

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE *ME* )  
JUSTICE *T McGowan* )

FRIDAY, THE 7<sup>TH</sup>  
DAY OF JUNE, 2019



IN THE MATTER OF A NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF  
SATIN FINISH HARDWOOD FLOORING, LIMITED  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

APPROVAL AND VESTING ORDER

**THIS MOTION**, made by Satin Finish Hardwood Flooring, Limited ("**Satin Finish**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between Satin Finish and 2340125 Ontario Inc. (the "**Purchaser**") dated May 28, 2019 and appended to the Affidavit of David Zimmerman dated June 3, 2019, and vesting in the Purchaser Satin Finish's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**") and other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Affidavit of David Zimmerman and the Reports of MNP Ltd. in its capacity as proposal trustee of Satin Finish (the "**Proposal Trustee**") and on hearing the submissions of counsel for Satin Finish, the Proposal Trustee and Canadian Imperial Bank of Commerce ("**CIBC**"), no one appearing for any other person on the

service list, although properly served as appears from the affidavit of Karen A. Fox sworn June 4, 2019, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion, Motion Record and the Fourth Report of the Proposal Trustee dated on or about June 3, 2019 (the "**Fourth Report**") is hereby abridged and validated, such that the motion is properly returnable today, and that further service of the Motion Record and the Fourth Report on any other person is hereby dispensed with.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by Satin Finish is hereby authorized and approved.
3. **THIS COURT ORDERS** that Satin Finish be and is hereby authorized to take all necessary steps to complete the Transaction contemplated by the Sale Agreement.
4. **THIS COURT ORDERS** that Satin Finish be and is hereby authorized to change its name to 21091 Ontario Limited or another name which does not include "Satin Finish" or any derivation thereof forthwith on closing of the transaction contemplated by the Sale Agreement.
5. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of Satin Finish's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise save and except for the liabilities and obligations and the security interests, charges, leases and other instruments relating thereto which the Purchaser has expressly agreed to assume under the Sale Agreement.

6. **THIS COURT ORDERS** that the sale of the Purchased Assets to the Purchaser is subject to the security of CIBC including the security identified on the attached Schedule B and that the security of CIBC is enforceable against the Purchased Assets without the requirement for CIBC to issue further Notices of Intention to Enforce Security under s. 244 of the *Bankruptcy and Insolvency Act* (the "BIA").

7. **THIS COURT ORDERS** that: (a) notwithstanding the Transaction, Satin Finish remains liable for the obligations owing to CIBC; and (b) the Excluded Assets, as defined by the Sale Agreement, remain subject to the security of CIBC.

8. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, Satin Finish is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in its records pertaining to Satin Finish's past and current employees. The Purchaser 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 respects identical to the prior use of such information by the Debtor.

10. **THIS COURT ORDERS** that, notwithstanding the bankruptcy of Satin Finish, the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on the Proposal Trustee and ~~the~~ Satin Finish's trustee in bankruptcy and shall not be void or voidable by creditors of Satin Finish, nor shall it constitute nor 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 any applicable federal or provincial legislation.

11. **THIS COURT ORDERS** that the Fourth Report and the activities of the Proposal Trustee described therein be and are hereby approved, provided that only the Proposal

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.

A handwritten signature in black ink, appearing to be "McIntosh", is written over a solid horizontal line.

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**Schedule A – Form of Proposal Trustee’s Certificate**

Court File No. 31-2459849

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF A NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF  
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OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**PROPOSAL TRUSTEE’S CERTIFICATE**

**RECITALS**

- A. Pursuant to a Notice of Intention to Make a Proposal filed by Satin Finish Hardwood Flooring, Limited (“**Satin Finish**”) under subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (“**BIA**”), MNP Ltd. was appointed as proposal trustee (the “**Proposal Trustee**”) of Satin Finish.
- B. Pursuant to an Order of the Court dated June 7, 2019, the Court approved the agreement of purchase and sale dated May 28, 2019 (the “**Sale Agreement**”) between Satin Finish and 2340125 Ontario Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of Satin Finish’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate (i) confirming that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by Satin Finish and the Purchaser and (ii) the Transaction has been completed to the satisfaction of the Proposal Trustee.
- C. Satin Finish has paid or has made satisfactory arrangements to make the payments required under sections 60(1.3)(a) and 60(1.5)(a) of the BIA.
- D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by Satin Finish and the Purchaser.
2. The Transaction has been completed to the satisfaction of the Proposal Trustee.; and
3. This Certificate was delivered by the Proposal Trustee at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**MNP LTD., in its capacity as Proposal Trustee of the undertaking, property and assets of Satin Finish Hardwood Flooring, Limited, and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

## Schedule "B"

<b><u>Security Documents:</u></b>	
1.	General Security Agreement executed by Satin Finish in favour of Canadian Imperial Bank of Commerce dated September 29, 2016
2.	Notice of Intention to Give Security Under Section 427 of the <i>Bank Act</i> (Canada) executed by Satin Finish in favour of Canadian Imperial Bank of Commerce dated September 27, 2016
3.	Special Security Agreement In Respect of Specified Property or Classes of Property executed by Satin Finish in favour of Canadian Imperial Bank of Commerce dated September 29, 2016
4.	Application for Credit and Promise to Give Special Security executed by Satin Finish in favour of Canadian Imperial Bank of Commerce dated September 29, 2016
5.	Contract Relative to Special Security executed by Satin Finish in favour of Canadian Imperial Bank of Commerce dated September 29, 2016
6.	Full Recourse Guarantee, Assignment and Postponement of Claim executed by Satin Finish in favour of Canadian Imperial Bank of Commerce dated September 29, 2016

<b><u>Registrations:</u></b>	
1.	Registration number 20150911 1533 1590 3225 against Satin Finish under the <i>Personal Property Security Act</i> (Ontario) in favour of Canadian Imperial Bank of Commerce
2.	Registration number 20160921 1031 1682 6308 against Satin Finish under the <i>Personal Property Security Act</i> (Ontario) in favour of Canadian Imperial Bank of Commerce
3.	Registration number 01308329 against Satin Finish under the <i>Bank Act</i> in favour of Canadian Imperial Bank of Commerce

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER**

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