

**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 August 3, 2021)**

July 27, 2021

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## INDEX

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# 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 August 3, 2021)**

MNP Ltd. (“MNP”), in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties 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 August 3, 2021, at 12:00 p.m., or as soon after. Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by emailing [amanda.campbell@dentons.com](mailto:amanda.campbell@dentons.com).

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. Two Orders, substantially in the forms attached hereto as **TAB 3** and **TAB 4** of the motion record dated July 27, 2021 (the “**Motion Record**”), for the following relief:
  - (a) a distribution order (the “**Distribution Order**”):

- (i) abridging the time for service of this Notice of Motion, the Motion Record and the Seventh Report of the Receiver dated July 27, 2021 (the “**Seventh Report**”) so that this Motion is properly returnable on August 3, 2021, and dispensing with further service thereof;
- (ii) authorizing and approving a distribution to Pillar Capital Corp. (“**Pillar**”) from the sale proceeds (the “**Sale Proceeds**”) generated from the closing of the transaction (the “**Transaction**”) contemplated in the asset purchase agreement (the “**Chelsea APA**”) between the Receiver and Chelsea Property Holdings Inc. (the “**Purchaser**”) dated May 31, 2021 (as amended), in an amount sufficient to repay to Pillar: (i) all remaining amounts owing by Turuss in respect of accrued interest and fees, and (ii) all remaining amounts owing by the Receiver pursuant to the Receiver’s borrowings (the “**Final Pillar Distribution**”);
- (iii) authorizing and approving the Receiver to distribute to Kuo-Tong Hsieh (“**Hsieh**”) from the Sale Proceeds such further funds on account of proper interest and fees owing to Hsieh by Turuss (the “**Final Hsieh Distribution**”);
- (iv) approving the Seventh Report, and the activities of the Receiver as set out therein;
- (v) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP, as set out in the Sixth Report of the Receiver dated June 1, 2021 (the “**Sixth Report**”) and the Seventh Report, the fee Affidavit of Jerry Henechowicz sworn May 20, 2021 (the “**First Henechowicz Affidavit**”) and a second affidavit dated July 23, 2021 (the “**Second Henechowicz Affidavit**”, and collectively with the First Henechowicz Affidavit, the “**Henechowicz Affidavits**”), the fee Affidavit of Robert Kennedy sworn May 31, 2021 (the “**First Kennedy Affidavit**”) and a second affidavit dated July 26, 2021 (the “**Second Kennedy Affidavit**”, and collectively with the First Kennedy Affidavit, the

“**Kennedy Affidavits**”) (the fees and disbursements, Henechowicz Affidavits and Kennedy Affidavits collectively, the “**Fees and Disbursements**”);

- (vi) approving the interim statement of receipts and disbursements dated July 21, 2021 (the “**R&D**”);
- (b) a claims procedure order (the “**Claims Procedure Order**”):
  - (i) approving and authorizing the Claims Procedure (as defined herein) and authorizing, directing and empowering the Receiver to implement and carry out the Claims Procedure in accordance with the terms of this order; and
  - (ii) such further and other grounds as counsel may advise and this Court may permit;

**THE GROUNDS FOR THE MOTION ARE:**

***Background***

1. Pursuant to the Order of Justice Hailey dated September 18, 2020, MNP was appointed the receiver and manager over the assets, undertakings and properties of Turuss (the “**Receivership Order**”).
2. On June 7, 2021, the Court granted an Approval and Vesting Order (the “**Approval and Vesting Order**”) which, among other things, approved and authorized the Transaction contemplated by the Chelsea APA between the Receiver and the Purchaser dated May 31, 2021 in the amount of \$9,200,000. The Transaction closed on June 25, 2021. The Receiver currently holds the net Sale Proceeds, as outlined in the R&D.

***Approval of Balance of June 7 Motion***

3. At the motion for the Approval and Vesting Order (the “**June 7 Motion**”), the Court adjourned the balance of the Receiver’s motion, on seven (7) days prior notice to ensure the service list had a sufficient period of time to review the Sixth Report and related

materials, to authorize and approve (the “**Distribution and Administrative Approvals**”):

- (a) the balance of the Final Pillar Distribution and the Final Hsieh Distribution (collectively, the “**Final Secured Creditor Distributions**”);
  - (b) the fees and disbursements of the Receiver and its legal counsel as set forth in the Sixth Report, the First Henechowicz Affidavit and the First Kennedy Affidavit, only (collectively, the “**Interim Fees**”); and
  - (c) the Receiver’s interim statement of receipts and disbursements dated May 19, 2021 (“**May R&D**”).
4. In accordance with the Approval and Vesting Order and corresponding endorsement dated June 7, 2021, the Receiver served a notice of return of motion upon the service list (at least seven days’ prior to the hearing, being June 25, 2021) for the approval of the Distribution and Administrative Approvals.
  5. At the June 25, 2021 hearing, the Court was required to address an amendment to the Chelsea APA, which was opposed by another bidding party. Unfortunately, given the limited amount of Court time, the Court was unable to address the Order sought by the Receiver regarding the Distribution and Administrative Approvals.
  6. As set out in the R&D, the Receiver holds sufficient funds in the estate to distribute and complete the Final Secured Creditor Distributions. Accordingly, the Receiver respectfully requests that the Court approve the balance of the Final Secured Creditor Distributions, together with the approval of the Interim Fees. With respect to the approval of the May R&D, the Receiver is now seeking the approval of the R&D.

### ***Fees and Disbursements***

7. As noted above, the Receiver has provided services and incurred disbursements during the period of April 1, 2021 to May 15, 2021 which are described in the First Henechowicz Affidavit.

8. The Receiver has also provided services and incurred disbursements during the period of May 16, 2021 to June 30, 2021 which are described in the Second Henechowicz Affidavit.
9. Additionally, the Receiver has incurred legal fees of its legal counsel, Dentons Canada LLP, in respect of these proceedings, as more particularly set out in the Kennedy Affidavits.
10. The Receiver requests that this Court approve its interim accounts for the period of April 1, 2021 to June 30, 2021 in the amount of \$44,336.40, inclusive of disbursements and HST, and approve the interim accounts of its legal counsel for the period of April 1, 2021 to June 30, 2021 in the amount of \$266,827.26 inclusive of disbursements and HST (collectively, the “**Professional Fees**”);
11. The Receiver submits that the Professional Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order;

### *Receipts and Disbursements*

12. The R&D reports net interim receipts over disbursements, as at July 21, 2021, of \$5,245,514.17. The Receiver respectfully requests that the Court approve the R&D.

### *Claims Procedure*

13. Unless otherwise defined in this section, capitalized terms not otherwise defined shall have the meaning ascribed to them pursuant to the Claims Procedure Order.
14. As set forth in the R&D, the Receiver holds approximately \$5,245,514.17 (subject to the payment of the Final Secured Creditor Distributions and the fees of the Receiver and its counsel) (the “**Remaining Proceeds**”), such amounts being available to distribute to the creditors of Turuss with proven claims.
15. The Receiver has reviewed the Company’s books and records and has determined that the records related to the Turuss payables are insufficient and not reliable. As a result, the

Receiver has developed the Claims Procedure to call for, review and assess creditor claims.

16. A summary of the Claims Procedure is set forth below:
- (a) the Claims Procedure Order provides for an Instruction Letter, Notice to Creditors, Proof of Claim and Notice of Revision or Disallowance for the purpose of administering the Claims Procedure, and authorizes the Receiver to administer the same;
  - (b) there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment, and no Claim shall be determined, and no payment shall be made by Turuss in respect of any Claim, except in accordance with the Claims Procedure Order and the Claims Procedure set out therein;
  - (c) the Receiver shall publish and advertise its Notice to Creditors, and distribute a copy of the Claim Document Package to any Person: (i) who claims to be a Creditor, and (ii) requests such material in writing;
  - (d) every Creditor asserting a Claim against Turuss shall set out its aggregate Claim in a Proof of Claim, including supporting documentation, and deliver that Proof of Claim to the Receiver so that it is actually received by the Receiver by no later than the Claims Bar Date, being September 17, 2021;
  - (e) subject to the terms of the Claims Procedure Order, the Receiver shall review all Proofs of Claim and may:
    - (i) request additional information from a Creditor and / or Turuss to assist with such review and assessment;
    - (ii) request that a Creditor file a revised Proof of Claim;
    - (iii) attempt to resolve and settle any issue arising in a Proof of Claim in respect of a Claim;

- (iv) accept (in whole or in part) the amount of any Claim and notify the Creditor in writing; and
  - (v) revise or disallow (in whole or in part) the amount of any Claim by delivering a Notice of Revision or Disallowance to such Creditor.
  - (f) where a Claim has been accepted by the Receiver, such Claim shall constitute a Proven Claim;
  - (g) the Receiver may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of its powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order; and
  - (h) the Claims Procedure Order addresses further details concerning actions to be taken when a Creditor disputes its Claim, claims barred, set off, and transfer of claims.
17. The Receiver is of the view that the implementation of a Claims Procedure to identify Claims of creditors is appropriate and necessary in the circumstances. The Receiver is therefore seeking the Court's approval to administer the Claims Procedure with corresponding powers to determine and settle all claims against Turuss and/or in respect of the Remaining Proceeds, subject to Court supervision and approval. Under this option, the Receiver would continue to hold the Remaining Proceeds pending further Order of the Court.

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

18. The Seventh Report; and

19. Such further and other material as counsel may advise and this Honourable Court may permit.

**DATED:** July 27, 2021

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*Lawyers for the Receiver*

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**Join Zoom Meeting**

<https://dentons.zoom.us/j/98317007952?pwd=QjJ0UGlzamFkU2V6cnRIZUdsUzg5UT09>

**Meeting ID:** 983 1700 7952

**Passcode:** 005629

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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 August 3, 2021)

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# TAB 2

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

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

BETWEEN:

**PILLAR CAPITAL CORP.**

Applicant

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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

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

July 27, 2021

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- Appendix “A”:** Appointment Order dated September 18, 2020 and corresponding Endorsement
- Appendix “B”:** Receiver’s Sixth Report dated June 1, 2021 (without appendices)
- Appendix “C”:** Receiver’s Supplemental Report to the Sixth Report dated June 28, 2021 (without appendices)
- Appendix “D”:** Approval and Vesting Order dated June 7, 2021 and corresponding endorsement
- Appendix “E”:** Endorsement dated June 25, 2021
- Appendix “F”:** Henechowicz Affidavits (as defined herein)
- Appendix “G”:** Kennedy Affidavits (as defined herein)
- Appendix “H”:** Interim Statement of Receipts and Disbursements as at July 21, 2021

## 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**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment 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 Appointment Order.
3. The Company is a federally incorporated entity that previously manufactured, imported and distributed hardwood flooring. Ms. Yang Jiang (“**Jiang**”) is the sole officer and director of the Company. The Company’s primary asset consists of a 349,000 sq. ft. commercial property and adjacent vacant land located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), currently leased to Bruce Power L.P. (“**Bruce Power**”) in connection the lease between Turuss and Bruce Power dated November 30, 2018, as amended.
4. The Receiver has filed six (6) reports in this receivership proceeding, namely:
  - (a) the first report to the Court, dated October 21, 2020 (the “**First Report**”), in support of its motion (returnable October 29, 2021) seeking, *inter alia*, an order authorizing the Receiver to complete a sale process (the “**Sale Process**”) for the Chesley Property;
  - (b) the second report, dated November 9, 2020 (the “**Second Report**”), in support of its motion (returnable November 10, 2020) seeking, *inter alia*, an order directing Jiang to deliver the Company’s books and records (the “**Books and Records**”) to the Receiver;

- (c) the third report, dated January 5, 2021, together with the Receiver's supplement to the third report, dated January 20, 2021 (collectively, the "**Third Report**"), seeking, *inter alia*, an order extending the bid deadline for the submission of offers in the Sale Process from January 11, 2021 to February 26, 2021;
- (d) the fourth report to the Court, dated March 23, 2021 (the "**Fourth Report**"), in support of its motion (returnable March 26, 2021) seeking, *inter alia*, an order:
  - i. authorizing the Receiver to further extend the bid deadline from March 26, 2021 to April 16, 2021; and
  - ii. approving the approving 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 bid deadline ("**Auction Procedures**");
- (e) the Receiver's fifth report, dated April 13, 2021 (the "**Fifth Report**"), in support of its motion (returnable April 14, 2021) seeking, *inter alia*, an order:
  - i. 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 to be used as the "stalking horse bid"; and
  - ii. approving the stalking horse bidding procedures as set out in the Fifth Report (the "**Stalking Horse Bidding Procedures**"), and extending the bid deadline to April 30, 2021;
- (f) the Receiver's sixth report, dated May 31, 2021 (the "**Sixth Report**") in support of its motion (returnable June 7, 2021) seeking, *inter alia*, an order:
  - i. approving and authorizing the Chelsea APA (as defined herein), and approving the Transaction (as defined herein) and authorizing the

Receiver to take such steps as are necessary and appropriate to facilitate the closing the Transaction;

- ii. vesting Turuss' right, title and interest, if any, in and to the Chesley Property to the Purchaser (as defined herein), free and clear of any encumbrances, save and except as otherwise contemplated by the Chelsea APA;
- iii. authorizing and approving a distribution by the Receiver to Pillar Capital Corp. ("**Pillar**") from the sale proceeds generated from the closing of the Transaction contemplated in the Chelsea APA (the "**Sale Proceeds**"), in an amount sufficient to repay to Pillar in full and final satisfaction of all amounts owing by the Receiver to Pillar pursuant to the Receiver's borrowings and all amounts owing by Turuss to Pillar, as set out herein (the "**Pillar Distribution**"); and
- iv. authorizing and approving a distribution by the Receiver to Kuo-Tong Hsieh ("**Hsieh**") from the Sale Proceeds, in an amount sufficient to repay to Hsieh the principal amount owing by Turuss to Hsieh only, as set out herein (the "**Limited Hsieh Distribution**"), and authorizing the Receiver to make such further distributions to Hsieh on account of interest and other costs claimed.

A copy of the Sixth Report (without appendices) is attached as **Appendix "B"**.

- (g) the Receiver's Supplemental Report to the Sixth Report dated June 28, 2021 (the "**Supplemental Report**"), in support of its motion (returnable June 30, 2021) for the Court's advice and direction regarding a proposed first amendment to the Chelsea APA (the "**Amendment**").

A copy of the Supplemental Report (without appendices) is attached as **Appendix "C"**.

5. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property as set out in the First Report (the “**Sale Process Order**”).
6. On January 11, 2021, the Court issued an order extending the bid deadline from January 11, 2021 to February 26, 2021 (subject to a further extension by the Receiver, in its discretion, for an additional period no greater than four (4) weeks), and corresponding Endorsement.
7. On March 26, 2021, the Court issued an order extending the bid deadline from March 26, 2021 to April 16, 2021 and approving the Auction Procedures (the “**Auction Procedures Order**”).
8. On April 14, 2021, the Court issued an order:
  - (a) authorizing the Receiver to execute the Stalking Horse Bid; and
  - (b) approving the Stalking Horse Bidding Procedures and the bid deadline extension to April 30, 2021.
9. On June 7, 2021, the Court issued an order (the “**Approval and Vesting Order**”):
  - (a) authorizing the Receiver to take such steps as are necessary and appropriate to facilitate the closing the generated from the closing of the transaction (the “**Transaction**”) contemplated in the asset purchase agreement (the “**Chelsea APA**”) between the Receiver and Chelsea Property Holdings Inc. (the “**Purchaser**”) dated May 31, 2021 (as amended) contemplated in 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;
  - (b) authorizing a distribution by the Receiver to Pillar from the Sale Proceeds, in an amount sufficient to repay to Pillar in respect of its principal and interest but not its costs incurred in bringing its application; and

- (c) authorizing a distribution by the Receiver to Hsieh from the Sale Proceeds, in the amount of the Limited Hsieh Distribution.

A copy of the Approval and Vesting Order and endorsement (the “**June 7 Endorsement**”) is attached as **Appendix “D”**.

- 10. 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. A copy of the Court’s June 25, 2021 endorsement is attached as **Appendix “E”**.
- 11. Information regarding the receivership proceedings has been posted to the Receiver’s case website at [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss) (the “**Website**”).

#### **PURPOSE OF THIS REPORT**

- 12. The purpose of this the Receiver’s seventh report, dated July 26, 2021 (the “**Seventh Report**”) is to update the Court with respect to:
  - (a) the Receiver’s activities since the date of the Supplemental Report;
  - (b) the completion the Transaction contemplated by the Chelsea APA;
  - (c) the completion of the Pillar Distribution and Limited Hsieh Distribution, in accordance with the Approval and Vesting Order and the June 7 Endorsement;
  - (d) the Receiver’s proposed claims procedure (the “**Claims Procedure**”) to assess and determine the claims of the remaining Turuss creditors;
  - (e) the Receiver’s recommendation for orders, *inter alia* (collectively, the “**Distribution Order**”):
    - (i) abridging the time for service of the Notice of Motion dated July 27, 2021, the Motion Record returnable on August 3, 2021 and the Seventh Report dated July 27, 2021, and dispensing with further service thereof;

- (ii) authorizing and approving a distribution to Pillar from the Sale Proceeds, in an amount sufficient to repay to Pillar: (i) all remaining amounts owing by Turuss in respect of accrued interest and fees, and (ii) all remaining amounts owing by the Receiver pursuant to the Receiver's borrowings (the "**Final Pillar Distribution**");
  - (iii) 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 (the "**Final Hsieh Distribution**");
  - (iv) approving the Seventh Report, and the activities of the Receiver as set out therein;
  - (v) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in the Sixth Report of the Receiver dated June 1, 2021 and the Seventh Report, the fee Affidavit of Jerry Henechowicz sworn May 20, 2021 ("**Henechowicz Affidavit 1**") and a second affidavit dated July 23, 2021 ("**Henechowicz Affidavit 2**" and collectively with Henechowicz Affidavit 1, the "**Henechowicz Affidavits**"), and the fee Affidavit of Robert Kennedy sworn May 31, 2021 ("**Kennedy Affidavit 1**") and a second affidavit dated July 27, 2021 (collectively, the "**Kennedy Affidavits**"); and
  - (vi) approving the interim statement of receipts and disbursements dated July 21, 2021 (the "**R&D**");
- (f) the Receiver's recommendation for an order, *inter alia* (collectively, the "**Claims Procedure Order**"):
  - i. approving and authorizing the Claims Procedure and authorizing, directing and empowering the Receiver to administer the Claims Procedure in accordance with the terms of the Claims Procedure Order; and

- ii. such further and other grounds as counsel may advise and this Court may permit;

## **TERMS OF REFERENCE**

13. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Sale Process.
14. In preparing the Seventh Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets which includes, but not limited to, the following information (collectively the “**Information**”):
  - (a) as provided by Jiang, which includes the Books and Records;
  - (b) obtained in discussions with creditors and stakeholders generally;
  - (c) as provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
  - (d) as otherwise available to the Receiver and its counsel.
15. Except as described in this Seventh 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.
16. All currency references are in Canadian Dollars unless otherwise specified.

## **ACTIVITIES TO DATE**

17. The Receiver’s activities since filing the Supplemental Report have concentrated on:
  - (a) updating the Website, as necessary;

- (b) collecting rents and other amounts due from Bruce Power and paying the operating expenses of the Chesley Property up to the closing of the Transaction;
- (c) completing the Transaction, and dealing with post-closing matters;
- (d) completing the Pillar Distribution and the Limited Hsieh Distribution;
- (e) addressing a third party property claim with respect to some property previously located and stored at the Chesley Property, consisting of windows and other related parts;
- (f) preparing the Claims Procedure;
- (g) responding to enquiries from Canada Revenue Agency and other potential creditors regarding their claims; and
- (h) preparing this Seventh Report.

### **Closing of the Chelsea APA**

- 18. The Transaction closed on June 25, 2021.
- 19. The Purchase Price (as defined in the Chelsea APA) has been paid to the Receiver.
- 20. The Receiver filed its Receiver Certificate with the Court to confirm completion of the Transaction and vesting title to Purchased Assets in the Purchaser in accordance with the Approval and Vesting Order.

### **Distributions**

- 21. As authorized by the Approval and Vesting Order, the Receiver completed the following distributions from the Sale Proceeds (collectively, the “**Initial Distributions**”):
  - i. \$600,000 to Pillar in respect funds advanced to the Receiver by way of Receiver’s Certificates;
  - ii. \$2,124,235.72 to Pillar in respect of a term loan; and

- iii. \$550,000 to Hsieh in respect of a term loan.

## JUNE 7 HEARING

- 22. At the June 7 hearing, the Court granted the Approval and Vesting Order only, and adjourned the balance of the Receiver's motion, on seven (7) days prior notice to ensure that the service list had a sufficient period of time to review the Sixth Report and related materials, to authorize and approve:
  - (a) the Final Pillar Distribution and the Final Hsieh Distribution, which amounts represent the accrued interest and fee claims of Pillar and Hsieh. The Pillar and Hsieh payout statements are attached as Appendix "O" and Appendix "Q" to the Sixth Report, respectively; and
  - (b) the Receiver's interim statement of receipts and disbursements dated May 19, 2021 (the "**May R&D**"), together with the interim fees and disbursements of the Receiver as set out in the Henechowicz Affidavit 1, and the Kennedy Affidavit 1 (the "**Interim Fees**").
- 23. In accordance with the June 7, 2021 Endorsement, the Receiver served a notice of return of motion upon the service list (at least seven days' prior to the hearing, being June 25, 2021) for the approval of the May R&D, the Interim Fees, and a distribution in respect of the Final Pillar Distribution and Final Hsieh Distribution (collectively, the "**Final Secured Creditor Distributions**").
- 24. At the June 25 hearing, the Court was required to address an amendment to the Cheslea APA, which was opposed by another bidding party. Unfortunately, given the limited amount of Court time, the Court was unable to address the Order sought by the Receiver regarding the approval of the May R&D, Interim Fees and the Final Secured Creditor Distributions.
- 25. As set out in the R&D, the Receiver holds sufficient funds in the estate to distribute and complete the Final Secured Creditor Distributions. Accordingly, the Receiver respectfully requests that the Court approve the Final Secured Creditor

Distributions, together with the approval of the Interim Fees. With respect to the approval of the May R&D, the Receiver is now seeking the approval of the R&D.

