

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

MOTION RECORD OF THE COURT-APPOINTED RECEIVER, MNP LTD.

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MNP Ltd.

INDEX

INDEX

A	Notice of Motion	5
B	Third and Final Report of the Court-Appointed Receiver, MNP Ltd., dated April 14, 2022	17
1	Receivership Order, dated October 23, 2020	31
2	Ancillary Order, dated October 23, 2020	48
3	Receiver's First Report, dated March 3, 2021	54
4	Receiver's Supplemental Report, dated March 18, 2021	69
5	Approval Orders, dated April 9, 2021	73
6	Receiver's Second Report, dated September 14, 2021	88
7	Distribution Order, dated October 1, 2021	102
8	Notice of Statement of Receiver	106
9	Email from Debtors' legal counsel, dated September 21, 2021	109
10	Email from BNS' legal counsel, dated September 21, 2021	113
11	Email from Debtors' legal counsel, dated September 29, 2021	117
12	Email from BNS' legal counsel, dated September 30, 2021	120
13	Email from the Receiver to Debtors' legal counsel, dated September 30, 2021	122
14	Letter from Debtors' legal counsel, dated November 1, 2021	124
15	Email from BNS' legal counsel, dated November 8, 2021	126
16	Final Statement of Receipts and Disbursements	130
17	Affidavit of John Haralovich, MNP Ltd., sworn April 14, 2022	132
18	Affidavit of Roxanne Chapman, Soloway Wright LLP, sworn April 8, 2022	139

TAB A

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE
OF THE TOWN OF ALMONTE, IN THE PROVINCE OF ONTARIO**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY

Respondents

NOTICE OF MOTION

TAKE NOTICE that MNP Ltd. (“MNP”), in its capacity as Court-appointed Receiver (the “Receiver”) of the Respondents, Stuart W. Lackey and Catherine A. Lackey (the “Debtors”), will make a Motion before the Court on May 12, 2022 at 11:30 a.m., or as soon after that time as the Motion can be heard, at the Courthouse, 43 Drummond Street East, Perth, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard by way of **judicial videoconference**.

THE MOTION IS FOR:

An Order, substantially in the form of the draft Order attached hereto as Schedule “A” for:

1. In the event necessary, an Order dispensing with service and/or declaring that service of this Motion has been validly effected on all necessary parties and declaring that this

motion is properly returnable on May 12, 2022 at 11:30 a.m. or as soon after that time as the motion can be heard;

2. An Order approving the Receiver's final report to the Court dated April 14, 2022 (the "**Final Report**"), and the activities and conduct of the Receiver and its legal counsel as described therein;
3. An Order approving the fees and disbursements of the Receiver, including the fees and disbursements of its legal counsel, all as particularized in the Final Report and an Order directing and authorizing the Receiver to pay all such fees and disbursements from available receivership funds;
4. An Order approving the Receiver's final statement of receipt and disbursements (the "**Final SRD**");
5. An Order authorizing and directing the Receiver to make a final distribution to the Bank of Nova Scotia ("**BNS**") in the amount of \$10,499.00 from available receivership funds on account of its secured claim;
6. An Order discharging and releasing the Receiver following the payment by the Receiver of the foregoing amounts and distributions; and
7. Such further and other relief as counsel may advise and this Honourable Court may deem just and appropriate.

THE GROUNDS FOR THE MOTION ARE:

1. By Orders (the "**Appointment Order**") of the Ontario Superior Court of Justice dated October 23, 2020, upon the application of BNS, MNP was appointed as the Receiver of all of the Debtors' Property (as defined in the Final Report).
2. The Appointment Order authorizes the Receiver to, amongst other things:

- a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - b) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - c) To report to the Court and obtain directions from the Court as and when required.
3. The purpose of the Final Report of the Receiver is as follows, *inter alia*:
- a) to report on the activities and conduct of the Receiver since its appointment, and to obtain the Court's approval of the activities and conduct of the Receiver and of its legal counsel as described and recited in the Final Report;
 - b) to obtain the Court's approval of the fees and disbursements of the Receiver and of its legal counsel as set out in the Final Report, and the Court's approval to pay the said fees and disbursements from available receivership funds;
 - c) to obtain the Court's approval of the Receiver's Final SRD;
 - d) to obtain the Court's approval to make a final distribution to BNS in the amount of \$10,499.00 from available receivership funds; and
 - e) to obtain the Court's approval for the release and discharge of the Receiver;
4. The fees and disbursements of the Receiver and its legal counsel are fair and reasonable and justified in the circumstances and reflect the work done by and on behalf of the Receiver in connection with the receivership and the administration of the Property;
5. Sections 100 and 101 of the *Courts of Justice Act*;
6. Sections 243, 246, 247, 249 and 250 of the *Bankruptcy and Insolvency Act*;
7. Rules 1.04, 2.03, 3.02, 37 and 41 of the *Rules of Civil Procedure*; and

8. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Receiver's Final Report to the Court dated April 14, 2022, together with the documentary Appendices thereto;
2. The Appointment Order;
3. The Receiver's First Report to the Court (without appendices), dated March 3, 2021;
4. The Receiver's Supplemental Report to the Court (without appendices), dated March 18, 2021;
5. The Receiver's Second Report to the Court (without appendices), dated September 14, 2021; and
6. Such further and other material as counsel may advise and this Honourable Court may permit.

DATED AT THE CITY OF OTTAWA this 29th day of April, 2022.

SOLOWAY WRIGHT LLP
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Lawyers for the Court-Appointed Receiver, MNP
Ltd.

TO: **SERVICE LIST** (Attached hereto)

SERVICE LIST

1. **Harrison Pensa LLP**
Barristers & Solicitors
450 Talbot Street
London, ON N6A 5J6
Attn: Tim Hogan
519-661-6743 telephone
519-667-3362 facsimile
Email: thogan@harrisonpensa.com

Lawyers for the Applicant, The Bank of Nova Scotia
2. **Stuart Lackey**
c/o Donald R. Good, P.Ag.
Barrister & Solicitor
43 Roydon Place
Nepean, ON K2E 1A3
Email: degood@rogers.com
3. **Catherine Lackey**
c/o Donald R. Good, P.Ag.
Barrister & Solicitor
43 Roydon Place
Nepean, ON K2E 1A3
Email: degood@rogers.com
4. **TD Auto Finance (Canada) Inc.**
P.O. Box 4086, Station A
Toronto, ON M5W 5K3
5. **Canada Revenue Agency**
c/o Department of Justice
Ontario Regional Office
120 Adelaide Street West, Suite 400
Toronto, ON M5H 1T1
Attn: Rakhee Bhandari
416-952-8563 telephone
Email: rakhee.bhandari@justice.gc.ca
Email: collections@justice.gc.ca

6. **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED
BY THE MINISTER OF FINANCE (Income Tax, PST)**
33 King Street West, 6th Floor, P.O. Box 620
Oshawa, ON L1H 8E9
Email: Insolvency.Unit@ontario.ca

7. **Ottawa Valley Breeder Finance Co-Operative Inc.**
2632 Concession 7B, Ramsay Township, RR#1
Almonte, ON K0A 1A0

8. **National Leasing Group Inc. / CWB National Leasing Inc.**
1525 Buffalo Place
Winnipeg, MB R3T 1L9
Email: emmanuel9093@cwbnationalleasing.com

9. **John Deere Financial Inc.**
3430 Superior Court
Oakville, ON L6L 0C4

10. **BMW Canada Inc.**
50 Ultimate Drive
Richmond Hill, ON L4S 0C8

SCHEDULE "A"

Court File No.: CV-20-00000008-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

THE HONOURABLE) **THURSDAY, the 12TH DAY**
)
JUSTICE) **OF MAY, 2022.**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY

Respondents

ORDER

THIS MOTION, made by MNP Ltd. ("**MNP**") as Court-Appointed Receiver (the "**Receiver**") of the assets, undertakings and properties (the "**Property**") of the Respondents, Stuart W. Lackey and Catherine A. Lackey (the "**Debtors**"), for an Order, *inter alia*:

7. If necessary, an Order dispensing with service and/or declaring that service of this Motion has been validly effected on all necessary parties and declaring that this motion is properly returnable on May 12, 2022 at 11:30 a.m. or as soon after that time as the motion can be heard;

8. Approving the Receiver's final report to the Court dated April 14, 2022 (the "Final Report"), and the activities and conduct of the Receiver and its legal counsel as described therein;
9. Approving the fees and disbursements of the Receiver, including the fees and disbursements of its legal counsel, all as particularized in the Final Report and an Order directing and authorizing the Receiver to pay all such fees and disbursements from available receivership funds;
10. Approving the Receiver's final statement of receipt and disbursements (the "Final SRD");
11. Authorizing and directing the Receiver to make a final distribution to the Bank of Nova Scotia ("BNS") in the amount of \$10,499.00 from available receivership funds on account of its secured claim;
12. Discharging and releasing the Receiver following the payment by the Receiver of the foregoing amounts and distributions;

was heard this day at the Courthouse, 43 Drummond Street East, Perth, Ontario.

ON READING the Notice of Motion and the Final Report, and the Factum and Authorities filed by the Receiver, and upon hearing the submissions of counsel for the Receiver, no one appearing for any of the other interested parties although duly served as appears from the Affidavit of Service of Roxanne Chapman sworn on April 29, 2022, filed,

1. **THIS COURT ORDERS AND DECLARES** that the time and method of service of the Notice of Motion, the Receiver's Final Report and the Factum and Authorities filed by the Receiver are hereby abridged and validated such that this motion has been validly served and is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT FURTHER ORDERS AND DECLARES** that the Receiver's Final Report is hereby approved and that the activities and conduct of the Receiver and that of its legal counsel as set forth in the Second Report are hereby ratified and approved.
 3. **THIS COURT FURTHER ORDERS AND DECLARES** that the fees and disbursements of the Receiver, including the fees and disbursements of its legal counsel, all as particularized in the Final Report are hereby approved and directs and authorizes the Receiver to pay all such fees and disbursements from available receivership funds.
 4. **THIS COURT FURTHER ORDERS AND DECLARES** that the Receiver's Final SRD, as set forth in the Final Report, is hereby ratified and approved.
 5. **THIS COURT FURTHER ORDERS AND DIRECTS** the Receiver to pay a final distribution to BNS in the amount of \$10,499.00 from available receivership funds.
 6. **THIS COURT FURTHER ORDERS AND DIRECTS** that the Receiver is discharged and released following the payment by the Receiver of the foregoing amounts and distributions.
-

THE BANK OF NOVA SCOTIA
Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY
Respondents

Court File No.: CV-20-00000008-0000

ONTARIO SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF STUART W. LACKEY AND CATHERINE
A. LACKEY, of the Town of Almonte, in the Province of
Ontario**

Proceedings commenced at Perth, Ontario

ORDER

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THE BANK OF NOVA SCOTIA
Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY
Respondents

Court File No.: CV-20-00000008-0000

ONTARIO SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF STUART W. LACKEY AND CATHERINE
A. LACKEY, of the Town of Almonte, in the Province of
Ontario**

Proceedings commenced at Perth, Ontario

NOTICE OF MOTION

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Lawyers for the Court-Appointed Receiver, MNP Ltd.

TAB B

ONTARIO
SUPERIOR COURT OF JUSTICE
IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

**THIRD AND FINAL REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT-APPOINTED RECEIVER OF
STUART W. LACKEY AND CATHERINE A. LACKEY**

APRIL 14, 2022

TABLE OF CONTENTS

Contents

INTRODUCTION AND BACKGROUND4

PURPOSE OF THIS REPORT6

NOTICE TO READER.....7

RECEIVERSHIP ACTIVITIES FOLLOWING THE APPROVAL ORDERS7

THE DEBTORS' VARIOUS REAL PROPERTY8

THE SALES AGREEMENTS AND TRANSACTIONS8

ATTEMPTS TO FUND THE REMAINING INDEBTEDNESS8

ONGOING OPERATIONS10

PRIORITY AND SECURED CLAIMS.....11

FUNDS AVAILABLE FOR DISTRIBUTION11

PROFESSIONAL FEES11

COMPLETION OF THE RECEIVERSHIP12

SUMMARY AND RECOMMENDATIONS12

APPENDICES

- 1 Receivership Order dated October 23, 2020**
- 2 Ancillary Order dated October 23, 2020**
- 3 Receiver's First Report dated March 3, 2021**
- 4 Receiver's Supplemental Report dated March 18, 2021**
- 5 Approval Orders dated April 9, 2021**
- 6 Receiver's Second Report dated September 14, 2021**
- 7 Distribution Order dated October 1, 2021**
- 8 Notice of Statement of Receiver**
- 9 Email from Debtors' legal counsel dated September 21, 2021**
- 10 Email from BNS legal counsel dated September 21, 2021**
- 11 Email from Debtors' legal counsel dated September 29, 2021**
- 12 Email from BNS legal counsel dated September 30, 2021**
- 13 Email from the Receiver to Debtors' legal counsel dated September 30, 2021**
- 14 Letter from Debtors' legal counsel dated November 1, 2021**
- 15 Email from BNS legal counsel dated November 8, 2021**
- 16 Final Statement of Receipts and Disbursements**
- 17 Affidavit of John Haralovich, MNP LTD., sworn April 14, 2022**
- 18 Affidavit of Roxanne Chapman, Soloway Wright LLP, sworn April 8, 2022**

INTRODUCTION AND BACKGROUND

1. Stuart W. Lackey and Catherine A. Lackey (the “Debtors”) resided at 779 Old Almonte Road, RR #3, Almonte, Ontario (the “Almonte Property”), and they manage various farmland, including cash crops and livestock.
2. On or about December 8, 2015, the Debtors became indebted to The Bank of Nova Scotia (“BNS” or the “Lender”), their senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements (the “Security”) contained as Exhibits D through N of the Receivership Application Record (the “Application Record”) dated January 28, 2020.
3. As reported in the Application Record, the Debtors’ obligations to the Lender pursuant to the above loans and the Security (the “Indebtedness”) totaled \$2,800,950.00 at January 21, 2020 (excluding interest and fees accrued since).
4. The Security provides for the appointment of a receiver in the event of default by the Debtors under the Security.
5. On January 15, 2019, BNS issued to the Debtors an Exit Letter contained as Exhibit E to the Receivership Application Record that set out certain terms and conditions under which the Bank would continue to make credit available to the Debtors.
6. On July 18, 2019, BNS issued demands for payment of the Indebtedness to the Debtors, along with a Notice of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act* (“BIA”), and a Notice of Intent to Realize on Security in accordance with s. 21 of the *Farm Debt Mediation Act* (the “FDMA”), which demands, and statutory notices are contained as Exhibit R of the Application Record
7. On October 10, 2019, following the mediation pursuant to the FMDA, the Debtors and BNS entered into a forbearance agreement, contained as Exhibit S of the Application Record (the “Forebearance Agreement”). Pursuant to the Forbearance Agreement, the Debtors acknowledged that the Security was valid and binding and agreed to satisfy the payment of arrears to BNS and to fully repay the Indebtedness by no later than January 31, 2020.
8. On November 26, 2019, BNS advised the Debtors’ legal counsel that the Debtors had failed to remit the outstanding amounts owed to BNS and to provide the required reporting outlined in the

Forebearance Agreement and further confirmed that if the Debtors failed to provide evidence of a binding refinancing agreement by December 6, 2019, BNS would move for the appointment of a receiver.

9. By January 7, 2020, the Debtors had failed to satisfy the terms of the Forebearance Agreement and BNS advised the Debtors that it would bring an application for the appointment of a receiver.
10. On January 8, 2020, and January 21, 2020, BNS received from the Debtors' counsel four listing agreements to sell various farmland, excluding the Almonte Property.
11. On January 8, 2020, the Debtors sold the farmland property described in PIN 05164-0067 and the net proceeds of sale were applied to reduce the Indebtedness.
12. On January 21, 2020, the Debtors provided BNS with a signed listing agreement to sell the farmland described in PIN 05110-0090.
13. On January 27, 2020, BNS brought an application for the appointment of MNP Ltd. ("MNP") as the receiver of the Debtors and for the protection of the interests of BNS and other stakeholders.
14. On April 13, 2020, the Debtors sold the farmland property described in PIN 05082-0019 and the net proceeds of sale were applied to further reduce the Indebtedness.
15. On June 15, 2020, BNS and the Debtors entered into an Addendum to the Forebearance Agreement which provided for, among other things, the Debtors consenting to the appointment of a receiver.
16. On September 14, 2020, Avinash D'Souza on behalf of BNS, filed an affidavit to update the Application Record on efforts made by the Debtors to repay the Indebtedness. This affidavit confirmed that these efforts were unsuccessful and confirmed that the amount outstanding to BNS had been reduced to \$1,813,461.83 as a result of the sale of the properties described above. On October 15, 2020, Avinash D'Souza on behalf of BNS filed a further affidavit to confirm that the Indebtedness to BNS then totaled \$1,943,963.81.
17. By Order of this Honourable Court dated October 23, 2020 (the "Receivership Order"), MNP was appointed receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of the Debtors used in relation to their business, including all proceeds thereof (the "Property"). A copy of the Receivership Order is attached at Appendix "1".

18. By Ancillary Order of this Honourable Court dated October 23, 2020 (the “**Ancillary Order**”), MNP was deemed not to be in possession of the Debtors’ Almonte Property, the livestock, the farm equipment, and the crops (the “**Excluded Assets**”) until April 2, 2021. A copy of the Ancillary Order is attached at **Appendix “2”**.
19. The Receiver’s first report to the Court dated March 3, 2021 (the “**First Report**”) (without appendices) is attached as **Appendix “3”**.
20. The Receiver’s supplemental report to the Court dated March 18, 2021, is attached as **Appendix “4”**.
21. Pursuant to the Orders of the Honourable Madam Justice Michelle O’Bonsawin dated April 9, 2021, the Receiver was authorized to proceed with the completion of the Sales Transactions (as defined below) for the sale of the Montague Properties (as defined below) and to pay municipal tax arrears on closing. Attached as **Appendix “5”** is a copy of the said Orders, along with a copy of the ancillary order issued on the that same day (collectively, the “**Approval Orders**”).
22. The Receiver’s second report to the Court dated September 14, 2021 (the “**Second Report**”) (without appendices) is attached as **Appendix “6”**.
23. Pursuant to the Order of the Honourable Justice H.J. Williams dated October 1, 2021, the Receiver was authorized to proceed with the distribution to the Bank of Nova Scotia in the amount of \$750,000.00. Attached as **Appendix “7”** is a copy of the approval Order (the “**Distribution Order**”).
24. The prescribed notices and statements of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA were sent to the Debtors’ creditors. A copy of these notices are attached at **Appendix “8”**.

PURPOSE OF THIS REPORT

25. The purpose of this third and final report of the Receiver to the Court (the “**Final Report**”) is to:
 - (a) report on the activities of the Receiver since the Second Report;
 - (b) seek the Court’s approval of the activities and conduct of the Receiver and that of its legal counsel as described in the Final Report;
 - (c) seek the Court’s approval of the professional fees and disbursements of the Receiver and of its legal counsel;

- (d) seek the Court's approval of the Receiver's Final Statement of Receipts and Disbursements (the "Final SRD");
- (e) seek the Court's approval in respect of a final distribution to BNS in the amount of \$10,499.00 on account of its secured claim; and
- (f) seek the Court's approval for the release and discharge of the Receiver, including as a term of the Order discharging it, the release and discharge of the Receiver from any and all liability which the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver, save and except for any gross negligence or willful misconduct on the Receiver's part.

26. All amounts referred to in the Final Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

27. This Final Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.

28. In preparing this Final Report, the Receiver has relied upon information from third party sources (collectively, the "Information"). Certain of the information contained herein may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

RECEIVERSHIP ACTIVITIES FOLLOWING THE APPROVAL ORDERS

29. Since the date of the Second Report, the Receiver has undertaken the following actions in accordance with the Receivership Order and the Approval Orders:

- (a) paid to the Bank of Nova Scotia the sum of \$750,000.00 pursuant to the Distribution Order;
- (b) corresponded and communicated with legal counsel for BNS and the Debtors regarding funding the projected shortfall of the Indebtedness (the "Funding Settlement");

- (c) terminated the ongoing marketing for the Mississippi Mills Property (as defined below) after the Debtors and the BNS arrived at a Funding Settlement;
- (d) responded to various inquiries received from the Debtors' accountant; and
- (e) responded to various other creditor inquiries.

