

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

B E T W E E N:

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

**MOTION RECORD
(returnable December 19, 2023)**

December 17, 2023

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Robert Kennedy (LSO #47407O)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)
Tel: (416) 863-4456
mark.freake@dentons.com

Lawyers for the Receiver

TO: SERVICE LIST

SERVICE LIST
(as at October 10, 2023)

TO:	<p>GOWLING WLG (CANADA) LLP 1 First Canadian Place Suite 1600, 100 King Street West Toronto, ON M5X 1G5</p> <p>Thomas Gertner Tel: (416) 369-4618 thomas.gertner@gowlingwlg.com</p> <p>Angelica Wilamowicz Tel: (416) 862-3618 angelica.wilamowicz@gowlingwlg.com</p> <p><i>Lawyers for the Applicant, Pillar Capital Corp.</i></p>
AND TO:	<p>TURUSS (CANADA) INDUSTRY CO., LTD. 60 Industrial Park Road / 60 Queen Street North Chesley, ON N0G 1L0</p> <p>Yang Jiang Tel: (905) 212-9929 jiangyang818@gmail.com</p> <p><i>Respondent</i></p>
AND TO:	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto, ON M5K 0A1</p> <p>Robert Kennedy Tel: (416) 367-6756 robert.kennedy@dentons.com</p> <p><i>Lawyers for MNP Ltd., in its capacity as Court-appointed Receiver of Turuss (Canada) Industry Co., Ltd. and as Court-appointed Claims Officer of Chesley Wood Industry Co. Inc.</i></p>

AND TO:	<p>MNP LTD. 111 Richmond Street West Toronto, ON M5H 2G4</p> <p>Jerry Henechowicz Tel: (416) 515-3924 Jerry.Henechowicz@mnp.ca</p> <p><i>Court-appointed Receiver of Turuss (Canada) Industry Co., Ltd.</i></p>
AND TO:	<p>BRUCE POWER INC. Bruce Power Law Division, B10 06E, Room 6000E 177 Tie Road, R.R. #2 P.O. Box 1540, Building B 10 Tiverton, ON N0G 2T0</p> <p>Ford Thompson Tel: 1 (519) 386-2491 ford.thompson@brucepower.com</p>
AND TO:	<p>DEPARTMENT OF JUSTICE Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1</p> <p>AGC_PGC_TORONTO.TAX-FISC@JUSTICE.GC.CA</p>
AND TO:	<p>MINISTRY OF FINANCE Legal Services Branch 33 King Street West, 6th Floor P.O. Box 327, Stn. A Oshawa, ON L1H 8H5</p> <p>Insolvency.Unit@ontario.ca</p> <p>Leslie Crawford (Law Clerk) Leslie.Crawford@ontario.ca</p>

AND TO:	<p>ASKIT LAW 675 Cochrane Drive, Suite 502N Markham, ON L3R 0B8</p> <p>Yao Zhang Tel: (416) 900-1091, ext. 100 yzhang@askitlaw.com</p> <p><i>Lawyers for Kuo-Tong-Hsieh, the Second Mortgagee</i></p>
AND TO:	<p>YANG JIANG 9 Highview Crescent Richmond Hill, ON L4B 2T6</p> <p>jiangyang818@gmail.com</p>
AND TO:	<p>DEVRY SMITH FRANK LLP 95 Barber Greene Road, Suite 100 Toronto, ON M3C 3E9</p> <p>Oren Chaimovitch Tel: (416) 446-3342 Fax: (416) 449-7071 Oren.chaimovitch@devrylaw.ca</p> <p><i>Lawyers to Emix Ltd., the Landlord of Turuss (Canada) Industry Co., Ltd. o/a Total Hardwood Flooring</i></p>
AND TO:	<p>DALIAN NATURAL WOOD INDUSTRY CO., LTD. 2-3 Zhengang Rpad Baoshui District Dalian City, Liaoning Province China</p> <p>Tina Li naturalwood001@126.com</p>

AND TO:	<p>HEARTLAND PAYMENT SYSTEMS, A GLOBAL PAYMENTS COMPANY</p> <p>Tiffany Cardakovic (Loss Investigator) Tel: 1 (866) 976-7219 tiffany.cardakovic@e-hps.com</p> <p>Kate Novitzky kate.novitzky@globalpay.com</p> <p>James Hodges james.hodges@e-hps.com</p>
AND TO :	<p>DICKINSON WRIGHT LLP 199 Bay Street, Suite 2200 Commerce Court West Toronto, ON M5L 1G4</p> <p>David Preger Tel: 416-646-4606 Fax: (844) 670-6009 DPreger@dickinson-wright.com</p> <p><i>Lawyers for Westmount Park Investments Inc.</i></p>
AND TO :	<p>BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, ON M5C 3G5</p> <p>Eric Golden Tel: (416) 593-3927 Fax: (416) 596-2049 egolden@blaney.com</p> <p>Chad Kopach Tel: (416) 593-2985 ckopach@blaney.com</p> <p><i>Lawyers for 2725612 Ontario Inc.</i></p>

AND TO :	<p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Steven Graff Tel: (416) 865-7726 sgraff@airdberlis.com</p> <p>Tamie Dolny tdolny@airdberlis.com</p> <p><i>Co-Counsel for Chelsea Properties Corp., Chelsea Property Holdings Inc., and Westmount Park Investments Inc.</i></p>
AND TO :	<p>JEFFREY KAUFMAN LAW PROFESSIONAL CORPORATION 201-15 Prince Arthur Ave Toronto, ON M5R 1B2</p> <p>Jeffrey Kaufman Tel: (416) 400-4158 jeffkaufmanlaw@gmail.com</p> <p><i>Co-Counsel for Chelsea Properties Corp., Chelsea Property Holdings Inc., and Westmount Park Investments Inc.</i></p>
AND TO :	<p>CHELSEA PROPERTIES CORP., CHELSEA PROPERTY HOLDINGS INC., AND WESTMOUNT PARK INVESTMENTS INC.</p> <p>Romeo DiBattista rdjr@westmountpark.com</p> <p>Gaurav Chopra gchopra@westmountpark.com</p>
AND TO :	<p>VEYRON WOOD INDUSTRY INC.</p> <p>Lawrence Li (Principal) lilizhenghang@gmail.com</p> <p><i>Shareholder of Chesley Wood Industry Co. Inc.</i></p>

AND TO :	<p>TORYS LLP 79 Wellington Street West, Suite 3300 Toronto, ON M5K 1N2</p> <p>Adam Slavens Tel: 416-865-7333 aslavens@torys.com</p> <p><i>Lawyers for Chesley Wood Industry Co. Inc. and Yang Jiang</i></p>
-----------------	---

Email List

robert.kennedy@dentons.com; thomas.gertner@gowlingwlg.com;
angelica.wilamowicz@gowlingwlg.com; jiangyang818@gmail.com;
Jerry.Henechowicz@mnp.ca; ford.thompson@brucepower.com; diane.winters@justice.gc.ca;
Insolvency.Unit@ontario.ca; Leslie.Crawford@ontario.ca; yzhang@askitlaw.com;
Oren.chaimovitch@devrylaw.ca; naturalwood001@126.com; tiffany.cardakovic@e-hps.com;
kate.novitzky@globalpay.com; james.hodges@e-hps.com; DPreger@dickinson-wright.com;
egolden@blaney.com; ckopach@blaney.com; jeffkaufmanlaw@gmail.com;
sgraff@airdberlis.com; tdolny@airdberlis.com; rdjr@westmountpark.com;
gchopra@westmountpark.com; lilizhenghang@gmail.com; aslavens@torys.com;
AGC_PGC_TORONTO.TAX-FISC@JUSTICE.GC.CA

INDEX

Tab	Document	Page No.
1	Notice of Motion dated December 17, 2023	10
2	Twelfth Report of the dated December 17, 2023	18
A	Appendix “A”: Receivership Order dated September 18, 2020 and corresponding Endorsement	34
B	Appendix “B”: Eleventh Report of the Receiver (without appendices)	52
C	Appendix “C”: Interim Distribution and Discharge Order dated October 13, 2023 and Endorsement	71
D	Appendix “D”: Affidavit of Jerry Henechowicz sworn December 14, 2023	86
E	Appendix “E”: Affidavit of Robert Kennedy sworn December 14, 2023	95
F	Appendix “F”: Final statement of receipts and disbursements	113
3	Draft Final Distribution and Discharge Order	116
4	Blackline to Model Discharge Order	126

TAB 1

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

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

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

**NOTICE OF MOTION
(returnable December 19, 2023)**

MNP Ltd. (“MNP”) in its capacity as the Court-appointed receiver (the “**Receiver**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on December 19, 2023, at 9:00 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard

- In writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.

at the following location 330 University Ave, Toronto, Ontario, via Zoom (the details of which will be provided by the Court at a later date).

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as **TAB 3** of the motion record dated December 17, 2023 (the “**Motion Record**”), for the following relief (the “**Distribution and Discharge Order**”):
 - (a) abridging the time for service of the Notice of Motion, Motion Record and the twelfth report of MNP, in its capacity as Receiver dated October 17, 2023 (the “**Twelfth Report**”) so that this Motion is properly returnable today, and dispensing with further service thereof;
 - (b) authorizing and directing the Receiver to distribute the amount of \$862,282.78 to the shareholders of Chesley Wood Industry Co. Inc., being Dalian Turuss Wood Industry Co. Ltd., and Veyron Wood Industry Inc., on a *pro-rata* basis (the “**Final Distribution**”);
 - (c) approving the fees and disbursements of each of the Receiver as set out in the affidavit of Jerry Henechowicz sworn December 14, 2023 (the “**Henechowicz Affidavit**”), and the fees and disbursements of the Receiver's counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn December 14, 2023 (the “**Kennedy Affidavit**”), and the estimated fees and disbursements to be incurred by the Receiver and Dentons through to the completion of the remaining activities (the “**Remaining Fees**”);
 - (d) authorizing and directing the Receiver to retain an amount equivalent to the Remaining Fees (the “**Fee Holdback**”) and, to pay the Torys fees for the fee period ending November 30, 2023 and fees to conclude the engagement in the amount of \$60,106.60 (the “**Torys Fees**”);
 - (e) approving the final statement of receipts and disbursements dated December 11, 2023 (the “**Final R&D**”);

- (f) approving the Twelfth Report, and the activities of the Receiver as set out therein;
 - (g) discharging and releasing MNP as Receiver, upon the Receiver filing with the Court a certificate (the "**Discharge Certificate**") in the form attached as Schedule "B" to the Distribution and Discharge Order; and
 - (h) such further and other grounds as counsel may advise and this Honourable Court may permit;
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term in the Twelfth Report.

THE GROUNDS FOR THE MOTION ARE:

Distributions and Payments

3. In accordance with the Interim Distribution and Discharge Order dated October 13, 2023, the Receiver has completed the following distributions/payments:
- (a) the CRA Distribution in the amount of \$13,679.40;
 - (b) the Interim Distribution of \$1,700,000 to Chesley Wood and Veyron, on a *pro-rata* basis (84% and \$1,428,000 to Chesley Wood and 16% and \$272,000 to Veyron); and
 - (c) payment of the Torys Fees for the fee period ending September 30, 2023 in the total amount of \$54,477.21.
4. Consistent with the mechanics of completing the Interim Distribution, the Receiver has received the Updated Distribution Documentation from the Stakeholders. The Receiver is prepared to complete the Final Distribution and is of the view that the Final Distribution is reasonable and appropriate in the circumstances.

Fees and Disbursements

5. The Receiver has provided services and incurred disbursements which are described in the Henechowicz Affidavit.

6. Additionally, the Receiver has incurred legal fees of its legal counsel, Dentons, in respect of these proceedings, as more particularly set out in the Kennedy Affidavit.
7. The Receiver and Dentons have implemented reasonable measures to control the time spent and costs incurred in these proceedings.
8. The Receiver requests that this Court approve its accounts for the period of October 2, 2023 to October 30, 2023 in the amount of \$23,665.59, inclusive of disbursements and HST, and approve the accounts of its legal counsel for the period of October 2, 2023 to November 30, 2023 in the amount of \$100,389.60 inclusive of disbursements and HST (collectively, the "**Professional Fees**").
9. The Receiver requests that this Court approve the estimated Remaining Fees in connection with these proceedings, in the amount of \$54,000 (plus HST), as set out in the Twelfth Report.
10. The Receiver submits that the Professional Fees and Remaining Fees, are reasonable in the circumstances and have been validly or will be incurred in accordance with the provisions of the Receivership Order.
11. The Receiver further requests that this Court approve the Receiver's payment of the Torys Fees.

Receipts and Disbursements

12. The R&D reports net final receipts over disbursements, as at December 11, 2023, of \$1,107,464.03. The Receiver respectfully requests that the Court approve the R&D.

Receiver Discharge

13. The Receiver has substantially concluded its administration of the receivership. The remaining tasks to conclude the receivership administration are as follows (collectively, the "**Remaining Activities**"):
 - (a) retaining and administering the Fee Holdback;

- (b) completing the CRA Distribution, payment of the Torys Fees and the Final Distribution;
 - (c) preparation and filing of all remaining post-receivership HST returns and reporting;
 - (d) collection of any available HST refunds (which will be distributed to Chelsey Wood as part of the Final Distribution, or as a further distribution depending on the timing of receipt of any refunds);
 - (e) prepare and file the Receiver's final report as required under section 246(3) of the of the BIA, and other administrative filings; and
 - (f) any incidental tasks that may be required in connection with concluding the receivership proceedings, without limitation, the filing of the Discharge Certificate.
14. To the best of the Receiver's knowledge, following the completion of the Remaining Activities, the Receiver will have completed its administration of the receivership estate in accordance with the terms of the Receivership Order, and the various Orders rendered by the Court in the course of these proceedings. The Receiver is not aware of its services being required for any further purpose other than as set out in this Twelfth Report. Accordingly, the Receiver is seeking its discharge in accordance with the terms of the Distribution and Discharge Order.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING
OF THE MOTION:**

15. The Twelfth Report; and
16. Such further and other material as counsel may advise and this Honourable Court may permit.