### **FEES AND DISBURSEMENTS**

26. As noted above, the Receiver has provided services and incurred disbursements during the period of April 1, 2021 to May 15, 2021 which are described in Henechowicz Affidavit 1.
27. The Receiver has also provided services and incurred disbursements during the period of May 16, 2021 to June 30, 2021 which are described in the Henechowicz Affidavit 2. A copy of the Henechowicz Affidavits attached hereto as **Appendix “F”**;
28. 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 Affidavits. A copy of the Kennedy Affidavits attached hereto as **Appendix “G”**;
29. The Receiver requests that this Court approve its interim accounts for the period of April 1, 2021 to June 30, 2021 in the amount of \$44,336.40, inclusive of disbursements and HST, and approve the interim accounts of its legal counsel for the period of April 1, 2021 to June 30, 2021 in the amount of \$266,827.26 inclusive of disbursements and HST (collectively, the **“Professional Fees”**);
30. The Receiver submits that the Professional Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Appointment Order;

### **RECEIPTS AND DISBURSEMENTS**

31. The R&D reports net interim receipts over disbursements, as at July 21, 2021, of \$5,245,514.17. The Receiver respectfully requests that the Court approve the R&D. A copy of the R&D is attached hereto as **Appendix “H”**;

## CLAIMS PROCESS

32. Unless otherwise defined in this section, capitalized terms not otherwise defined shall have the meaning ascribed to them pursuant to the Claims Procedure Order.
33. As set forth in the R&D, the Receiver holds approximately \$5,245,514.17 (subject to the payment of the Final Secured Creditor Distributions and the fees of the Receiver and its counsel) (the “**Remaining Proceeds**”), such amounts being available to distribute to the creditors of Turuss with proven claims.
34. The Receiver has reviewed the Books and Records and has determined that the records related to the Turuss payables are insufficient and not reliable. As a result, the Receiver has developed the Claims Procedure to call for, review and assess creditor claims.
35. A summary of the Claims Procedure is set forth below:
  - (a) the Claims Procedure Order provides for an Instruction Letter, Notice to Creditors, Proof of Claim and Notice of Revision or Disallowance for the purpose of administering the Claims Procedure, and authorizes the Receiver to administer the same;
  - (b) there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment, and no Claim shall be determined, and no payment shall be made by Turuss in respect of any Claim, except in accordance with the Claims Procedure Order and the Claims Procedure set out therein;
  - (c) the Receiver shall publish and advertise its Notice to Creditors, and distribute a copy of the Claim Document Package to any Person: (i) who claims to be a Creditor, and (ii) requests such material in writing;
  - (d) every Creditor asserting a Claim against Turuss shall set out its aggregate Claim in a Proof of Claim, including supporting documentation, and deliver

that Proof of Claim to the Receiver so that it is actually received by the Receiver by no later than the Claims Bar Date, being September 17, 2021;

- (e) subject to the terms of the Claims Procedure Order, the Receiver shall review all Proofs of Claim and may:
  - (i) request additional information from a Creditor and / or Turuss to assist with such review and assessment;
  - (ii) request that a Creditor file a revised Proof of Claim;
  - (iii) attempt to resolve and settle any issue arising in a Proof of Claim in respect of a Claim;
  - (iv) accept (in whole or in part) the amount of any Claim and notify the Creditor in writing; and
  - (v) revise or disallow (in whole or in part) the amount of any Claim by delivering a Notice of Revision or Disallowance to such Creditor.
- (f) where a Claim has been accepted by the Receiver, such Claim shall constitute a Proven Claim;
- (g) the Receiver may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of its powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order; and
- (h) the Claims Procedure Order addresses further details concerning actions to be taken when a Creditor disputes its Claim, claims barred, set off, and transfer of claims.

36. The Receiver is of the view that the implementation of a Claims Procedure to identify Claims of creditors is appropriate and necessary in the circumstances. The Receiver is therefore seeking the Court's approval to administer the Claims Procedure with corresponding powers to determine and settle all claims against

Turuss and/or in respect of the Remaining Proceeds, subject to Court supervision and approval. Under this option, the Receiver would continue to hold the Remaining Proceeds pending further Order of the Court.

## CONCLUSION AND RECOMMENDATION

37. Based on the foregoing and as outlined in this Seventh Report, the Receiver respectfully requests that this Court issue orders as outlined in paragraph 12(e) and (f).

All of which is respectfully submitted this 27<sup>th</sup> day of July, 2021.

**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:



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

Appendix “A”  
to the Seventh Report of the Receiver

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST



THE HONOURABLE

MR. JUSTICE HAINEY

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)

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;

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- (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;

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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

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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

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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

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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

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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.

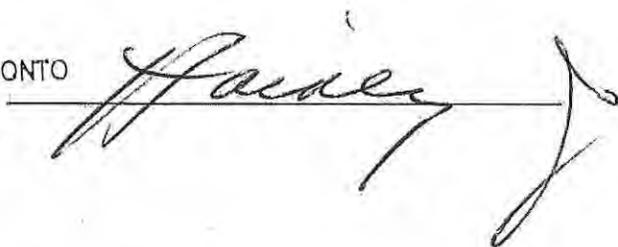
32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

SEP 21 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.

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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

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Fax: 416-862-7661

Thomas Gertner (LSO# 67756S)

Tel: 416-369-4618

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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.  
  
Hainey J  
September 18, 2020

\_\_\_\_\_ Date

\_\_\_\_\_ Judge's Signature

Additional Pages \_\_\_\_\_

Appendix “B”  
to the Seventh 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

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

**June 1, 2021**

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**APPENDICES**

- Appendix “A”:** Appointment Order dated September 18, 2020 and corresponding Endorsement
- Appendix “B”:** Receiver’s First Report dated October 21, 2020
- Appendix “C”:** Receiver’s Second Report dated November 9, 2020
- Appendix “D”:** Receiver’s Third Report dated January 5, 2021 and accompanying Supplement to the Third Report dated January 20, 2021
- Appendix “E”:** Receiver’s Fourth Report dated March 23, 2021
- Appendix “F”:** Receiver’s Fifth Report dated April 13, 2021
- Appendix “G”:** Sale Process Order dated October 29, 2020 and corresponding Endorsement
- Appendix “H”:** Deadline Extension Order dated January 11, 2021 and corresponding Endorsement
- Appendix “I”:** Auction Procedures Order dated March 26, 2021 and corresponding Endorsement
- Appendix “J”:** Stalking Horse Order dated April 14, 2021
- Appendix “K”:** Chelsea APA dated May 31, 2021
- Appendix “L”:** Teaser used in Sale Process
- Appendix “M”:** Globe and Mail Advertisements dated November 10<sup>th</sup>, December 1<sup>st</sup>, and December 3<sup>rd</sup> 2020
- Appendix “N”:** Pre-Filing Report of the Receiver dated September 15, 2020
- Appendix “O”:** Pillar Capital Corp payout statement dated May 21, 2021
- Appendix “P”:** Affidavit of Steve Dizep dated September 4, 2020
- Appendix “Q”:** Kuo-Tong Hsieh payout statement dated December 21, 2020
- Appendix “R”:** Henechowicz Affidavit sworn May 20, 2021
- Appendix “S”:** Kennedy Affidavit sworn May 31, 2021
- Appendix “T”:** Interim Statement of Receipts and Disbursements as at May 19, 2021

## 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**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment 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 Appointment Order (the “**Dizep Affidavit**”).
3. The Company is a federally incorporated entity that previously manufactured, imported and distributed hardwood flooring. Ms. Yang Jiang (“**Jiang**”) is the sole officer and director of the Company. The Company’s primary asset consists of a 349,000 sq. ft. commercial property and adjacent vacant land located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), currently leased to Bruce Power L.P. (“**Bruce Power**”) in connection the lease between Turuss and Bruce Power dated November 30, 2018, as amended (the “**Bruce Power Lease**”).
4. The Receiver has filed five (5) reports in this receivership proceeding, namely:
  - (a) the first report to the Court, dated October 21, 2020 (the “**First Report**”), in support of its motion (returnable October 29, 2021) seeking, *inter alia*, an order authorizing the Receiver to complete a sale process (the “**Sale Process**”) for the Chesley Property. A copy of the First Report (without appendices) is attached as **Appendix “B”**;
  - (b) the second report, dated November 9, 2020 (the “**Second Report**”), in support of its motion (returnable November 10, 2020) seeking, *inter alia*, an order directing Jiang to deliver the Company’s books and records (the “**Books and Records**”) to the Receiver. A copy of the Second Report (without appendices) is attached as **Appendix “C”**;

- (c) the third report, dated January 5, 2021, together with the Receiver’s supplement to the third report, dated January 20, 2021 (collectively, the “**Third Report**”), seeking, *inter alia*, an order extending the Deadline for the submission of offers in the Sale Process from January 11, 2021 to February 26, 2021. A copy of the Third Report (without appendices) is attached as **Appendix “D”**;
- (d) the fourth report to the Court, dated March 23, 2021 (the “**Fourth Report**”), in support of its motion (returnable March 26, 2021) seeking, *inter alia*, an order:
- i. authorizing the Receiver to further extend the Deadline from March 26, 2021 to April 16, 2021; and
  - ii. approving the approving 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 (“**Auction Procedures**”);
- A copy of the Fourth Report (without appendices) is attached as **Appendix “E”**;
- (e) the Receiver’s fifth report, dated April 13, 2021 (the “**Fifth Report**”), in support of its motion (returnable April 14, 2021) seeking, *inter alia*, an order:
- i. 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. (“**Westmount**”) in respect of the Chesley Property to be used as the “stalking horse bid”; and
  - ii. approving the stalking horse bidding procedures as set out in the Fifth Report (the “**Stalking Horse Bidding Procedures**”), and extending the Deadline to April 30, 2021.

A copy of the Fifth Report (without appendices) is attached as **Appendix “F”**.

5. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property as set out in the First Report (the “**Sale Process**”

**Order**”). A copy of the Sale Process Order and its corresponding endorsement is attached as **Appendix “G”**;

6. On January 11, 2021, the Court issued an order extending the Deadline from January 11, 2021 to February 26, 2021 (subject to a further extension by the Receiver, in its discretion, for an additional period no greater than four (4) weeks) (the **“Deadline Extension Order”**) and corresponding Endorsement. A copy of the Deadline Extension Order and corresponding Endorsement is attached hereto as **Appendix “H”**;
7. On March 26, 2021, the Court issued an order extending the Deadline from March 26, 2021 to April 16, 2021 and approving the Auction Procedures (the **“Auction Procedures Order”**). A copy of the Auction Procedures Order and its corresponding Endorsement is attached as **Appendix “I”**.
8. On April 14, 2021, the Court issued an order (the **“Stalking Horse Order”**):
  - (a) authorizing the Receiver to execute the Stalking Horse Bid; and
  - (b) approving the Stalking Horse Bidding Procedures and the Deadline extension to April 30, 2021.

A copy of the Stalking Horse Order is attached as **Appendix “J”**.

9. Information regarding the receivership proceedings has been posted to the Receiver’s case website at [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss) (the **“Website”**).

## **PURPOSE OF THIS REPORT**

10. The purpose of this the Receiver’s sixth report, dated June 1, 2021 (the **“Sixth Report”**) is to update the Court with respect to:
  - (a) the Receiver’s activities since the date of the Fifth Report;
  - (b) the Sale Process conducted by the Receiver for the Chesley Property up to and including the Deadline;
  - (c) the offers received for the Chesley Property by the Deadline;

- (d) the auction conducted by the Receiver on May 11, 2021 among Selected Offerors and the Stalking Horse Bidder (the “**Auction**”) that was conducted in accordance with the Auction Procedures;
- (e) the Asset Purchase Agreement dated May 31, 2021 (the “**Chelsea APA**”) entered into between the Receiver and Chelsea Property Holdings Inc. (as assignee) (“**Chelsea**”) as purchaser (the “**Purchaser**”) in respect of the Chesley Property and the transaction contemplated therein (the “**Transaction**”). A copy of the Chelsea APA is attached as **Appendix “K”**;
- (f) the Receiver’s recommendation for an order (s), *inter alia*:
  - i. approving and authorizing the Chelsea APA, and approving the Transaction set out therein;
  - ii. authorizing the Receiver to take such steps as are necessary and appropriate to facilitate the closing the Transaction;
  - iii. 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;
  - iv. authorizing and approving a distribution by the Receiver to Pillar Capital Corp. (“**Pillar**”) from the sale proceeds generated from the closing of the Transaction contemplated in the Chelsea APA (the “**Sale Proceeds**”), in an amount sufficient to repay to Pillar in full and final satisfaction of all amounts owing by the Receiver to Pillar pursuant to the Receiver’s borrowings and all amounts owing by Turuss to Pillar, as set out herein (the “**Pillar Distribution**”);
  - v. authorizing and approving a distribution by the Receiver to Kuo-Tong Hsieh (“**Hsieh**”) from the Sale Proceeds, in an amount sufficient to repay to Hsieh the principal amount owing by Turuss to Hsieh only, as set out herein (the “**Limited Hsieh Distribution**”), and authorizing the Receiver to make

such further distributions to Hsieh on account of interest and other costs claimed;

- vi. approving the Sixth Report and the activities of the Receiver as set out herein;
- vii. approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Sixth Report, the fee Affidavit of Jerry Henechowicz sworn May 20, 2021 (the “**Henechowicz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn May 31, 2021 (the “**Kennedy Affidavit**”);
- viii. approving the Receiver’s interim statement of receipts and disbursements as at May 19, 2021 (the “**R&D**”); and
- ix. such other matters considered relevant to the Receiver’s administration of this proceeding.

## **TERMS OF REFERENCE**

- 11. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Sale Process.
- 12. In preparing the Sixth Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets which includes, but not limited to, the following information (collectively the “**Information**”):
  - (a) as provided by Jiang, which includes the Books and Records;
  - (b) as provided by Pillar and its legal counsel, Gowling WLG (Canada) LLP;
  - (c) obtained in discussions with Prospective Offerors, Interested Parties, various parties that were prospective purchasers of the Chesley Property prior to the Appointment Order, and creditors and stakeholders generally;
  - (d) obtained by attending at the Chesley Property;

- (e) as provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
  - (f) obtained in discussions and negotiations with Bruce Power;
  - (g) as provided by Pinchin Ltd. and Colliers International Realty Advisors Inc. (“**Colliers**”) in respect of their assessments and appraisals of the Chesley Property; and
  - (h) as otherwise available to the Receiver and its counsel.
13. Except as described in this Sixth 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.
14. All currency references are in Canadian Dollars unless otherwise specified.

#### **ACTIVITIES TO DATE**

15. The Receiver’s activities since filing the Sixth Report have concentrated on:
- (a) updating the Website, as necessary;
  - (b) completing the Sale Process up to and including the Deadline;
  - (c) collecting rents and other amounts due from Bruce Power and paying the operating expenses of the Chesley Property;
  - (d) attending to various discussions with Prospective Offerors regarding the Sale Process and responding to due diligence inquiries as well as conducting inspections of the Chesley Property;
  - (e) updating Prospective Offerors via Data Room notices regarding the Sale Process and matters relating to the Chesley Property;

- (f) attending to discussions and meetings with Bruce Power regarding improvements and alterations to the Chesley Property as proposed by Bruce Power and arranging for completion of same, as necessary;
- (g) reviewing all Binding Offers (as defined in the Stalking Horse Bidding Procedures) received by the Deadline and negotiating amendments to Binding Offers so that the Binding Offers' complied with the terms of the Stalking Horse Bidding Procedures;
- (h) conducting the Auction;
- (i) negotiating the Chelsea APA to reflect the outcome of the Auction; and
- (j) preparing this Sixth Report.

## **SALE PROCESS REVIEW**

### **October 29, 2020 to January 11, 2021**

16. In accordance with the Sale Process Order dated October 29, 2020, the Receiver implemented the Sale Process, and in particular, the following steps were undertaken:
- (a) distribution via email of a Teaser to Interested Parties. The distribution list included:
    - i. prospective purchasers identified by Colliers;
    - ii. prospective purchasers that had previously expressed interest in the Chesley Property;
    - iii. real estate developers and investors;
    - iv. representatives from various established real estate brokerages; and
    - v. all MNP LLP partners and senior managers across Ontario and Quebec; and to other parties known to the Receiver that, in the Receiver's opinion, might have an interest in the opportunity.

A copy of the Teaser is attached hereto as **Appendix "L"**;

- (b) advertised the sale opportunity in the *Globe and Mail Newspaper* (National Edition – Real Estate – Commercial Investments section) on November 10<sup>th</sup>, December 1<sup>st</sup>, and December 3<sup>rd</sup> of 2020. Copies of the advertisements are attached hereto as **Appendix “M”**;
  - (c) prepared a CIM, containing terms of sale, a template form of offer, and a standard form of APS prepared by the Receiver’s counsel, along with instructions for submitting same;
  - (d) preparation of the NDA and creation of the Data Room, which was populated and updated with information and documentation relating to or in respect of the Chesley Property, accessible by any Prospective Offeror; and
  - (e) facilitated due diligence efforts by Interested parties and Prospective Offerors, including numerous in-person meetings and telephone conversations with prospective purchasers and the conducting tours of the Chesley Property.
17. On October 1, 2020, the Receiver and Bruce Power executed the fifth lease amendment to the Bruce Power Lease (the “**Fifth Lease Amendment**”) that added an additional 31,000 sq. ft. of available office space to the area leased by Bruce Power.
18. On December 4, 2020, the Receiver negotiated a sixth lease amendment with Bruce Power that included providing Bruce Power with an additional 25,700 sq. ft. of leased space as well as an option to be exercised by December 21, 2020 to lease substantially the balance of the area of the Chesley Property.
19. The Receiver consulted with Colliers regarding the impact on the market value of Chesley Property if it was fully leased to Bruce Power. Colliers advised that having the entire space of the Chesley Property leased to a strong tenant, in its opinion and subject to the customary assumptions and qualifications, would increase the market value of the Chesley Property.
20. Based on the above, the Receiver engaged in negotiating a new lease amendment for the entirety of the Chesley Property and notified Prospective Offerors via the Data Room that the Receiver was in the process of negotiating an expansion of Bruce Power Lease, and

that an extension to the Deadline may occur prior to the then current Deadline of January 11, 2021.

21. Effective December 26, 2020, the Government of Ontario issued an updated COVID-19 lockdown order (the “**December Lockdown Order**”) that prevented Prospective Offerors from completing due diligence by way of site tours / visits at the Chesley Property until such lockdown orders are lifted.
22. Based on the December Lockdown Order and the negotiations with Bruce Power to expand the Bruce Power Lease, the Receiver sought and obtained an extension of the Deadline to February 16, 2021 with the discretion to extend to the Deadline for a further four (4) weeks as set out in the Deadline Extension Order.

#### **January 11 to March 26, 2021**

23. Just prior to February 16, 2021, the Receiver extended the Deadline to March 19, 2021, as the Receiver was still negotiating the terms of a lease amendment with Bruce Power. The Deadline was further extended by the Receiver to March 26, 2021 to allow additional time to finalize a lease amendment with Bruce Power.
24. The Receiver and Bruce Power concluded a Lease Expansion, Extending and Amending agreement dated March 23, 2021 (the “**Lease Expansion Agreement**”). The Lease Expansion Agreement, among other things, increases the leased space to approximately 349,000 sq. ft. to effectively encompass the entire industrial facility located on the Chesley Property, including a small building on the opposite side of the street to the main industrial building. In addition, approximately five (5) acres of vacant land not utilized is being removed from Bruce Power’s occupancy.
25. The Lease Expansion Agreement was made available in the Data Room for Prospective Offerors to review and assess as part of the due diligence process.
26. As set out in the Fourth Report, the Receiver sought and obtained a further extension to the Deadline from March 26, 2021 to April 16, 2021 in order to allow Prospective Offerors a

sufficient period of time to evaluate the Chesley Property and the new operating metrics resulting from the completion of the Lease Expansion Agreement.

### **March 27, 2021 to April 16, 2021**

27. Various offers were submitted to the Receiver prior to the Deadline of April 16, 2021. These offers included the Stalking Horse Bid, all of which were summarized in the Confidential Supplement to the Fifth Report.

### **The Stalking Horse Bid and Stalking Horse Bidding Procedures**

28. The Receiver was presented with an unsolicited Stalking Horse Bid. On April 14, 2021, the Court issued the Stalking Horse Procedures Order that, among other things, approved Stalking Horse Bidding Procedures, authorized the Receiver to execute the Stalking Horse Bid, and extended the Deadline to April 30, 2021 in order to allow Prospective Offers a period of time to consider the Stalking Horse Bid.
29. As a brief summary, the Stalking Horse Bid provided for the following key components:
- (a) **Purchased Assets:** Those assets listed in section 2.01 of the Stalking Horse Bid;
  - (b) **Purchase Price:** \$6,500,000;
  - (c) **Deposit:** \$650,000 (10% of Purchase Price); and
  - (d) **Break Fee and Expense Reimbursement:** \$175,000 (2.69% of Purchase Price) (the “**Break Fee**”).
30. The Stalking Horse Bidding Procedures provided direction on, among other things, participation and bid requirements for submitting a Binding Offer (as defined in the Stalking Horse Bidding Procedures) for the Chesley Property, the Break Fee payment, the Receiver’s discretion to conduct an auction pursuant to the Auction Procedures, and the Approval Motion for the Successful Offer. The Stalking Horse Bid was made available to Prospective Offerors via the Data Room.
31. The Stalking Horse Procedures Order also extended the Deadline to April 30, 2021.

**April 17, 2021 to May 10, 2021 (Bid Deadline)**

32. On or prior to the Deadline, the Receiver received four (4) Binding Offers. Following receipt of the Binding Offers, the Receiver reviewed and negotiated certain components of each Binding Offer in order to qualify each offer as a Qualified Offer (as defined in the Stalking Horse Bidding Procedures) pursuant to the Stalking Horse Bidding Procedures.
33. Given the business terms associated with each Qualified Offer, the Receiver elected to conduct the Auction and invited each party that submitted a Qualified Offer to participate in the Auction.

**May 11, 2021 (Auction)**

34. To maximize the value of the Chesley Property for the benefit of Turuss and its stakeholders, the Receiver conducted the Auction pursuant to the Auction Procedures on May 11, 2021. The Auction was held via Zoom video conference and conducted in rounds. The Receiver used a third-party (Arbitration Place) to ensure that the Auction proceeded in an organized fashion. The Auction was conducted with five (5) Selected Offerors, inclusive of Westmount. The lead bid at the commencement of the Auction was in the amount of \$7,300,000.
35. During the Auction, the Receiver evaluated bids based on several factors including, without limitation:
  - (a) the amount and nature of the consideration;
  - (b) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
  - (c) the Receiver's assessment of the certainty of the Selected Offeror to close the proposed transaction;
  - (d) the likelihood, extent and impact of any potential delays in closing;
  - (e) the net economic effect of any changes from the opening bid of the previous round;and

- (f) such other considerations as the Receiver deems relevant in its reasonable business judgment.
36. Westmount submitted the highest and best bid at the Auction in the amount of \$9,200,000. Westmount's bid was accepted as the Successful Offer on May 11, 2021. The Receiver also determined at the Auction that 1217856 Ontario Ltd was the Back-up Bid (as defined in the Auction Procedures).
37. Subsequent to the Auction, Westmount indicated to the Receiver that the Transaction would be assigned and completed with Chelsea instead of Westmount, and in accordance with the Chelsea APA.

### **PROPOSED TRANSACTION**

38. Capitalized terms not otherwise defined in this section shall have the meaning to that term pursuant to the Chelsea APA. A summary of the Chelsea APA is set out below.

#### **Purchased Assets**

39. The Purchaser will acquire, on an "*as is, where is*" basis, the Purchased Assets as set out in section 2.01 of the Chelsea APA, which includes the following:
- (a) the Lands;
  - (b) all structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Lands other than the fixed machinery, equipment or tenant trade fixtures that belong to Bruce Power;
  - (c) subject to Sections 2.08 and 2.09(4) of the Chelsea APA, and to the extent not otherwise included Section 2.01 of the Chelsea APA, the Assigned Contracts;
  - (d) all Intellectual Property owned by Turuss that was used in connection with the Purchased Assets;
  - (e) all pre-paid expenses and deposits relating to the Purchased Assets (other than deposits paid to suppliers or customers of Turuss) including all pre-paid taxes, local improvement rates and charges, water rates and other operating costs, all pre-paid

purchases of gas, oil and hydro, and all pre-paid lease payments and lease deposits;  
and

- (f) the Books and Records.

