

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF
BRANTFORD, IN THE PROVINCE OF ONTARIO**

**MNP Ltd., in its capacity as
Licensed Insolvency Trustee of FT ENE Canada Inc.**

MOTION RECORD OF FT ENE CANADA INC.
(Returnable May 3, 2019)

Date: April 30, 2019

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TO: Service List (See Attached)

**In The Matter of the Proposals of FT ENE Canada Inc.
Of the City of Brantford, in the Province of Ontario**

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF
BRANTFORD, IN THE PROVINCE OF ONTARIO**

**MNP Ltd., in its capacity as
Licensed Insolvency Trustee of FT ENE Canada Inc.**

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TAB 1

Court File No. 32-2480036
Estate File No. 32-2480036

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

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF
BRANTFORD, IN THE PROVINCE OF ONTARIO**

**NOTICE OF MOTION
(Stay extension, Returnable May 3, 2019)**

FT EnE Canada Inc. (“Company”), will make a motion to a Judge of the Commercial List to be heard on Friday, May 3, 2019, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The motion is to be heard orally

THE MOTION IS FOR:

1. An Order substantially in the form attached at Tab 3 of the Motion Record, *inter alia*:
 - a) if necessary, abridging the time for and validating the service of the Notice of Motion and the Motion Record, such that the motion is properly returnable on May 3, 2019; and
 - b) extending the Stay Period (as defined below) to and including June 24, 2019;
 - c) that Confidential Appendix “1” and Confidential Appendix “2” described in and attached to the Second Report to the Court submitted by MNP Ltd., in its capacity as trustee in the proposal of the Company are sealed pending further Order of this Court; and,
2. Such further and other relief as to this Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

1. On February 27, 2019, the Company commenced restructuring proceedings under the *Bankruptcy and Insolvency Act* (“**BIA**”) by filing a Notice of Intention to Make a Proposal (“**NOI**”);
2. MNP Ltd. was appointed to act as proposal trustee under the NOI (“**Trustee**”);
3. On March 28, 2019, the Honourable Mr. Justice Penny granted an Order that, among other things, approved a Sale and Investment Solicitation Process (“**SISP**”), and extended the initial stay of proceedings (“**Stay Period**”) to and including May 10, 2019 (“**Penny Order**”);
4. The Company is a wholly owned subsidiary of Finetex EnE Inc. (“**FTEI**”), which is a corporation incorporated in South Korea;
5. The Company produces nanofiber technology, which is used in a wide variety of applications. The Company is currently operating and continues to receive sales orders and is working to produce the nanofiber technology to fulfill those orders;
6. The Royal Bank of Canada (the “**Bank**”) is the Company’s senior secured creditor, having registered security interests in respect of both the Company’s real and personal property;

Proposal Process and SISP

7. Since the Penny Order, the Company has worked with the Trustee to implement the SISP, and has provided information to the Trustee and others as part of that work;
8. The SISP provided for a series of events and milestones;

9. Written, non-binding letters of intent (“**LOIs**”) were to have been provided to the Trustee by April 18, 2019. This deadline was extended, in consultation with the Bank, to April 24, 2019 at 5:00 p.m. due to a delay in posting the form of LOI in the data room;
10. The Trustee has now received a number of executed LOI’s and offers and requires time to review those with the Company and the Bank, and is in the process of doing so;
11. Other milestones under the SISP, including the requirement that all agreements of purchase and sale be submitted by May 17 and that all transactions of purchase and sale be completed by May 31, 2019 remain unchanged;
12. The Company has also negotiated an amendment to its listing agreement with Colliers Macaulay Nicolls Inc., to among other things, ensure that it conforms with the SISP; that agreement has now been extended to May 31, 2019;
13. The Company has retained a law firm in South Korea to provide advice with respect to FTEI’s extant insolvency proceeding in Korea, and the Company and its counsel continue to monitor developments in that process;

Extension of time to make a Proposal

14. The Stay Period granted pursuant to the Penny Order is set to expire on May 10, 2019;
15. The requested extension of time will permit the Company to complete the SISP, and will increase the chances for a successful restructuring;
16. The Company’s updated cash flow statement demonstrates that it will have sufficient funds to operate and finance the SISP during the extension period;

17. The Company has acted and continues to act in good faith and with due diligence in these proceedings;
18. No creditors would be materially prejudiced if the stay of proceedings is extended to the requested date;
19. If the extension is not granted, the SISP will not be completed and the Company will be deemed bankrupt;
20. This will have the effect of nullifying the SISP and the efforts made to date in respect thereof, and the Company and its creditors will not obtain the benefits from it, including those that may be derived from the several LOI's that have already been submitted;
21. Subsection 50.4(9) provides the Court with the jurisdiction to extend the stay of proceedings;
22. Such further and other grounds as counsel may advise and this Court deems just.

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

1. The Affidavit of Yoonjun Park, sworn April 30, 2019; and,
2. The Second Report of the Trustee, to be filed;
3. Such further and other evidence as counsel may advise and this Court permit.

Date: April 30, 2019

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Counsel for FT ENE Canada Inc.

TO: Service List (See Attached)

TAB 2

Court File No. 32-2480036
Estate File No. 32-2480036

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF
BRANTFORD, IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF YOONJUN PARK
(Sworn April 30, 2019)

I, **YOONJUN PARK**, of the City of Cambridge in the Province of Ontario, make oath and swear:

1. I am the General Manager of FT EnE Canada Inc. ("**Company**"), and as such I have personal knowledge, information and belief of the matters to which I hereinafter depose. Where statements are based upon information received from others, I have identified the source of that information, and verily believe it to be true.

2. I swear this affidavit in support of a motion brought by the Company for an order, among other things, extending the current stay of proceedings in this matter from May 10, 2019 to June 24, 2019.

Background

3. This matter was last before this Court on March 28, 2019 when the Honourable Justice Penny granted an order ("**Penny Order**") that, among other things, approved a Sale and Investment Solicitation Process ("**SISP**"), and extended the initial stay of proceedings in this

matter to May 10, 2019. A copy of the Penny Order is attached hereto and marked as **Exhibit “A”**.

