emails with Mr. Shea re outstanding costs; exchange emails with Mr. Lem re same; confer with Mr. Title re purchaser developments (operating costs); prepare factum; correspond with Mr. Lem enclosing same;	7.00	3,675.00
Mar-13-23	GFC	revise factum; correspond with Mr. Lem enclosing same; confer with Mr. Lem;	2.50	1,312.50
Mar-14-23	GFC	exchange emails with purchaser's counsel re AVO; correspondence from Mr. Title enclosing pleadings in other proceedings; receive and review other application; correspond with Mr. Lem and Mr. Title re same; finalize and serve factum; prepare for hearing; exchange emails with Mr. Shea; confer with purchaser's counsel; confer with Mr. Shea; confer with Mr. Lem;	6.50	3,412.50
Mar-15-23	GFC	exchange emails with Mr. Title re loan to purchaser; prepare for and attend hearing (AVO) before Justice Steele; conference call with Liquidator and Purchaser team re closing and loan;	2.00	1,050.00

Mar-17-23	GFC	receive and begin review of proposed closing documents and loan documents; correspond with Mr. Lem enclosing proposed mark up; prepare third party guarantee;	3.00	1,575.00
Mar-20-23	GFC	receive and review comments from Mr. Lem re revision of closing documents; correspond with Mr. Lem re same;	1.00	525.00
Mar-23-23	GFC	receive and review revisions to closing documents proposed by Mr. Bourgeois;	3.00	1,575.00
Mar-24-23	GFC	exchange emails with Mr. Bourgeois re third party guarantee; confer with Mr. Lem re third party guarantee; revise agreements to remove third party guarantees; correspondence with counsel and client throughout the day to finalize documents for closing;	4.00	2,100.00
Mar-27-23	GFC	correspondence from Mr. Bourgeois re proposed consent and direction agreement; correspond with Mr. Lem re same; correspond with Mr. Bourgeois re purchaser name change;	0.40	210.00
Mar-28-23	GFC	confer with Mr. Lem re status; correspondence from Mr. Bourgeois re revised consent (trust and agreement transfer); correspond with Mr. Lem re same;	0.40	210.00
Mar-29-23	GFC	instructions from Mr. Lem; correspond with Mr. Bourgeois re proposed consent and direction agreement; exchange emails and confer with Mr. Bourgeois re consent and direction; correspond with Mr. Lem re same; confer with Mr. Lem re request for Liquidator to process payroll on purchaser's behalf for this week; prepare email re same;	1.50	787.50
Mar-30-23	GFC	exchange emails with Mr. Bourgeois re consent and assignment; exchange emails with Mr. Kutty;	0.80	420.00
		TOTALS	43.60	\$22,890.00
		Total HST on Fees		2,975.70
DISBURSEMENTS				
Mar-13-23		Motion record - Affidavit of Service*		339.00
Mar-31-23		Agency work - Spark Law		704.00
		Sub-total of Disbursements		\$1,043.00
		Total HST on Taxable Disbursements		91.52
TOTAL FEES, DISBURSEMENTS AND HST:				\$27,000.22
TOTAL DUE AND OWING (CAD Funds)				\$27,000.22

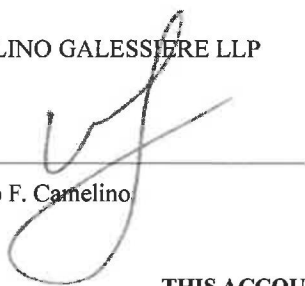
HST Registration #: 75733 6714 RT0001
Total HST: \$3,067.22
(*entries with an asterisk are tax-exempt)

This is our account herein

CAMELINO GALESSIERE LLP

Per: _____

Gustavo F. Camelino

A handwritten signature in black ink, appearing to read 'Gustavo F. Camelino', is written over a horizontal line. The signature is stylized and cursive.