### **Excluded Assets**

40. Pursuant to the Chelsea APA, the Purchaser will have no rights with respect to the right, title and interest of Turuss in and to the following assets:
- (a) the cash and cash equivalents, short-term investments, bank account balances, bank deposits, deposits including any deposits posted in respect of letters of credit, and petty cash of Turuss;
  - (b) all rights of Turuss to tax refunds, credits, rebates or similar benefits relating to the Purchased Assets for the period prior to the Closing;
  - (c) the Excluded Contracts;
  - (d) shares and other interests or capital of Turuss;
  - (e) the tax records and insurance policies of Turuss;
  - (f) any Claim of Turuss to reimbursement under any insurance policy applicable to Turuss for the period prior to the Closing Date;
  - (g) Books and Records not pertaining primarily to the Purchased Assets;
  - (h) all funds or deposits held by suppliers, customers or any other Person in trust for or on behalf of Turuss (if any); and
  - (i) any other assets listed in Exhibit E to the Chelsea APA.

### **Consideration**

41. Pursuant to the Auction, the purchase price of the Chelsea APA shall be \$9,200,000, subject to adjustments pursuant to section 2.03 of the Chelsea APA.

**Assumed Liabilities**

42. At the Time of Closing, the Purchaser will assume and thereafter fulfil, perform and discharge when due the following Liabilities of Turuss outstanding as at the Closing Date which include the following:
- (a) all Liabilities arising from or in connection with the Assigned Contracts, including any Cure Costs;
  - (b) all Liabilities arising from or in connection with any tax, levy, penalty, interest or costs for which the Purchaser is responsible pursuant to Sections 2.06 and 2.07 of the Chelsea APA and any Permitted Encumbrances; and
  - (c) all Liabilities relating to or arising from the Purchased Assets under Environmental Laws.
43. The Purchaser will also, on and after the Closing Date, indemnify and save harmless the Receiver in accordance with section 2.08(2) of the Chelsea APA.

**Assigned Contracts**

44. Subject to Section 2.09(2) of the Chelsea APA, the Purchaser is seeking the assignment of the Company's rights, benefits and interest in and to the Assigned Contracts, as set out in Exhibit "B" to the Chelsea APA. The Receiver will provide its reasonable cooperation to assist the Purchaser to obtain such consents.
45. The Purchaser will be responsible for all Cure Costs in respect of any Assigned Contracts. The Purchaser shall also assume the Bruce Power Lease.

**Conditions**

46. The conditions for the benefit of the Purchaser are listed at section 5.01 of the Chelsea APA, and are generally limited to the granting of the Approval and Vesting Order in respect of the Chelsea APA.

**Closing**

47. The Closing Date shall be five (5) Business Days following the date of the Approval and Vesting Order, or such other date as may be agreed in writing between the parties hereto.

**Recommendation on the Chelsea APA and Transaction**

48. The Receiver is of the view that the Sale Process, as supplemented by the Stalking Horse Bidding Procedures and Auction Procedures:
- (a) was conducted in a commercially reasonable manner and the market was extensively canvassed with respect to sale of the Chesley Property;
  - (b) the purchase price is sufficiently comparable to the market value of the Chesley Property provided in the Confidential Supplement to the Fifth Report;
  - (c) was completed in a fair and transparent manner; and
  - (d) all reasonable requests for information and meetings made by Prospective Offerors were satisfied by the Receiver.
49. The Receiver is of the view that the Chelsea APA represents the highest and best purchase price for the Chesley Property, and maximizes recoveries for the secured creditors, and other stakeholders of Turuss. The appointing creditor, Pillar, also supports the relief being sought by the Receiver.
50. For the above reasons, the Receiver respectfully requests that the Court issue an Approval and Vesting Order in connection to the Chelsea APA and the associated Transaction contemplated therein.

**DISTRIBUTIONS**

51. As set out in the Pre-Filing Report of the Receiver dated September 15, 2020 (the “**Pre-Filing Report**”), Turuss granted the following security to Pillar:
- (a) First Charge/Mortgage against the Property dated October 23, 2018;
  - (b) General Assignment of Rents and Leases dated October 23, 2018; and

(c) General Security Agreement dated October 24, 2018.

A copy of the Pre-Filing Report (without appendices) is attached hereto as **Appendix “N”**.

52. As reported in the Pre-Filing Report, the Receiver obtained a security opinion from its counsel (the “**Pillar Security Opinion**”) and, subject to the customary qualifications and assumptions contained therein, the Pillar Security Opinion opines that: (i) the security held by Pillar is valid and legally enforceable against Turuss, and (ii) Pillar has a perfected security interest in all the personal property of Turuss (the “**Personal Property**”) and a first priority charge against the Chesley Property.
53. As reported in the Pre-Filing Report, subject to the customary assumptions and qualifications contained in the Pillar Security Opinion, the Pillar security documents:
- (a) constitute legal, valid and binding security interests in favour of Pillar in the Personal Property and the Chesley Property;
  - (b) are sufficient to secure the payment and performance of the obligations secured thereby; and
  - (c) are properly registered and perfected in the applicable jurisdictions.
54. The current indebtedness owing by Turuss to Pillar, as at May 21, 2021, is \$2,171,275.21 plus any further accrued interest and costs. A copy of the Pillar payout statement dated May 21, 2021 (the “**Pillar Payout Statement**”) is attached hereto as **Appendix “O”**;
55. The Pillar Payout Statement also describes amounts owing by the Receiver in respect of the Receiver’s Borrowings Charge (as defined in the Appointment Order) in the amount of \$606,173.22, plus any further accruing interest.
56. Given that the Sale Proceeds will be sufficient to payout Pillar, as outlined herein, the Receiver is seeking the authority and approval for the Pillar Distribution, to be made following the closing of the Transaction.
57. As discussed in the Dizep Affidavit filed in support of the Appointment Order, on March 13, 2020, Turuss granted a second ranking charge in the amount of \$550,000 registered

against the Chesley Property in favour of Hsieh (“**Hsieh Charge**”). A copy of the Dizep Affidavit (without appendices) is attached here to as **Appendix “P”**.

58. The Receiver obtained a security opinion from its counsel relating to the Hsieh Charge and, subject to the customary qualifications and assumption contained therein, the Hsieh security pinion (the “**Hsieh Security Opinion**”) opines that the Hsieh Charge is a valid and legally enforceable charge against the Chelsey Property.
59. Subject to the customary assumptions and qualifications contained in the Hsieh Security Opinion, the Receiver’s counsel has opined that the Hsieh Charge:
  - (a) constitutes a legal, valid and binding security interest in favour of Hsieh over the Chesley Property;
  - (b) is sufficient to secure the payment and performance of the obligations secured thereby; and
  - (c) is properly registered against the Chesley Property.
60. The outstanding principal amount owed to Hsieh by Turuss is \$550,000. A copy of the Hsieh payout statement dated December 21, 2020 is attached hereto as **Appendix “Q”**;
61. Given that the Sale Proceeds will be sufficient to payout the principal amount owing to Hsieh, as outlined herein, the Receiver is seeking the authority and approval for the Limited Hsieh Distribution, to be made following the closing of the Transaction. As noted above, the Limited Hsieh Distribution will be limited to a distribution on account of the principal amount outstanding only as the Receiver is currently reviewing the propriety of the additional amounts claimed. The Receiver is also seeking for the Court to authorize the Receiver to make such further distributions on account of interest and other costs claimed by Hsieh.
62. The Receiver is of the view that the approval of the Pillar Distribution and Limited Hsieh Distribution is appropriate in the circumstances.

63. A surplus of Sale Proceeds will remain following the closing of the Transaction and the payment of the Pillar Distribution and Limited Hsieh Distribution. This surplus of Sale Proceeds will be more than sufficient to cover any potential statutory priority claims. The Receiver intends to return to Court at a later date to seek approval of a claims process in respect of unsecured claims.

#### **FEES AND DISBURSEMENTS**

64. The Receiver has provided services and incurred disbursements during the period of April 1, 2021 to May 15, 2021 which are described in the Henechowicz Affidavit. A copy of the Henechowicz Affidavit attached hereto as **Appendix “R”**;
65. 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. A copy of the Kennedy Affidavit attached hereto as **Appendix “S”**;
66. The Receiver requests that this Court approve its interim accounts for the period of April 1, 2021 to May 15, 2021 in the amount of \$65,569.94, inclusive of disbursements and HST, and approve the interim accounts of its legal counsel for the period of April 1, 2021 to April 30, 2021 in the amount of \$109,138.73 inclusive of disbursements and HST (collectively, the **“Professional Fees”**);
67. The Receiver submits that the Professional Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order;

#### **RECEIPTS AND DISBURSEMENTS**

68. The R&D reports net interim receipts over disbursements, as at May 19, 2021, of \$1,827,786.35. The Receiver respectfully requests that the Court approve the R&D. A copy of the R&D is attached hereto as **Appendix “T”**;

## CONCLUSION AND RECOMMENDATION

69. Based on the foregoing and as outlined in this Sixth Report, the Receiver respectfully requests that this Court issue an order:
- (a) approving and authorizing the Chelsea APA, and approving the Transaction set out therein;
  - (b) authorizing the Receiver to take such steps as are necessary and appropriate to facilitate the closing the Transaction;
  - (c) 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;
  - (d) authorizing and approving the Pillar Distribution;
  - (e) authorizing and approving the Limited Hsieh Distribution, and authorizing the Receiver to make such further distributions to Hsieh on account of interest and other costs claimed;
  - (f) approving the Sixth Report and the activities of the Receiver as set out herein;
  - (g) approving the fees and disbursements of the Receiver and its legal counsel, Dentons, as set out in the Sixth Report, the Henechowicz Affidavit and the Kennedy Affidavit; and
  - (h) approving the R&D.

All of which is respectfully submitted this 1<sup>st</sup> day of June, 2021.

**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: 

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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

**SIXTH REPORT OF THE RECEIVER**

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*Lawyers for the Receiver*

Appendix “C”  
to the Seventh 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

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

**June 24, 2021**

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## APPENDICES

**Appendix “A”:** Approval and Vesting Order of Justice Dunphy dated June 7, 2021 and endorsement

**Appendix “B”:** First Amendment to the Chelsea APA

**Appendix “C”:** The 272 Correspondence

## INTRODUCTION

1. On September 18, 2020, MNP Ltd. 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**”) by order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. This supplemental report (the “**Supplemental Report**”) is supplemental to, and to be read in conjunction with, the Sixth Report of the Receiver, dated June 1, 2021 (the “**Sixth Report**”).
3. Capitalized terms not defined in this report are as defined in the Sixth Report.

## BACKGROUND

4. On June 1, 2021, the Receiver filed the Sixth Report to the Court in support of its motion to, among other things, obtain the Court’s approval and authorization of a sale transaction (the “**Transaction**”) between the Receiver and Chelsea Property Holdings Inc. (the “**Purchaser**” or “**Chelsea**”) as the assignee of its parent corporation, Westmount Park Investments Inc. (“**Westmount**”) dated May 31, 2021 in the amount of \$9,200,000, and vesting in the Purchaser, the Company’s right , title, benefit and interest in and to the purchased assets described in the Chelsea APA (the “**Purchased Assets**”).
5. As set out in the Sixth Report, the Transaction and Chelsea APA was the culmination of an initial Court approved sale process that was converted into a Court approved Stalking Horse Bid in conjunction with the Stalking Horse Bidding Procedures.
6. Westmount was the Stalking Horse Bid. The salient terms of the Stalking Horse Bid included:
  - (a) a purchase price of \$6,500,000;
  - (b) no conditions;

- (c) a \$650,000 deposit (10% of the Purchase Price);
- (d) a Break Fee and Expense Reimbursement of \$175,000; and
- (e) close within five (5) business of Court approval of the Transaction and issuance of the prescribed approval and vesting order.

The Deadline for the submission of bids pursuant to the Stalking Horse Bidding Procedures was April 30, 2021.

7. As noted in the Sixth Report, the Receiver received (4) Binding Offers on or prior to April 30, 2021. Following receipt of the Binding Offers, the Receiver reviewed and negotiated certain components in order to qualify each offer as a Qualified Offer for the purposes of the Auction.
8. Given the business terms associated with each Qualified Offer, the Receiver elected to conduct the Auction and invited each party to attend the Auction. The only condition that was to be accepted was the requirement for the Court to grant the requested approval and vesting order.
9. On May 11, 2021, the Auction was held in accordance with the terms of the Auction Procedures by way of a Zoom video conference among the four (4) Qualified Offerors noted above and Westmount. The Auction and the bidding proceeded on the basis of achieving the highest purchase price for the Chesley Property only, as the Receiver was satisfied that all other requirements set forth in the Sale Process to qualify for the Auction had been met including that there was no financing condition associated with any participant in the Auction.
10. Following multiple rounds of bidding, the Westmount bid of \$9,200,000 was the highest and best bid and was accepted as the Successful Offeror. The bid of 1271856 Ontario Ltd. (the “**Back-up Bidder**”) was accepted as the Back-up Bid. The Back-Up Bidder submitted a bid of \$9,100,000, and the next best bid submitted following the Back-up Bidder was in the amount of \$8,500,000.

11. Following the Auction on May 11, 2021, the Receiver and Westmount negotiated a revised purchase agreement to reflect the outcome of the Auction. The foregoing resulted in the execution of the Chelsea APA dated May 31, 2021. The salient terms of the Chelsea APA are set forth in the Sixth Report.
12. On June 1, 2021, and in accordance with the Chelsea APA, the Receiver served and filed its motion record for the approval of the Chelsea APA and the completion of the Transaction.
13. On June 7, 2021, the Court approved and authorized the Chelsea APA and the associated Transaction. A copy of the Approval and Vesting Order and endorsement is attached hereto as **Appendix “A”**.

#### **PURPOSE OF THIS SUPPLEMENTAL REPORT**

14. The purpose of the Supplemental Report is to provide the Court with an update on the status of the Transaction, and seek advice and directions regarding a proposed first amendment to the Chelsea APA (the “**First Amendment**”). A copy of the First Amendment is attached hereto as **Appendix “B”**.

#### **STATUS OF THE TRANSACTION**

15. Shortly following the granting of the Approval and Vesting Order, the Receiver was in communication with the Purchaser’s counsel regarding preparation for closing. Under the terms of the Chelsea APA, closing was required to occur within five (5) business days’ following the granting of the Approval and Vesting Order (i.e. on or before June 14, 2021), or such other date as may be agreed in writing between the parties.
16. On June 14, 2021, the Purchaser indicated to the Receiver that in fact it required until mid-July 2021 to complete the Transaction.
17. On June 15, 2021, the Receiver was advised by the Purchaser that the reason for the delay in closing was as a result of its decision to finance the Transaction on what the Purchaser considered to be more favourable terms than utilizing its own

internal resources. The Purchaser would now require up to July 29, 2021 to arrange the financing and close the Transaction.

18. As a result of the Purchaser's request for an extension to the closing, the Receiver requested a copy of the financing commitment letter to evidence that a financing process was, in fact, underway. The Receiver notes that the Chelsea APA contained a Purchaser representation and warranty at section 3.02(h) that the Purchaser had sufficient funding to enable the Purchaser to complete the Transaction.
19. On June 15, 2021, the Purchaser delivered a copy of a commitment letter, dated June 2, 2021, to the Receiver for review (the "**June 2 Commitment**"). The Purchaser advised that it continued to work through the conditions leading to the lender's credit committee approval.
20. Until being advised of the decision to finance the Transaction and the receipt of the June 2 Commitment, the Receiver was unaware of the Purchaser's decision to obtain financing rather than utilize internal resources. Neither the Purchaser nor its counsel advised the Receiver (or its counsel) of the change to the source of financing for the Transaction and the need to extend the closing date at the time the Receiver filed the Motion Record for the Approval and Vesting Order, or even at the June 7<sup>th</sup> hearing (nor did the Purchaser's counsel disclose the existence of the June 2 Commitment at any time after service of the Receiver's Motion Record through to the hearing before the Court on June 7<sup>th</sup>).
21. On June 22<sup>nd</sup>, 2021, the Receiver was advised by the Purchaser that the Purchaser would be in a position to close the Transaction on Friday, June 25, 2021 ("**Amended Closing Date**"). The Purchaser stated that it was able to close earlier than the aforementioned July 29, 2021 date because it was going to finance the Transaction with a combination of internal funding and private funding other than the financing set out above in paragraph 19.
22. As an update to this Court and in order to preserve the Sale Process generally, the Receiver has also contacted the bidding parties that participated in the Auction

regarding continued interest in the acquisition of the Cheslea Property. In this regard, on June 21<sup>st</sup>, 2021, the Receiver was emailed by counsel to 2725612 Ontario Inc. (the “**272 Correspondence**”), a participant in the Auction, concerning the status of the Sale Process. A copy of the 272 Correspondence is attached hereto as **Appendix “C”**.

### **PROPOSED EXTENSION AGREEMENT**

23. In the event the Court is prepared to approve an extension to the closing date contained in the Cheslea APA, the Purchaser and the Receiver have negotiated a form of First Amendment for this Honourable Court to consider. The salient terms of the First Amendment are set out below:
- (a) the “Closing Date” shall mean June 25, 2021; and
  - (b) the Purchaser is to pay for all accrued interest costs of the secured creditors from June 15, 2021 to the Amended Closing Date (the “**Additional Interest**”), to be paid by the Purchaser to the Receiver as part of the closing.

### **CONCLUSION**

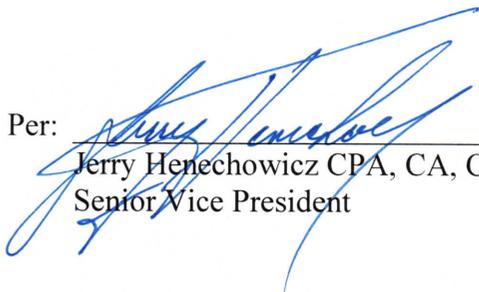
24. With respect to the economic terms of the First Amendment, the Receiver is of the view that the terms of the First Amendment will provide sufficient economic protections to the receivership estate to ensure that the proceeds from the Transaction are not less than the anticipated proceeds had the Chelsea APA been unconditional and the Transaction had closed in accordance with the associated terms and conditions. The Receiver further notes the following:
- (a) the accrual of Additional Interest will be paid for by the Purchaser and will not itself reduce the available proceeds for distribution to the junior creditors; and
  - (b) it is not expected that the extension of the Closing Date would negatively impact the market value of the Chesley Property. The Deposit will mitigate the risk of a decline in net value to the receivership estate should the

Transaction not close and the Receiver is then required to identify and close a transaction with a willing bidding party that participated in the Auction.

All of which is respectfully submitted this 24<sup>th</sup> day of June, 2021.

**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

**SUPPLEMENTAL REPORT TO THE SIXTH  
REPORT OF THE RECEIVER**

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*Lawyers for the Receiver*

Appendix “D”  
to the Seventh Report of the Receiver

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

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

THE HONOURABLE	)	MONDAY, THE 7 <sup>th</sup>
	)	
JUSTICE DUNPHY	)	DAY OF JUNE, 2021

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

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by MNP Ltd., in its capacity as court appointed receiver and manager (the “**Receiver**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Chelsea APA**”) between the Receiver and Chelsea Property Holdings Inc. (the “**Purchaser**”) dated May 31, 2021, and vesting in the Purchaser all of Turuss (Canada) Industry Co., Ltd.’s (“**Turuss**”) right, title, benefit and interest in and to the assets described in the Chelsea APA, including, without limitation, the lands legally described in **Schedule B1** and **Schedule B2** hereto (collectively, the “**Purchased Assets**”), was heard this day via videoconference due to the COVID-19 pandemic.

**ON READING** the Motion Record of the Receiver dated June 1, 2021 (the “**Motion Record**”), the Factum of the Receiver dated June 4, 2021 and corresponding Book of Authorities (collectively, the “**Factum**”), the Sixth Report of the Receiver dated June 1, 2021 (the “**Sixth Report**”), the Affidavit of Jerry Henechowicz sworn May 20, 2021 and Affidavit of Robert

Kennedy sworn May 31, 2021 (collectively, the “**Fee Affidavits**”), and on hearing the submissions of counsel for the Receiver, the Purchaser 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 Service of Amanda Campbell sworn June 1, 2021, filed:

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Motion Record and Factum is abridged and validated such that this Motion is properly returnable today, and further service of the Motion Record and Factum is hereby dispensed with.

**APPROVAL AND VESTING**

2. **THIS COURT ORDERS** that capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Chelsea APA.

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

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the “**Receiver’s Certificate**”):

- (a) all of Turuss’ right, title, benefit and interest in and to the Purchased Assets described in the Chelsea APA, including the lands legally described in **Schedule B1** hereto, but excluding the lands legally described in **Schedule B2** hereto, shall vest absolutely in the Purchaser; and
- (b) all of Turuss’ right, title, benefit and interest in and to the lands legally described in **Schedule B2** hereto, shall vest absolutely in Chelsea Developments Corp.;

in each case, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order dated September 18, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C1** and on **Schedule C2** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D1** and on **Schedule D2** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the applicable land registry office or land titles office of a transfer/deed of land or equivalent document, or of an application for registration of this Order in the applicable prescribed form, the applicable land registrar or equivalent official is hereby directed to enter:

- (a) the Purchaser as the owner of the real property legally described in **Schedule B1** hereto in fee simple, and is hereby directed to delete and expunge from title to the real property legally described in **Schedule B1** hereto all of the Claims listed in **Schedule C1** hereto; and
- (b) Chelsea Developments Corp. as the owner of the real property legally described in **Schedule B2** hereto in fee simple, and is hereby directed to delete and expunge from title to the real property legally described in **Schedule B2** hereto all of the Claims listed in **Schedule C2** hereto.

6. **THIS COURT AUTHORIZES AND DIRECTS** the Receiver and / or its solicitors or its agents to file one or more financing change statements to discharge the *Personal Property Security Act* (Ontario) registrations set forth in **Schedule E**.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

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

the vesting of the Purchased Assets in the Purchaser and Chelsea Developments Corp., pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Turuss and shall not be void or voidable by creditors of Turuss, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of section 6(3) of the *Retail Sales Act* (Ontario).

### **DISTRIBUTIONS**

10. **THIS COURT ORDERS** that the Receiver is authorized and directed to make a distribution to:

- (a) Pillar Capital Corp, for the following amounts:

- (i) \$2,124,275.86, representing the principal amount indicated in the Pillar Capital Payout statement dated May 21, 2021 contained in Appendix “O” of the Motion Record (the “**Pillar Payout Statement**”) for the demand credit facility; and
  - (ii) \$599,959.94, representing the principal amount indicated in the Pillar Payout Statement for the Receiver’s borrowings.
- (b) Kuo-Tong Hsieh (“**Hsieh**”), for the following amounts:
- (i) \$550,000, representing the principal amount indicated in the Hsieh payout statement dated December 21, 2020 for the collateral mortgage.

**GENERAL**

11. **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.

A handwritten signature in black ink, appearing to read "Sean Dunphy", is written over a horizontal line. Below the line is a large, sweeping, horizontal flourish.

**Schedule A – Form of Receiver’s Certificate**

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

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

THE HONOURABLE JUSTICE ●            )                    DAY, THE ● DAY OF  
  )                    ●, 2021  
  )

BETWEEN:

**PILLAR CAPITAL CORP.**

Applicant

and

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the “**Court**”) dated September 18, 2020, MNP Ltd. was appointed as receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”).