4. The background that led the Company to commence this proceeding is set out in my earlier affidavit sworn in support of the prior motion (“**March Affidavit**”); however, for convenience sake, I will set out some of that again here. A copy of my March Affidavit (without exhibits) is attached hereto and marked as **Exhibit “B”**.

5. The Company was incorporated in 2012 pursuant to the *Canada Business Corporations Act* and is registered to conduct business in the Province of Ontario. It is a wholly owned subsidiary of Finetex EnE, Inc. (“**FTEI**”), which is a corporation incorporated in South Korea. As explained below, the Company commenced this proceeding following information that FTEI was in the midst of commencing its own rehabilitation proceeding in South Korea.

6. The Company operates out of a property which it owns and which is located at 14 Sharp Road, Brantford, Ontario (the “**Property**”). The Property has approximately 37,000 square feet of total space, including an office and manufacturing and warehouse space.

7. The Company produces nanofiber technology which is used in a wide range of industrial and commercial applications. The Company has 18 employees, including 6 foreign workers from the Philippines who are in Canada on temporary work permits. The Company continues to operate at this time; it continues to receive sales orders and it is working to produce the nanofiber technology to fulfill those orders.

8. The Royal Bank of Canada (the “**Bank**”) is the Company’s banker and operating lender, providing, among other credit facilities, a revolving operating line with a credit limit of \$2 million

(the “**Operating Line**”).

9. The Operating Line is secured by a mortgage registered in favour of the Bank in the principal amount of \$1,267,000.00. The Bank also has registered a security interest against the assets, property and undertakings of the Company, in accordance with a General Security Agreement between the Bank and the Company, dated January 15, 2015.

10. In addition, the Bank has additional security by way of a personal guarantee from one of the company’s principals, J.C. Park.

Proposal Process and SISP

11. On February 27, 2019, the Company filed a Notice of Intention to Make a Proposal (“**NOI**”) and MNP Ltd. was appointed as proposal trustee (“**Trustee**”). A copy of the Certificate of Filing (“**Certificate**”) from the Office of the Superintendent of Bankruptcy Canada is attached hereto and marked as **Exhibit “C”**.

12. As noted above, on March 28, 2019, the Court approved a SISP with respect to the Company’s business and assets, and extended the deadline for the Company to file its proposal to and including May 10, 2019. It also granted an administration charge in favour of the Trustee, its counsel and Company counsel, which charge ranks behind the Bank’s security.

13. Since the granting of the Penny Order, the Company has continued to operate its business, and has obtained several new and significant orders for product. The Company has also worked with the Trustee to carry out the SISP, including by assisting the Trustee in compiling and providing information for inclusion in the data room, and corresponding with the Trustee and certain prospective bidders to answer questions in respect of their potential bids.

14. The SISP provided that written, non-binding letters of intent (“**LOIs**”) were to be delivered in the specified form by 5:00 p.m. on April 18, 2019. However, in consultation with the Trustee and the Bank, and as provided for in the SISP, the LOI deadline was extended to 5:00 p.m. on April 24, 2019.

15. It is anticipated that the remainder of the milestones under the SISP will remain unchanged. Final bids are to be submitted by May 17, 2019 and any transaction of purchase and sale is to be completed by no later than May 31, 2019, subject to the fact that the Company is under no obligation to accept the highest or any bid.

The Colliers Listing Agreement

16. Prior to commencing this proceeding, the Company had already listed the Property for sale with Colliers Macaulay Nicolls Inc. (“**Colliers**”) by way of a written listing agreement (“**Listing Agreement**”). The SISP provides that the Company with the assistance of the Trustee would have control over the sale of all of the Company’s assets.

17. As a result, the Company has worked to negotiate an amendment to the Listing Agreement, which will continue to see Colliers involved as listing agent for the Property until May 31, 2019. The parties agreed to amend the Listing Agreement to ensure that it conforms to the SISP. A copy of the amendment to the Listing Agreement is attached hereto and marked as **Exhibit “D”**.

18. The Company elected to seek to amend rather than disclaim the Listing Agreement as it was of the view that the involvement of Colliers would assist with the Company’s restructuring efforts and maximize value for its creditors.

The South Korean Parent Company - FTEI

19. As set out in my March Affidavit, the Company filed an NOI in large part due to concerns relating to its parent company in South Korea, FTEI. At the time, there was great uncertainty as to what FTEI was doing and what would happen to the Company, its Canadian subsidiary. We had heard that FTEI had partially ceased its business operations and that it was considering commencing rehabilitation proceedings and seeking protection from its creditors in South Korea. However, at the time of the NOI, the Company was not aware of the full details of the process in South Korea.

20. The Company wanted to preserve its options and ensure that it would be able to continue to operate independently of FTEI, and deal with and control its intellectual property rights. As such, the Company decided to file for insolvency protection in Ontario on February 27, 2019.

21. Since filing its NOI, the Company has retained a law firm called SEUM Law in Seoul, South Korea to provide the Company with general advice and information in regards to FTEI's rehabilitation process.

22. SEUM Law has advised that FTEI is in the beginning stages of its own rehabilitation process. SEUM Law further advises that FTEI sought protection from its creditors on February 27, 2019, that certain initial relief was only granted on March 5, 2019, and that FTEI's initial application was granted by the Seoul Rehabilitation Court on March 27, 2019. We are still communicating with SEUM Law to understand what impact, if any, this has on the Company.

23. There are now, to our knowledge, two separate court-supervised insolvency/rehabilitation proceedings in two jurisdictions. In addition, I understand that on April 26, 2019, the delisting of

FTEI's publically traded shares was authorized by the KOSDAQ Market Division of the Korean Exchange to proceed.

24. FTEI is currently dealing with a number of serious issues. These include issues related to its intellectual property, including its licences to use and exploit the nanofiber technology that is critical to its operations, its status and listing as a public company on the South Korean stock exchange, as well as its dealings with its subsidiaries and related entities in Canada, the Philippines and China.

25. The Company is concerned about FTEI, its parent, and its rehabilitation proceedings, and is exploring whether there may be a way to coordinate and resolve these issues collectively. This in turn could potentially increase the value of the worldwide business and make the enterprise more appealing to international purchasers. Indeed, I understand that one entity has already established contact with us to try to find out if it could bid for the entire worldwide enterprise.