DATED: December 17, 2023

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Robert Kennedy (LSO #47407O)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)
Tel: (416) 863-4456
mark.freake@dentons.com

Lawyers for the Receiver

TO: SERVICE LIST

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Applicant

Respondent

ONTARIO

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(returnable December 19, 2023)

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Robert Kennedy (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)

Tel: (416) 863-4456

mark.freake@dentons.com

Lawyers for the Receiver

TAB 2

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

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

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

**TWELFTH REPORT OF MNP LTD. AS RECEIVER AND MANAGER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
TURUSS (CANADA) INDUSTRY CO., LTD.**

December 17, 2023

TABLE OF CONTENTS**Contents**

Introduction.....	4
Purposes of this Twelfth Report	8
Terms of Reference.....	9
Activities to Date	10
Interim Distribution	11
Stakeholder support agreement amendment and Proposed Final Distribution.....	12
Fees and Disbursements.....	13
Receipts and Disbursements	14
Receiver's Discharge	14
Conclusion and Recommendation	15

APPENDICES

- Appendix “A”:** Order of the Ontario Superior Court of Justice (Commercial List) dated September 18, 2020, and corresponding endorsement
- Appendix “B”:** Eleventh Report of the Receiver (without appendices)
- Appendix “C”:** Interim Distribution and Discharge Order and Endorsement
- Appendix “D”:** Affidavit of Jerry Henechowicz sworn December 14, 2023
- Appendix “E”:** Affidavit of Robert Kennedy sworn December 14, 2023
- Appendix “F”:** Final statement of receipts and disbursements as at December 11, 2023

INTRODUCTION

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated September 18, 2020 (the “**Receivership Order**”). A copy of the Receivership Order, together with the corresponding endorsement, is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep sworn September 4, 2020, filed in support of the Receivership Order.
3. Turuss is a federally incorporated entity that previously manufactured, imported and distributed hardwood flooring. Ms. Yang Jiang (“**Jiang**”) is an officer and director of Turuss, and key contact for the Receiver.
4. The Receiver has filed eleven reports and obtained numerous Orders in this receivership proceeding, namely:
 - (a) the Receiver’s first report to the Court, dated October 21, 2020, in support of its motion seeking an order, *inter alia*, authorizing the Receiver to complete a sale process (the “**Sale Process**”) for the Property, including the commercial property and adjacent vacant land located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”). On October 2, 2020, the Court granted an order approving the Sale Process;
 - (b) the Receiver’s second report to the Court, dated November 9, 2020 in support of its motion seeking an order, *inter alia*, directing Jiang to deliver Turuss’ books and records (the “**Books and Records**”) to the Receiver. On November 10, 2020, the Court granted an order which ordered and directed Jiang to deliver all Books and Records to the Receiver;

- (c) the Receiver's third report to the Court, dated January 5, 2021 (the "**Third Report**"), together with the Receiver's supplement to the Third Report, dated January 20, 2021, in support of its motion seeking an order, *inter alia*, extending the Deadline (as such term is defined in the Sale Process) for the submission of offers in the Sale Process from January 11, 2021 to February 26, 2021. On January 11, 2021, the Court granted an order which approved the Deadline extension, and allowed the Receiver to extend the dates and deadlines contemplated in the Sale Process for a total period of no greater than four (4) weeks (up to March 26, 2021);
- (d) the Receiver's fourth report to the Court, dated March 23, 2021, in support of its motion seeking an order, *inter alia*, authorizing the Receiver to further extend the Deadline from March 26 to April 16, 2021, and approving the auction procedures to be implemented by the Receiver in the event there were multiple competitive offers received for the Chesley Property on or before the Deadline. On March 26, 2021, the Court granted an order approving the Deadline extension and auction procedures;
- (e) the Receiver's fifth report to the Court, dated April 13, 2021 (the "**Fifth Report**"), in support of its motion seeking an order, *inter alia*: (i) approving the stalking horse bidding procedures as set out in the Fifth Report, and extending the Deadline to April 30, 2021; and (ii) authorizing the Receiver to execute the Asset Purchase Agreement dated April 13, 2021 between the Receiver and Westmount Park Investments Inc. in respect of the Chesley Property (the "**Stalking Horse Bid**"). On April 14, 2021, the Court granted an Order approving the Stalking Horse Bid and Deadline extension;
- (f) the Receiver's sixth report to the Court, dated May 31, 2021, in support of its motion seeking an order, *inter alia*: (i) approving and authorizing the asset purchase agreement between the Receiver and Chelsea Property Holdings Inc. (the "**Purchaser**") dated May 31, 2021 (as amended) (the "**Chelsea APA**"), and vesting Turuss' right, title and interest, if any, in and to the Chesley Property to the Purchaser, free and clear of any encumbrances, save and except as otherwise contemplated by the Chelsea APA; and (ii) authorizing and directing distributions

to Pillar Capital Corp. (“**Pillar**”) and Kuo-Tong Hsieh (“**Hsieh**”) from the sale proceeds resulting from closing the transaction provided for in the Chelsea APA (the “**Sale Proceeds**”). On June 7, 2021, the Court granted an order approving the transaction provided for in the Chelsea APA, the execution thereof by the Receiver, and authorized and directed the Receiver to take such steps as are necessary and appropriate to facilitate the closing of the transaction. In addition, the Court authorized and directed the Receiver to make the requested distributions to Pillar and Hsieh;

- (g) the Receiver’s supplemental report to the sixth report, dated June 28, 2021, providing the Court with an update on the status of the transaction provided for in the Chelsea APA, and seeking advice and direction in connection with a proposed first amendment to the Chelsea APA. On June 25, 2021, the Court issued an endorsement authorizing the Receiver to execute the amendment and complete the transaction contemplated by the Chelsea APA, as amended;
- (h) the Receiver’s seventh report to the Court, dated July 27, 2021 in support of its motion seeking an order, *inter alia*: (i) authorizing and approving a distribution to Pillar from the Sale Proceeds, in an amount sufficient to repay to Pillar all remaining amounts owing by Turuss in respect of accrued interest and fees, and all remaining amounts owing by the Receiver pursuant to the Receiver’s borrowings; (ii) authorizing and approving the Receiver to distribute to Hsieh from the Sale Proceeds such further funds on account of proper interest and fees owing to Hsieh by Turuss, and (iii) approving and authorizing a claims procedure in respect of claims against Turuss (the “**Claims Procedure**”). On August 3, 2021, the Court granted an order approving all of the aforementioned relief;
- (i) the Receiver’s eighth report to the Court, dated October 25, 2021 in support of its motion seeking an order, *inter alia*, approving and authorizing a distribution from the Sale Proceeds by the Receiver to the unsecured creditors of Turuss with proven claims. On October 29, 2021, the Court granted an order approving the distribution to unsecured creditors;

- (j) the Receiver’s ninth report to the Court, dated July 8, 2022 (the “**Ninth Report**”), in support of its motion seeking an order, *inter alia*, authorizing and directing the Receiver to distribute the remaining sale proceeds in the receivership estate, net of the professional fees, to a Turuss’ bank account held with Royal Bank of Canada (the “**Turuss Distribution**”), and discharging and releasing MNP as Receiver of Turuss, upon the Receiver filing with the Court a receiver’s certificate, as further contemplated in the Ninth Report. On July 18, 2022, the Court granted an Order approving the Receiver’s activities and fees for the periods set out in the Ninth Report (the “**Approval Order**”) and also issued an endorsement (“**July 18 Endorsement**”), which directed the Receiver to consult with the Stakeholders with respect to the distribution of the residual sale proceeds, and to report back to the Court with an alternative distribution plan concerning the Turuss Distribution (such relief was adjourned *sine die*);
- (k) the Receiver’s tenth report to the Court, dated June 26, 2023 (the “**Tenth Report**”), in support of its motion seeking:
- (i) an order (the “**Chesley Wood Claims Procedure Order**”):
 - (1) appointing MNP as claims officer (in such capacity, the “**Claims Officer**”) with respect to Chesley Wood Industry Co. Inc. (“**Chesley Wood**”) for the limited purpose of administering a claims procedure (the “**Chesley Wood Claims Procedure**”); and
 - (2) authorizing and approving the Chesley Wood Claims Procedure and authorizing, directing and empowering the Claims Officer to implement and carry out the Chesley Wood Claims Procedure;
 - (ii) an order (the “**SSA Approval Order**”) approving the Stakeholder Support Agreement, and approving and authorizing the execution of the Stakeholder Support Agreement by the Receiver. On June 28, 2023, the Court granted the Chesley Wood Claims Procedure Order, the SSA Approval Order, and appointed MNP as Claims Officer.

- (1) the Receiver’s eleventh report and the Claims Officer’s first report to the Court, dated October 10, 2023 (collectively, the “**Eleventh Report**”), a copy of which is attached as **Appendix “B”** (without appendices) in support of its motion (the “**October 13 Motion**”) seeking a distribution and discharge order, among other things.
5. On October 13, 2023, the Court granted an interim distribution and discharge order (the “**Interim Distribution and Discharge Order**”) that, among other things:
- (a) authorized and directed the Receiver to distribute the amount of \$13,679.40 to Canada Revenue Agency in full and final satisfaction of the CRA claim (the “**CRA Distribution**”);
 - (b) following the payment of the CRA Distribution, authorized and directed the Receiver to distribute the amount of \$1,700,000 to the Chesley Wood shareholders on a *pro-rata* basis (the “**Interim Distribution**”); and
 - (c) discharged and released MNP as Claims Officer.

A copy of the Interim Distribution and Discharge Order, together with the accompanying endorsement, is attached as **Appendix “C”**.

PURPOSES OF THIS TWELFTH REPORT

6. The purpose of this twelfth report of the Receiver dated December 17, 2023 (the “**Discharge Report**”) is to provide the Court with information regarding:
- (a) the Receiver’s activities since the time of filing the Eleventh Report and the granting of the Interim Distribution and Discharge Order;
 - (b) the Receiver’s recommendation for an order (the “**Final Distribution and Discharge Order**”):
 - (i) authorizing and directing the Receiver to distribute the amount of \$862,282.78 to the shareholders of Chesley Wood, being Dalian Turuss

Wood Industry Co. Ltd. (“**Dalian**”) and Veyron Wood Industry Inc. (“**Veyron**”), on a *pro-rata* basis (the “**Final Distribution**”);

- (ii) approving the fees and disbursements of the Receiver as set out in the affidavit of Jerry Henechowicz sworn December 14, 2023, the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn December 14, 2023 (together, the “**Fee Affidavits**”), and the current and estimated fees and disbursements to be incurred by the Receiver and Dentons through to the completion of the remaining activities, as described herein;
- (iii) authorizing and directing the Receiver to retain the Fee Holdback (as defined herein), and pay the Torys fees for the fee period ending November 30, 2023 and fees to conclude the engagement in the amount of \$60,106.60 (the “**Torys Fees**”);
- (iv) approving the final statement of receipts and disbursements dated December 11, 2023 (the “**Final R&D**”);
- (v) approving this Twelfth Report, and the activities of the Receiver as set out herein;
- (vi) discharging and releasing MNP as Receiver, upon the Receiver filing with the Court a certificate in the form attached as Schedule “B” to the draft Final Distribution and Discharge Order (the “**Discharge Certificate**”); and
- (vii) granting such further and other relief as counsel may advise and this Court may permit.

TERMS OF REFERENCE

7. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term in the Eleventh Report.

8. In preparing this Twelfth Report, the Receiver has relied on unaudited financial and other information regarding Turuss, Chesley Wood and each of the parties assets which includes, but is not limited to, the following information (collectively the “**Information**”):
 - (a) as provided by Jiang, which includes Turuss’ and Chesley Wood’s available books and records;
 - (b) obtained in discussions with creditors and the Stakeholders (and their counsel), generally; and
 - (c) as otherwise available to the Receiver and its counsel.
9. Except as described in this Twelfth Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
10. All currency references are in Canadian Dollars unless otherwise specified.
11. Information regarding the receivership proceedings has been posted to the Receiver’s case website at www.mnpdebt.ca/turuss (the “**Website**”).

ACTIVITIES TO DATE

12. Since the date of the Eleventh Report, the Receiver’s activities include:
 - (a) updating the Website, as necessary;
 - (b) continuing discussions and consultations with the Stakeholders (and their counsel) regarding the Final Distribution;
 - (c) preparing a second amendment to the Amended Stakeholder Support Agreement;
 - (d) completing the CRA Distribution, payment of the Torys Fees and the Interim Distribution;
 - (e) considering and preparing the necessary documentation to support the proposed Final Distribution; and

- (f) preparing this Twelfth Report.