B. Pursuant to an Order of the Court dated \_\_\_\_, 2021, the Court approved the asset purchase agreement made as of May 31, 2021 (the “**Chelsea APA**”) between the Receiver and Chelsea Property Holdings Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of Turuss’

right, title and interest in and to the Purchased Assets including the property identified by PIN 33183-0178, save and except that the property identified as PIN 33183-0177 which shall vest in Chelsea Developments Corp., which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Chelsea APA have been satisfied or waived by the Receiver and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Chelsea APA.

**THE RECEIVER CERTIFIES** the following:

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

**MNP LTD. solely in its capacity as receiver  
and manager of TURUSS (CANADA)  
INDUSTRY CO., LTD., and not in any other  
capacity**

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

Name:

Title:

**Schedule B1 – Description of Lands**

<b>PIN</b>	<b>Legal Description</b>
331830178	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 B2 – Description of Lands**

<b>PIN</b>	<b>Legal Description</b>
331830177	PT PARKLT T, U PL 217 PT 6 ,7 3R7734 MUNICIPALITY OF ARRAN-ELDELSLIE

**Schedule C1 – Claims to be deleted and expunged from title to Real Property**

**PIN: 33183-0178 (LT)**

<b>REG. NUM.</b>	<b>DATE</b>	<b>INSTRUMENT TYPE</b>	<b>AMOUNT</b>	<b>PARTIES FROM</b>	<b>PARTIES TO</b>
BR61680	2012/01/20	TRANSFER		DURHAM FURNITURE INC.	GRS INVESTMENT INC.
BR84564	2014/03/27	APPLICATION CHANGE NAME OWNER		GRS INVESTMENT INC.	TURUSS (CANADA) INDUSTRY CO., LTD
BR84954	2014/04/10	APPLICATION CHANGE NAME OWNER		TURUSS (CANADA) INDUSTRY CO., LTD	TURUSS (CANADA) INDUSTRY CO., LTD.
BR137134	2018/10/23	CHARGE	\$3,950,000	TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137135	2018/10/23	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137680	2018/11/06	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR153825	2020/03/13	CHARGE	\$550,000	TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG
BR153826	2020/03/13	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG

**Schedule C2 – Claims to be deleted and expunged from title to Real Property**

**PIN: 33183-0177 (LT)**

<b>REG. NUM.</b>	<b>DATE</b>	<b>INSTRUMENT TYPE</b>	<b>AMOUNT</b>	<b>PARTIES FROM</b>	<b>PARTIES TO</b>
BR61680	2012/01/20	TRANSFER		DURHAM FURNITURE INC.	GRS INVESTMENT INC.
BR84564	2014/03/27	APPLICATION CHANGE NAME OWNER		GRS INVESTMENT INC.	TURUSS (CANADA) INDUSTRY CO., LTD
BR84954	2014/04/10	APPLICATION CHANGE NAME OWNER		TURUSS (CANADA) INDUSTRY CO., LTD	TURUSS (CANADA) INDUSTRY CO., LTD.
BR137134	2018/10/23	CHARGE	\$3,950,000	TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137135	2018/10/23	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR137680	2018/11/06	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	PILLAR CAPITAL CORP.
BR153825	2020/03/13	CHARGE	\$550,000	TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG
BR153826	2020/03/13	NOTICE OF GENERAL ASSIGNMENT OF RENTS		TURUSS (CANADA) INDUSTRY CO., LTD.	HSIEH, KUO-TONG

**Schedule D1 – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vesting Order)**

**“Permitted Encumbrances”** means the following:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel registers for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other non-compliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property; and
10. Without in any way limiting the generality of any of the foregoing, the following specific instruments registered on title against the Property:

**PIN: 33183-0178 (LT)**

<b>REG. NUM.</b>	<b>DATE</b>	<b>INSTRUMENT TYPE</b>	<b>PARTIES FROM</b>	<b>PARTIES TO</b>
R73374	1969/11/17	BYLAW		THE CORPORATION OF THE TOWN OF CHESLEY
3R1656	1976/11/25	PLAN REFERENCE		
3R4763	1989/10/02	PLAN REFERENCE		
3R5253	1991/01/29	PLAN REFERENCE		
R278375	1991/07/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
R324241	1997/01/22	TRANSFER EASEMENT		THE CORPORATION OF THE TOWN OF CHESLEY
3R6870	1998/06/30	PLAN REFERENCE		
3R7025	1999/03/29	PLAN REFERENCE		
3R7194	2000/05/03	PLAN REFERENCE		
R353124	2000/11/06	TRANSFER EASEMENT		MUNICIPALITY OF ARRAN-ELDERSLIE
R356491	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION
R356492	2001/05/14	TRANSFER EASEMENT		ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION
R356525	2001/05/15	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE  ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
R358129	2001/07/20	AGREEMENT RIGHT OF WAY		THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358130	2001/07/20	AGREEMENT	810793 ONTARIO LIMITED	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
R358270	2001/07/27	ASSIGNMENT GENERAL	THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE  ARRAN-ELDERSLIE PUBLIC UTILITIES COMMISSION	HYDRO ONE NETWORKS INC.
3R7734	2003/04/25	PLAN REFERENCE		

3R7740	2003/05/05	PLAN REFERENCE		
R380920	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
R380921	2003/12/17	TRANSFER EASEMENT		HYDRO ONE NETWORKS INC.
BR23403	2008/12/13	LAND REGISTRAR'S ORDER		

**Schedule D2 – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vesting Order)**

**“Permitted Encumbrances”** means the following:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel registers for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other non-compliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property; and
10. Without in any way limiting the generality of any of the foregoing, the following specific instruments registered on title against the Property:

**PIN: 33183-0177 (LT)**

<b>REG. NUM.</b>	<b>DATE</b>	<b>INSTRUMENT TYPE</b>	<b>PARTIES FROM</b>	<b>PARTIES TO</b>
R73374	1969/11/17	BYLAW		THE CORPORATION OF THE TOWN OF CHESLEY
3R7194	2000/05/03	PLAN REFERENCE		
3R7328	2001/01/19	PLAN REFERENCE		
3R7734	2003/04/25	PLAN REFERENCE		

**Schedule E – PPSA Registrations to be Deleted**

PPSA Registration Number	PPSA Registration Date	Debtor	Secured Party	Collateral	Collateral Description	Registration Period
20181019 1405 1590 1246	October 19, 2018	Turuss (Canada) Industry Co., Ltd.	Pillar Capital Corp	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	None	5 Years
20181019 1405 1590 1247	October 19, 2018	Turuss (Canada) Industry Co., Ltd.	Pillar Capital Corp	Accounts and Other	General assignment of rents, revenues and leases and the proceeds thereof on property known municipally as 60 Queen Street North, Chesley, Ontario, being PINs 33183-0177(LT) and 33183- 0178(LT)	5 Years

**Current to May 31, 2021**

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER**

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*Lawyers for the Receiver*

Appendix “E”  
to the Seventh Report of the Receiver

**Campbell, Amanda**

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**Subject:** Pillar Capital Corp. v. Turuss (Canada) Industry Co., Ltd. (CV-20-00646729-00CL) - motion Jun 25 @ 12:30 pm

**Sensitivity:** Private

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**From:** Dunphy, Mr. Justice Sean (SCJ) <[Sean.Dunphy@scj-csj.ca](mailto:Sean.Dunphy@scj-csj.ca)>

**Sent:** June 25, 2021 3:38 PM

**To:** Eric Golden <[egolden@blaney.com](mailto:egolden@blaney.com)>; Kennedy, Robert <[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)>; [Jerry.Henechowicz@mp.ca](mailto:Jerry.Henechowicz@mp.ca); Chad Kopach <[ckopach@blaney.com](mailto:ckopach@blaney.com)>; Steve Graff <[sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)>

**Cc:** Ng, Daisy (JUD) <[Daisy.Ng@ontario.ca](mailto:Daisy.Ng@ontario.ca)>; JUS-G-MAG-CSD-Toronto-SCJ Commercial List <[MAG.CSD.To.SCJCom@ontario.ca](mailto:MAG.CSD.To.SCJCom@ontario.ca)>

**Subject:** RE: Pillar Capital Corp. v. Turuss (Canada) Industry Co., Ltd. (CV-20-00646729-00CL) - motion Jun 25 @ 12:30 pm

**Sensitivity:** Private

**[WARNING: EXTERNAL SENDER]**

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**#8 Pillar Capital v Turuss (Canada) 12:30pm**

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**Style of Cause:**

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 SUBSECTION 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

**Appearances:**

As per email addresses above.

**Endorsement:** On June 7, 2021 I approved a sale of the by the Receiver to Chelsea/Westmount. The purchase agreement in question called for a closing by June 14, 2021. The Receiver was prepared to close, the purchaser was not. The purchaser indicated that it needed a little more time to arrange advantageous financing terms and asked for an indulgence. The Receiver was taken aback by this development and ultimately brought an application for directions to me that was returnable today.

The Receiver prudently reached out to others who had participated in the stalking horse auction process that led to Westmount being selected as the successful bidder (Chelsea/Westmount had submitted the stalking horse bid). The second runner up – 2725612 eagerly responded that it would be willing to go forward with its offer at the same price it had earlier offered. Chelsea/Westmount’s deposit plus the price offered by 272 would mathematically produce a return to the Estate about 2% higher than the Chelsea/Westmount deal alone.

Whether by reason of the continuing willingness of the “junior” offers to stay in the game or by coincidence, Chelsea/Westmount found the funds needed to close after searching under as many sofa cushions as needed. It is ready to close this afternoon. The Receiver is ready to close this afternoon. 272 says that it is ready to close as soon as it is physically possible to move the funds needed – which are available - and to prepare the necessary closing documents: realistically not today but by Monday or Tuesday of next week. 272 however can’t find anyone who wants to close with them!

The Monitor's advice to me in its capacity as the Court's appointed Receiver is to stay the course and close the sale. I agree with that advice and direct the Monitor to proceed accordingly despite the heroic attempts of 272 to persuade me otherwise. The following is a summary of my reasons:

1. My Order of June 7, 2021 "approved...the execution of the Chelsea APA by the Receiver ... with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser". The Receiver was clearly authorized by me to consent to minor amendments – and moving the Closing Date by a few days IF CONSENTED TO is certainly capable of being so considered – and the Receiver was also directed to take the steps needed for the completion of the transaction. Despite Mr. Golden's arguments, the Receiver's recommended course of action falls squarely within the middle of the *Soundair* road.
2. Mr. Graf on behalf of the purchaser led me to all the usual authorities about the lack of standing of the "bitter bidder". I have gone back over the orders that preceded my approval order and am satisfied that the bitter bidder has not been led astray or hard done by. There was nothing in prior orders that gave lower bidders any right to expect that the Receiver would come and take their offer if the winning offer failed to close. None of the unsuccessful offers is alive today unless the bidders who made them elect to make them so.
3. IF the Receiver had chosen to seize the deposit and start with a clean slate, the Receiver could THEN decide whether to start a new process, whether to have a mini-auction with the finalists or whether to do something else entirely. In those circumstances, the Receiver would normally come to court for approval of whatever course was chosen. The Receiver has NOT decided to forfeit the deposit and I have no new procedure to contemplate.
4. The prospect of a higher bid did not deter the court from protecting the process in *Soundair* nor does it impel me to ignore the process now. 257 is only even potentially the better bidder if it is able to take indirect credit for what it does not own and did not bring to the table: Westmount's deposit. The Receiver has not elected to treat the approved purchase agreement as terminated by the default of the purchaser. As mentioned earlier, *Soundair* tells me to stay the course not upset the apple cart.
5. Chelsea/Westmount was foolish in failing to close but was in constant communication. The Receiver had not delivered an ultimatum that was ignored. Discussions were on-going. As soon as Westmount realized its deposit was at stake it did its duty. I am not happy about the gamesmanship that went on, but there was no harm at the end of the day and if the Receiver is prepared to close today, I am prepared to direct it to do so. The process was not trampled under foot by Chelsea/Westmount. They very nearly got burned for their deposit by reason of their foolishness but the process worked under the guidance of the Receiver.

S.F. Dunphy J.

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**From:** Eric Golden <[egolden@blaney.com](mailto:egolden@blaney.com)>

**Sent:** Friday, June 25, 2021 11:45 AM

**To:** Dunphy, Mr. Justice Sean (SCJ) <[Sean.Dunphy@scj-csj.ca](mailto:Sean.Dunphy@scj-csj.ca)>

**Cc:** Kennedy, Robert <[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)>; [Jerry.Henechowicz@mnp.ca](mailto:Jerry.Henechowicz@mnp.ca); Chad Kopach <[ckopach@blaney.com](mailto:ckopach@blaney.com)>; Steve Graff <[sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)>

**Subject:** Pillar Capital Corp. v. Turuss (Canada) Industry Co., Ltd. (CV-20-00646729-00CL) - motion Jun 25 @ 12:30 pm

**Sensitivity:** Private

Justice Dunphy,

We are counsel to 2725612 Ontario.

I apologize for the late notice but the Receiver's motion material returnable today was only served yesterday (through no fault of the Receiver or its counsel – we are in real time litigation).

I just realized that we do not yet have access to CaseLines for this matter. I am therefore attaching my client's brief motion record and related memo of law and argument, that we will be seeking leave of the Court to file in respect of today's attendance.



Eric Golden

Partner - Co-chair, Business Reorganization & Insolvency Group

[egolden@blaney.com](mailto:egolden@blaney.com)

📞 416-593-3927 | 📠 416-596-2049

🌐 [Blaney.com](http://Blaney.com)



This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

Appendix “F”  
to the Seventh 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

**AFFIDAVIT OF JERRY HENECHOWICZ**  
(Sworn May 20, 2021)

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 Statements of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period April 1

to May 15, 2021. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of the Statement of Account.

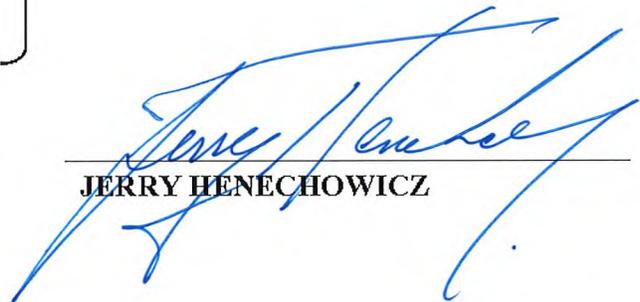
4. Attached hereto and marked as Exhibit "B" are copies of the Statements of Account. The average hourly rate in respect of the account is \$622.88.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the fees and disbursements of the Receiver and its accounts.
6. Due to the circumstances 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** by Jerry Henechowicz of the City of Markham in the Province of Ontario, before me at the City of Markham in the Province of Ontario on May 20, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



\_\_\_\_\_  
A Commissioner for Taking Affidavits, etc.

}



\_\_\_\_\_  
**JERRY HENECHOWICZ**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me by video conference

This 20<sup>th</sup> day of May, 2021



Commissioner for taking Affidavits, etc

RECEIVERSHIP OF TURUSS (CANADA) CO. LTD.  
SUMMARY OF STATEMENTS OF ACCOUNT OF  
MNP LTD IN ITS CAPACITY AS COURT APPOINTED LIQUIDATOR  
FOR THE PERIOD APRIL 1 TO MAY 15, 2021

<u>MNP INVOICE</u>	<u>DATE</u>	<u>HOURS</u>	<u>FEES</u>	<u>DISBURSEMENTS</u>	<u>HST</u>	<u>TOTAL</u>
9851775	19-May-2021	92.30	\$ 57,491.50	\$ 535.00	\$ 7,543.44	\$ 65,569.94
		<b>92.30</b>	<b>\$ 57,491.50</b>	<b>\$ 535.00</b>	<b>\$ 7,543.44</b>	<b>\$ 65,569.94</b>
Average Hourly Rate			<b><u>\$ 622.88</u></b>			

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 20<sup>th</sup> day of May, 2021



Commissioner for taking Affidavits, etc

**Invoice**

Invoice Number : 9851775                      Client Number : 0835555  
 Invoice Date : May 19 2021                      Invoice Terms : Due Upon Receipt

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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 Appointed Receiver and Manager of Turuss  
 (Canada) Industry Co., Ltd. for the period April 1 to May 15, 2021 as set out  
 on the attached time and billing summary. 58,026.50

Harmonized Sales Tax : 7,543.44

**Total (CAD) :** 65,569.94

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  
 111 RICHMOND STREET WEST, SUITE 300;  
 TORONTO ON; M5H 2G4  
 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 APRIL 1 TO MAY 15, 2021**

DATE	PROFESSIONAL	HOURS	DESCRIPTION
01-Apr-2021	Jerry Henechowicz	2.10	Multiple emails and calls with Bruce Power re alterations, review of expenses, responding to calls and enquiries from prospective purchasers
01-Apr-2021	Trina Bumingham	.50	NDA received and entered into tracker; Access to Data Room granted to 2 individuals; Copies saved to directory; Template Asset Purchase agreement uploaded to the Turuss Data Room.
04-Apr-2021	Jerry Henechowicz	.30	Sending of due diligence materials
05-Apr-2021	Jerry Henechowicz	2.60	Multiple calls and responses to prospective purchaser enquiries, discussion of stalking horse process and options, review of Bruce Power billings and email on point to Bruce power
05-Apr-2021	Patricia Ball	.20	Receipt Voucher
06-Apr-2021	Jerry Henechowicz	2.20	Call with Dentons and Dickinson Wright on Staking Horse and options, payment of expenses, responding to multiple calls and enquires from prospective purchasers
06-Apr-2021	Patricia Ball	.20	process cheque requisitions
07-Apr-2021	Jerry Henechowicz	2.10	Multiple calls and emails with Bruce Power related to payment of outstanding accounts, issues related to potential stalking horse, emails and calls with prospective purchasers
08-Apr-2021	Jerry Henechowicz	2.10	Payment of expenses, responding to prospective purchasers, calls and emails with Dentons on stalking horse process and materials
08-Apr-2021	Patricia Ball	.20	process chq rec
08-Apr-2021	Jim Guo	.20	chq run
08-Apr-2021	Trina Bumingham	.75	Documents uploaded to MNPdebt webpage; Copies saved to directory; Documents uploaded to Turuss Data Room; Access granted to data room;
09-Apr-2021	Jerry Henechowicz	3.30	Multiple calls with prospective purchasers, drafting of fifth report
09-Apr-2021	Patricia Ball	.40	cheq and receipt req
09-Apr-2021	Jim Guo	.20	chq run
09-Apr-2021	Trina Bumingham	.25	NDA received and saved to directory; Tracker updated; Access to data room granted; Emailed interested party requesting updated email address;
10-Apr-2021	Jerry Henechowicz	6.00	Drafting of Fifth Report and related document drafts including multiple calls with Dentons and the stalking horse bidder
11-Apr-2021	Jerry Henechowicz	5.10	Drafting of Fifth Report and related document drafts including multiple calls with Dentons and the stalking horse bidder
11-Apr-2021	Sheldon Title	3.20	review of fifth report and provide comments thereon
12-Apr-2021	Jerry Henechowicz	4.70	Multiple drafts and revisions to Fifth report and related documents, on going negotiation of Stalking horse APA, calls/emails with prospective purchasers, emails

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

**FOR THE PERIOD APRIL 1 TO MAY 15, 2021**

DATE	PROFESSIONAL	HOURS	DESCRIPTION
12-Apr-2021	Matthew Lem	.10	Attend to wire transfer authorization.
13-Apr-2021	Jerry Henechowicz	3.40	Finalization and service of Report
13-Apr-2021	Patricia Ball	.20	Process cheque requisitions
13-Apr-2021	Jim Guo	.20	chq run
14-Apr-2021	Jerry Henechowicz	4.80	Preparation for and Court attendance, calls/emails with prospective purchasers, attending to all related data room and web page postings, reviewing quotes and emails to Bruce Power related to alterations
15-Apr-2021	Jerry Henechowicz	2.10	Multiple calls and emails with prospective purchasers
16-Apr-2021	Jerry Henechowicz	2.60	Multiple follow up calls with prospective purchasers, drafting and positing data room updates, review operating expenses and arranging billings to Bruce Power
19-Apr-2021	Jerry Henechowicz	.40	Reveiw and payment of operating expenses
19-Apr-2021	Jim Guo	.20	chq run
20-Apr-2021	Jerry Henechowicz	1.10	Payment of operating expenses, emails calls with Bruce Power on rent payment and related issues
21-Apr-2021	Jerry Henechowicz	1.40	Responding to purchaser enquiries, multiple calls and emails related to proposed alterations
22-Apr-2021	Jerry Henechowicz	.50	On going calls from prospective purchasers to arrange site visits
22-Apr-2021	Trina Burningham	.25	Access to data room granted to interested party.
23-Apr-2021	Matthew Lem	.10	Attend to authorization of wire transfer.
26-Apr-2021	Jerry Henechowicz	2.20	posting of notice re stalking horse bid process, responding to multiple calls/emails from prospective bidders
26-Apr-2021	Patricia Ball	.20	Process cheque requisition
26-Apr-2021	Jim Guo	.20	chq run
26-Apr-2021	Trina Burningham	.25	Document uploaded to Firmex webpage for J. Henechowicz.
27-Apr-2021	Jerry Henechowicz	2.40	Call with Bruce Power on potential alterations, updates with contractors, responding to multiple requests from potential bidders
28-Apr-2021	Jerry Henechowicz	1.60	Preparation of confirmation letter and quotes for Alterations, review of offer received from Romspen and forward same to Dentons, responding to calls from on site property manager
29-Apr-2021	Jerry Henechowicz	1.90	Receipt of deposits, finalizing and sending Alterations term sheet to Bruce Power, responding to purchaser's information request, review of deposits received, arranging for wire re Receiver Certificate interest

MNP LTD

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

FOR THE PERIOD APRIL 1 TO MAY 15, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
29-Apr-2021	Matthew Lem	.50	Review and adjust draft letter to Bruce Power; review lease amendments; attend to wire payment to Pillar
30-Apr-2021	Jerry Henechowicz	2.40	Calls/emails with purchasers regarding offers submitted, review and receipt of offers, forwarding same to Dentons, follow up call with Dentons, wiring funds to Jamie Hingston
30-Apr-2021	Patricia Ball	.20	deposit
30-Apr-2021	Matthew Lem	.10	Attend to wire authorization
03-May-2021	Jerry Henechowicz	1.50	Multiple calls and emails related to offers and amendment to Stalking horse bid, call with Bruce Power
04-May-2021	Jerry Henechowicz	.30	Call and email with Eric McMurray on Alterations agreement
05-May-2021	Jerry Henechowicz	2.10	Responding to enquiries from stocking horse bidders, emails/calls with Bruce Power related to Alterations, follow up on Hydro Billing, review and payment of operating expenses, reviews of amendments to APA from stocking horse bidders and approval of same
05-May-2021	Patricia Ball	.20	process cheque requisitions
06-May-2021	Jerry Henechowicz	1.50	Review of updated APA's from selected offerors, preparing and sending notice of auction to selected offerors, email to Bruce Power re outstanding invoices, updates
06-May-2021	Jim Guo	.20	chq run
07-May-2021	Jerry Henechowicz	.60	Emails and calls from prospective purchasers on timing of and terms of auction, follow up with Bruce Power on account status
10-May-2021	Jerry Henechowicz	2.60	Calls from prospective purchasers, follow up on Bruce Power payments, call with Dentons to prepare for Auction
11-May-2021	Jerry Henechowicz	6.20	Attendance and holding of Stalking Horse Bid Auction and follow up, review of payments to be made
12-May-2021	Jerry Henechowicz	3.30	Call with Dentons, emails regarding refunding of deposits, payment of utilities, review of cash receipts, update call with Bruce Power, review and execution of alteration contracts, drafting of sale approval report
13-May-2021	Jerry Henechowicz	7.50	Preparing and arranging wires to refund deposits, review and approval of Alterations, drafting of the Sixth report, review of Notice of Motion and comments
13-May-2021	Patricia Ball	.10	process cheque requisitions
13-May-2021	Jim Guo	.30	chq run
14-May-2021	Jerry Henechowicz	2.50	Finalizing report, payment of costs for alterations, making arrangements for returning offerors deposits
		<u>94.80</u>	

MNP LTD

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

FOR THE PERIOD APRIL 1 TO MAY 15, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
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BILLING SUMMARY			
PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Jerry Henechowicz	82.90	650.00	53,885.00
Jim Guo	1.50	172.00	258.00
Matthew Lem	0.80	585.00	468.00
Patricia Ball	1.90	195.00	370.50
Sheldon Title	3.20	650.00	2,080.00
Trina Burningham	2.00	215.00	430.00
<b>Total</b>	<b>92.30</b>		<b>57,491.50</b>

**DISBURSEMENTS**

FIRMEX Data Room Fees	535.00
	<b>535.00</b>

<b>TOTAL FEES AND DISBURSEMENTS</b>	<b>58,026.50</b>
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**PILLAR CAPITAL CORP.**

- and -

Court File No.: CV-20-00646729-00CL  
**TURUSS (CANADA) INDUSTRY CO., LTD.**

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF JERRY HENECHOWICZ**

**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](mailto:robert.kennedy@dentons.com)

**Daniel Loberto** (LSO # 79632Q)  
Tel: (416) 863-4760  
[daniel.loberto@dentons.com](mailto:daniel.loberto@dentons.com)

*Lawyers for 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 July 23, 2021)

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 a Statement of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period May 16

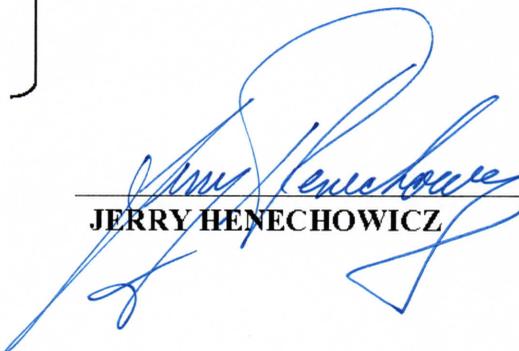
to June 30, 2021. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of the Statement of Account.