26. However, addressing these questions and determining whether a different route is possible and appropriate will take some time. Indeed, it is likely to take longer than the six months permitted under the proposal process. As a result, the Company is exploring whether there might be greater value for Canadian stakeholders if the proposal proceeding is converted into a proceeding under the *Companies' Creditors Arrangement Act* ("CCAA").

27. This idea has been presented to and discussed with the Trustee and the Bank, but only on a very preliminary basis and from a "high level" at this point. All involved are continuing to review their options and no decisions have been made at all on this point by the Company.

28. The Company and its lawyers continue to communicate with SEUM Law and monitor

FTEI's restructuring efforts. The Company is also continuing to consider how FTEI's application impacts the Company's proposal, if at all.

Stay Extension

29. Since the date of the filing of the NOI, the Company has acted in good faith and with due diligence to try to find a solution that benefits its creditors and stakeholders. It continues to operate and maintain its relationships with its employees and creditors, and to pursue the SISP as previously authorized and directed.

30. More specifically, the Company has continued to operate in the ordinary course and has diligently been working on restructuring its affairs, including by:

- (a) Assisting the Trustee with the SISP;
- (b) Working with the Trustee in preparing cash flow statements;
- (c) Communicating with its counsel, the Bank, and counsel for the Bank with respect to the SISP and its proposal proceeding;
- (d) Communicating with SEUM Law to obtain more and better information as to the Company's parent in South Korea and in particular with respect to its ongoing rehabilitation proceeding;
- (e) Continuing to operate its business, including by processing orders from its customers; and,
- (f) Considering other options with respect to its future, including possible alternate insolvency proceedings, including an application under the CCAA to permit the

Company additional time to consider what is in the best interests of the Company and its stakeholders.

31. The Company has not sought any interim financing as part of this proposal proceeding and anticipates that it will have sufficient funds to operate during the requested extended period for the stay of proceedings. All of this is set out in the updated cash flow statement, which is attached hereto and marked as **Exhibit “E”**.

32. As noted in the cash flow, the Company has secured higher than anticipated purchase orders for additional new product from the Company, in excess of \$1 million. Assuming these are processed, this will assist the Company with its liquidity during the extended stay period.

33. As noted above, the Company requires additional time to continue its restructuring efforts in order to market and sell its business and assets (including the Property) with the assistance of the Trustee, and to formulate and file a proposal for the benefit of its creditors. I believe that the Company will be more likely to make a viable proposal if the extension of time requested is granted.

34. If the stay extension is not granted, the Company will simply become bankrupt and will have to be liquidated. In my view, this would be detrimental to the Company’s many stakeholders and would likely result in reduced realizations for its creditors.

35. I am not aware of any creditor that would be materially prejudiced if the stay of proceedings was extended to the requested date. I am also not aware of any party that objects to the proposed extension.

36. I swear this affidavit in support of the Company’s motion for an Order extending the stay

of proceedings and for the deadline for the Company to file a proposal, and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this ^{30th} day of April, 2019.



A Commissioner for Taking Affidavits, etc.


Alexandra Teodorescu



YOONJUN PARK

EXHIBIT “A”

This is Exhibit "A" referred to in the Affidavit of Yoon Park sworn
the 30 day of April, 2019.



Commissioner for Taking Affidavits (or as may be)

Alexandra Teodorescu

Court File No. 32-2480036
Estate File No. 32-2480036



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

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) THURSDAY, THE 28th DAY
The Honourable)
Mr. Justice)
Penny) OF MARCH, 2019

**IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY
OF BRANTFORD, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION made by FT EnE Canada Inc. (“**Debtor**”) for an Order *inter alia*: (a) approving a sale and investment solicitation process, *nunc pro tunc*, with respect of all or part of the Debtor’s business and assets (“**SISP**”); (b) extending the deadline for the Debtor to file a proposal to and including May 10, 2019; and (c) granting a charge in respect of the fees and disbursements in favour of the Debtor’s counsel, MNP Ltd. in its capacity as proposal trustee for the Debtor (in such capacity, the “**Trustee**”), and Trustee’s counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Yoonjun Park, sworn March 22, 2019, the First Report of the Trustee, dated March 26, 2019 (“**First Report**”), and on hearing the submissions of counsel for the Debtor and counsel for the Trustee, and those other parties present, no one appearing for any other person on the service list, although duly served as appears in the affidavit of service of Alexandra Teodorescu, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the 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 SISP

2. **THIS COURT ORDERS** that the SISP, as described in the First Report, be and is hereby approved *nunc pro tunc*.

3. **THIS COURT ORDERS** that the Trustee and the Debtor be and are hereby authorized and directed to perform their obligations under and in accordance with the SISP, and to take such further steps as it considers necessary or desirable in carrying out the SISP.

4. **THIS COURT ORDERS** that in connection with the SISP and pursuant to clause 7(3)(c) of the *Personal Information and Electronic Documents Act* (Canada), the Trustee is authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a “**Transaction**”). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Trustee, as applicable; (ii) destroy all such information, or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The transacting party with respect to any of the Property shall be entitled to continue to use the personal information provided to it, and related to the Property

purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Trustee, as applicable, or ensure that all other personal information is destroyed.

5. **THIS COURT ORDERS** that, pursuant to clause 3(c)(i) of the *Electronic Commerce Protection Regulations*, made under *An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-Television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act*, S.C. 2010, c. 23, the Debtor and the Trustee are authorized and permitted to send, or cause to permit to be sent, commercial electronic messages to an electronic address of prospective purchasers or bidders and to their advisors but only to the extent desirable or required to provide information with respect to the SISP.

EXTENSION OF TIME TO FILE PROPOSAL

6. **THIS COURT ORDERS** that the time in which the Debtor is required to file a proposal be and is hereby extended to and including May 10, 2019.

ADMINISTRATION CHARGE

7. **THIS COURT ORDERS** that counsel to the Debtor, the Trustee and counsel to the Trustee (“**Administrative Parties**”) shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on all property, assets and undertakings of the Debtor (“**Property**”), as security for the fees and disbursements of the Administrative Parties, incurred

at their standard rates and charges and on the terms set forth in their respective engagement letters, both before and after the making of this Order.

8. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

9. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise, except that the Administration Charge shall be subordinate to the valid and enforceable security interests of the Royal Bank of Canada.

APPROVAL OF TRUSTEE REPORT

10. **THIS COURT ORDERS** that the First Report and the activities of the Trustee described therein be and are hereby approved, provided that only the Trustee, in its personal capacity and only with respect to its personal capacity, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in

carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, the Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://mnpdebt.ca/en/corporate/engagements/ftenecanada>

ENTERED AT COURTS AT TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAR 28 2019

PER / PAR:

Alexandra Medeiros Cardoso
Registrar, Superior Court of Justice

IN THE BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF BRANTFORD, IN THE PROVINCE OF ONTARIO

MNP Ltd. In its capacity as Licensed Insolvency Trustee of FT ENE Canada Inc.

Commercial List Court File No. 32-2480036

**ONTARIO
SUPERIOR COURT OF JUSTICE**

COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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Counsel for FT ENE Canada Inc.

EXHIBIT “B”

This is Exhibit "B" referred to in the Affidavit of Yoon Park sworn
the 30 day of April, 2019.



Commissioner for Taking Affidavits (or as may be)

Alexandra Teodorescu

Court File No. 32-2480036
Estate File No. 32-2480036

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF
BRANTFORD, IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF YOONJUN PARK

(Sworn March 22, 2019)

I, **YOONJUN PARK**, of the City of Cambridge in the Province of Ontario, make oath and swear:

1. I am the General Manager of FT EnE Canada Inc. ("**Company**"), and as such I have personal knowledge, information and belief of the matters to which I hereinafter depose. Where statements are based upon information received from others, I have identified the source of that information, and verily believe it to be true.

2. I swear this affidavit in support of a motion brought by the Company for an order, *inter alia*:

- (a) approving a sale and investment solicitation process, *nunc pro tunc*, commenced in respect of the Company's business and assets ("**Sale Process**");
- (b) extending the deadline for the Company to file a proposal to and including May 10, 2019; and

- (c) Granting a charge in respect of the professional fees and disbursements in favour of legal counsel to the Company, the Trustee (as defined below), and legal counsel for the Trustee, which charge will be and rank subordinate to the interest of the Mortgagee (as defined below).

Background

3. On February 27, 2019, the Company commenced restructuring proceedings under the *Bankruptcy and Insolvency Act* by filing a Notice of Intention to Make a Proposal (“**NOI**”). MNP Ltd. was appointed to act as proposal trustee under the NOI (“**Trustee**”). A copy of the Certificate of Filing (“**Certificate**”) from the Office of the Superintendent of Bankruptcy Canada is attached hereto and marked as **Exhibit “A”**.

4. The Trustee subsequently provided the standard package to creditors, including a copy of the NOI, the list of creditors and the amounts owed to them, and the Certificate. A copy of the creditors’ package is attached hereto and marked as **Exhibit “B”**.

5. The purpose of these proposal proceedings (the “**Proceeding**”) is to provide the Company with an opportunity to implement the Court approved Sale Process for all or part of its business and assets with a view to restructuring its operations and presenting a viable proposal to the Company’s creditors, in consultation with the Trustee. The relief requested on this motion is integral for the Company to continue its operations and to carry out its restructuring efforts.

The Company and its Business

6. The Company is a federal corporation incorporated pursuant to the *Canada Business Corporations Act* and is registered to conduct business in the Province of Ontario. It is a wholly

owned subsidiary of FT EnE Inc. (“**FTEI**”), which is a company in South Korea. Copies of the Company’s corporation profile reports from the Government of Canada and the Province of Ontario are attached hereto and marked as **Exhibit “C”**.

7. The Company’s head office is located at 14 Sharp Road, Brantford, Ontario (the “**Property**”). The Company is also the registered owner of the Property. The Property has approximately 37,000 square feet of total area space, which includes an office and manufacturing and warehouse space from where the Company operates. Attached hereto and marked as **Exhibit “D”** is a copy of the parcel register with respect to the Property.

8. The Property was originally purchased in 2013 by 8288364 Canada Inc., which later changed its name to the Company.

9. It has come to my attention that the Company likely owns a subsidiary in China. I believe this subsidiary is not operating and may be in the process of being dissolved. I am in the process of gathering further information about the status of this entity and the Company’s interest in it.

10. The Company is in the business of producing nanofiber technology, which is used in a wide range of industrial and commercial applications, such as power generation inlet filters and air pollution control files. The Company has 18 employees, including 6 foreign workers from the Philippines who hold temporary work permits. If the Company is liquidated or goes bankrupt, these employees will lose their jobs and the temporary workers will have to be sent home.

11. Royal Bank of Canada (the “**Mortgagee**”) is the Company’s banker and operating lender, providing, amongst other credit facilities, an operating line with a credit limit of \$2 million (the “**Operating Line**”), which continues to revolve. As at the date of the NOI filing, the

indebtedness associated with the Operating Line amounted to approximately \$1.89 million.

12. In support of and to secure the Company's indebtedness to the Mortgagee, the Company has given security to the Mortgagee.

13. The Property is subject to a mortgage in favour of the Mortgagee in the amount of \$1,267,000.00, which was registered on title to the Property on January 21, 2015 as Instrument No. BC269209 (the "**Mortgage**"). A copy of the Mortgage is attached hereto and marked as **Exhibit "E"**. The Mortgage is current.

14. Attached hereto and marked as **Exhibit "F"** is a copy of the results of the Personal Property Security Registration System with respect to the Company ("**PPSA Results**").

15. The PPSA Results indicate that the Mortgagee has security on the assets, property and undertaking of the Company, in accordance with a General Security Agreement between the Mortgagee and the Company, dated January 15, 2015, a copy of which is attached hereto and marked as **Exhibit "G"**.

16. VW Credit Canada Inc. ("**VW**") has also registered a security interest with respect to a 2018 Volkswagen Tiguan Highline vehicle.