THE DEBTORS' VARIOUS REAL PROPERTY

- 30. The Debtors' farmland located at County Road 43 in the Township of Montague, Ontario, having PIN numbers 05263-0146 and 05263-0153 (collectively, the "Montague Properties", which definition is hereinafter taken to also include PIN 05263-0136) was listed for sale with Gentry Real Estate Services Limited ("Gentry").
- 31. The Debtors' farmland located 2312 Ramsay Road, Concession 8, Mississippi Mills, Ontario, bearing PIN number 05087-0172 (the "Mississippi Mills Property") was also listed for sale with Gentry.

THE SALES AGREEMENTS AND TRANSACTIONS

- 32. On December 1, 2020, the Receiver accepted the final offers to purchase the Montague Properties (the "Sales Agreements"), copies of which were attached as Confidential Appendices "D" and "E" and redacted copies of which were attached as Appendices "9" and "10" of the First Report (in which the purchaser's identity and the purchase prices were redacted). The Sales Agreements provide for a combined deposit of \$20,000.00, and that they were binding, and that the closings (the "Sales Transactions") were subject to the approval of the Court.
- 33. On April 28, 2021, the Sales Transactions closed pursuant to the Sales Agreements and the Approval Orders.

ATTEMPTS TO FUND THE REMAINING INDEBTEDNESS

- 34. Following the closing of the Sales Transaction closed, the Receiver canvassed with Debtors' legal counsel the possibility of the Debtors financing or liquidating specific assets in order to fund their shortfall owing to BNS on account of the Indebtedness (the "Shortfall"). The Receiver explored this possibility with BNS and the Debtors so as to avoid having to realize on the Debtors' remaining Property, including the Excluded Assets and the Mississippi Mills Property.

35. On April 28, 2021, the Receiver provided to legal counsel for BNS and the Debtors its projected statement of distribution to BNS in order to facilitate discussions about how the Debtors could fund the Shortfall. This correspondence further confirmed that the costs of the Receiver and of its legal counsel would continue to accrue in the interim and, when the Debtors were able to confirm a source of funding, the final required payout amount would be provided to the Debtors. A copy of the projected distribution as of April 28, 2021, was attached at Appendix "7" of the Second Report.
36. On June 9, 2021, the Receiver was provided with a letter from Ron Ashmore of Expert Mortgage Broker, confirming that his firm was engaged by the Debtors to finance the Shortfall. A copy of this letter was attached at Appendix "8" of the Second Report.
37. On June 29, 2021, the Receiver advised the lawyers for the Debtors that the Receiver required confirmation of the funding of the Shortfall by no later than July 2, 2021. A copy of the Receiver's June 29, 2021, email was attached at Appendix "9" of the Second Report.
38. On July 9, 2021, the Receiver's lawyer received a letter from the Debtors' lawyers confirming that the Debtors remained actively engaged in attempting to raise the funds necessary to fund the Shortfall. A copy of this July 9, 2021, letter was attached at Appendix "10" of the Second Report.
39. On July 28, 2021, Receiver's legal counsel wrote to the Debtors' counsel requesting an update to their previous communications and to further advise that the Receiver had obtained a Court Date of October 1, 2021, for a motion by the Receiver for a distribution Order and other relief it deemed appropriate. A copy of this correspondence is attached at Appendix "11" of the Second Report.
40. On August 30, 2021, the Receiver received an email from Nancy M. McGlade (dated August 2, 2021), who is retained as the Debtors' accountant. She requested specific information related to the sale of various properties the Debtors sold since May 1, 2018. A copy of this August 2, 2021, letter was attached at Appendix "12" of the Second Report.
41. On September 21, 2021, legal counsel for the Debtors wrote to confirm that alternate financing in the amount of \$125,000.00 (the "Settlement Funds") had been arranged. A copy of this correspondence is attached hereto at **Appendix "9"**.
42. On September 21, 2021, legal counsel for the BNS confirmed that the BNS would accept the Settlement Funds and discharge its remaining security once the four conditions set out in their email were satisfied. A copy of this correspondence is attached hereto at **Appendix "10"**.

43. On September 29, 2021, legal counsel for the Debtors wrote to confirm that the Debtors were proceeding with a financing arrangement and sought confirmation that any remaining funds, if any, once the BNS was paid in full, would be returned to the Debtors. A copy of this correspondence is attached hereto at **Appendix “11”**.
44. On September 30, 2021, BNS’s lawyer confirmed that the outstanding Indebtedness to the BNS exceeded the Settlement Funds and there would be no funds available for the Debtors. A copy of this correspondence is attached to the Final Report at **Appendix “12”**.
45. On September 30, 2021, the Receiver advised the legal representative for the Debtors that the remaining funds held by the Receiver, after the costs of its legal counsel and the Receiver’s costs, if any, would be paid to the BNS towards the remaining deficiency of the Indebtedness. A copy of this correspondence is attached at **Appendix “13”**.
46. On November 1, 2021, the Receiver’s lawyer received a letter from the Debtors’ lawyer advising they were withdrawing their services because of difficulties in obtaining instructions from the Debtors. A copy of this correspondence is attached at **Appendix “14”**.
47. On November 8, 2021, the Debtors advised the lawyers for BNS that they were forwarding the Settlement Funds from the sale of crops directly to the lawyers for BNS. A copy of this correspondence and cheque is attached hereto at **Appendix “15”**.
48. On November 29, 2021, the legal representative for the BNS confirmed that the crop funds had cleared and were being forwarded to BNS.

ONGOING OPERATIONS

49. The Receiver has not operated the farm operations pursuant to the terms of the Ancillary Order.
50. The Receiver did obtain an initial advance from BNS and accordingly issued a Receiver’s Certificate in the amount of \$20,000.00. A copy of the Receiver’s Certificate 1 was attached at Appendix “11” of the First Report and was repaid after the Sales Transactions closed.

PRIORITY AND SECURED CLAIMS

Priority Claims

51. As of January 29, 2021, the tax arrears for the Montague Properties were \$1,813.64, and all amounts owed to the Township of Montague in this regard have been paid by the Receiver.
52. The Receiver is not aware of any other priority claims.

Secured Claims

53. The parcel registers for the Montague Properties confirm that BNS registered a charge on title to the Montague Properties. The Receiver's independent legal counsel, André Ducasse of Soloway Wright LLP, provided the Receiver with a legal opinion regarding the validity and enforceability of the security held by BNS, a copy of which was attached at Appendix "13" of the First Report.
54. Based on this legal opinion, it appears that the Appointing Order and the Ancillary Order entitled the Receiver to deal with and sell the Montague Properties, and that the general security agreements granted by the Debtors to BNS created an attached and perfected security interest and were enforceable in accordance with their terms and attach to the proceeds of the sale of the Montague Properties subject to possible priority claims.
55. BNS provided the Receiver with an updated statement of account in respect of the Debtors' indebtedness to BNS as of September 9, 2021. As of this date, the outstanding balance owing to BNS was \$909,456.54 plus ongoing interest, and legal costs. The BNS statement of account was attached at Appendix "13" of the Second Report.

FUNDS AVAILABLE FOR DISTRIBUTION

56. A copy of the Final SRD is attached at Appendix "16".

PROFESSIONAL FEES

57. Pursuant to paragraph 19 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel form a first charge on the Property in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person.
58. Pursuant to paragraphs 20-21 of the Receivership Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those

of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.

59. Attached as **Appendix “17”** hereto is the Affidavit of John Haralovich sworn on March 3, 2022, in support of the fees and disbursements of the Receiver for the period from October 23, 2020, to April 14, 2022, \$46,591.60, plus HST of \$6,056.91 for a total of \$52,648.51. The Receiver estimates an additional \$3,000.00 plus HST to conclude the administration of the Receivership.

60. Attached as **Appendix “18”** hereto is the Affidavit of Roxanne Chapman, sworn on April 8, 2022, in support of the fees and disbursements of the Receiver’s counsel for the period up to and including April 6, 2022, totaling \$40,182.46, inclusive of HST, plus an estimated additional \$5,000.00 plus HST to conclude the administration of the Receivership.

COMPLETION OF THE RECEIVERSHIP

61. As the Receiver’s administration of this estate is substantially complete, the Receiver is presently seeking an Order discharging MNP from the powers, duties, and obligations attendant to its appointment as Receiver. The Receiver is proposing that the discharge Order become effective on the day that the Receiver has completed its administration of the receivership in the manner set out in this Final Report.

SUMMARY AND RECOMMENDATIONS

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

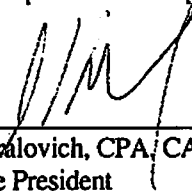
- (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;
- (b) Approving the Receiver’s Final Report, and the activities and conduct of the Receiver and of its legal counsel since the Second Report, all as recited in the Final Report;
- (c) Approving the Receiver’s Final SRD;
- (d) Approving the payment of the fees and disbursements of the Receiver and Receiver’s counsel and the payout of these fees and disbursements from available receivership funds;

- (e) Obtaining the Court's approval in respect of a final distribution to BNS in the amount of \$10,499.00 on account of its secured claim; and
- (f) Discharging and releasing MNP from the powers, duties, and obligations attendant to its appointment as Receiver, effective upon the Receiver having completed its administration of the Companies' receivership.

This Final Report is respectfully submitted to the Honourable Court as of this 14th day of April 2022.

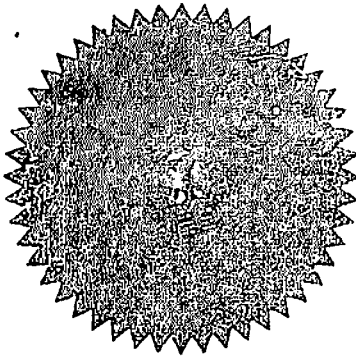
MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Stuart W. Lackey and Catherine A. Lackey
and not in its personal or corporate capacity
Per:



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

1



Court File No. CV-20-00000008-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.

)

FRIDAY, THE 23

JUSTICE JOHNSTON

)

DAY OF OCTOBER, 2020

)

THE BANK OF NOVA SCOTIA

Applicant

- and -

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondents, Stuart W. Lackey and Catherine A. Lackey (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including the real property described at Schedule "A" hereto and owned by the Respondents, or any of them (the "Real Property"), was heard this day at 43 Drummond St E, Perth, Ontario, K7H 1G1.

ON READING the affidavit of Cian McDonnell sworn January 21, 2020 and the Exhibits thereto, the affidavit of Avinash D'Souza sworn September 15, 2020 and the Exhibits thereto, the affidavit of Avinash D'Souza sworn October 15, 2020, the consent of the Debtors to the Order sought herein, filed, and on hearing the submissions of counsel for the Applicant, The Bank of Nova Scotia, and any other party present, all parties duly served as appears from the affidavits of

service of Lindsay Provost sworn January 28, 2020, September 17, 2020, and October 16, 2020, and on reading the consent of MNP Ltd. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, and which includes the Real Property (the "Property").

RECEIVER'S POWERS

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

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

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

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

such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) 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;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this

paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA AND CASL

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to

their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order,

be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

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

GENERAL

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

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors, or any of them.


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

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



Justice, Ontario Superior Court of Justice

SCHEDULE "A"

REAL PROPERTY

PT LT 10 CON 10 RAMSAY AS IN RN73795 AND BEING PTS 1, 2 & 3 ON 27R10417; SUBJECT TO AN EASEMENT AS IN RM9910; TOWN OF MISSISSIPPI MILLS (PIN 05110-0090 LT)

NORTHEAST HALF LT 28 CON 1 MONTAGUE EXCEPT PART 1, 27R873, PARTS 1 & 2, 27R1880, PTS 7 & 8, 27R980 & THAT PART OF HWY 43 DESIGNATED AS PART 1 RS205576 & PARTS 1, 2 ON 27R9635; SUBJECT TO AN EASEMENT OVER PART 3 ON 27R9635 IN FAVOUR OF PARTS 1, 2 ON 27R9635 AS IN LC93894; TOGETHER WITH AN EASEMENT OVER PART 2 ON 27R9635 AS IN LC93894; TOWNSHIP OF MONTAGUE (PIN 05263-0153 LT);

PT LT 28-30 CON 1 MONTAGUE AS IN RS39038 (FIRSTLY) EXCEPT PT 4, 5, 6, 7, 27R1403 AND PARTS 6, 7, 12, 13 ON 27R9591; TOWNSHIP OF MONTAGUE (PIN 05263-0146 LT);

PT LT 19 CON 8 RAMSAY BEING THE W 1/2; PT LT 20 CON 8 RAMSAY BEING THE W 1/2 EXCEPT PTS 1-3, 27R5446, PT 1, 26R606, PT 1, 26R2046 AND PT 1, 27R7822; TOWN OF MISSISSIPPI MILLS (PIN 05087-0172 LT);

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Stuart W. Lackey and Catherine A. Lackey (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, and including the real property described at Schedule "A" to the Order, as defined below (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

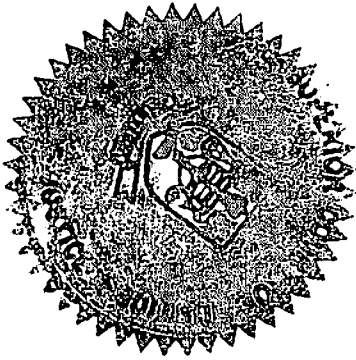
MNP Ltd., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

2



Court File No. CV-20-00000008-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE
MR. JUSTICE JOHNSTON

) FRIDAY, THE 23rd DAY OF
) OCTOBER, 2020
)

BETWEEN

THE BANK OF NOVA SCOTIA

Applicant

- and -

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

ANCILLARY ORDER

THIS APPLICATION made by the Applicant for an Order (the "Appointment Order") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing MNP Ltd. ("MNP") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondents, Stuart W. Lackey and Catherine A. Lackey (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including the real property described at Schedule "A" to this Order and at Schedule "A" to the Appointment Order (collectively, the "Property"), was heard this day by judicial teleconference at 43 Drummond St E, Perth, Ontario, K7H 1G1.

ON READING the affidavit of Cian McDonnell sworn January 21, 2020 and the Exhibits thereto (the "McDonnell Affidavit"), the affidavit of Avinash D'Souza sworn September 15, 2020 and the Exhibits thereto, the affidavit of Avinash D'Souza sworn October 15, 2020, the consent of the Debtors to the Order sought herein, filed, and on hearing the submissions of counsel for the Applicant, The Bank of Nova Scotia, and any other party present, all parties duly served as appears from the affidavits of service of Lindsay Provost sworn January 28, 2020, September 17, 2020, and October 16, 2020, and on reading the consent of MNP Ltd. to act as the Receiver.

1. **THIS COURT ORDERS** that the Appointment Order in the herein Application shall be effective on October 23, 2020 over all of the Property of the Debtors, with the sole exception of the Almonte Property (as defined in Schedule "A" hereto). The effectiveness of the Appointment Order over the Almonte Property shall be governed by paragraph 2 of this Order, below.


2. **THIS COURT ORDERS** that the Appointment Order shall be effective over the Almonte Property on April 2, 2021, subject to the following:

(a) **THIS COURT ORDERS** that this Application is adjourned to April [], 2021 at [] a.m. to be spoken to. This Court further Orders that, should the Debtors repay all indebtedness due to the Applicant, and all interest and costs, on or before April 2, 2021, then the Appointment Order will not be effective over the Almonte Property. In such case, the Applicant shall speak to this matter on April [], 2021 at [] a.m. to advise the Court of same;

(b) **THIS COURT ORDERS** that in the event that the Debtors fail to pay the indebtedness due to the Applicant, including all interest and costs, on or before April 2, 2021, then the Appointment Order shall be effective as against the Almonte Property, as of April 2, 2021, and the Applicant shall speak to this matter April [], 2021 at [] a.m. to advise the Court of same.

3. **THIS COURT ORDERS** that, during the period in which this Order is not effective over the Almonte Property, the Receiver shall not be deemed to be in possession of any livestock, farm equipment, or crops, including the livestock farm equipment, and crops located or housed on the Almonte Property, nor shall the Receiver have any obligation to feed, maintain, or insure such livestock, or maintain, and insure such farm equipment, or crops, including the livestock farm equipment, or crops located or housed on the Almonte Property. This Court further orders that any sale of such livestock, farm equipment, or crops shall be on notice to, and with the consent of, the Receiver, and all sale proceeds of such livestock shall be remitted forthwith by the Respondents to the Receiver.

4. **THIS COURT ORDERS** that the Applicant shall have the right to return the application on an earlier date, on four (4) days' notice to the service list, should the Applicant's security over the Almonte Property (as detailed in the McDonnell Affidavit) be determined by the Applicant to be at risk.



Justice, Ontario Superior Court of Justice

SCHEDULE "A"
REAL PROPERTY

**PT LT 10 CON 10 RAMSAY AS IN RN73795 AND BEING PTS 1, 2 & 3 ON 27R10417;
SUBJECT TO AN EASEMENT AS IN RM9910; TOWN OF MISSISSIPPI MILLS (PIN 05110-
0090 LT) (the "Almonte Property")**

THE BANK OF NOVA SCOTIA
Applicant

STUART W. LACKEY AND CATHERINE A. LACKEY
Respondents

Court File No. CV-20-00000008-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT PERTH

ANCILLARY ORDER

HARRISON PENSA LLP
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London, Ontario N6A 5J6

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Robert Danter (LSO #69806O)

Tel : (519) 661-6725
Fax: (519) 667-3362

Lawyers for the Applicant

3

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

**FIRST REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
STUART W. LACKEY AND CATHERINE A. LACKEY**

MARCH 3, 2021

Contents

INTRODUCTION AND BACKGROUND4

PURPOSE OF THIS REPORT.....6

NOTICE TO READER7

INITIAL RECEIVERSHIP ACTIVITIES.....7

THE DEBTORS' VARIOUS REAL PROPERTY, THE APPRAISALS AND THE LISTINGS8

MARKETING OF MONTAGUE PROPERTIES AND RESULTS.....9

THE SALES AGREEMENTS AND TRANSACTIONS10

ONGOING OPERATIONS11

PRIORITY AND SECURED CLAIMS.....11

FUNDS AVAILABLE FOR DISTRIBUTION.....12

PROFESSIONAL FEES.....12

COMPLETION OF THE RECEIVERSHIP13

SUMMARY AND RECOMMENDATIONS.....13

APPENDICES

- 1 Receivership Order dated October 23, 2020**
- 2 Ancillary Order dated October 23, 2020**
- 3 Notice of Statement of Receiver**
- 4 Listing proposal Gentry Real Estate Services Limited - Montague Properties**
- 5 Listing agreement, Montague Properties, with Gentry Real Estate Services Limited**
- 6 Listing proposal Gentry Real Estate Services Limited - Mississippi Mills Properties**
- 7 Listing agreement, Mississippi Mills Properties, Gentry Real Estate Services Limited**
- 8 Redacted Gentry Real Estate Services Limited sale and marketing results**
- 9 Redacted purchase and sale agreement - PIN 05263-0146**
- 10 Redacted purchase and sale agreement - PIN 05263-0153**
- 11 Receivers Certificate 1**
- 12 Township of Montague - Tax certificates**
- 13 Soloway Wright LLP legal opinion re: BNS security dated March 2, 2021**
- 14 Bank of Nova Scotia statement of account**
- 15 Statement of Receipts and Disbursements**

Confidential Appendices

- A Shore Tanner & Associates - Montague Properties**
- B Shore Tanner & Associates - Mississippi Mills**
- C Unredacted Sales and Marketing summary Montague Properties**
- D Unredacted Purchase and Sale Agreement PIN 05263-0146**
- E Unredacted Purchase and Sale Agreement PIN 05263-0153**
- F Agreement Amending an Offer to Purchase dated February 5, 2021**
- G Agreement Amending an Offer to Purchase dated February 5, 2021**

INTRODUCTION AND BACKGROUND

1. Stuart W. Lackey and Catherine A. Lackey (the “Debtors”) reside at 779 Old Almonte Road, RR #3, Almonte, Ontario (the “Almonte Property”), and they manage various farmland, including cash crops and livestock.
2. On or about December 8, 2015, the Debtors became indebted to the Bank of Nova Scotia (“BNS” or the “Lender”), its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained as Exhibits D through N to the Receivership Application Record (the “Application Record”) dated January 28, 2020 (the “Security”).
3. As reported in the Application Record, the Debtors’ obligations to the Lender pursuant to the above loans and the Security (the “Indebtedness”) totaled \$2,800,950.00 as at January 21, 2020 (excluding interest and fees accrued since).
4. The Security provides for the appointment of a receiver in the event of default by the Debtor under the Security.
5. On January 15, 2019, BNS issued to the Debtors an Exit Letter contained as Exhibit E to the Receivership Application Record that set out certain terms and conditions under which the Bank would continue to make credit available to the Debtors.
6. On n July 18, 2019, BNS issued demands for payment of the Indebtedness to the Debtors, along with a Notice of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act* (“BIA”), and a Notice of Intent to Realize on Security in accordance with s. 21 of the *Farm Debt Mediation Act* (the “FDMA”), which demands and statutory notices are contained as Exhibit R of the Application Record
7. On October 10, 2019, following the mediation pursuant to the FMDA, the Debtors and BNS did enter into a forbearance agreement, contained as Exhibit S of the Application Record (the “Forebearance Agreement”). Pursuant to the Forbearance Agreement, the Debtors acknowledged that the Security was valid and binding and agreed to satisfy the payment of arrears to BNS and to fully repay the Indebtedness by no later than January 31, 2020.