4. Attached hereto and marked as Exhibit "B" are copies of the Statements of Account. The average hourly rate in respect of the account is \$540.11.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the fees and disbursements of the Receiver and its accounts.
6. 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** by Jerry Henechowicz of the City of Markham in the Province of Ontario, before me at the City of Markham in the Province of Ontario on July 23, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



\_\_\_\_\_  
A Commissioner for Taking Affidavits, etc.



\_\_\_\_\_  
**JERRY HENECHOWICZ**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me by video conference

This 23<sup>rd</sup> day of July, 2021



---

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  
FOR THE PERIOD MAY 16 TO JUNE 30, 2021**

<b>MNP INVOICE</b>	<b>DATE</b>	<b>HOURS</b>	<b>FEEs</b>	<b>DISBURSEMENTS</b>	<b>HST</b>	<b>TOTAL</b>
9921971	30-Jun-2021	71.85	\$ 38,807.00	\$ 428.75	\$ 5,100.85	\$ 44,336.60
		<b>71.85</b>	<b>\$ 38,807.00</b>	<b>\$ 428.75</b>	<b>\$ 5,100.85</b>	<b>\$ 44,336.60</b>

Average Hourly Rate **\$ 540.11**

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 23<sup>rd</sup> day of July, 2021



---

Commissioner for taking Affidavits, etc

# Invoice



**Invoice Number :** 9921971

**Client Number :** 0835555

**Invoice Date :** Jun 30 2021

**Invoice Terms :** Due Upon Receipt

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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 Appointed Receiver and Manager of Turuss Industry (Canada) Co., Ltd. for the period ended June 30, 2021 as set out on the attached time and billing summary. 39,235.75

Harmonized Sales Tax : 5,100.65

**Total (CAD) :** 44,336.40

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  
111 RICHMOND STREET WEST, SUITE 300;  
TORONTO ON; M5H 2G4  
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS INDUSTRY (CANADA) CO., LTD.****FOR THE PERIOD ENDED JUNE 30, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
17-May-2021	Jerry Henechowicz	1.20	emails with Dentons regarding rescheduling motion and relief being sought, email from door company on assets
18-May-2021	Jerry Henechowicz	1.10	Update to report for new relief, call with Pillar Capital, update call with Dentons, emails with Westmount re closing
18-May-2021	Patricia Ball	.40	April Bank Rec - problems
18-May-2021	Jim Guo	.20	chq run
19-May-2021	Jerry Henechowicz	1.40	Emails and calls related to completion of report, update with on site property manager
20-May-2021	Jerry Henechowicz	1.10	Preparation of appendices for 6 report, swearing of fee affidavit
21-May-2021	Jerry Henechowicz	1.90	Finalizing interim R&D and responding to Dickinson Wright on area's leased
25-May-2021	Jerry Henechowicz	1.20	Calls with Bruce Power to review options re lease split, review of operating expenses and account balances, update with offerors
26-May-2021	Jerry Henechowicz	1.50	Calls and emails related to proposed amendments to lease in order to close with Westmount Park
27-May-2021	Jerry Henechowicz	1.70	Emails and calls related to amendment to lease to accommodate purchaser
27-May-2021	Patricia Ball	.30	process cheque requisitions
28-May-2021	Jerry Henechowicz	1.10	Update with Bruce Power on alterations, review and comments related to Lease Amendment, call with purchaser and 2nd purchaser
28-May-2021	Jim Guo	.20	chq run
31-May-2021	Jerry Henechowicz	2.50	Review of final APS drafts, meeting with purchaser for execution, review of same and forwarding to Dentons, preparation of month end wire payments, review of Weilers and related invoices
31-May-2021	Matthew Lem	.20	Wire authorizations
31-May-2021	Fatemah Khalfan	.60	- 2 wire transfers
01-Jun-2021	Jerry Henechowicz	1.20	Review of motion materials, arranging expense payments, calls with purchaser, updates with staff
01-Jun-2021	Patricia Ball	.20	process cheq req's
01-Jun-2021	Fatemah Khalfan	.40	- Posting Sale Approval Motion Record to webpage
01-Jun-2021	Fatemah Khalfan	.70	- Prepared 4 cheque requisitions; sent to partner for review; received approval; forwarded on for processing; posted to Ascend; saved to K drive
01-Jun-2021	Fatemah Khalfan	1.00	- Prepared, sent 2 wire transfers for authorization; saved to client folder; posted to Ascend

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS INDUSTRY (CANADA) CO., LTD.****FOR THE PERIOD ENDED JUNE 30, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
02-Jun-2021	Jerry Henechowicz	1.25	Emails related to outstanding rents, calls with Bruce Power, follow up on orders and related issues payment of expenses
02-Jun-2021	Jim Guo	.20	chq run
03-Jun-2021	Jerry Henechowicz	1.20	Ongoing calls and emails related to sale approval and payment of outstanding rents
03-Jun-2021	Patricia Ball	.20	process cheque requisition
03-Jun-2021	Jim Guo	.20	chq run
03-Jun-2021	Fatemah Khalfan	.40	Checked Notes and WIP on MPM with update received from JH
04-Jun-2021	Jerry Henechowicz	.40	Emails related to Monday court attendance
04-Jun-2021	Patricia Ball	.20	cheque req, deposit
04-Jun-2021	Jim Guo	.30	chq run
04-Jun-2021	Fatemah Khalfan	.30	Emails exchanged with ML about a cheque requisition for Trustee's fees
04-Jun-2021	Fatemah Khalfan	.30	Received statement from vendor; reviewed and sent to JH for further review
07-Jun-2021	Jerry Henechowicz	1.40	Preparation for and court attendance, follow up on issues raised at Court, advising purchaser to set up meeting, update to second best purchaser, bill payments
07-Jun-2021	Sheldon Title	.20	call with RBC special loans on frozen bank accounts and email to Henechowicz on same
08-Jun-2021	Jerry Henechowicz	.30	Payment of operating expenses
08-Jun-2021	Patricia Ball	.10	process cheque requisitions
08-Jun-2021	Jim Guo	.20	chq run
08-Jun-2021	Matthew Lem	.10	Wire authorization
08-Jun-2021	Chahna Nathwani	.90	Court approved fee invoice processing - Jerry
08-Jun-2021	Chahna Nathwani	1.00	Cheque Requisitions preparation and posting- Jerry
08-Jun-2021	Fatemah Khalfan	.20	Received copies of cheques from Jim Guo; saved to client folder

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS INDUSTRY (CANADA) CO., LTD.****FOR THE PERIOD ENDED JUNE 30, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
08-Jun-2021	Fatemah Khalfan	.70	Wire transaction prepared on TD Business banking; saved to client folder; forwarded to M. Lem for authorization; wire requisition prepared and sent to J. Henechowicz and M. Lem for signature; forwarded details to C. Nathwani for Ascend posting
09-Jun-2021	Patricia Ball	.20	process cheque requisition
09-Jun-2021	Jim Guo	.20	chq run
10-Jun-2021	Jerry Henechowicz	1.50	Emails and calls related to various documents to close property sale, responding to information requests from Westmount
10-Jun-2021	Fatemah Khalfan	.30	Received Invoices from vendor; reviewed and forwarded to J. Henechowicz
14-Jun-2021	Jerry Henechowicz	1.40	Calls with Purchaser, email to counsel on his proposed closing timeline, responding to enquiries from Dentons on closing adjustments, sending of deposit
14-Jun-2021	Matthew Lem	.10	Wire authorization
14-Jun-2021	Fatemah Khalfan	.60	Processed wire transfer; sent to M. Lem for authorization; prepared wire requisition and sent to M. Lem and J. Henechowicz for signature
15-Jun-2021	Jerry Henechowicz	1.20	Call with Purchaser and counsel on extension of closing date terms, payment of expenses and follow up
15-Jun-2021	Fatemah Khalfan	.40	Received copy of cheque from S. Hardayal; reviewed; saved copy to client folder; advised that it be forwarded to R. Bernakevitch; entered into Log
16-Jun-2021	Jerry Henechowicz	1.00	Calls and emails related to terms of extension agreement, arranging receipt of funds from RBC
16-Jun-2021	Chahna Nathwani	.20	Cheq Req. Hydro One Networks Inc. - J. HENECHOWICZ
16-Jun-2021	Fatemah Khalfan	.30	Received Invoices from vendor; reviewed and forwarded to J. Henechowicz
16-Jun-2021	Fatemah Khalfan	.40	Received copy of cheque from S. Hardayal; sent email to R. Bernakevitch to proceed with processing cheque
17-Jun-2021	Jerry Henechowicz	3.10	Multiple calls and emails with Purchaser and Counsel regarding closing extension, drafting of supplemental report, updates with Pillar Capital and emails to Offerors
17-Jun-2021	Matthew Lem	1.10	Discussion with J. Henechowicz re draft supplemental report; review draft supplemental report to Sixth Report.
17-Jun-2021	Chahna Nathwani	.20	Invoice preparation, posting into ascend and processing- Thyssenkrupp Elevator (Canada) Limited
17-Jun-2021	Chahna Nathwani	.20	Sitecore uploading- Notice of Motion

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS INDUSTRY (CANADA) CO., LTD.****FOR THE PERIOD ENDED JUNE 30, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
17-Jun-2021	Chahna Nathwani	.50	Invoice preparation, posting into ascend and processing- First General 3 invoices
18-Jun-2021	Jerry Henechowicz	1.80	Multiple updates to Supplement to Sixth report and review of same with counsel
18-Jun-2021	Patricia Ball	.10	process cheque requisitions
18-Jun-2021	Chahna Nathwani	.50	Cheque Requisitions for On track invoices
20-Jun-2021	Jerry Henechowicz	1.10	Emails with Dentons and redrafts of Report, review of extension agreement
21-Jun-2021	Jerry Henechowicz	1.20	Updates to supplemental report, calls and emails related to email from Blaney re from
21-Jun-2021	Patricia Ball	.50	April and May Bank Recs
21-Jun-2021	Chahna Nathwani	.50	Cheq Req, Ascend posting- Phase 1 - 60 Industrial Park Rd , Calling Courier company for scheduling courier
22-Jun-2021	Jerry Henechowicz	3.10	Preparation of supplementary report, emails and calls related to closing issues, updates with Bruce Power
22-Jun-2021	Patricia Ball	.10	Process cheque for signature
22-Jun-2021	Chahna Nathwani	.20	Cheque requisition
23-Jun-2021	Jerry Henechowicz	2.00	Additional drafts of supplementary reports and calls with all parties on strategy for closing
23-Jun-2021	Sheldon Title	2.10	review of emails from Kennedy; email to Kennedy advising of my availability for a call; call with Kraft, Loberto, and Kennedy on supplemental report/transaction; review of report/supplemental report and revisions/comments to supplemental report; email to Kennedy my comments; email to Loberto certain of the info requested to support closing
24-Jun-2021	Jerry Henechowicz	3.10	Redrafts of supplementary report, review of closing agenda, emails from Blaney McMurtry
24-Jun-2021	Chahna Nathwani	.50	Cheque requisitions, enter into Ascend and saving on WIP
24-Jun-2021	Fatemah Khalfan	.40	- Posting to Sitecore
25-Jun-2021	Jerry Henechowicz	4.10	Preparation for motion on sale approval, call with Dentons, review of materials filed by Blaney, Court attendance, review of endorsement, execution and attending to closing of transaction
25-Jun-2021	Sheldon Title	.10	call with Jerry Henechowicz on closing; forward copy of cheque paid to Municipality
25-Jun-2021	Fatemah Khalfan	.30	Received vendor Invoice; reviewed; forwarded to J. Henechowicz

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS INDUSTRY (CANADA) CO., LTD.****FOR THE PERIOD ENDED JUNE 30, 2021**

DATE	PROFESSIONAL	HOURS	DESCRIPTION
25-Jun-2021	Fatemah Khalfan	.50	Two postings to website (Sitecore)
28-Jun-2021	Jerry Henechowicz	1.90	Calls with Bruce Power re closing, update with on site manager, update with Richmond Advisory, cancellation of insurance, calls with Westmount on transition issues, call with secured creditor
29-Jun-2021	Jerry Henechowicz	1.80	multiple emails and calls with purchaser and Bruce Power on transition issues, updates with Pillar Capital on distribution and next steps
29-Jun-2021	Sheldon Title	.10	email to Henechowicz on banking related query
30-Jun-2021	Jerry Henechowicz	1.50	Attending to receipt os sale proceeds and allocation of same, emails related to conversion of utility billings, payment of on site employee month end salaries and overtime
30-Jun-2021	Matthew Lem	.10	Attend to wire authorization
30-Jun-2021	Fatemah Khalfan	.40	Wire transfer prepared; sent to M. Lem for authorization; posted to Ascend
30-Jun-2021	Fatemah Khalfan	.80	Posting to Ascend on cash receipts

71.85

<b>BILLING SUMMARY</b>			
PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Chahna Nathwani	4.70	210.00	987.00
Fatemah Khalfan	9.00	210.00	1,890.00
Jerry Henechowicz	50.25	650.00	32,662.50
Jim Guo	1.50	172.00	258.00
Matthew Lem	1.60	585.00	936.00
Patricia Ball	2.30	195.00	448.50
Sheldon Title	2.50	650.00	1,625.00
<b>Total</b>	<b>71.85</b>		<b>38,807.00</b>
			428.75
			<b>39,235.75</b>

- and -

Applicant	Respondent
	<p><b>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</b></p> <p>PROCEEDING COMMENCED AT TORONTO</p>
	<p><b>AFFIDAVIT OF JERRY HENECHOWICZ</b></p>
	<p><b>DENTONS CANADA LLP</b> 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1</p> <p><b>Robert Kennedy</b> (LSO #474070) Tel: (416) 367-6756 Fax: (416) 863-4592 <a href="mailto:robert.kennedy@dentons.com">robert.kennedy@dentons.com</a></p> <p><b>Daniel Loberto</b> (LSO # 79632Q) Tel: (416) 863-4760 <a href="mailto:daniel.loberto@dentons.com">daniel.loberto@dentons.com</a></p> <p><i>Lawyers for the Receiver</i></p>

Appendix “G”  
to the Seventh 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 May 31, 2021)**

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.

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.
5. The Dentons fees and disbursements for the period of April 1, 2021 to April 30, 2021 (the “**Fee Period**”), are summarized in the invoice rendered to the Receiver (the “**Invoice**”). The Invoice is 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 Invoice and that it considers the fees and disbursements as fair and reasonable. A copy of the Invoice, 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. 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.

10. 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 Markham in the Province of Ontario on May 31, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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A Commissioner for Taking Affidavits, etc.

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**ROBERT KENNEDY**

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 31st DAY OF MAY, 2021.

A handwritten signature in blue ink, appearing to be "D. [unclear]", written over a horizontal line.

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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

MNP LLP  
111 Richmond Street West  
Suite 300  
Toronto ON M5H 2G4  
Attention: Jerry Henechowicz

**INVOICE # 3585449**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
April 30, 2021	541179-000007	Robert Kennedy

**MNP LLP**  
**Re: Turuss (Canada) Industry Co. Ltd.**

Professional Fees	\$ 98,158.00
Less: Discount	<u>(2,158.00)</u>
Net Professional Fees	\$ 96,000.00
Disbursements	619.76
HST (13.0%) on \$96,299.76	<u>12,518.97</u>
<b>Total Amount Due</b>	<b><u>\$ 109,138.73 CAD</u></b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 541179. Please email us at [Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
01-Apr-21	Daniel Loberto	Review precedent court materials re: upcoming motions. Prepare materials and gather information on the same.
01-Apr-21	Robert Kennedy	Review various correspondence re: unsecured claim. [REDACTED] Conference with Ken Kraft.
01-Apr-21	Kenneth Kraft	Update discussion with Rob Kennedy and review issues.
02-Apr-21	Robert Kennedy	Review correspondence from David Preger. [REDACTED] Various correspondence to and from Jerry Henechowicz. Correspondence to David Preger.
03-Apr-21	Daniel Loberto	Circulate conference call details.
04-Apr-21	Robert Kennedy	[REDACTED]
05-Apr-21	Daniel Loberto	Correspond with Robert Kennedy. [REDACTED] Attend conference calls re: bids in connection to the sale process. Contact municipality for 2021 realty tax assessments. [REDACTED]
05-Apr-21	Robert Kennedy	[REDACTED] Conference with Daniel Loberto. Various correspondence to and from Jerry Henechowicz. Attend conference call with David Preger. Conference call with Jerry Henechowicz re: stalking horse process. [REDACTED] Review memorandum from Daniel Loberto. Correspondence to Jerry Henechowicz re: Colliers appraisal.
06-Apr-21	Daniel Loberto	Prepare for conference call. Attend conference call re: stalking horse bid.
06-Apr-21	Robert Kennedy	Correspondence to and from Jerry Henechowicz. [REDACTED] Conversation with Hadley Duncan. Conference with Ken Kraft. [REDACTED] Review various correspondence re: unsecured creditor claim. Attend conference call with Jerry Henechowicz re: sale process matters. Conference with Daniel Loberto.
07-Apr-21	Daniel Loberto	[REDACTED] Interoffice discussion with Robert Kennedy. Correspond with

Date	Timekeeper	Description of Work
		municipality and municipal property assessment corporation. Prepare motion materials. Draft letter and submit to municipal property assessment corporation. [REDACTED]
07-Apr-21	Robert Kennedy	[REDACTED] Conference call with David Preger. Conference with Daniel Loberto. [REDACTED] Various correspondence to and from Jerry Henechowicz.
07-Apr-21	Kenneth Kraft	[REDACTED]
08-Apr-21	Daniel Loberto	Prepare for conference call. Attend conference call re: stalking horse bid. Interoffice discussion with Robert Kennedy. Prepare motion materials. Review correspondence re: stalking horse bid.
08-Apr-21	Kori Williams	Emails and discussions in connection with opinion.
08-Apr-21	Robert Kennedy	[REDACTED]
08-Apr-21	Kenneth Kraft	Discuss with Rob Kennedy refinements to dealing with bidders.
09-Apr-21	David Mann	Prepare for and attendance on telephone call with Robert Kennedy regarding current status and potential arguments.
09-Apr-21	Daniel Loberto	Interoffice discussion with Mark Freake. Interoffice discussion with Robert Kennedy. Prepare factum and other motion materials re: stalking horse sale process. Correspond with Harry Bhandal from Dickinson-Wright.
09-Apr-21	Mark Freake	Telephone and email correspondence with Daniel Loberto regarding stalking horse bid and motion materials. Review background reports. Review case law regarding stalking horse bid approvals.
09-Apr-21	Colton Riley	Speaking with Daniel Loberto to discuss a research task. Conducting research re: stalking horse sale procedures.
09-Apr-21	Kori Williams	Emails and discussions in connection with opinion, review and comment on same.
09-Apr-21	Danijel Augustinovic	Review and revise opinion. Various correspondence regarding same.
09-Apr-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto. [REDACTED]
09-Apr-21	Kenneth Kraft	Discuss issues with Rob Kennedy.
10-Apr-21	Daniel Loberto	Motion materials for stalking horse sale motion. Email correspondence with counsel to stalking horse bidder. [REDACTED]

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		Various discussions with Robert Kennedy.
10-Apr-21	Robert Kennedy	Work on stalking horse motion materials. Various correspondence to and from Jerry Henechowicz. Discussion with bidding party. Conference with Daniel Loberto.
11-Apr-21	Daniel Loberto	Review lease agreement. Review and revise motion materials for stalking horse sale motion. Various discussions with Robert Kennedy and Jerry Henechowicz.
11-Apr-21	Robert Kennedy	Review revised APA. Various correspondence to and from Jerry Henechowicz. Attend conference call with Jerry Henechowicz re: APA. Various conversations with David Preger. Conference with Daniel Loberto. Work on motion materials.
12-Apr-21	Daniel Loberto	Review and revise motion materials for stalking horse motion. Various discussions with Robert Kennedy and Jerry Henechowicz. Commission affidavit.
12-Apr-21	Sonja Homenuck	Reviewing purchase agreement and providing comments on same.
12-Apr-21	Kori Williams	Emails and discussions in connection with opinion.
12-Apr-21	Robert Kennedy	Work on motion materials. Review various correspondence re: motion materials. Conference with Daniel Loberto re: motion matters. Various correspondence to and from David Preger re: APA. Various correspondence to and from Jerry Henechowicz.
12-Apr-21	Kenneth Kraft	Review and comment on draft stalking horse procedure and related email exchanges.
13-Apr-21	Daniel Loberto	Review and revise motion materials for stalking horse motion. Commission Amanda Campbell affidavit. Compile Stalking Horse Agreement.
13-Apr-21	Kori Williams	Discussion with Robert Kennedy. Render opinion.
13-Apr-21	Danijel Augustinovic	Finalize security report.
13-Apr-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Conference with Ken Kraft. Various correspondence to and from Harry Bandal. Finalize APA. Review and finalize motion materials. Correspondence to Justice Koehnen. Various conferences with Daniel Loberto re: motion matters. Work on factum. Preparation for motion.
14-Apr-21	Daniel Loberto	Prepare for and attend stalking horse motion. Correspond with prospective offeror. Coordinate conference call. Prepare data room notice.
14-Apr-21	Robert Kennedy	Preparation for Court attendance. Various correspondence to and from Jerry Henechowicz.