The NOI Filing

17. The Company filed an NOI due to concerns arising from the business activities of its parent company in South Korea, FTEI, which partially ceased its normal business operations and filed for insolvency protection on February 27, 2019.

18. The parent company has begun steps to file for insolvency protection in South Korea.

The precise details of that proceeding are not known to me. The parent company is subject to significant reviews of its accounting practices and its publically traded shares on the Korean Stock Exchange are in the process of being delisted. I was concerned that the issues in Korea would cause financial difficulties for the Company in the near future. In addition, while the Company does not have all of the same issues as FTEI, the Company was concerned that it may lose its ability to act independently from the parent company, or otherwise become wrapped up in the insolvency of FTEI in South Korea, to the detriment of its business partners and customers in Canada. The parent company appears to be owed in excess of \$6,000,000 by the Company on an unsecured basis.

19. Within 10 days of the filing of the NOI, the Company worked in conjunction with the Trustee and filed a cash flow with the Office of the Superintendent of Bankruptcy as required. A copy of the cash flow is attached hereto and marked as **Exhibit "H"**.

20. Prior to and since filing the NOI, the Company and the Trustee have also had direct communications with the Mortgagee in regards to the Company's restructuring efforts.

21. Since filing its NOI, the Company has continued to operate in the ordinary course and has diligently been working on restructuring its affairs, including by:

- (a) Assisting the Trustee with the development and implementation of the Sale Process and associated marketing materials, including a Teaser (as defined below) and confidential information memorandum ("**CIM**") for prospective purchasers of the business;
- (b) Working with the Trustee in preparing cash flow statements;

to the Proceeding;

- (d) Liaising with the Company's management and directors regarding its restructuring efforts;
- (e) Continuing to operate its business, including by processing orders from its customers; and
- (f) Addressing inquiries from employees, creditors, the Mortgagee and other stakeholders, and keeping these stakeholders apprised of developments in the Proceeding.

Sale Process

22. On November 15, 2018, the Company entered into a listing agreement with Colliers Macaulay Nicolls Inc. ("**Colliers**") to list the Property for a period of six months expiring on May 15, 2019 ("**Listing Agreement**"). A copy of the Listing Agreement is attached hereto and marked as **Exhibit "I"**. However, the Company had been unable to find a buyer for the building who would provide a reasonable lease back to the Company, such that it could continue to operate.

23. As a result, on or about March 21, 2019, the Company commenced a public process to sell all or part of its business and/or assets, including the Property, and, by way of a vesting order of this Court, to convey the Property free and clear of the various encumbrances which would ordinarily be vested out by such an order.

24. The Sale Process is being run by the Trustee, with the input of the Company and in

consultation with the Mortgagee. The ultimate purchaser, if any, will be selected by the Company. Prior to its commencement, I reviewed the Sale Process presented by the Trustee and was in agreement with it.

25. The key features of the Sale Process are as follows:

- (a) the Company and the Trustee compiled a list of prospective investors and purchasers, and solicited the market for any interested parties;
- (b) the Trustee distributed an interest solicitation letter (“**Teaser**”) and a confidentiality agreement to interested parties;
- (c) each party that signed a confidentiality agreement was or will be provided with access to an electronic data room, including the CIM and other relevant information, and the opportunity to perform due diligence;
- (d) any interested party who wishes to purchase all or part of the Company’s assets or invest in the Company’s business will be required to submit a written, non-binding letter of intent to the Company (care of the Trustee) by April 18, 2019 (“**LOI**”). Each LOI must contain the following information to be a qualified LOI (“**Qualified LOI**”):
 - (i) a deposit of \$25,000;
 - (ii) an indication of the anticipated sources of capital and preliminary evidence of financial viability in respect of an offeror’s ability to consummate an offer;

- (iii) a letter identifying the identity and contact information for each offeror, including disclosure of the direct and indirect owners;
 - (iv) an indication of whether the offeror wishes to tender an offer to acquire either all or part of the Property of the Company, or to make an investment in the Company's business;
 - (v) any conditions to closing and due diligence the offeror requires; and
 - (vi) details of the proposed sale transaction;
- (e) the Company will provide each bidder that submitted a Qualified LOI with a proposed form of agreement of purchase and sale ("**APS**");
- (f) the deadline for each qualified bidder to submit a final bid, along with a deposit, will be May 17, 2019;
- (g) if one or more Qualified Bids (as defined in the Sale Process) are received, the Trustee in consultation with the Company and the Mortgagee may choose to:
- (i) accept one (or more if distinct transactions) and finalize the APS with the successful bidder; or
 - (ii) continue negotiations with a selected number of bidders with a view toward finalizing an APS with one or more bidders;
- (h) it is expected that the parties will return to the Court to obtain an Approval and Vesting Order by May 28, 2019; and

(i) The closing of the transaction will be no later than May 31, 2019.

26. As mentioned above, the Company has listed the Property with Colliers pursuant to the Listing Agreement and has engaged in preliminary discussions with prospective purchasers of the Property. The Company and the Trustee intend to work with Colliers to amend the Listing Agreement on a consensual basis to confirm that the Colliers engagement will be subject to the Proceeding and the Sale Process initiated by the Trustee and the Company. We hope that we will be able to resolve this issue in advance of the return date for this motion.

27. I believe the Sale Process will allow for the Company's business and assets to be marketed and sold in a transparent and open matter within a fairly expedited period of time. The Sales Process provides for the general solicitation of bids and flexibility in the selection of a successful bidder with consultation from the Mortgagee, the Company's largest secured creditor. It is designed to ensure that value is maximized for the benefit of the Company's creditors and stakeholders generally.

Stay Extension

28. Since the date of the filing of the NOI, the Company has been acting in good faith and with due diligence, and continues to act in this manner in its relationships with its employees and creditors, and in pursuing a restructuring plan and a sale of its business and assets.

29. The Company will have sufficient funds to operate during the extended stay, as set out in the updated cash flow statement, which will be included in the Trustee's Report filed in support of this motion.

30. As noted above, the Company requires additional time to continue its restructuring efforts

in order to market and sell its business and assets (including the Property) with the assistance of the Trustee, and to formulate and file a proposal for the benefit of its creditors. I believe that the Company will be more likely to make a viable proposal if the extension of time requested is granted.

