

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY, THE 22ND
JUSTICE OSBORNE) DAY OF SEPTEMBER, 2023
)

B E T W E E N:

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC

Applicants

-AND-

2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284
ONTARIO INC. and 2738285 ONTARIO INC.**

DISCHARGE ORDER

THIS MOTION, made by MNP Ltd. (“**MNP**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (collectively, the “**Debtors**”) in these proceedings (the “**Receivership Proceeding**”) for an order, among other things: (i) approving, *nunc pro tunc*, the letter agreement dated October 17, 2022 among the Receiver, Morris Group Financial, Inc., and Blake Larsen (the “**Letter Agreement**”), (ii) discharging MNP as Receiver upon the filing of the Discharge Certificate (as defined below), (iii) approving the activities of the Receiver as described in the Third Report of the Receiver dated September 14, 2023 (the “**Third Report**”), (iv) approving the fees of the Receiver and its counsel, (v) approving final payments and distributions as set out in

the Third Report, and (vi) unsealing certain Confidential Appendices, was heard this day by judicial video conference.

ON READING the Third Report, the Fee Affidavit of Deborah Hornbostel sworn September 13, 2023 (the “**Hornbostel Affidavit**”), the Fee Affidavit of Robert Thornton sworn September 8, 2023 (the “**Thornton Affidavit**”), and such further materials as counsel may advise, and on hearing submissions from counsel to the Receiver, and counsel to those parties listed on the Participant Information Form for today’s hearing, and no one else appearing for any other interested person, although duly served as evidenced by the Affidavit of Service of Natalie Longmore sworn September 15, 2023, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the Third Report.

APPROVAL OF THE LETTER AGREEMENT

3. **THIS COURT ORDERS** that the Letter Agreement is hereby approved in its entirety and the Receiver is authorized and directed to enter into the Letter Agreement.
4. **THIS COURT ORDERS** that the Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the Letter Agreement.

APPROVAL OF FINAL DISTRIBUTIONS

5. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the following payments and distributions from the amounts held by the Receiver:

- (a) first, to the Receiver and TGF, payment of the final accounts of the Receiver and TGF, as taxed, including the actual fees incurred to complete the administration of the receivership;
- (b) second, \$150,000 to Loopstra Nixon LLP, in trust, in accordance with the Letter Agreement; and
- (c) third, to 7 Generations Development Group Ltd., any remaining funds held by the Receiver after all other payments and distributions have been made in the receivership proceeding.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in respect of any of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Debtors;

the distributions set out in paragraph 5 of this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the 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.

APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER

7. **THIS COURT ORDERS** that the Third Report and the activities, decisions and conduct of the Receiver as set out in the Third Report are hereby authorized and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

8. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements and the proforma Final Statement of Receipts and Disbursements as at September 13, 2023, as set out in the Third Report and attached as Appendix "L" to the Third Report, is hereby approved.
9. **THIS COURT ORDERS** that the professional fees of the Receiver for the period between June 18, 2022 to August 31, 2023, as detailed in the Third Report and the Hornbostel Affidavit attached as Appendix "J" to the Third Report, are hereby approved.
10. **THIS COURT ORDERS** that the professional fees of Thornton Grout Finnigan LLP, counsel to the Receiver, for the period between June 18, 2022 to August 31, 2023 as detailed in the Third Report and the Thornton Affidavit attached as Appendix "K" to the Third Report, are hereby approved.

DISCHARGE OF RECEIVER

11. **THIS COURT ORDERS** that upon completion of the Remaining Activities (as defined in the Third Report), and upon the Receiver filing a certificate in the form attached as Schedule "A" hereto (the "**Discharge Certificate**") certifying that it has completed the Remaining Activities, the Receiver shall be discharged as Receiver of the undertakings, properties and assets of the Debtors, provided however that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of MNP in its capacity as Receiver.
12. **THIS COURT ORDERS AND DECLARES** that MNP is hereby released and discharged from any and all liability that MNP now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of MNP while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, MNP 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's part.

UNSEALING

13. **THIS COURT ORDERS** that upon filing with the Court of Confidential Appendices "1", "2", "3" and "4" to the Amended First Report of the Receiver dated March 3, 2022, which were sealed pending further order of this Court pursuant to the Approval and Vesting Order granted by this Court on March 10, 2022, are hereby unsealed and shall form part of the public record.

GENERAL

14. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.
 15. **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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver and its agents as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
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**Schedule “A”
Form of Discharge Certificate**

Court File No. CV-21-00670723-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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Applicants

-AND-

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RECEIVER’S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021, MNP Ltd. was appointed as the receiver (the “**Receiver**”) of certain assets, undertakings and properties of the Debtors.

B. Pursuant to an Order of the Court dated September 22, 2023 (the “**Discharge Order**”), MNP Ltd. was to be discharged as Receiver of the Debtors to be effective upon the filing by the Receiver with the Court of a certificate confirming that all Remaining Activities (as defined and as described in the Third Report of the Receiver dated September 14, 2023 (the “**Third Report**”)) to be attended to in connection with the receivership have been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

- A. All Remaining Activities as described in the Third Report to be attended to in connection with the receivership of the Debtors have been completed to the satisfaction of the Receiver.

- B. This Certificate was filed by the Receiver with the Court on the ____ day of ____, ____ at _____.

MNP LTD., solely in its capacity as the Court-appointed receiver of the assets, undertakings and properties of the Debtors and not in its personal or corporate capacity

Per: _____

Name: Sheldon Title

Title: Senior Vice-President

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**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC
and PS HOLDINGS 3 LLC**

and **2738283 ONTARIO INC., 2738284 ONTARIO INC.
and 2738285 ONTARIO INC.**

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Court File No.: CV-21-00670723-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

DISCHARGE ORDER

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Lawyers for the Court-Appointed Receiver, MNP Ltd.