INTERIM DISTRIBUTION

13. Prior to the October 13 Motion, the Receiver consulted with the Stakeholders and tax counsel regarding the most efficient method to complete the Interim Distribution to Chelsey Wood (as sole shareholder of Turuss). Following such consultations, the Receiver obtained the following documents to facilitate the Interim Distribution as a return of stated capital (collectively, the “**Distribution Documentation**”):
 - (a) first, a Turuss resolution executed by Chelsey Wood, as the sole shareholder, authorizing the reduction of the stated capital account of Turuss by \$1,700,000, by way of a distribution to Chesley Wood in the amount of \$1,700,000;
 - (b) second, a Chesley Wood resolution executed by Dalian and Veyron, as the shareholders of Chelsey Wood, authorizing the reduction of the stated capital of Chelsey Wood by \$1,700,000, by way of a *pro-rata* distribution to the shareholders; and
 - (c) third, a direction executed by Chelsey Wood, Dalian and Veyron authorizing and directing the Receiver to distribute the Interim Distribution direct to Dalian and Veyron (the “**Direction**”).
14. On October 17, 2023, the Receiver completed the Interim Distribution in accordance with the Interim Distribution and Discharge Order and Direction.
15. On November 7, 2023, the Receiver coordinated a conference call with representatives of Turuss, Chesley Wood, Dalian and Veyron to discuss the completion of the Interim Distribution, next steps to finalize the Turuss receivership proceedings and complete a final distribution of the funds held by the Receiver. During the conference call, the Receiver confirmed the receipt by each of Dalian and Veyron of their *pro-rata* share of the Interim Distribution.

STAKEHOLDER SUPPORT AGREEMENT AMENDMENT AND PROPOSED FINAL DISTRIBUTION

16. As at December 11, 2023, the Remaining Cash held by Receiver totals \$1,107,464.03, as set forth in the Final R&D. The Receiver notes that there may be future collection of HST refunds and as a result, in addition to the approval of the Final Distribution, the Receiver will also seek approval to distribute future HST refunds to Chesley Wood directly (if any).
17. The Receiver is satisfied that all claims against Turuss have been finally determined and paid pursuant to the Claims Procedure Order, and that all claims against Chesley Wood have been determined and paid pursuant to the Chesley Wood Claims Procedure Order.
18. As noted above, the Receiver, Chesley Wood, Turuss, Dalian and Veyron have negotiated a second amendment to the Amended Stakeholder Support Agreement (the “**Second Amendment**”). The Second Amendment has been executed by the parties to, among other things, evidence the parties ongoing support to complete the Final Distribution, and also extend the distribution plan deadline from October 17, 2023 to January 15, 2024.
19. With respect to the Final Distribution, the Receiver has received updated Distribution Documentation from the Stakeholders to support the Final Distribution. In summary this documentation includes (the “**Updated Distribution Documentation**”):
 - (a) an executed Second Amendment;
 - (b) a December 15, 2023 Turuss resolution executed by Chelsey Wood, as the sole shareholder, authorizing the reduction of the stated capital account of Turuss by \$862,282.78, by way of a distribution to Chesley Wood in the amount of \$862,282.78;
 - (c) a December 15, 2023 Chesley Wood resolution executed by Dalian and Veyron, as the shareholders of Chelsey Wood, authorizing the reduction of the stated capital of Chelsey Wood by \$862,272.78, by way of a *pro-rata* distribution to the shareholders; and

- (d) third, a direction executed by Chelsey Wood, Dalian and Veyron authorizing and directing the Receiver to distribute the Interim Distribution direct to Dalian and Veyron.
20. Consistent with the mechanics to facilitate the Interim Distribution (as described in paragraph 13), the Receiver is proposing to complete the Final Distribution in the same manner and in accordance with Updated Distribution Documentation. In this regard, the Receiver is of the view that the Final Distribution is reasonable and appropriate in the circumstances.

FEES AND DISBURSEMENTS

21. The Receiver has provided services and incurred disbursements during the period of October 2, 2023 to October 27, 2023 totaling \$23,665.59 inclusive of disbursements and applicable HST as set out in the Henechowicz Affidavit. A copy of the Henechowicz Affidavit is attached hereto as **Appendix “D”**.
22. Additionally, the Receiver has incurred legal fees of their legal counsel, Dentons, in respect of these proceedings, as more particularly set out in the Kennedy Affidavit. A copy of the Kennedy Affidavit attached hereto as **Appendix “E”**.
23. The Receiver requests that this Court approve their accounts as set forth above, and approve the accounts of its legal counsel for the period of October 2, 2023 to November 28, 2023 in the amount of \$100,389.60 inclusive of disbursements and HST (collectively, the **“Professional Fees”**).
24. The Receiver and Dentons will incur additional fees as they complete the Remaining Activities (as defined herein) (the **“Remaining Fees”**). The Receiver respectfully requests that the Court authorize and direct the Receiver to retain the amount of \$54,000 (plus HST) from the Remaining Cash (the **“Fee Holdback”**) to satisfy the Remaining Fees.
25. The Receiver submits that the Professional Fees, including the Remaining Fees to be incurred, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order.

26. As noted in the Eleventh Report, Chesley Wood retained Torys to act as its counsel to assist with matters associated with the Chesley Wood Claims Procedure and Amended Stakeholder Support Agreement (the “**Engagement**”). In accordance with paragraph 14 of the Chesley Wood Claims Procedure Order, counsel to Chesley Wood is entitled to the benefit of the Receiver’s Charge (as defined in the Receivership Order). The Receiver was informed by Torys that fees and disbursements have been rendered in connection with the Engagement for the period ending November 30, 2023 in the amount of \$42,106.06 (inclusive of HST) and that additional fees and disbursements will be incurred to conclude the Engagement in the amount of approximately \$18,000 (inclusive of HST) (collectively, the “**Torys Fees**”). The Receiver intends to pay the Torys Fees in accordance with the Chesley Wood Claims Procedure Order.

RECEIPTS AND DISBURSEMENTS

27. The Final R&D reports net final receipts over disbursements, as at December 11, 2023, of \$1,107,464.03. The Receiver respectfully requests that the Court approve the Final R&D. A copy of the R&D is attached hereto as **Appendix “F”**.

RECEIVER’S DISCHARGE

28. Subject to the below, the Receiver has substantially concluded its administration of the receivership. The remaining tasks to conclude the receivership administration are as follows (collectively, the “**Remaining Activities**”):
- (a) retaining and administering the Fee Holdback, and paying the Torys Fees;
 - (b) completing the Final Distribution;
 - (c) preparation and filing of all remaining post-receivership HST returns and reporting;
 - (d) collection of any available HST refunds (which will be distributed to Chelsey Wood as part of the Final Distribution, or as a further distribution depending on the timing of receipt of any refunds);
 - (e) prepare and file the Receiver’s final report as required under section 246(3) of the of the BIA, and other administrative filings; and

- (f) any incidental tasks that may be required in connection with concluding the receivership proceedings including, without limitation, the filing of the Discharge Certificate.
29. To the best of the Receiver's knowledge, following the completion of the Remaining Activities, the Receiver will have completed its administration of the receivership estate in accordance with the terms of the Receivership Order, and the various Orders rendered by the Court in the course of these proceedings. The Receiver is not aware of its services being required for any further purpose other than as set out in this Discharge Report. Accordingly, the Receiver is seeking its discharge in accordance with the terms of the Distribution and Discharge Order.

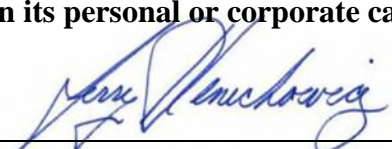
CONCLUSION AND RECOMMENDATION

30. Based on the foregoing and as outlined in this Twelfth Report, the Receiver respectfully request that this Court issue the Order outlined in paragraph 6(b) above.

All of which is respectfully submitted this 17th day of December, 2023.

MNP Ltd, in its capacity as the Court-appointed Receiver and Manager of Turuss (Canada) Industry Co., Ltd. and not in its personal or corporate capacity

Per: _____


Jerry Henechowicz CPA, CA, CIRP, LIT
Senior Vice President

Appendix “A”
to the Twelfth Report of the Receiver

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST



THE HONOURABLE
MR. JUSTICE HAINEY

)
)
)

FRIDAY, THE 18TH
DAY OF SEPTEMBER, 2020

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

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. ("MNP") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by judicial videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic,

ON READING the affidavit of Steve Dizep sworn September 4, 2020 and the Exhibits thereto, the pre-filing report of the proposed Receiver dated September 15, 2020, and the exhibits thereto (collectively, the "Pre-Filing Report"), and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Angelica Wilamowicz sworn September 10, 2020, and on reading the consent of MNP to act as the Receiver.

APPOINTMENT

1. THIS COURT ORDERS that pursuant to section 243(1) of the BIA, and section 101 of the CJA, MNP is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor and all proceeds thereof (collectively, the "Property"), including but not limited to the lands and premises listed in Schedule "A" hereto (the "Real Property").

RECEIVER'S POWERS

2. 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 Debtor, 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 Debtor;
- (d) to engage consultants, appraisers, agents, real estate brokers, 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;

- 3 -

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, 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 Debtor, 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;

- 4 -

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.

- (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 including as against the Real 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 Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

DISTRIBUTION OF RENTAL REVENUE

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to distribute to the Applicant leasing revenue generated from the Real Property, either in whole or in part, up to the amount of the total indebtedness owing to the Applicant, subject to the Applicant entering into the Reimbursement Agreement (as defined in the Pre-Filing Report), substantially in the form attached to the Pre-Filing Report.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its 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 Debtor, 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

- 2 -

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 DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 Debtor 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 Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory

- 3 -

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 Debtor, 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 Debtor 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 Debtor 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 Debtor's 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 Debtor 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 Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such

- 4 -

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

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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. 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

17. 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

18. 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.

19. 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 Commercial List of the Ontario Superior Court of Justice.

20. 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

21. 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 \$750,000 (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.

22. 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.

23. 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.

24. 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

25. 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. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://mnpdebt.ca/en/corporate/corporate-engagements/Turuss>.

26. 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that

- 7 -

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

27. THIS COURT ORDERS that the Receiver is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and nothing in this Order shall prevent the Receiver from acting as trustee in the Debtor's bankruptcy.

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 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.

30. 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.

31. 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 Debtor's estate with such priority and at such time as this Court may determine.

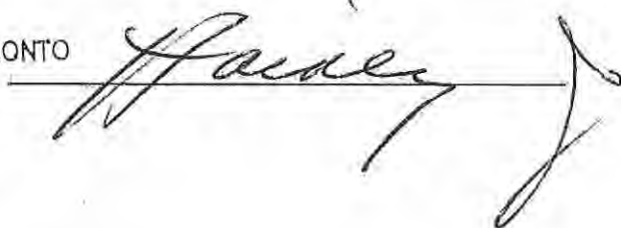
32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

SEP 2 1 2020

TOR_LAWA 1044253616

PER / PAR:

SCHEDULE "A"

DESCRIPTION OF REAL PROPERTY

The lands and premises municipally known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario and legally described as:

- PIN 33183-0177 (LT): PT PARKLT T, U PL 217 PT 6 ,7 3R7734; MUNICIPALITY OF ARRAN-ELDERSLIE
- PIN 33183-0178 (LT): LT 13-34, 36-47, 50-61, 65-76, 80-91, 96-101 PL 310; MCGAW ST, HIGH ST PL 310 S/T & T/W R376714; PT PARKLT T, U PL 217 & PT RIVER ST PL 310 CLOSED BY CH7716, PT 1 & 5 3R7740, PT 1, 2, 4 3R7734; PT FAIRVIEW AV, RIVER ST PL 310 PT 1, 2, 4 3R4763, PT 11 3R7734 CLOSED BY R374503, PT 1, 2, 3 3R6870 CLOSED BY R339205, PT 6, 7 3R4763 CLOSED BY CH7716; PT LANE PL 310 CLOSED BY CH7716, BTN LT 13 TO 22 PL 310; LANE LYING NORTHERLY OF LT 23 TO 32, PL 310; PT LANE PL 310 LYING EASTERLY AND ABUTTING LT 32 TO 34, PL 310 CLOSED BY R374503 PT 7, 8, 9 3R7740; LANE PL 310 BTN HIGH ST AND MCGRAW ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN RIVER ST AND HIGH ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN LT 40 TO 43, 54 TO 57, 69 TO 72, 84 TO 87, 100 & 101 PL 310, CLOSED BY R374503; LANE PL 310 BTN LT 100 & 101; PT LORNE ST PL 310 PT 3 3R7740, S/T R377152, PT 9, 10 3R7734, S/T R375072, CLOSED BY R374503; S/T R278375, R324241, R356491, R356492, R380920, R380921; MUNICIPALITY OF ARRAN-ELDERSLIE

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 Turiss (Canada) Industry Co., Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 18th day of September, 2020 (the "Order") made in an action having Court file number CV-20-00646729-00CL, 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.