31. If the stay extension is not granted, the Company will simply be bankrupt and will have to be liquidated. In my view, this would be detrimental to the Company's many stakeholders and would likely result in reduced realizations for its creditors.

32. I am not aware of any creditor that would be materially prejudiced if the stay of proceedings was extended to the requested date. I am also not aware of any party that objects to the proposed extension.

Charge for Professional Fees

33. The Company is seeking a charge over the assets, undertakings and property of the Company with respect to the professional fees and expenses of its legal counsel, the Trustee, and the Trustee's counsel ("**Administration Charge**"), which is intended to rank just behind the secured interest of the Mortgagee.

34. The Company has retained Blaney to assist it in the process of restructuring its affairs and making a proposal to its creditors.

35. Blaney will assist the Company in formulating a proposal, which will hopefully be accepted by the creditors, thereby preventing the Company's bankruptcy. It is anticipated that Blaney will also liaise with the Trustee and the Company's creditors in the course of the Proceeding. Indeed, Blaney has already been in contact with the Trustee and the Mortgagee with

respect to this motion. Blaney will also provide the Company with strategic advice with respect to its Sale Process.

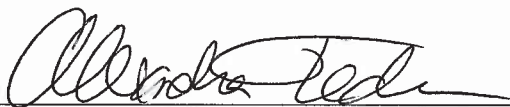
36. I believe that Blaney's expertise, advice and guidance to the Company throughout the Proceeding will be essential to a successful restructuring, and will ensure that the value of the business and/or assets, including the Property, is maximized for the benefit of all stakeholders.

37. Similarly, the Trustee is instrumental to the Proceeding. The Trustee will assist the Company in the Proceeding, including in monitoring its business and financial affairs, maintaining its business operations and conducting the Sale Process. The Trustee will also communicate with and provide information to the Company's creditors, including the Mortgagee.

38. The Mortgagee has advised they do not oppose this charge provided it is subordinate to their interest. I have confirmed that Blaney and the Trustee are prepared to proceed on that basis.

39. I swear this affidavit in support of the Company's motion for an Order approving the Sales Process, granting an extension in respect of the deadline to file a proposal, and granting the Administration Charge, and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 22nd day of March, 2019.



A Commissioner for Taking Affidavits, etc.

Alexandra Teodorescu



YOONJUN PARK

EXHIBIT “C”

This is Exhibit "C" referred to in the Affidavit of Yoon Park sworn
the 30 day of April, 2019.



Commissioner for Taking Affidavits (or as may be)

Alexandra Teodorescu



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2480036
Estate No. 32-2480036

In the Matter of the Notice of Intention to make a
proposal of:

FT ENE CANADA INC.
Insolvent Person

MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: February 27, 2019

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: February 28, 2019, 10:31

E-File/Dépôt Electronique

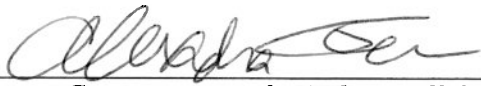
Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

EXHIBIT “D”

This is Exhibit "D" referred to in the Affidavit of Yoon Park sworn
the 3rd day of April, 2019.



Commissioner for Taking Affidavits (or as may be)

Alexandra Teodorescu

ACKNOWLEDGEMENT AND CONFIRMATION OF AMENDMENT

TO: FT EnE Canada Inc. (the "Seller")

AND TO: MNP Ltd. (the "Proposal Trustee")

AND TO: Blaney McMurtry LLP (the "Seller's Solicitors")

RE: Listing Agreement between the Seller and Colliers Macaulay Nicolls Inc. ("Colliers") dated November 7, 2018 (the "Listing Agreement") relating to the sale of those lands and premises municipally known as 14 Sharp Road, Brantford, Ontario (the "Property")

AND RE: Sale and Investment Solicitation Process (the "SISP") presented by the Seller to the Ontario Superior Court of Justice (Commercial List) (the "Court")

WHEREAS the Seller and Colliers entered into the Listing Agreement providing Colliers the exclusive and irrevocable right to act as the Seller's agent to offer the Property for sale to potential buyers expiring May 15, 2019 (the "Listing Period") (collectively, the "Rights").

AND WHEREAS the Seller has presented the SISP to the Court in order to identify one or more purchasers or investors for all or part of the business and/or assets of the Seller, including, but not limited to, the Property (collectively, the "Assets").

AND WHEREAS the Court has approved the SISP per the order of Justice Penny on March 28, 2019 under Court File No. 32-2480036.

AND WHEREAS the SISP will be conducted by the Seller, under the supervision of the Proposal Trustee and with the assistance of, and in consultation with the Seller's Solicitors and Royal Bank of Canada.

AND WHEREAS Seller would like to maintain its working relationship with Colliers and keep Colliers involved in the sale process of the Assets.

AND WHEREAS the terms of the Listing Agreement are required to be amended to reflect the SISP.

AND WHEREAS Colliers and the Seller have agreed to amend the Listing Agreement to reflect the SISP.


NOW THEREFORE WITNESSETH that in consideration of the sum of TWO DOLLARS (\$2.00) now paid by the Seller to Colliers and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Colliers hereby acknowledges and confirms the amendment of the Listing Agreement to reflect the following:

1. The recitals herein are true, complete and accurate in all material respects. Colliers is aware that the Seller, Proposal Trustee and Seller's Solicitor are relying upon this Acknowledgment and Confirmation and the facts stated in the recitals herein.
2. The SISP is a Court approved and supervised process.