8. On November 26, 2019, the BNS advised the Debtors' legal counsel that the Debtors had failed to remit the outstanding amounts owed to BNS and provide the required reporting outlined in the Forebearance Agreement and further confirmed that if the Debtors failed to provide evidence of a binding refinancing agreement by December 6, 2019, BNS would move for the appointment of a receiver.
9. On January 7, 2020, the Debtors failed to satisfy the terms of the Forebearance Agreement and BNS advised the Debtors it would bring an application for the appointment of a receiver.
10. On January 8, 2020 and January 21, 2020, BNS received from the Debtors' counsel four listing agreements to sell various farmland, excluding the Almonte Property.
11. On January 8, 2020, the Debtors sold farmland property described in PIN 05164-0067 and the net sales proceeds were applied to reduce the Indebtedness.
12. On January 21, 2020, the Debtors provided BNS with a signed listing agreement to sell farmland located at PIN 05110-0090.
13. On January 27, 2020, BNS brought an application for the appointment of MNP Ltd. ("MNP") as the receiver of the Debtors and for the protection of the interests of BNS and other stakeholders.
14. On April 13, 2020, the Debtors sold farmland property located at PIN 05082-0019 and the net proceeds of sale were applied to further reduce the Indebtedness.
15. On June 15, 2020, BNS and the Debtors entered into an Addendum to the Forebearance Agreement which provided for, among other things, included the Debtors consenting to the appointment of a receiver.
16. On September 14, 2020, Avinash D' Souza on behalf of BNS, filed an affidavit to update the Application Record on efforts between BNS and the Debtors to repay the Indebtedness. This affidavit confirmed that these efforts were unsuccessful and confirmed that the amount outstanding to BNS had been reduced to \$1,813,461.83 as a result of the sale of the properties described above.

17. On October 15, 2020, Avinash D'Souza on behalf of BNS filed an affidavit to confirm that the Indebtedness to BNS then totaled \$1,943,963.81.
18. By Order of this Honourable Court dated October 23, 2020 (the "Receivership Order"), MNP was appointed receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Debtor used in relation to its business, including all proceeds thereof (the "Property"). A copy of the Receivership Order is attached at Appendix "1".
19. By Ancillary Order of this Honourable Court dated October 23, 2020 (the "Ancillary Order"), MNP was deemed not to be in possession of the Debtors' Almonte Property, the livestock, the farm equipment and the crops (the "Excluded Assets") until April 2, 2021. A copy of the Ancillary Order is attached at Appendix "2".

PURPOSE OF THIS REPORT

20. The purpose of this first report of the Receiver to the Court (the "First Report") is to:
 - (a) report on the activities of the Receiver since its appointment pursuant to the Receivership Order;
 - (b) seek the Court's approval of the activities and conduct of the Receiver and that of its legal counsel as described in the First Report;
 - (c) seek the Court's approval of the Sales Agreement (as defined below) and of the Sales Transaction (as defined below) and the conveyance of the Montague Properties (as defined below) to the purchaser thereof and vesting title to the Montague Properties in the purchaser free and clear of any encumbrances;
 - (d) seek the Court's approval to seal certain confidential appendices to the First Report;
 - (e) seek the Court's approval of the Receiver's Interim Statement of Receipts and Disbursements ("SRD"); and
 - (f) in the event the Court approves the Sales Agreements and the Sales Transactions and the said transactions close, to seek the Court's approval in respect of paying to the Township of Montague all outstanding municipal tax arrears (the "Tax

Arrears”) in respect of the Montague Properties, which Tax Arrears totaled \$1,813.64 as of January 29, 2021.

21. All amounts referred to in the First Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

22. This First Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.

23. In preparing this First Report, the Receiver has relied upon information from third party sources (collectively, the “Information”). Certain of the information contained herein may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

INITIAL RECEIVERSHIP ACTIVITIES

24. Immediately following the granting of the Receivership Order on October 23, 2020 (the “Receivership Date”), the Receiver attended at the Debtors’ properties to take possession of and secure the various farmlands not excluded by the Ancillary Order. The initial activities of the Receiver included:

- (a) notifying the Debtors of MNP’s appointment as Receiver;
- (b) attending at the Debtors’ property and various farmlands to inspect the site and take photographs;
- (c) review the list of farm equipment with the Debtors;
- (d) inspecting the livestock at the Debtors’ property and farmlands;
- (e) providing copy of the Receivership Order to the Debtors;
- (f) requesting relevant information of books and records of the Debtors;

- (g) responding to creditor inquiries; and
- (h) preparing and issuing the prescribed notices and statement of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA, which was sent to the Debtor's creditors. A copy of this notice is attached at Appendix "3".

THE DEBTORS' VARIOUS REAL PROPERTY, THE APPRAISALS AND THE LISTINGS

25. On January 15, 2021, the sale of the Almonte Property by the Debtors was completed and the net sale proceeds in the amount of \$1,146,139.96 were paid by the Debtors to BNS.
26. On November 13, 2020, the Receiver obtained a real estate appraisal from Shore Tanner & Associates (the "Montague Appraisal") for the farmland located at County Road 43 in the Township of Montague, Ontario, having PIN numbers 05263-0146 (the "146 Parcel") and 05263-0153 (the "153 Parcel") (collectively, the "Montague Properties", which definition is hereinafter taken to also include PIN 05263-0136 (the "136 Parcel")). A copy of the Montague Appraisal is reproduced at Confidential Appendix "A".
27. On November 19, 2020, the Receiver obtained a real estate appraisal from Shore Tanner & Associates (the "Mississippi Mills Appraisal") for the farmland located 2312 Ramsay, Concession 8, Mississippi Mills, Ontario, having PIN number 05087-0172 (the "Mississippi Mills Property"). A copy of the Mississippi Mills Appraisal is reproduced at Confidential Appendix "B".
28. The Debtors purchased the Montague Properties on December 4, 2012 for \$705,000.00 and the Mississippi Mills Property on January 26, 2007 for \$385,000.00.
29. On November 11, 2020, the Receiver obtained listing proposal from Gentry Real Estate Services Limited ("Gentry") to market and sell the Montague Properties. A copy of the listing proposal is contained at Appendix "4".
30. On November 12, 2020, given the favourable terms contained in this listing agreement and that Gentry is a reputable, competent and licensed commercial real estate broker, the Receiver selected Gentry to list and market the Montague Properties with list prices of \$699,000.00 and \$299,000.00. A copy of the listing agreements is contained at Appendix "5".

31. On November 23, 2020, the Receiver obtained listing proposal from Gentry to also market and sell the Mississippi Mills Property. A copy of the listing proposal is contained at Appendix "6".
32. On November 26, 2020, given the favourable terms contained in this listing agreement and that Gentry is a reputable, competent and licensed commercial real estate broker, the Receiver selected Gentry to list and market the Mississippi Mills Property with listing price of \$949,900.00. A copy of the listing proposal is contained at Appendix "7".
33. On January 16, 2021, in order to determine the remaining amounts due to BNS, the listing agreement for Mississippi Mills Property was amended to viewing only until the sale of the Montague Properties has been completed.

MARKETING OF MONTAGUE PROPERTIES AND RESULTS

34. The marketing process and the results of the marketing process for the Montague Properties are detailed in Confidential Appendix "C" and a redacted copy is attached at Appendix "8".
35. Highlights of Gentry's marketing process in respect of the sale of the Real Property are as follows:
 - a) Gentry went to market and asked all interested parties to submit offers to purchase by December 1, 2020;
 - b) 14 parties made inquiries and formal inspections of the Montague Properties;
 - c) at the time of the initial offering expiring, two (2) offers were received from parties interested in purchasing both the 146 Parcel and the 153 Parcel of farmland and one other party was interested in purchasing only the 146 Parcel. However, the amount of this latter offer was below the former two offers; and
 - d) on November 20, 2019, the purchasing party submitted an offer to purchase the Montague Properties that BNS confirmed it supported.
36. The Montague Properties contained no buildings and structures and are used solely for farming. The value for farmland remains consistent within the geographic region and,

therefore, only a limited number of buyers would be interested in such property to expand their crop production.

THE SALES AGREEMENTS AND TRANSACTIONS

37. On December 1, 2020, the Receiver accepted the final offers to purchase the Montague Properties (the "Sales Agreements"), copies of which are attached as Confidential Appendices "D" and "E" and redacted copies of which are attached as Appendices "9" and "10" (in which the purchaser's identity and the purchase prices were redacted). The Sales Agreements provide for a combined deposit of \$20,000.00, and that they are binding, and that the closings (the "Sales Transactions") are subject to the approval of the Court.
38. Shortly after entering the Sales Agreements, it was determined that a small portion of land, being the 136 Parcel, abutted the 146 Parcel, both of which are owned by Stuart Lackey. The 136 Parcel totals approximately 462.85 square feet or .011 acre. As is outlined below, in order to comply with the *Planning Act*, both these parcels must be conveyed together as part of the Sales Transactions.
39. On February 5, 2021, agreements amending the Sales Agreements with respect to the Montague Properties were executed to add the 136 Parcel to the agreements, extend the closing dates and to increase the purchase price by \$100.00 for the 136 Parcel. A copy of the amending agreements are attached as Confidential Appendices "F" and "G".
40. The Receiver recommends that the Sales Agreement and the Sales Transaction with respect to the Montague Properties be approved by this Honourable Court for the following reasons:
 - a) the Montague Properties were exposed widely to the marketplace in a manner that is common for properties of this nature and was listed for sale with a professional and licensed commercial real estate broker that is well known in the market;
 - b) the Sales Agreement is now unconditional except of the Courts approval;
 - c) the purchase prices are greater than appraised values of the Montague Properties;
 - d) the purchase prices are greater than the other offers received by the Receiver;

- e) the Receiver does not believe that further marketing of the Montague Properties will result in a superior offers; and
- f) the Sales Transactions that are the subject of the Sales Agreements is provident and a favourable outcome for the estate and followed a thorough, impartial and fair sales process that fully tested the market.

ONGOING OPERATIONS

- 41. The Receiver did not operate the farm operations pursuant to the terms of the Ancillary Order.
- 42. The Receiver did obtain an initial advance from BNS and accordingly issued a Receiver's Certificate in the amount of \$20,000.00. A copy of the Receivers Certificate 1 is attached at Appendix "11".

PRIORITY AND SECURED CLAIMS

Priority Claims

- 43. As of January 29, 2021, the Tax Arrears for the Montague Properties was \$1,813.64. A copy of the property tax certificates is contained at Appendix "12".
- 44. The Receiver continues to investigate whether there are any other priority claims and will further report to the Court on such claims in a future Court report.

Secured Claims

- 45. The parcel registers for the Montague Properties confirm that BNS registered a charge on title to the 146 Parcel and the 153 Parcel, but not the 136 Parcel. The Receiver's independent legal counsel, André Ducasse of Soloway Wright LLP, provided the Receiver with a legal opinion regarding the validity and enforceability of the security held by BNS, a copy of which is attached at Appendix "13".
- 46. Based on this legal opinion, it appears that:
 - a) BNS's mortgage security with respect to the Montague Properties is void and unenforceable since it does not comply with the *Planning Act*;
 - b) The Appointing Order and the Ancillary Order entitle the Receiver to deal with and sell each of Parcel 146, Parcel 136 and Parcel 153;

- c) The general security agreements granted by the Debtors to BNS create an attached and perfected security interest and are enforceable in accordance with their terms and attach to the proceeds of the sale of the Montague Properties subject to possible priority claims.
47. The March 2, 2021 parcel registers for each of the Montague Properties and the PPSA search results for each of the Debtors is enclosed with this legal opinion attached at Appendix "13".
48. BNS provided the Receiver with an updated statement of account in respect of the Debtor's Indebtedness to BNS as of February 22, 2021. As of this date, the outstanding balance owing to BNS was \$824,111.00 plus ongoing interest, and legal costs. The BNS statement of account is attached at Appendix "14".

FUNDS AVAILABLE FOR DISTRIBUTION

49. A copy of the SRD is attached at Appendix "15". It confirms that receipts exceed disbursements by \$13,063.71 to the date of this First Report.
50. In the event the Sales Agreements and the Sales Transactions are approved by the Court and the transactions close, the Receiver will hold the net proceeds of sale until a further report to the Court is filed with respect to distributing the sale proceeds.

PROFESSIONAL FEES

51. Pursuant to paragraph 19 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person.
52. Pursuant to paragraph 20 of the Appointment Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.
53. The approval of fees and disbursements of the Receiver and that of its legal counsel will be sought in a further report to the Court.

COMPLETION OF THE RECEIVERSHIP

54. The Receiver will attempt to close the Sales Transaction and report back to Court upon its completion. In the event the Sales Transactions does not close, the Receiver will resume the sales process in respect of the Debtors' property subject to the Receivership Order and Ancillary Order.

SUMMARY AND RECOMMENDATIONS

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

- (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;
- (b) Approving the Receiver's First Report, and the activities and conduct of the Receiver and of its legal counsel since its appointment, all as recited in the First Report;
- (c) Approving the Sales Agreements and Sales Transactions, and the conveyance of the Montague Properties to the purchase and vesting title of the Montague Properties in the purchaser free if encumbrances;
- (d) Approving the sealing of the confidential appendices to the First Report pending the closing of the Sales Transactions or further Order of this Court;
- (e) Approving the Receiver's Interim Statement of Receipts and Disbursements; and
- (f) Upon closing of the Sales Transactions, approving the payment to the Township of Montague for all Tax Arrears in respect of the Montague Properties.

This First Report is respectfully submitted to the Honourable Court as of this 3rd day of March 2021.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Stuart W. Lackey and Catherine A. Lackey
and not in its personal or corporate capacity
Per:



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

4

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

**SUPPLEMENT REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
STUART W. LACKEY AND CATHERINE A. LACKEY**

MARCH 18, 2021

PURPOSE OF THIS REPORT

- 1. This report is supplemental to the Frist Report of the Receiver dated March 3, 2021. All defined terms herein not otherwise defined are as defined in the First Report.**
- 2. The purpose of this Supplemental Report is to provide the Court with additional information regarding the opinion of value provided by Respondents' counsel to the Receiver's independent legal counsel by email communication at 3:24 p.m. on March 18, 2021. This opinion of value is dated March 17, 2021, and was prepared by Allan Earle, who is a sales representative with Culligan Real Estate Limited Brokerage.**
- 3. Mr. Earle is the agent who had previously listed the Montague Properties on December 12, 2019, expiring on June 12, 2020. The listing was for \$1.1 million. The Receiver understands that no offers were received as a result of this listing.**
- 4. Mr. Earle is not a certified appraiser. Further, his opinion contains the following material assumptions and limitations with respect to the Montague Properties:**
 - a) Part of his value assumes \$400,000 with respect to 60 acres of the Montague Properties that would be severed with water frontage on the Rideau River for residential development. This is not the current use of these properties. They are currently vacant fields used for crops. Further, this value assumes the value after the severance process, but does not account for the costs to sever the lots and provide for water, road access and other utilities;**
 - b) His value also assumes \$60,000 for renovating cropland, which renovations have not been completed;**
 - c) Without the above assumptions, he values the Montague Properties at a significantly lower amount; and**
 - d) Mr. Earle also writes: "This letter of opinion of value is for marketing purposes only and is not to be relied upon for any legal purpose."**
- 5. Mr. Earle's opinion assumes the highest and best use of the Montague Properties and not their current use. As noted by Mr. Earle in his opinion:**

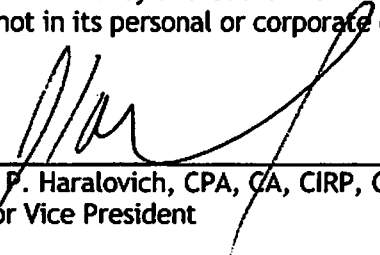
“Comments: With the severance option in this COVID market the highest value for both of these properties would be post severance and not as a bulk sale. The residential market that is coming to the country seldom put much value in land over 30 acres with the buildings.”

6. As noted in the First Report, the Receiver has amended the listing with respect to the Mississippi Mills Property to viewings only until the sale of the Montague Properties is completed. This will permit the Receiver to assess what amounts will then be owed to the Respondents' creditors so that the Receiver can then decide how best to proceed. Thus, the Receiver is reserving comments with respect to Mr. Earle's opinion of value with respect to the Mississippi Mills Property

This Supplemental Report to the First Report is respectfully submitted to the Honourable Court as of this 18th day of March 2021.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Stuart W. Lackey and Catherine A. Lackey
and not in its personal or corporate capacity
Per:



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

5



Court File No. CV-20-00000008-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

THE HONOURABLE MADAM) FRIDAY, THE 9TH DAY
JUSTICE MICHELLE O'BONSAWIN) OF APRIL, 2021.

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP Ltd. in its capacity as the Court-appointed receiver (the "Receiver") of certain undertakings, properties and assets of the Respondents, Stuart W. Lackey and Catherine A. Lackey (the "Debtors"), for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Keith Cassell (the "Purchaser") dated December 1, 2020, as amended by agreement dated February 5, 2021 and which agreements are appended as Confidential (redacted) Appendices to the Report of the Receiver dated March 3, 2021 (the "Report"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets

described in the Sale Agreement (the "**Purchased Assets**"), was heard on March 26, 2021 and April 8, 2021 at the Courthouse, 43 Drummond Street East, Perth, Ontario.

ON READING the Notice of Motion, the Report and the Factum and Authorities filed by the Receiver, and on reading the material filed by the Applicant and the Respondents herein, and on hearing the submissions of counsel for the Receiver, the Applicant and the Respondents, no one appearing for any other party on the service list, although properly served as appears from the Affidavit of Service of Roxanne Chapman, sworn on March 8, 2021 filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto 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 (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Johnston dated October 23, 2020; (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; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and,

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Renfrew (No. 27) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. **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 the delivery of the Receiver'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.

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

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect 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 *Bankruptcy and Insolvency Act* (Canada) 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.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

PERTH
14-APR-2021
73-38

A handwritten signature in black ink, reading "M. O'Bonsawin J.", is written over a horizontal line.

THE HONOURABLE MADAM JUSTICE MICHELLE O'BONSAWIN

Schedule A – Form of Receiver’s Certificate

Court File No. CV-20-00000008-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Johnston of the Ontario Superior Court of Justice (the "Court") dated October 23, 2020, MNP Ltd. was appointed as the receiver (the "Receiver") of certain undertakings, properties and assets of the Respondents, Stuart W. Lackey and Catherine A. Lackey (the "Debtors").

B. Pursuant to an Order of the Court dated April 9, 2021, the Court approved the agreement of purchase and sale made as of December 1, 2020 as amended by amending agreement dated February 5, 2021 (the "Sale Agreement") between the Receiver and Keith Cassell (the "Purchaser") and provided for the vesting in the Purchaser of the Debtors' 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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by

the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

MNP LTD., solely in its capacity as Court-Appointed Receiver of the undertakings, properties and assets of the Debtors, and not in its personal capacity

Per: _____
Name:
Title:

Schedule B – Purchased Assets

The Purchased Assets include the following:

A. The following parcels of land:

- 1. NORTHEAST HALF LT 28 CON 1 MONTAGUE EXCEPT PART 1, 27R873, PARTS 1 & 2, 27R1880, PARTS 7 & 8, 27R980 & THAT PART OF HWY 43 DESIGNATED AS PART 1, RS205576 AND PARTS 1, 2 ON 27R9635; SUBJECT TO AN EASEMENT OVER PART 3 ON 27R9635 IN FAVOUR OF PARTS 1, 2 ON 27R9635 AS IN LC93894; TOGETHER WITH AN EASEMENT OVER PART 2 ON 27R9635 AS IN LC93894; TOWNSHIP OF MONTAGUE**

PIN 05263-0153 (LT)

LRO #27

Schedule C – Claims to be deleted and expunged from title to Real Property

The following Claims are to be deleted and expunged from title to the Real Property:

Instrument Number	Date of Registration	Description
LC160988	2016/01/13	Charge
LC216935	2020/12/18	APL Court Order

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property and Permitted PPSA Registrations**

(unaffected by the Vesting Order)

Any Instrument registered against title to the Real Property not listed in Schedule "C" hereto as of the date hereof is a permitted encumbrance.