- 2 -

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:

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Applicants
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

Respondent

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

GOWLING WLG (CANADA) LLP

Barristers & Solicitors

1 First Canadian Place

100 King Street West, Suite 1600

Toronto ON M5X 1G5

Tel: 416-862-7525

Fax: 416-862-7661

Thomas Gertner (LSO# 67756S)

Tel: 416-369-4618

thomas.gertner@gowlingwlg.com

Solicitors for the Applicant

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Pillar Capital Corp
Plaintiff(s)

AND

Taurus (Canada) Treasury
Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- Order Direction for Registrar (No formal order need be taken out)
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: _____
 Time Table approved (as follows):

*(1) Order to go on the terms of the attached.
Haining
September 18, 2020*

_____ Date

_____ Judge's Signature

Additional Pages _____

Appendix “B”
to the Twelfth Report of the Receiver

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

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

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

**ELEVENTH REPORT OF MNP LTD. AS RECEIVER AND MANAGER OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
TURUSS (CANADA) INDUSTRY CO., LTD.**

- and -

FIRST REPORT OF MNP LTD. AS CLAIMS OFFICER

October 10, 2023

TABLE OF CONTENTS

Contents

Introduction..... 4

Purposes of this Eleventh Report..... 8

Terms of Reference..... 9

Activities to Date 10

Stakeholder Support Agreement..... 11

Status of the Chesley Wood Claims Procedure 12

Proposed Distributions..... 13

Fees and Disbursements..... 14

Receipts and Disbursements 15

Receiver’s and Claims Officer’s Discharge..... 15

Conclusion and Recommendation 17

APPENDICES

- Appendix “A”:** Order of the Ontario Superior Court of Justice (Commercial List) dated September 18, 2020, and its corresponding endorsement.
- Appendix “B”:** Ninth Report of the Receiver (without appendices)
- Appendix “C”:** Tenth Report of the Receiver (without appendices)
- Appendix “D”:** Stakeholder Support Agreement and Amendment
- Appendix “E”:** Jiang Claim (together with withdrawal notice) and CRA Claim
- Appendix “F”:** Affidavit of Jerry Henechowicz, dated October 5, 2023
- Appendix “G”:** Affidavit of Robert Kennedy, dated October 10, 2023
- Appendix “H”:** Final statement of receipts and disbursements as at October 3, 2023

INTRODUCTION

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated September 18, 2020 (the “**Receivership Order**”). A copy of the Receivership Order and its corresponding endorsement is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep sworn September 4, 2020, filed in support of the Receivership Order.
3. Turuss is a federally incorporated entity that previously manufactured, imported and distributed hardwood flooring. Ms. Yang Jiang (“**Jiang**”) is an officer and director of Turuss, and key contact for the Receiver and Claims Officer (as defined herein).
4. The Receiver has filed ten (10) reports and obtained numerous Orders in this receivership proceeding, namely:
 - (a) the Receiver’s first report to the Court, dated October 21, 2020, in support of its motion seeking an order, *inter alia*, authorizing the Receiver to complete a sale process (the “**Sale Process**”) for the Property. On October 2, 2020, the Court granted an order approving the Sale Process and authorized the Receiver to commence such Sale Process for the sale of Property (the “**Sale Process Order**”), including the commercial property and adjacent vacant land located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”);
 - (b) the Receiver’s second report to the Court, dated November 9, 2020 in support of its motion seeking an order, *inter alia*, directing Jiang to deliver Turuss’ books and records (the “**Books and Records**”) to the Receiver. On November 10, 2020, the Court granted an order which ordered and directed Jiang to deliver all Books and Records to the Receiver;

- (c) the Receiver's third report to the Court, dated January 5, 2021 (the "**Third Report**"), together with the Receiver's supplement to the Third Report, dated January 20, 2021, in support of its motion seeking an order, *inter alia*, extending the Deadline (as such term is defined in the Sale Process) for the submission of offers in the Sale Process from January 11, 2021 to February 26, 2021. On January 11, 2021, the Court granted an order which approved such Deadline extension, and allowed the Receiver to extend the dates and deadlines contemplated in the Sale Process for a total period of no greater than four (4) weeks (up to March 26, 2021);
- (d) the Receiver's fourth report to the Court, dated March 23, 2021, in support of its motion seeking an order, *inter alia*, authorizing the Receiver to further extend the Deadline from March 26 to April 16, 2021, and approving the auction procedures to be implemented by the Receiver in the event there were multiple competitive offers received for the Chesley Property on or before the Deadline. On March 26, 2021, the Court granted an order approving such Deadline extension and auction procedures;
- (e) the Receiver's fifth report to the Court, dated April 13, 2021 (the "**Fifth Report**"), in support of its motion seeking an order, *inter alia*: (i) approving the stalking horse bidding procedures as set out in the Fifth Report, and extending the Deadline to April 30, 2021; and (ii) authorizing the Receiver to execute the Asset Purchase Agreement dated April 13, 2021 (the "**Stalking Horse Bid**") between the Receiver and Westmount Park Investments Inc. in respect of the Chesley Property. On April 14, 2021, the Court granted an Order approving such stalking horse bidding procedures and Deadline extension, and authorizing the Receiver to execute the Stalking Horse Bid;
- (f) the Receiver's sixth report to the Court, dated May 31, 2021, in support of its motion seeking an order, *inter alia*: (i) approving and authorizing the asset purchase agreement between the Receiver and Chelsea Property Holdings Inc. (the "**Purchaser**") dated May 31, 2021 (as amended) (the "**Chelsea APA**"), and vesting Turuss' right, title and interest, if any, in and to the Chesley Property to the Purchaser, free and clear of any encumbrances, save and except as otherwise

contemplated by the Chelsea APA; and (ii) authorizing and directing distributions to Pillar Capital Corp. (“**Pillar**”) and Kuo-Tong Hsieh (“**Hsieh**”) from the sale proceeds resulting from closing the transaction provided for in the Chelsea APA (the “**Sale Proceeds**”). On June 7, 2021, the Court granted an order approving the transaction provided for in the Chelsea APA, the execution thereof by the Receiver, and authorized and directed the Receiver to take such steps as are necessary and appropriate to facilitate the closing of the transaction. In addition, the Court authorized and directed the Receiver to make the requested distributions to Pillar and Hsieh;

- (g) the Receiver’s supplemental report to the sixth report, dated June 28, 2021, provided the Court with an update on the status of the transaction provided for in the Chelsea APA, and sought advice and direction in connection with a proposed first amendment to the Chelsea APA. On June 25, 2021, the Court issued an endorsement authorizing the Receiver to execute the amendment and complete the transaction contemplated by the Chelsea APA, as amended;
- (h) the Receiver’s seventh report to the Court, dated July 27, 2021 in support of its motion seeking an order, *inter alia*: (i) authorizing and approving a distribution to Pillar from the Sale Proceeds, in an amount sufficient to repay to Pillar all remaining amounts owing by Turuss in respect of accrued interest and fees, and all remaining amounts owing by the Receiver pursuant to the Receiver’s borrowings; (ii) authorizing and approving the Receiver to distribute to Hsieh from the Sale Proceeds such further funds on account of proper interest and fees owing to Hsieh by Turuss, and (iii) approving and authorizing a claims procedure (the “**Claims Procedure**”). On August 3, 2021, the Court granted an order approving all of the aforementioned relief;
- (i) the Receiver’s eighth report to the Court, dated October 25, 2021 in support of its motion seeking an order, *inter alia*, approving and authorizing a distribution from the Sale Proceeds by the Receiver to the unsecured creditors of Turuss with proven claims. On October 29, 2021, the Court granted an order approving the distribution to unsecured creditors;

- (j) the Receiver's ninth report to the Court, dated July 8, 2022 (the "**Ninth Report**"), a copy of which (without appendices) is attached as **Appendix "B"**, in support of its motion seeking an order, *inter alia*, authorizing and directing the Receiver to distribute the remaining sale proceeds in the receivership estate, net of the professional fees, to a Turuss' bank account held with Royal Bank of Canada (the "**Turuss Distribution**"), and discharging and releasing MNP as Receiver of Turuss, upon the Receiver filing with the Court a receiver's certificate, as further contemplated in the Ninth Report. On July 18, 2022, the Court granted an Order approving the Receiver's activities and fees for the periods set out in the Ninth Report (the "**Approval Order**") and also issued an endorsement ("**July 18 Endorsement**"), which directed the Receiver to consult with the Stakeholders (as defined herein) with respect to the distribution of the residual sale proceeds, and to report back to the Court with an alternative distribution plan concerning the Turuss Distribution (such relief was adjourned *sine die*); and
- (k) the Receiver's tenth report to the Court, dated June 26, 2023 (the "**Tenth Report**"), a copy of which (without appendices) is attached as **Appendix "C"**, in support of its motion seeking:
- (i) an order (the "**Chesley Wood Claims Procedure Order**"), *inter alia*:
 - (1) appointing MNP as claims officer (in such capacity, the "**Claims Officer**") with respect to Chesley Wood Industry Co. Inc. ("**Chesley Wood**") for the limited purpose of administering a claims procedure (the "**Chesley Wood Claims Procedure**");
 - (2) authorizing and approving the Chesley Wood Claims Procedure and authorizing, directing and empowering the Claims Officer to implement and carry out the Chesley Wood Claims Procedure; and
 - (ii) an order (the "**SSA Approval Order**") approving the Stakeholder Support Agreement (as defined herein), and approving and authorizing the execution of the Stakeholder Support Agreement by the Receiver.

5. On June 28, 2023, the Court granted each of the Chesley Wood Claims Procedure Order and SSA Approval Order, and appointed MNP as Claims Officer.

PURPOSES OF THIS ELEVENTH REPORT

6. The purpose of this eleventh report of the Receiver and first report of the Claims Officer dated October 10, 2023 (the “**Discharge Report**”) is to provide the Court with information regarding:
 - (a) the Receiver’s and the Claims Officer’s activities since the time of filing the Tenth Report and the granting of the Chesley Wood Claims Procedure Order;
 - (b) an update in connection with the status of the Chesley Wood Claims Procedure;
 - (c) the Receiver’s and the Claims Officer’s recommendation for an order (the “**Distribution and Discharge Order**”):
 - (i) abridging the time for service of this Notice of Motion, the Motion Record and the Discharge Report so that this Motion is properly returnable on October 13, 2023, and dispensing with further service thereof;
 - (ii) authorizing and directing the Receiver to distribute from the Remaining Cash (as defined herein) the amount of \$13,79.40 to Canada Revenue Agency (the “**CRA Distribution**”) in full and final satisfaction of the CRA Claim (as defined herein);
 - (iii) following the payment of the CRA Distribution, authorizing and directing the Receiver to distribute the remaining funds in the receivership estate including any additional recoveries from the assets of Turuss (the “**Remaining Cash**”), net of the payment of the Professional Fees (as defined herein), the Fee Holdback (as defined herein) and payment of the Torys Fees (as defined herein), 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 the 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 current and estimated fees and disbursements to be incurred by the Receiver and Dentons through to the completion of the remaining activities, as described herein;

- (e) authorizing and directing the Receiver to retain the Fee Holdback and pay the Torys Fees;
- (f) approving this Discharge Report, and the activities of the Receiver and the Claims Officer as set out herein;
- (g) approving the final statement of receipts and disbursements dated October 10, 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 certificate in the form attached as Schedule "A" to the draft Order (the "**Discharge Certificate**"); and
- (i) granting such further and other relief as counsel may advise and this Court may permit.

TERMS OF REFERENCE

7. In preparing this Discharge Report, the Receiver and Claims Officer have relied on unaudited financial and other information regarding Turuss, Chesley Wood and each of the parties assets which includes, but is not limited to, the following information (collectively the "**Information**"):
 - (a) as provided by Jiang, which includes Turuss' and Chesley Wood's available books and records;
 - (b) obtained in discussions with creditors and stakeholders, generally;
 - (c) as provided by a former employee of Turuss, who was retained by the Receiver on a contract basis; and

- (d) as otherwise available to the Receiver and its counsel.
- 8. Except as described in this Discharge Report, the Receiver and the Claims Officer have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
- 9. All currency references are in Canadian Dollars unless otherwise specified.
- 10. Information regarding the receivership proceedings has been posted to the Receiver's case website at www.mnpdebt.ca/turuss (the "**Website**").

ACTIVITIES TO DATE

- 11. Since the date of the Tenth Report, the Receiver's activities include:
 - (a) updating the Website, as necessary;
 - (b) continuing discussions and consultations with the Stakeholders regarding the distribution of the Remaining Cash;
 - (c) reviewing the tax implications associated with the proposed Final Distribution; and
 - (d) preparing this Discharge Report.
- 12. Since the date of the Tenth Report, the Claims Officer's activities include:
 - (a) administering the Chesley Wood Claims Procedure;
 - (b) continuing discussions and consultations with the Stakeholders regarding the Chesley Wood Claims Procedure and distribution matters; and
 - (c) preparing this Discharge Report.

STAKEHOLDER SUPPORT AGREEMENT

13. Following the distributions to Turuss' secured and unsecured creditors as outlined in paragraphs 4(h) and (i), above, the Receiver remained in possession of the Remaining Cash.
14. In order to ascertain which parties might have a proper and valid claim to the Remaining Cash, the Receiver conducted a review of the books and records of Turuss to identify its current shareholders, directors and officers. The Receiver also reviewed the available books and records of Chesley Wood, being the 100% shareholder of Turuss.
15. Based on that review, the Receiver understands that Chesley Wood is a holding company with no active operations. The Receiver also reviewed, in turn, the books and records of Chesley Wood and determined that Dalian Turuss Wood Industry Co., Ltd. ("**Dalian**") owns 84% of the outstanding common shares of Chesley Wood, and Veyron Wood Industry Inc. ("**Veyron**") owns the remaining 16% of Turuss' outstanding common shares.
16. From about July 2022 to April 2023, the Receiver engaged in various meetings and discussions with the Turuss equity holders and principals, namely Chesley Wood, Dalian, Veyron, Zhenghang (Lawrence) Li ("**Lawrence**") and Jiang (collectively, the "**Stakeholders**").
17. In April 2023, consistent with the July 18 Endorsement, the Stakeholders, together with the Receiver, reached an agreement on a plan for the determination of claims against Chesley Wood and the distribution of the Remaining Cash (the "**Stakeholder Support Agreement**"). An amendment to the Stakeholder Support Agreement has been circulated to the parties (effective September 7, 2023) to, among other things, extend the distribution plan deadline from September 8, 2023 to October 17, 2023 (the "**Amendment**", and together with the Stakeholder Support Agreement, the "**Amended Stakeholder Support Agreement**"). As at the date of this Discharge Report, the Amendment has been executed by all the parties, save and except for Veyron and Lawrence. The Receiver intends on delivering a fully executed copy of the Amendment to the service list prior to the October

13, 2023 motion date. A copy of the Stakeholder Support Agreement and Amendment (not fully executed) are attached as **Appendix “D”**.

