



Court File No. CV-20-00646729-00CL

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

THE HONOURABLE)
JUSTICE OSBORNE)
)
)

FRIDAY, THE 13th DAY
OF OCTOBER, 2023

BETWEEN:

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

APPLICATION UNDER 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

INTERIM DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by MNP Ltd. (“**MNP**”), in its capacity as the Court-appointed receiver (the “**Receiver**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”), appointed pursuant to an appointment order granted by the Court on September 18, 2020 (the “**Appointment Order**”), and in its capacity as the Court-appointed claims officer, appointed pursuant to a claims procedure order granted by the Court on June 28, 2023 (the “**Chesley Claims Procedure Order**”), for an Order:

- (a) abridging the time for service of the Notice of Motion, Motion Record and the eleventh report of MNP, in its capacity as Receiver and the first report of MNP, in

its capacity as Claims Officer, dated October 10, 2023 (the “**Discharge Report**”) so that this Motion is properly returnable today, and dispensing with further service thereof;

- (b) authorizing and directing the Receiver to distribute from the Remaining Cash the amount of \$13,679.40 to Canada Revenue Agency (the "**CRA Distribution**"), in full and final satisfaction of the CRA Claim;
- (c) following the CRA Distribution, authorizing and directing the Receiver to distribute the Remaining Cash, net of the Fee Holdback, payment of the Professional Fees and payment of the Torys Fees, to Chesley Wood (the "**Final Distribution**");
- (d) approving the fees and disbursements of each of the Receiver and the Claims Officer as set out in the affidavit of Jerry Henechowicz sworn October 5, 2023, the fees and disbursements of the Receiver's and Claims Officer's counsel, Dentons Canada LLP ("**Dentons**"), as set out in the affidavit of Robert Kennedy sworn October 10, 2023 (together, the "**Fee Affidavits**"), and the estimated fees and disbursements to be incurred by the Receiver and Dentons through to the completion of the remaining activities, as described herein (the "**Remaining Fees**");
- (e) authorizing and directing the Receiver to retain the Fee Holdback and pay the Torys Fees;

- (f) approving the Discharge Report, and the activities of the Receiver and the Claims Officer as set out therein;
- (g) approving the final statement of receipts and disbursements dated October 2, 2023 (the "**R&D**");
- (h) discharging and releasing MNP as Receiver and as Claims Officer, upon the Receiver and the Claims Officer filing with the Court a discharge certificate; and
- (i) such further and other grounds as counsel may advise and this Honourable Court may permit;

was heard this day via videoconference, at Toronto, Ontario.

ON READING the Motion Record of the Receiver dated October 10, 2023, the Discharge Report, including the Fee Affidavits, and on hearing the submissions of counsel for the Receiver and Claims Officer, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Amanda Campbell sworn October 10, 2023, filed:

INTERPRETATION

1. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Discharge Report.

SERVICE

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

DISTRIBUTIONS AND PAYMENTS

3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make the CRA Distribution in the amount of \$13,679.40.

4. **THIS COURT ORDERS** that the Receiver is authorized and directed to make an interim distribution in the total amount of \$1,700,000 to the shareholders of Chesley Wood on a *pro-rata* basis, as set forth in **Schedule “A”**, and in accordance with a payment direction executed by Chesley Wood, Dalian Turuss Wood Industry Co. Ltd., and Veyron Wood Industry Inc., dated October 12, 2023.

RECEIVER’S ACTIVITIES, FEES AND FEE HOLDBACK

5. **THIS COURT ORDERS** that: (i) the fees and disbursements as outlined in the Fee Affidavits are hereby approved, (ii) the Receiver is hereby authorized to pay any unpaid fees and disbursements, and (iv) the Receiver is hereby authorized to pay the Torys Fees for the fee period ending September 30, 2023 in the total amount of \$52,477.21.

6. **THIS COURT ORDERS** that the Discharge Report, and the activities described therein in respect of the Receiver and the Claims Officer, are hereby approved.

7. **THIS COURT ORDERS** that the R&D is hereby approved.

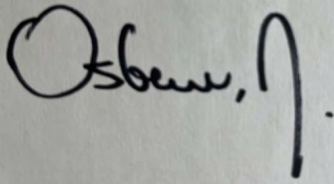
CLAIM'S OFFICER DISCHARGE

8. **THIS COURT ORDERS** that, upon the Claims Officer filing the discharge certificate attached as **Schedule "B"** herein (the "**Discharge Certificate**"), MNP shall be discharged as Claims Officer, provided however, that notwithstanding its discharge herein: (a) the Claims Officer shall remain Claims Officer for the performance of such incidental duties as may be required to complete the administration of the Chesley Claims Procedure, and (b) the Claims Officer shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of MNP in its capacity as Claims Officer.

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

GENERAL

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



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Schedule “A” – Shareholder Distribution Chart

Name	Class/Series of Shares	Number of Shares	Percentage of Total Shares	Distribution Amount
Dalian Natural Wood Industry Co., Ltd.	Common Shares	11,736,100	84%	\$1,428,000.00
Veyron Wood Industry Inc.	Common Shares	2,235,448	16%	\$272,000.00
<u>Total Outstanding Shares</u>		<u>13,971,548</u>	<u>100%</u>	<u>\$1,700,000.00</u>

Schedule “B”
Form of Discharge Certificate

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DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Koehnen of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 28, 2023, MNP Ltd. (“**MNP**”) was appointed as claims officer (the “**Claims Officer**”) to administer a claims procedure in respect of Chesley Wood Industry Co. Inc. (“**Chesley Wood**”).

B. Pursuant to an Order of the Court dated October 13, 2023 (the “**Interim Distribution and Discharge Order**”), MNP was discharged as Claims Officer, effective upon the filing by the Claims Officer with the Court of a certificate confirming that all matters to be attended to in connection with the implementation of the Chesley Wood claims procedure has been completed

to the satisfaction of the Claims Officer (the “**Remaining Activities**”), as set out in the Receiver’s eleventh report and Claims Officer’s first Report dated October 10, 2023 (the “**Discharge Report**”), provided however that, notwithstanding the Claims Officer’s discharge: (a) MNP will remain as Claims Officer for the performance of the Remaining Activities, and (b) MNP as Claims Officer will continue to have the benefit of the provisions of all Orders made in this proceeding including all approvals, protections and stays of proceedings in favour of MNP, in its capacity as Claims Officer.

THE RECEIVER AND CLAIMS OFFICER CERTIFY the following:

1. The Claims Officer is satisfied that the CRA Distribution (as defined in the Interim Distribution and Discharge Order) is complete; and
2. The Claims Officer is satisfied that all Remaining Activities as described in the Discharge Report have been completed to the satisfaction of the Claims Officer.

THIS CERTIFICATE was delivered by the Claims Officer on _____, 2023.

MNP Ltd., solely in its capacity as Claims Officer,
and not in its personal capacity or in any other
capacity

Per: _____

Name:

Title:

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Applicant

- and -

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Respondent

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

PROCEEDING COMMENCED AT TORONTO

DISTRIBUTION AND DISCHARGE ORDER

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