THE BANK OF NOVA SCOTIA
Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY
Respondents

Court File No.: CV-20-00000008-0000

ONTARIO SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF STUART W. LACKEY AND CATHERINE
A. LACKEY, of the Town of Almonte, in the Province of
Ontario**

Proceedings commenced at Perth, Ontario

APPROVAL AND VESTING ORDER

SOLOWAY WRIGHT LLP

Lawyers

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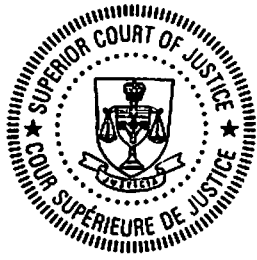
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Lawyers for the Court-Appointed Receiver, MNP Ltd.



Court File No. CV-20-00000008-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

THE HONOURABLE MADAM) FRIDAY, THE 9TH DAY
JUSTICE MICHELLE O'BONSAWIN) OF APRIL, 2021.

B E T W E E N:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

ORDER

THIS MOTION made by MNP Ltd. in its capacity as the Court-Appointed Receiver (the "Receiver") of certain assets, undertakings and properties of the Respondents, Stuart W. Lackey and Catherine A. Lackey (the "Debtors"), for an Order, *inter alia*:

1. Dispensing with service and/or declaring that service of this motion has been validly effected on all necessary parties and declaring that this motion was properly returnable on March 26, 2021 and April 8, 2021;
2. Approving the Receiver's First Report to the Court dated March 3, 2021 (the "First Report"), and the activities and conduct of the Receiver and its legal counsel since its appointment;

3. Approving the Sales Agreements and the Sales Transactions (as these terms are described and defined in the First Report) and the execution of the Sales Agreements by the Receiver;
4. Vesting in the purchaser pursuant to the Sales Agreements (the "Purchaser") the Debtors' right, title and interest in the assets described in the Sales Agreements (the "Purchased Assets") and vesting title in the Purchased Assets to the Purchaser free and clear of any claims, liens and encumbrances;
5. Sealing confidential appendices "A", "B", "C", "D", "E", "F" and "G" to the First Report (the "Confidential Appendices");
6. In the event the Sales Transactions close and the Receiver receives the sale proceeds from the Purchaser (the "Sale Proceeds"), authorizing and directing the Receiver to pay from the Sale Proceeds any municipal tax arrears (the "Tax Arrears"), if any, in respect of the Purchased Assets to the Township of Montague; and
7. Approving the Receiver's interim statement of receipts and disbursements (the "Interim SRD");

was heard by teleconference on March 26, 2021 and April 8, 2021 at the Courthouse, 43 Drummond Street East, Perth, Ontario.

ON READING the Notice of Motion, the First Report and the Factum and Authorities filed by the Receiver, and on reading the material filed by the Applicant and the Respondents herein, and on hearing the submissions of counsel for the Receiver, the Applicant and the Respondents, no one else appearing for any other person on the service list, although properly served as evidenced by the Affidavit of Service of Roxanne Chapman, sworn on March 8, 2021, filed,

1. **THIS COURT ORDERS AND DECLARES** that service of this motion is hereby abridged and validated so that this motion was properly returnable on March 26, 2021 and April 8, 2021 and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Receiver's First Report is hereby approved and that the activities and conduct of the Receiver and that of its legal counsel as set forth in the First Report are hereby ratified and approved.
3. **THIS COURT ORDERS AND DECLARES** that the Confidential Appendices shall be kept sealed and confidential and shall not form part of the public record until the Sales Transactions close or pending further Order of this Court.
4. **THIS COURT AUTHORIZES AND DIRECTS** that, in the event the Sales Transactions close and the Receiver receives the Sale Proceeds from the Purchaser, the Receiver shall pay any Tax Arrears in respect of the Purchased Assets from the Sale Proceeds to the Township of Montague.
5. **THIS COURT ORDERS AND DECLARES** that the Receiver's Interim SRD is hereby approved.

PERTH
14-APR-2021
73-38



THE HONOURABLE MADAM JUSTICE MICHELLE O'BONSAWIN

THE BANK OF NOVA SCOTIA
Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY
Respondents

Court File No.: CV-20-00000008-0000

ONTARIO SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF STUART W. LACKEY AND CATHERINE
A. LACKEY, of the Town of Almonte, in the Province of
Ontario**

Proceedings commenced at Perth, Ontario

ORDER

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6

ONTARIO
SUPERIOR COURT OF JUSTICE
IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

and

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondents

SECOND REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT-APPOINTED RECEIVER OF
STUART W. LACKEY AND CATHERINE A. LACKEY

SEPTEMBER 14, 2021

TABLE OF CONTENTS

Contents

INTRODUCTION AND BACKGROUND4

PURPOSE OF THIS REPORT6

NOTICE TO READER.....6

RECEIVERSHIP ACTIVITIES FOLLOWING THE APPROVAL ORDERS7

**THE DEBTORS' VARIOUS REAL PROPERTY, MARKETING AND SALES
RESULTS8**

THE SALES AGREEMENTS AND TRANSACTIONS8

ATTEMPTS TO FUND THE REMAINING INDEBTEDNESS9

ONGOING OPERATIONS10

PRIORITY AND SECURED CLAIMS.....10

FUNDS AVAILABLE FOR DISTRIBUTION11

PROFESSIONAL FEES12

COMPLETION OF THE RECEIVERSHIP12

SUMMARY AND RECOMMENDATIONS12

APPENDICES

- 1 Receivership Order dated October 23, 2020**
- 2 Ancillary Order dated October 23, 2020**
- 3 Receiver's First Report dated March 3, 2021**
- 4 Receiver's Supplemental Report dated March 18, 2021**
- 5 Approval Orders dated April 9, 2021**
- 6 Notice of Statement of Receiver**
- 7 Projected distribution dated April 28, 2021**
- 8 Letter from Expert Mortgage Broker dated June 9, 2021**
- 9 Receiver's email dated June 29, 2021**
- 10 Letter from Debtors' legal counsel dated July 9, 2021**
- 11 Email from Receiver's counsel dated July 28, 2021**
- 12 Letter from Nancy M. McGlade dated August 2, 2021**
- 13 Bank of Nova Scotia statement of account**
- 14 Interim Statement of Receipts and Disbursements**

INTRODUCTION AND BACKGROUND

1. Stuart W. Lackey and Catherine A. Lackey (the “Debtors”) resided at 779 Old Almonte Road, RR #3, Almonte, Ontario (the “Almonte Property”), and they manage various farmland, including cash crops and livestock.
2. On or about December 8, 2015, the Debtors became indebted to The Bank of Nova Scotia (“BNS” or the “Lender”), their senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained as Exhibits D through N of the Receivership Application Record (the “Application Record”) dated January 28, 2020 (the “Security”).
3. As reported in the Application Record, the Debtors’ obligations to the Lender pursuant to the above loans and the Security (the “Indebtedness”) totaled \$2,800,950.00 at January 21, 2020 (excluding interest and fees accrued since).
4. The Security provides for the appointment of a receiver in the event of default by the Debtors under the Security.
5. On January 15, 2019, BNS issued to the Debtors an Exit Letter contained as Exhibit E to the Receivership Application Record that set out certain terms and conditions under which the Bank would continue to make credit available to the Debtors.
6. On July 18, 2019, BNS issued demands for payment of the Indebtedness to the Debtors, along with a Notice of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act* (“BIA”), and a Notice of Intent to Realize on Security in accordance with s. 21 of the *Farm Debt Mediation Act* (the “FDMA”), which demands and statutory notices are contained as Exhibit R of the Application Record
7. On October 10, 2019, following the mediation pursuant to the FMDA, the Debtors and BNS did enter into a forbearance agreement, contained as Exhibit S of the Application Record (the “Forebearance Agreement”). Pursuant to the Forbearance Agreement, the Debtors acknowledged that the Security was valid and binding and agreed to satisfy the payment of arrears to BNS and to fully repay the Indebtedness by no later than January 31, 2020.
8. On November 26, 2019, BNS advised the Debtors’ legal counsel that the Debtors had failed to remit the outstanding amounts owed to BNS and to provide the required reporting outlined in the

Forebearance Agreement and further confirmed that if the Debtors failed to provide evidence of a binding refinancing agreement by December 6, 2019, BNS would move for the appointment of a receiver.

9. By January 7, 2020, the Debtors had failed to satisfy the terms of the Forebearance Agreement and BNS advised the Debtors that it would bring an application for the appointment of a receiver.
10. On January 8, 2020 and January 21, 2020, BNS received from the Debtors' counsel four listing agreements to sell various farmland, excluding the Almonte Property.
11. On January 8, 2020, the Debtors sold the farmland property described in PIN 05164-0067 and the net proceeds of sale were applied to reduce the Indebtedness.
12. On January 21, 2020, the Debtors provided BNS with a signed listing agreement to sell the farmland described in PIN 05110-0090.
13. On January 27, 2020, BNS brought an application for the appointment of MNP Ltd. ("MNP") as the receiver of the Debtors and for the protection of the interests of BNS and other stakeholders.
14. On April 13, 2020, the Debtors sold the farmland property described in PIN 05082-0019 and the net proceeds of sale were applied to further reduce the Indebtedness.
15. On June 15, 2020, BNS and the Debtors entered into an Addendum to the Forebearance Agreement which provided for, among other things, the Debtors consenting to the appointment of a receiver.
16. On September 14, 2020, Avinash D'Souza on behalf of BNS, filed an affidavit to update the Application Record on efforts made by the Debtors to repay the Indebtedness. This affidavit confirmed that these efforts were unsuccessful and confirmed that the amount outstanding to BNS had been reduced to \$1,813,461.83 as a result of the sale of the properties described above. On October 15, 2020, Avinash D'Souza on behalf of BNS filed a further affidavit to confirm that the Indebtedness to BNS then totaled \$1,943,963.81.
17. By Order of this Honourable Court dated October 23, 2020 (the "Receivership Order"), MNP was appointed receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of the Debtors used in relation to their business, including all proceeds thereof (the "Property"). A copy of the Receivership Order is attached at Appendix "1".

18. By Ancillary Order of this Honourable Court dated October 23, 2020 (the “**Ancillary Order**”), MNP was deemed not to be in possession of the Debtors’ Almonte Property, the livestock, the farm equipment and the crops (the “**Excluded Assets**”) until April 2, 2021. A copy of the Ancillary Order is attached at **Appendix “2”**.
19. The Receiver’s first report to the Court dated March 3, 2021 (the “**First Report**”) (without appendices) is attached as **Appendix “3”**.
20. The Receiver’s supplemental report to the Court dated March 18, 2021 is attached as **Appendix “4”**.
21. Pursuant to the Orders of the Honourable Madam Justice Michelle O’Bonsawin dated April 9, 2021, the Receiver was authorized to proceed with the completion of the Sales Transactions (as defined below) for the sale of the Montague Properties (as defined below) and to pay municipal tax arrears on closing. Attached as **Appendix “5”** is a copy of the said Orders, along with a copy of the ancillary order issued on the that same day (collectively, the “**Approval Orders**”).
22. The prescribed notices and statements of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA were sent to the Debtors’ creditors. A copy of these notices are attached at **Appendix “6”**.

PURPOSE OF THIS REPORT

23. The purpose of this second report of the Receiver to the Court (the “**Second Report**”) is to:
 - (a) report on the activities of the Receiver since the First Report;
 - (b) seek the Court’s approval of the activities and conduct of the Receiver and that of its legal counsel as described in the Second Report;
 - (c) seek the Court’s approval of the Receiver’s Interim Statement of Receipts and Disbursements (the “**Interim SRD**”); and
 - (d) seek the Court’s approval in respect of a distribution to BNS in the amount of \$750,000.00 on account of its secured claim;
24. All amounts referred to in the Second Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

25. This Second Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.

26. In preparing this Second Report, the Receiver has relied upon information from third party sources (collectively, the “**Information**”). Certain of the information contained herein may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

RECEIVERSHIP ACTIVITIES FOLLOWING THE APPROVAL ORDERS

27. Since the date of the First Report, the Receiver has undertaken the following actions in accordance with the Receivership Order and the Approval Orders:

- (a) reviewed the Township of Montague’s documentation in respect of land rezoning proposals for properties designated as farmland in order to advise the Receiver’s legal counsel with respect to issues regarding same and raised by the Debtors on the Receiver’s motion in respect of the Approval Orders;
- (b) completed the Sales Transactions (as defined below) for the sale of the Montague Properties (as defined below) in accordance with the Approval Orders;
- (c) directed its legal counsel to wire payment to the Township of Montague to satisfy municipal tax arrears in the amount of \$2,460.09;
- (d) repaid the Receiver’s advance to BNS in the amount of \$20,000.00 plus accrued interest;
- (e) consulted with an HST specialist on the requirement for the Debtors to be individually registered for HST purposes regarding the sale of the Montague Properties;
- (f) provided confidentiality undertakings to the Debtors’ legal counsel for execution so as to release the confidential appendices to the Receiver’s First Report;
- (g) corresponded and communicated with legal counsel for BNS and the Debtors regarding funding the projected shortfall of the BNS Indebtedness;
- (h) consulted with the Receiver’s real estate agent regarding the ongoing marketing for the Mississippi Mills Property (as defined below) and the temporary suspension of the listing agreement with respect to that property;

- (i) responded to various inquiries from lenders regarding the Debtors' financing application for the purchase of cattle;
- (j) responded to various inquiries received from the Debtors' accountant; and
- (k) responded to various other creditor inquiries.

THE DEBTORS' VARIOUS REAL PROPERTY, MARKETING AND SALES RESULTS

- 28. The Debtors farmland located at County Road 43 in the Township of Montague, Ontario, having PIN numbers 05263-0146 (the "146 Parcel") and 05263-0153 (the "153 Parcel") (collectively, the "Montague Properties", which definition is hereinafter taken to also include PIN 05263-0136 (the "136 Parcel")) was listed for sale with Gentry Real Estate Services Limited ("Gentry").
- 29. The Debtors farmland located 2312 Ramsay Road, Concession 8, Mississippi Mills, Ontario, bearing PIN number 05087-0172 (the "Mississippi Mills Property") was also listed for sale with Gentry.
- 30. The marketing process and the results of the marketing process for the Montague Properties were detailed in Confidential Appendix "C" and a redacted copy was attached at Appendix "8" of the First Report.
- 31. On January 16, 2021, in order to determine the remaining amounts owed to BNS, the listing agreement for the Mississippi Mills Property was amended to permit viewings only until the sale of the Montague Properties had been completed.

THE SALES AGREEMENTS AND TRANSACTIONS

- 32. On December 1, 2020, the Receiver accepted the final offers to purchase the Montague Properties (the "Sales Agreements"), copies of which were attached as Confidential Appendices "D" and "E" and redacted copies of which were attached as Appendices "9" and "10" of the First Report (in which the purchaser's identity and the purchase prices were redacted). The Sales Agreements provide for a combined deposit of \$20,000.00, and that they were binding, and that the closings (the "Sales Transactions") were subject to the approval of the Court.
- 33. Shortly after entering into the Sales Agreements, it was determined that a small portion of land, being the 136 Parcel, abutted the 146 Parcel, both of which are owned by Stuart Lackey. The 136 Parcel totals approximately 462.85 square feet or .011 acre. To comply with the *Planning Act*, both these parcels were conveyed together as part of the Sales Transactions.

34. On February 5, 2021, agreements amending the Sales Agreements with respect to the Montague Properties were executed to add the 136 Parcel to the agreements, extend the closing dates and to increase the purchase price by \$100.00 for the 136 Parcel. A copy of the amending agreements was attached as Confidential Appendices “F” and “G” of the First Report.
35. On April 28, 2021, the Sales Transactions closed pursuant to the Sales Agreements and the Approval Orders.

ATTEMPTS TO FUND THE REMAINING INDEBTEDNESS

36. Once the Sales Transaction closed, the Receiver canvassed with Debtors’ legal counsel the possibility of the Debtors financing or liquidating specific assets in order to fund their shortfall owing to BNS on account of the Indebtedness (the “Shortfall”). The Receiver explored this possibility with BNS and the Debtors so as to avoid having to realize on the Debtors’ remaining Property, including the Excluded Assets and the Mississippi Mills Property.
37. On April 28, 2021, the Receiver provided to legal counsel for BNS and the Debtors its projected statement of distribution to BNS in order to facilitate discussions about how the Debtors could fund the Shortfall. This correspondence further confirmed that the costs of the Receiver and of its legal counsel would continue to accrue in the interim and, when the Debtors were able to confirm a source of funding, the final required amount would be provided to the Debtors. A copy of the projected distribution as at April 28, 2021 is attached at **Appendix “7”**.
38. On June 9, 2021, the Receiver was provided with a letter from Ron Ashmore of Expert Mortgage Broker, confirming that his firm was engaged by the Debtors to finance the Shortfall. A copy of this letter is attached at **Appendix “8”**.
39. On June 25, 2021, the Debtors’ counsel advised the Receiver that they were continuing to work with the mortgage broker to finance the Shortfall.
40. On June 29, 2021, the Receiver advised the lawyers for the Debtors that the Receiver required confirmation of the funding of the Shortfall by no later than July 2, 2021. A copy of the Receiver’s June 29, 2021 email is attached at **Appendix “9”**.
41. On July 9, 2021, the Receiver’s lawyer received a letter from the Debtors’ lawyers confirming that the Debtors remained actively engaged in attempting to raise the funds necessary to fund the Shortfall. A copy of this July 9, 2021 letter is attached at **Appendix “10”**.

42. On July 15, 2021, the Debtors' legal counsel wrote to the Receiver to advise that confirmation of financing was to be received no later than July 16, 2021.
43. On July 28, 2021, Receiver's legal counsel wrote to the Debtors' counsel requesting an update to their previous communications and to further advise that the Receiver had obtained a Court Date of October 1, 2021 for a motion by the Receiver for a distribution Order and other relief it deemed appropriate. A copy of this correspondence is attached at **Appendix "11"**.
44. On August 30, 2021, the Receiver received an email from Nancy M. McGlade (dated August 2, 2021), who is retained as the Debtors' accountant. She requested specific information related to the sale of various properties the Debtors sold since May 1, 2018. A copy of this August 2, 2021 letter is attached at **Appendix "12"**.
45. The Receiver provided the accountant with information related to the sale of the Montague Properties and the accountant confirmed that they were in receipt of information regarding the balance of the other properties sold.
46. On August 31, 2021, the respective legal representatives for the Receiver and the Debtors exchanged emails regarding the financing of the Shortfall, however, no substantive update was provided to the Receiver's legal counsel in this regard.

ONGOING OPERATIONS

47. The Receiver has not operated the farm operations pursuant to the terms of the Ancillary Order.
48. The Receiver did obtain an initial advance from BNS and accordingly issued a Receiver's Certificate in the amount of \$20,000.00. A copy of the Receiver's Certificate 1 was attached at Appendix "11" of the First Report and was repaid after the Sales Transactions closed.

PRIORITY AND SECURED CLAIMS

Priority Claims

49. As of January 29, 2021, the tax arrears for the Montague Properties was \$1,813.64, and all amounts owed to the Township of Montague in this regard have been paid by the Receiver.
50. The Receiver is not aware of any other priority claims.

Secured Claims

51. The parcel registers for the Montague Properties confirm that BNS registered a charge on title to the 146 Parcel and the 153 Parcel, but not the 136 Parcel. The Receiver's independent legal counsel, André Ducasse of Soloway Wright LLP, provided the Receiver with a legal opinion regarding the validity and enforceability of the security held by BNS, a copy of which was attached at Appendix "13" of the First Report.