Date	Timekeeper	Description of Work
15-Apr-21	Daniel Loberto	Conference with Daniel Loberto re: motion matters. Attend motion. Review signed order and endorsement. Various correspondence re: bidders inquiries.
15-Apr-21	Daniel Loberto	Correspond with Jerry Henechowicz re: data room notice. Prepare for and attend conference call with prospective offeror. Revise data room notice.
15-Apr-21	Robert Kennedy	Work on sale process matters. Attend conference call with bidder re: sale process. Review and revise notice. Conference with Daniel Loberto. Review APA.
19-Apr-21	Daniel Loberto	Correspond with Jerry Henechowicz re: offer from prospective offeror. Review correspondence on file.
19-Apr-21	Daniel Loberto	Draft factum for approval motion. Review the law regarding the same.
19-Apr-21	Robert Kennedy	Review sale process matters. Various correspondence to and from Jerry Henechowicz.
20-Apr-21	Daniel Loberto	Work on factum for approval motion. Review the law regarding the same. Draft Notice of Motion and draft Order for approval motion.
21-Apr-21	Daniel Loberto	Interoffice discussion with Robert Kennedy re: sale process and auction. Prepare for conference call. Attend conference call. Correspond with arbitration place. Review stalking horse bidding procedures. Draft data room notice re: bid deadline.
21-Apr-21	Robert Kennedy	Conference with Daniel Loberto. Review correspondence re: status of sale process. Conference with Daniel Loberto re: sale process deadline. Review notice.
22-Apr-21	Daniel Loberto	 Draft factum for approval motion. Review the law regarding the same. Draft Notice of Motion and draft Order for approval motion.
22-Apr-21	Robert Kennedy	Review auction procedure. Conference with Daniel Loberto re: sale process and auction procedure matters. Correspondence to Jerry Henechowicz.
23-Apr-21	Daniel Loberto	Review correspondence from Jerry Henechowicz re: auction. Draft notice of motion for approval motion. Revise factum and order for the same.
23-Apr-21	Robert Kennedy	Correspondence to and from Jerry Henechowicz re: sale process matters. Conference with Daniel Loberto re: auction procedure.
26-Apr-21	Daniel Loberto	Review stalking horse bidding procedures, sale process, and auction procedures timelines. Communicate with Robert Kennedy regarding the same. Revise approval motion materials. Draft closing agenda for sale

Date	Timekeeper	Description of Work
		transaction.
26-Apr-21	Robert Kennedy	Work on sale process matters. Review correspondence from Daniel Loberto. Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto re: AVO motion and closing matters.
28-Apr-21	Rennie Ali	Conducting PPSA search with respect to Turuss (Canada) Industry Co., Ltd. Correspondence with Daniel Loberto regarding same.
28-Apr-21	Daniel Loberto	Draft closing agenda for sale transaction. Review correspondence from Jerry Henechowicz and Amanda Campbell.
29-Apr-21	Daniel Loberto	Draft approval motion materials. Review sales process, stalking horse bidding procedures, and auction procedures re: date for approval and vesting motion. Correspond with Amanda Campbell. Review Jerry Henechowicz correspondence. [REDACTED]
29-Apr-21	Robert Kennedy	[REDACTED] Correspondence to and from Jerry Henechowicz.
30-Apr-21	Daniel Loberto	[REDACTED] Correspond with Robert Kennedy. Prepare for conference call. [REDACTED]
30-Apr-21	Robert Kennedy	Conference with Daniel Loberto. Various correspondence to and from Jerry Henechowicz. [REDACTED] Review sale procedure. [REDACTED] Conference with Daniel Loberto.

Timekeeper	Hours	Rate	Fees
Colton Riley	2.6	285.00	741.00
Daniel Loberto	82.5	460.00	37,950.00
Danijel Augustinovic	1.9	620.00	1,178.00
David Mann	0.6	825.00	495.00
Kenneth Kraft	2.1	990.00	2,079.00
Kori Williams	1.8	735.00	1,323.00
Mark Freake	1.5	635.00	952.50
Rennie Ali	0.2	230.00	46.00
Robert Kennedy	62.1	835.00	51,853.50
Sonja Homenuck	2.0	770.00	1,540.00
<b>Total</b>	<b>157.3</b>		<b>\$98,158.00</b>

**TOTAL PROFESSIONAL FEES**  
**Less: Discount**

**\$ 98,158.00**  
**(2,158.00)**

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<b>NET PROFESSIONAL FEES</b>		<b>\$ 96,000.00</b>
<b>TAXABLE DISBURSEMENTS</b>		
Library Computer Research	\$ 244.75	
Photocopy & Printing Charges	26.00	
Searches	29.01	
<b>TOTAL TAXABLE DISBURSEMENTS</b>	<b>\$ 299.76</b>	
<b>NON-TAXABLE DISBURSEMENTS</b>		
Filing Fee*	\$ 320.00	
<b>TOTAL NON-TAXABLE DISBURSEMENTS</b>	<b>\$ 320.00</b>	
<b>TOTAL DISBURSEMENTS</b>		<b><u>619.76</u></b>
<b>TOTAL FEES AND DISBURSEMENTS</b>		<b>\$ 96,619.76</b>
<b>TAXES</b>		
HST (13.0%) on Professional Fees of \$96,000.00	\$ 12,480.00	
HST (13.0%) on Taxable Disbursements of \$299.76	38.97	
<b>TOTAL TAXES</b>		<b><u>12,518.97</u></b>
<b>TOTAL AMOUNT DUE</b>		<b><u>\$ 109,138.73 CAD</u></b>

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 31st DAY OF MAY, 2021.

A handwritten signature in blue ink, appearing to be "D. [unclear]", written over a horizontal line.

---

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 April 1, 2021 to April 30, 2021**

<b>Date</b>	<b>Invoice No.</b>	<b>Fees</b>	<b>Discount</b>	<b>Disbursements</b>	<b>Taxes(HST)</b>	<b>Hours</b>	<b>Average Rate</b>	<b>Total</b>
April 30, 2021	3585449	98,158.00	-2,158.00	619.76	12,518.97	157.3	638.50	109,138.73
<b>TOTALS:</b>		\$98,158.00	(\$2,158.00)	\$ 619.76	\$12,518.97	157.3	\$ 638.50	\$109,138.73

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 31st DAY OF MAY, 2021.

A handwritten signature in blue ink, appearing to be "D. [unclear]", written over a horizontal line.

A Commissioner for Taking Affidavits, etc.

**EXHIBIT “C”****Billing Rates of Dentons Canada LLP**

For the period April 1, 2021 to April 30, 2021

	<b><u>Standard Rate</u></b>	<b><u>Year of Call</u></b>
David Mann	\$825	1990 (AB)
Kenneth Kraft	\$990	1991
Sonja Homenuck	\$770	2000
Robert Kennedy	\$835	2002
Kori Williams	\$735	2008
Mark Freake	\$635	2013
Danijel Augustinovic	\$620	2015
Daniel Loberto	\$460	2020
Colton Riley	\$285	Articling Student
Rennie Ali	\$230	Law Clerk

**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](mailto:robert.kennedy@dentons.com)

**Daniel Loberto** (LSO # 79632Q)  
Tel: (416) 863-4760  
[daniel.loberto@dentons.com](mailto:daniel.loberto@dentons.com)

*Lawyers for 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 July 27, 2021)**

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.

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.
5. The Dentons fees and disbursements for the period of May 1, 2021 to June 30, 2021 (the “**Fee Period**”), are summarized in the invoice rendered to the Receiver (the “**Invoice**”). The Invoice is 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 Invoice and that it considers the fees and disbursements as fair and reasonable. A copy of the Invoice, 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. 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.
10. 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 Markham in the Province of Ontario on July 27, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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A Commissioner for Taking Affidavits, etc.



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**ROBERT KENNEDY**

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 27th DAY OF JULY, 2021.

A handwritten signature in blue ink, appearing to be "D. [unclear]", is written above a horizontal line.

---

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

MNP LLP  
111 Richmond Street West  
Suite 300  
Toronto ON M5H 2G4  
Attention: Jerry Henechowicz

**INVOICE # 3591622**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
May 31, 2021	541179-000007	Robert Kennedy

**MNP LLP**  
**Re: Turuss (Canada) Industry Co. Ltd.**

Professional Fees	\$ 98,639.50
Less: Discount	<u>(3,639.50)</u>
Net Professional Fees	\$ 95,000.00
Disbursements	107.51
HST (13.0%) on \$95,107.51	<u>12,363.98</u>
<b>Total Amount Due</b>	<b><u>\$ 107,471.49 CAD</u></b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 541179. Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
01-May-21	Daniel Loberto	[REDACTED]
02-May-21	Robert Kennedy	[REDACTED]
03-May-21	Daniel Loberto	[REDACTED]
03-May-21	Robert Kennedy	[REDACTED]
04-May-21	Daniel Loberto	[REDACTED]
04-May-21	Robert Kennedy	[REDACTED]
04-May-21	Kenneth Kraft	[REDACTED]
05-May-21	Sonja Homenuck	[REDACTED]
		Telephone call with Robert Kennedy on same.
05-May-21	Robert Kennedy	[REDACTED] Various correspondence to and from Jerry Henechowicz. [REDACTED] Conference with Sonja Homenuck re: APA and closing
06-May-21	Daniel Loberto	[REDACTED]
06-May-21	Robert Kennedy	[REDACTED] Conference

Date	Timekeeper	Description of Work
		with Daniel Loberto. Various correspondence to and from Jerry Henechowicz. [REDACTED]
07-May-21	Daniel Loberto	Review and revise approval motion material. Correspond with Robert Kennedy re: [REDACTED]. Prepare for [REDACTED] approval motion.
07-May-21	Robert Kennedy	[REDACTED] Review estoppel certificate. [REDACTED] Conference with Daniel Loberto.
10-May-21	Daniel Loberto	[REDACTED] Revise approval motion material. [REDACTED]. Interoffice discussion with Robert Kennedy.
10-May-21	Robert Kennedy	[REDACTED] Various correspondence to and form Jerry Henechowicz. [REDACTED] Conference with Daniel Loberto. [REDACTED].
11-May-21	Sara-Ann Wilson	[REDACTED]
11-May-21	Daniel Loberto	[REDACTED] revise approval motion materials.
11-May-21	Robert Kennedy	[REDACTED] Conference with Daniel Loberto [REDACTED] Conference with Daniel Loberto. Work on motion materials. [REDACTED]
12-May-21	Daniel Loberto	Attend conference call with Jerry Henechowicz and Robert Kennedy. Revise approval motion materials to assist drafting of Sixth Report. Review case law in factum and draft book of authorities.
12-May-21	Robert Kennedy	Attend conference call re: [REDACTED] vesting order motion matters. Work on motion materials. [REDACTED]. Conference with Daniel Loberto. [REDACTED].
13-May-21	Daniel Loberto	Correspond with Robert Kennedy re: approval motion

Date	Timekeeper	Description of Work
		materials and [REDACTED] [REDACTED] Review and revise approval motion materials. Review and revise Sixth Report. [REDACTED]
13-May-21	Sonja Homenuck	[REDACTED] Providing comments thereon to Robert Kennedy. Email exchanges with Robert Kennedy.
13-May-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto re: vesting order motion. Work on motion materials. [REDACTED]
14-May-21	Rennie Ali	Obtaining ON PPSA search with respect to Turuss (Canada) Industry Co., Ltd. Obtaining updated parcel registers and reviewing same. Various correspondence with Daniel Loberto regarding same.
14-May-21	Daniel Loberto	Review and revise approval motion materials. Correspond with Jerry Henechowicz and Robert Kennedy regarding the same. [REDACTED]
14-May-21	Sonja Homenuck	Email exchanges with Daniel Loberto [REDACTED]
14-May-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto. [REDACTED]
14-May-21	Kenneth Kraft	[REDACTED]
17-May-21	Daniel Loberto	Review and revise approval motion materials. Review correspondence from Jerry Henechowicz and Robert Kennedy.
17-May-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Attend to motion scheduling. Review motion materials. [REDACTED]
18-May-21	Daniel Loberto	[REDACTED] Review and revise approval motion materials. Conference call with Jerry Henechowicz and Robert Kennedy. Revise closing agenda.
18-May-21	Kori Williams	[REDACTED]
18-May-21	Robert Kennedy	[REDACTED] Review secured claims. Conference with Daniel Loberto re: AVO motion matters. [REDACTED]

Date	Timekeeper	Description of Work
19-May-21	Esme Cragg	[REDACTED]
19-May-21	Daniel Loberto	Review closing agenda re: amendments from precedent, and revise closing agenda. [REDACTED]
19-May-21	Kori Williams	[REDACTED]
19-May-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz re: APA. Consider motion strategy.
20-May-21	Esme Cragg	[REDACTED]
20-May-21	Daniel Loberto	Correspond with Pillar Capital Corp. Commission affidavit for Jerry Henechowicz. [REDACTED]
20-May-21	Kori Williams	[REDACTED]
20-May-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Work on motion materials.
21-May-21	Daniel Loberto	Review and revise Receiver Report.
21-May-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto. [REDACTED]
25-May-21	Daniel Loberto	Review correspondence [REDACTED]
25-May-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz [REDACTED] Conference with Daniel Loberto. Review lease agreement. Conference with Ken Kraft. [REDACTED]
25-May-21	Kenneth Kraft	[REDACTED]
26-May-21	Daniel Loberto	[REDACTED]

Date	Timekeeper	Description of Work
26-May-21	Sonja Homenuck	[REDACTED] [REDACTED] Reviewing email from Jerry Henechowicz. Email response to Robert Kennedy.
26-May-21	Robert Kennedy	[REDACTED] Correspondence from and to Sonja Homenuck. [REDACTED]. Correspondence to and from Jerry Henechowicz.
27-May-21	Daniel Loberto	[REDACTED]
27-May-21	Sonja Homenuck	Conference call with Jerry Henechowicz and Robert Kennedy [REDACTED]. Telephone call with Robert Kennedy. [REDACTED]
27-May-21	Robert Kennedy	[REDACTED] Conference with Sonja Homenuck. [REDACTED] Various correspondence to and from Jerry Henechowicz. [REDACTED]. Conference with Sonja Homenuck. Conversation with Jerry Henechowicz.
28-May-21	Daniel Loberto	[REDACTED] Correspond with Robert Kennedy and Sonja Homenuck [REDACTED] [REDACTED] Interoffice discussion with Robert Kennedy [REDACTED]. Review correspondence [REDACTED]. [REDACTED].
28-May-21	Sonja Homenuck	Email exchanges with Daniel Loberto [REDACTED]. [REDACTED]. Email exchange with Daniel Loberto. Email exchange with Robert Kennedy. Reviewing email from Ford Thompson.
28-May-21	Robert Kennedy	[REDACTED] [REDACTED] Various correspondence to and from Jerry Henechowicz. Conference with Sonja Homenuck [REDACTED] Correspondence to and from Ford Thompson [REDACTED]. Conference with Daniel Loberto re: motion materials. Correspondence to Daniel Loberto.
31-May-21	Annette Fournier	Order PPSA search. Receive and review results and provide same to Daniel Loberto.
31-May-21	Daniel Loberto	Review and revise approval motion material. Interoffice discussion with Robert Kennedy.



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

MNP LLP  
111 Richmond Street West  
Suite 300  
Toronto ON M5H 2G4  
Attention: Jerry Henechowicz

**INVOICE # 3596551**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
June 30, 2021	541179-000007	Robert Kennedy

**MNP LLP**  
**Re: Turuss (Canada) Industry Co. Ltd.**

Professional Fees	\$ 144,251.50
Less: Discount	<u>(4,251.50)</u>
Net Professional Fees	\$ 140,000.00
Disbursements	1,150.50
HST (13.0%) on \$140,040.50	<u>18,205.27</u>
<b>Total Amount Due</b>	<b><u>\$ 159,355.77 CAD</u></b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 541179. Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
01-Jun-21	Daniel Loberto	Review and revise approval motion material. Correspond with Robert Kennedy and Amanda Campbell regarding service. [REDACTED]
01-Jun-21	Robert Kennedy	[REDACTED] Review and work on motion materials. Various correspondence to and from Jerry Henechowicz. Various conference with Daniel Loberto re: motion materials. [REDACTED] Review final motion materials. Review correspondence from Ford Thomson. [REDACTED]
02-Jun-21	Daniel Loberto	[REDACTED] Review and revise factum. [REDACTED] Prepare for approval motion.
02-Jun-21	Robert Kennedy	[REDACTED] Review vesting order.
03-Jun-21	Daniel Loberto	Correspond with [REDACTED] Robert Kennedy re: approval motion and lease amendment. Prepare for approval motion.
03-Jun-21	Robert Kennedy	Conference with Daniel Loberto. [REDACTED] Review estoppel certificate.
04-Jun-21	Daniel Loberto	Revise factum for approval motion. Prepare for approval motion. Draft submissions.
04-Jun-21	Robert Kennedy	Work on factum. [REDACTED] Conference with Daniel Loberto. Review correspondence [REDACTED]. [REDACTED] Conference with Ken Kraft re: APA matters.
04-Jun-21	Kenneth Kraft	[REDACTED]
06-Jun-21	Daniel Loberto	Revise draft Order. Revise and practice submissions re: approval motion.
06-Jun-21	Sonja Homenuck	Reviewing revisions to draft order and attachments. Providing comments thereon to Daniel Loberto. Reviewing revised draft order.
07-Jun-21	Daniel Loberto	Revise draft Order. Revise and practice submissions re: approval motion. Attend approval and vesting motion.

Date	Timekeeper	Description of Work
07-Jun-21	Sonja Homenuck	Revise Order. Revise and review closing agenda. Correspond with Justice Dunphy.
07-Jun-21	Robert Kennedy	Reviewing revisions to court order and email to Robert Kennedy on same.
07-Jun-21	Robert Kennedy	Preparation for motion. Review and revise vesting order. [REDACTED] Conference with Sonja Homenuck. Conference with Daniel Loberto. Review draft order. Attend motion. Review revised vesting order. Conference with Daniel Loberto re: vesting order. Review various correspondence from Justice Dunphy. Review endorsement and executed order. Review closing agenda and consider closing matters.
08-Jun-21	Daniel Loberto	Correspond with Robert Kennedy regarding closing deliverables. Review and revise motion record, and have motion record re-uploaded to caselines. Draft closing documentation.
08-Jun-21	Patricia La Forgia	Receipt and review Approval and Vesting Order.
08-Jun-21	Sonja Homenuck	Email exchange with Daniel Loberto on document registration agreement and closing documents. Providing instructions and background to Patricia LaForgia. Email exchanges with Daniel Loberto on adjustments.
08-Jun-21	Robert Kennedy	Review closing agenda. Work on closing matters. Conference with Daniel Loberto. Review various correspondence re: DRA.
09-Jun-21	Daniel Loberto	[REDACTED] Correspond with Sonja Homenuck regarding closing documents and information.
09-Jun-21	Patricia La Forgia	Review Approval For Vesting Order. Draft electronic Applications noting the 2 entities title to be vested in, compile title documents and email to OnLands requesting approval as to form and content and whether both Application can be compiled into one. Compose email to Corporate Clerk providing copies of the PPSA registrations to be discharged and request draft copies of discharges. Draft the Document Registration Agreement, Vendor's Acknowledgement and Direction authorizing registration of the Applications, partially completed statement of adjustments. Review Closing Agenda
09-Jun-21	Sonja Homenuck	Email exchanges with Patricia LaForgia on closing documents. Statement of Adjustments and applications for vesting order. [REDACTED] Email exchanges

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<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
09-Jun-21	Kori Williams	with Robert Kennedy on Direction re Title. 
09-Jun-21	Robert Kennedy	Review and revise estoppel certificate. Conference with Daniel Loberto re: closing matters. Work on closing matters. Various correspondence to Jerry Henechowicz. Review various correspondence re: statement of adjustments and DRA. Conference with Sonja Homenuck. 
10-Jun-21	Daniel Loberto	 Correspond with Sonja Homenuck regarding closing documents and information. Interoffice discussion with Raphael Eghan.
10-Jun-21	Lopa Raulino	Confer with Patricia La Forgia regarding Vesting Order granting two parcels of land to two different parties, with consideration as to Land Transfer Tax, preparation of electronic form of Application For Vesting Order and pre-approval of same prior to registration.
10-Jun-21	Patricia La Forgia	Review emails to and from Sonja Homenuck, Daniel Loberto, Paul Muchnik, Robert Kennedy relating to outstanding transaction matters, material required for the statement of adjustments, tenant estoppel, closing documents. Draft and revise closing documents. Review lease and lease amendments Order corporate searches. Draft electronic documents. Prepare file for closing. Compose email to OnLands relating to pre-approval of the electronic Applications for Vesting Order. Telephone conversation with Daniel Loberto relating to required information for the completion of the statement of adjustments and vesting order. Compile punch list, revise closing agenda.
10-Jun-21	Raphael Eghan	
10-Jun-21	Sonja Homenuck	Email exchanges with Patricia LaForgia. Reviewing estoppel and providing comments thereon to Robert Kennedy. Email exchanges with Daniel Loberto re estoppel. Email exchanges with Patricia LaForgia on land transfer tax and price allocation. Email to Paul Muchnik.
10-Jun-21	Robert Kennedy	Review vesting order and purchase agreement. Work on closing matters. Various correspondence to and from Paul Munchnik. Conversation with Paul Munchnik. Review correspondence from Jerry Henechowicz.