18. In summary, the Amended Stakeholder Support Agreement provides that:
- (a) the Claims Officer would be appointed to administer the Chesley Wood Claims Procedure in order to identify and determine all creditor claims against Chesley Wood;
 - (b) the Claims Officer / Receiver would pay all proven claims submitted pursuant to the Chesley Wood Claims Procedure; and
 - (c) following: (i) completion of the Chesley Wood Claims Procedure; (ii) payment of proven claims against Chesley Wood and other amounts secured by Court ordered charges; and (iii) the Receiver’s and Claims Officer’s discharges, the Remaining Cash would be distributed to Chesley Wood.
19. As noted above, the Stakeholder Support Agreement was approved pursuant to the SSA Approval Order. A summary of the status of the Chesley Wood Claims Procedure is set out below.

STATUS OF THE CHESLEY WOOD CLAIMS PROCEDURE

20. Capitalized terms used but not otherwise defined in this section have the meaning ascribed to them in to the Chesley Wood Claims Procedure Order.
21. Pursuant to the Chesley Wood Claims Procedure Order, the Claims Officer administered and implemented the Chesley Wood Claims Procedure which consisted of, *inter alia*:
- (a) the Claims Officer publishing and advertising its Notice to Creditors, and distributing a copy of the Claim Document Package to any Person: (i) who claimed to be a Creditor, and (ii) requested such material in writing;
 - (b) posting a copy of the Chesley Claims Procedure Order and Claim Document Package on the Website;

- (c) responding to any inquiries of any Person in relation to the Chesley Wood Claims Procedure; and
 - (d) reviewing all Proofs of Claim in accordance with the terms of the Chesley Wood Claims Procedure Order.
22. On or before the Claims Bar Date, two Creditors filed a Claim. The following were the Claims received by the Claims Officer:
- (a) Jiang delivered a Claim to the Claims Officer in the amount of \$2,336,271.49 (the “**Jiang Claim**”). The Jiang Claim was subsequently withdrawn by Jiang in writing on September 7, 2023 (the “**Jiang Withdrawal**”); and
 - (b) the CRA delivered a Claim to the Claims Officer in the amount of \$13,679.40 (the “**CRA Claim**”). The Claims Officer has accepted the CRA Claim as a proven claim pursuant to the Chesley Wood Claims Procedure Order (such determination is supported by Chesley Wood) (the “**CRA Claim**”). A copy of the Jiang Claim (together with the Jiang Withdrawal) and CRA Claim are attached hereto as **Appendix “E”**.
23. All matters associated with the Chesley Wood Claims Procedure are now complete.

PROPOSED DISTRIBUTIONS

24. As at October 3, 2023, the Remaining Cash held by Receiver equals \$3,071,752.87. The Receiver notes that there may be future collection of HST refunds and as a result, in addition to the approval of the Final Distribution, the Receiver will also seek approval to distribute future HST refunds to Chesley Wood directly (if any).
25. The Receiver is satisfied that all claims against Turuss have been finally determined and paid pursuant to the Claims Procedure Order, and that all claims against Chesley Wood have been determined pursuant to the Chesley Wood Claims Procedure Order.
26. Accordingly, consistent with the Stakeholder Support Agreement, the Receiver seeks the Court’s authorization and direction to complete:

- (a) first, the CRA Distribution in the amount of \$13,679.40; and
 - (b) second, after payment of the Professional Fees (as defined herein) and Torys Fees, and retention of the Fee Holdback, the Final Distribution of the Remaining Cash to Chesley Wood.
27. Based upon the Receiver's review of the Turuss minute book and the tax attributes associated with the Final Distribution, the Receiver is of the view that the Final Distribution to Chesley Wood would constitute a return of capital which is not subject to any withholding taxes. As noted in the Receiver's Ninth Report, Chesley Wood holds 9,436,000 common shares of Turuss issued at USD1,00 per share; the Final Distribution will be insufficient to satisfy the return of capital on account of the Chesley Wood shareholding in Turuss.

FEES AND DISBURSEMENTS

28. The Receiver and the Claims Officer have each provided services and incurred disbursements during the period of May 1, 2023 to September 29, 2023 totaling \$38,469.15 inclusive of disbursements and applicable HST as set out in the Henechowicz Affidavit. A copy of the Henechowicz Affidavit is attached hereto as **Appendix "F"**.
29. Additionally, the Receiver and Claims Officer have incurred legal fees of their legal counsel, Dentons, in respect of these proceedings, as more particularly set out in the Kennedy Affidavit. A copy of the Kennedy Affidavit attached hereto as **Appendix "G"**.
30. The Receiver and the Claims Officer request that this Court approve their accounts as set forth above, and approve the accounts of its legal counsel for the period of June 1, 2023 to September 30, 2023 in the amount of \$132,785.26 inclusive of disbursements and HST (collectively, the "**Professional Fees**").
31. The Receiver, the Claims Officer, and Dentons have incurred fees from October 1, 2023 to October 10, 2023, and each will incur additional fees as they complete the Remaining Activities (as defined herein) (the "**Remaining Fees**"). The Receiver respectfully requests that the Court authorize and direct the Receiver to retain the amount of \$78,000 from the

Remaining Cash (the “**Fee Holdback**”) to satisfy the Remaining Fees. and Torys Fees (as defined herein).

32. The Receiver and the Claims Officer submit that the Professional Fees, including the Remaining Fees to be incurred, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order and Chesley Wood Claims Procedure Order.
33. Chesley Wood retained Torys LLP (“**Torys**”) to act as its counsel to assist with matters associated with the Chesley Wood Claims Procedure and Amended Stakeholder Support Agreement (the “**Engagement**”). In accordance with paragraph 14 of the Chesley Wood Claims Procedure Order, counsel to Chesley Wood is entitled to the benefit of the Receiver’s Charge (as defined in the Receivership Order). The Receiver was informed by Torys that fees and disbursements have been rendered in connection with the Engagement and that additional fees and disbursements will be incurred to conclude the Engagement in the amount of approximately \$78,000 (collectively, the “**Torys Fees**”). The Receiver intends to pay the Torys Fees in accordance with the Chesley Wood Claims Procedure Order.

RECEIPTS AND DISBURSEMENTS

34. The R&D reports net final receipts over disbursements, as at October 3, 2023, of \$3,071,752.87. The Receiver respectfully requests that the Court approve the R&D. A copy of the R&D is attached hereto as **Appendix “H”**.

RECEIVER’S AND CLAIMS OFFICER’S DISCHARGE

35. Subject to the below, the Receiver has substantially concluded its administration of the receivership and the Claims Officer has substantially concluded its mandate pursuant to the Chesley Wood Claims Procedure Order. The remaining tasks to conclude the receivership administration are as follows (collectively, the “**Remaining Activities**”):
 - (a) retaining and administering the Fee Holdback;

- (b) completing the CRA Distribution, payment of the Torys Fees and the Final Distribution;
 - (c) preparation and filing of all remaining post-receivership HST returns and reporting;
 - (d) collection of any available HST refunds (which will be distributed to Chelsey Wood as part of the Final Distribution, or as a further distribution depending on the timing of receipt of any refunds);
 - (e) prepare and file the Receiver's final report as required under section 246(3) of the BIA, and other administrative filings; and
 - (f) any incidental tasks that may be required in connection with concluding the receivership proceedings and Chesley Wood Claims Procedure including, without limitation, the filing of the Discharge Certificate.
36. To the best of the Receiver's knowledge, following the completion of the Remaining Activities, the Receiver will have completed its administration of the receivership estate in accordance with the terms of the Receivership Order, and the various Orders rendered by the Court in the course of these proceedings. The Receiver is not aware of its services being required for any further purpose other than as set out in this Discharge Report. Accordingly, the Receiver is seeking its discharge in accordance with the terms of the Distribution and Discharge Order.
37. To the best of the Claims Officer's knowledge, following the completion of the Remaining Activities, the Claims Officer will have completed its mandate in accordance with the terms of the Chelsey Wood Claims Procedure Order, and the various Orders rendered by the Court in the course of these proceedings, as applicable to it. The Claims Officer is not aware of its services being required for any further purpose other than as set out in this Discharge Report. Accordingly, the Claims Officer is seeking its discharge in accordance with the terms of the Distribution and Discharge Order.

CONCLUSION AND RECOMMENDATION

38. Based on the foregoing and as outlined in this Discharge Report, the Receiver and the Claims Officer respectfully request that this Court issue the Order outlined in paragraph 5(c) above.

All of which is respectfully submitted this 10th day of October, 2023.

**MNP Ltd, in its capacity as the Court-
appointed Receiver and Manager of
Turuss (Canada) Industry Co., Ltd. and
not in its personal or corporate capacity**

Per:



Jerry Henechowicz CPA, CA, CIRP, LIT
Senior Vice President

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**ELEVENTH REPORT OF THE RECEIVER /
FIRST REPORT OF THE CLAIMS OFFICER**

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Robert Kennedy (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)

Tel: (416) 863-4456

mark.freake@dentons.com

Lawyers for the Receiver and Claims Officer

Appendix “C”
to the Twelfth Report of the Receiver



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.

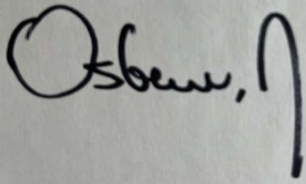
CLAIM'S OFFICER DISCHARGE

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.



2023.10.1

3 14:29:49

-04'00'

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

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

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:

Court File No: CV-20-00646729-00C

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD
Respondent

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

PROCEEDING COMMENCED AT TORONTO

DISTRIBUTION AND DISCHARGE ORDER

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Robert Kennedy (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)

Tel: (416) 863-4456

mark.freake@dentons.com

Lawyers for the Receiver and Claims Officer



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-20-00646729-00CL DATE: 13 October 2023

NO. ON LIST: 1

TITLE OF PROCEEDING: Pillar Capital Corp. v. Turuss (Canada) Industry Co., LTD., et al.

BEFORE JUSTICE: Justice Osborne

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Robert Kennedy	Receiver (MNP Ltd.)	Robert.kennedy@dentons.com
Mark Freake		Mark.freake@dentons.com
Jerry Henechowicz (Receiver Rep.)		Jerry.henechowicz@mnp.ca

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Yang Jiang	Self-Rep	Jiangyang818@gmail.com
Adam Slavens	Chesley Wood Industry Co. Inc.	aslavens@torys.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
N / A		

ENDORSEMENT OF JUSTICE OSBORNE:

1. MNP, in its capacity as Receiver of Turuss, and in its capacity as claims officer of Chesley Wood, seeks an order authorizing the Receiver to make a distribution to the Canada Revenue Agency and following that, a distribution of the Remaining Cash, net of the Fee Holdback, Professional Fees and Torys Fees, to Chesley Wood.
2. It also seeks corollary relief in the form of approval of fees and disbursements of each of the Receiver and the Claims Officer and their counsel, and the estimated fees and disbursements through to the completion of the remaining activities, authorization for the Receiver to retain the Fee Holdback and pay the Torys Fees, approving the Discharge Report and the activities described therein, approving the final statement of receipts and disbursements dated October 3, 2023, and discharging and releasing MNP as Receiver and as Claims Officer effective upon the filing of the Discharge Certificate.
3. Defined terms in this Endorsement have the meaning given to them in the motion materials and/or the Discharge Report, being the 11th Report of the Receiver and the First Report of the Claims Officer dated October 10, 2023 together with Appendices thereto, upon which the Receiver and Claims Officer rely in this motion.
4. The relief sought today is unopposed by any party. The affidavit of service filed reflects proper service on the Service List on October 10, 2023.
5. However, immediately prior to the hearing of this motion, Chesley Wood delivered to the Receiver through counsel a direction which directed and authorized the Receiver to make the net distribution for Chesley Wood payable directly to its shareholders pro rata in accordance with their proportionate share holdings.
6. The Claims Officer and the Claims Procedure were approved on June 28, 2023 and the latter was administered and implemented thereafter. Two creditors filed claims. The claim of Ms. Yang Jiang, an officer and director of Turuss, present in Court today, was subsequently withdrawn. The CRA Claim was accepted as a proven claim.
7. The Claims Procedure is now complete and the Remaining Cash totals \$3,071,752.87. Accordingly, and consistent with the Stakeholder Support Agreement, the Receiver seeks the authorization and direction summarized above. It is of the view that the distributions and payments are reasonable and appropriate in the circumstances.
8. I agree subject to the terms of this Endorsement as set out below. While I have not repeated all of the reasons here, the Discharge Report and the motion materials persuade me that this relief is appropriate.
9. The Stakeholder Support Agreement was reached in April 2023, consistent with the Endorsement of July 18, 2022 made in this proceeding, and was subsequently amended effective September 7, 2023 to extend the distribution plan deadline. That Stakeholder Support Agreement reflects an agreement on a plan for the determination of claims against Chesley Wood and the distribution of the Remaining Cash. As noted above, that process is now complete.
10. The receipts and disbursements report is also in order and is approved.
11. I have reviewed the activities of the Receiver and Claims Officer as summarized in the Discharge Report and am satisfied that they were appropriate and consistent with the respective mandates of those two Court officers. They are approved.