52. Based on this legal opinion, it appears that:

- a) BNS's mortgage security with respect to the Montague Properties is void and unenforceable since it does not comply with the *Planning Act*;
- b) The Appointing Order and the Ancillary Order entitle the Receiver to deal with and sell each of Parcel 146, Parcel 136 and Parcel 153;
- c) The general security agreements granted by the Debtors to BNS create an attached and perfected security interest and are enforceable in accordance with their terms and attach to the proceeds of the sale of the Montague Properties subject to possible priority claims.

53. BNS provided the Receiver with an updated statement of account in respect of the Debtor's Indebtedness to BNS as of September 9, 2021. As of this date, the outstanding balance owing to BNS was \$909,456.54 plus ongoing interest, and legal costs. The BNS statement of account is attached at Appendix "13".

FUNDS AVAILABLE FOR DISTRIBUTION

54. A copy of the Interim SRD is attached at Appendix "14". It confirms that receipts exceed disbursements by \$797,646.00 to the date of this Second Report.

55. The Receiver recommends paying an interim distribution to BNS in the amount of \$725,000.00 on account of its secured claim.

56. The Receiver will hold the net remaining proceeds of sale to fund the ongoing administration of the Receivership or until a further report to the Court is filed.

PROFESSIONAL FEES

57. Pursuant to paragraph 19 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person.
58. Pursuant to paragraphs 20-21 of the Receivership Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.
59. The approval of fees and disbursements of the Receiver and that of its legal counsel will be sought in a further report to the Court.

COMPLETION OF THE RECEIVERSHIP

60. The Receiver has not generated sufficient funds from the sale of the Montague Properties to satisfy the Indebtedness in full. The Receiver will seek further directions from the Court with respect to realizing on the Mississippi Mills property and other assets owned by the Debtors, including the Property.

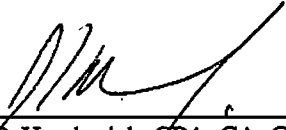
SUMMARY AND RECOMMENDATIONS

61. For the reasons outlined above, the Receiver respectfully recommends that this Court grant the Receiver's request for an Order, amongst other things:
 - (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;
 - (b) Approving the Receiver's Second Report, and the activities and conduct of the Receiver and of its legal counsel since its appointment, all as recited in the Second Report;
 - (c) Approving the Receiver's Interim SRD; and
 - (d) Approving a distribution to BNS in the amount of \$750,000.00 on account of its first-ranking secured claim.

This Second Report is respectfully submitted to the Honourable Court as of this 14th day of September 2021.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Stuart W. Lackey and Catherine A. Lackey
and not in its personal or corporate capacity
Per:



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

7

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE A. LACKEY
of the Town of Almonte, in the Province of Ontario**

THE HONOURABLE) **FRIDAY, the 1st DAY**
JUSTICE WILLIAMS) **OF OCTOBER, 2021.**

BETWEEN:

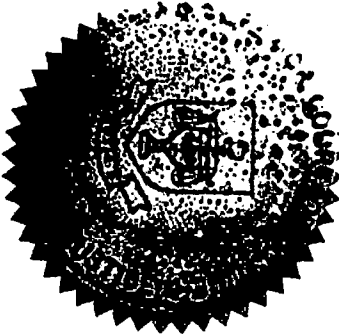
THE BANK OF NOVA SCOTIA

Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY

Respondents



ORDER

THIS MOTION, made by MNP Ltd. ("MNP") as Court-Appointed Receiver (the "Receiver") of the assets, undertakings and properties (the "Property") of the Respondents, Stuart W. Lackey and Catherine A. Lackey (the "Debtors"), for an Order, *inter alia*:

- 1. If necessary, an Order dispensing with service and/or declaring that service of this Motion has been validly effected on all necessary parties and declaring that this motion is properly returnable on October 1, 2021;**
- 2. Approving the Receiver's second report to the Court dated September 14, 2021 (the "Second Report"), and the activities and conduct of the Receiver and its legal counsel as described therein;**

3. **Approving the Receiver's interim statement of receipt and disbursements (the "Interim SRD");**
4. **Authorizing and directing the Receiver to make a distribution to the Applicant, The Bank of Nova Scotia ("BNS"), in the amount of \$750,000.00 from available receivership funds on account of BNS's secured claim;**

was heard this day at the Courthouse, 43 Drummond Street East, Perth, Ontario.

ON READING the Notice of Motion and the Second Report, and the Factum and Authorities filed by the Receiver, and upon hearing the submissions of counsel for the Receiver, no one appearing for any of the other interested parties although duly served as appears from the Affidavit of Service of Roxanne Chapman sworn on September 17, 2021, filed,

1. **THIS COURT ORDERS AND DECLARES** that the time and method of service of the Notice of Motion, the Receiver's Second Report and the Factum and Authorities filed by the Receiver are hereby abridged and validated such that this motion has been validly served and is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT FURTHER ORDERS AND DECLARES** that the Receiver's Second Report is hereby approved and that the activities and conduct of the Receiver and that of its legal counsel as set forth in the Second Report are hereby ratified and approved.
3. **THIS COURT FURTHER ORDERS AND DECLARES** that the Receiver's Interim SRD, as set forth in the Second Report, is hereby ratified and approved.
4. **THIS COURT FURTHER ORDERS AND DIRECTS** the Receiver to pay a distribution to BNS in the amount of \$750,000.00 from available receivership funds.

Justice H. J. Williams

THE BANK OF NOVA SCOTIA
Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY
Respondents

Court File No.: CV-20-0000008-0000

ONTARIO SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF STUART W. LACKEY AND CATHERINE
A. LACKEY, of the Town of Almonte, in the Province of
Ontario**

Proceedings commenced at Perth, Ontario

ORDER

SOLOWAY WRIGHT LLP

Lawyers

700-427 Laurier Avenue West

Ottawa, ON K1R 7Y2

André A. Ducasse (#44739R)

aducasse@solowaywright.com

613-236-0111 telephone

613-238-8507 facsimile

Lawyers for the Court-Appointed Receiver, MNP Ltd.

8

District of: Ontario
Division No. 12 - Ottawa
Court No. CV-20-00000008-0000
Estate No. 33-162755

- FORM 87 -

Notice of Statement of the Receiver
(Subsections 245(1) and 246(1) of the Act)

In the matter of the receivership of
Stuart W. Lackey and Catherine A. Lackey
of the Town of Almonte
in the Province of Ontario

The receiver gives notice and declares that:

1. On the 23rd day of October 2020, we, MNP Ltd., became the receiver in respect of the property of Stuart W. Lackey and Catherine A. Lackey, that is described below:

Other	Various farming equipment	500000.00
Real Property or Immovable	House - Almonte - 779 Old Almonte Road	1200000.00
Real Property or Immovable	Building and Land - PT LT 28-30 Con 1 Montague As In RS39039 (Firstly) except PT 4,5,6,7,27R1403 and parts 6,7,12,13 ON 27R9591 Township of Montague	900000.00
Real Property or Immovable	Land - Mississippi Mills - 2312 Ramsay Concession 8	465000.00
Motor Vehicles	Automobile - 2019 - BMW - X3 XDrive30i - VIN: 5UXTR9C56KLP84005	1.00
Business Assets	Book Debts - Various accounts receivable	20000.00
Business Assets	Stock In Trade - Crops and feed	61500.00

2. We became a receiver by having taken possession or control of the property described above (or by virtue of being appointed by The Bank of Nova Scotia), pursuant to General Security Agreement dated October 11, 2017, specified collateral mortgage on the four remaining properties registered on January 13, 2016.

3. The undersigned took possession or control of the property described above on the 23rd day of October 2020.

4. The following information relates to the receivership:

- (a) Address: 779 Old Almonte Road, RR#3, Almonte, ON, K0A 1A0
- (b) Principal line of business: Farming and land ownership
- (c) Location(s) of business:

770 Old Almonte Road, Almonte, ON, K0A 1A0

(d) Amount owed to each creditor who holds a security on the property described above:

The Bank of Nova Scotia	\$1943963.81
BMW Canada Inc.	\$1.00
CWB National Leasing Inc./ (formerly National Leasing Group Inc)	\$1.00
CWB National Leasing Inc./ (formerly National Leasing Group Inc)	\$1.00
CWB National Leasing Inc./ (formerly National Leasing Group Inc)	\$1.00
CWB National Leasing Inc./ (formerly National Leasing Group Inc)	\$1.00
John Deere Credit Inc.	\$16000.00
Farm Credit Canada	\$1.00
Ottawa Valley Breeder Finance Co-operative	\$51000.00

(e) The list of other creditors and the amount owed to each creditor and the total amount due is as follows:

CRA - Tax - Ontario	Unsecured	\$1.00
Maizex Seeds Inc.	Unsecured	\$63612.00
Barclay Dick and Sons	Unsecured	\$100000.00

(f) The intended plan of action of the receiver during the receivership, to the extent that such a plan has been determined, is as follows: The debtor has accepted an offer to purchase for the main property located at 779 Old Almonte Road. The Ancillary Order, leaves possession of this property along with the live stock, crops and equipment in possession of the debtor but with supervision by the Receiver. The Receiver will sell the remaining 3 properties as it is anticipated the combined value should satisfy the first secured creditors indebtedness.

(g) Contact person for receiver:

John Haralovich, Tel (613) 691-4270, Fax: (613) 726-9009.

Dated at the City of Ottawa in the Province of Ontario, this 23rd day of October 2020.

MNP Ltd. - Licensed Insolvency Trustee

Per:



 John Haralovich - Receiver

1600 Carling Avenue, Suite 800

Ottawa ON K1Z 1G3

Phone: (613) 691-4270 Fax: (613) 726-9009

9

John Haralovich

From: Kerri Malcolm <kmalcolm@tmlegal.ca>
Sent: September 21, 2021 9:22 AM
To: Tim Hogan; Andre Ducasse
Cc: Todd Storms; John Haralovich
Subject: RE: Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]

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Tim,

We have confirmed the financing is in the amount of \$125,000. My apologies for the confusion.

Yours very truly,

Kerri Malcolm | Associate



kmalcolm@tmlegal.ca | www.tmlegal.ca

Templeman LLP
205 Dundas Street East, Suite 200
P.O. Box 234,
Belleville, Ontario K8N 5A2
T: 613-966-2620 | F: 613-966-2866
Kingston
T: 613-542-1889 x2239

From: Tim Hogan <thogan@harrisonpensa.com>
Sent: Friday, September 17, 2021 1:05 PM
To: Andre Ducasse <aducasse@solowaywright.com>; Kerri Malcolm <kmalcolm@tmlegal.ca>
Cc: Todd Storms <tstorms@tmlegal.ca>; John Haralovich <John.Haralovich@mnp.ca>
Subject: RE: Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]

Hi Kerri, we will review.

I understand that the financing is \$125,000, can you please clarify?

Tim Hogan | HARRISON PENZA LLP | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362
| thogan@harrisonpensa.com

Assistant | **Cathy Coleiro** | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Friday, September 17, 2021 12:59 PM

To: Kerri Malcolm <kmalcolm@tmlegal.ca>
Cc: Todd Storms <tstorms@tmlegal.ca>; Tim Hogan <thogan@harrisonpensa.com>; John Haralovich <John.Haralovich@mnp.ca>
Subject: RE: Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership

[EXTERNAL EMAIL]

Kerri,

Thank you for the update on your clients' efforts to secure financing to fund the shortfall owing to BNS.

I'm copying counsel for BNS, Tim Hogan, to loop him in given that his client will need to be involved in next steps. Can I leave it to the two of you to discuss and keep me apprised of developments in this regard?

In the interim, given that we are now September 17th, you will have noted that we were required to serve our motion material for the Receiver's October 1st motion for a distribution order.

Please don't hesitate to call should you wish to further discuss this matter.

Regards,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | C: 613.324.3732 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

Soloway
Wright lawyers

From: Kerri Malcolm <kmalcolm@tmlegal.ca>
Sent: September 16, 2021 10:51 AM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Todd Storms <tstorms@tmlegal.ca>; Meghan McCallen <mmccallen@tmlegal.ca>
Subject: Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership

Andre,

Further to our telephone call of Friday, September 10, I confirm our client is in the final stages of securing financing in the amount of \$100,000. As discussed, we require a letter from the Bank of Nova Scotia to the lender which states that the Bank's charge/interest does not attach to the specific pieces of farm equipment being provided as security for the financing. I apologize for the delay, it has taken some time to track down the serial numbers for the equipment. We have conducted a PPSA search and the equipment is not subject to any charge other than the bank's.

I provide the details of the lender as well as the four pieces of farm equipment in question below for inclusion in the letter.

Lender

3FM Leasing Inc.

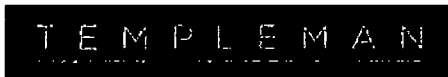
Equipment

1. John Deere Planter 1790 – serial number: CCS AO1790C730657
2. John Deere Combine 9770 – serial number: 1HO9770SPA0738925
3. John Deere 946 MoCo discbine – serial number : 1E00946TTFF410433
4. John Deere 469 Round Baler – serial number: 1E00469SLFF410259

I would be happy to schedule a telephone call to discuss the above and/or next steps.

Yours very truly,

Kerri Malcolm | Associate



kmalcolm@tmlegal.ca | www.tmlegal.ca

Templeman LLP
205 Dundas Street East, Suite 200
P.O. Box 234,
Belleville, Ontario K8N 5A2
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Kingston
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10

John Haralovich

From: Tim Hogan <thogan@harrisonpensa.com>
Sent: September 21, 2021 1:38 PM
To: Kerri Malcolm; aducasse@solowaywright.com
Cc: Todd Storms; John Haralovich; McDonnell, Cian
Subject: FW: [External] Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]

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Kerri, Andre

BNS has no issue with providing to the lender a letter which states that the Bank's charge/interest does not attach to the specific pieces of farm equipment being provided as security for the financing.

Typically, these letters contain language that provides that the no interest is contingent on the Banks' receipt of funds.

Can this transaction be structured so that the \$125,000 is paid to BNS, with the release letter contingent on the Bank's receipt of the \$125,000, and that there is an agreement that:

- a) on the Bank's receipt of the \$750,000 from MNP under the October 1 Order plus any surplus funds in the estate after costs on MNP's discharge,
- b) the exchange of a mutual release between the respondents and the Bank;
- c) Stuart provides evidence that he is current on HST and source deductions with CRA; and,
- d) the discharge of the receiver

that the Bank discharge its remaining security.

Let us know and thanks

Tim Hogan | [HARRISON PENSA LLP](https://www.harrisonpensa.com) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

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Regards,
Andre

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From: Kerri Malcolm <kmalcolm@tmlegal.ca>
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3FM Leasing Inc.

Equipment

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4. John Deere 469 Round Baler – serial number: 1E00469SLFF410259

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Yours very truly,

Kerri Malcolm | Associate



kmalcolm@tmlegal.ca | www.tmlegal.ca

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Kingston
T: 613-542-1889 x2239

1

1

John Haralovich

From: Kerri Malcolm <kmalcolm@tmlegal.ca>
Sent: September 29, 2021 2:50 PM
To: Tim Hogan; aducasse@solowaywright.com
Cc: Todd Storms; John Haralovich; McDonnell, Cian
Subject: RE: [External] Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]
Attachments: lackey ppsa.pdf

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Tim,

My apologies for the delay in responding to your emails below, we have been awaiting instructions from our client. I have attached a recent PPSA search from our file in the event you still require it.

We understand our client has given the lender the remaining documentation required and is currently waiting for the lender to provide a closing date for payment of the funds. We will advise of the date once we are in receipt of same. Our client is in agreement with structuring the transaction as outlined in your email of September 21, 2021.

With respect to the funds, can you please confirm our understanding that any monies remaining after the payment of what is owed to BNS, including interest and costs, and the subsequent discharge of the Receiver, will be returned to our client.

With respect to the form of the no interest letter, does the bank have a standard form it prefers to utilize?

Yours truly,

Kerri Malcolm | Associate



kmalcolm@tmlegal.ca | www.tmlegal.ca

Templeman LLP
205 Dundas Street East, Suite 200
P.O. Box 234,
Belleville, Ontario K8N 5A2
T: 613-966-2620 | F: 613-966-2866
Kingston
T: 613-542-1889 x2239

From: Tim Hogan <thogan@harrisonpensa.com>
Sent: Saturday, September 25, 2021 7:15 AM
To: Kerri Malcolm <kmalcolm@tmlegal.ca>; aducasse@solowaywright.com
Cc: Todd Storms <tstorms@tmlegal.ca>; John Haralovich <John.Haralovich@mnt.ca>; Cian McDonnell - Scotiabank (Cian.McDonnell@scotiabank.com) <Cian.McDonnell@scotiabank.com>
Subject: RE: [External] Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]

Hi Kerri

I am following on the below e-mail.

Is there a form of no interest letter that we can review?

Also, is there a date set for the closing of the \$125,000 payment?

If there is, we can draft a quick agreement that includes the below terms to the Bank's discharge of the security, and the receiver can then quickly move after the October 1 motion for an Order on consent for its discharge and release.

Please advise.

Tim Hogan | [HARRISON PENSA LLP](mailto:HARRISON_PENSA_LL_P) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

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From: Tim Hogan <thogan@harrisonpensa.com>

Sent: Tuesday, September 21, 2021 1:38 PM

To: Kerri Malcolm <kmalcolm@tmlegal.ca>; aducasse@solowaywright.com

Cc: Todd Storms <tstorms@tmlegal.ca>; John Haralovich <John.Haralovich@mnp.ca>; Cian McDonnell - Scotiabank (<Cian.McDonnell@scotiabank.com> <Cian.McDonnell@scotiabank.com>

Subject: FW: [External] Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]

Kerri, Andre

BNS has no issue with providing to the lender a letter which states that the Bank's charge/interest does not attach to the specific pieces of farm equipment being provided as security for the financing.

Typically, these letters contain language that provides that the no interest is contingent on the Banks' receipt of funds.

Can this transaction be structured so that the \$125,000 is paid to BNS, with the release letter contingent on the Bank's receipt of the \$125,000, and that there is an agreement that:

- a) on the Bank's receipt of the \$750,000 from MNP under the October 1 Order plus any surplus funds in the estate after costs on MNP's discharge,
- b) the exchange of a mutual release between the respondents and the Bank;
- c) Stuart provides evidence that he is current on HST and source deductions with CRA; and,
- d) the discharge of the receiver

that the Bank discharge its remaining security.

Let us know and thanks

Tim Hogan | [HARRISON PENSA LLP](mailto:HARRISON_PENSA_LL_P) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

12

John Haralovich

From: Tim Hogan <thogan@harrisonpensa.com>
Sent: September 30, 2021 8:01 AM
To: Kerri Malcolm; aducasse@solowaywright.com
Cc: Todd Storms; John Haralovich; McDonnell, Cian
Subject: RE: [External] Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]

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Kerri, the \$125,000 payment is a compromise by BNS, and results in a shortfall to BNS. There will be no surplus funds.

Typically the new equipment lender provides the no interest letter.

If you wish us to draft this letter we can do so.

Tim Hogan | [HARRISON PENSA LLP](#) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362
| thogan@harrisonpensa.com

Assistant | **Cathy Coleiro** | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

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From: Kerri Malcolm <kmalcolm@tmlegal.ca>
Sent: Wednesday, September 29, 2021 2:50 PM
To: Tim Hogan <thogan@harrisonpensa.com>; aducasse@solowaywright.com
Cc: Todd Storms <tstorms@tmlegal.ca>; John Haralovich <John.Haralovich@mnp.ca>; Cian McDonnell - Scotiabank (Cian.McDonnell@scotiabank.com) <Cian.McDonnell@scotiabank.com>
Subject: RE: [External] Stuart and Catherine Lackey ats. the Bank of Nova Scotia - Receivership [IWOV-HPMain.FID419818]

[EXTERNAL EMAIL]

Tim,

My apologies for the delay in responding to your emails below, we have been awaiting instructions from our client. I have attached a recent PPSA search from our file in the event you still require it.

We understand our client has given the lender the remaining documentation required and is currently waiting for the lender to provide a closing date for payment of the funds. We will advise of the date once we are in receipt of same. Our client is in agreement with structuring the transaction as outlined in your email of September 21, 2021.

With respect to the funds, can you please confirm our understanding that any monies remaining after the payment of what is owed to BNS, including interest and costs, and the subsequent discharge of the Receiver, will be returned to our client.