**THIS ACCOUNT BEARS INTEREST AT THE RATE OF 18% PER ANNUM
IN ACCORDANCE WITH THE PROVISIONS OF THE SOLICITORS ACT, R.S.O. 1990 C.S. 15.**

[Click Here To Pay This Invoice Using Credit Card](#)

Camelino Galessiere LLP
65 Queen Street West
Suite 440
Toronto M5H2M5

Date: 2023-04-11
Invoice No.: 2304004
File No.: 23-0042

Re: Insolvency of Paidiem Payment Solutions Inc.

Professional Services

Date	Description	LWR	Hours	Amount
2023-03-24	Call with G. Camelino to discuss structure of Paydiem transaction; gathering information for and attending to PPSA registration.	SK	0.30	150.00
2023-03-27	Preparation and registration of 2 PPSA Financing Statements to secure debts of 14546865 Canada Inc. to MNP Ltd. (solely as Liquidator of Paidiem Payment Solutions Inc.). Registration of amendments to existing financing statements to change debtor name	PL	0.80	360.00
Total			1.10	\$510.00

Summary of Legal Professionals		Time Spent	Rate	Amount
SK	Sanjay Kuty	0.30	500.00	150.00
PL	Peter Luciano	0.80	450.00	360.00

Disbursements

Date	Description	Amount
2023-03-24	ESC fee - PPSA Registration 14546865 Canada Inc.	62.50
2023-03-24	ESC fee - PPSA Registration 14546865 Canada Inc.	62.50
2023-03-27	ESC fee - PPSA Registration - Paidiem Solutions Inc.	34.50
2023-03-27	ESC fee - PPSA Registration - Paidiem Solutions Inc.	34.50
Total Disbursements		\$194.00

New Charges	\$704.00
HST	\$91.52
Total	\$795.52



67 Yonge Street
Second Floor
Toronto, ON M5E 1J8

Phone: 416.639.2151

Balance Due

\$795.52

GST/HST# 76539 0901 RT0001 Total tax Amount \$ \$91.52

Payments made after 2023-04-11 are not reflected on this account.



**Camelino
Galessiere** LLP
LAWYERS

Camelino Galessiere LLP
Barristers and Solicitors
65 Queen St. West, Suite 440
Toronto ON M5H 2M5
cglegal.ca

MNP Ltd.

111 Richmond Street West
Suite 300
Toronto, ON
M5H 2G4 Canada

June 30, 2023

Invoice No.: 3034

Matter No.: 227076

Attention: Sheldon Title

Re: Paidiem Payments Solutions Inc.
Liquidation Proceedings (OBCA)

TO PROFESSIONAL SERVICES RENDERED with respect to the above matter during the period ending
June 30, 2023 including:

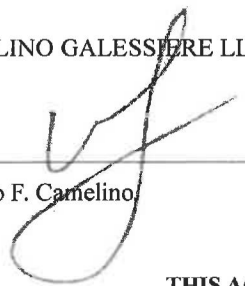
FEES

May-10-23	GFC	confer with Mr. Lem re potential disallowance;	0.20	105.00
Jun-15-23	GFC	correspondence from Mr. Bourgeois re status; correspond with r. Bourgeois re same; correspond with Mr. Lem;	0.60	315.00
Jun-22-23	GFC	exchange emails with Mr. Title re distribution issues; correspondence from Mr. Lem re revolving line increase; correspond with Mr. Lem re same; confer with Mr. Lem; conference call with Mr. Title and Mr. Ormston re distribution issues;	1.80	945.00
Jun-23-23	GFC	exchange emails with Mr. Ormston re hearing; prepare amending agreement; correspond with Mr. Kutty re PPSA issues (increased revolver); correspond with Mr. Lem re amending agreement; exchange emails with Mr. Title and Mr. Ormston re distribution issues;	1.40	735.00
Jun-26-23	GFC	exchange emails with Mr. Title re proposed response to Mr. Ormston (indemnity and interim payout); arrange for 9:30 Chamber appointment with commercial court; correspond with Mr. Ormston re same; confer with Mr. Lem re amending agreement; revise amending agreement (revolver loan) and prepare board resolution; exchange emails with Mr. Shea re status;	2.00	1,050.00
Jun-27-23	GFC	exchange emails with Mr. Lem re amending agreement; correspondence from Mr. Kutty re PPSA registrations; correspond with Mr. Shea re conference call; confer with Mr. Shea re status; confer with Mr. Ormston re same; correspond with Mssrs. Lem and Title;	1.50	787.50
Jun-28-23	GFC	conference call with Mssrs. Lem and Title; conference call with Mr. Title and Mr. Ormston;	1.00	525.00
Jun-29-23	GFC	conference call with Mr. Bourgeois re status and process; receive and review notice of objection; lengthy conference with Mr. Lem re Objection;	2.00	1,050.00
Jun-30-23	GFC	correspond with Mr. Lem re reserve issues; correspondence from Dentons requesting Notice of Objection; correspond with Mr. Lem re same;	0.60	315.00