12. I have also reviewed the fee affidavits of the professionals attached as Appendices to the Discharge Report. I am satisfied that all were reasonable, appropriate, and reflective of work appropriately done in furtherance of the mandates.
13. Given all of the above, this matter is now effectively at an end, subject to various cleanup matters as described in the Discharge Report, all with the result that the Discharge and related relief is also appropriate and is approved.
14. As a result of the Direction from Chesley Wood received by the Receiver just prior to the hearing of this motion, a revised draft order was submitted for consideration of the Court. It reflects the relief described above, save and except to the extent that the net Distribution is proposed to be made first by way of an interim distribution in order that funds can be retained by the Receiver sufficient to address any withholding and other tax consequences flowing from the revised Direction to pay the shareholders, one of whom is located outside the jurisdiction. In the fluid circumstances as were present at the time of the hearing of this motion, that revised order makes good practical sense.
15. Order to go in the form signed by me today which is effective immediately and without the necessity of issuing and entering.

Osawa, J.

Appendix “D”
to the Twelfth Report of the Receiver

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

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

AFFIDAVIT OF JERRY HENECHOWICZ

(Sworn December 14, 2023)

I, Jerry Henechowicz, of the City of Markham, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a licensed Trustee with MNP Ltd. the Court-appointed receiver and manager (the “**Receiver**”) of Turuss (Canada) Industry Co., Ltd. (the “**Company**”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Receiver was appointed, without security, of the assets, property and undertaking of the Company by Order of the Honourable Justice Hainey dated September 18, 2020.
3. The Receiver has prepared one Statement of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period

October 1 to October 30, 2023. Attached hereto and marked as Exhibit “A” to this my Affidavit is a summary of the Statement of Account.

- 4. Attached hereto and marked as Exhibit “B” are copies of the Statement of Account. The average hourly rate in respect of the account is \$691.11.
- 5. The Receiver’s estimated fees, disbursements and applicable HST to the completion of the administration of these proceedings will not exceed \$15,000.
- 6. This Affidavit is made in support of a motion to, *inter alia*, approve the fees and disbursements of the Receiver and its accounts.
- 7. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.

SWORN before me by)
 videoconference at the City of)
 Markham, in the Province of Ontario)
 This 14th day of December, 2023.)



A Commissioner, etc.
 Matthew Eric Lem, a Commissioner, etc.,
 Province of Ontario, for MNP Ltd. and MNPLLP.
 Expires February 21, 2026.



JERRY HENECHOWICZ

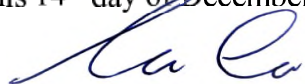
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me by video conference

This 14th day of December, 2023

A handwritten signature in blue ink, appearing to read "Lu Lu", is written over a horizontal line.

Commissioner for taking Affidavits, etc

**RECEIVERSHIP OF TURUSS (CANADA) INDUSTRY CO., LTD.
SUMMARY OF STATEMENT OF ACCOUNT OF
MNP LTD IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER
AND CLAIMS OFFICER
FOR THE PERIOD OCTOBER 1 TO OCTOBER 31, 2023**

MNP INVOICE	DATE	HOURS	FEES	DISBURSEMENTS	HST	TOTAL
11308324	14-Nov-23	30.30	20,943.00		2,722.59	23,665.59
		30.30	\$ 20,943.00	\$ -	\$ 2,722.59	\$ 23,665.59

Average Hourly Rate **\$ 691.19**

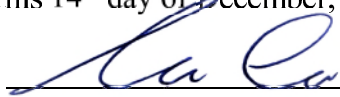
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 14th day of December, 2023

A handwritten signature in blue ink, appearing to be "K. C.", written over a horizontal line.

Commissioner for taking Affidavits, etc

Invoice



Invoice Number : 11308324

Client Number : 0835555

Invoice Date : Nov 14 2023

Invoice Terms : Due Upon Receipt

Turuss (Canada) Industry Co., Ltd.
c/o MNP Ltd.
300-111 Richmond Street West
Toronto, ON M5H 2G4

For Professional Services Rendered :

Professional services as Court-appointment Receiver of Turuss (Canada) Industry Co., Ltd for the period October 2 -31, 2023 as set out on the attached time and billing summary. 20,943.00

Harmonized Sales Tax : 2,722.59

Total (CAD) : 23,665.59

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
1 ADELAIDE ST E, SUITE 1900; TORONTO ON; M5C 2V9
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

MNP LTD.**COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO. LTD.****FOR THE PERIOD OCTOBER 2 - 31, 2023**

DATE	PROFESSIONAL	HOURS	DESCRIPTION
02-Oct-2023	Jerry Henechowicz	1.50	Preparation for and calls with MNP Tax and Dentons re finalization of distribution report and tax considerations
02-Oct-2023	Glenn Willis	2.50	Review of PUC and distributions holdback needs and distributions
02-Oct-2023	Eddie Gao	1.00	research and comment on Glenn's emails.
03-Oct-2023	Jerry Henechowicz	2.50	Updates and preparation to 11th report
03-Oct-2023	Glenn Willis	.50	distribution - repay loan?
03-Oct-2023	Dennis Chui	1.00	Return of capital to a non-resident owner -> researched if forms are needed to be filed
04-Oct-2023	Jerry Henechowicz	2.10	Update to report, review of tax issues, preparation of billings
05-Oct-2023	Jerry Henechowicz	2.40	update to report and appendices and forwarding same to Dentons for review
05-Oct-2023	Matthew Lem	.70	Review draft report and commission affidavit
06-Oct-2023	Jerry Henechowicz	1.60	Preparation of final amendments to 11th report, fee affidavit and SRD, discussion of timeline with R Kennedy and review of draft discharge and distribution order
06-Oct-2023	Upasana Nayak	1.00	Prepare cheque requisition for Denton LLP for June and September invoices. . Prepare cheque requisition for MNP September invoice. . Saved approved cheque requisitions in folder and prepared payment in ascend.. Drafted cover letter to be sent with disbursement for legal fees to Denton LLP. Amended the cover letter.
10-Oct-2023	Jerry Henechowicz	1.40	Review of legal fees for Court report, final completion of report and execution, posting of report
11-Oct-2023	Jerry Henechowicz	1.10	Emails and calls related to distribution and responses from Chesley principals
12-Oct-2023	Jerry Henechowicz	1.30	Multiple emails and calls with Dentons related to discharge motion and requirement for withholding tax on distribution
13-Oct-2023	Jerry Henechowicz	1.40	Preparation for and Court attendance, follow up and preparation of reporting on webpage
16-Oct-2023	Jerry Henechowicz	.90	Arranging for payment of Chesley accounts, review of next steps for distribution and tax matters
17-Oct-2023	Jerry Henechowicz	.40	Emails with Torys and Dentons on finalizing distribution and needed holdback
17-Oct-2023	Upasana Nayak	.70	Prepared cheque requisition for dividend distributions as per Discharge Order to CRA (final distribution) and Torys LLP for the period ending Sept 2023. Drafted a cover letter to be sent with the CRA distribution. Couriered the cheque sent to Torys LLP and mailed the cheque sent to CRA
18-Oct-2023	Jerry Henechowicz	1.60	Multiple emails calls and document reviews re direction of funds to Chesley shareholders, approval of fee payment to Torys
18-Oct-2023	Deborah Hornbostel	.20	Review and approve cheque requisition, sign cheque
19-Oct-2023	Jerry Henechowicz	1.10	Completion of wires re: Chesley and related issues
19-Oct-2023	Matthew Lem	.10	wire authorization

MNP LTD.

COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO. LTD.

FOR THE PERIOD OCTOBER 2 - 31, 2023

DATE	PROFESSIONAL	HOURS	DESCRIPTION
19-Oct-2023	Upasana Nayak	.20	Prepared courier for Tory's LLP for cheque paying final distribution. Mailed and emailed cheques to CRA and Tory's LLP out
19-Oct-2023	Chahna Nathwani	1.30	Received call for Jerry on Interim distributions, prepared wire requisitions for distributions and forwarded to Jerry and Matthew for approval, login to TD account and authorised the wires, forwarded wire authorisations to M. Lem for processing, prepared wire confirmations and forwarded to Jerry for clients, updated Ascend file with wire payments
20-Oct-2023	Jerry Henechowicz	.40	Calls and emails with Dentons regarding Chesley Wood holdback
24-Oct-2023	Upasana Nayak	.30	Upload receiver report and interim discharge report to website.
26-Oct-2023	Lisa Visconti	.10	BANK REC
27-Oct-2023	Jerry Henechowicz	1.00	Preparation for and call with Jiang, Dentons and Tory's to review resolution and next steps for CRA holdback
		30.30	

BILLING SUMMARY			
PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Chahna Nathwani	1.30	250.00	325.00
Deborah Hornbostel	0.20	780.00	156.00
Dennis Chui	1.00	325.00	325.00
Eddie Gao	1.00	500.00	500.00
Glenn Willis	3.00	780.00	2,340.00
Jerry Henechowicz	20.70	780.00	16,146.00
Lisa Visconti	0.10	210.00	21.00
Matthew Lem	0.80	725.00	580.00
Upasana Nayak	2.20	250.00	550.00
Total	30.30		20,943.00

Appendix “E”
to the Twelfth Report of the Receiver

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

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

B E T W E E N:

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

**AFFIDAVIT OF ROBERT KENNEDY
(sworn December 14, 2023)**

I, **ROBERT KENNEDY**, of the City of Pickering, in the Province of Ontario, **SWEAR
AND SAY AS FOLLOWS:**

1. I am a Partner with Dentons Canada LLP (“**Dentons**”), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated September 18, 2020 (the “**Receivership Order**”), MNP Ltd. was appointed receiver of Turuss (Canada) Industry Co., Ltd. in the within proceedings (the “**Receiver**”).
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.

-2-

4. The Receivership Order provides at paragraph 18 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges. matters to which I hereinafter depose.
5. The Dentons fees and disbursements for the period of October 1, 2023 to November 30, 2023 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. A copy of the Invoices, with minor redactions to protect confidentiality, are marked and attached as **Exhibit "A"**.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoice, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.

9. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

SWORN by Robert Kennedy of the City of Pickering in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on December 14, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Sarah Lam
716DC5FB63604ED...

DocuSigned by:
Robert Kennedy
54FD26D7145748A...

A Commissioner for Taking Affidavits, etc.
Sarah Lam (LSO # 87304S)

ROBERT KENNEDY

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KENNEDY SWORN
BEFORE ME THIS 14th DAY OF DECEMBER, 2023.

DocuSigned by:
Sarah Lam
716DC5FB63604ED...

A Commissioner for Taking Affidavits, etc.



Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON, Canada M5K 0A1

T 416 863 4511
F 416 863 4592

dentons.com

Turuss (Canada) Industry Co., Ltd
c/o MNP Ltd. Court Appointed Receiver and Manager
111 Richmond Street West
Suite 300
Toronto ON M5H 2G4
Attention: Jerry Henechowicz

INVOICE # 3803247

GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
October 31, 2023	541179-000007	Robert Kennedy

Turuss (Canada) Industry Co., Ltd
Re: Turuss (Canada) Industry Co. Ltd.

Professional Fees	\$ 62,278.00
Other Fees/Charges & Disbursements	2,207.34
HST (13.0%) on \$64,146.34	8,339.02
Total Amount Due	<u>\$ 72,824.36 CAD</u>

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP
and mailed to the following address:
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON Canada M5K 0A1

Credit Card:

To pay online with a credit card, visit
<https://www.dentons.com/canada-CADpay>.

Alternatively, credit card payment is accepted via telephone at 1-888-444-8859.
You will require your invoice number and amount to pay.

Interac e-Transfer:

e-Transfer funds to AR.Canada@dentons.com
referencing invoice number in message. Auto-deposit
is setup on our accounts and therefore no password
required.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and
reference your payee account number (client ID) as 541179. Please email us at
AR.Canada@dentons.com referencing invoice number and payment amount.

Wire Transfer / EFT:

Bank of Montreal
1st Canadian Place, Toronto, ON M5X 1A3
Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022
CAD Funds Bank Account: 0004-324 (or 00020004324)
Routing: 000100022

For wire or EFT payments, please email remittance to AR.Canada@dentons.com referencing invoice number and payment amount.
Payment due on receipt. Interest will be charged at the rate of 8% per annum on all outstanding amounts over 30 days.