13

John Haralovich

From: John Haralovich
Sent: September 30, 2021 10:43 AM
To: Todd Storms; Kerri Malcolm
Cc: Andre Ducasse
Subject: Lackey

Todd and Kerri,

You have received Tim's message confirming that BNS will not be made hole by payment of the \$125,000, but their confirmation, they will not seek further funds from Mr. Lackey as part of the settlement, other than any portion that may remain with the Receiver after our final costs (including legal) are paid and approved by the court.

If you would like me to walk either of you through the numbers, happy to have a conversation.

Regards,

John Haralovich, CIRP, LIT, CPA, CA, CMA

Senior Vice President
DIRECT 613.691.4262
FAX 613.726.9009
CELL 613.297.4759
1600 Carling Avenue Suite 800
Ottawa, ON K1Z 1G3
john.haralovich@mnp.ca
mnpdebt.ca

MNP LTD
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Global Alliance of Independent Firms



14

TEMPLEMAN

TODD D. STORMS, B.A., M.A., LL.B.
T: 613.966.2620 E: tstorms@tmlegal.ca

Please Reply to the Belleville Office

November 1, 2021

André A. Ducasse
Soloway Wright LLP
700-427 Laurier Avenue West
Ottawa, ON K1R 7Y2
VIA EMAIL: aducasse@solowaywright.com

Tim Hogan
Harrison Pensa LLP
450 Talbot St.
London, ON N6A 5J6
VIA EMAIL: thogan@harrisonpensa.com

Dear Mr. Ducasse and Mr. Hogan:

**RE: Stuart and Catherine Lackey ats. The Bank of Nova Scotia
Court File No. CV-20-00000008-0000 | Our File No. 8006094**

We write with respect to the above noted matter to inform you that as of the date of this letter, we will no longer be representing Catherine and Stuart Lackey.

Withdrawal of Services

Over the course of the last several months we have experienced difficulty obtaining instructions from our clients and our clients continue to act contrary to our recommendations. We are not aware of alternate counsel assuming carriage of the matter at this time.

Status of Financing

We understand our clients and the Bank have arrived at a tentative agreement respecting the remaining \$125,000 to be paid out to the Bank. We have been told our client is experiencing difficulties with the financing previously discussed and has suggested paying out the Bank via the sale of corn.

At this time, we have no information from our clients as to how much corn is to be sold nor the grain elevator it is to be sold to.

In the event you wish to contact Mr. or Mrs. Lackey, we would recommend doing so directly.

Yours very truly,
TEMPLEMAN LLP



TODD D. STORMS
TDS/km

cc: John Haralovich, MNP LLP (via email: John.Haralovich@mnp.ca)

Templeman
BELLEVILLE | KINGSTON

tmlegal.ca

205 Dundas St. E., Suite 200, Box 734, Belleville, ON K8N 5A7
Tel (613) 966-2620 Fax (613) 966-2846
366 King St. E., Suite 401, Kingston, ON K7K 6Y3
Tel (613) 542-1889 Fax (613) 542-8202

15

John Haralovich

From: Tim Hogan <thogan@harrisonpensa.com>
Sent: November 8, 2021 1:40 PM
To: John Haralovich
Cc: McDonnell, Cian; Andre Ducasse
Subject: FW: Stuart Lackey [IWOV-HPMain.FID419818]
Attachments: Xerox Scan_08112021131757.PDF

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John

Stuart has directed his elevator to send the \$125,000 from bean and crop sales.

See attached and below.

We are double checking to ensure there are no PMSI claims against these crops.

I will let you know when the money arrives and clears.

**Tim Hogan | HARRISON PENZA LLP | 450 Talbot St., London, Ontario N6A 5J6 | tel 519-661-6743 | fax 519-667-3362
| thogan@harrisonpensa.com**

Assistant | Cathy Coleiro | tel 519-850-5568 | ccoleiro@harrisonpensa.com

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From: info@northgowergrains.com <info@northgowergrains.com>
Sent: Monday, November 8, 2021 1:16 PM
To: Tim Hogan <thogan@harrisonpensa.com>
Cc: 'Cian McDonnell - Scotiabank' <Cian.McDonnell@scotiabank.com>; cslackey@sympatico.ca
Subject: RE: Stuart Lackey [IWOV-HPMain.FID419818]

[EXTERNAL EMAIL]

Hi Tim,

Please see attached.

Thanks, have a great day.



DELORES FOSTER

Grain Merchandiser
NORTH GOWER GRAINS
613-880-7458 | 613-489-0956
www.northgowergrains.com
delores@northgowergrains.com



From: Tim Hogan <thogan@harrisonpensa.com>
Sent: Monday, November 8, 2021 12:54 PM
To: info@northgowergrains.com
Cc: Cian McDonnell - Scotiabank (Cian.McDonnell@scotiabank.com) <Cian.McDonnell@scotiabank.com>;
cslackey@sympatico.ca
Subject: Stuart Lackey [IWOV-HPMain.FID419818]

Dwight,

As just discussed, we are the lawyers for The Bank of Nova Scotia ("BNS").

Under an arrangement with Stuart Lackey, the sum of \$125,000 is being paid to BNS.

As directed by Stuart, please make a cheque payable to Harrison Pensa LLP, in trust.

Also, please send a pdf of the cheque and the statement from your firm with an accounting of the sales by Stuart behind the \$125,000.

Stuart, the cheque should be couriered to the below address.

thanks

Tim Hogan | HARRISON PENZA LLP | **450 Talbot St., London, Ontario N6A**
5J6 | tel 519-661-6743 | fax 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | tel 519-850-5568 | ccoleiro@harrisonpensa.com

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NORTH GOWER GRAINS
2518 LOCKHEAD RD.
NORTH GOWER, ONTARIO K0A 2T0

THE BANK OF NOVA SCOTIA
www.scotiabank.com/businessservices 1-888-885-1234
www.banquescotia.com/servicesauxentreprises

007989

47886



One Hundred Twenty-Five Thousand

xx

\$125,000.⁰⁰

PAY
TO THE
ORDER OF

Harrison Pensa h.k.P.
450 Talbot St. London
ON N6A 5J6

NORTH GOWER GRAINS

PBB *Dwight Fosch*

⑈007989⑈ ⑆47886⑈002⑆ 03794⑈17⑈

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16

**MNP LTD., RECEIVER RE:
STUART W. LACKEY AND CATHERINE A. LACKEY**

**FINAL STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD OCTOBER 23, 2020 TO FEBRUARY 28, 2022**

	<u>Actual</u>
Receipts:	
Sale of Montague Property	\$ 925,100
Interest	-
	<u>925,100</u>
Disbursements:	
Filing fee	71
License fee	311
Appraisal fees and expenses	6,554
Real estate fees and taxes	41,810
Legal fees related to sale of property and title issues	10,740
Property taxes	2,460
Interest and bank charges	784
Payment to secured creditor	760,499
Legal fees receivership matter	40,182
Legal fees to complete engagement	5,650
Receiver fees to complete engagement	3,390
HST paid on receivers fees and expenses	6,057
Receiver fees and expenses	46,592
	<u>925,100</u>
Excess of Receipts over Disbursements	<u>\$ -</u>

17

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

STUART W. LACKEY AND CATHERINE A. LACKEY

Respondent

**AFFIDAVIT OF JOHN HARALOVICH
(Sworn on April 14, 2022)**

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

1. I am a Senior Vice President of MNP LTD. ("MNP"), the Licensed Insolvency Trustee ("LIT" or "Receiver") Stuart W. Lackey and Catherine A. Lackey (the "Debtors"). As such, I have knowledge of the matters to which I hereinafter depose except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief verily believe such information to be true.
2. MNP was appointed as Receiver of the property of the Debtor by way of Court Order dated October 23rd, 2020.
3. Attached hereto as Exhibit "A" are the detailed ledgers of the Receiver for the period October 23, 2020, to April 14, 2022, in the amount of \$46,591.60 plus HST of \$6,056.91, totalling \$52,648.51. The Receivers fees amounted to 5.0% of the gross realization of the Estate.

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

Professional	Position	Hours Invoiced	Amount Invoiced (excluding HST)	Effective Hourly Rate
John Haralovich	LIT, Partner	115.4	\$45,628.50	\$395.39
Insolvency Staff	Estate Technicians	8.5	\$ 963.10	\$113.31
Total		123.9	\$46,591.60	\$376.04


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

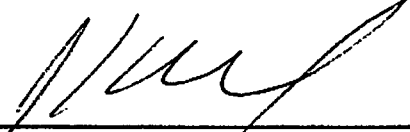
- Taking possession of the real property;
- Taking creditor inquiries;
- Inspection of site during engagement;
- Placing a hold on the Debtors' RBC bank account;
- Arrange for appraisals;
- Review listing proposal and provide information about the property to the listing agent;
- Prepare purchase and sale agreement;
- Review of various offers and advised the secured lender;
- Completion of the sales transaction;
- Review tax implications regarding sale of the real property;
- Correspond with secured counsel regarding settlement of claim against the Debtors';
- Correspond with counsel for the Debtors' regarding arrangement of settlement funds and completion of the receivership; and
- Corresponding with representatives for Canada Revenue Agency to confirm amounts due for HST.

6. As a result of the above efforts, MNP was able to achieve a gross realization of \$925,100.00 as noted in Appendix 16 of the Final Report of the Receiver. The net realization, including the payment to priority and secured creditors, amounted to \$760,499.00. This realization has resulted in all stakeholders fully recovering on their secured claims, namely the Bank of Nova Scotia.

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

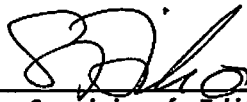
8. This affidavit is sworn in support of a motion to, inter alia, approve the attached account of MNP and the fees and disbursement detailed therein, and for no improper purpose.

SWORN BEFORE me at the City of Ottawa in)
the Province of Ontario)
this 14th day of April, 2022)
)
_____)
A Commissioner for Taking Affidavits, etc.)


_____)
JOHN HARALOVICH

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

**This is Exhibit "A" referred to in the Affidavit of John Haralovich
sworn April 14th, 2022**



Commissioner for Taking Affidavits (or as may be)

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

In the Matter of the Receivership of Stuart W. Lackey and Catherine A. Lackey
Summary of Fees

Date	Description	Units	Amount	Notes
21-Oct-2020	John Haralovich	4.10	\$ 1,599.00	review of material, call with agent, call with lawyers, send emails
22-Oct-2020	John Haralovich	1.50	585.00	review court order, emails from lawyers, call regarding cattle
23-Oct-2020	John Haralovich	4.50	1,755.00	taking possession, meeting with debtor and lawyer, view sites and equipment
26-Oct-2020	John Haralovich	2.50	975.00	prepare update letter to lawyer
27-Oct-2020	John Haralovich	.60	234.00	start work on 245 notice, call with Don
02-Nov-2020	John Haralovich	1.40	546.00	prepare notice of receiver and provide to OR, send email to debtors lawyer
10-Nov-2020	John Haralovich	1.10	429.00	work on freezing of bank accounts
13-Nov-2020	John Haralovich	1.50	585.00	review appraisal, sign listing agreement
17-Nov-2020	John Haralovich	1.20	468.00	work on terms for schedule 2 of the sale agreement
19-Nov-2020	John Haralovich	1.80	702.00	work on offers to purchase
20-Nov-2020	John Haralovich	1.00	390.00	correct APA after legal review and send final apa to agent
23-Nov-2020	John Haralovich	.50	195.00	prepare receiver certificate 1
24-Nov-2020	John Haralovich	.90	351.00	work on sale of property
25-Nov-2020	John Haralovich	1.40	546.00	review property listing, call with real estate agent, prepare APA for Almonte property
27-Nov-2020	John Haralovich	1.10	429.00	review change to offer and extension to conditional period
30-Nov-2020	John Haralovich	.50	195.00	review of offers
01-Dec-2020	John Haralovich	2.10	819.00	work on sale of Smiths Falls property and advised lender
02-Dec-2020	John Haralovich	1.40	546.00	finalize offer on Smiths Falls property, advise lawyers
03-Dec-2020	John Haralovich	1.20	468.00	call with Andre to discuss sale of property, update BNS
04-Dec-2020	John Haralovich	.50	195.00	call with Andre Ducasse re email and NDA to Don
07-Dec-2020	John Haralovich	1.40	546.00	call with Mr. Lackey, OPP, Andre, real estate agent regarding access to the property,
09-Dec-2020	John Haralovich	.80	312.00	call with Mr. Lackey, send RBC message, sign title docs
10-Dec-2020	John Haralovich	.60	234.00	call with Andre re extra PIN to include
14-Dec-2020	John Haralovich	.50	195.00	call with RBC manager, approve payment
15-Dec-2020	John Haralovich	.80	312.00	call with RBC, send email concerning payments
17-Dec-2020	John Haralovich	.80	312.00	call with RBC and send email to debtor lawyer
05-Jan-2021	John Haralovich	.80	312.00	review emails, send response to emails, review leasing company security with Andre
06-Jan-2021	John Haralovich	2.80	1,092.00	work on sale of property issue, stmt of claim against BNS reviewed
07-Jan-2021	John Haralovich	.50	195.00	call with Andre regarding extra PIN, review request to extend closing of main residence
18-Jan-2021	John Haralovich	1.20	468.00	review emails from T Hogan, respond, provide projected payout from sale of properties
19-Jan-2021	John Haralovich	.90	351.00	call with Andre Ducasse, send message to T Hogan
20-Jan-2021	John Haralovich	.70	273.00	review of emails
26-Jan-2021	John Haralovich	.80	312.00	manage issue regarding wire placed on farm site
02-Feb-2021	John Haralovich	.40	156.00	call with Andre regarding amending APA
19-Feb-2021	John Haralovich	3.40	1,326.00	work on report to the court
22-Feb-2021	John Haralovich	4.60	1,794.00	work on court report
23-Feb-2021	John Haralovich	2.90	1,131.00	complete first report to court
25-Feb-2021	John Haralovich	2.30	897.00	work on court report
01-Mar-2021	John Haralovich	1.30	507.00	call with Andre, review emails, concerns re CRA claims
02-Mar-2021	John Haralovich	2.10	819.00	work on court report and amendments
03-Mar-2021	John Haralovich	2.80	1,092.00	complete first report
04-Mar-2021	John Haralovich	.80	312.00	review emails regarding access to property
11-Mar-2021	John Haralovich	.80	312.00	send projected payout to BNS and lawyers
12-Mar-2021	John Haralovich	.50	195.00	review correspondence
15-Mar-2021	John Haralovich	.70	273.00	call with Andre, review emails
17-Mar-2021	John Haralovich	.80	312.00	review material provided
18-Mar-2021	John Haralovich	2.50	975.00	preparation for court appearance, review letter of opinion, file and prepare supplemental report
19-Mar-2021	John Haralovich	.80	312.00	court appearance and calls with the lawyers
26-Mar-2021	John Haralovich	1.80	702.00	court hearing
06-Apr-2021	John Haralovich	1.20	468.00	review of materials submitted from Lackey lawyers, calls with Andre to discuss points raised
08-Apr-2021	John Haralovich	1.80	702.00	attend court hearing to approve sale
09-Apr-2021	John Haralovich	1.20	468.00	attend court hearing, calls with lawyers
15-Apr-2021	John Haralovich	1.10	429.00	call with Todd Storms, send NDA, call with Andre regarding process
19-Apr-2021	John Haralovich	.90	351.00	review material for sale
21-Apr-2021	John Haralovich	.70	273.00	deal with HST issues regarding purchaser
23-Apr-2021	John Haralovich	.40	156.00	review closing adjustments
26-Apr-2021	John Haralovich	.60	234.00	call with Andre re closing of sale

In the Matter of the Receivership of Stuart W. Lackey and Catherine A. Lackey
Summary of Fees

Date	Description	Units	Amount	Notes
27-Apr-2021	John Haralovich	1.20	468.00	sign closing documents, call with Andre regarding payout to BNS
30-Apr-2021	John Haralovich	.80	312.00	deal with payment of invoices
31-May-2021	John Haralovich	.30	117.00	work on repayment of receivers advance
04-Jun-2021	John Haralovich	.30	121.50	review emails regarding refinancing of land
09-Jun-2021	John Haralovich	.20	81.00	review letter regarding additional funds to resolve BNS
10-Jun-2021	John Haralovich	.60	243.00	call regarding settlement with Lackey
17-Jun-2021	John Haralovich	.30	121.50	send note BNS regarding status of refinancing
09-Jul-2021	John Haralovich	.50	202.50	review of phone message, send email to debtors lawyer
12-Jul-2021	John Haralovich	.90	364.50	respond to BNS inquiries and send note to RBC to freeze the bank
17-Aug-2021	John Haralovich	.90	364.50	call with Andre, call with Nancy, text Stuart
20-Aug-2021	John Haralovich	.70	283.50	call with cattle coop re financing of additional cattle
30-Aug-2021	John Haralovich	1.20	486.00	call with Andre, send text messages to Mr. Lackey, review email from accountant and request BNS payout stmt
07-Sep-2021	John Haralovich	3.30	1,336.50	work on second report to the court
08-Sep-2021	John Haralovich	2.90	1,174.50	complete first draft of second report
08-Sep-2021	John Haralovich	.50	202.50	call with Lackey's accountant regarding balance to BNS and accounting of it
09-Sep-2021	John Haralovich	1.20	486.00	review bank information regarding updated stmt of account, call with Tim Hogan and Andre
10-Sep-2021	John Haralovich	1.10	445.50	send update projected shortfall to BNS
14-Sep-2021	John Haralovich	.80	324.00	complete attachments
14-Sep-2021	John Haralovich	2.30	931.50	changes to second report to the court
21-Sep-2021	John Haralovich	.30	121.50	call with Andre regarding next steps
27-Sep-2021	John Haralovich	.70	283.50	review emails regarding funds paid to Lackey back in March 2021
29-Sep-2021	John Haralovich	.30	121.50	call with Andre regarding email from legal representative of debtors
30-Sep-2021	John Haralovich	1.00	405.00	calls with Andre Ducasse, emails to various lawyers on final payout etc.
01-Oct-2021	John Haralovich	1.00	405.00	prep for court and attend hearing
23-Feb-2022	John Haralovich	1.00	415.00	start to work on final report to the court
24-Feb-2022	John Haralovich	6.00	2,490.00	work on third and final report to the court
13-Apr-2022	John Haralovich	1.80	747.00	make changes to final report
14-Apr-2022	John Haralovich	3.50	1,452.50	complete final report, provide to lawyers
Total LIT/Partner fees		115.40	45,628.50	
27-Oct-2020	Danielle St. Pierre	1.50	186.00	Input into ascend. Input assets and liabilities
12-Nov-2020	Sandra Dillo	.50	52.50	mailing - Notice of Statement of the Receiver
13-Nov-2020	Sandra Dillo	.20	21.00	RBC letter sent to freeze banks
16-Nov-2020	James De Salis	.40	42.00	Setup banking
25-Nov-2020	James De Salis	.20	21.00	Confirming wire transfer information with Versa
26-Nov-2020	James De Salis	.60	63.00	Wire transfer, appraisal fees
11-Dec-2020	Sandra Dillo	.20	21.00	edit engagement, create invoice
25-Jan-2021	Sandra Dillo	.20	21.00	creditor call; John following up
12-Mar-2021	Danielle St. Pierre	.30	37.20	CRA called about the Lackey's not filing their GST/HST for the business
27-Apr-2021	James De Salis	.20	21.00	Prepare void cheque & wire transfer instructions for Soloway Wright
28-Apr-2021	James De Salis	.20	21.00	Quick call to Shana at SolowayWright to confirm wire transfer information
29-Apr-2021	James De Salis	.20	21.00	Confirming receipt of wire & logging in Ascend
05-May-2021	James De Salis	.30	31.50	Preparing legal fees for Soloway Wright
26-May-2021	Alexis Lewis-Coelho	.20	21.00	Post transactions for sale of property
31-May-2021	Alexis Lewis-Coelho	.30	31.50	Cheque processing: Advance payment
10-Aug-2021	Alexis Lewis-Coelho	.20	21.80	Processed cheque for payment of legal fees - Soloway Wright
01-Oct-2021	Alexis Lewis-Coelho	.40	43.60	prepared wire transfer form for payment Harrison Pensa and obtained the signatures of the Trustees.
04-Oct-2021	Alexis Lewis-Coelho	.20	21.80	email VersaBank request for outgoing wire transfer payment to Harrison Pensa
04-Oct-2021	Alexis Lewis-Coelho	.40	43.60	email Trustee to request wire transfer form be resigned; saved and resend outgoing wire transfer request form to VersaBank; reviewed email from VersaBank and notify Trustee that VersaBank will contact them for verbal verification.
08-Oct-2021	Alexis Lewis-Coelho	.40	43.60	processed cheques for the payment of fees to MNP Ltd and Soloway Wright
13-Oct-2021	Gisele Mubika	1.20	154.80	sitecore posting - court reports
15-Mar-2022	Alexis Lewis-Coelho	.20	22.20	processed cheque for payment of invoice - MNP Ltd
Total Estate Administrator fees		8.50	963.10	
Total Fees		123.9	\$ 46,591.60	

18

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF STUART W. LACKEY AND CATHERINE
OF THE TOWN OF ALMONTE, IN THE PROVINCE OF ONTARIO**

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY

Respondents

**AFFIDAVIT OF ROXANNE CHAPMAN
(sworn on April 8, 2022)**

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

1. I am a law clerk with the law firm of Soloway Wright LLP ("SW"), the lawyers for the Court-Appointed Receiver, MNP Ltd. (the "Receiver"), and have assisted with the carriage of this matter. As such, I have knowledge of the matters to which I hereinafter depose except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief and verily believe such information to be true.