TOTALS	11.10	\$5,827.50
Total HST on Fees		757.58
TOTAL FEES, DISBURSEMENTS AND HST:		\$6,585.08
TOTAL DUE AND OWING (CAD Funds)		\$6,585.08

HST Registration #: 75733 6714 RT0001
 Total HST: \$757.58
 (*entries with an asterisk are tax-exempt)

This is our account herein
 CAMELINO GALESSIERE LLP

Per: 
 Gustavo F. Camelino

**THIS ACCOUNT BEARS INTEREST AT THE RATE OF 18% PER ANNUM
 IN ACCORDANCE WITH THE PROVISIONS OF THE SOLICITORS ACT, R.S.O. 1990 C.S. 15.**



**Camelino
Galessiere** LLP
LAWYERS

Camelino Galessiere LLP
Barristers and Solicitors
65 Queen St. West, Suite 440
Toronto ON M5H 2M5
cglegal.ca

MNP Ltd.

111 Richmond Street West
Suite 300
Toronto, ON
M5H 2G4 Canada

July 31, 2023

Invoice No.: 3063

Matter No.: 227076

Attention: Sheldon Title

Re: Paidiem Payments Solutions Inc.
Liquidation Proceedings (OBCA)

TO PROFESSIONAL SERVICES RENDERED with respect to the above matter during the period ending
July 31, 2023 including:

FEES

Jul-04-23	GFC	correspondence from Mr. Ormston requesting Robertson claim; correspond with Mr. Title and Mr. Lem re same;	0.40	210.00
Jul-05-23	GFC	correspond with Mr. Lem requesting Robertson claim documents; correspondence from Mr. Ormston and Dentons; confer with Mr. Shea re process; correspond with Mr. Lem; correspondence from Mr. Ormston re proof of claim documents; correspond with Mr. Ormston re same; confer with Mr. Title;	1.50	787.50
Jul-07-23	GFC	exchange emails with Mr. Title re status; correspondence from Dentons re same; correspond with Dentons; exchange emails with Mr. Shea; correspond with counsel re same;	1.00	525.00
Jul-10-23	GFC	exchange emails with Mr. Title re Cromie; exchange emails with Mr. Ormston; confer with Mr. Lem; correspond with Mr. Shea re proposal; exchange emails with Mr. Shea re proposal;	1.00	525.00
Jul-11-23	GFC	correspondence from Mr. Title re Shea proposal; correspond with all counsel forwarding same; exchange emails with Mr. McKinnon requesting Robertson proof of claim and related documents;	1.00	525.00
Jul-12-23	GFC	review correspondence among Mr. Shea and Mr. Ormston re process; exchange emails with Mr. Title and Mr. Lem re same; correspond with Mr. McKinnon re process; conference call with Mssrs. Lem and Title; telephone call to Mr. McKibbon; telephone call to Mr. Shea;	2.00	1,050.00
Jul-14-23	GFC	correspondence from Mr. McKinnon; prepare Aide Memoire for review by Mssrs. Title and Lem; correspond with Mssrs. Title and Lem enclosing same; confer with Mr. Shea; confer with Mr. McKinnon; confer with Mr. Title; correspond with counsel re same;	2.00	1,050.00
Jul-17-23	GFC	correspond with Mr. McKinnon re process issues; confer with Mr. McKinnon re same; correspond with client re update;	0.60	315.00
Jul-18-23	GFC	prepare proposed endorsement for review by Mr. Lem; correspond with Mr. Lem and Mr. Title re same; conference call with Mssrs. Lem and Title; correspond with Mr. McKinnon; telephone call to Mssrs. Ormston and Shea;	1.50	787.50