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Date	Timekeeper	Description of Work
10-Jun-21	Kenneth Kraft	Review Justice Dunphy endorsement and consider closing matters. Conversation with Jerry Henechowicz. Work on estoppel certificate. Various correspondence to and from Sonja Homenuck re: closing matters. Consider closing matters and next steps. 
11-Jun-21	Daniel Loberto	Review closing correspondence. Amend closing agenda. Draft motion material for June 25, 2021 distribution and fee approval motion.
11-Jun-21	Patricia La Forgia	Review email from Sonja Homenuck providing comments to closing agenda and instructions to draft assignment and assumption of lease. Draft assignment and assumption of lease.
11-Jun-21	Sonja Homenuck	Reviewing closing agenda and providing comments on same. Providing instructions to Patricia LaForgia on content of assignment of lease closing document.
11-Jun-21	Robert Kennedy	Work on closing matters. Various correspondence to and from Sonja Homenuck. Conference with Daniel Loberto. Review and revise closing agenda. Voicemail to and from Paul Munchnik. Review closing documents. Review various correspondence re: closing matters. Review and revise closing agenda.
13-Jun-21	Patricia La Forgia	Review revised Closing Agenda and provide Daniel Loberto comments. Review emails from Sonja Homenuck relating to distribution of funds post closing and comments to closing agenda. Review emails between Robert Kennedy and Paul Muchnick relating to tenant estoppel.
14-Jun-21	Daniel Loberto	Review closing correspondence. Draft motion material for June 25, 2021 distribution and fee approval motion. Conference call with Jerry Henechowicz and Patricia La Forgia.
14-Jun-21	Patricia La Forgia	Review emails from and to Sonja Homenuck, Robert Kennedy and Daniel Loberto and Amanda Campbell relating to outstanding transaction matters, documents, Approval and Vesting Order, corporate searches, required information to complete the statement of adjustment and the closing agenda. Revise the closing agenda, vendor's and purchaser's closing documents. Telephone conversation with Jerry Henechowicz and Daniel Loberto relating to required information to complete the closing documents and statement of adjustments. Compose email to Jerry Henechowicz confirming points of conversation. Emails to and from

Date	Timekeeper	Description of Work
14-Jun-21	Raphael Eghan	and telephone conversations with Jodie Graham of the Land Registry Office relating to the approval of the draft applications for vesting order and provide Jodie Graham with the Approval and Vesting Order for review. [REDACTED]
14-Jun-21	Sonja Homenuck	Reviewing email from Jerry Henechowicz. Reviewing form of Assignment of Lease and providing comments to Patricia LaForgia on same. Email to Patricia LaForgia on Statement of Adjustments. Reviewing draft Statement of Adjustments and providing comments to Patricia LaForgia. Reviewing emails from Jerry Henechowicz and Patricia LaForgia on adjustments.
14-Jun-21	Robert Kennedy	Work on closing matters. Review revised closing agenda. Conversation with Paul Munchnik. Review revised estoppel certificate. Correspondence to Ford Thomson. Various correspondence to and from Jerry Henechowicz. Consider next steps. Review endorsement. [REDACTED] Correspondence to Jerry Henechowicz. Consider extension request.
15-Jun-21	Daniel Loberto	Correspond with Robert Kennedy re: status of distribution motion. Attend conference call re: closing date. [REDACTED]
15-Jun-21	Patricia La Forgia	Emails to and from and telephone conversations with the LRO relating to the approval of the applications for vesting order and provide copy of vesting order.
15-Jun-21	Sonja Homenuck	Telephone call with Jerry Henechowicz and Robert Kennedy on terms of extension. Telephone call with Robert Kennedy on same. Reviewing email to set out terms and providing comments to Robert Kennedy and Daniel Loberto.
15-Jun-21	Robert Kennedy	Review correspondence from Jerry Henechowicz re: closing. Review APA. Consider strategy and next steps. Conference with Daniel Loberto re: motion. [REDACTED] Revise draft correspondence re: closing extension. [REDACTED] Various correspondence to Jerry Henechowicz. Conference with Sonja Homenuck re: closing matters. [REDACTED]
15-Jun-21	Kenneth Kraft	[REDACTED]

Date	Timekeeper	Description of Work
16-Jun-21	Daniel Loberto	[REDACTED] Attend conference call re: closing date. Review closing date correspondence. Review and revise closing documents. Various correspondence with Sonja Homenuck and Patricia La Forgia regarding closing documents.
16-Jun-21	Patricia La Forgia	Review emails from and to Sonja Homenuck and Daniel Loberto relating to closing documents, statement of adjustments, required tax certificates and document registration agreement. Revise closing documents and closing agenda. Order Tax Certificates
16-Jun-21	Sonja Homenuck	Telephone call with Jerry Henechowicz and Robert Kennedy. Telephone call with Robert Kennedy on extension terms. Email exchanges with Daniel Loberto on Undertaking to Readjust closing document. Reviewing Commitment Letter from purchaser's lender and providing comments thereon. Email exchanges with Patricia La Forgia on closing documents and Statement of Adjustments. Reviewing real estate closing documents. Lengthy email to Robert Kennedy and Daniel Loberto on closing documents and to Patricia La Forgia on real estate closing documents.
16-Jun-21	Robert Kennedy	Attend conference call re: closing matters. Review APA and consider closing matters. Conference with Sonja Homenuck. [REDACTED] [REDACTED] Review loan commitment. [REDACTED] Review correspondence from Sonja Homenuck. Review various correspondence re: loan commitment. Review sale process. Conference with Sonja Homenuck. Consider closing matters. [REDACTED] Work on motion materials.
17-Jun-21	Daniel Loberto	Attend conference calls re: closing date and amendment. Review closing documents. Draft amendment to the APA. Draft notice of motion.
17-Jun-21	Patricia La Forgia	Receipt and review email from Lisa Anderson of the Tax Department providing Tax Certificates. Compose email to Lisa Anderson regarding realty tax penalties, confirm amount and also confirm that any water arrears would be added to the Tax Certificates. Review statement of adjustments and document registration agreement.
17-Jun-21	Sonja Homenuck	Telephone call with Robert Kennedy. Reviewing amendment to Asset Purchase Agreement and providing comments thereon to Robert Kennedy and Daniel Loberto.

Date	Timekeeper	Description of Work
17-Jun-21	Robert Kennedy	<p>Attend conference call re: APA and strategy. Review sale process and consider strategy. Various correspondence to and from Jerry Henechowicz. Conference with Sonja Homenuck. Review various correspondence re: closing matters. Finale June 25 motion materials. Correspondence to Justice Dunphy re: June 25 motion. Prepare draft correspondence re: amendment. [REDACTED]</p> <p>[REDACTED] Conference with Daniel Loberto. Consider Receiver's supplemental report matters. [REDACTED] Review Justice Dunphy endorsement. [REDACTED]</p>
17-Jun-21	Kenneth Kraft	[REDACTED]
18-Jun-21	Patricia La Forgia	<p>Receipt and review two tax certificates from Lisa Albright at the Arran-Elderslie Tax Office and provide Lisa Albright relating to penalties, local improvement charges and water account. Compose email to Sonja Homenuck, Robert Kennedy and Daniel Loberto providing status of realty tax accounts.</p>
18-Jun-21	Sonja Homenuck	<p>Reviewing amendment to Receiver's report and providing comments to Robert Kennedy on same.</p>
18-Jun-21	Robert Kennedy	<p>Work on receiver's supplement. [REDACTED] Work on Notice of Motion. Various correspondence to and from Jerry Henechowicz. Conference with Ken Kraft. Review draft first amendment.</p>
18-Jun-21	Kenneth Kraft	<p>Working on revisions to draft report and related materials.</p>
20-Jun-21	Robert Kennedy	<p>Consider next steps re: transaction. Work on First Amendment. Work on Receiver's supplement. [REDACTED]</p>
20-Jun-21	Kenneth Kraft	<p>Review revisions to draft report and related email exchanges.</p>
21-Jun-21	Daniel Loberto	<p>Review correspondence re: closing date. Review draft amendment and supplemental report. Prepare for motion. Revise and finalize notice of motion.</p>
21-Jun-21	Patricia La Forgia	<p>Receipt and review email from Lisa Albright of the Tax Department confirm instalments, current status of the</p>

Date	Timekeeper	Description of Work
21-Jun-21	Sonja Homenuck	local improvement charges and water account and provide response. Email exchanges with Robert Kennedy. [REDACTED]
21-Jun-21	Robert Kennedy	Work on motion materials. [REDACTED] Various correspondence to and from Jerry Henechowicz. [REDACTED]
21-Jun-21	Kenneth Kraft	Email exchanges. Discussions with Rob Kennedy on draft report and revisions.
22-Jun-21	Daniel Loberto	Attend conference call re: Closing date. [REDACTED]
22-Jun-21	Patricia La Forgia	Review emails from and to Sonja Homenuck, Daniel Loberto and Robert Kennedy relating to [REDACTED] closing date, payment of outstanding realty taxes and required three party document registration agreement. Complete realty tax information in the statement of adjustments.
22-Jun-21	Fabian Abele	Various emails related to closing logistics.
22-Jun-21	Sonja Homenuck	Email exchanges with Patricia La Forgia on adjustments, with Robert Kennedy on closing date and adjustments and with Fabian Abele on outstanding matters to be dealt with for closing.
22-Jun-21	Robert Kennedy	[REDACTED] Various correspondence to and from Jerry Henechowicz re: sale process matters and strategy. Consider June 25 motion matters. Conference with Ken Kraft. [REDACTED] Various correspondence to and from Jerry Henechowicz. Work on First Amendment. Review supplement. Conference with ken Kraft. [REDACTED] Work on closing agenda. [REDACTED] Consider motion matters.
22-Jun-21	Kenneth Kraft	[REDACTED]

Date	Timekeeper	Description of Work
23-Jun-21	Daniel Loberto	Attend conference calls re: Closing. Revise supplemental report. Interoffice discussion with Robert Kennedy. Correspond with Sheldon Title re: statement of adjustments. Revise closing agenda.
23-Jun-21	Patricia La Forgia	Review email from Paul Muchnik and emails from Sonja Homenuck and Robert Kennedy, Daniel Loberto relating to 3 party Document Registration Agreement, Lender's name and name of counsel, statement of adjustments and documents. Draft 3 party Document Registration Agreement and circulate for review. Revise statement of adjustments and list of outstanding information required to complete statement of adjustments and provide to Daniel Loberto for review. Review emails between Daniel Loberto and Sheldon Title relating to the statement of adjustments, outstanding information and 3 contracts to be assumed. Review email and contracts provided by Sheldon Title, compose email to Daniel Loberto, Sonja Homenuck, Robert Kennedy and Fabian Abele, issues with the contracts and required consents to transfer. Compose email to Fabian Abele providing LRO's pre-approval of Applications to send with draft document registration to Purchaser's Counsel.
23-Jun-21	Fabian Abele	Reviewing Closing Agenda. Participating in conference call with Robert Kennedy. Reviewing Document Registration Agreement. Emailing Paul Muchnik regarding closing documents and Document Registration Agreement matters.
23-Jun-21	Sonja Homenuck	Conference call with Robert Kennedy, Patricia La Forgia, Daniel Loberto and Fabian Abele on logistics of closing and dividing up of remaining work to closing.
23-Jun-21	Robert Kennedy	Review and revise First Amendment. Work on closing matters. Review various correspondence re: closing documents. Attend conference call re: closing matters. Review and revise supplement. [REDACTED] Attend conference call re: closing matters and motion. [REDACTED] Consider strategy re: closing.
23-Jun-21	Kenneth Kraft	Emails. Discussions with Rob Kennedy. Call with Sheldon Title on issues. Reviewing draft report. Various related matters.
24-Jun-21	Daniel Loberto	Revise supplemental report and notice of motion. Correspond with internal team, MNP, and Dickinson

Date	Timekeeper	Description of Work
24-Jun-21	Patricia La Forgia	Wright re: Closing. Attend conference call re: statement of adjustments.  Emails to and from Harry Bhandal, Paul Muchnik, Sonja Homenuck, Fabian Abele, Daniel Loberto, Robert Kennedy and Jerry Henechowicz relating to outstanding transaction matters and closing documents. Revise a portion of the closing documents, draft solicitor's undertaking to pay realty taxes, re-direction re funds by the Receiver to Dentons and statement of adjustments. Telephone conversations with Daniel Loberto, Jerry Henechowicz and Fabian Abele relating to outstanding transaction matters, closing documents, statement of adjustments and solicitor's undertaking. Effect HST searches and order certificates of status for purchasers for closing date.
24-Jun-21	Fabian Abele	Reviewing Statement of Adjustments and related materials in preparation of closing. Attending conference call regarding Statement of Adjustments. Updating Statement of Adjustments. Emailing Paul Muchnik regarding Statement of Adjustments and related matters. Emailing Jerry Henechowicz regarding Statement of Adjustments and related matters. Forwarding comments received on Statement of Adjustments to Jerry Henechowicz.
24-Jun-21	Sonja Homenuck	Email exchanges with Patricia La Forgia and Robert Kennedy regarding assumption of insurance and adjustments. Email exchange with Ken Kraft. [REDACTED]
24-Jun-21	Robert Kennedy	Review various correspondence re: insurance matters. Conversation with Jerry Henechowicz. Work on closing matters. Various correspondence to and from Paul Muchnik. Review revised first amendment. Review supplement. [REDACTED] Conversation with Paul Muchnik. [REDACTED] Review various correspondence re: closing matters. [REDACTED] Conversation with Jerry Henechowicz. Correspondence to and from Steve Graff. Conversation with Steve Graff. Conversation with Jerry Henechowicz. Conference with Ken Kraft. Preparation for motion.
24-Jun-21	Kenneth Kraft	Emails on various closing issues.
25-Jun-21	Daniel Loberto	Correspond with internal team, MNP, and Dickinson Wright re: Closing. Review closing documents. Attend motion re: closing advice and direction. Complete closing.

Date	Timekeeper	Description of Work
25-Jun-21	Patricia La Forgia	Emails to and from Harry Bhandal, Paul Muchnik, Sonja Homenuck, Fabian Abele, Daniel Loberto, Robert Kennedy and Jerry Henechowicz relating to statement of adjustments, realty taxes, outstanding transaction matters and closing documents. Telephone conversations with Jerry Henechowicz relating to payment of outstanding realty taxes and statement of adjustments. Revise solicitors undertaking and circulate to all parties. Revise re-direction re funds by the Receiver to Dentons. Review purchaser's and vendor's executed closing documents and advise all parties of outstanding items. Update HST searches and review certificate of status, and statement of adjustments and all matters related thereto required to close the transaction.
25-Jun-21	Lorie Neilson	Ordering and obtaining 2 Ontario Certificates of Status
25-Jun-21	Fabian Abele	Attending to closing of transaction. Drafting updates to various closing documents. Numerous emails and phone calls regarding closing matters. Discussing final statement of adjustments matters.
25-Jun-21	Sonja Homenuck	Dealing with all closing matters. Providing instructions to Daniel Loberto, Fabian Abele and Patricia La Forgia on numerous matters for closing.
25-Jun-21	Robert Kennedy	Preparation for Court attendance. Review various correspondence re: motion matters. Various conversation with Jerry Henechowicz. Conference with Ken Kraft re: motion and strategy. [REDACTED] [REDACTED] Review various correspondence from Steve Graff. Review factums. [REDACTED] [REDACTED] Attend Court. Review First Amendment. Work on closing matters. Various conversations with closing matters. Review Court Order. Various conversations with Paul Muchnik. Confrere with Sonja Homenuck. Review closing documents. Review endorsement Justice Dunphy. Correspondence to Justice Dunphy. Conversation with Jerry Henechowicz.
25-Jun-21	Kenneth Kraft	Various emails related to today's hearing. Discussions with Rob Kennedy. Telephone call with Jerry Henechowicz and Rob Kennedy to discuss position in regard to today's attendance. Attend at hearing to obtain advice and directions. Follow up on need to be ready to tender to close and remaining matters.
26-Jun-21	Robert Kennedy	Review closing matters. [REDACTED] [REDACTED] Review correspondence from Steve Graff.
28-Jun-21	Daniel Loberto	Correspond with Robert Kennedy regarding closing and post-closing items.

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<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
28-Jun-21	Patricia La Forgia	Compose letter to the Tax Department enclosing payment for realty taxes. Emails to and from Jerry Henechowicz relating to wire instructions. Emails to and from Danielle Loberto, Amanda Campbell, Treasurer re outstanding taxes and the LRO providing confirmation of closing, relating to post closing matters.
28-Jun-21	Robert Kennedy	Work on post-closing matters. Review various correspondence re: insurance. Review direction. Address distributions. Review orders. Review correspondence from Leanne Williams.
29-Jun-21	Daniel Loberto	Review outgoing wire details.
29-Jun-21	Patricia La Forgia	Telephone conversation with Jodi Graham as to the status of certification of the two receipted Applications For Vesting Order. Compose email to Paul Muchnik providing copy of letter to the Tax Department enclosing cheque for payment of outstanding taxes. Compose email to Lisa Albright at the Tax Department advising that cheque for payment of outstanding taxes has been sent by overnight courier.
29-Jun-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Work on post-closing matters. Conference with Ken Kraft. Conversation with Steve Dizep. Review and revise direction. Conversation with Leanne Williams re: property claim. Review correspondence from Leanne Williams. Review closing documents. Review notices re: assignments.
30-Jun-21	Daniel Loberto	Correspond with Hsieh counsel. Draft direction. Correspond with Patricia La Forgia.
30-Jun-21	Robert Kennedy	Work on post-closing matters. Review and revise direction re: Hsieh distribution. Conference with Daniel Loberto. Work on distributions. Voicemail received from Jerry Henechowicz.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Daniel Loberto	77.2	480.00	37,056.00
Fabian Abele	4.6	640.00	2,944.00
Kenneth Kraft	8.1	990.00	8,019.00
Kori Williams	0.2	735.00	147.00
Lopa Raulino	0.2	345.00	69.00
Lorie Neilson	0.5	310.00	155.00
Patricia La Forgia	36.1	400.00	14,440.00
Raphael Eghan	6.2	550.00	3,410.00
Robert Kennedy	81.9	835.00	68,386.50
Sonja Homenuck	12.5	770.00	9,625.00
<b>Total</b>	<b>227.5</b>		<b>\$144,251.50</b>

**TOTAL PROFESSIONAL FEES** \$ 144,251.50  
**Less: Discount** (4,251.50)  
**NET PROFESSIONAL FEES** \$ 140,000.00

**TAXABLE DISBURSEMENTS**

Photocopy & Printing Charges \$ 10.50  
Searches 30.00  
**TOTAL TAXABLE DISBURSEMENTS** \$ 40.50

**NON-TAXABLE DISBURSEMENTS**

Filing Fee\* \$ 960.00  
Tax Certificate / Search\* 150.00  
**TOTAL NON-TAXABLE DISBURSEMENTS** \$ 1,110.00

**TOTAL DISBURSEMENTS** 1,150.50

**TOTAL FEES AND DISBURSEMENTS** \$ 141,150.50

**TAXES**

HST (13.0%) on Professional Fees of \$140,000.00 \$ 18,200.00  
HST (13.0%) on Taxable Disbursements of \$40.50 5.27

**TOTAL TAXES** 18,205.27

**TOTAL AMOUNT DUE** \$ 159,355.77 CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 27th DAY OF JULY, 2021.

A handwritten signature in blue ink, appearing to be "D. [unclear]", written over a horizontal line.

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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 May 1, 2021 to June 30, 2021**

<b>Date</b>	<b>Invoice No.</b>	<b>Fees</b>	<b>Discount</b>	<b>Disbursements</b>	<b>Taxes(HST)</b>	<b>Hours</b>	<b>Average Rate</b>	<b>Total</b>
May 31, 2021	3591622	98,639.50	-3,639.50	107.51	12,363.98	149.5	638.89	107,471.49
June 30, 2021	3596551	144,251.50	-4,251.50	1,150.50	18,205.27	227.5	577.50	159,355.77
<b>TOTALS:</b>		\$242,891.00	(\$7,891.00)	\$1,258.01	\$30,569.25	377	\$ 608.20	\$266,827.26

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 27th DAY OF JULY, 2021.

A handwritten signature in blue ink, appearing to be "D. [unclear]", written over a horizontal line.

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A Commissioner for Taking Affidavits, etc.

**EXHIBIT “C”****Billing Rates of Dentons Canada LLP**

For the period May 1, 2021 to June 30, 2021

	<b><u>Standard Rate</u></b>	<b><u>Year of Call</u></b>
Kenneth Kraft	\$990	1991
Sonja Homenuck	\$770	2000
Robert Kennedy	\$835	2002
Kori Williams	\$735	2008
Sara-Ann Wilson	\$730	2008
Raphael Eghan	\$550	2010
Esme Cragg	\$630	2013
Fabian Abele	\$640	2014
Daniel Loberto	\$460	2020
Patricia La Forgia	\$400	Law Clerk
Annette Fournier	\$350	Law Clerk
Rennie Ali	\$230	Law Clerk
Lopa Raulino	\$345	Land Conveyancer
Lorie Neilson	\$310	Corporate Searcher

**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**  
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*Lawyers for the Receiver*

Appendix “H”  
to the Seventh Report of the Receiver

**IN THE MATTER OF THE RECEIVERSHIP OF  
TURUSS (CANADA) INDUSTRY CO., LTD.  
RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
AS AT JULY 21, 2021**

<b>RECEIPTS</b>	<b>NOTE</b>	
Sale of real property proceeds	1.	\$ 9,036,660.06
Rental Income and expense reimbursements		1,256,490.66
Advance from secured creditors		597,500.00
Equipment auction proceeds		230,000.00
HST collected		135,586.19
Cash in bank		8,293.82
		<u>11,264,530.73</u>
<b>DISBURSEMENTS</b>		
Distributions to secured creditor		2,674,235.72
Repayment of Receiver Certificates		600,000.00
Legal fees and disbursements		501,868.48
Municipal realty taxes		436,170.39
Utilities		375,455.62
Receiver and manager fees and disbursements		331,860.40
Rent distributions to secured creditor		245,740.88
Repairs and maintenance		216,842.90
HST paid		192,581.19
Insurance		120,021.04
Salaries and benefits		113,023.73
Interest on Receiver Certificates		83,040.51
Security system upgrades		39,303.14
Hazardous waste removal		35,000.00
Property manager fees		30,675.00
License fees		8,742.50
Appraisals and environmental assessments		6,750.00
Advertising re: sale process		4,746.60
Telephone		998.37
Travel		830.67
Bank charges		613.76
Supplies		263.02
Photocopies		181.10
Filing fees paid to Official Receiver		71.54
		<u>6,019,016.56</u>
<b>EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS</b>	2.	<u>5,245,514.17</u>

**NOTES**

1. Represents receipt of purchase price of \$9,200,000 less closing adjustments for prepaid rent of \$123,383.75 and other customary closing adjustments for the sale of commercial property of this type.

2. Excludes bank charges and interest earned after May 31, 2021.

**PILLAR CAPITAL CORP.**  
Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**SEVENTH REPORT OF THE RECEIVER**

**DENTONS CANADA LLP**  
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Toronto, Ontario M5K 0A1

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*Lawyers for the Receiver*

# TAB 3

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

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

THE HONOURABLE	)	TUESDAY , THE 3rd DAY
	)	
JUSTICE KOEHNEN	)	OF AUGUST, 2021

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

**DISTRIBUTION ORDER**

**THIS MOTION**, made by MNP Ltd., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”), for an order:

- a) abridging the time for service of the notice of motion dated July 27, 2021, the motion record dated July 27, 2021 and the seventh report of the Receiver dated July 27, 2021 (the “**Seventh Report**”) so that this Motion is properly returnable on August 3, 2021, and dispensing with further service thereof;
- b) authorizing and approving a distribution to Pillar Capital Corp. (“**Pillar**”) from the sale proceeds (the “**Sale Proceeds**”) generated from the closing of the transaction contemplated in the asset purchase agreement between the Receiver and Chelsea Property Holdings Inc. dated May 31, 2021 (as amended), in an amount sufficient to repay to Pillar: (i) all

remaining amounts owing by Turuss in respect of accrued interest and fees, and (ii) all remaining amounts owing by the Receiver pursuant to the Receiver's borrowings (collectively, the "**Final Pillar Distribution**");

- c) authorizing and approving the Receiver to distribute to Kuo-Tong Hsieh ("**Hsieh**") from the Sale Proceeds such further funds on account of proper interest and fees owing to Hsieh by Turuss (the "**Final Hsieh Distribution**");
- d) approving the Seventh Report, and the activities of the Receiver as set out therein;
- e) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in the Sixth Report of the Receiver dated June 1, 2021 and the Seventh Report, the fee Affidavit of Jerry Henechowicz sworn May 20, 2021 and a second affidavit dated July 23, 2021 (collectively, the "**Henechowicz Affidavits**"), the fee Affidavit of Robert Kennedy sworn May 31, 2021 and a second affidavit dated July 27, 2021 (the "**Kennedy Affidavits**", and collectively with the aforementioned fees and disbursements and Henechowicz Affidavits, the "**Fees and Disbursements**");
- f) approving the interim statement of receipts and disbursements dated July 21, 2021 (the "**R&D**");
- g) such further and other relief as counsel may request and this Honourable Court deems just.

was heard this day via videoconference due to the COVID-19 pandemic.