3. The ultimate purchaser of any or all of the Assets will need to be Court approved when the SISP is completed pursuant to an Approval and Vesting Order.
4. The sale process of the Assets, including the Property, shall be dictated by the terms of the SISP including, but not limited to, the amendment of the Rights afforded to Colliers in the Listing Agreement, which Rights are no longer exclusive and irrevocable.
5. The Listing Period shall be amended to correspond with the closing date set out in the SISP, which in any event, shall be no later than May 31, 2019.
6. Any commissions noted in the Listing Agreement or otherwise agreed to are subject to approval by the Court. Notwithstanding this, the Seller shall under the SISP pay a commission to:
 - a. Colliers and any co-operating brokerage at the rates as noted in the Listing Agreement for any transaction that is now closed with a party or parties that had been introduced to the Seller by Colliers and who had previously presented an offer to the Seller prior to February 27, 2019; or
 - b. Colliers only at the rate of four percent (4%) for any transaction that is now closed with a new party or parties that had been presented to the Seller after February 27, 2019.
7. Colliers agrees to direct to the Proposal Trustee any and all new real estate brokerages or agents not affiliated with Colliers, who contacts them with respect to the Property and who had not been previously introduced to the Seller by Collier prior to February 27, 2019.
8. The provisions of this Acknowledgment and Confirmation shall enure to the benefit of the Seller, Proposal Trustee and Seller's Solicitor and their respective successors and assigns, and be binding upon the successors and assigns of Colliers.
9. This Acknowledgment and Confirmation may be executed by facsimile transmission or other form of electronic transmission and shall be binding upon Colliers and its successors and assigns and may be relied upon by you as if it was an original.

IN WITNESS WHEREOF the parties hereto have executed this Acknowledgment and Confirmation effective as of the ____ day of April, 2019.

COLLIERS MACAULAY NICOLLS
INC.

Per: 
Name: *Chris Thomas*
Title: *Sales Rep.*

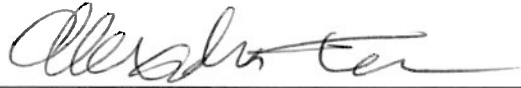
Per: _____
Name: _____

Title:

I/We have authority to bind the Corporation.

EXHIBIT “E”

This is Exhibit "E" referred to in the Affidavit of Yoon Park sworn
the 30 day of April, 2019.



Commissioner for Taking Affidavits (or as may be)

Alexandra Teodorescu


FT EnE Canada Inc.
Updated Weekly Cash-flow Projections
For the period April 19 to June 28, 2019


	Week 9 25-Apr-19 Actual	Week 10 3-May-19 (forecast)	Week 11 10-May-19 (forecast)	Week 12 17-May-19 (forecast)	Week 13 24-May-19 (forecast)	Week 14 31-May-19 (forecast)	Week 15 7-Jun-19 (forecast)	Week 16 14-Jun-19 (forecast)	Week 17 21-Jun-19 (forecast)	Week 18 28-Jun-19 (forecast)	TOTAL
7 days ending:											
Opening Cash Position	126,600	224,548	409	4,555	1,893	3,808	2,294	3,451	1,678	2,833	126,600
Receipts											
Collection of A/R	319,241	97,319	32,829	54,766	412,867	90,486	72,496	919,811	284,894	-	2,284,709
SIMA Refund	-	-	-	-	-	-	-	-	-	-	-
HST Refunds	-	-	-	-	-	-	-	-	-	-	-
FX Gain	3,600	-	-	-	-	-	-	-	-	-	3,600
Total Receipts	322,841	97,319	32,829	54,766	412,867	90,486	72,496	919,811	284,894	-	2,288,309
Disbursements											
Payroll (Net)	29,940	2,614	30,000	-	30,000	7,514	30,000	-	30,000	4,900	164,968
Remittances (E/CFP/WSIB/OEHT)	3,873	-	-	23,332	-	-	-	23,114	-	900	51,218
Material Purchases	8,877	384,258	2,000	2,000	25,463	132,700	104,000	2,000	2,000	11,435	674,733
Property Insurance	-	-	-	721	-	-	-	721	-	-	1,442
Utilities	-	-	-	-	7,489	-	-	-	7,489	-	14,978
Administration Expenses	2,001	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Travel	8,069	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	30,126
Banking Charges and Interest	-	10,436	-	-	-	8,436	-	-	-	-	26,941
Property Tax	-	14,696	-	-	-	-	-	-	-	-	14,696
Vehicles	-	-	-	1,500	-	-	-	1,500	-	-	3,000
Repairs, Maintenance and Supplies	1,092	1,125	5,808	4,000	2,125	7,475	3,375	3,375	3,375	3,375	35,125
Logistics	3,300	77,954	500	500	500	500	28,589	500	500	5,800	118,643
Professional Fees	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Contingency	2,742	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	58,992
Total Disbursements	64,893	506,458	53,683	47,428	80,952	172,000	181,339	46,585	58,739	41,785	1,253,861
Net Operating Cash Flows	257,948 (	409,139) (	20,854)	7,338	331,915 (	81,514) (	108,843)	873,226	226,155 (	41,785)	1,034,448
Operating Line (Repayments)/Advances	(160,000)	185,000	25,000 (	10,000) (	330,000)	80,000	110,000 (	875,000) (	225,000)	40,000 (	1,160,000)
Closing Cash Position	224,548	409	4,555	1,893	3,808	2,294	3,451	1,678	2,833	1,048	1,048

The Statement of Weekly Projected Cash-flow for the period from April 29, 2019 to June 28, 2019 has been prepared solely for the purpose of complying with s. 50.4(2)(a) of the Bankruptcy and Insolvency Act and must be read in conjunction with the the attached assumptions (hypothetical and/or probable) to these projections and the Trustee's Report on Cash-flow Statement (Form 29) and the Report on Cash-flow Statement by the Person Making the Proposal (Form 30).

FT EN E CANADA INC.

MNP LTD.,
Trustee acting in re the Proposal of
FT EnE Canada Inc.