Jul-19-23	GFC	confer with Mr. Ormston re settlement status; correspond with Mssrs. Title and Lem re same; receive and review proposal by Mr. McKinnon; exchange of emails among counsel re same; correspondence from Mr. Shea re settlement offer; correspond with Mssrs. Title and Lem re settlement; finalize and upload	2.50	1,312.50
Jul-20-23	GFC	confer throughout the morning with Mssrs. Shea, Ormston and McKinnon re settlement and hearing; confer with Mr. Lem re same; attend 9:30 chambers appointment before Justice Steele; confer with counsel re same; confer with Mr. Lem; correspond with all counsel re hearing date and settlement issues;	3.00	1,575.00
Jul-21-23	GFC	exchange emails with Mr. McKinnon re settlement; confer with Mr. McKinnon re same; correspond with Mssrs. Lem and Title re same; exchange emails with Mr. Title; begin preparation of motion materials (including fee affidavits and factum) for distribution and discharge motion;	3.50	1,837.50
Jul-24-23	GFC	confer with Mr. Lem; correspond with counsel; confer with Mr. McKinnon;	0.60	315.00
Jul-25-23	GFC	correspondence from Mr. McKinnon re settlement of \$65K portion; exchange emails with Mssrs. Title and Lem re same; correspond with Mr. McKinnon;	0.60	315.00
Jul-27-23	GFC	exchange emails with counsel re settlement and further advance of funds;	0.40	210.00
Jul-28-23	GFC	exchange emails with Mr. Title re settlement;	0.40	210.00
Jul-31-23	GFC	exchange emails among counsel re settlement documents including release and minutes of settlement; finalize fee affidavit; continue working on factum;	2.00	1,050.00
		TOTALS	24.00	\$12,600.00
		Total HST on Fees		1,638.00
TOTAL FEES, DISBURSEMENTS AND HST:				\$14,238.00
TOTAL DUE AND OWING (CAD Funds)				\$14,238.00

HST Registration #: 75733 6714 RT0001

Total HST: \$1,638.00

(*entries with an asterisk are tax-exempt)

This is our account herein

CAMELINO GALESSIERE LLP

Per: 

Gustavo E. Camelino

**THIS ACCOUNT BEARS INTEREST AT THE RATE OF 18% PER ANNUM
IN ACCORDANCE WITH THE PROVISIONS OF THE SOLICITORS ACT, R.S.O. 1990 C.S. 15.**

DAVID ROBERTSON
Applicant

and

PAIDIEM PAYMENT SOLUTIONS INC.
Respondent

Court File No: CV-22-00690376-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

AFFIDAVIT OF ANTONELLA CERMINARA
(SWORN JULY 31, 2023)

CAMELINO GALESSIERE LLP
Barristers & Solicitors
65 Queen Street West
Suite 440
Toronto, ON M5C 1H6

Gustavo F. Camelino
Law Society No.: 45607S
Tel: 416-306-3834
Email: gcamelino@clegal.ca

Lawyers for MNP Ltd.

PAIDIEM PAYMENT SOLUTIONS INC.**The Liquidator's Interim Statement of Receipts and Disbursements****As of July 31, 2023****RECEIPTS**

Cash in/from Bank Accounts (Bank of Montreal, CWB, Royal Bank of Canada)	\$ 606,745.77
Sale of Assets ¹	450,000.00
Interest	8,998.48
	<hr/>
Total Receipts	<u>1,065,744.25</u>