**ON READING** the Motion Record of the Receiver dated July 27, 2021 (the "**Motion Record**"), Henechowicz Affidavits and the Kennedy 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 Service of Amanda Campbell sworn July 27, 2021, filed:

**SERVICE**

1. **THIS COURT ORDERS** that the time for service and notice of this Motion is abridged and validated such that this Motion is properly returnable today, without further service or notice thereof.

**DISTRIBUTIONS**

2. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the Final Pillar Distribution.
3. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the Final Hsieh Distribution.

**RECEIVER'S ACTIVITIES**

4. **THIS COURT ORDERS** that the Seventh Report and the activities described therein are hereby approved.
  5. **THIS COURT ORDERS** that the Fees and Disbursements of the Receiver and Dentons are hereby approved.
  6. **THIS COURT ORDERS** that the R&D is hereby approved.
-

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**DISTRIBUTION ORDER**

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*Lawyers for the Receiver*

# TAB 4

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

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

THE HONOURABLE	)	TUESDAY , THE 3rd DAY
	)	
JUSTICE KOEHNEN	)	OF AUGUST, 2021

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**

**CLAIMS PROCEDURE ORDER**

**THIS MOTION** made by MNP Ltd., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) for an order,

- (a) approving and authorizing the Claims Procedure (as defined herein) and authorizing, directing and empowering the Receiver to implement and carry out the Claims Procedure in accordance with the terms of this order (the “**Claims Procedure Order**”); and

- (b) such further and other grounds as counsel may advise and this Court may permit;

was heard this day via videoconference due to the COVID-19 pandemic.

**ON READING** the Motion Record of the Receiver dated July 27, 2021, including the seventh report of the Receiver dated July 27, 2021, 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 July 27, 2021, filed:

### **INTERPRETATION**

1. **THIS COURT ORDERS** that, for the purposes of this Claims Procedure Order, in addition to terms defined elsewhere herein, the following terms shall have the following meanings:
  - (a) **“Assessments”** means any Claim (as defined herein) of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of objection, notice of appeal, audit, investigation, demand or similar request from any taxation authority;
  - (b) **"Business Day"** means a day, other than a Saturday or a Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
  - (c) **“Claim”** means any right or claim of any Person against Turuss, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of Turuss, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to advance a claim for contribution or indemnity or

otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, and any other claims that would be claims provable in bankruptcy had Turuss made an assignment in bankruptcy as of the date hereof (each, a **“Claim”**, and collectively, the **“Claims”**);

- (d) **“Claim Document Package”** means a document package that contains a copy of the Instruction Letter (as defined herein), the Notice to Creditors (as defined herein), and Proof of Claim, and such other materials as the Receiver may consider appropriate or desirable;
- (e) **“Claims Bar Date”** means 5:00 p.m. on September 17, 2021, or such other date as may be ordered by the Court;
- (f) **“Claims Procedure”** means the procedures set out in this Order for identifying and determining Claims against Turuss;
- (g) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (h) **“Creditor”** means any Person having or asserting a Claim;
- (i) **“Instruction Letter”** means the instruction letter to Creditors, substantially in the form attached as **Schedule “A”** hereto, regarding completion by Creditors of the Proof of Claim;
- (j) **“Notice of Revision or Disallowance”** means a notice, substantially in the form attached hereto as **Schedule “D”**;
- (k) **“Notice to Creditors”** means the notice to Creditors for publication, substantially in the form attached as **Schedule “B”** hereto;
- (l) **“Person”** means, without limitation, any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government authority or any agency, regulatory body, officer or instrumentality thereof or any other entity, wherever

situate or domiciled, and whether or not having legal status and whether acting on their own or in a representative capacity;

- (m) **“Proof of Claim”** means a Proof of Claim, substantially in the form attached hereto as **Schedule “C”**;
- (n) **“Proven Claim”** means the amount of a Claim of a Creditor as finally determined in accordance with this Claims Procedure Order.

### **GENERAL PROVISIONS**

2. **THIS COURT ORDERS** that all references to time herein shall mean local time in Toronto, Ontario, Canada and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.
3. **THIS COURT ORDERS** that the Claims Procedure and the forms of Instruction Letter, Notice to Creditors, Proof of Claim and Notice of Revision or Disallowance are hereby approved. Notwithstanding the foregoing, the Receiver may, from time to time, make non-substantive changes to the forms as the Receiver, in its sole discretion, may consider necessary or desirable.
4. **THIS COURT ORDERS** that the Receiver is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may waive strict compliance with the requirements of this Claims Procedure Order as to completion, execution and submission of such forms and to request any further documentation from a Creditor that the Receiver may require.
5. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Claims Bar Date.
6. **THIS COURT ORDERS** that there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment.

7. **THIS COURT ORDERS** that copies of all forms delivered hereunder, as applicable, shall be maintained by the Receiver.

8. **THIS COURT ORDERS** that no Claim shall be determined, and no payment shall be made by Turuss in respect of any Claim, except in accordance with this Claims Procedure Order and the Claims Procedure set out herein.

9. **THIS COURT ORDERS** that references to the singular herein include the plural, the plural includes the singular and any gender includes the other gender.

### **ROLE OF THE RECEIVER**

10. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed rights, duties, responsibilities and obligations under the Order of Justice Hailey dated September 18, 2020 (the “**Receivership Order**”), shall administer the Claims Procedure provided for herein and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

11. **THIS COURT ORDERS** that the Receiver shall: (i) have all protections afforded to it by the Receivership Order, any Orders of the Court in these proceedings and other applicable law in connection with its activities in respect of this Claims Procedure Order; and (ii) incur no liability or obligation as a result of carrying out the provisions of this Claims Procedure Order, other than in respect of gross negligence or wilful misconduct.

12. **THIS COURT ORDERS** that Turuss and its employees, agents and representatives and any other Person given notice of this Claims Procedure Order shall fully cooperate with the Receiver in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

### **NOTICE TO CREDITORS**

13. **THIS COURT ORDERS** that:

- (a) the Receiver shall, not later than ten (10) Business Days following the granting of the Claims Procedure Order, cause to be published the Notice to Creditors in the Globe and Mail (National Edition);
- (b) the Receiver shall, not later than five (5) Business Days following the granting of the Claims Procedure Order, post a copy of this Claims Procedure Order, the Receiver's Motion Record in respect of this Claims Procedure Order and the Claim Document Package on its website at [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss); and
- (c) the Receiver shall deliver as soon as reasonably possible following receipt of a request therefor, a copy of the Claim Document Package to any Person: (i) who claims to be a Creditor, and (ii) requests such material in writing, by regular mail or electronic mail to the address as provided by such Person.

14. **THIS COURT ORDERS** that the Receiver shall be entitled to rely on the accuracy and completeness of the information obtained from the books and records of Turuss regarding the review of the Proof(s) of Claim. For greater certainty, the Receiver shall have no liability in respect of the information provided to it and shall not be required to conduct any independent inquiry and/or investigation with respect to that information.

#### **PROOFS OF CLAIM**

15. **THIS COURT ORDERS** that to be effective, every Creditor asserting a Claim against Turuss shall set out its aggregate Claim in a Proof of Claim, including supporting documentation, and deliver that Proof of Claim to the Receiver so that it is actually received by the Receiver by no later than the Claims Bar Date.

#### **CLAIMS BARRED**

16. **THIS COURT ORDERS** that any Person that does not deliver a Proof of Claim in respect of a Claim in the manner required by this Claims Procedure Order such that it is actually received by the Receiver on or before the Claims Bar Date:

- (a) shall not be entitled to receive any distribution in respect of such Claim; and

- (b) shall be forever barred from making or enforcing such Claim against Turuss and such Claim shall be hereby extinguished without any further act or notification.

### **SET OFF**

17. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall affect any right of set-off which Turuss may have against any Creditor.

### **TRANSFER OF CLAIMS**

18. **THIS COURT ORDERS** that if the holder of a Claim transfers or assigns the whole of such Claim to another Person, the Receiver shall not be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by Receiver and the Receiver has provided written confirmation acknowledging the transfer or assignment of such Claim, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receiving written confirmation by the Receiver acknowledging such assignment or transfer. After the Receiver has delivered a written confirmation acknowledging the notice of the transfer or assignment of a Claim, the Receiver shall thereafter be required only to deal with the transferee or assignee and not the original holder of the Claim. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which Turuss may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to Turuss. Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

19. **THIS COURT ORDERS** that if a Creditor or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Receiver as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims

shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Receiver shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Creditor may, by notice in writing delivered to the Receiver, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Creditor or in accordance with the provisions of this Claims Procedure Order

### **DETERMINATION OF CLAIMS**

20. **THIS COURT ORDERS** that, subject to the terms of this Claims Procedure Order, the Receiver shall review all Proofs of Claim and may:

- (a) request additional information from a Creditor and / or Turuss to assist with such review and assessment;
- (b) request that a Creditor file a revised Proof of Claim;
- (c) attempt to resolve and settle any issue arising in a Proof of Claim in respect of a Claim;
- (d) accept (in whole or in part) the amount of any Claim and notify the Creditor in writing; and
- (e) revise or disallow (in whole or in part) the amount of any Claim by delivering a Notice of Revision or Disallowance to such Creditor.

21. **THIS COURT ORDERS** that where a Claim has been accepted by the Receiver, such Claim shall constitute a Proven Claim.

22. **THIS COURT ORDERS** that if a Creditor intends to dispute its Claim as set out in a Notice of Revision or Disallowance, the Creditor shall:

- (a) notify the Receiver of the objection in writing (setting out the grounds for the objection) by registered mail, courier, or email (in PDF format) within fifteen (15) days of receipt of a Notice of Revision or Disallowance (the “**Objection**”); and
- (b) file a notice of motion with this Court for the determination of the Claim in dispute (the “**Notice of Motion**”), with a copy to be sent to the Receiver immediately after filing.

23. **THIS COURT ORDERS** that the Notice of Motion shall be:

- (a) supported by a sworn affidavit setting out the Creditor’s basis for disputing the Notice of Revision or Disallowance; and
- (b) returnable within thirty (30) days of the date on which the Receiver received the Objection.

24. **THIS COURT ORDERS** that if a Creditor fails to deliver the Objection and/or the Notice of Motion in accordance with paragraphs 22 and 23 herein, the Claim shall be deemed accepted at the amount set forth in the Notice of Revision or Disallowance and the Creditor will:

- (a) where the entire Claim is disallowed:
  - (i) not be entitled to receive any distribution in these proceedings; and
  - (ii) be forever barred from making or enforcing such Claim against Turuss;
- (b) where the Claim has been revised:
  - (i) only be entitled to receive a distribution in an amount proportional to the revised amount; and
  - (ii) be forever barred from making or enforcing any Claim against Turuss greater than the revised amount and the amount of the Claim reduced by the revision will be forever extinguished.

### **SERVICE AND NOTICE**

25. **THIS COURT ORDERS** that the Receiver may, unless otherwise specified by this Claims Procedure Order, serve and deliver or cause to be served and delivered the Claim Document Package, any letters, notices or other documents to Creditors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of Turuss or set out in such Creditor's Proof of Claim, if one has been filed. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Canada, and the fifth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

26. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Creditor to the Receiver under this Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile or email addressed to:

MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.  
300 - 111 Richmond Street West  
Toronto, ON M5H 2G4

Attention: Fatemah Khalfan  
Facsimile: 416.596.7894  
Email: [Fatemah.Khalfan@mnp.ca](mailto:Fatemah.Khalfan@mnp.ca)

Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt thereof before 5:00 p.m. on a Business Day or if delivered outside of normal business hours, the next Business Day.

27. **THIS COURT ORDERS** that the publication of the Notice to Creditors and the mailing of the Claim Document Packages as set out in this Claims Procedure Order shall constitute good and sufficient notice to Creditors of the Claims Bar Date and the other deadlines and procedures

set forth herein, and that no other form of notice or service need be given or made on any Person, and no other document or material need be served on any Person in respect of the claims procedure described herein.

28. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is subsequently amended by further Order of the Court, the Receiver shall serve notice of such amendment on the Service List in these proceedings and the Receiver shall post such further Order on the Receiver's website and such posting shall constitute adequate notice to all Persons of such amended Claims Procedure Order.

### **GENERAL**

29. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of its powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada to give effect to this Claims Procedure Order and to assist the Receiver and its agents in carrying out the terms of this Claims Procedure 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 Claims Procedure Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Claims Procedure Order.

31. **THIS COURT ORDERS** that this Claims Procedure Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Claims Procedure Order.

**Schedule "A"**  
**Instruction Letter**

**INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE OF TURUSS (CANADA)**  
**INDUSTRY CO., LTD.**

**A. General**

By Order of the Ontario Superior Court of Justice (Commercial List) made August 3, 2021 (the “**Claims Procedure Order**”), MNP Ltd. in its capacity as court-appointed receiver and manager (the “**Receiver**”) of Turuss (Canada) Industry Co., Ltd. (the “**Company**”), has been authorized to conduct a claims procedure (the “**Claims Procedure**”) with respect to claims against the Company in accordance with the terms of the Claims Procedure Order.

Unless otherwise defined, all capitalized terms used herein shall have the meanings given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Receiver’s website at [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss).

This letter provides instructions for responding to or completing the Proof of Claim. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever against the Company, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of a “Claim” to which the Claims Procedure applies.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.  
300 - 111 Richmond Street West  
Toronto, ON M5H 2G4

Attention: Fatemah Khalfan  
Facsimile: 416.596.7894  
Email: [Fatemah.Khalfan@mnp.ca](mailto:Fatemah.Khalfan@mnp.ca)

**B. Particulars of Claimant**

Creditor **MUST** state full and complete legal name of individual, company or business.

Creditor **MUST** state full and complete contact information, including, mailing address where all notices or correspondence is to be forwarded, telephone number, facsimile number, if applicable, and email address.

**C. Particulars of Assignee**

Creditor **MUST** state full and complete legal name of individual, company or business associated with the assignee.

Creditor **MUST** state full and complete contact information, including, mailing address where all notices or correspondence is to be forwarded, telephone number, facsimile number, if applicable, and email address.

#### **D. Claim Amount**

Creditor **MUST** state name of the person preparing the Proof of Claim (i.e. the name of Creditor, if an individual or authorized representative of the Creditor, if a company or business), together with the name of the company or business they represent, if applicable.

If the individual completing the Proof of Claim is not the Creditor himself/herself, he/she must state his/her position or title of the company or firm they are representing.

#### **E. Submitting a Proof of Claim**

If you believe that you have a Claim against the Company, you must file a Proof of Claim with the Receiver.

All Proofs of Claim must be received by the Receiver by 5:00 p.m. (Toronto, Ontario time) on the Claims Bar Date of September 17, 2021.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you have a Claim and are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date you shall not be entitled to participate in any distribution in respect of such Claim.

Additional Proof of Claim forms can be obtained by contacting the Receiver at the telephone numbers and address indicated above and providing particulars as to your name, address and facsimile number or email mail address. Additional Proof of Claim forms and related materials may be accessed from the Receiver's web site at [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss).

Where a Creditor files a Proof of Claim with the Receiver, the Receiver will review the Proof of Claim and, as soon as reasonably practicable, provide to the Creditor a response in writing by registered mail, courier service or email as to whether the Claim set out in the Proof of Claim is accepted, disputed in whole, or disputed in part. Where the Claim is disputed in whole or in part, the Receiver will issue a Notice of Revision or Disallowance indicating the reasons for the dispute.

The Claims Procedure Order further provides that where a Creditor objects to a Notice of Revision or Disallowance, the Creditor must notify the Receiver of the objection in writing by registered mail, courier service, facsimile or email within fifteen (15) days of receipt of the Notice of Revision or Disallowance. The Receiver's contact information is below:

MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.

300 - 111 Richmond Street West  
Toronto, ON M5H 2G4

Attention: Fatemah Khalfan  
Facsimile: 416.596.7894  
Email: [Fatemah.Khalfan@mnp.ca](mailto:Fatemah.Khalfan@mnp.ca)

The Creditor shall immediately thereafter serve on the Receiver, a Notice of Motion, filed at the Court and made returnable within thirty (30) days after the date that the Receiver received the Objection. The Notice of Motion is to be supported by a sworn affidavit setting out the reasons for the dispute.

**DATED** at Toronto, Ontario this \_\_\_\_ day of \_\_\_\_\_, 2021.

**MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.**

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

**Schedule "B"**  
**Notice to Creditors**

**Notice to Creditors**

**RE: Notice of Call for Claims, Claims Procedure and Claims Bar Date**

**NOTICE IS HEREBY GIVEN THAT**, by Order of the Ontario Superior Court of Justice (Commercial List) made August 3, 2021 (the “**Claims Procedure Order**”), MNP Ltd., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of Turuss (Canada) Industry Co., Ltd. (the “**Company**”), has been authorized to conduct a claims procedure with respect to claims against the Company in accordance with the terms of the Claims Procedure Order.

Unless otherwise defined, all capitalized terms used herein shall have the meanings given to those terms in the Claims Procedure Order.

All persons wishing to assert a Claim against the Company must file a Proof of Claim with the Receiver. **THE CLAIMS BAR DATE is 5:00 p.m. (Toronto Time)** on September 17, 2021. Proofs of Claim must be filed with the Receiver on or before the Claims Bar Date.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE RECEIVER BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date, you shall not be entitled to participate in any distribution in respect of any such Claim.

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials, including the Receiver’s contact information, may be accessed from the Receiver’s website at [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss), or by emailing the Receiver at [Fatemah.Khalfan@mnp.ca](mailto:Fatemah.Khalfan@mnp.ca).

**DATED** at Toronto, Ontario this \_\_\_\_ day of \_\_\_\_\_, 2021.

**MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.**

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

*Authorized Signing Officer*

**Schedule "C"**  
**Proof of Claim Against Turuss (Canada) Industry Co., Ltd.**

**PROOF OF CLAIM AGAINST TURUSS (CANADA) INDUSTRY CO., LTD.**  
**(hereinafter referred to as the "Company")**

**Please read the enclosed Instruction Letter carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Claims Procedure Order dated August 3, 2021.**

**A. Particulars of Creditor**

1. Full Legal Name of Creditor: \_\_\_\_\_ (the "**Creditor**") (*Full legal name should be the name of the original Creditor, regardless of whether an assignment of a Claim has been made.*)

2. Full Mailing Address of the Creditor (*the original Creditor, and not of any applicable assignee, referred to herein as an "Assignee"*):

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3. Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

4. Has the Claim been sold, transferred or assigned by the Creditor to another party?

Yes:

No:

**B. Particulars of Assignee(s) (If any):**

1. Full Legal Name of Assignee(s): \_\_\_\_\_ (*If a portion of the Claim has been assigned, insert full legal name of Assignee(s) of the Claim. If there is more than one Assignee, please attach a separate sheet with the required information.*)

2. Full Mailing Address of Assignee(s): \_\_\_\_\_

3. Telephone Number of Assignee(s): \_\_\_\_\_

4. Email of Assignee(s): \_\_\_\_\_

5. Attention (Contact Person): \_\_\_\_\_

**C. Proof of Claim:**

I, \_\_\_\_\_ (name of individual Creditor or representative of corporate Creditor), of \_\_\_\_\_ (City, Province or State) do hereby certify:

(a) that I

[\_\_\_\_\_] am the Creditor; OR

[\_\_\_\_\_] am \_\_\_\_\_ (state position or title) of \_\_\_\_\_ (name of Corporate Creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its Claim against the Company;

(d) The amount of the Creditor's Claim is

\$ \_\_\_\_\_

**D. Particulars of Claim:**

Other than as already set out herein, the particulars of the Claim is attached.

*(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed.)*

**E. Filing of Claims:**

The Receiver must receive this Proof of Claim before 5:00 p.m. (Toronto Time) on September 17, 2021 (the "**Claims Bar Date**").

**FAILURE TO FILE YOUR PROOF OF CLAIM ON OR BEFORE THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING BARRED AND EXTINGUISHED FOREVER, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST THE COMPANY IN RESPECT OF SUCH CLAIM.**

**This Proof of Claim must be delivered to the Receiver by registered mail, personal delivery, email (in PDF format), courier or facsimile at the following addresses:**

The Receiver:

MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.  
300 - 111 Richmond Street West  
Toronto, ON M5H 2G4

Attention: Fatemah Khalfan  
Facsimile: 416.596.7894  
Email: [Fatemah.Khalfan@mnp.ca](mailto:Fatemah.Khalfan@mnp.ca)

**DATE:**

**NAME OF CREDITOR:**

\_\_\_\_\_  
Witness Signature

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(Please Print)

**Schedule "D"**  
**Notice of Revision or Disallowance**

**NOTICE OF REVISION OR DISALLOWANCE**

**Turuss (Canada) Industry Co., Ltd.  
(the "Company")**

**TO:** \_\_\_\_\_ (the "Creditor")

**DATE:** \_\_\_\_\_

MNP Ltd., in its capacity as court-appointed receiver and manager (the "**Receiver**") of the Company, has reviewed the Proof of Claim dated \_\_\_\_\_, 2021 filed by the above-named Creditor, and has assessed the Proof of Claim in accordance with the order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on August 3, 2021 (the "**Claims Procedure Order**").

All capitalized terms not defined herein have the meaning given to them in the Claims Procedure Order.

The Receiver has reviewed your Proof of Claim in accordance with the Claims Procedure Order, and the Receiver has revised or disallowed your Proof of Claim, for the following reason(s):

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Subject to further dispute by you in accordance with the Claims Procedure Order, your Proof of Claim will be allowed as follows:

Name of Creditor	Claim Amount per Proof of Claim	Revised Amount of Claim
	\$	\$

**IF YOU WISH TO DISPUTE THE REVISION OR DISALLOWANCE OF YOUR CLAIM AS SET FORTH HEREIN YOU MUST TAKE THE STEPS OUTLINED BELOW.**

The Claims Procedure Order provides that if you disagree with the revision or disallowance of your claim as set forth herein, you must:

1. notify the Receiver of the objection in writing (setting out the grounds for the objection) by registered mail, courier, facsimile or email (in PDF format) within fifteen (15) days of receipt of the Notice of Revision or Disallowance (the “**Objection**”); and
2. the address for service of the objection in writing is as follows:

MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.  
300 - 111 Richmond Street West  
Toronto, ON M5H 2G4

Attention: Fatemah Khalfan  
Facsimile: 416.596.7894  
Email: [Fatemah.Khalfan@mnp.ca](mailto:Fatemah.Khalfan@mnp.ca)

3. file a notice of motion with the Court, with copies to be sent to the Receiver immediately after filing, with such motion to be:
  - i. supported by a sworn affidavit setting out the basis for disputing this Notice of Revision or Disallowance; and
  - ii. made returnable within thirty (30) calendar days of the date on which the Receiver receives your Objection.

If you fail to dispute the revision or disallowance of your Proof of Claim in accordance with the above instructions and the Claims Procedure Order, the amount of your Claim will be deemed to be accepted, and the Claim shall be determined to be as set out in this Notice of Revision or Disallowance.

If you have any questions or concerns regarding the above claims procedure, please contact the Receiver directly.

**DATED** the \_\_\_\_ day of \_\_\_\_\_, 2021

**MNP Ltd., in its capacity as court-appointed receiver  
and manager of Turuss (Canada) Industry Co., Ltd.**

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

*Authorized Signing Officer*

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**CLAIMS PROCEDURE ORDER**

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*Lawyers for the Receiver*

**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 August 3, 2021)

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