2. For convenience, defined terms herein not otherwise defined are as defined in the Receiver's final report to the Court (the "Final Report").

3. Attached hereto as Exhibit "A" are true copies of the invoices issued by SW for fees and disbursements incurred during the course of the within proceeding to the period ending April 6, 2022. The attached invoices are summarized as follows:

Invoice Date	Fees	Disbursements	HST	Total
December 16, 2020	\$3,325.00	\$114.95	\$447.19	\$3,887.14
April 29, 2021	\$21,523.00	\$663.96	\$2,842.70	\$25,029.66
August 6, 2021	\$1,657.50	\$0.00	\$215.48	\$1,872.98
October 7, 2021	\$5,700.00	\$374.42	\$748.07	\$6,822.49
April 6, 2022	<u>\$2,274.50</u>	<u>\$0.00</u>	<u>\$295.69</u>	<u>\$2,570.19</u>
TOTAL	\$34,480.00	\$1,153.33	\$4,549.13	\$40,182.46

4. I have been advised by André Ducasse, the lawyer with carriage of this matter on behalf of the Receiver, and verily believe that the work carried out by SW personnel on behalf of the Receiver can be briefly summarized as follows:

- Various communications with the receiver regarding Debtors' failure to provide financial records and information and access to and seizure of accounts.
- Various dealings and communications with realtor regarding issues pertaining to sale of properties.
- Drafting and revising confidentiality undertaking and various dealings with Debtors' counsel re: same and confidential information in receivership proceedings and issues raised by counsel re: sales process.
- Dealings with Receiver regarding registration of Receivership Order on title to properties.
- Various dealings with the Receiver and counsel for BNS regarding issues in respect of BNS's mortgage security and reviewing caselaw and authorities regarding same.
- Various dealings with purchaser's counsel re: agreements of purchase and sale and amendments thereto and drafting and revising said agreements.

- Various dealings and communications with the Receiver, Debtors' counsel and counsel for BNS re: Debtors' efforts to fund shortfall and various issues regarding same.
- Various dealings and communications with counsel for BNS regarding payout of BNS indebtedness.
- Various dealings with lessors and Receiver re: secured claims of lessors and advice regarding same.
- Various communications with Receiver regarding sales and marketing process, including reviewing listing and other agreements with respect to sales process and advice to Receiver regarding same.
- Various communications with counsel for the Debtors and BNS regarding ongoing receivership proceedings.
- Various dealings and communications with counsel for purchasers regarding sale of properties.
- Preparing material regarding sales approval motion and motion for distribution order, including drafting and revising Receiver's First Report to the Court, Notice of Motion, Factum and Authorities, reviewing confidential appendices and preparing brief of confidential appendices, fee affidavits and Court Orders, reviewing authorities regarding same, and preparing for and attending the said motion, requiring a total of five (5) Court appearances.
- Ongoing correspondence and communications with the Receiver regarding advice with respect to receivership proceedings and various issues regarding same.
- Advising the Receiver and dealing with the sale of the Real Property, including tax arrears, searches regarding sale, dealing with encumbrances, requisitions and response thereto, and dealing with purchaser's counsel in respect of the foregoing.
- Ongoing correspondence and communication with the Receiver regarding secured and priority claims and documents regarding same, and drafting and revising security opinion for the Receiver.

- o Preparing material regarding final distribution and discharge motion, including drafting and revising Receiver's Final Report to the Court, Notice of Motion, Factum and Authorities, fee affidavits, and Court Orders regarding same, reviewing authorities regarding same, and preparing for and attending said motion.

5. The following table further summarizes the invoices attached as Exhibit "A" by work completed by each SW professional, his or her position with SW, the hours worked by each professional, along with the amounts and the effective hourly rates charged for each professional:

Professional	Position	Hours Invoiced	Amount Invoiced (excluding HST)	Effective Hourly Rate
André Ducasse	Partner	76.5	\$32,359.00	\$422.99
Sybil Johnson-Abbott	Partner	0.5	\$190.00	\$380.00
Caleb Timmermann	Associate Lawyer	5.0	\$1,050.00	\$210.00
Nicholas Valsamis	Associate Lawyer	3.10	\$500.00	\$161.29
Irene Smith	Law Clerk	1.2	\$110.00	\$91.67
Veronica Redmond	Law Clerk	0.4	\$63.00	\$157.50
Sonia Chase	Law Clerk	1.6	\$208.00	\$130.00
Total		88.3	\$34,480.00	\$390.49

6. I have further been advised by André Ducasse, and verily believe that, to the best of his knowledge the above rates charged by SW throughout the course of these proceedings are standard and comparable to the rates charged by other law firms in the Ottawa market for the provision of similar services.

7. I make this Affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

SWORN BEFORE me at the City of Ottawa in
the Province of Ontario
this 8th day of April, 2022

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)

A Commissioner for Taking Affidavits, etc.

ANDRE A. DUCASSE
LS# 447392



ROXANNE CHAPMAN

This is Exhibit "A" referred to in the Affidavit of Roxanne Chapman sworn April 8, 2022



Commissioner for Taking Affidavits (or as may be)

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

December 16, 2020
Our File # 52064-01008
Invoice # 321657
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: STUART LACKEY ET AL

Our Fee Herein		\$ 3,587.00
Less Courtesy Discount		- \$ 262.00
Net Fee Herein		\$ 3,325.00
Total Disbursements		\$ 114.95
HST on Fees - 13.00%	\$ 432.25	
HST on Disbursements - 13.00%	<u>\$ 14.94</u>	
Total Taxes		<u>\$ 447.19</u>
Total Account		<u><u>\$ 3,887.14</u></u>



André Ducasse
(0092)

E. & O.E.

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

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

December 16, 2020
Our File # 52064-01008
Invoice # 321657
GST/HST Reg. #121761480

INTERIM ACCOUNT

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

RE: STUART LACKEY ET AL

FEES

Date	Atty	Description of Services Rendered	Hours
11/05/20	AD	Telephone attendance with J. Haralovich re: recent developments, debtor's failure to provide financial records and proposed course of action re: same.	.20
11/13/20	AD	Telephone attendance with J. Haralovich re: recent developments and issues re: access to debtor's financial information and bank accounts and proposed course of action re: same; email from and to J. Haralovich re: same.	.20
11/19/20	AD	Telephone attendance with J. Haralovich re: purchase offers, issues re: same and terms thereof.	.10
11/20/20	AD	Correspondence from and to J. Haralovich re: draft offers to purchase; reviewing, revising and drafting offers to purchase; correspondence to J. Haralovich re: revised offers; call with J. Haralovich re: same and recent developments and proposed course of action re: same.	2.00
11/20/20	VR	Instructions from A. Ducasse; pull two PINS; email to A. Ducasse.	.20
11/25/20	AD	Emails from and to J. Haralovich and RBC re: seizing of accounts.	.10
11/27/20	AD	Reviewing emails with Bank re: seizure of accounts.	.10
11/30/20	AD	Correspondence from receiver to debtor's counsel re: requested financial and other information and breaches of receivership order; telephone attendance with counsel for prospective purchaser re: offer and issues re: same; correspondence from purchaser's counsel re: purchase offers; reviewing same; correspondence to J. Haralovich and F. Crouch re: same.	.40

Invoice #: 321657
STUART LACKEY ET AL

December 16, 2020

Date	Attv	Description of Services Rendered	Hours
12/01/20	AD	Correspondence from J. Haralovich re: offers to purchase; reviewing offers; correspondence to J. Haralovich re: same.	.20
12/02/20	AD	Call with purchaser's counsel re: offers and possible access to properties and issues re: same.	.20
12/03/20	AD	Emails with counsel for the parties and receiver re: particulars with respect to offer; calls with J. Haralovich re: same and confidentiality undertaking; drafting and revising confidentiality undertaking; further call with J. Haralovich re: issues raised by counsel for debtors re: sales process and proposed course of action re: same; correspondence re: same and draft confidentiality undertaking.	1.20
12/04/20	SJ	E-mail from A. Ducasse and instructions to law clerk regarding registration of court order.	.10
12/04/20	AD	Telephone attendance with J. Haralovich re: confidentiality undertaking and debtors' lack of responsiveness/cooperation; correspondence to debtors' counsel re: request for information re: sales process and confidentiality undertaking; further correspondence to debtors' re: debtors' obligation to cooperate; correspondence from and to J. Haralovich re: registering receivership order on title; memo to S. Johnson-Abbott re: same.	.90
12/07/20	SJ	Call with A. Ducasse regarding registration of court order and instructions to I. Smith regarding same.	.10
12/07/20	AD	Call with J. Haralovich re: occurrence reported by OPP; calls with purchaser's counsel re: same, access to property and approval motion; email from J. Haralovich re: same.	.30
12/07/20	IS	Review Parcel Registers of Smiths Falls properties; further Teraview Searches; download registered documents; review Order appointing Receiver; prepare Application to Register Court Order; prepare Statutory Declaration re: name of S. Lackey; office consultation with S. Johnson-Abbott re: contiguous parcel.	.90
12/08/20	SJ	Review draft application to register a court order; e-mail to A. Ducasse regarding same.	.20
12/08/20	AD	Memo from and consultation with S. Johnson-Abbott re: title issues and registration of receivership order; correspondence to J. Haralovich re: same.	.20
12/08/20	IS	Prepare Acknowledgment and Direction; e-mail to S. Johnson-Abbott re: documents for execution and contiguous lands owned by S. Lackey.	.20
12/09/20	SJ	E-mail from J. Haralovich regarding executed documents; instructions to title search regarding registration of receiving order.	.10
12/09/20	IS	Receipt of executed Statutory Declaration and Acknowledgment and Direction authorizing registration of Court Order appointing Receiver.	.10

Invoice #: 321657
 STUART LACKEY ET AL

December 16, 2020

Date	Atty	Description of Services Rendered	Hours
12/10/20	AD	Telephone attendance with J. Haralovich re: transaction issues, freezing of accounts and recent developments with debtors re: same, and proposed course of action re: transaction issues; correspondence to counsel for appointing creditor re: title issues.	.50
12/11/20	AD	Telephone attendance with counsel for appointing creditor re: transaction issues.	.20
12/15/20	AD	Calls with counsel for appointing creditor re: transaction; consultations with S. Johnson-Abbott re: same; call with J. Haralovich re: same and next steps.	.60
Total Hours:			9.30
Our Fee Herein:			\$ 3,325.00

DISBURSEMENTS

Description of Costs Advanced	Amount
Teraview Search Fee	85.55
Teraview Search	29.40
Total Disbursements:	\$ 114.95
HST on Fees - 13.00%	\$ 432.25
HST on Disbursements - 13.00%	<u>\$ 14.94</u>
Total Taxes	\$ 447.19
Total Account	<u>\$ 3,887.14</u>

THIS IS OUR ACCOUNT



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

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

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

December 16, 2020
Our File # 52064-01008
Invoice # 321657
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 3,325.00
Total Costs	\$ 114.95
Total Taxes	<u>\$ 447.19</u>
Total Account	<u>\$ 3,887.14</u>

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

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

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

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

April 29, 2021
Our File # 52064-01008
Invoice # 326031
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: STUART LACKEY ET AL. (Receivership Proceedings)

Our Fee Herein		\$ 21,523.00
Total Disbursements		\$ 663.96
HST on Fees - 13.00%	\$ 2,797.99	
HST on Disbursements - 13.00%	<u>\$ 44.71</u>	
Total Taxes		<u>\$ 2,842.70</u>
Total Account		<u>\$ 25,029.66</u>



André Ducasse
(0092)

E. & O.E.

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

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

April 29, 2021
Our File # 52064-01008
Invoice # 326031
GST/HST Reg. #121761480

INTERIM ACCOUNT

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

RE: STUART LACKEY ET AL. (Receivership Proceedings)

FEEs

Date	Atty	Description of Services Rendered	Hours
12/16/20	AD	Correspondence from receiver and debtors' counsel re: issues re: freezing of accounts and failure to cooperate with receiver.	.10
12/17/20	AD	Correspondence from counsel re: registration of receivership order on title to properties; memo to S. Johnson-Abbott re: same.	.10
12/18/20	AD	Correspondence from and to S. Johnson-Abbott re: issues re: receivership order and registration thereof.	.10
1/04/21	AD	Email from applicant's counsel re: issues re: charge and motion re: same; call and emails with J. Haralovich re: same, recent developments re: sale of lands and receivership proceedings and proposed next steps re: same; correspondence to applicant's counsel re: motions re: charge and approval of sale and dealing with purchaser's counsel; emails with J. Haralovich re: lease claims.	.70
1/05/21	AD	Reviewing National Leasing agreements and particulars re: default and making notes re: same; memo to clerks re: PPSA searches; reviewing results of PPSA searches; correspondence to National Leasing re: issues re: PPSA registrations; call with J. Haralovich re: foregoing; emails from and to counsel for applicant re: recent developments.	1.60
1/05/21	VR	Instructions from Andre Ducasse; obtain PPSA search and report.	.20
1/07/21	AD	Correspondence from J. Haralovich and counsel for applicant re: recent communications from debtor re: issues re: ongoing receivership proceedings.	.10

Invoice #: 326031
STUART LACKEY ET AL

April 29, 2021

Date	Atty	Description of Services Rendered	Hours
1/07/21	AD	Telephone attendance with J. Haralovich re: evaluation of land and issues re: same and proposed course of action re: sales process.	.20
1/15/21	AD	Reviewing further claim information and documentation provided by National Leasing and making notes re: same; correspondence to J. Haralovich re: National Leasing's claim and opinion re: same; correspondence from and to National Leasing re: same.	.60
1/18/21	AD	Various correspondence to and from counsel for applicant re: status of various transactions and next steps re: same.	.20
1/19/21	AD	Various emails from J. Haralovich and applicant's counsel re: sales process, payout amounts and next steps re: receivership proceedings; telephone attendance with J. Haralovich re: foregoing, status of and issues re: same, tax certificates and proposed course of action re: foregoing.	.40
1/26/21	AD	Telephone attendance with and email from J. Haralovich re: foregoing and re: access to receivership property and proposed course of action re: same; correspondence to and debtor's counsel re: same; call with J. Haralovich re: same and instructions.	.30
1/27/21	AD	Emails and call with J. Haralovich re: access to receivership property and issues re: same; emails from and call with D. Good re: same; call with J. Haralovich re: sales process and court attendance re: approval motion and next steps re: same; telephone attendance with counsel for applicant re: status of receivership proceedings and next steps re: same.	.50
1/28/21	AD	Correspondence to J. Haralovich re: motion for approval order and issues re: same.	.10
1/29/21	AD	Correspondence from J. Haralovich re: recent developments re: sales process and next steps re: same and court approval.	.10
2/22/21	AD	Emails with J. Haralovich and applicant's counsel re: Court attendance for approval and vesting order; instructions and memo to clerk re: same.	.20
2/23/21	AD	Instructions to clerk re: Court attendance.	.10
2/24/21	AD	Call with applicant's counsel re: status of sales process and issues re: same; reviewing file, including loan and security instruments of applicant creditor and various search results, including PPSA and property searches, re: security opinion; drafting and revising security opinion.	2.30
2/25/21	AD	Drafting and revising security opinion; drafting and revising receiver's court report.	2.20
2/26/21	AD	Drafting and revising receiver's court report; instructions to clerk re: same and motion material re: approval motion; telephone attendance with J. Haralovich re: various issues re: approval motion.	1.10

Invoice #: 326031
STUART LACKEY ET AL

April 29, 2021

Date	Atty	Description of Services Rendered	Hours
3/01/21	AD	Drafting and revising vetting opinion and receiver's report to the court; instructions to clerk re: same; correspondence with Court re: motion hearing; calls with J. Haralovich re: foregoing and next steps and secured and priority claims and issues re: same; email from J. Haralovich re: potential deemed statutory trust claims; email to applicant's counsel re: same.	2.30
3/02/21	AD	Drafting and revising security opinion and receiver's report to the Court; instructions to clerk re: notice of motion, approval and vesting orders, ancillary order and service list; correspondence to J. Haralovich re: revised court report and security opinion; memo and instructions to associate re: factum and authorities on approval motion; correspondence from and to and call with J. Haralovich re: revised court report and issues re: same.	2.40
3/02/21	CT	E-mails with A. Ducasse re: instructions to prepare factum for approval of receiver's first report.	.10
3/03/21	AD	Drafting and revising notice of motion, ancillary order and approval and vesting orders; instructions to clerk re: same; emails with J. Haralovich re: security opinion and issues re: approval motion; various emails and call with J. Haralovich re: potential CRA claims, distribution motion and issues re: same; telephone attendance with applicant's counsel re: same; correspondence from J. Haralovich re: finalized court report and brief of confidential appendices; instructions to clerk re: same and preparing motion record and brief of confidential appendices; correspondence from Court and instructions to clerk re: Court attendances re: approval motion and motions for distribution order.	2.10
3/04/21	CT	Review Receiver's Final Report and Notice of Motion for approval of same; draft Factum re: same; e-mails with A. Ducasse and R. Chapman re: same.	3.10
3/05/21	AD	Drafting and revising factum and reviewing authorities; emails and instructions to associate re: same.	1.20
3/05/21	CT	Telephone call with A. Ducasse re: revisions to factum for approval of receiver's first report; revise factum.	1.80
3/08/21	AD	Reviewing and finalizing factum; drafting and revising approval and vesting orders (x2); drafting and finalizing ancillary; instructions to clerk re: service and filing of material; reviewing correspondence to parties re: same; correspondence to and from J. Haralovich re: motion material and orders; correspondence from counsel for purchaser re: issues re: approval and vesting orders and potential merger; memo to S. Johnson-Abbott re: same.	1.40
3/08/21	SC	Prepare Factums for service.	1.60
3/09/21	AD	Telephone attendance with J. Haralovich re: issues re: receivership proceedings, approval motion, next steps and proposed course of action re: same.	.20

Invoice #: 326031
STUART LACKEY ET AL

April 29, 2021

Date	Atty	Description of Services Rendered	Hours
3/10/21	AD	Correspondence from and to counsel for applicant creditor re: brief of confidential appendices and undertaking re: same.	.10
3/11/21	AD	Reviewing file re: court attendance re: approval motion and confidential appendices.	.30
3/12/21	AD	Correspondence from debtors' counsel re: adjournment request; telephone attendance with counsel for applicant's creditor re: same; telephone attendance with counsel for purchaser re: same; correspondence to and from J. Haralovich re: same; reviewing agreements and material re: deadlines receiver is required to comply with re: transactions; drafting and revising correspondence to debtors' counsel re: adjournment request; call with J. Haralovich re: issues re: sales process and transactions and proposed course of action re: next steps in receivership proceedings; telephone attendance with purchaser's counsel re: issues re: closing of transactions and approval and vesting orders.	2.20
3/15/21	AD	Correspondence from debtor's counsel re: adjournment request; telephone attendance with J. Haralovich re: same and issues re: Court attendance; correspondence from J. Haralovich re: same; reviewing file re: issues raised by counsel for debtors; drafting and revising response to counsel.	1.10
3/16/21	AD	Drafting and revising motion confirmation form; instructions to clerk re: same; correspondence to service list re: motion confirmation form; emails with purchaser's counsel re: adjournment request and issues re: same.	.50
3/17/21	AD	Correspondence from debtors' counsel re: service of responding motion record; reviewing responding motion record.	.20
3/18/21	AD	Preparing for approval motion, including reviewing motion record, responding motion record, factum and authorities and brief of confidential appendices; preparing notes re: same; telephone attendance with applicant's counsel re: various issues re: approval motion and Receiver's position with respect to same; correspondence from and to counsel for CRA re: position on motion; correspondence from respondents' counsel re: opinion of value; reviewing same; correspondence to J. Haralovich re: same; correspondence from respondents' counsel re: letter of opinion of value; reviewing same; emails with and calls with J. Haralovich re: same; drafting and revising Receiver's supplemental report to the Court; various emails with J. Haralovich re: same; correspondence to service list re: service of supplemental report; correspondence to Court re: same.	3.70
3/19/21	AD	Reviewing material re: preparing for approval motion; attendance on motion; telephone attendance with J. Haralovich re: motion and next steps re: same; correspondence from and to purchaser's counsel re: issues re: receiver's approval motion.	1.80