DISBURSEMENTS

Wind-up Notice Filing Fee	(25.00)
Notice Mailings - Claims Process	(288.52)
Notice Publications	
Liquidation Notice	(676.90)
Sales Process	(676.90)
Insurance - Run-out Policy	(21,885.00)
Motion Cost Award - Applicant and Michael T.R. List/GreenSky Capital	(6,000.00)
Bank charges	(17.50)
Liquidator's Remuneration	(111,207.70)
Liquidator's Legal Counsel	(42,629.00)
HST paid	(20,168.20)
Transfer to Fund Revolving Loan Facility ²	(200,000.00)
	<hr/>
Total Disbursements	<u>(403,574.72)</u>

NET RECEIPTS OVER DISBURSEMENTS³

	<u><u>\$ 662,169.53</u></u>
--	-----------------------------

Notes:

- ¹ - Represents the deposit only. The balance of the purchase price was paid with a Promissory Note
- ² - Represents funds transferred to a separate account at Royal Bank of Canada maintain in order to fund the Revolving Loan Facility being provided to Paidiem Solutions Inc., formerly 14546865 Canada Inc.
- ³ - Does not reflect the monies held in a separate account at Royal Bank of Canada and advanced in connection with the above-mentioned Revolving Loan Facility. As at July 31, 2023, this account had a balance of \$200,754.25, and a receivable of \$250,000.00 for prior advances under the loan facility.

TAB 3

Court File No. CV-22-00690376-00CL

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

THE HONOURABLE) TUESDAY, THE 8th DAY OF
JUSTICE) AUGUST, 2023
)

B E T W E E N:

DAVID ROBERTSON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

**DISTRIBUTION, DISSOLUTION
AND DISCHARGE ORDER**

THIS MOTION made by MNP Ltd. (the “**Liquidator**”) in its capacity as the court appointed liquidator of the respondent Paidiem Payment Solutions Inc. (“**Paidiem**”) for an order:

1. approving the the activities of the Liquidator as set out in the second and final report of the Liquidator dated August 1, 2023 (the “**Liquidator’s Second Report**”);
2. approving the fees and disbursements of the Liquidator and its counsel including their estimate of fees and disbursements required to complete the administration of the estate;

3. approving the distribution of funds held by the estate as set out in the Final Report;
4. dissolving Paidiem;
5. discharging MNP Ltd. as the Liquidator; and
6. releasing MNP Ltd. from any and all liabilities as set out in paragraph 6 of this order.

ON READING the Liquidator's Second Report which includes the affidavits of the Liquidator and its counsel as to fees (the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Liquidator, no one else appearing although served as evidenced by the affidavit of Antonella Cerminara sworn on August 2, 2023, filed;

1. THIS COURT ORDERS that the activities of the Liquidator, as set out in the Liquidator's Second Report, are hereby approved.
2. THIS COURT ORDERS that the fees and disbursements of the Liquidator and its counsel, including the estimated fees to complete the administration of the liquidation, as set out in the Liquidator's Second Report, are hereby approved.
3. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Liquidator shall distribute certain of the funds in its hands as set out in the Liquidator's Second Report. The Liquidator shall continue to hold the remaining funds after the said distribution to be applied against its fees and disbursements (including the fees and disbursements of its legal counsel) for the completion of the administration of the liquidation.
4. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof and upon the Liquidator filing a certificate in the form attached in Schedule A hereto certifying that it has completed the other activities described in the Liquidator's Second Report:

- a. Paidiem is dissolved pursuant to section 218(1) of Ontario *Business Corporations Act*; and
- b. the Liquidator is discharged as Liquidator of the property and assets of Paidiem, provided however that notwithstanding its discharge herein (a) the Liquidator shall remain Liquidator for the performance of such incidental duties as may be required to complete the administration of the liquidation herein, and (b) the Liquidator shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of MNP Ltd. in its capacity as the court-appointed liquidator of Paidiem.

5. THIS COURT ORDERS AND DIRECTS that, pursuant to paragraph 236(1) of the OBCA, Paidiem Solutions Inc. shall retain custody of Paidiem's books and records for a minimum of seven (7) years from the date of Paidiem's dissolution.