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	Timekeeper	Description of Work
02-Oct-23	Mark Freake	Revise Eleventh Report of the Receiver (First Report of the Claims Officer). Email correspondence with Robert Kennedy and Amanda Campbell regarding same.
02-Oct-23	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Review prior motion materials. Review stakeholder support agreement amendment. Conference with Mark Freake. Review draft receiver's / claims officer's report. Correspondence to Matt Lem re: amendment. Attend conference call re: motion matters. Review correspondence from Jerry Henechowicz re: executed amendment.
03-Oct-23	Amanda Campbell	Instructions from Robert Kennedy. Draft Fee Affidavit in preparation for upcoming distribution and discharge motion.
03-Oct-23	Robert Kennedy	Work on motion matters. Review receiver's / claims officer report. Consider distribution matters.
04-Oct-23	Robert Kennedy	Work on motion materials. Correspondence from and to Jerry Henechowicz. Correspondence to Jerry Henechowicz re: draft report. Review claims. Correspondence to Adam Slavens re: CRA claim. Review amendment to support agreement. Correspondence to Adam Slavens re: amendment.
05-Oct-23	Amanda Campbell	Work on Fee Affidavit in preparation for upcoming distribution and discharge motion.
05-Oct-23	Robert Kennedy	Work on motion materials. Review executed amendment re: support agreement. Correspondence to Adam Slavens. Conversation with Jerry Henechowicz. Review correspondence from Jerry Henechowicz. Review revisions to Monitor's report.
06-Oct-23	Robert Kennedy	Work on motion materials. Review correspondence from Jerry Henechowicz. Review revised report. Correspondence to Lawrence Li. Correspondence to Adam Slavens. Various correspondence to and from Jerry Henechowicz re: revised motion materials. Correspondence to Adam Slavens re: motion materials. Review support agreement.
10-Oct-23	Sarah Lam	Commissioning an Affidavit for Rob Kennedy.
10-Oct-23	Sarah Lam	Commissioning an Affidavit for Amanda Campbell.
10-Oct-23	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Various correspondence to

Date	Timekeeper	Description of Work
11-Oct-23	Robert Kennedy	and from Adam Slavens. Correspondence to Lawrence Li. Finalize motion materials. Review fee affidavit. Finalize motion record.
11-Oct-23	Robert Kennedy	Review various correspondence re: R&D. Review R&D. [REDACTED] Review motion materials. Conversation with Adam Slavens re: motion materials. Consider distribution matters and next steps. Review distribution and discharge order. Review stakeholder support agreement.
12-Oct-23	Robert Kennedy	Review correspondence from Lawrence Li. Review executed stakeholder support agreement amendment. Consider distribution matters and next steps. Review correspondence from Adam Slavens. Correspondence to Jerry Henechowicz. Conversation with Jerry Henechowicz. Consider interim distribution mechanics. Review correspondence from Mike Noel. Review executed direction. Conversation with Adam Slavens. Conversation with Larry Nevsky. Consider distribution and hold back matters. Preparation for motion.
12-Oct-23	John Regush	Review of emails from Robert Kennedy. Review of emails from client.
13-Oct-23	Mark Freake	Prepare for and attend interim distribution motion.
13-Oct-23	Robert Kennedy	Preparation for motion. Review and revise Order. Various correspondence to and from Adam Slavens. Various correspondence to and from Jerry Henechowicz. Conversation with Jerry Henechowicz. Various conversations with Adam Slavens re: order. Preparation for motion. Correspondence to Justice Osborne re: revised Order and direction. [REDACTED] [REDACTED] Correspondence to Jerry Henechowicz. Attend motion. [REDACTED] [REDACTED] Conference with Larry Nevsky. [REDACTED]
16-Oct-23	Robert Kennedy	Review distribution order. [REDACTED] [REDACTED] Conference with Larry Nevsky re: distribution and tax issues. Review file re: corporate records. Correspondence from and to Jerry Henechowicz.
16-Oct-23	Larry Nevsky	Discussion of taxation and corporate considerations with Rob Kennedy.
17-Oct-23	Robert Kennedy	Correspondence from and to Adam Slavens. [REDACTED] [REDACTED] Review support agreement. Conversation with Adam Slavens. Correspondence from and to Jerry Henechowicz. Review correspondence from Yang Jiang re: distributions. Review corporate books. Consider claims officer discharge matters.
18-Oct-23	Robert Kennedy	Various correspondence to and from Adam Slavens. Review direction, Order and other documentation re:

Date	Timekeeper	Description of Work
		distributions. Conference with Larry Nevsky re: tax matters. Consider distribution matters. Conversation with Adam Slavens. Correspondence to Adam Slavens and Larry Nevsky re: tax matters. Attend conference call. Voicemail left with Jerry Henechowicz. Correspondence to Jerry Henechowicz. Review support agreement. Correspondence to Mark Freake. Review correspondence from Jerry Henechowicz. Conversation with Adam Slavens. Review correspondence from Mike Noel.
18-Oct-23	Larry Nevsky	Reviewing minute books, conference calls with Rob Kennedy and drafting documents.
19-Oct-23	Robert Kennedy	Review correspondence from Jerry Henechowicz. Review payment direction and resolutions. Consider distribution matters. Correspondence to Adam Slavens re: direction and resolutions. Review correspondence from Jerry Henechowicz re: wires. Review correspondence from Mike Noel. Correspondence to Larry Nevsky. Review executed documentation. Review correspondence from Larry Nevsky. Review support agreement. Conversation with Jerry Henechowicz. Review correspondence from Yang Jiang re: distributions.
19-Oct-23	Larry Nevsky	Reviewing documents and correspondence with Robert Kennedy.
23-Oct-23	Robert Kennedy	Correspondence to Lawrence Li. Work on distribution and discharge matters. Review support agreement. Work on second amendment. Correspondence to Adam Slavens. Correspondence to Jerry Henechowicz. Review discharge order re: claims officer.
25-Oct-23	Robert Kennedy	Review correspondence from Adam Slavens. Review correspondence from Jerry Henechowicz. Review distribution order and consider next steps. Review correspondence from Yang Jiang. Review prior directions re: initial distribution.
26-Oct-23	Robert Kennedy	Review correspondence from Yang Jiang. Various correspondence from and to Jerry Henechowicz. Consider tax matters. Review draft amendment. Correspondence to Adam Slavens.
27-Oct-23	Robert Kennedy	Conversation with Adam Slavens re: discharge and distribution matters. Attend conference call re: next steps.
27-Oct-23	Larry Nevsky	Assisting with distribution tax considerations, conference call on same.
30-Oct-23	Robert Kennedy	Review correspondence from Yang Jiang. Review distribution documentation. Review stakeholder support agreement amendment.

DENTONS CANADA LLP

Turuss (Canada) Industry Co., Ltd

Re: Turuss (Canada) Industry Co. Ltd.

INVOICE 3803104

Page 5 of 5

Matter # 541179-000007

Timekeeper	Hours	Rate	Fees
Amanda Campbell	0.5	180.00	90.00
John Regush	0.1	690.00	69.00
Larry Nevsky	4.2	905.00	3,801.00
Mark Freake	6.0	795.00	4,770.00
Robert Kennedy	54.0	990.00	53,460.00
Sarah Lam	0.2	440.00	88.00
Total	65.0		\$62,278.00

TOTAL PROFESSIONAL FEES **\$ 62,278.00**

TAXABLE OTHER FEES/CHARGES

Technology & Administration Fee \$ 1868.34

TOTAL TAXABLE OTHER FEES/CHARGES **\$ 1868.34**

NON-TAXABLE DISBURSEMENTS

Court Fees* \$ 339.00

TOTAL NON-TAXABLE DISBURSEMENTS **\$ 339.00**

TOTAL OTHER FEES/CHARGES AND DISBURSEMENTS **2,207.34**

TOTAL FEES, OTHER FEES/CHARGES AND DISBURSEMENTS **\$ 64,485.34**

TAXES

HST (13.0%) on Professional Fees of \$62,278.00 \$ 8,096.14

HST (13.0%) on Taxable Disbursements of \$1,868.34 242.88

TOTAL TAXES **8,339.02**

TOTAL AMOUNT DUE **\$ 72,824.36 CAD**



Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON, Canada M5K 0A1

T 416 863 4511
F 416 863 4592

dentons.com

Turuss (Canada) Industry Co., Ltd
c/o MNP Ltd. Court Appointed Receiver and Manager
111 Richmond Street West
Suite 300
Toronto ON M5H 2G4
Attention: Jerry Henechowicz

INVOICE # 3808610

GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
November 30, 2023	541179-000007	Robert Kennedy

Turuss (Canada) Industry Co., Ltd
Re: Turuss (Canada) Industry Co. Ltd.

Professional Fees	\$ 23,683.50
Other Fees/Charges	710.51
	<hr/>
HST (13.0%) on \$24,394.01	3,171.23
	<hr/>
Total Amount Due	<u>\$ 27,565.24 CAD</u>

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP
and mailed to the following address:
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON Canada M5K 0A1

Credit Card:

To pay online with a credit card, visit
<https://www.dentons.com/canada-CADpay>.

Alternatively, credit card payment is accepted via telephone at 1-888-444-8859.
You will require your invoice number and amount to pay.

Interac e-Transfer:

e-Transfer funds to AR.Canada@dentons.com
referencing invoice number in message. Auto-deposit
is setup on our accounts and therefore no password
required.

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and
reference your payee account number (client ID) as 541179. Please email us at
AR.Canada@dentons.com referencing invoice number and payment amount.

Wire Transfer / EFT:

Bank of Montreal
1st Canadian Place, Toronto, ON M5X 1A3
Swift Code: BOFMCAM2

Bank ID: 001 Transit: 00022
CAD Funds Bank Account: 0004-324 (or 00020004324)
Routing: 000100022

For wire or EFT payments, please email remittance to AR.Canada@dentons.com referencing invoice number and payment amount.
Payment due on receipt. Interest will be charged at the rate of 8% per annum on all outstanding amounts over 30 days.

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	Timekeeper	Description of Work
01-Nov-23	Robert Kennedy	Review correspondence from Yang Jiang.
02-Nov-23	Robert Kennedy	Correspondence to Yang Jiang re: meeting. Various correspondence to and from Jerry Henechowicz. Correspondence to Adam Slavens re minute books. Review Chesley minute book. Review correspondence from Lawrence Li. Review correspondence from Yang Jiang. Review correspondence from Adam Slavens.
03-Nov-23	Robert Kennedy	Review file. Correspondence to group re: conference call to finalize distribution steps. Review stakeholder support agreement second amendment.
06-Nov-23	Robert Kennedy	Correspondence from and to Larry Nevsky. Review Eleventh Receiver's Report. Review claims officer discharge order. Correspondence to Jerry Henechowicz re: claims officer discharge. Review prior direction and resolutions.
06-Nov-23	Larry Nevsky	Responding to questions from Robert Kennedy.
07-Nov-23	Robert Kennedy	Preparation for conference call. Review executed claims officer certificate. Attend conference call re: distribution and discharge matters. Review comments re: support agreement amendment. Consider next steps re: discharge motion.
07-Nov-23	Larry Nevsky	Participating on conference call.
15-Nov-23	Robert Kennedy	Correspondence from and to Jerry Henechowicz. Review resolutions. Review distribution and discharge order.
16-Nov-23	Robert Kennedy	Review file. Work on final discharge and distribution motion materials.
17-Nov-23	Robert Kennedy	Review file re: resolutions. Work on distribution and discharge order. Correspondence to and from Larry Nevsky. Correspondence from and to Adam Slavens.
17-Nov-23	Larry Nevsky	Providing documents to Robert Kennedy.
20-Nov-23	Robert Kennedy	Correspondence from and to Adam Slavens. Consider discharge motion matters.
21-Nov-23	Robert Kennedy	Conversation with Adam Slavens re: discharge matters. Review file. Review resolution documentation. Review draft order.
22-Nov-23	Robert Kennedy	Review and revise Order. Review Eleventh Report. Consider next steps re: distribution and discharge order.
24-Nov-23	Robert Kennedy	Work on distribution and discharge order. [REDACTED]

DENTONS CANADA LLP
 Turuss (Canada) Industry Co., Ltd
 Re: Turuss (Canada) Industry Co. Ltd.

INVOICE 38081007
 Page 3 of 3
 Matter # 541179-000007

Date	Timekeeper	Description of Work
		[REDACTED] Correspondence to Jerry Henechowicz.
26-Nov-23	Robert Kennedy	Review file. Correspondence to Adam Slavens re: certificate and support agreement amendment.
27-Nov-23	Robert Kennedy	Correspondence from and to Jerry Henechowicz. Review Eleventh Report. Conference with Mark Freake. Consider discharge motion matters.
28-Nov-23	Robert Kennedy	Review correspondence from Adam Slavens. Review draft documents.

Timekeeper	Hours	Rate	Fees
Larry Nevsky	0.9	905.00	814.50
Robert Kennedy	23.1	990.00	22,869.00
Total	24.0		\$23,683.50

TOTAL PROFESSIONAL FEES \$ **23,683.50**

TAXABLE OTHER FEES/CHARGES

Technology & Administration Fee \$ 710.51

TOTAL TAXABLE OTHER FEES/CHARGES \$ **710.51**

TOTAL OTHER FEES/CHARGES 710.51

TOTAL FEES AND OTHER FEES/CHARGES \$ **24,394.01**

TAXES

HST (13.0%) on Professional Fees of \$23,683.50 \$ 3,078.86

HST (13.0%) on Taxable Disbursements of \$710.51 92.37

TOTAL TAXES 3,171.23

TOTAL AMOUNT DUE \$ **27,565.24** CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KENNEDY SWORN
BEFORE ME THIS 14th DAY OF DECEMBER, 2023.

DocuSigned by:

Sarah Lam

716DC5FB63604ED...

A Commissioner for Taking Affidavits, etc.

EXHIBIT "B"**Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP****The Period from October 1, 2023 to November 30, 2023**

Date	Invoice No.	Fees	Disbursements	Taxes(HST)	Hours	Average Rate	Total
October 31, 2023	3803247	62,278.00	2,207.34	8,339.02	65	666.67	72,824.36
November 30, 2023	3808610	23,683.50	710.51	3,171.23	24	947.50	27,565.24
TOTALS:		\$85,961.50	\$2,917.85	\$11,510.25	89	\$ 807.09	\$100,389.60

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KENNEDY SWORN
BEFORE ME THIS 14th DAY OF DECEMBER, 2023.

DocuSigned by:
Sarah Lam
718DC5FB63604ED...

A Commissioner for Taking Affidavits, etc.