Invoice #: 326031
STUART LACKEY ET AL

April 29, 2021

Date	Atty	Description of Services Rendered	Hours
3/24/21	AD	Correspondence from debtors' counsel re: material re: approval motion; call with counsel re: same and material to be filed; reviewing motion material re: preparing for motion; telephone attendance with applicant's counsel re: same; telephone attendance with J. Haralovich re: debtors' proposed responding material, issues re: same and proposed course of action; reviewing respondents' responding motion material and making notes re: same; correspondence to J. Haralovich re: same.	1.80
3/25/21	AD	Reviewing respondents' responding motion material and making notes re: same; correspondence from T. Hogan re: BNS affidavit; reviewing said affidavit; reviewing motion material and preparing for motion; preparing notes re: same; correspondence from and to and call with counsel for purchaser re: respondents' motion material and issues re: same; correspondence from respondents' counsel re: factum and authorities; reviewing respondents' factum and authorities and making notes re: same; correspondence to and call with J. Haralovich re: issues raised in respondents' factum; correspondence to service list re: particulars re: motion.	2.90
3/26/21	AD	Preparing for and attending motion re: approval of transactions.	2.50
4/06/21	AD	Correspondence from T. Hogan re: BNS's factum and authorities and reviewing same; call with counsel for prospective purchaser re: approval and vesting orders and issues re: approval motion and closings; correspondence from respondents' counsel re: further affidavit and authorities; reviewing and making notes re: same; call with J. Haralovich re: foregoing.	2.30
4/07/21	AD	Reviewing material re: preparing for approval motion; making notes re: same and costs submissions.	2.40
4/08/21	AD	Preparing for and attending approval motion; telephone attendance with J. Haralovich re: same; memo to clerks re: updating property and execution searches re: approval and vesting order; reviewing search results.	2.20
4/09/21	AD	Court attendance re: approval motion; reviewing and revising ancillary order and approval and vesting orders; correspondence to Court re: same; telephone attendance with T. Storms re: approval motion and issues re: proceedings.	1.20
4/12/21	AD	Correspondence to T. Storms re: next steps; telephone attendance with Court re: orders.	.10
4/14/21	AD	Emails and call with J. Haralovich re: proposed course of action and next steps re: receivership proceedings and dealings with debtors' counsel; correspondence from Court re: issues approval and vesting orders and ancillary order.	.40

Invoice #: 326031
STUART LACKEY ET AL

April 29, 2021

Date	Atty	Description of Services Rendered	Hours
4/15/21	AD	Telephone attendance with J. Haralovich re: recent developments and discussions with debtor and proposed course of action re: receivership proceedings and issues re: closing of transactions.	.20
4/16/21	AD	Telephone attendance with debtors' counsel re: proposed course of action and next steps re: receivership proceedings.	.20
4/21/21	AD	Correspondence from opposing counsel re: confidentiality undertaking and reviewing same; call with J. Haralovich re: same; correspondence to counsel re: confidential appendices.	.30
4/26/21	AD	Telephone attendance with T. Storms re: various issues re: receivership proceedings, transactions and possible resolution re: same; telephone attendance with J. Haralovich re: same.	.30
4/27/21	AD	Correspondence from and to debtor's counsel re: payout figures; correspondence to and from counsel for BNS re: same; correspondence to debtor's counsel re: same; further correspondence re: issues re: payout.	.30
Total Hours:			54.40
Our Fee Herein:			\$ 21,523.00

DISBURSEMENTS

Description of Costs Advanced	Amount
PPSA Search	8.00
Outgoing Fax Charges	.50
Process Server Costs	40.00
Motions/Orders (non taxable)	320.00
Photocopies and Printing	193.40
Courier Charges	102.06
Total Disbursements:	\$ 663.96
HST on Fees - 13.00%	\$ 2,797.99
HST on Disbursements - 13.00%	<u>\$ 44.71</u>
Total Taxes	\$ 2,842.70
Total Account	<u>\$ 25,029.66</u>

THIS IS OUR ACCOUNT



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

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

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

April 29, 2021
Our File # 52064-01008
Invoice # 326031
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 21,523.00
Total Costs	\$ 663.96
Total Taxes	<u>\$ 2,842.70</u>
Total Account	<u>\$ 25,029.66</u>

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

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

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

August 6, 2021
Our File # 52064-01008
Invoice # 329138
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: STUART LACKEY ET AL

Our Fee Herein	\$ 1,657.50
Total Disbursements	\$ 0.00
HST on Fees - 13.00%	\$ 215.48
Total Taxes	<u>\$ 215.48</u>
Total Account	<u>\$ 1,872.98</u>



André Ducasse
(0092)

E. & O.E.

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

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

August 6, 2021
Our File # 52064-01008
Invoice # 329138
GST/HST Reg. #121761480

INTERIM ACCOUNT

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

RE: STUART LACKEY ET AL

FEES

Date	Atty	Description of Services Rendered	Hours
6/09/21	AD	Correspondence from debtors' counsel re: shortfall funding; correspondence to and from J. Haralovich re: same and issues re: same; correspondence to counsel re: same.	.20
6/10/21	AD	Email from D. Good re: shortfall; email to and from debtors' counsel re: same.	.10
6/10/21	AD	Telephone attendance with debtors' counsel and J. Haralovich re: proposed funding of shortfall and issues re: same and orders re: receivership proceedings.	.50
6/11/21	AD	Correspondence from debtors' counsel re: status of financing re: shortfall; correspondence to J. Haralovich re: same.	.10
6/17/21	AD	Telephone attendance with J. Haralovich re: recent developments re: potential advance from debtors re: shortfall.	.10
6/18/21	AD	Correspondence to debtors' counsel re: status of shortfall financing.	.10
6/21/21	AD	Correspondence from debtors' counsel re: status of financing re: shortfall claim; correspondence to applicant's counsel re: same.	.10
6/25/21	AD	Correspondence to debtors' counsel re: status of shortfall financing; correspondence to T. Hogan re: same; correspondence from debtors' counsel re: same and next steps.	.20
6/29/21	AD	Correspondence from J. Haralovich to debtors re: receivership proceedings, next steps re: same and status of refinancing.	.10
6/30/21	AD	Telephone attendance with J. Haralovich re: recent developments, outstanding matters and next steps re: receivership proceedings.	.10

Invoice #: 329138
STUART LACKEY ET AL

August 6, 2021

Date	Atty	Description of Services Rendered	Hours
7/02/21	AD	Correspondence from debtors' counsel re: status of refinancing; correspondence to and from J. Haralovich re: same.	.10
7/09/21	AD	Various emails from J. Haralovich and T. Storms re: status of partial refinancing and next steps re: receivership proceedings; correspondence from T. Storms re: same; consultation with J. Haralovich re: same.	.20
7/12/21	AD	Telephone attendance with and email from J. Haralovich re: recent developments, status of and next steps re: receivership proceedings, including distribution motion and instructions re: same.	.80
7/13/21	AD	Call with J. Haralovich re: seizure of funds; instructions to clerk re: court attendance and reviewing correspondence to court re: same; correspondence to applicant's counsel re: status of receivership proceedings.	.20
7/15/21	AD	Correspondence from and to debtors' counsel re: status of shortfall funding and receivership proceedings; correspondence to applicant's counsel re: same.	.10
7/19/21	AD	Correspondence from J. Haralovich re: freezing of bank accounts and next steps.	.10
7/26/21	AD	Telephone attendance with T. Hogan re: recent developments and proposed course of action re: ongoing receivership proceedings; telephone attendance with J. Haralovich re: recent developments and next steps re: receivership proceedings, including distribution motion and related relief; correspondence from Court re: motion dates; correspondence to J. Haralovich re: same; instructions to clerk re: same.	.20
7/27/21	AD	Call with T. Storms re: status of refinancing and next steps re: same and receivership proceedings.	.20
7/28/21	AD	Instructions to clerk re: Court attendance; emails with J. Haralovich re: same; correspondence to debtors' counsel re: same and Receiver's position.	.40
Total Hours:			3.90
Our Fee Herein:			\$ 1,657.50
HST on Fees - 13.00%		\$ 215.48	
Total Taxes			\$ 215.48
Total Account			<u>\$ 1,872.98</u>

THIS IS OUR ACCOUNT



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

August 6, 2021
Our File # 52064-01008
Invoice # 329138
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 1,657.50
Total Costs	\$ 0.00
Total Taxes	<u>\$ 215.48</u>
Total Account	<u>\$ 1,872.98</u>

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

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

October 7, 2021
Our File # 52064-01008
Invoice # 331422
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: STUART LACKEY ET AL.

Our Fee Herein		\$ 5,952.00
Less Courtesy Discount		- \$ 252.00
Net Fee Herein		\$ 5,700.00
Total Disbursements		\$ 374.42
HST on Fees - 13.00%	\$ 741.00	
HST on Disbursements - 13.00%	<u>\$ 7.07</u>	
Total Taxes		<u>\$ 748.07</u>
Total Account		<u><u>\$ 6,822.49</u></u>



André Ducasse
(0092)

E. & O.E.

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

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

October 7, 2021
Our File # 52064-01008
Invoice # 331422
GST/HST Reg. #121761480

INTERIM ACCOUNT

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

RE: STUART LACKEY ET AL.

FEES

Date	Atty	Description of Services Rendered	Hours
8/05/21	AD	Correspondence with J. Haralovich re: motion, motion material and issues re: same.	.10
8/16/21	AD	Correspondence from and to J. Haralovich re: inquiries by lender re: purchase of cattle.	.10
8/17/21	AD	Call with debtor's counsel re: status of refinancing; report to and call with J. Haralovich re: same.	.20
8/18/21	AD	Call with J. Haralovich re: recent developments re: refinancing and discussions with accountant re: same.	.20
8/19/21	AD	Telephone attendance with T. Hogan re: status of matter, recent developments and proposed next steps re: ongoing receivership matter, including distribution motion.	.10
8/30/21	AD	Telephone attendance with J. Haralovich re: recent developments re: receivership proceedings, court attendance and report and proposed course of action re: foregoing.	.10
8/30/21	AD	Email from and call with J. Haralovich re: recent communications from debtors' accountant, status of refinancing re: shortfall, issues re: same and proposed course of action re: same and upcoming Court attendance.	.20
8/31/21	AD	Correspondence from debtors' accountant re: accounting of proceeds and funding of shortfall and reviewing same; correspondence to and from T. Storms re: same; correspondence from BNS re: accounting of proceeds.	.10
9/07/21	AD	Correspondence from and to J. Haralovich re: status of shortfall financing and distribution motion and receiver's report re: same.	.10

Invoice #: 331422
STUART LACKEY ET AL

October 7, 2021

Date	Atty	Description of Services Rendered	Hours
9/08/21	AD	Telephone attendance with J. Haralovich re: issues re: Receiver's court report and advice re: same and relief to be sought on approval and distribution motion.	.10
9/09/21	AD	Emails with J. Haralovich re: recent developments and updated payout figures from applicant creditor (BNS) and reviewing same; teleconference with J. Haralovich and T. Hogan (BNS counsel) re: same.	.20
9/10/21	AD	Call with counsel for debtors re: status of financing shortfall and next steps re: same; correspondence to J. Haralovich and applicant's counsel re: same; call with J. Haralovich re: recent developments and distribution motion.	.20
9/13/21	AD	Correspondence from J. Haralovich re: Receiver's second report to the Court; reviewing file re: issues to address in Receiver's second Court report; drafting and revising said report; instructions to clerk re: same.	1.60
9/14/21	AD	Drafting and revising Receiver's second court report; reviewing and revising Receiver's interim statement of receipts and disbursements; correspondence to Receiver re: foregoing.	1.50
9/15/21	AD	Instructions to associate and clerk re: notice of motion, order and factum and authorities and issues re: same and service and filing of material.	.20
9/16/21	AD	Drafting and revising material re: approval and distribution motion, including notice of motion, order and factum; instructions to associate and clerk re: same; call with T. Hogan re: recent communications from S. Lackey, BNS's position, distribution motion and next steps in receivership proceedings; correspondence from debtors' counsel re: status of transaction re: funding of shortfall.	1.60
9/16/21	NV	Draft factum for Distribution and Approval Motion of Second Report.	3.10
9/17/21	AD	Drafting and revising factum and reviewing authorities; instructions to associate and clerk re: same; instructions to clerk re: service and filing of motion material; reviewing correspondence re: same; emails with debtors' counsel re: motion, funding of shortfall and issues re: same.	1.40
9/21/21	AD	Correspondence from K. Malcolm and T. Hogan re: financing and issues re: same, including funding of shortfall, release of security and issues re: ongoing receivership proceedings; various emails and call with J. Haralovich re: same and proposed course of action and issues re: distribution motion.	.30
9/27/21	AD	Email and call with J. Haralovich re: recent issues raised by Ottawa Valley Breeders and proposed course of action re: same; call with debtors' counsel re: distribution motion, transaction re: funding of shortfall and issues and next steps re: same.	.20
9/28/21	AD	Reviewing motion confirmation form; instructions to clerk re: same; call with J. Haralovich re: recent developments in receivership proceedings and proposed course of action re: same; teleconference with J. Haralovich and applicant's counsel (T. Hogan) re: same.	.30

October 7, 2021

Invoice #: 331422
STUART LACKEY ET AL

Date	Atty	Description of Services Rendered	Hours
9/29/21	AD	Email from debtor's counsel re: issues re: financing and funding of shortfall; emails with and call with J. Haralovich re: same and distribution motion; email to T. Hogan re: same.	.30
9/30/21	AD	Emails from and to T. Hogan and J. Haralovich re: funding of shortfall and next steps; calls with J. Haralovich and K. Malcolm re: same; reviewing material and preparing for distribution motion and making notes re: same.	1.90
10/01/21	AD	Preparing for and attending distribution motion; correspondence from Court re: endorsement and order; correspondence to service list re: same.	1.40
Total Hours:			15.50
Our Fee Herein:			\$ 5,700.00

DISBURSEMENTS

Description of Costs Advanced	Amount
Courier Charges	44.82
Photocopies and Printing	9.60
Motions/Orders (non taxable)	320.00
Total Disbursements:	\$ 374.42
HST on Fees - 13.00%	\$ 741.00
HST on Disbursements - 13.00%	<u>\$ 7.07</u>
Total Taxes	\$ 748.07
Total Account	<u>\$ 6,822.49</u>

THIS IS OUR ACCOUNT



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www.solowaywright.com

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

October 7, 2021
Our File # 52064-01008
Invoice # 331422
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 5,700.00
Total Costs	\$ 374.42
Total Taxes	<u>\$ 748.07</u>
Total Account	<u><u>\$ 6,822.49</u></u>

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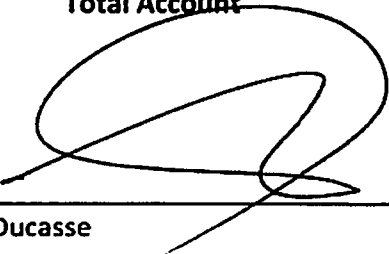
John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

April 6, 2022
Our File # 52064-01008
Invoice # 338853
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: STUART LACKEY ET AL.

Our Fee Herein		\$ 2,274.50
Total Disbursements		\$ 0.00
HST on Fees - 13.00%	\$ 295.69	
Total Taxes		<u>\$ 295.69</u>
Total Account		\$ 2,570.19



André Ducasse
(0092)

E. & O.E.

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

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

April 6, 2022
Our File # 52064-01008
Invoice # 338853
GST/HST Reg. #121761480

INTERIM ACCOUNT

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

RE: STUART LACKEY ET AL.

FEES

Date	Atty	Description of Services Rendered	Hours
10/08/21	AD	Correspondence from T. Hogan re: status of shortfall financing.	.10
11/01/21	AD	Correspondence from debtor's counsel re: shortfall funding and getting of the record; call and emails with J. Haralovich re: same and proposed course of action.	.20
11/08/21	AD	Correspondence from T. Hogan re: funding of shortfall by S. Lackey.	.10
11/23/21	AD	Telephone attendance with counsel for BNS (T. Hogan) re: funding of shortfall and issues re: receivership proceedings and next steps re: same.	.20
11/29/21	AD	Emails with J. Haralovich and counsel for appointing creditor re: funding of shortfall and next steps; emails from J. Haralovich and debtor's counsel re: issues re: receivership proceedings and next steps re: same.	.20
12/24/21	AD	Emails from T. Hogan and J. Haralovich re: receivership proceedings and access to debtor accounts.	.10
2/16/22	AD	Call with J. Haralovich re: status of matter and next steps.	.10
2/25/22	AD	Call with J. Haralovich re: discharge motion and issues re: same.	.20
3/24/22	AD	Email from J. Haralovich re: discharge motion.	.10
3/25/22	AD	Correspondence from and to debtors' counsel re: various issues re: approval motion and dealing with McEwen re: seeding season and secure claim.	.30
3/25/22	AD	Emails with J. Haralovich and debtors' counsel re: finalizing receivership; instructions to clerk re: same and court attendance.	.10
3/30/22	AD	Reviewing file re: Receiver's final Court report; drafting and revising said Court report; instructions to clerk re: same.	1.80

Invoice #: 338853
STUART LACKEY ET AL

April 6, 2022

Date	Atty	Description of Services Rendered	Hours
4/01/22	AD	Drafting and revising notice of motion, order, factum and fee affidavit; instructions to clerk re: same.	1.70

Total Hours: 5.20

Our Fee Herein: \$ 2,274.50

HST on Fees - 13.00% \$ 295.69

Total Taxes \$ 295.69

Total Account \$ 2,570.19

THIS IS OUR ACCOUNT



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

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

April 6, 2022
Our File # 52064-01008
Invoice # 338853
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 2,274.50
Total Costs	\$ 0.00
Total Taxes	<u>\$ 295.69</u>
Total Account	<u>\$ 2,570.19</u>

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THE BANK OF NOVA SCOTIA
Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY
Respondents

Court File No.: CV-20-00000008-0000

ONTARIO SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF STUART W. LACKEY AND CATHERINE
A. LACKEY, of the Town of Almonte, in the Province of
Ontario**

Proceedings commenced at Perth, Ontario

AFFIDAVIT OF ROXANNE CHAPMAN
(Sworn on April 8, 2022)

SOLOWAY WRIGHT LLP

Lawyers

700-427 Laurier Avenue West

Ottawa, ON K1R 7Y2

André A. Ducasse (#44739R)

aducasse@solowaywright.com

613-236-0111 telephone

613-238-8507 facsimile

Lawyers for the Court-Appointed Receiver, MNP Ltd.

THE BANK OF NOVA SCOTIA
Applicant

- and -

STUART W. LACKEY and CATHERINE A. LACKEY
Respondents

Court File No.: CV-20-00000008-0000

ONTARIO SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF THE COURT-APPOINTED
RECEIVERSHIP OF STUART W. LACKEY AND CATHERINE
A. LACKEY, of the Town of Almonte, in the Province of
Ontario**

Proceedings commenced at Perth, Ontario

**MOTION RECORD OF THE COURT-APPOINTED
RECEIVER, MNP LTD.**

SOLOWAY WRIGHT LLP

Lawyers

700-427 Laurier Avenue West

Ottawa, ON K1R 7Y2

André A. Ducasse (#44739R)

aducasse@solowaywright.com

613-236-0111 telephone

613-238-8507 facsimile

Lawyers for the Court-Appointed Receiver, MNP Ltd.