6. THIS COURT ORDERS AND DECLARES that MNP Ltd. is hereby released and discharged from any and all liability that MNP Ltd. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of MNP Ltd. while acting in its capacity as Liquidator herein, save and except for any gross negligence or wilful misconduct on Liquidator's part. Without limiting the generality of the foregoing, MNP Ltd. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Liquidator's part.

SCHEDULE A – FORM OF LIQUIDATOR’S CERTIFICATE

Court File No. CV-22-00690376-00CL

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

B E T W E E N:

DAVID ROBERTON

Applicant

- and -

PAIDIEM PAYMENT SOLUTIONS INC.

Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

LIQUIDATOR’S DISCHARGE CERTIFICATE

RECITALS

A. David Robertson commenced these proceedings under part XVI of the Ontario *Business Corporations Act* by order of the Honourable Mr. Justice Cavanagh dated November 23, 2023 (the “**Liquidation Order**”);

B. MNP Ltd. (the “**Liquidator**”) was appointed as liquidator of the respondent Paidiem Payment Solutions Inc. (“**Paidiem**”) pursuant to the Liquidation Order;

C. Pursuant to the order of the court dated August 8, 2023 (the “**Discharge Order**”), the Liquidator was discharged as court-appointed liquidator of the property and assets of Paidiem Payment Solutions Inc. to be effective upon the filing by the Liquidator with the court of a certificate confirming that all matters to be attended to in connection with the liquidation of Paidiem Payment Solutions Inc. have been completed to the satisfaction of

the Liquidator, provided, however, that notwithstanding its discharge: (a) the Liquidator will remain the Liquidator for the performance of such incidental duties as may be required to complete the administration of the liquidation; and (b) the Liquidator will continue to have the benefit of all orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Liquidator.

C. Unless otherwise indicated herein, capitalized terms herein shall have the same meanings set out in the Discharge Order.

THE LIQUIDATOR CERTIFIES the following:

1. All matters to be attended to in connection with the liquidation of Paidiem Payment Solutions Inc. have been completed to the satisfaction of the Liquidator; and
2. This Certificate was delivered by the Liquidator at _____(time) on _____ (date).

**MNP Ltd, solely in its capacity as court
appointed liquidator of Paidiem Payment
Solutions Inc. and not in its personal
capacity**

Name:

Title:

I have authority to bind the corporation

DAVID ROBERTSON
Applicant

and
PAIDIEM PAYMENT SOLUTIONS INC.
Respondent

Court File No: CV-22-00690376-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**DISTRIBUTION, DISSOLUTION AND
DISCHARGE ORDER**

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Revised: May 11, 2010

Court File No. CV-22-00690376-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE _____) WEEKDAY, TUESDAY, THE #
)
 JUSTICE _____) 8th DAY OF MONTH, 20YR
JUSTICE STEELE) AUGUST, 2023
)

B E T W E E N:

PLAINTIFF

Plaintiff

DAVID ROBERTSONApplicant

- and -

DEFENDANT

Defendant

PAIDIEM PAYMENT SOLUTIONS INC.Respondent

APPLICATION UNDER section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16

DISTRIBUTION, DISSOLUTION
AND DISCHARGE ORDER

THIS MOTION, made by {RECEIVER'S NAME}MNP Ltd. (the "Liquidator") in its capacity as the court -appointed receiver (the "Receiver") of the undertaking, property and assets liquidator of {DEBTOR} (the "Debtor"), respondent Paidiem Payment Solutions Inc. ("Paidiem") for an order:

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1. approving the the activities of the ReceiverLiquidator as set out in the second and final report of the ReceiverLiquidator dated {DATE}August 1, 2023 (the "Liquidator's Second Report");
2. approving the fees and disbursements of the ReceiverLiquidator and its counsel; including their estimate of fees and disbursements required to complete the administration of the estate;
3. approving the distribution of the remaining proceeds available in the estate of the Debtor; [and] funds held by the estate as set out in the Final Report;
4. dissolving Paidiem;
5. discharging {RECEIVER'S NAME}MNP Ltd. as Receiver of the undertaking, propertyLiquidator; and assets of the Debtor; and
6. releasing {RECEIVER'S NAME}MNP Ltd. from any and all liability, liabilities as set out in paragraph paragraph 6 of this order]¹; ;