EXHIBIT "C"**Billing Rates of Dentons Canada LLP**

For the period October 1, 2023 to November 30, 2023

	<u>2023 Standard Rate</u>	<u>Year of Call</u>
Robert Kennedy	\$990	2002
Larry Nevsky	\$905	2009
Mark Freake	\$795	2013
John Regush	\$690	2015 (AB)
Sarah Lam	\$440	2023
Amanda Campbell	\$180	Legal Assistant

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

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ROBERT KENNEDY

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Robert Kennedy (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)

Tel: (416) 863-4456

mark.freake@dentons.com

Lawyers for the Receiver

Appendix “F”
to the Twelfth Report of the Receiver

**IN THE MATTER OF THE RECEIVERSHIP OF
TURUSS (CANADA) INDUSTRY CO., LTD.
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDED DECEMBER 11, 2023**

RECEIPTS	NOTE	
Sale of real property proceeds	1.	\$ 9,036,590.06
Rental income and expense reimbursements		1,232,545.97
Advance from Secured Creditor		597,500.00
Equipment auction proceeds	2.	215,000.00
HST Collected		131,823.43
HST refund		109,843.79
Cash in bank		8,389.17
Interest Income	3.	106,345.02
		<u>11,438,037.44</u>
 DISBURSEMENTS		
Distributions to Pillar Capital		2,461,590.99
Legal and disbursements		1,541,614.73
Distribution to Chesley Wood		1,700,000.00
Distributions to Hsieh		664,082.50
Distribution to Proven Creditors		638,830.84
Repayment of Receiver's Certificate		600,000.00
Utilities		455,096.81
Municipal Taxes		436,170.39
Receiver's fees and disbursements		572,472.90
HST paid		362,969.65
Repairs & Maintenance		287,762.11
Statutory priorities		181,374.22
Salaries and wages		133,568.66
Interest on Receiver's Certificate		83,040.51
Insurance	4.	76,665.52
Security system upgrades		39,303.14
Hazardous waste removal		33,838.74
Property manager fees		30,675.00
License fees		8,742.50
Appraisal		6,750.00
Advertising re: sales process		5,062.62
Advertising re: claims process		8,860.36
Travel		830.67
Bank charges		754.89
Photocopies and printing		444.12
Filing fees		71.54
		<u>10,330,573.41</u>
EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS		<u>\$ 1,107,464.03</u>

NOTES:

1. Represents receipt of purchase price of \$9,200,000 less closing adjustments for prepaid rent and security deposit totalling \$123,383.75 and other customary adjustments for a sale of a commercial property of this type.
2. Net of \$15,000 settlement with Liyuan Qi.
3. Includes interest earned to October 3, 2023.
4. Net of a refund of \$53,989.64.

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

TWELFTH REPORT OF THE RECEIVER

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)
Tel: (416) 863-4456
mark.freake@dentons.com

Lawyers for the Receiver

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	TUESDAY, THE 19th DAY
)	
JUSTICE OSBORNE)	OF DECEMBER, 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

FINAL 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**”), for an Order:

- (a) abridging the time for service of the Notice of Motion, Motion Record and the twelfth report of MNP, in its capacity as Receiver, dated December 17, 2023 (the “**Twelfth Report**”) so that this Motion is properly returnable today, and dispensing with further service thereof;

- (b) authorizing and directing the Receiver to make a final distribution in the total amount of \$862,282.78 to the shareholders of Chesley Wood on a pro-rata basis, as set forth in **Schedule "A"** (the "**Final Distribution**");
- (c) approving the fees and disbursements of each of the Receiver as set out in the affidavit of Jerry Henechowicz sworn December 14, 2023, the fees and disbursements of the Receiver's counsel, Dentons Canada LLP ("**Dentons**"), as set out in the affidavit of Robert Kennedy sworn December 14, 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**");
- (d) authorizing and directing the Receiver to retain the Fee Holdback and pay the Torys Fees;
- (e) approving the Twelfth Report, and the activities of the Receiver as described therein;
- (f) approving the final statement of receipts and disbursements dated December 11, 2023 (the "**R&D**");
- (g) discharging and releasing MNP as Receiver, upon the Receiver filing with the Court a discharge certificate; and
- (h) 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 December 17, 2023, the Twelfth Report, including the Fee Affidavits, and on hearing the submissions of counsel for the Receiver, 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 December 17, 2023, filed:

INTERPRETATION

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

FINAL DISTRIBUTION

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the Final Distribution, 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 December 15, 2023.

RECEIVER'S ACTIVITIES, FEES AND FEE HOLDBACK

4. **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 in the total amount of \$60,106.06.

5. **THIS COURT ORDERS** that the Twelfth Report, and the activities of the Receiver described therein, are hereby approved.

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

RECEIVER'S DISCHARGE

7. **THIS COURT ORDERS** that, upon the Receiver filing the discharge certificate attached as **Schedule "B"** herein (the "**Discharge Certificate**"), MNP shall be discharged as Receiver, provided however, that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the receivership administration, and (b) the Receiver 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 Receiver.

8. **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 Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, MNP shall

hereby be 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 Receiver's part.

GENERAL

9. **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.

Schedule "A"**Chesley Wood 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%	\$724,317.54
Veyron Wood Industry Inc.	Common Shares	2,235,448	16%	\$137,965.24
<u>Total Outstanding Shares</u>		<u>13,971,548</u>	<u>100%</u>	<u>\$862,828.78</u>

Schedule “B”
Form of Discharge Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

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

DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Court dated December 19, 2023 (the “**Final Distribution and Discharge Order**”), MNP was discharged as Receiver, effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the receivership administration have been completed to the satisfaction of the Receiver (the “**Remaining Activities**”), as set out in the Receiver’s twelfth report dated December 17, 2023 (the “**Twelfth Report**”), provided however that, notwithstanding the Receiver’s discharge: (a) MNP will remain as Receiver for the performance of the Remaining Activities, and (b) MNP as Receiver 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 Receiver.

THE RECEIVER CERTIFIES the following:

1. The Receiver is satisfied that all Remaining Activities as described in the Twelfth Report have been completed to the satisfaction of the Receiver.

THIS CERTIFICATE was delivered by the Receiver on _____, 2023.

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

Per: _____

Name:

Title:

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

FINAL DISTRIBUTION AND DISCHARGE ORDER

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Robert Kennedy (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)

Tel: (416) 863-4456

mark.freake@dentons.com

Lawyers for the Receiver

TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) ~~WEEKDAY~~TUESDAY, THE #
 JUSTICE OSBORNE) 19th DAY
)
 OF ~~MONTH~~DECEMBER,
~~20YR~~2023

~~BETWEEN~~BETWEEN:

PILLAR CAPITAL CORP.

~~PLAINTIFF~~Applicant

~~Plaintiff~~

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

~~DEFENDANT~~Respondent

~~Defendant~~

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

FINAL DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~MNP Ltd. ("MNP"), in its capacity as the Court-appointed receiver (the "~~Receiver~~") ~~of the undertaking, property and assets of~~ ~~[DEBTOR]~~ (the "~~Debtor~~"), ~~for an order:~~ "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”), for an Order:

- (a) abridging the time for service of the Notice of Motion, Motion Record and the twelfth report of MNP, in its capacity as Receiver, dated December 17, 2023 (the “Twelfth Report”) so that this Motion is properly returnable today, and dispensing with further service thereof;
- (b) authorizing and directing the Receiver to make a final distribution in the total amount of \$862,282.78 to the shareholders of Chesley Wood on a pro-rata basis, as set forth in Schedule “A” (the “Final Distribution”);
- ~~1.~~(c) approving the ~~activities~~ fees and disbursements of each of the Receiver as set out in the ~~report of the Receiver dated [DATE] (the “Report”);~~ affidavit of Jerry Henechowicz sworn December 14, 2023, the ~~fees and disbursements of the Receiver's counsel, Dentons Canada LLP (“Dentons”), as set out in the affidavit of Robert Kennedy sworn December 14, 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”);~~
- (d) authorizing and directing the Receiver to retain the Fee Holdback and pay the Torys Fees;

- ~~2.~~(e) approving the ~~fees and disbursements~~ Twelfth Report, and the activities of the Receiver ~~and its counsel~~ as described therein;
- ~~3.~~(f) approving the ~~distribution of the remaining proceeds available in the estate of the Debtor; [and]~~ final statement of receipts and disbursements dated December 11, 2023 (the "R&D");
- (g) discharging and releasing MNP as Receiver, upon the Receiver filing with the Court a discharge certificate; and
- (h) such further and other grounds as counsel may advise and this Honourable Court may permit;
4. ~~discharging [RECEIVER'S NAME] as Receiver of the undertaking, property and assets of the Debtor; and~~
5. ~~releasing [RECEIVER'S NAME] from any and all liability, as set out in paragraph 5 of this Order~~[†];

was heard this day ~~at 330 University Avenue,~~ via videoconference, at Toronto, Ontario.

ON READING the ~~Report, the affidavits~~ Motion Record of the Receiver ~~and its counsel as to fees (the "~~dated December 17, 2023, the Twelfth Report, including the Fee Affidavits[†]), and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one ~~else~~ appearing for any other person on the service list, although properly served

[†]If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.

as ~~evidenced by~~ appears from the Affidavit of ~~[NAME]~~ Amanda Campbell sworn ~~[DATE]~~ December 17, 2023, filed²; ~~;~~ ;

INTERPRETATION

1. **THIS COURT ORDERS** that ~~the activities of the Receiver, as set out in the Report, are hereby approved~~ capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Twelfth Report.

SERVICE

2. **THIS COURT ORDERS** that the ~~fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, are hereby approved.~~ 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.

FINAL DISTRIBUTION

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the Final Distribution, 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 December 15, 2023.

RECEIVER’S ACTIVITIES, FEES AND FEE HOLDBACK

²~~This model order assumes that the time for service does not need to be abridged.~~

34. THIS COURT ORDERS that, ~~after payment of:~~ (i) the fees and disbursements herein as outlined in the Fee Affidavits are hereby approved, (ii) the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY]³ is hereby authorized to pay any unpaid fees and disbursements, and (iv) the Receiver is hereby authorized to pay the Torys Fees in the total amount of \$60,106.06.

5. THIS COURT ORDERS that the Twelfth Report, and the activities of the Receiver described therein, are hereby approved.

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

RECEIVER'S DISCHARGE

47. THIS COURT ORDERS that ~~upon payment of the amounts set out in paragraph 3 hereof [and,~~ upon the Receiver filing a the discharge certificate ~~certifying that it has completed the other activities described in the Report], the Receiver~~ attached as Schedule "B" herein (the "Discharge Certificate"), MNP shall be discharged as Receiver ~~of the undertaking, property and assets of the Debtor,~~ provided however, that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the receivership administration ~~of the receivership herein,~~ and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in ~~this proceeding~~ these proceedings, including all approvals, protections and stays of proceedings in favour of ~~[RECEIVER'S NAME]~~ MNP in its capacity as Receiver.

³~~This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

58. **{THIS COURT ORDERS AND DECLARES** that ~~{RECEIVER'S NAME}~~ upon the filing of the Discharge Certificate, MNP is hereby released and discharged from any and all liability that ~~{RECEIVER'S NAME}~~ MNP now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~{RECEIVER'S NAME}~~ MNP while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the ~~Receiver's~~ Receiver's part. Without limiting the generality of the foregoing, ~~{RECEIVER'S NAME}~~ is MNP shall hereby be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within ~~receivership~~ proceedings, save and except for any gross negligence or wilful misconduct on the ~~Receiver's~~ Receiver's part.⁴

GENERAL

9. 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.

⁴The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.

Schedule "A"Chesley Wood Shareholder Distribution Chart

<u>Name</u>	<u>Class/Series of Shares</u>	<u>Number of Shares</u>	<u>Percentage of Total Shares</u>	<u>Distribution Amount</u>
<u>Dalian Natural Wood Industry Co., Ltd.</u>	<u>Common Shares</u>	<u>11,736,100</u>	<u>84%</u>	<u>\$724,317.54</u>
<u>Veyron Wood Industry Inc.</u>	<u>Common Shares</u>	<u>2,235,448</u>	<u>16%</u>	<u>\$137,965.24</u>
<u>Total Outstanding Shares</u>		<u>13,971,548</u>	<u>100%</u>	<u>\$862,828.78</u>

Schedule “B”
Form of Discharge Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Court dated December 19, 2023 (the “**Final Distribution and Discharge Order**”), MNP was discharged as Receiver, effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the receivership administration have been completed to the satisfaction of the Receiver (the “**Remaining Activities**”), as set out in the Receiver’s twelfth report dated December 17, 2023 (the “**Twelfth Report**”), provided however that, notwithstanding the Receiver’s discharge: (a) MNP will remain as Receiver for the performance of the Remaining Activities, and (b) MNP as Receiver will continue to have the benefit of the provisions of all Orders made in this proceeding

- 2 -

including all approvals, protections and stays of proceedings in favour of MNP, in its capacity as Receiver.

THE RECEIVER CERTIFIES the following:

1. The Receiver is satisfied that all Remaining Activities as described in the Twelfth Report have been completed to the satisfaction of the Receiver.

THIS CERTIFICATE was delivered by the Receiver on _____, 2023.

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

Per: _____

Name:

Title:

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

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

FINAL DISTRIBUTION AND DISCHARGE ORDER

DENTONS CANADA LLP

77 King Street West, Suite 400

Toronto-Dominion Centre

Toronto, ON M5K 0A1

Robert Kennedy (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)

Tel: (416) 863-4456

mark.freake@dentons.com

Lawyers for the Receiver

Summary report:	
Litera Compare for Word 11.4.0.111 Document comparison done on 12/17/2023 5:02:30 PM	
Style name: Underline Strikethrough	
Intelligent Table Comparison: Active	
Original filename: C:\Users\campbellam\OneDrive - Dentons\Documents\AB, BC and CL Model Orders\receivership-discharge-order-EN.doc	
Modified DMS: iw://WORKSITE.CA.DENTONS.COM/NATDOCS/74977291/2	
Changes:	
Add	110
Delete	72
Move From	4
Move To	4
Table Insert	3
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	193

PILLAR CAPITAL CORP.
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(returnable December 19, 2023)

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Mark A. Freake (LSO #63656H)
Tel: (416) 863-4456
mark.freake@dentons.com

Lawyers for the Receiver