Per: 
Yoonjun Park

Per: 
Matthew Lem, CIRP, LIT

Dated: April 30, 2019

FT EnE Canada Inc.
Assumptions to the Statement of Updated Weekly Cash-flow Projections
For the period April 19 to June 28, 2019

A summary of the hypothetical and/or probable assumptions to the Statement of Weekly Projected Cash-flow are as follows:

- The Cash-Flow does not consider the impact of any sale/investment transaction that is being contemplated by the SISP in the NOI proceedings.
- Sales projections are based on current purchase orders on-hand, management's best estimates and historical sale/order trends;
- The collection of accounts receivables are based on shortened payment terms agreed to by certain purchasers and management's best estimates and historical collection trends;
- A SIMA refund for duties paid pursuant to the *Special Import and Measures Act* (SIMA) will not be received during the forecast period due to a hold until the Company files outstanding corporate tax returns;
- HST Refunds will not be received during the forecast period due to a hold until the Company files outstanding corporate tax returns;
- The number of employees and associated payroll costs (i.e. wages, benefits, government remittances, etc.) are based on the 'actual' payroll costs during the NOI period including the reduction of payroll for a salary reduction to the Company's CEO;
- Material Purchases are based on recent orders, which have not yet been paid for and management's best estimates of production needs/upcoming sales and historical purchase trends;
- Logistics expenses are based on the costs related to the shipment and duties for material purchases, which are estimated based on production needs/upcoming sales and historical purchasing trends;
- Other disbursements are based on management's best estimates and historical purchase/payment trends. These other disbursements are assumed to be generally paid on receipt of the goods and/or service, unless payment terms have currently been extended;
- The Company's lender, Royal Bank of Canada, continues to allow the Operating Line to revolve based on the current credit facility terms and limits;
- No provisions for income taxes have been made;
- Pursuant to Section 69(1) of the *Bankruptcy and Insolvency Act*, all creditor's claims are subject to a stay of proceedings.

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2480036
Estate No. 32-2480036

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the Proposal of
FT ENE CANADA INC.
of the City of Brantford
in the Province of Ontario

The Management of FT ENE CANADA INC., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 30th day of April 2019, consisting of Statement of Updated Weekly Projected Cash-flow dated April 30, 2019 for the period from April 19 to June 28, 2019.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.


Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Brantford in the Province of Ontario, this 30th day of April 2019.



FT ENE CANADA INC.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2480036
Estate No. 32-2480036

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the Proposal of
FT ENE CANADA INC.
of the City of Brantford
in the Province of Ontario

Purpose:

The Statement of Updated Weekly Projected Cash-flow dated April 30, 2019 has been prepared solely for the purpose of complying with S. 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the Statement of Updated Weekly Projected Cash-flow.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the Statement of Updated Weekly Projected Cash-flow.

Assumptions:

See assumptions attached to the Statement of Updated Weekly Projected Cash-flow dated April 30, 2019

Dated at the City of Brantford in the Province of Ontario, this 30th day of April 2019.



FT ENE CANADA INC.

District of: Ontario
 Division No. 07 - Hamilton
 Court No. 32-2480036
 Estate No. 32-2480036

-- FORM 29 --
 Trustee's Report on Cash-Flow Statement
 (Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the Proposal of
 FT ENE CANADA INC.
 of the City of Brantford
 in the Province of Ontario

The attached statement of projected cash flow of FT ENE CANADA INC., as of the 30th day of April 2019, consisting of Statement of Updated Weekly Projected Cash-flow dated April 30, 2019 for the period from April 19 to June 28, 2019, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 30th day of April 2019.

MNP LTD. - Licensed Insolvency Trustee
 Per:



Matthew Lem - Licensed Insolvency Trustee
 300 - 111 Richmond Street West
 Toronto ON M5H 2G4
 Phone: (416) 596-1711 Fax: (416) 323-5242

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2480036
Estate No. 32-2480036

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the Proposal of
FT ENE CANADA INC.
of the City of Brantford
in the Province of Ontario

Purpose:

The Statement of Updated Weekly Projected Cash-flow dated April 30, 2019 has been prepared solely for the purpose of complying with S. 50.4(2)(a) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projections are based on hypothetical and/or probable assumptions.

Hypothetical Assumptions

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the Statement of Updated Weekly Projected Cash-flow.

Probable Assumptions

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the Insolvent Person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the Insolvent Person and provide a reasonable basis for the Statement of Updated Weekly Projected Cash-flow.

Assumptions:

See assumptions attached to the Statement of Updated Weekly Projected Cash-flow dated April 30, 2019

Dated at the City of Toronto in the Province of Ontario, this 30th day of April 2019.

MNP LTD. - Licensed Insolvency Trustee

Per:



Matthew Lem - Licensed Insolvency Trustee

300 - 111 Richmond Street West

Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

TAB 3

Court File No. 32-2480036
Estate File No. 32-2480036

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

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE 3rd
) DAY OF MAY, 2019
)

**IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC.,
OF THE CITY OF BRANTFORD, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION made by FT EnE Canada Inc. (“**Debtor**”) for an Order, among other things, extending the stay of proceedings in this matter to and including June 24, 2019, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Debtor, the Second Report to the Court (“**Second Report**”) submitted by MNP Ltd., in its capacity as trustee in the proposal of the Debtor (“**Trustee**”), and on hearing the submissions of counsel for the Debtor, counsel for the Trustee, counsel for the Royal Bank of Canada, and all other counsel listed on the counsel slip, no one appearing for any other person on the service list, although duly served as appears in the affidavit of service of ●, filed.

SERVICE

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

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the stay of proceedings herein be and is hereby extended to and including June 24, 2019.

APPROVAL OF TRUSTEE REPORT AND ACTIVITIES

3. **THIS COURT ORDERS** that the Second Report and the activities of the Trustee described therein be and are hereby approved, provided that only the Trustee, in its personal capacity and only with respect to its personal capacity, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Trustee and its legal counsel as set out in the Second Report, the Affidavit of ●, and the Affidavit of ●, are hereby authorized and approved.

SEALING ORDER

5. **THIS COURT ORDERS** that Confidential Appendix “1” and Confidential Appendix “2” described in and attached to the Second Report are hereby sealed until further Order of this Court.

GENERAL

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Proposal Trustee as may be necessary or desirable to give effect to this Order, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

IN THE BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF BRANTFORD, IN THE PROVINCE OF ONTARIO

MNP Ltd. In its capacity as Licensed Insolvency Trustee of FT ENE Canada Inc.

Commercial List Court File No. 32-2480036

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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Counsel for FT ENE Canada Inc.

IN THE BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF FT ENE CANADA INC., OF THE CITY OF BRANTFORD, IN THE PROVINCE OF ONTARIO

MNP Ltd. In its capacity as Licensed Insolvency Trustee of FT ENE Canada Inc.

Commercial List Court File No. 32-2480036

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MOTION RECORD OF FT ENE CANADA INC.
(Returnable May 3, 2019)

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