~~was heard this day at 330 University Avenue, Toronto, Ontario.~~

ON READING the Liquidator's Second Report, which includes the affidavits of the ReceiverLiquidator and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the ReceiverLiquidator, no one else appearing although served as evidenced by the affidavit of {NAME}Antonella Cerminara sworn {DATE}, on August 2, 2023, filed²; ;

1. THIS COURT ORDERS that the activities of the ReceiverLiquidator, as set out in the Liquidator's Second Report, are hereby approved.
2. THIS COURT ORDERS that the fees and disbursements of the ReceiverLiquidator and its counsel, including the estimated fees to complete the

¹ If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.

² This model order assumes that the time for service does not need to be abridged.

administration of the liquidation, as set out in the Liquidator's Second Report and the Fee Affidavits, are hereby approved.

3. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the ~~Receiver shall pay the monies remaining in its hands to [NAME OF PARTY]³.~~ Liquidator shall distribute certain of the funds in its hands as set out in the Liquidator's Second Report. The Liquidator shall continue to hold the remaining funds after the said distribution to be applied against its fees and disbursements (including the fees and disbursements of its legal counsel) for the completion of the administration of the liquidation.

4. _____ THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof ~~and upon the Receiver~~ Liquidator filing a certificate in the form attached in Schedule A hereto certifying that it has completed the other activities described in the Liquidator's Second Report ~~;~~:

a. Paidiem is dissolved pursuant to section 218(1) of Ontario Business Corporations Act; and

~~a.b.~~ the Receiver shall be Liquidator is discharged as ~~Receiver~~ Liquidator of the ~~undertaking,~~ property and assets of ~~the Debtor~~ Paidiem, provided however that notwithstanding its discharge herein (a) the ~~Receiver~~ Liquidator shall remain ~~Receiver~~ Liquidator for the performance of such incidental duties as may be required to complete the administration of the ~~receivership~~ liquidation herein, and (b) the ~~Receiver~~ Liquidator shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of ~~[RECEIVER'S NAME]~~ MNP Ltd. in its capacity as ~~Receiver~~ the court-appointed liquidator of Paidiem.

³ ~~This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

5. THIS COURT ORDERS AND DIRECTS that, pursuant to paragraph 236(1) of the OBCA, Paidiem Solutions Inc. shall retain custody of Paidiem's books and records for a minimum of seven (7) years from the date of Paidiem's dissolution.

4.6. THIS COURT ORDERS AND DECLARES that [RECEIVER'S NAME]MNP Ltd. is hereby released and discharged from any and all liability that [RECEIVER'S NAME]MNP Ltd. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of [RECEIVER'S NAME]MNP Ltd. while acting in its capacity as ReceiverLiquidator herein, save and except for any gross negligence or wilful misconduct on the Receiver'sLiquidator's part. Without limiting the generality of the foregoing, [RECEIVER'S NAME]MNP Ltd. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver'sLiquidator's part.⁴.

⁴~~The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.~~

SCHEDULE A – FORM OF LIQUIDATOR’S CERTIFICATECourt File No. CV-22-00690376-00CL**ONTARIO**
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**BETWEEN:**DAVID ROBERTONApplicant- and -PAIDIEM PAYMENT SOLUTIONS INC.Respondent**APPLICATION UNDER** section 207 of the *Business Corporations Act*,
R.S.O. 1990, c.B16**LIQUIDATOR’S DISCHARGE CERTIFICATE****RECITALS**

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MNP Ltd, solely in its capacity as court appointed liquidator of Paidiem Payment Solutions Inc. and not in its personal capacity

Name:

Title:

I have authority to bind the corporation

DAVID ROBERTSON
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Court File No: CV-22-00690376-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

MOTION RECORD
(RETURNABLE ON AUGUST 8, 2023)

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Barristers & Solicitors
65 Queen Street West
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Lawyers for MNP Ltd.